ACI Worldwide buying Online Resources for $133M

The Associated Press

Electronic payments company ACI Worldwide agreed to buy online payments company Online Resources Corp. for about $133 million, saying the acquisition will bolster its business by adding more financial institutions as clients and beefing up its online and mobile banking services.

ACI Worldwide is paying $3.85 in cash for each of Online Resources' common shares. It also plans to redeem Online Resources' preferred stock, worth about $127.5 million. The company also had about $3 million in net debt, according to Online Resources' vice president of finance, Billy Newman. ACI Worldwide valued the acquisition at $263 million.

The boards of both companies approved the deal, which is expected to close by the end of March. The announcement was made late Wednesday.

Online Resources shares rose 81.4 percent to close at $3.81 on Thursday. ACI shares rose 53 cents to close at $47.54.

ACI Worldwide's software enables $12 trillion in payments daily, powering electronic payments and banking for more than 1,650 financial institutions, retailers and processors. Online Resources also facilitates payments between financial institutions and billers, including over the Web and mobile phones.

ACI expects that buying the Chantilly, Va., company will add to its adjusted earnings this year and could cut the combined company's costs by $19.5 million each year.

For the year through September, the two companies combined generated revenue of about $860 million while posting earnings before interest, taxes, depreciation and amortization of $182 million.

ACI Worldwide, based in Naples, Fla., said it would take out a new $300 million loan from Wells Fargo to finance the transaction.

Source URL (retrieved on *12/04/2013 - 11:16am*):
http://www.ecnmag.com/news/2013/01/aci-worldwide-buying-online-resources-133m