UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 28, 2019 (February 28, 2019)

ACI WORLDWIDE, INC.
(Exact name of registrant as specified in its charter)

Delaware	**0-25346**	**47-0772104**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

3520 Kraft Rd, Suite 300
Naples, FL 34105
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (239) 403-4600

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01. Entry into a Material Definitive Agreement.

On February 28, 2019, ACI Worldwide, Inc. ("ACIW") agreed to acquire Speedpay, the U.S. bill pay business of Western Union Company ("WU"), for $750.0 million in cash, subject to adjustments, pursuant to a Stock Purchase Agreement, among ACIW, WU and ACI Worldwide Corp., a wholly owned subsidiary of ACIW.

The closing is subject to customary conditions, including the expiration or termination of the waiting period under the Hart-Scott Rodino Antitrust Improvements Act of 1976. ACIW secured committed debt financing for the transaction from a syndicate of major banks.

On February 28, 2019, ACIW and WU issued a joint press release announcing the transaction. A copy of the press release is attached hereto as Exhibit 99.1.

Item 2.02. Results of Operation and Financial Condition.

On February 28, 2019, ACIW published a press release announcing its financial results for the three months and year ended December 31, 2018. A copy of the press release is attached hereto as Exhibit 99.2. Following the publication of the earnings release, ACIW hosted an earnings call in which its financial results were discussed. The investor presentation materials used for the call are attached as Exhibit 99.3 hereto.

The foregoing information (including Exhibits 99.2 and 99.3 hereto) is being furnished under "Item 2.02- Results of Operations and Financial Condition" and "Item 7.01 – Regulation FD Disclosure." Such information (including Exhibits 99.2 and 99.3 hereto) is not "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of that section, nor will it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference.

Item 7.01. Regulation FD Disclosure.

See "Item 2.02 – Results of Operation and Financial Condition" above.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
99.1	Press Release, dated February 28, 2019
99.2	Press Release, dated February 28, 2019
99.3	Investor presentation materials, dated February 28, 2019

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ACI WORLDWIDE, INC.

By: /s/ Scott W. Behrens
Name: Scott W. Behrens
Title: Senior Executive Vice President, Chief Financial Officer and Chief Accounting Officer

Date: February 28, 2019

Exhibit 99.1

News Release

ACI Worldwide, Inc. Reports Financial Results for the Quarter and Full Year Ended December 31, 2018

HIGHLIGHTS

- Full year new bookings up 22% from 2017
- Full year total bookings up 15% from 2017
- Cash flow from operations up 26% from 2017
- Providing 2019 guidance; raising adjusted EBITDA outlook

RELATED NEWS – **ACI to Acquire Speedpay.** This morning ACI announced a definitive agreement to acquire Western Union's Speedpay U.S. domestic bill pay business. Please refer to simultaneously issued press release available in the Investor Relations section of our website www.aciworldwide.com/.

NAPLES, FLA — February 28, 2019 — ACI Worldwide (NASDAQ: ACIW), a leading global provider of real-time electronic payment and banking solutions, today announced financial results for the quarter and full year ended December 31, 2018.

"ACI delivered strong bookings in 2018, with 22% new bookings growth," stated Phil Heasley, President and CEO, ACI Worldwide. "We saw particular strength within our Real-Time Payments and Merchant eCommerce solutions. In addition, cash flow from operating activities grew 26% from 2017. However, we did not deliver 2018 revenue and EBITDA as expected as we were impacted by unforeseen events that delayed certain contracts. This included a recent capital markets transaction in the financial services industry. We expect these contracts to materialize in 2019 and are increasing our guidance to reflect these deals." Heasley continued, "We are also very excited to announce the anticipated acquisition of Speedpay. The combination is expected to strengthen our leadership position in the U.S. bill pay market. Further, we expect the increased scale of the combined bill pay business to enhance ACI On Demand profitability, and fuel investments and innovation across the entire portfolio."

FULL YEAR 2018 FINANCIAL SUMMARY

Full year new bookings of $757 million and total bookings of $1.26 billion were up 22% and 15%, respectively, from last year. We ended the year with a 60-month backlog of $4.2 billion and a 12-month backlog of $811 million.

Effective January 1, 2018, the company adopted Accounting Standards Codification Topic 606, Revenue from Contracts with Customers ("ASC 606"), which supersedes the revenue recognition requirements in ASC Topic 605, Revenue Recognition ("ASC 605").

Full year revenue under ASC 606 was $1.010 billion. Under ASC 605, revenue was $1.012 billion, down slightly from $1.024 billion in 2017. Under both ASC 605 and ASC 606, net income in 2018 was $69 million, or $0.59 per diluted share, versus net income of $5 million, or $0.04 per diluted share in 2017. Adjusted EBITDA under ASC 606 was $251 million. Under ASC 605 adjusted EBITDA was $261 million versus $262 million in 2017.

ACI's On Premise segment revenue in 2018 was $577 million on a reported basis. On a constant GAAP basis revenue was $580 million, or a decline of 3% given the previously mentioned contract delays. On Premise segment adjusted EBITDA margin was 56% in 2018 versus 58% in 2017.

ACI's On Demand segment revenue in 2018 grew 2% to $433 million and represented 43% of total revenue. After adjusting for pass through interchange revenues of $170 million and $163 million in 2018 and 2017, respectively, net adjusted EBITDA margin was 5% in 2018 versus negative 1% in 2017.

Cash flow from operating activities in 2018 was $184 million, up 26% from $146 million in 2017. 2018 adjusted operating free cash flow (OFCF) was $148 million, up 14% from 2017.

As of December 31, 2018, ACI had $149 million in cash on hand and a debt balance of $685 million, down $11 million from $696 million at year end 2017. In 2018 we repurchased 2.3 million shares for $55 million, or an average price of $23.21 per share. We have $176 million currently available under the repurchase authorization.

2019 GUIDANCE

For the full year 2019, the company expects revenue to be between $1.10 billion and $1.125 billion, which represents 9-11% growth over 2018. Adjusted EBITDA is expected to be in a range of $310 million to $325 million, which is up from previous expectations of $300 million to $315 million, and represents 24-29% growth over 2018. We expect to generate between $205 million and $215 million of revenue in the first quarter. We expect full year 2019 new bookings to grow in the upper single digits to low double digits. 2019 operating free cash flow expected to be in a range of $165 million to $180 million.

In addition to our updated 2019 guidance, we are reiterating our previously issued 2020 EBITDA outlook. 2020 adjusted EBITDA is targeted to be in a range of $335 million to $350 million.

We will update our 2019 and 2020 financial expectations for the financial impact of the Speedpay transaction upon closing.

CONFERENCE CALL TO DISCUSS FINANCIAL RESULTS AND OUTLOOK

Management will host a conference call at 8:30 am ET to discuss these results, 2019 guidance, as well the Speedpay acquisition. Interested persons may access a real-time audio broadcast of the teleconference at http://investor.aciworldwide.com/ or use the following numbers for dial-in participation: US/Canada: (866) 914-7436, international: +1 (817) 385-9117. Please provide your name, the conference name ACI Worldwide, Inc. and conference code 5556709. There will be a replay of the call available for two weeks on (855) 859-2056 for US/Canada callers and +1 (404) 537-3406 for international participants.

About ACI Worldwide

ACI Worldwide, the Universal Payments (UP) company, powers electronic payments for more than 5,100 organizations around the world. More than 1,000 of the largest financial institutions and intermediaries, as well as thousands of global merchants, rely on ACI to execute $14 trillion each day in payments and securities. In addition, myriad organizations utilize our electronic bill presentment and payment services. Through our comprehensive suite of software solutions delivered on customers' premises or through ACI's private cloud, we provide real-time, immediate payments capabilities and enable the industry's most complete omni-channel payments experience. To learn more about ACI, please visit www.aciworldwide.com. You can also find us on Twitter @ACI_Worldwide.

Contacts

Investors:
John Kraft
John.kraft@aciworldwide.com
Phone: +1 239-403-4627

To supplement our financial results presented on a GAAP basis, we use the non-GAAP measures indicated in the tables, which exclude significant transaction-related expenses, as well as other significant non-cash expenses such as depreciation, amortization and stock-based compensation, that we believe are helpful in understanding our past financial performance and our future results. The presentation of these non-GAAP financial measures should be considered in addition to our GAAP results and are not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. Management generally compensates for limitations in the use of non-GAAP financial measures by relying on comparable GAAP financial measures and providing investors with a reconciliation of non-GAAP financial measures only in addition to and in conjunction with results presented in accordance with GAAP. We believe that these non-GAAP financial measures reflect an additional way to view aspects of our operations that, when viewed with our GAAP results, provide a more complete understanding of factors and trends affecting our business. Certain non-GAAP measures include:

- Adjusted EBITDA: net income plus income tax expense (benefit), net interest income (expense), net other income (expense), depreciation, amortization and stock-based compensation, as well as significant transaction-related expenses. Adjusted EBITDA should be considered in addition to, rather than as a substitute for, net income.

ACI is also presenting adjusted operating free cash flow, which is defined as net cash provided by operating activities and net after-tax payments associated with significant transaction-related expenses, less capital expenditures. Adjusted operating free cash flow is considered a non-GAAP financial measure as defined by SEC Regulation G. We utilize this non-GAAP financial measure, and believe it is useful to investors, as an indicator of cash flow available for debt repayment and other investing activities, such as capital investments and acquisitions. We utilize adjusted operating free cash flow as a further indicator of operating performance and for planning investment activities. Adjusted operating free cash flow should be considered in addition to, rather than as a substitute for, net cash provided by operating activities. A limitation of adjusted operating free cash flow is that it does not represent the total increase or decrease in the cash balance for the period. This measure also does not exclude mandatory debt service obligations and, therefore, does not represent the residual cash flow available for discretionary expenditures. We believe that adjusted operating free cash flow is useful to investors to provide disclosures of our operating results on the same basis as that used by our management.

ACI backlog includes estimates for SaaS and PaaS, license, maintenance, and services specified in executed contracts but excluded from contracted revenue that will be recognized in future periods, as well as revenue from assumed contract renewals to the extent that we believe recognition of the related revenue will occur within the corresponding backlog period. We have historically included assumed renewals in backlog estimates based upon automatic renewal provisions in the executed contract and our historic experience with customer renewal rates.

Backlog is considered a non-GAAP financial measure as defined by SEC Regulation G. Our 60-month backlog estimates are derived using the following key assumptions:

- License arrangements are assumed to renew at the end of their committed term or under the renewal option stated in the contract at a rate consistent with historical experience. If the license arrangement includes extended payment terms, the renewal estimate is adjusted for the effects of a significant financing component.
- Maintenance fees are assumed to exist for the duration of the license term for those contracts in which the committed maintenance term is less than the committed license term.

- SaaS and PaaS arrangements are assumed to renew at the end of their committed term at a rate consistent with our historical experiences.
- Foreign currency exchange rates are assumed to remain constant over the 60-month backlog period for those contracts stated in currencies other than the U.S. dollar.
- Our pricing policies and practices are assumed to remain constant over the 60-month backlog period.

Estimates of future financial results are inherently unreliable. Our backlog estimates require substantial judgment and are based on a number of assumptions as described above. These assumptions may turn out to be inaccurate or wrong, including, but not limited to, reasons outside of management's control. For example, our customers may attempt to renegotiate or terminate their contracts for a number of reasons, including mergers, changes in their financial condition, or general changes in economic conditions in the customer's industry or geographic location, or we may experience delays in the development or delivery of products or services specified in customer contracts which may cause the actual renewal rates and amounts to differ from historical experiences. Changes in foreign currency exchange rates may also impact the amount of revenue actually recognized in future periods. Accordingly, there can be no assurance that contracts included in backlog estimates will actually generate the specified revenue or that the actual revenue will be generated within the corresponding 60-month period.

Backlog estimates should be considered in addition to, rather than as a substitute for, reported revenue and contracted but not recognized revenue (including deferred revenue).

Forward-Looking Statements

This press release contains forward-looking statements based on current expectations that involve a number of risks and uncertainties. Generally, forward-looking statements do not relate strictly to historical or current facts and may include words or phrases such as “believes,” “will,” “expects,” “anticipates,” “intends,” and words and phrases of similar impact. The forward-looking statements are made pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

Forward-looking statements in this press release include, but are not limited to, statements regarding: (i) expectations that the Speedpay acquisition will strengthen our leadership position in the U.S. bill pay market and expectations that the increased scale of the combined bill pay business will enhance ACI On Demand profitability, fuel investments and innovation across the entire portfolio; (ii) expectations that delayed contracts will materialize in 2019; (iii) expectations regarding our increased guidance in 2019; (iv) expectations regarding revenue, adjusted EBITDA, new bookings growth and operating free cash flow in 2019; (v) expectations regarding revenue in Q1 2019; and (vi) expectations regarding our 2020 adjusted EBITDA target.

All of the foregoing forward-looking statements are expressly qualified by the risk factors discussed in our filings with the Securities and Exchange Commission. Such factors include, but are not limited to, increased competition, the success of our Universal Payments strategy, demand for our products, restrictions and other financial covenants in our debt agreements, consolidations and failures in the financial services industry, customer reluctance to switch to a new vendor, the accuracy of management’s backlog estimates, the maturity of certain products, failure to obtain renewals of customer contracts or to obtain such renewals on favorable terms, delay or cancellation of customer projects or inaccurate project completion estimates, volatility and disruption of the capital and credit markets and adverse changes in the global economy, our existing levels of debt, impairment of our goodwill or intangible assets, litigation, future acquisitions, strategic partnerships and investments, the complexity of our products and services and the risk that they may contain hidden defects or be subjected to security breaches or viruses, compliance of our products with applicable legislation, governmental regulations and industry standards, our ability to protect customer information from security breaches or attacks, our compliance with privacy regulations, our ability to adequately defend our intellectual property, exposure to credit or operating risks arising from certain payment funding methods, the cyclical nature of our revenue and earnings and the accuracy of forecasts due to the concentration of revenue-generating activity during the final weeks of each quarter, business interruptions or failure of our information technology and communication systems, our offshore software development activities, risks from operating internationally, including fluctuations in currency exchange rates, exposure to unknown tax liabilities, volatility in our stock price, and potential claims associated with our sale and transition of our CFS assets and liabilities. For a detailed discussion of these risk factors, parties that are relying on the forward-looking statements should review our filings with the Securities and Exchange Commission, including our most recently filed Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q.

ACI WORLDWIDE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(unaudited and in thousands, except share and per share amounts)

	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Cash and cash equivalents	$ 148,502	$ 69,710
Receivables, net of allowances	348,182	262,845
Recoverable income taxes	6,686	7,921
Prepaid expenses	23,277	23,219
Other current assets	39,830	58,126
Total current assets	566,477	421,821
Noncurrent assets		
Accrued receivables, net	189,010	—
Property and equipment, net	72,729	80,228
Software, net	137,228	155,386
Goodwill	909,691	909,691
Intangible assets, net	168,127	191,281
Deferred income taxes, net	27,048	66,749
Other noncurrent assets	52,145	36,483
TOTAL ASSETS	$ 2,122,455	$ 1,861,639
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 39,602	$ 34,718
Employee compensation	38,115	48,933
Current portion of long-term debt	20,767	17,786
Deferred revenue	104,843	107,543
Income taxes payable	5,239	9,898
Other current liabilities	88,054	102,904
Total current liabilities	296,620	321,782
Noncurrent liabilities		
Deferred revenue	51,292	51,967
Long-term debt	650,989	667,943
Deferred income taxes, net	31,715	16,910
Other noncurrent liabilities	43,608	38,440
Total liabilities	1,074,224	1,097,042
Commitments and contingencies		
Stockholders' equity		
Preferred stock	—	—
Common stock	702	702
Additional paid-in capital	632,235	610,345
Retained earnings	863,768	550,866
Treasury stock	(355,857)	(319,960)
Accumulated other comprehensive loss	(92,617)	(77,356)
Total stockholders' equity	1,048,231	764,597
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 2,122,455	$ 1,861,639

ACI WORLDWIDE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited and in thousands, except per share amounts)

	For the Three Months Ended December 31,		For the Years Ended December 31,	
	2018	2017	2018	2017
Revenues				
Software as a service and platform as a service	$ 110,626	$ 112,895	$ 433,025	$ 425,572
License	137,991	129,546	280,556	293,124
Maintenance	53,065	55,242	219,145	222,071
Services	18,268	28,712	77,054	83,424
Total revenues	319,950	326,395	1,009,780	1,024,191
Operating expenses				
Cost of revenue (1)	104,281	115,993	430,351	452,286
Research and development	32,969	30,732	143,630	136,921
Selling and marketing	24,576	26,695	117,881	107,885
General and administrative	20,399	22,700	107,422	153,032
Depreciation and amortization	21,311	22,238	84,585	89,427
Total operating expenses	203,536	218,358	883,869	939,551
Operating income	116,414	108,037	125,911	84,640
Other income (expense)				
Interest expense	(9,875)	(8,815)	(41,530)	(39,013)
Interest income	2,893	143	11,142	564
Other, net	(688)	(443)	(3,724)	(2,619)
Total other income (expense)	(7,670)	(9,115)	(34,112)	(41,068)
Income before income taxes	108,744	98,922	91,799	43,572
Income tax expense	21,054	65,758	22,878	38,437
Net income	$ 87,690	$ 33,164	$ 68,921	$ 5,135
Earnings per common share				
Basic	$ 0.76	$ 0.28	$ 0.59	$ 0.04
Diluted	$ 0.74	$ 0.28	$ 0.59	$ 0.04
Weighted average common shares outstanding				
Basic	116,066	118,315	116,057	118,059
Diluted	117,852	119,727	117,632	119,444

(1) The cost of revenue excludes charges for depreciation but includes amortization of purchased and developed software for resale.

ACI WORLDWIDE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited and in thousands)

	For the Three Months Ended December 31, 2018	For the Three Months Ended December 31, 2017	For the Years Ended December 31, 2018	For the Years Ended December 31, 2017
Cash flows from operating activities:				
Net income	$ 87,690	$ 33,164	$ 68,921	$ 5,135
Adjustments to reconcile net income to net cash flows from operating activities:				
Depreciation	5,909	6,213	23,805	24,871
Amortization	18,552	19,239	73,545	77,353
Amortization of deferred debt issuance costs	756	749	4,637	4,286
Deferred income taxes	1,405	59,367	(5,734)	21,660
Stock-based compensation expense	(282)	(9,041)	20,360	13,683
Other	575	(659)	2,007	435
Changes in operating assets and liabilities:				
Receivables	(73,203)	(88,641)	(14,760)	(8,243)
Accounts payable	9,983	9,910	5,766	(1,700)
Accrued employee compensation	(9,776)	1,150	(9,684)	94
Current income taxes	5,314	5,934	(5,115)	(4,227)
Deferred revenue	14,266	1,687	14,219	439
Other current and noncurrent assets and liabilities	22,281	22,053	5,965	12,411
Net cash flows from operating activities	83,470	61,125	183,932	146,197
Cash flows from investing activities:				
Purchases of property and equipment	(1,831)	(7,151)	(18,265)	(25,717)
Purchases of software and distribution rights	(3,752)	(7,369)	(25,628)	(28,697)
Other	—	—	(1,467)	—
Net cash flows from investing activities	(5,583)	(14,520)	(45,360)	(54,414)
Cash flows from financing activities:				
Proceeds from issuance of common stock	772	773	3,098	2,958
Proceeds from exercises of stock options	1,269	3,588	19,674	13,872
Repurchase of restricted stock for tax withholdings	—	—	(2,588)	(5,311)
Repurchases of common stock	—	(37,387)	(54,527)	(37,387)
Proceeds from senior notes	—	—	400,000	—
Redemption of senior notes	—	—	(300,000)	—
Proceeds from revolving credit facility	—	25,000	109,000	67,000
Repayments of revolving credit facility	—	(27,000)	(111,000)	(153,000)
Proceeds from term portion of credit agreement	—	—	—	415,000
Repayments of term portion of credit agreement	(3,957)	(5,188)	(109,289)	(386,040)
Payment for debt issuance costs	(66)	—	(7,319)	(5,340)
Payments on other debt and capital leases	(2,421)	(614)	(4,753)	(9,900)
Net cash flows from financing activities	(4,403)	(40,828)	(57,704)	(98,148)
Effect of exchange rate fluctuations on cash	(1,324)	(3,997)	(2,076)	322
Net increase (decrease) in cash and cash equivalents	72,160	1,780	78,792	(6,043)
Cash and cash equivalents, beginning of period	76,342	67,930	69,710	75,753
Cash and cash equivalents, end of period	$ 148,502	$ 69,710	$ 148,502	$ 69,710

ACI Worldwide, Inc.
Reconciliation of Selected GAAP Measures to Non-GAAP Measures
(unaudited and in millions, except per share data)

Adjusted EBITDA (millions)	Quarter Ended December 31, 2018 As Reported ASC 606	Quarter Ended December 31, 2018 Under ASC 605	Quarter Ended December 31, 2017 Under ASC 605	Year Ended December 31, 2018 As Reported ASC 606	Year Ended December 31, 2018 Under ASC 605	Year Ended December 31, 2017 Under ASC 605
Net income	$ 87.7	$ 72.2	$ 33.2	$ 68.9	$ 68.9	$ 5.1
Plus:						
Income tax expense (benefit)	21.1	17.6	28.9	22.9	23.0	1.5
Tax reform transition tax	—	—	20.9	—	—	20.9
Tax reform revaluation of deferred tax balances	—	—	16.0	—	—	16.0
Net interest expense	7.0	9.6	8.7	30.4	40.7	38.4
Net other expense (income)	0.7	0.8	0.4	3.7	3.3	2.6
Depreciation expense	5.9	5.9	6.2	23.8	23.8	24.9
Amortization expense	18.6	18.6	19.2	73.5	73.5	77.4
Non-cash compensation expense	(0.3)	(0.3)	(9.0)	20.4	20.4	13.7
Adjusted EBITDA before significant transaction related expenses	**$ 140.7**	**$ 124.4**	**$ 124.5**	**$ 243.6**	**$ 253.6**	**$ 200.5**
Legal judgement	—	—	—	—	—	46.7
Significant transaction related expenses	0.9	0.9	5.3	7.4	7.4	14.7
Adjusted EBITDA	**$ 141.6**	**$ 125.3**	**$ 129.8**	**$ 251.0**	**$ 261.0**	**$ 261.9**

Segment Information (millions)	Quarter Ended December 31, 2018 As Reported ASC 606	Quarter Ended December 31, 2018 Under ASC 605	Quarter Ended December 31, 2017 Under ASC 605	Year Ended December 31, 2018 As Reported ASC 606	Year Ended December 31, 2018 Under ASC 605	Year Ended December 31, 2017 Under ASC 605
Revenue						
ACI On Premise	$ 209.3	$ 190.7	$ 213.5	$ 576.8	$ 580.1	$ 598.6
ACI On Demand	110.6	110.2	112.9	433.0	432.1	425.6
Total	**$ 319.9**	**$ 300.9**	**$ 326.4**	**$ 1,009.8**	**$1,012.2**	**$1,024.2**
Segment Adjusted EBITDA						
ACI On Premise	$ 152.4	$ 133.0	$ 151.0	$ 323.9	$ 327.7	$ 347.1
ACI On Demand	16.3	18.5	7.0	12.0	15.6	(1.8)

Reconciliation of Adjusted Operating Free Cash Flow (millions)	Quarter Ended December 31, 2018	Quarter Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017
Net cash flows from operating activities	$83.5	$ 61.1	$183.9	$146.2
Net after-tax payments associated with significant transaction related expenses	0.6	0.9	7.5	7.6
Net after-tax payments associated with litigation judgment	—	—	—	30.4
Less capital expenditures	(5.6)	(14.5)	(43.9)	(54.4)
Adjusted Operating Free Cash Flow	**$78.5**	**$ 47.5**	**$147.5**	**$129.8**

ACI Worldwide to Acquire Western Union's Speedpay
U.S. Domestic Bill Pay Business

NAPLES, FLA and DENVER, CO – February 28, 2019 – ACI Worldwide (NASDAQ: ACIW), a leading global provider of real-time electronic payment and banking solutions, and The Western Union Company (NYSE: WU), a global leader in cross-border, cross-currency money movement, today announced they have entered into a definitive agreement for ACI to acquire Speedpay, Western Union's United States bill pay business, for $750 million in an all-cash transaction. This acquisition brings together two leading bill pay portfolios in the rapidly-evolving U.S. electronic bill pay and presentment (EBPP) market.

Together, the ACI and Speedpay bill pay solutions will serve more than 4,000 customers across the U.S., bringing expanded reach in existing and complementary segments such as consumer finance, insurance, healthcare, higher education, utilities, government and mortgage. This will enable the combined business to more effectively serve a rapidly-evolving category as well as pursue additional vertical segments.

The acquisition of Speedpay will increase the scale of ACI's On Demand platform business and will accelerate platform innovation through increased R&D spend and investments in ACI On Demand's platform infrastructure. ACI will bring together the Speedpay and UP Bill Payment platforms into a unified bill payment platform that will support billions of transactions. Moreover, the combined ACI and Speedpay team of bill payments experts will bring together decades of vertical experience and payments thought leadership, developing and delivering end-to-end solutions that more efficiently address specific business needs and add more value to customers and partners.

"This acquisition reinforces ACI's "any payment, every possibility" vision and accelerates our ability to capitalize on the growing global payment transaction opportunity over the next five years. It presents a great opportunity for ACI to strengthen and add scale to our On Demand business, and provides fuel for growth and increased R&D investment which will benefit both ACI and Speedpay customers," said Phil Heasley, president and CEO, ACI Worldwide. "We are excited to welcome the talented Speedpay team into the ACI family. With decades of proven success, the ACI and Speedpay teams have a deep understanding of bill payments, and the combination of our portfolios delivers an unmatched value proposition."

With more than 15 billion transactions in 2018, the U.S. bill pay market continues to grow at steady mid-single digit rates. This growth is driven by factors such as increased consumer adoption of digital and mobile payments, the move to real-time payments and digital subscription billing.

Hikmet Ersek, president and CEO of Western Union, stated, "Divesting the Speedpay business allows us to concentrate our resources on our cross-border money movement strategies and monetize a non-core asset for our shareholders. Our strategy remains focused on expanding our digital services, leveraging our platform to unlock new cross-border, cross-currency payments opportunities, and generating additional operating efficiencies."

The addition of the Speedpay business, generating more than $350 million in revenue and $90 million in adjusted EBITDA in 2018, provides compelling financial benefit to ACI and is expected to materially improve net adjusted EBITDA margin in ACI's On Demand segment. The transaction is subject to customary closing conditions and regulatory approvals and is expected to close by the end of the second quarter of 2019.

Centerview Partners LLC is acting as financial advisor to Western Union and BofA Merrill Lynch is acting as financial advisor to ACI. Sidley Austin LLP is Western Union's counsel and Jones Day is advising ACI.

In a separate press release issued today, ACI announced fourth quarter and full year 2018 financial results. The press release is available in the Investor Relations section of ACI's website www.aciworldwide.com/.

ACI will host a conference call at 8:30 am EST today to discuss the transaction as well as fourth quarter and full year 2018 financial results. Interested persons may access a real-time audio broadcast of the teleconference at http://investor.aciworldwide.com/ or use the following numbers for dial-in participation: US/Canada: (866) 914-7436, International/Local: +1 (817) 385-9117. Please provide your name, the conference name ACI Worldwide, Inc. and conference ID code 5556709.

There will be a replay available for two weeks on (855) 859-2056 for US/Canada and +1 (404) 537-3406 for International/Local dial-In participants.

About ACI Worldwide

ACI Worldwide, the Universal Payments (UP) company, powers electronic payments for more than 5,100 organizations around the world. More than 1,000 of the largest financial institutions and intermediaries, as well as thousands of global merchants, rely on ACI to execute $14 trillion each day in payments and securities. In addition, myriad organizations utilize our electronic bill presentment and payment services. Through our comprehensive suite of software solutions delivered on customers' premises or through ACI's private cloud, we provide real-time, immediate payments capabilities and enable the industry's most complete omni-channel payments experience. To learn more about ACI, please visit www.aciworldwide.com. You can also find us on Twitter @ACI_Worldwide.

About Western Union

The Western Union Company (NYSE: WU) is a global leader in cross-border, cross-currency money movement. Our omnichannel platform connects the digital and physical worlds and makes it possible for consumers and businesses to send and receive money and make payments with speed, ease, and reliability. As of December 31, 2018, our network included over 550,000 retail agent locations offering Western Union, Vigo or Orlandi Valuta branded services in more than 200 countries and territories, with the capability to send money to billions of accounts. Additionally, westernunion.com, our fastest growing channel in 2018, is available in more than 60 countries, plus additional territories, to move money around the world. In 2018, we moved over $300 billion in principal in nearly 130 currencies and processed 34 transactions every second across all our services. With our global reach, Western Union moves money for better, connecting family, friends and businesses to enable financial inclusion and support economic growth. For more information, visit www.westernunion.com.

ACI, ACI Worldwide, the ACI logo, ACI Universal Payments, UP, the UP logo and all ACI product/solution names are trademarks or registered trademarks of ACI Worldwide, Inc., or one of its subsidiaries, in the United States, other countries or both. Other parties' trademarks referenced are the property of their respective owners.

Product roadmaps are for informational purposes only and may not be incorporated into a contract or agreement. The development release and timing of future product releases remains at ACI's sole discretion. ACI is providing the following information in accordance with ACI's standard product communication policies. Any resulting features, functionality, and enhancements or timing of release of such features, functionality, and enhancements are at the sole discretion of ACI and may be modified without notice. All product roadmap or other similar information does not represent a commitment to deliver any material, code, or functionality, and should not be relied upon in making a purchasing decision.

ACI Forward-Looking Statements

This press release contains forward-looking statements based on current expectations that involve a number of risks and uncertainties. Generally, forward-looking statements do not relate strictly to historical or current facts and may include words or phrases such as "believes," "will," "expects," "anticipates," "intends," and words and phrases of similar impact. The forward-looking statements are made pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements in this press release include, but are not limited to, statements regarding: (i) expectations that the acquisition will increase the scale of ACI's On Demand platform business and will accelerate platform innovation through increased R&D spend and investments in ACI On Demand's platform infrastructure; (ii) expectations that the acquisition accelerates our ability to capitalize on the growing global payment transaction opportunity over the next five years, expectations regarding the opportunity for ACI to strengthen and add scale to our On Demand business, and expectations that the combination will provide fuel for growth and increased R&D investment which will benefit both ACI and Speedpay customers; (iii) expectations that the U.S. bill pay market continues to grow at steady mid-single digit rates and that this growth is driven by consumer adoption of digital and mobile payments, real-time payments growth and digital subscription billing; (iv) expectations that the acquisition provides compelling financial benefit to ACI and is expected to materially improve net adjusted EBITDA margin in ACI's On Demand segment; and (v) expectations that the transaction will close by the end of the second quarter of 2019.

All of the foregoing forward-looking statements are expressly qualified by the risk factors discussed in our filings with the Securities and Exchange Commission. Such factors include, but are not limited to, increased competition, the success of our Universal Payments strategy, demand for our products, restrictions and other financial covenants in our debt agreement, consolidations and failures in the financial services industry, customer reluctance to switch to a new vendor, the accuracy of management's backlog estimates, the maturity of certain products, failure to obtain renewals of customer contracts or to obtain such renewals on favorable terms, delay or cancellation of customer projects or inaccurate project completion estimates, volatility and disruption of the capital and credit markets and adverse changes in the global economy, our existing levels of debt, impairment of our goodwill or intangible assets, litigation, future acquisitions, strategic partnerships and investments, the complexity of our products and services and the risk that they may contain hidden defects or be subjected to security breaches or viruses, compliance of our products with applicable legislation, governmental regulations and industry standards, our ability to protect customer information from security breaches or attacks, our compliance with privacy regulations, our ability to adequately defend our intellectual property, exposure to credit or operating risks arising from certain payment funding methods, the cyclical nature of our revenue and earnings and the accuracy of forecasts due to the concentration of revenue-generating activity during the final weeks of each quarter, business interruptions or failure of our information technology and communication systems, our offshore software development activities, risks from operating internationally, including fluctuations in currency exchange rates, exposure to unknown tax liabilities, volatility in our stock price, and potential claims associated with our sale and transition of our CFS assets and liabilities. For a detailed discussion of these risk factors, parties that are relying on the forward-looking statements should review our filings with the Securities and Exchange Commission, including our most recently filed Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q.

Western Union Safe Harbor Compliance Statement for Forward-Looking Statements

This press release contains certain statements that are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Actual outcomes and results may differ materially from those expressed in, or implied by, our forward-looking statements. Words such as “expects,” “intends,” “anticipates,” “believes,” “estimates,” “guides,” “provides guidance,” “provides outlook” and other similar expressions or future or conditional verbs such as “may,” “will,” “should,” “would,” “could,” and “might” are intended to identify such forward-looking statements. Readers of this press release of The Western Union Company (the “Company,” “Western Union,” “we,” “our” or “us”) should not rely solely on the forward-looking statements and should consider all uncertainties and risks discussed in the “Risk Factors” section and throughout the Annual Report on Form 10-K for the year ended December 31, 2018. The statements are only as of the date they are made, and the Company undertakes no obligation to update any forward-looking statement.

Possible events or factors that could cause results or performance to differ materially from those expressed in our forward-looking statements include the following: (i) events related to our business and industry, such as: changes in general economic conditions and economic conditions in the regions and industries in which we operate, including global economic downturns and trade disruptions, or significantly slower growth or declines in the money transfer, payment service, and other markets in which we operate, including downturns or declines related to interruptions in migration patterns, or non-performance by our banks, lenders, insurers, or other financial services providers; failure to compete effectively in the money transfer and payment service industry, including among other things, with respect to price, with global and niche or corridor money transfer providers, banks and other money transfer and payment service providers, including electronic, mobile and Internet-based services, card associations, and card-based payment providers, and with digital currencies and related protocols, and other innovations in technology and business models; political conditions and related actions, including trade restrictions and government sanctions, in the United States and abroad which may adversely affect our business and economic conditions as a whole, including interruptions of United States or other government relations with countries in which we have or are implementing significant business relationships with agents or clients; deterioration in customer confidence in our business, or in money transfer and payment service providers generally; our ability to adopt new technology and develop and gain market acceptance of new and enhanced services in response to changing industry and consumer needs or trends; changes in, and failure to manage effectively, exposure to foreign exchange rates, including the impact of the regulation of foreign exchange spreads on money transfers and payment transactions; any material breach of security, including cybersecurity, or safeguards of or interruptions in any of our systems or those of our vendors or other third parties; cessation of or defects in various services provided to us by third-party vendors; mergers, acquisitions, and the integration of acquired businesses and technologies into our Company, divestitures, and the failure to realize anticipated financial benefits from these transactions, and events requiring us to write down our goodwill; decisions to change our business mix; failure to manage credit and fraud risks presented by our agents, clients and consumers; failure to maintain our agent network and business relationships under terms consistent with or more advantageous to us than those currently in place, including due to increased costs or loss of business as a result of increased compliance requirements or difficulty for us, our agents or their subagents in establishing or maintaining relationships with banks needed to conduct our services; changes in tax laws, or their interpretation, including with respect to United States tax reform legislation enacted in December 2017 (the “Tax Act”), any subsequent regulation, and potential related state income tax impacts, and unfavorable resolution of tax contingencies; adverse rating actions by credit rating agencies; our ability to realize the anticipated benefits from business transformation, productivity and cost-savings, and other related initiatives, which may include decisions to downsize or to transition operating activities from one location to another, and to minimize any disruptions in our workforce that may result from those initiatives; our ability to protect our brands and our other intellectual property rights and to defend ourselves against potential intellectual property infringement claims; our ability to attract and retain qualified key employees and to manage our workforce successfully; material changes in the market value or liquidity of securities that we hold; restrictions imposed by our debt obligations; (ii) events related to our regulatory and litigation environment, such as: liabilities or loss of business resulting from a failure by us, our agents or their subagents to comply with laws and regulations and regulatory or judicial interpretations thereof, including laws and regulations designed to protect consumers, or detect and prevent money laundering, terrorist financing, fraud and other illicit activity; increased costs or loss of business due to regulatory initiatives and changes in laws, regulations and industry practices and standards, including changes in interpretations, in the United States and abroad, affecting us, our agents or their subagents, or the banks with which we or our agents maintain bank accounts needed to provide our services, including related to anti-money laundering regulations, anti-fraud measures, our licensing arrangements, customer due diligence, agent and subagent due diligence, registration and monitoring requirements, consumer protection requirements, remittances, and immigration; liabilities, increased costs or loss of business and unanticipated developments resulting from governmental investigations and consent agreements with or enforcement actions by regulators, including those associated with the settlement agreements with the United States Department of Justice, certain United States Attorney's Offices, the United States Federal Trade Commission, the Financial Crimes Enforcement Network of the United States Department of Treasury, and various state attorneys general (the "Joint Settlement Agreements"), and those associated with the January 4, 2018 consent order which resolved a matter with the New York State Department of Financial Services (the "NYDFS Consent Order"); liabilities resulting from litigation, including class-action lawsuits and similar matters, and regulatory enforcement actions, including costs, expenses, settlements and judgments; failure to comply with regulations and evolving industry standards regarding consumer privacy and data use and security, including with respect to the General Data Protection Regulation ("GDPR") approved by the European Union ("EU"); failure to comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), as well as regulations issued pursuant to it and the actions of the Consumer Financial Protection Bureau ("CFPB") and similar legislation and regulations enacted by other governmental authorities in the United States and abroad related to consumer protection and derivative transactions; effects of unclaimed property laws or their interpretation or the enforcement thereof; failure to maintain sufficient amounts or types of regulatory capital or other restrictions on the use of our working capital to meet the changing requirements of our regulators worldwide; changes in accounting standards, rules and interpretations or industry standards affecting our business; and (iii) other events, such as: catastrophic events; and management's ability to identify and manage these and other risks.

Contacts:

ACI Media Relations:
Dan Ring
+1 (781) 370-3600
dan.ring@aciworldwide.com

ACI Investor Relations:
John Kraft
+1 (239) 403-4627
John.kraft@aciworldwide.com

Western Union Media Relations:
Claire Treacy
+1 (720) 332-0652
claire.treacy@westernunion.com

Western Union Investor Relations:
Mike Salop
+1(720) 332-8276
mike.salop@westernunion.com

Exhibit 99.3

ACI UNIVERSAL PAYMENTS™

ACI WORLDWIDE

FEBRUARY 28, 2019

QUARTERLY AND FULL-YEAR EARNINGS AND SPEEDPAY ACQUISITION PRESENTATION

ANY PAYMENT,
EVERY POSSIBILITY.™

Private Securities Litigation Reform Act of 1995
Safe Harbor For Forward-Looking Statements

- This presentation contains forward-looking statements based on current expectations that involve a number of risks and uncertainties. The forward-looking statements are made pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995. A discussion of these forward-looking statements and risk factors that may affect them is set forth at the end of this presentation. The Company assumes no obligation to update any forward-looking statement in this presentation, except as required by law.

ACI UNIVERSAL PAYMENTS

Year in Review

Phil Heasley
Chief Executive Officer

ACI UNIVERSAL PAYMENTS

2018 in Review

- Full year new bookings up 22% from 2017
- Full year total bookings up 15% from 2017
- Cash flow from operations up 26% in 2018
- Providing 2019 guidance; raising adjusted EBITDA outlook
- Acquiring Speedpay

ACI to acquire Western Union's US-based bill payment business

Transaction rationale of Speedpay is Compelling

- Acquisition includes approximately 270 billers and the intellectual property related to its platform
- Combines two strong electronic bill pay businesses, bringing together unparalleled vertical experience and payments thought leadership
- Combined entity better positioned to grow within existing verticals and pursue additional fast-growing segments
- Accelerates technical innovation through increased R&D and shared feature enhancements
- Significantly increases scale and margin of ACI On Demand platform

Financial Review

Scott Behrens
Chief Financial Officer

Key Takeaways from the Year

- **Bookings**
  - New bookings were $757 million, up 22%
  - Total bookings were $1.26 billion, up 15%
- **Backlog***
  - 60-month backlog of $4.2 billion, up $9 million from Q3 2018
  - 12-month backlog of $811 million, down $14 million from Q3 2018
- **Revenue and Adjusted EBITDA**
  - On Premise revenue declined 3%, given certain contract delays
    - On Premise adjusted EBITDA margin 56% versus 58% in 2017
  - On Demand revenue grew 2%
    - On Demand net adjusted EBITDA margin was 5% versus -1% in 2017
- **Debt and Liquidity**
  - Cash flow from operating activities was $184 million, up 26% over 2017
  - Adjusted operating free cash flow was $148 million, up 14% over 2017
  - Ended the year with $149 million in cash
  - Ended the year with $685 million in debt, down $11 million for the year
  - Repurchased 2.3 million shares for $54 million, or an average of $23.21/share
  - $176 million remaining on share repurchase authorization

*Adjusted for fx

2019 Guidance

	Prior 2019 Guidance		Updated 2019 Guidance		Growth Over 2018
	Low	High	Low	High	
Revenue	-	-	1,100	1,125	9-11%
Adjusted EBITDA	300	315	310	325	24-29%

$'s in millions

Foreign currency rates as of 12/31/18

- 2019 revenue and adjusted EBITDA quarterly phasing expected to be consistent with 2018
- Q1 2019 revenue expected to be $205 million to $215 million
- New bookings growth expected to be in the upper single digits to low double digits
- 2019 adjusted operating free cash flow expected to be in a range of $165 million and $180 million
- 2020 adjusted EBITDA targeted to be in a range of $335 million to $350 million
- Guidance does not include any contribution from Speedpay acquisition. ACI plans to update guidance upon acquisition close

2019 Guidance

Other 2019 Guidance Assumptions

- Interest expense of $39 million and cash interest of $36 million
- Capital expenditures to approximate $50 million
- Depreciation and amortization to approximate $100 million
- Non-cash compensation expense to approximate $35 million
- Pass through interchange revenues to approximate $180 million to $185 million
- Cash taxes expected to approximate $40 million
- Effective tax rate expected to approximate 25%
- Diluted share count to approximate 117 million (excluding future share buy-back activity)

$750M Speedpay Transaction Summary

Speedpay Overview*	• Carve-out of Western Union's U.S. Bill Pay business includes:
	  • ~270 biller customers
	  • Speedpay intellectual property
	  • ~145 direct employees
	• More than $350 million in revenue and over $90 million in EBITDA

Attractive Value*	• $750 million implies 2.2x Revenue and 8.0x EBITDA
	  • Valuation prior to consideration of:
	    • Tax benefit with NPV of ~$100 million
	    • Potential synergies
	• Double digit accretive in first full year on an adjusted EPS basis

Transaction Funding	• 100% cash. No financing contingency; bank facility committed at signing • Pro forma Net debt / EBITDA 3.7x • Strong cash flow profile allows for rapid deleveraging
Expected Closing	• Customary regulatory approvals • Closing anticipated by end of Q2 2019

* Based on 2018 gross revenue and adjusted EBITDA.

Appendix

Monthly Recurring Revenue

Recurring Revenue (millions)	Quarter Ended December 31, 2018 As Reported ASC 606	2018 Under ASC 605	2017 Under ASC 605
Monthly SaaS and PaaS fees	$ 110.6	$ 110.2	$ 112.9
Maintenance fees	53.0	54.5	55.2
Monthly license fees	-	24.7	20.4
Recurring Revenue	**$ 163.6**	**$ 189.4**	**$ 188.5**

Recurring Revenue (millions)	Year Ended December 31, 2018 As Reported ASC 606	2018 Under ASC 605	2017 Under ASC 605
Monthly SaaS and PaaS fees	$ 433.0	$ 432.1	$ 425.6
Maintenance fees	219.1	221.2	222.1
Monthly license fees	-	78.4	78.1
Recurring Revenue	**$ 652.1**	**$ 731.7**	**$ 725.8**

Historic Bookings By Quarter*

Quarter-End	Total Bookings	Bookings Mix by Category		
		New Accounts / New Applications	Add-on Business inc. Capacity Upgrades & Services	Term Extension
		39%	28%	33%
3/31/2016	$230,178	$67,680	$85,501	$76,997
		29%	37%	33%
6/30/2016	$198,174	$26,050	$99,306	$72,818
		13%	50%	37%
9/30/2016	$268,949	$88,047	$86,631	$94,271
		33%	32%	35%
12/31/2016	$596,258	$69,566	$208,885	$317,807
		12%	35%	53%
3/31/2017	$184,492	$20,759	$68,044	$95,689
		11%	37%	52%
6/30/2017	$206,094	$53,521	$83,363	$69,209
		26%	40%	34%
9/30/2017	$213,366	$74,978	$67,818	$70,570
		35%	32%	33%
12/31/2017	$488,900	$92,364	$157,857	$238,678
		19%	32%	49%
3/31/2018	$265,809	$142,112	$72,800	$50,897
		53%	27%	19%
6/30/2018	$265,809	$44,783	$82,528	$70,306
		17%	31%	26%
9/30/2018	$292,470	$76,716	$47,600	$168,155
		26%	16%	57%
12/31/2018	$506,103	$129,021	$161,917	$215,164
		25%	32%	43%

	Total Bookings	New Accounts / New Applications	Add-on Business inc. Capacity Upgrades & Services	Term Extension
Dec YTD 18	$1,261,998	$392,632	$364,845	$504,522
Dec YTD 17	$1,092,852	$241,623	$377,083	$474,146
Variance	$169,146	$151,009	($12,239)	$30,376

* Numbers adjusted for CFS divestiture

Adjusted EBITDA and Segmented Data

Adjusted EBITDA (millions)	Quarter Ended December 31,			Year Ended December 31,		
	2018	2018	2017	2018	2018	2017
	As Reported ASC 606	Under ASC 605	Under ASC 605	As Reported ASC 606	Under ASC 605	Under ASC 605
Net income	$ 87.7	$ 72.2	$ 33.2	$ 68.9	$ 68.9	$ 5.1
Plus:						
Income tax expense (benefit)	21.1	17.6	28.9	22.9	23.0	1.5
Tax reform transition tax	-	-	20.9	-	-	20.9
Tax reform revaluation of deferred tax balances	-	-	16.0	-	-	16.0
Net interest expense	7.0	9.6	8.7	30.4	40.7	38.4
Net other expense (income)	0.7	0.8	0.4	3.7	3.3	2.6
Depreciation expense	5.9	5.9	6.2	23.8	23.8	24.9
Amortization expense	18.6	18.6	19.2	73.5	73.5	77.4
Non-cash compensation expense	(0.3)	(0.3)	(9.0)	20.4	20.4	13.7
Adjusted EBITDA before significant transaction related expenses	**$ 140.7**	**$ 124.4**	**$ 124.5**	**$ 243.6**	**$ 253.6**	**$ 200.5**
Legal judgement	-	-	-	-	-	46.7
Significant transaction related expenses	0.9	0.9	5.3	7.4	7.4	14.7
Adjusted EBITDA	**$ 141.6**	**$ 125.3**	**$ 129.8**	**$ 251.0**	**$ 261.0**	**$ 261.9**

Segment Information (millions)	Quarter Ended December 31,			Year Ended December 31,		
	2018	2018	2017	2018	2018	2017
Revenue	As Reported ASC 606	Under ASC 605	Under ASC 605	As Reported ASC 606	Under ASC 605	Under ASC 605
ACI On Premise	$ 209.3	$ 190.7	$ 213.5	$ 576.8	$ 580.1	$ 598.6
ACI On Demand	110.6	110.2	112.9	433.0	432.1	425.6
Total	**$ 319.9**	**$ 300.9**	**$ 326.4**	**$ 1,009.8**	**$ 1,012.2**	**$ 1,024.2**
Segment Adjusted EBITDA						
ACI On Premise	$ 152.4	$ 133.0	$ 151.0	$ 323.9	$ 327.7	$ 347.1
ACI On Demand	16.3	18.5	7.0	12.0	15.6	(1.8)

Adjusted Operating Free Cash Flow and 60-Month Backlog

Reconciliation of Adjusted Operating Free Cash Flow (millions)	Quarter Ended December 31, 2018	Quarter Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017
Net cash flows from operating activities	$ 83.5	$ 61.1	$ 183.9	$ 146.2
Net after-tax payments associated with significant transaction related expenses	0.6	0.9	7.5	7.6
Net after-tax payments associated with litigation judgment	-	-	-	30.4
Less capital expenditures	(5.6)	(14.5)	(43.9)	(54.4)
Adjusted Operating Free Cash Flow	**$ 78.5**	**$ 47.5**	**$ 147.5**	**$ 129.8**

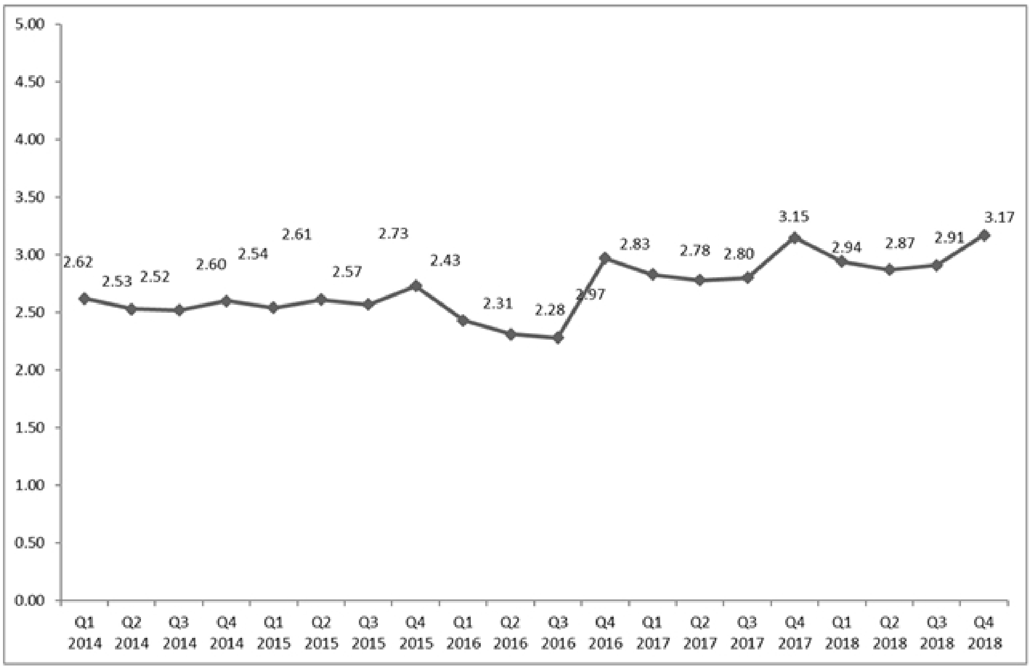
Backlog 60-Month (millions)	Quarter Ended December 31, 2018	Quarter Ended September 30, 2018
ACI On Premise	$ 1,875	$ 1,775
ACI On Demand	2,299	2,401
Backlog 60-Month	**$ 4,174**	**$ 4,176**

EPS Impact of Non-Cash and Significant Transaction Related Items

EPS impact of non-cash and significant transaction related items (millions)	Quarter Ended December 31,					
	2018		2018		2017	
	As Reported ASC 606		Under ASC 605		Under ASC 605	
	EPS Impact	$ in Millions (Net of Tax)	EPS Impact	$ in Millions (Net of Tax)	EPS Impact	$ in Millions (Net of Tax)
GAAP net income	$ 0.74	$ 87.7	$ 0.61	$ 72.2	$ 0.28	$ 33.2
Plus:						
Tax reform	-	-	-	-	0.31	$ 36.9
Significant transaction related expenses	0.01	0.7	0.01	0.7	0.03	3.4
Amortization of acquisition-related intangibles	0.03	3.7	0.03	3.7	0.03	3.2
Amortization of acquisition-related software	0.05	5.8	0.05	5.8	0.04	4.9
Non-cash equity-based compensation	-	(0.2)	-	(0.2)	(0.05)	(5.7)
Total adjustments	**$ 0.09**	**$ 10.0**	**$ 0.09**	**$ 10.0**	**$ 0.36**	**$ 42.7**
Diluted EPS adjusted for non-cash and significant transaction related items	**$ 0.83**	**$ 97.7**	**$ 0.70**	**$ 82.2**	**$ 0.64**	**$ 75.9**

EPS impact of non-cash and significant transaction related items (millions)	Year Ended December 31,					
	2018		2018		2017	
	As Reported ASC 606		Under ASC 605		Under ASC 605	
	EPS Impact	$ in Millions (Net of Tax)	EPS Impact	$ in Millions (Net of Tax)	EPS Impact	$ in Millions (Net of Tax)
GAAP net income	$ 0.59	$ 68.9	$ 0.59	$ 68.9	$ 0.04	$ 5.1
Plus:						
Tax reform	-	-	-	-	0.31	36.9
Legal judgment	-	-	-	-	0.25	29.3
Significant transaction related expenses	0.05	5.7	0.05	5.7	0.08	9.7
Amortization of acquisition-related intangibles	0.13	15.0	0.13	15.0	0.11	12.6
Amortization of acquisition-related software	0.20	23.6	0.20	23.6	0.16	19.0
Non-cash equity-based compensation	0.14	16.1	0.14	16.1	0.07	8.6
Total adjustments	**$ 0.52**	**$ 60.4**	**$ 0.52**	**$ 60.4**	**$ 0.98**	**$ 116.1**
Diluted EPS adjusted for non-cash and significant transaction related items	**$ 1.11**	**$ 129.3**	**$ 1.11**	**$ 129.3**	**$ 1.02**	**$ 121.2**

Contract Duration Metric



- Represents dollar average remaining contract life (in years) for term license software contracts
- Excludes perpetual contracts (primarily acquired software contracts)
- Excludes all On Demand contracts as both cash and revenue are ratable over the contract term

Non-GAAP Financial Measures

To supplement our financial results presented on a GAAP basis, we use the non-GAAP measures indicated in the tables, which exclude significant transaction related expenses, as well as other significant non-cash expenses such as depreciation, amortization, and non-cash compensation, that we believe are helpful in understanding our past financial performance and our future results. The presentation of these non-GAAP financial measures should be considered in addition to our GAAP results and are not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. Management generally compensates for limitations in the use of non-GAAP financial measures by relying on comparable GAAP financial measures and providing investors with a reconciliation of non-GAAP financial measures only in addition to and in conjunction with results presented in accordance with GAAP. We believe that these non-GAAP financial measures reflect an additional way to view aspects of our operations that, when viewed with our GAAP results, provide a more complete understanding of factors and trends affecting our business. Certain non-GAAP measures include:

- Adjusted EBITDA: net income (loss) plus income tax expense (benefit), net interest income (expense), net other income (expense), depreciation, amortization, and non-cash compensation, as well as significant transaction related expenses. Adjusted EBITDA should be considered in addition to, rather than as a substitute for, net income (loss).

Non-GAAP Financial Measures

ACI is also presenting adjusted operating free cash flow, which is defined as net cash provided by operating activities, plus net after-tax payments associated with employee-related actions and facility closures, plus net after-tax payments associated with significant transaction-related expenses, and less capital expenditures plus European data center and cybersecurity capital expenditures. Adjusted operating free cash flow is considered a non-GAAP financial measure as defined by SEC Regulation G. We utilize this non-GAAP financial measure, and believe it is useful to investors, as an indicator of cash flow available for debt repayment and other investing activities, such as capital investments and acquisitions. We utilize adjusted operating free cash flow as a further indicator of operating performance and for planning investing activities. Adjusted operating free cash flow should be considered in addition to, rather than as a substitute for, net cash provided by operating activities. A limitation of adjusted operating free cash flow is that it does not represent the total increase or decrease in the cash balance for the period. This measure also does not exclude mandatory debt service obligations and, therefore, does not represent the residual cash flow available for discretionary expenditures. We believe that adjusted operating free cash flow is useful to investors to provide disclosures of our operating results on the same basis as that used by our management.

ACI also includes backlog estimates, which include all license, maintenance, and services (including SaaS and Platform) specified in executed contracts, as well as revenues from assumed contract renewals to the extent that we believe recognition of the related revenue will occur within the corresponding backlog period. We have historically included assumed renewals in backlog estimates based upon automatic renewal provisions in the executed contract and our historic experience with customer renewal rates.

Non-GAAP Financial Measures

Backlog is considered a non-GAAP financial measure as defined by SEC Regulation G. Our 60-month backlog estimate represents expected revenues from existing customers using the following key assumptions:

- Maintenance fees are assumed to exist for the duration of the license term for those contracts in which the committed maintenance term is less than the committed license term.
- License, facilities management, and SaaS and platform arrangements are assumed to renew at the end of their committed term at a rate consistent with our historical experiences.
- Non-recurring license arrangements are assumed to renew as recurring revenue streams.
- Foreign currency exchange rates are assumed to remain constant over the 60-month backlog period for those contracts stated in currencies other than the U.S. dollar.
- Our pricing policies and practices are assumed to remain constant over the 60-month backlog period.

Estimates of future financial results are inherently unreliable. Our backlog estimates require substantial judgment and are based on a number of assumptions as described above. These assumptions may turn out to be inaccurate or wrong, including, but not limited to, reasons outside of management's control. For example, our customers may attempt to renegotiate or terminate their contracts for a number of reasons, including mergers, changes in their financial condition, or general changes in economic conditions in the customer's industry or geographic location, or we may experience delays in the development or delivery of products or services specified in customer contracts which may cause the actual renewal rates and amounts to differ from historical experiences. Changes in foreign currency exchange rates may also impact the amount of revenue actually recognized in future periods. Accordingly, there can be no assurance that contracts included in backlog estimates will actually generate the specified revenues or that the actual revenues will be generated within the corresponding 60-month period.

Backlog should be considered in addition to, rather than as a substitute for, reported revenue and deferred revenue.

Forward-Looking Statements

This presentation contains forward-looking statements based on current expectations that involve a number of risks and uncertainties. Generally, forward-looking statements do not relate strictly to historical or current facts and may include words or phrases such as “believes,” “will,” “expects,” “anticipates,” “intends,” and words and phrases of similar impact. The forward-looking statements are made pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

Forward-looking statements in this presentation include, but are not limited to, statements regarding:

- Expectations that the transaction rationale of Speedpay is compelling;
- Expectations of the combined entity being better positioned to grow within existing verticals and pursue additional fast-growing segments;
- Expectations regarding the acquisition accelerating technical innovation through leveraged R&D and shared feature enhancements;
- Expectations regarding the significant increase in scale and margin of ACI’s on Demand platform;
- 2019 financial guidance related to revenue, adjusted EBITDA and full-year new bookings growth;
- Expectations regarding revenue in the first quarter of 2019;
- Expectations regarding adjusted operating free cash flow in 2019;
- Expectations regarding 2020 EBITDA target; and
- Expectations regarding 2019 interest expense, capital expenditures, tax rate, and other financial guidance.

Forward-Looking Statements

All of the foregoing forward-looking statements are expressly qualified by the risk factors discussed in our filings with the Securities and Exchange Commission. Such factors include, but are not limited to, increased competition, the success of our Universal Payments strategy, demand for our products, restrictions and other financial covenants in our debt agreements, consolidations and failures in the financial services industry, customer reluctance to switch to a new vendor, the accuracy of management's backlog estimates, the maturity of certain products, failure to obtain renewals of customer contracts or to obtain such renewals on favorable terms, delay or cancellation of customer projects or inaccurate project completion estimates, volatility and disruption of the capital and credit markets and adverse changes in the global economy, our existing levels of debt, impairment of our goodwill or intangible assets, litigation, future acquisitions, strategic partnerships and investments, the complexity of our products and services and the risk that they may contain hidden defects or be subjected to security breaches or viruses, compliance of our products with applicable legislation, governmental regulations and industry standards, our ability to protect customer information from security breaches or attacks, our compliance with privacy regulations, our ability to adequately defend our intellectual property, exposure to credit or operating risks arising from certain payment funding methods, the cyclical nature of our revenue and earnings and the accuracy of forecasts due to the concentration of revenue-generating activity during the final weeks of each quarter, business interruptions or failure of our information technology and communication systems, our offshore software development activities, risks from operating internationally, including fluctuations in currency exchange rates, exposure to unknown tax liabilities, volatility in our stock price, and potential claims associated with our sale and transition of our CFS assets and liabilities. For a detailed discussion of these risk factors, parties that are relying on the forward-looking statements should review our filings with the Securities and Exchange Commission, including our most recently filed Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q.