

Earnings Presentation

Q4 2023

February 29, 2024



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.



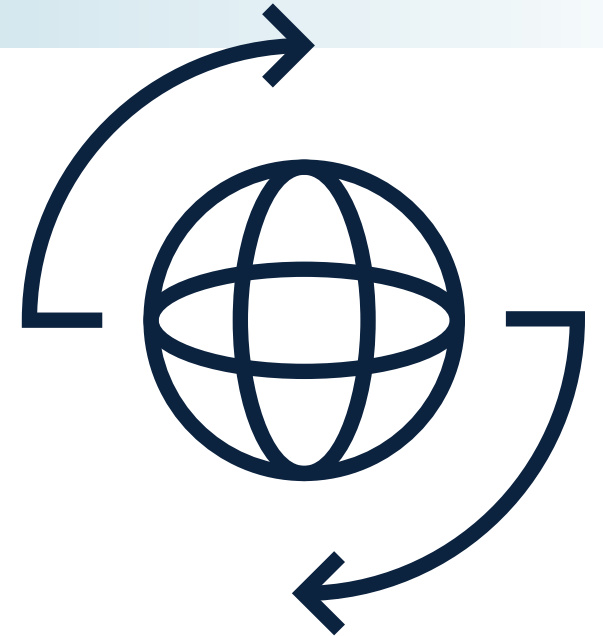
ACI Delivers Mission-Critical Payment Solutions

ACI Worldwide is a global leader in mission-critical, **real-time payments** software.

Our proven, secure and scalable software solutions enable leading corporations, fintechs and financial disruptors to:

- Process and manage **digital payments**
- Enable **omni-commerce payments**
- Present and process **bill payments**
- Manage **fraud and risk**

We combine our global footprint with local presence to drive the **real-time digital transformation** of payments and commerce.



Q4 2023 Highlights

Consolidated Results*	Segment Results*	Balance Sheet**
<p>Total revenue of \$477M, up 5% from Q4 2022</p> <p>Recurring revenue of \$275, up 7% from Q4 2022</p> <p>Adjusted EBITDA of \$210 up 8% from Q4 2022</p> <p>Cash flow from operating activities of \$86 million, up 107% from Q4 2022</p>	<p>Banking revenue grew 3% and recurring revenue grew 8%, versus Q4 2022</p> <p>Merchant revenue grew 4% versus Q4 2022</p> <p>Billor revenue up 9% versus Q4 2022, driven by new customer onboarding and progress with our interchange improvement program.</p>	<p>\$164M cash balance</p> <p>\$1B debt Net debt ratio of 2.2x</p> <p>Repurchased 1 million shares for \$28 million. \$172 million remaining on repurchase authorization at year end.</p>

* Adjusted for FX and Corporate Online Banking divestiture (in Banking segment September 2022)

** Statistics as of 12.31.2023

Full Year 2023 Highlights

Consolidated Results*	Segment Results*	Other*
<p>Total revenue of \$1.45B, up 5% from 2022</p> <p>Recurring revenue of \$1.1B, up 8% from 2022</p> <p>Adjusted EBITDA of \$395M up 10% from 2022</p> <p>Cash flow from operating activities of \$169 million, up 18% from 2022</p>	<p>Banking revenue grew 2% and recurring revenue grew 11%, versus 2022</p> <p>Merchant revenue declined 2% versus 2022</p> <p>Billor revenue up 9% versus 2022, driven by new customer onboarding and progress with our interchange improvement program</p>	<p>Net adjusted EBITDA margin of 38% versus 37% in 2022</p> <p>Repurchased 1 million shares for \$28 million. \$172 million remaining on repurchase authorization at year end</p>

* Adjusted for FX and Corporate Online Banking divestiture (in Banking segment September 2022)

Financial Guidance

	2023 Actual	2024 Guidance Range	
		Low	High
Revenue	1,453	1,547	1,576
Adjusted EBITDA	395	418	428

\$'s in millions

- Q1 2024 revenue expected to be between \$300 million and \$310 million and adjusted EBITDA to be between \$25 million and \$35 million

Additional Guidance Metrics

- Interest expense, net expected to approximate \$60 - \$65 million
- Depreciation and amortization expected to approximate \$115 - \$120 million
- Non-cash compensation expense expected to approximate \$30 - \$35 million
- Effective tax rate expected to approximate 25%
- Diluted share count expected to approximate 108 million (excluding future share buy-back activity)

Supplemental Financial Data

	Three Months Ended December 31,		Years Ended December 31,	
	2023	2022	2023	2022
Recurring Revenue (millions)				
SaaS and PaaS fees	\$ 223.2	\$ 205.8	\$ 849.1	\$ 802.9
Maintenance fees	51.6	48.9	205.1	200.0
Recurring Revenue	\$ 274.8	\$ 254.7	\$ 1,054.2	\$ 1,002.9

	Three Months Ended December 31,		Years Ended December 31,	
	2023	2022	2023	2022
New Bookings (millions)				
Annual recurring revenue (ARR) bookings	\$ 28.8	\$ 40.2	\$ 73.5	\$ 109.7
License and services bookings	106.5	91.8	239.2	204.7

Supplemental Financial Data

	Three Months Ended December 31,		Years Ended December 31,	
	2023	2022	2023	2022
Adjusted EBITDA (millions)				
Net income (loss)	\$ 122.6	\$ 90.2	\$ 121.5	\$ 142.2
Plus:				
Income tax expense (benefit)	31.5	42.8	26.1	64.5
Net interest expense	16.1	12.8	64.3	40.6
Net other (income) expense	2.1	2.4	8.5	(43.4)
Depreciation expense	5.0	6.1	23.7	23.2
Amortization expense	23.9	25.3	98.6	104.1
Non-cash stock-based compensation expense	7.0	7.9	24.5	29.8
Adjusted EBITDA before significant transaction-related expenses	\$ 208.2	\$ 187.5	\$ 367.2	\$ 361.0
Significant transaction-related expenses:				
CEO transition	—	3.6	—	3.6
Cost reduction strategies	1.3	—	21.0	—
European datacenter migration	0.2	2.4	2.8	5.8
Other	—	0.4	4.4	3.0
Adjusted EBITDA	\$ 209.7	\$ 193.9	\$ 395.4	\$ 373.4
Revenue, net of interchange				
Revenue	\$ 476.6	\$ 451.8	\$ 1,452.6	\$ 1,421.9
Interchange	106.1	111.2	421.1	406.6
Revenue, net of interchange	\$ 370.5	\$ 340.6	\$ 1,031.5	\$ 1,015.3
Net Adjusted EBITDA Margin	57 %	57 %	38 %	37 %

Supplemental Financial Data

Segment Information (millions)	Three Months Ended December 31,		Years Ended December 31,	
	2023	2022	2023	2022
Revenue				
Banks	\$ 254.9	\$ 247.0	\$ 616.1	\$ 638.6
Merchants	43.0	40.8	150.6	153.9
Billers	178.7	164.0	685.9	629.4
Total Revenue	\$ 476.6	\$ 451.8	\$ 1,452.6	\$ 1,421.9
Recurring Revenue				
Banks	\$ 58.2	\$ 53.6	\$ 229.4	\$ 232.9
Merchants	37.9	37.1	138.9	140.6
Billers	178.7	164.0	685.9	629.4
Total	\$ 274.8	\$ 254.7	\$ 1,054.2	\$ 1,002.9
Segment Adjusted EBITDA				
Banks	\$ 188.2	\$ 186.3	\$ 355.5	\$ 371.0
Merchants	17.5	16.8	44.3	49.0
Billers	42.2	26.4	142.3	107.4

Supplemental Financial Data

EPS Impact of Non-cash and Significant Transaction-related Items (millions)

	Three Months Ended December 31,			
	2023		2022	
	EPS Impact	\$ in Millions (Net of Tax)	EPS Impact	\$ in Millions (Net of Tax)
GAAP net income (loss)	\$ 1.12	\$ 122.6	\$ 0.81	\$ 90.2
Adjusted for:				
Significant transaction-related expenses	0.01	1.1	0.04	4.9
Amortization of acquisition-related intangibles	0.06	6.4	0.06	6.4
Amortization of acquisition-related software	0.03	3.5	0.04	4.5
Non-cash stock-based compensation	0.05	5.3	0.05	6.0
Total adjustments	0.15	16.3	0.19	21.8
Diluted EPS adjusted for non-cash and significant transaction-related items	\$ 1.27	\$ 138.9	\$ 1.00	\$ 112.0

	Years Ended December 31,			
	2023		2022	
	EPS Impact	\$ in Millions (Net of Tax)	EPS Impact	\$ in Millions (Net of Tax)
GAAP net income (loss)	\$ 1.12	\$ 121.5	\$ 1.24	\$ 142.2
Adjusted for:				
Gain on divestiture	—	—	(0.26)	(29.2)
Significant transaction-related expenses	0.19	21.1	0.08	9.6
Amortization of acquisition-related intangibles	0.24	25.7	0.24	27.0
Amortization of acquisition-related software	0.14	15.5	0.16	18.6
Non-cash stock-based compensation	0.17	18.7	0.20	22.6
Total adjustments	0.74	81.0	0.42	48.6
Diluted EPS adjusted for non-cash and significant transaction-related items	\$ 1.86	\$ 202.5	\$ 1.66	\$ 190.8

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).
- Net Adjusted EBITDA Margin: Adjusted EBITDA divided by revenue net of pass-through interchange revenue. Net Adjusted EBITDA Margin should be considered in addition to, rather than as a substitute for, net income (loss).
- Diluted EPS adjusted for non-cash and significant transaction related items: diluted EPS plus tax effected significant transaction related items, amortization of acquired intangibles and software, and non-cash stock-based compensation. Diluted EPS adjusted for non-cash and significant transaction related items should be considered in addition to, rather than as a substitute for, diluted EPS.
- Recurring Revenue: revenue from software as a service and platform service fees and maintenance fees. Recurring revenue should be considered in addition to, rather than as a substitute for, total revenue.
- ARR: New annual recurring revenue expected to be generated from new accounts, new applications, and add-on sales bookings contracts signed in the period.

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 press release include, but are not limited to, statements regarding Q1 2024 and full year 2024 revenue, adjusted EBITDA and additional financial guidance.

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, business interruptions or failure of our information technology and communication systems, security breaches or viruses, our ability to attract and retain senior management personnel and skilled technical employees, future acquisitions, strategic partnerships and investments, divestitures and other restructuring activities, implementation and success of our strategy, impact if we convert some or all on-premise licenses from fixed-term to subscription model, anti-takeover provisions, exposure to credit or operating risks arising from certain payment funding methods, customer reluctance to switch to a new vendor, our ability to adequately defend our intellectual property, litigation, consent orders and other compliance agreements, our offshore software development activities, risks from operating internationally, including fluctuations in currency exchange rates, events in eastern Europe and the Middle East, adverse changes in the global economy, compliance of our products with applicable legislation, governmental regulations and industry standards, the complexity of our products and services and the risk that they may contain hidden defects, complex regulations applicable to our payments business, our compliance with privacy and cybersecurity regulations, exposure to unknown tax liabilities, changes in tax laws and regulations, consolidations and failures in the financial services industry, volatility in our stock price, demand for our 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, impairment of our goodwill or intangible assets, the accuracy of management’s backlog estimates, 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, restrictions and other financial covenants in our debt agreements, our existing levels of debt, events outside of our control including natural disasters, wars, and outbreaks of disease, and revenues or revenue mix. 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[®]
Real-Time Payments

