

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 8, 2022



NCR CORPORATION
(Exact name of registrant as specified in its charter)

Commission File Number 001-00395

Maryland
(State or other jurisdiction of
incorporation or organization)

31-0387920
(I.R.S. Employer
Identification No.)

864 Spring Street NW
Atlanta, GA 30308
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (937) 445-1936

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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	NCR	New York Stock Exchange

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 2.02. Results of Operations and Financial Condition.

On February 8, 2022, the Company issued a press release setting forth its full year and fourth quarter 2021 financial results and certain other financial information. A copy of the press release is attached hereto as Exhibit 99.1 and hereby incorporated by reference.

Item 7.01. Regulation FD Disclosure.

On February 8, 2022, the Company will hold its previously announced conference call to discuss its full year and fourth quarter financial results. A copy of supplementary materials that will be referred to in the conference call, and which were posted to the Company's website, is attached hereto as Exhibit 99.2.

The information in this report (including Exhibits 99.1 and 99.2) is being furnished pursuant to Item 2.02 and Item 7.01 and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

The following exhibits are attached with this current report on Form 8-K:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release issued by the Company, dated February 8, 2022
99.2	Supplemental materials, dated February 8, 2022
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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.

NCR Corporation

By: /s/ Timothy C. Oliver
Timothy C. Oliver
Senior Executive Vice President and Chief Financial Officer

Date: February 8, 2022



February 8, 2022

NCR Announces Full Year and Fourth Quarter 2021 Results
Full Year Revenue up 15% and Significant Profit Margin Expansion
Announces Strategic Review of Company's Businesses and Operations

ATLANTA - NCR Corporation (NYSE: NCR) reported financial results today for the full year and three months ended December 31, 2021. Full year and fourth quarter results and other highlights include:

- **Delivered strong full year and solid fourth quarter 2021 results**
 - Full year revenue of \$7.16 billion, up 15%; Recurring revenue growth of 25%
 - Full year cash flow from operations of \$1.08 billion; Free cash flow of \$460 million
 - Full year GAAP diluted EPS of \$0.58; Non-GAAP diluted EPS of \$2.56
- **Expects 2022 to be another year of strong revenue growth, with significantly higher profitability**
- **Launches comprehensive strategic review to enhance value for shareholders**

“Our fourth quarter results marked a solid finish to a terrific year for NCR. We simultaneously drove strong growth in recurring revenue, higher profitability and increased cash generation,” said Michael Hayford, Chief Executive Officer. “We made tremendous progress integrating Cardtronics and transforming NCR into a software platform and payments company. We enter 2022 with strong demand, positive momentum and a path to accelerate growth. We are positioning NCR to deliver competitive differentiation to our customers and strengthen our long-term growth profile.”

Mr. Hayford continued, “While our execution against our stated objectives has been excellent and our outlook is favorable, we believe there is substantial value in our business that could be unlocked. Accordingly, we have launched a board-led strategic review process to evaluate a full range of strategic alternatives available to enhance both NCR’s value and shareholder returns.”

Full Year and Fourth Quarter 2021 Operating Results

On June 21, 2021, we completed the acquisition of Cardtronics plc ("Cardtronics"), which is included in the Banking segment results.

Revenue

Fourth quarter revenue of \$2,034 million increased 25% year over year. Full year revenue of \$7,156 million increased 15% year over year. The following table shows revenue by segment for the fourth quarter and full year:

\$ in millions	Q4 2021	Q4 2020	% Increase (Decrease)	FY 2021	FY 2020	% Increase (Decrease)
Banking	\$ 1,115	\$ 795	40 %	\$ 3,730	\$ 3,098	20 %
Retail	620	569	9 %	2,281	2,080	10 %
Hospitality	231	182	27 %	848	684	24 %
T&T	68	85	(20 %)	297	345	(14 %)
Total Revenue	\$ 2,034	\$ 1,631	25 %	\$ 7,156	\$ 6,207	15 %
Software & Services Revenue	\$ 1,471	\$ 1,154	27 %	\$ 5,204	\$ 4,452	17 %
Software & Services Revenue %	72 %	71 %		73 %	72 %	
Recurring Revenue	\$ 1,182	\$ 874	35 %	\$ 4,166	\$ 3,338	25 %
Recurring Revenue %	58 %	54 %		58 %	54 %	

Note - The results of legacy Cardtronics have been included in the Banking segment results.

For the quarter, Banking revenue increased 40% due to the inclusion of Cardtronics, as well as higher software, services and ATM hardware revenue. Retail revenue increased 9% due to higher point-of-sale and self-checkout solutions revenue. Hospitality revenue increased 27% driven primarily by an increase in point-of-sale solutions.

For the full year, Banking, Retail and Hospitality all showed solid double digit revenue growth.

Gross Margin

Fourth quarter gross margin of \$503 million increased from \$328 million in the prior year period. Gross margin rate was 24.7%, up from 20.1%. The increase in gross margin rate was driven by cost reduction actions taken in the prior year, partially offset by higher component and freight costs in the current quarter. Fourth quarter gross margin (non-GAAP) of \$549 million increased from \$465 million in the prior year period. Gross margin rate (non-GAAP) was 27.0%, down from 28.5%. The decrease in gross margin rate (non-GAAP) was driven by significantly higher component and freight costs partially offset by price increases.

For the full year, gross margin increased over prior year due the inclusion of Cardtronics, as well as higher software and services revenue, offset by increases in freight and component prices.

Operating Income

Fourth quarter income from operations of \$123 million increased from a loss from operations of \$63 million in the prior year period. Fourth quarter operating income (non-GAAP) of \$215 million increased from \$152 million in the prior year period. The change in operating income, for both GAAP and non-GAAP, was driven by overall strong growth, partially offset by higher component and freight costs, as well as the incremental operating expenses added as a result of the Cardtronics acquisition.

Full year income from operations increased from prior year due to the stronger revenue and higher margins, partially offset by the absorption of Cardtronics operating expense.

Other Expense/Income

Fourth quarter other income of \$49 million increased from other expense of \$83 million in the prior year period. The pension mark-to-market adjustment provided income of \$118 million in the fourth quarter of 2021, compared to expense of \$34 million in the prior year period, partially offset by higher interest expense. Fourth quarter other expense (non-GAAP) of \$63 million increased from \$49 million. The increase in other expense (non-GAAP) was due to higher interest expense.

Full Year Other expense was lower than prior year as a result of the pension mark-to-market, described above, offset by higher interest expense and loss on extinguishment of debt.

Net Income from Continuing Operations Attributable to NCR

Fourth quarter net income from continuing operations attributable to NCR of \$64 million increased from a net loss from continuing operations attributable to NCR of \$125 million in the prior year period. The increase was driven by higher operating income, as well as pension mark-to-market benefit, described above.

Full year net income from continuing operations attributable to NCR of \$97 million increased from net loss from continuing operations attributable to NCR of \$7 million in the prior year period. Full year 2021 GAAP diluted EPS of \$0.58 was up from \$(0.30) in 2020. Full year diluted EPS (non-GAAP) of \$2.56 was up from \$1.69 in 2020.

Adjusted EBITDA

Fourth quarter Adjusted EBITDA of \$353 million increased from \$258 million in the prior year period. The Adjusted EBITDA margin rate increased to 17.4%, compared to 15.8% in the prior year period. The increase in Adjusted EBITDA was driven by impacts to gross margin and operating expenses described above.

Full year 2021 Adjusted EBITDA increased to \$1,244 million from \$896 million in the prior year period.

Cash Flow

Fourth quarter cash provided by operating activities of \$270 million increased from cash provided by operating activities of \$146 million in the prior year period. The increase in cash provided by operating activities was primarily due to the increase in net income, as well as the impact from an incremental sale of trade accounts receivables under an agreement entered into during the third quarter of 2021. Fourth quarter free cash flow was \$100 million, compared to free cash flow of \$161 million in the prior year period. The decrease in free cash flow was driven by changes in working capital period over period partially offset by the increase in net income.

Full year 2021 cash provided by operating activities was \$1.08 billion compared to \$641 million and full year free cash flow was \$460 million compared to \$467 million in the prior year period.

In this release, we use certain non-GAAP measures. These non-GAAP measures include “free cash flow,” “Adjusted EBITDA,” and others with the words “non-GAAP” in their titles. These non-GAAP measures are listed, described and reconciled to their most directly comparable GAAP measures under the heading “Non-GAAP Financial Measures” later in this release.

2022 Outlook

For the full year 2022, we are forecasting:

- Revenue - \$8 billion to \$8.2 billion, up 12% to 15%
- Adjusted EBITDA - \$1.5 billion to \$1.575 billion, up 21% to 27%
- Non-GAAP diluted earnings per share - \$3.25 to \$3.55, up 27% to 39%
- Free cash flow - \$500 million to \$600 million

For the first quarter of 2022, we are forecasting:

- Revenue - \$1.9 billion to \$1.95 billion, up 23% to 26%
- Adjusted EBITDA - \$325 million to \$350 million, up 26% to 36%
- Non-GAAP diluted earnings per share - \$0.60 to \$0.65, up 18% to 27%

With respect to our Adjusted EBITDA and non-GAAP diluted earnings per share guidance, we do not provide a reconciliation to the respective GAAP measures because we are unable to predict with reasonable certainty the reconciling items that may affect GAAP net income from continuing operations and GAAP earnings per share without unreasonable effort. The reconciling items are primarily the future impact of special tax items, capital structure transactions, restructuring, pension mark-to-market transactions, acquisitions or divestitures, or other events. These reconciling items are uncertain, depend on various factors and could significantly impact, either individually or in the aggregate, the GAAP measures. Refer to the heading "Non-GAAP Financial Measures" for additional information regarding our use of non-GAAP financial measures.

Strategic Review

The NCR board of directors has unanimously approved commencing a comprehensive strategic review process, with the assistance of outside advisors, which will evaluate a full range of strategic alternatives available to NCR to enhance value for all shareholders.

Those strategic alternatives could include a disposition of a material business or assets of the Company, a spin-off, merger or sale of the Company, other structural changes, changes to branding or geographic footprint or other transactions or alternatives.

The board has not set a timetable for the conclusion of its review of strategic alternatives. NCR does not intend to comment further on the strategic review process unless and until NCR has determined that further disclosure is beneficial or required by law.

Shareholders are advised that there can be no certainty that the strategic review will result in a transaction, or if a transaction is pursued that such a transaction will be completed.

Impacts from COVID-19

We continue to navigate through the challenging times presented by COVID-19 with a sharp focus on safeguarding our employees, helping our customers and managing impacts on our supply chain. Despite the unprecedented environment, our teams are executing at a high level and we are advancing our strategy.

The COVID-19 pandemic is complex and continues to evolve, including the latest Omicron variant. While it is difficult to project the long-term impact of the pandemic, we expect it will continue to negatively impact our business at least in the short-term. The ultimate impact on our overall financial condition and operating results will depend on the currently unknowable duration and severity of the pandemic, supply chain challenges and cost escalations including materials, labor and freight, and any additional governmental and public actions taken in response. We

continue to evaluate the long-term impact that COVID-19 may have on our business model. There can be no assurance that the measures we have taken or will take will offset the negative impacts of COVID-19.

2021 Fourth Quarter Earnings Conference Call

A conference call is scheduled for today at 4:30 p.m. Eastern Time to discuss the full year and fourth quarter 2021 results. Access to the conference call and accompanying slides, as well as a replay of the call, are available on NCR's web-site at <http://investor.ncr.com>. Additionally, the live call can be accessed by dialing 888-820-9413 (United States/Canada Toll-free) or 786-460-7169 (International Toll) and entering the participant passcode 7622865.

More information on NCR's full year and fourth quarter earnings, including additional financial information and analysis, is available on NCR's Investor Relations website at <http://investor.ncr.com/>.

About NCR Corporation

NCR Corporation (NYSE: NCR) is a leading enterprise technology provider that runs stores, restaurants and self-directed banking. NCR is headquartered in Atlanta, Ga., with 38,000 employees globally. NCR is a trademark of NCR Corporation in the United States and other countries.

Website: www.ncr.com

Twitter: @NCRCorporation

Facebook: www.facebook.com/ncrcorp

LinkedIn: <https://www.linkedin.com/company/ncr-corporation>

YouTube: www.youtube.com/user/ncrcorporation

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Cautionary Statements

This release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (the “Act”). Forward-looking statements use words such as “expect,” “anticipate,” “outlook,” “intend,” “plan,” “confident,” “believe,” “will,” “should,” “would,” “potential,” “positioning,” “proposed,” “objective,” “could,” “may,” and words of similar meaning, as well as other words or expressions referencing future events, conditions or circumstances. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Act. Statements that describe or relate to NCR’s plans, goals, intentions, strategies, or financial outlook, and statements that do not relate to historical or current fact, are examples of forward-looking statements. Examples of forward-looking statements in this release include, without limitation, statements regarding our financial position and NCR’s full year 2022 and first quarter financial forecast (including the section titled “2022 Outlook”); a comprehensive strategic review to evaluate strategic alternatives (which could include a disposition of a material business or assets of the Company, a spin-off, merger or sale of the Company or other transactions) available to NCR; NCR’s execution of our strategy to shift to a software platform and payments company; expectations regarding demand, momentum and growth acceleration, competitive differentiation, our long-term growth profile and value creation for our stakeholders; statements regarding our plans to manage our business through the COVID-19 pandemic including safeguarding our employees, helping our customers and managing impacts on our supply chain; and the impact of the COVID-19 pandemic on our overall financial condition and operating results, including but not limited to, supply chain challenges and cost escalations including materials, labor and freight. Forward-looking statements are based on our current beliefs, expectations and assumptions, which may not prove to be accurate, and involve a number of known and unknown risks and uncertainties, many of which are out of NCR’s control. Forward-looking statements are not guarantees of future performance, and there are a number of important factors that could cause actual outcomes and results to differ materially from the results contemplated by such forward-looking statements, including those factors relating to: the impact of the coronavirus (COVID-19) pandemic on our supply chain costs, including but not limited to, materials, labor and freight, business, financial condition and results of operations; domestic and global economic and credit conditions including, in particular, political, consumer, and unemployment conditions, the imposition or threat of protectionist trade policies or import or export tariffs, global and regional market conditions and spending trends, new tax legislation across multiple jurisdictions, modified or new global or regional trade agreements, execution of the United Kingdom’s exit from the European Union, uncertainty over further potential changes in Eurozone participation, fluctuations in oil and commodity prices, and our customer responses to the same; the transformation of our business model to an as-a-service company with focus on, among other items, increased software and services revenue, and recurring revenue; our ability grow software and services and expanding our customer base; our ability to successfully develop and introduce new solutions in the competitive, rapidly changing environment in which we do business; defects, errors, installation difficulties or development delays in our products; disruptions in our data center hosting facilities or cloud based hosting; our ability to compete effectively within the technology industry; reliance on third party suppliers; our multinational operations, including in new and emerging markets; our ability to successfully integrate acquisitions or effectively manage alliance activities, including but not limited to, the Cardtronics acquisition; continuous improvement, customer experience, restructuring and cost reduction initiatives; our ability to retain key employees, or attract quality new and replacement employees; financing and liquidity risks including: our level of indebtedness; the terms of the documents governing our indebtedness including financial and other covenants; the incurrence of substantially more debt, including secured debt, and similar liabilities, which would increase the risks described in our risk factors relating to indebtedness and repurchase obligations; sufficiency of our cash flows including to service our indebtedness; interest rate risk, which could cause our debt service obligations to increase significantly; our ability to raise the funds necessary to finance a required repurchase of our senior unsecured notes or our Series A Convertible Preferred Stock; a lowering or withdrawal of the ratings assigned to our debt securities by rating agencies; our pension liabilities; data protection, cybersecurity and privacy risks; intellectual property risks including protection, development and our ability to manage third party claims regarding patents and other intellectual property rights; legal and regulatory risks including unanticipated changes to our tax rates and additional income tax liabilities; environmental exposures from our historical and ongoing manufacturing activities; uncertainties with regard to regulations, lawsuits, claims, and other matters across various jurisdictions; other risks including the impact of the terms of our Series A Convertible Preferred Stock relating to voting power, share dilution and market price of our common stock, as well as rights, preferences and privileges that are not held by, and are preferential to, the rights of our common stakeholders; actions or proposals from stakeholders that do not align with our business strategies or the interests of our other stockholders; potential write-down of the value of certain significant assets; the integration of the business of Cardtronics and realization of anticipated benefits; loss of management personnel and other key employees of NCR and Cardtronics related to the Cardtronics transaction; unknown or developing litigation or claims involving Cardtronics; certain additional significant risks and uncertainties from the Cardtronics business and industry such as reduced need for cash in the marketplace or a decline the usage of Cardtronics ATMs related to the proliferation of payment options; changes in financial services transaction fees, loss of or change in key merchant contracts or bank sponsorships, change in interchange fees or rates, EFT network rules and regulations compliance, vault cash risks, election by Cardtronics merchant customers not to participate in the surcharge-free network offerings, cash-in-transit risks, and settlement of merchant funds or in the vault cash reconciliations; and increased total indebtedness following completion of the Cardtronics acquisition and the implications related to such indebtedness. Additional information concerning these and other factors can be found in the Company’s filings with the U.S. Securities and Exchange Commission, including the Company’s most recent annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. Any forward-looking statement speaks only as of the date on which it is made. The Company does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Non-GAAP Financial Measures

Non-GAAP Financial Measures. While NCR reports its results in accordance with Generally Accepted Accounting Principles in the United States, or GAAP, in this release NCR also uses the non-GAAP measures listed and described below.

Non-GAAP Diluted Earnings Per Share (EPS), Gross Margin (non-GAAP), Gross Margin Rate (non-GAAP), Operating Expenses (non-GAAP), Operating Income (non-GAAP), Operating Margin Rate (non-GAAP), Other (Expense) (non-GAAP), Income Tax Expense (non-GAAP), Effective Income Tax Rate (non-GAAP), and Net Income from Continuing Operations Attributable to NCR (non-GAAP). NCR's non-GAAP diluted EPS, gross margin (non-GAAP), gross margin rate (non-GAAP), operating expenses (non-GAAP), operating income (non-GAAP), operating margin rate (non-GAAP), other (expense) (non-GAAP), income tax expense (non-GAAP), effective income tax rate (non-GAAP), and net income from continuing operations attributable to NCR (non-GAAP) are determined by excluding, as applicable, pension mark-to-market adjustments, pension settlements, pension curtailments and pension special termination benefits, as well as other special items, including amortization of acquisition related intangibles and transformation and restructuring activities, from NCR's GAAP earnings per share, gross margin, gross margin rate, expenses, income from operations, operating margin rate, other (expense), income tax expense, effective income tax rate and net income from continuing operations attributable to NCR, respectively. Due to the non-operational nature of these pension and other special items, NCR's management uses these non-GAAP measures to evaluate year-over-year operating performance. NCR believes these measures are useful for investors because they provide a more complete understanding of NCR's underlying operational performance, as well as consistency and comparability with NCR's past reports of financial results.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA). NCR determines Adjusted EBITDA for a given period based on its GAAP net income from continuing operations attributable to NCR plus interest expense, net; plus income tax expense (benefit); plus depreciation and amortization; plus other income (expense); plus pension mark-to-market adjustments, pension settlements, pension curtailments and pension special termination benefits and other special items, including amortization of acquisition related intangibles and restructuring charges, among others. NCR uses Adjusted EBITDA to manage and measure the performance of its business segments. NCR also uses Adjusted EBITDA to manage and determine the effectiveness of its business managers and as a basis for incentive compensation. NCR believes that Adjusted EBITDA provides useful information to investors because it is an indicator of the strength and performance of the Company's ongoing business operations, including its ability to fund discretionary spending such as capital expenditures, strategic acquisitions and other investments.

Adjusted EBITDA margin is calculated based on Adjusted EBITDA as a percentage of total revenue.

Free Cash Flow. NCR defines free cash flow as net cash provided by (used in) operating activities less capital expenditures for property, plant and equipment, less additions to capitalized software, plus/minus restricted cash settlement activity, plus acquisition-related items, less the impact from the initial sale of trade accounts receivables under the agreement entered into during the 3rd quarter of 2021, and plus pension contributions and pension settlements. NCR's management uses free cash flow to assess the financial performance of the Company and believes it is useful for investors because it relates the operating cash flow of the Company to the capital that is spent to continue and improve business operations. In particular, free cash flow indicates the amount of cash generated after capital expenditures, which can be used for, among other things, investment in the Company's existing businesses, strategic acquisitions, strengthening the Company's balance sheet, repurchase of Company stock and repayment of the Company's debt obligations. Free cash flow does not represent the residual cash flow available for discretionary expenditures since there may be other nondiscretionary expenditures that are not deducted from the measure. Free cash flow does not have uniform definitions under GAAP and, therefore, NCR's definitions may differ from other companies' definitions of these measures.

NCR's definitions and calculations of these non-GAAP measures may differ from similarly-titled measures reported by other companies and cannot, therefore, be compared with similarly-titled measures of other companies. These non-GAAP measures should not be considered as substitutes for, or superior to, results determined in accordance with GAAP.

Use of Certain Terms

Recurring revenue includes all revenue streams from contracts where there is a predictable revenue pattern that will occur at regular intervals with a relatively high degree of certainty. This includes hardware and software maintenance revenue, cloud revenue, payment processing revenue, interchange and network revenue, and certain professional services arrangements, as well as term-based software license arrangements that include customer termination rights.

Reconciliation of Gross Margin (GAAP) to Gross Margin (Non-GAAP)

\$ in millions	Q4 2021		Q4 2020	
Gross Margin (GAAP)	\$	503	\$	328
Transformation and restructuring costs		25		131
Acquisition-related amortization of intangibles		21		6
Gross Margin (Non-GAAP)	\$	549	\$	465

Reconciliation of Gross Margin Rate (GAAP) to Gross Margin Rate (Non-GAAP)

	Q4 2021		Q4 2020	
Gross Margin Rate (GAAP)		24.7 %		20.1 %
Transformation and restructuring costs		1.3 %		8.0 %
Acquisition-related amortization of intangibles		1.0 %		0.4 %
Gross Margin Rate (Non-GAAP)		27.0 %		28.5 %

Reconciliation of Income (Loss) from Operations (GAAP) to Operating Income (Non-GAAP)

\$ in millions	Q4 2021		Q4 2020	
Income (Loss) from Operations (GAAP)	\$	123	\$	(63)
Transformation and restructuring costs		40		195
Acquisition-related amortization of intangibles		44		19
Acquisition-related costs		8		1
Operating Income (Non-GAAP)	\$	215	\$	152

Reconciliation of Other Income (Expense) (GAAP) to Other (Expense) (Non-GAAP)

\$ in millions	Q4 2021		Q4 2020	
Other Income (Expense) (GAAP)	\$	49	\$	(83)
Transformation and restructuring costs		6		7
Acquisition-related items		—		(7)
Pension mark-to-market adjustments		(118)		34
Other Income (Expense) (Non-GAAP)	\$	(63)	\$	(49)

Reconciliation of Net Income from Continuing Operations Attributable to NCR (GAAP) to Earnings Before Interest, Depreciation, Taxes and Amortization (Adjusted EBITDA)

\$ in millions	Q4 2021		Q4 2020	
Net Income (Loss) from Continuing Operations Attributable to NCR (GAAP)	\$	64	\$	(125)
Transformation and restructuring costs		46		202
Acquisition-related amortization of intangibles		44		19
Acquisition-related costs		6		(6)
Pension mark-to-market adjustments		(118)		34
Depreciation and amortization (excluding acquisition-related amortization of intangibles)		107		74
Interest expense		64		51
Interest income		(4)		(3)
Income tax expense (benefit)		109		(20)
Stock-based compensation expense		35		32
Adjusted EBITDA (Non-GAAP)	\$	353	\$	258

Reconciliation of Net Income from Continuing Operations Attributable to NCR (GAAP) to Earnings Before Interest, Depreciation, Taxes and Amortization (Adjusted EBITDA)

\$ in millions

	FY 2021		FY 2020
Net Income (Loss) from Continuing Operations Attributable to NCR (GAAP)	\$ 97	\$	(7)
Transformation and restructuring costs	66		234
Acquisition-related amortization of intangibles	132		81
Acquisition-related costs	98		(6)
Pension mark-to-market adjustments	(118)		34
Depreciation and amortization (excluding acquisition-related amortization of intangibles)	357		275
Loss on Debt Extinguishment	42		20
Interest expense	238		218
Interest income	(8)		(8)
Income tax expense (benefit)	186		(53)
Stock-based compensation expense	154		108
Adjusted EBITDA (Non-GAAP)	\$ 1,244	\$	896

Reconciliation of Diluted Earnings Per Share from Continuing Operations (GAAP) to Non-GAAP Diluted Earnings Per Share from Continuing Operations (Non-GAAP)

	Q4 2021		Q4 2020
Diluted Earnings Per Share (GAAP) ⁽¹⁾	\$ 0.43	\$	(1.06)
Transformation and restructuring costs	0.26		1.17
Acquisition-related amortization of intangibles	0.23		0.11
Acquisition-related costs	0.13		(0.04)
Pension mark-to-market adjustments	(0.62)		0.20
Valuation allowance, internal entity restructuring & other tax adjustments	0.32		0.04
Diluted Earnings Per Share (Non-GAAP) ⁽¹⁾	\$ 0.76	\$	0.59

Reconciliation of Diluted Earnings Per Share from Continuing Operations (GAAP) to Non-GAAP Diluted Earnings Per Share from Continuing Operations (Non-GAAP)

	FY 2021		FY 2020
Diluted Earnings Per Share (GAAP) ⁽¹⁾	\$ 0.58	\$	(0.30)
Transformation and restructuring costs	0.38		1.33
Acquisition-related amortization of intangibles	0.70		0.45
Acquisition-related costs	0.71		(0.04)
Pension mark-to-market adjustments	(0.62)		0.20
Debt refinancing	0.28		0.10
Valuation allowance, internal entity restructuring & other tax adjustments	0.46		(0.30)
Diluted Earnings Per Share (Non-GAAP) ⁽¹⁾	\$ 2.56	\$	1.69

⁽¹⁾ Non-GAAP diluted EPS is determined using the conversion of the Series A Convertible Preferred Stock into common stock in the calculation of weighted average diluted shares outstanding. GAAP EPS is determined using the most dilutive measure, either including the impact of dividends or deemed dividends on the Company's Series A Convertible Preferred Stock in the calculation of net income or loss available to common stockholders or including the impact of the conversion of the Series A Convertible Preferred Stock into common stock in the calculation of the weighted average diluted shares outstanding. Therefore, GAAP diluted EPS and non-GAAP diluted EPS may not mathematically reconcile.

Reconciliation of Net Cash Provided by Operating Activities (GAAP) to Free Cash Flow (Non-GAAP)

\$ in millions	Q4 2021	Q4 2020
Net cash provided by (used in) operating activities	\$ 270	\$ 146
Total capital expenditures	(106)	(63)
Restricted cash settlement activity	(42)	3
Initial sale of Trade Accounts Receivable	(26)	—
Pension contributions	4	75
Free cash flow	\$ 100	\$ 161

Reconciliation of Net Cash Provided by Operating Activities (GAAP) to Free Cash Flow (Non-GAAP)

\$ in millions	FY 2021	FY 2020
Net cash provided by (used in) operating activities	\$ 1,077	\$ 641
Total capital expenditures	(348)	(263)
Restricted cash settlement activity	(41)	—
Acquisition Related Items	55	—
Initial sale of Trade Accounts Receivable	(300)	—
Pension contributions	17	89
Free cash flow	\$ 460	\$ 467

	For the Periods Ended December 31			
	Three Months		Twelve Months	
	2021	2020	2021	2020
Revenue				
Product	\$ 640	\$ 529	\$ 2,193	\$ 2,005
Service	1,394	1,102	4,963	4,202
Total Revenue	<u>2,034</u>	<u>1,631</u>	<u>7,156</u>	<u>6,207</u>
Cost of products	560	479	1,850	1,733
Cost of services	971	824	3,413	2,950
Total gross margin	<u>503</u>	<u>328</u>	<u>1,893</u>	<u>1,524</u>
<i>% of Revenue</i>	24.7 %	20.1 %	26.5 %	24.6 %
Selling, general and administrative expenses	316	326	1,151	1,069
Research and development expenses	64	65	268	234
Income (loss) from operations	<u>123</u>	<u>(63)</u>	<u>474</u>	<u>221</u>
<i>% of Revenue</i>	6.0 %	(3.9)%	6.6 %	3.6 %
Loss on extinguishment of debt	—	—	(42)	(20)
Interest expense	(64)	(51)	(238)	(218)
Other expense, net	113	(32)	90	(42)
Total other expense, net	49	(83)	(190)	(280)
Income (loss) from continuing operations before income taxes	<u>172</u>	<u>(146)</u>	<u>284</u>	<u>(59)</u>
<i>% of Revenue</i>	8.5 %	(9.0)%	4.0 %	(1.0)%
Income tax expense (benefit)	109	(20)	186	(53)
Income (loss) from continuing operations	<u>63</u>	<u>(126)</u>	<u>98</u>	<u>(6)</u>
Loss from discontinued operations, net of tax	—	(72)	—	(72)
Net income (loss)	<u>63</u>	<u>(198)</u>	<u>98</u>	<u>(78)</u>
Net income (loss) attributable to noncontrolling interests	(1)	(1)	1	1
Net income (loss) attributable to NCR	<u>\$ 64</u>	<u>\$ (197)</u>	<u>\$ 97</u>	<u>\$ (79)</u>
Amounts attributable to NCR common stockholders:				
Income (loss) from continuing operations	\$ 64	\$ (125)	\$ 97	\$ (7)
Dividends on convertible preferred stock	(4)	(12)	(16)	(31)
Income (loss) from continuing operations attributable to NCR common stockholders	60	(137)	81	(38)
Loss from discontinued operations, net of tax	—	(72)	—	(72)
Net income (loss) attributable to NCR common stockholders	<u>\$ 60</u>	<u>\$ (209)</u>	<u>\$ 81</u>	<u>\$ (110)</u>
Income (loss) per share attributable to NCR common stockholders:				
Income (loss) per common share from continuing operations				
Basic	\$ 0.45	\$ (1.06)	\$ 0.62	\$ (0.30)
Diluted ⁽¹⁾	\$ 0.43	\$ (1.06)	\$ 0.58	\$ (0.30)
Net income (loss) per common share				
Basic	\$ 0.45	\$ (1.62)	\$ 0.62	\$ (0.86)
Diluted ⁽¹⁾	\$ 0.43	\$ (1.62)	\$ 0.58	\$ (0.86)
Weighted average common shares outstanding				
Basic	132.1	129.0	131.2	128.4
Diluted ⁽¹⁾	140.3	129.0	139.0	128.4

⁽¹⁾ Diluted EPS is determined using the most dilutive measure, either including the impact of the dividends and deemed dividends on NCR's Series A Convertible Preferred Shares in the calculation of net income or loss per common share from continuing operations and net income or loss per common share or including the impact of the conversion of such preferred stock into common stock in the calculation of the weighted average diluted shares outstanding.

NCR CORPORATION
REVENUE AND OPERATING INCOME SUMMARY
(Unaudited)
(in millions)

	For the Periods Ended December 31					
	Three Months			Twelve Months		
	2021	2020	% Change	2021	2020	% Change
Revenue by segment						
Banking	\$ 1,115	\$ 795	40%	\$ 3,730	\$ 3,098	20%
Retail	620	569	9%	2,281	2,080	10%
Hospitality	231	182	27%	848	684	24%
T&T	68	85	(20)%	297	345	(14)%
Total Revenue	\$ 2,034	\$ 1,631	25%	\$ 7,156	\$ 6,207	15%
Adjusted EBITDA by segment						
Banking	\$ 230	\$ 132		\$ 777	\$ 546	
Banking Adjusted EBITDA margin %	20.6%	16.6%		20.8%	17.6%	
Retail	87	88		322	255	
Retail Adjusted EBITDA margin %	14.0%	15.5%		14.1%	12.3%	
Hospitality	27	27		117	73	
Hospitality Adjusted EBITDA margin %	11.7%	14.8%		13.8%	10.7%	
T&T	11	11		40	39	
T&T Adjusted EBITDA margin %	16.2%	12.9%		13.5%	11.3%	
Corporate and Other	(2)	—		(12)	(17)	
Total Adjusted EBITDA	\$ 353	\$ 258		\$ 1,244	\$ 896	
Total Adjusted EBITDA margin %	17.4%	15.8%		17.4%	14.4%	

NCR CORPORATION
CONSOLIDATED BALANCE SHEETS
(Unaudited)
(in millions, except per share amounts)

Assets	December 31, 2021	September 30, 2021	December 31, 2020
Current assets			
Cash and cash equivalents	\$ 447	\$ 383	\$ 338
Accounts receivable, net of allowances of \$24, \$31 and \$51 as of December 31, 2021, September 30, 2021 and December 31, 2020, respectively	959	943	1,117
Inventories	754	747	601
Restricted cash	295	246	59
Other current assets	421	459	363
Total current assets	2,876	2,778	2,478
Property, plant and equipment, net	703	683	373
Goodwill	4,519	4,515	2,837
Intangibles, net	1,316	1,373	532
Operating lease assets	419	423	344
Prepaid pension cost	300	209	199
Deferred income taxes	732	824	965
Other assets	776	784	686
Total assets	\$ 11,641	\$ 11,589	\$ 8,414
Liabilities and stockholders' equity			
Current liabilities			
Short-term borrowings	\$ 57	\$ 30	\$ 8
Accounts payable	826	767	632
Payroll and benefits liabilities	389	378	268
Contract liabilities	516	540	507
Settlement liabilities	263	230	31
Other current liabilities	757	789	642
Total current liabilities	2,808	2,734	2,088
Long-term debt	5,505	5,534	3,270
Pension and indemnity plan liabilities	789	836	851
Postretirement and postemployment benefits liabilities	119	116	120
Income tax accruals	116	102	102
Operating lease liabilities	388	406	325
Other liabilities	383	399	334
Total liabilities	10,108	10,127	7,090
Series A convertible preferred stock: par value \$0.01 per share, 3.0 shares authorized, 0.3 issued and outstanding as of December 31, 2021, September 30, 2021 and December 31, 2020, respectively; redemption amount and liquidation preference of \$276 as of December 31, 2021, September 30, 2021 and December 31, 2020, respectively.	274	274	273
Stockholders' equity			
NCR stockholders' equity:			
Preferred stock: par value \$0.01 per share, 100.0 shares authorized, no shares issued and outstanding as of December 31, 2021, September 30, 2021 and December 31, 2020, respectively	—	—	—
Common stock: par value \$0.01 per share, 500.0 shares authorized, 132.2, 131.8 and 129.1 shares issued and outstanding as of December 31, 2021, September 30, 2021 and December 31, 2020, respectively	1	1	1
Paid-in capital	515	511	368
Retained earnings	1,031	971	950
Accumulated other comprehensive loss	(291)	(300)	(271)
Total NCR stockholders' equity	1,256	—	1,048
Noncontrolling interests in subsidiaries	3	5	3
Total stockholders' equity	1,259	1,188	1,051
Total liabilities and stockholders' equity	\$ 11,641	\$ 11,589	\$ 8,414



NCR CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in millions)

Schedule D

	For the Periods Ended December 31			
	Three Months		Twelve Months	
	2021	2020	2021	2020
Operating activities				
Net income (loss)	\$ 63	\$ (198)	\$ 98	\$ (78)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Loss from discontinued operations	—	72	—	72
Loss on debt extinguishment	—	—	42	20
Depreciation and amortization	153	95	517	364
Stock-based compensation expense	35	32	154	108
Deferred income taxes	59	(69)	89	(112)
Impairment of other assets	24	42	24	46
Gain (loss) on disposal of property, plant and equipment	1	1	—	(1)
Bargain purchase gain from acquisition	—	(7)	—	(7)
Changes in assets and liabilities:				
Receivables	(25)	154	215	420
Inventories	(30)	140	(195)	168
Current payables and accrued expenses	45	(101)	255	(295)
Contract liabilities	(20)	(4)	(15)	2
Employee benefit plans	(117)	(60)	(147)	(51)
Other assets and liabilities	82	49	40	(15)
Net cash provided by operating activities	270	146	1,077	641
Investing activities				
Expenditures for property, plant and equipment	(38)	(8)	(106)	(31)
Proceeds from sale of property, plant and equipment	—	—	1	7
Additions to capitalized software	(68)	(55)	(242)	(232)
Business acquisitions, net of cash acquired	(7)	—	(2,473)	(25)
Purchases of short-term investments	—	(6)	(13)	(20)
Proceeds from sales of short-term investments	—	7	14	27
Other investing activities, net	(1)	—	(7)	(3)
Net cash used in investing activities	(114)	(62)	(2,826)	(277)
Financing activities				
Payments of senior unsecured notes	—	—	(400)	(1,300)
Payments on term credit facilities	(1)	(5)	(107)	(12)
Payments on revolving credit facilities	(219)	(1,282)	(1,650)	(1,998)
Borrowings on term credit facilities	—	—	1,505	4
Borrowings on revolving credit facilities	215	75	1,756	1,535
Proceeds from issuance of senior unsecured notes	—	—	1,200	1,500
Debt issuance costs and bridge commitment fees	(1)	—	(53)	(21)
Call premium paid on debt extinguishment	—	—	(37)	(15)
Cash dividend paid for Series A preferred shares dividends	(4)	(3)	(15)	(9)
Repurchase of Series A preferred shares	—	(144)	—	(144)
Repurchases of common stock	—	—	—	(41)
Proceeds from employee stock plans	11	5	44	17
Tax withholding payments on behalf of employees	(22)	(1)	(50)	(28)
Net change in client funds obligations	7	18	4	12
Principal payments for finance lease obligations	(4)	(4)	(17)	(13)
Other financing activities	—	—	(2)	(1)
Net cash provided by (used in) financing activities	(18)	(1,341)	2,178	(514)
Cash flows from discontinued operations				
Net cash provided by (used in) discontinued operations	(18)	(4)	(68)	—
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(6)	9	(18)	(7)
Increase (decrease) in cash, cash equivalents, and restricted cash	114	(1,252)	343	(157)
Cash, cash equivalents and restricted cash at beginning of period	635	1,658	406	563
Cash, cash equivalents, and restricted cash at end of period	\$ 749	\$ 406	\$ 749	\$ 406



FULL YEAR & Q4 2021 EARNINGS CONFERENCE CALL

**MICHAEL HAYFORD, CEO
OWEN SULLIVAN, PRESIDENT & COO
TIM OLIVER, CFO**

February 8, 2022



NOTES TO INVESTORS

FORWARD-LOOKING STATEMENTS. Comments made during this conference call and in these materials contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (the “Act”). Forward-looking statements use words such as “expect,” “anticipate,” “outlook,” “intend,” “plan,” “confident,” “believe,” “will,” “should,” “would,” “potential,” “positioning,” “proposed,” “objective,” “could,” “may,” and words of similar meaning, as well as other words or expressions referencing future events, conditions or circumstances. We intend these forward-looking statements to be covered by the safe harbor provisions for forward looking statements contained in the Act. Statements that describe or relate to NCR’s plans, goals, intentions, strategies, or financial outlook, and statements that do not relate to historical or current fact, are examples of forward-looking statements. Examples of forward-looking statements in these materials include, without limitation, statements regarding our financial position and NCR’s full year 2022 and first quarter financial forecast; a comprehensive strategic review to evaluate strategic alternatives (which could include a disposition of a material business or assets of the Company, a spin-off, merger or sale of the Company or other transactions) available to NCR; NCR’s execution of our strategy to shift to a software platform and payments company and a higher level of recurring revenue streams; expectations regarding the impact of improved customer satisfaction; expectations regarding demand, momentum and growth acceleration, competitive differentiation, our long-term growth profile and value creation for our stakeholders; impact of continued execution on return; impact of continued transformation on re-rate of valuation; statements regarding our plans to manage our business through the COVID-19 pandemic including safeguarding our employees, helping our customers and managing impacts on our supply chain; the impact of the COVID-19 pandemic on our overall financial condition and operating results, including but not limited to, supply chain challenges and cost escalations including materials, labor and freight; and capitalization of opportunities including Cardtronics and LibertyX. Forward-looking statements are based on our current beliefs, expectations and assumptions, which may not prove to be accurate, and involve a number of known and unknown risks and uncertainties, many of which are out of NCR’s control. Forward-looking statements are not guarantees of future performance, and there are a number of important factors that could cause actual outcomes and results to differ materially from the results contemplated by such forward-looking statements, including those factors listed in Item 1A “Risk Factors” of NCR’s Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (SEC) on February 26, 2021 and those factors detailed from time to time in NCR’s other SEC reports including quarterly reports on Form 10-Q and current reports on Form 8-K. These materials are dated February 8, 2022, and NCR does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

NOTES TO INVESTORS

NON-GAAP MEASURES. While NCR reports its results in accordance with generally accepted accounting principles in the United States, or GAAP, comments made during this conference call and in these materials will include or make reference to certain "non-GAAP" measures, including: selected measures, such as period-over-period revenue growth; gross margin rate (non-GAAP); diluted earnings per share (non-GAAP); free cash flow; gross margin (non-GAAP); net debt; adjusted EBITDA; the ratio of net debt to adjusted EBITDA; operating income (non-GAAP); interest and other expense (non-GAAP); income tax expense (non-GAAP); effective income tax rate (non-GAAP); and net income (non-GAAP). These measures are included to provide additional useful information regarding NCR's financial results, and are not a substitute for their comparable GAAP measures. Explanations of these non-GAAP measures, and reconciliations of these non-GAAP measures to their directly comparable GAAP measures, are included in the accompanying "Supplementary Materials" and are available on the Investor Relations page of NCR's website at www.ncr.com. Descriptions of many of these non-GAAP measures are also included in NCR's SEC reports.

CARDTRONICS ACQUISITION. On June 21, 2021, we completed the acquisition of Cardtronics plc ("Cardtronics"), which is included in the Banking segment results.

USE OF CERTAIN TERMS. As used in these materials:

The term "recurring revenue" includes all revenue streams from contracts where there is a predictable revenue pattern that will occur at regular intervals with a relatively high degree of certainty. This includes hardware and software maintenance revenue, cloud revenue, payment processing revenue, interchange and network revenue, and certain professional services arrangements, as well as term-based software license arrangements that include customer termination rights.

These presentation materials and the associated remarks made during this conference call are integrally related and are intended to be presented and understood together.

2021 OVERVIEW

Strong full year 2021 results

Significant increase in customer satisfaction

Revenue growth and margin expansion across all industries

Revenue up 15% Y/Y; Recurring revenue up 25% Y/Y

Adjusted EBITDA growth of 39%; Margin expansion of 300 bps to 17.4%; Non-GAAP Diluted EPS up 51%

Free Cash Flow of \$460M

BUSINESS UPDATE

2022 Outlook expects another year with strong revenue growth and significantly higher profitability

Banking - Digital banking momentum and early ATMaas traction

Retail - Continued growth in NCR Commerce software platform

Hospitality - Momentum in Aloha™ Essentials continues

Payments - Gaining traction across Merchant acquiring and Allpoint™ networks

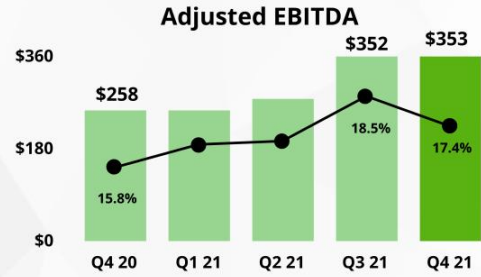
Initiating a comprehensive strategic review process

Q4 2021 FINANCIAL RESULTS

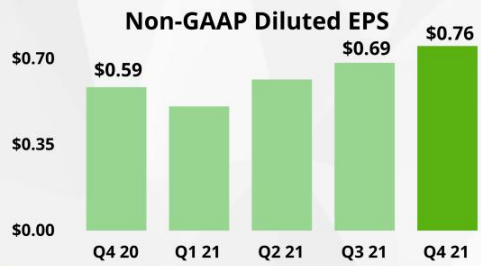
\$ in millions, except for EPS



Revenue up 25% y/y; Recurring revenue up 35% y/y; Pro forma revenue up 8%; Pro forma⁽¹⁾ recurring revenue up 5%



Adjusted EBITDA up 37% and margin rate up 160 bps y/y



Non-GAAP EPS up 30% y/y



Driving strong and linear free cash flow production

⁽¹⁾ Proforma recurring revenue includes the historical recurring revenue of Cardtronics for the three month period ending Q4 20 adjusted for \$8M of intercompany.

2021 FINANCIAL RESULTS

\$ in millions, except for EPS

Total Revenue/Recurring



Revenue up 15% y/y; Recurring revenue up 25% y/y; Pro forma revenue up 6%; Pro forma⁽¹⁾ recurring revenue up 8%

Adjusted EBITDA



Adjusted EBITDA up 39% and margin rate up 300 bps y/y

Non-GAAP Diluted EPS



Non-GAAP EPS up 51% y/y

Free Cash Flow



Driving strong and consistent free cash flow production

⁽¹⁾ Proforma recurring revenue includes the historical recurring revenue of Cardtronics for the full year 2020 and for the period ending June 20, 2021 adjusted for \$29M and \$16M of intercompany, respectively.

BANKING

\$ in millions, except registered users

Revenue



Adjusted EBITDA



Key Metrics

Digital Banking Revenue



FY21 up 9%

Digital Banking Registered Users



FY21 Registered Users up 3%

Recurring Revenue



FY21 up 42%; Pro forma⁽¹⁾ up 6%

⁽¹⁾ Proforma recurring revenue includes the historical recurring revenue of Cardtronics for the three month period ending Q4 20 adjusted for \$8M of intercompany.

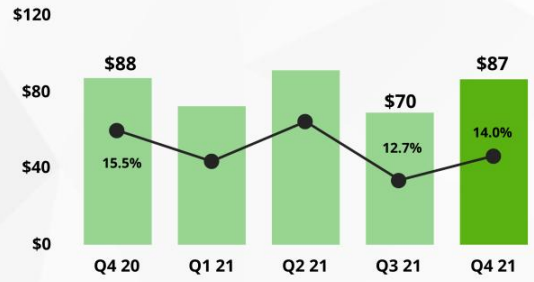
RETAIL

\$ in millions, except platform lanes

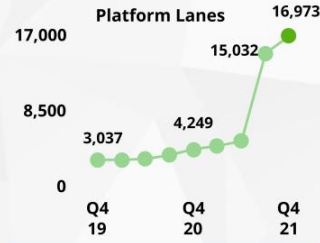
Revenue



Adjusted EBITDA



Key Metrics



FY21 up 13%

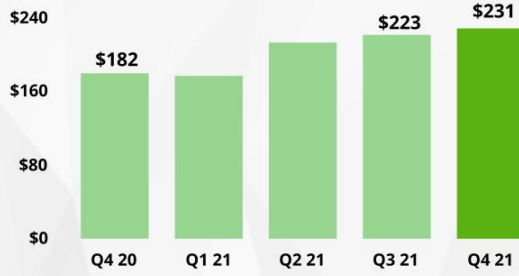
FY21 up >3x

FY21 up 9%

HOSPITALITY

\$ in millions, except Aloha Essential sites

Revenue



Adjusted EBITDA



Key Metrics

Aloha Essential Sites



FY21 up 148%

Recurring Revenue



FY21 up 9%

Progress on NCR 80/60/20 Goals

	FY 2021	FY 2020
80% of NCR's revenue will come from software and services	73%	72%
60% of NCR's revenue will come from recurring revenue	58%	54%
20% goal for Adjusted EBITDA as a percent of revenue	17.4%	14.4%

FREE CASH FLOW, NET DEBT & EBITDA

\$ in millions

Free Cash Flow	Q4 2021	FY 2021
Cash provided by operating activities	\$270	\$1,077
Less: Total capital expenditures	(\$106)	(\$348)
Less: Initial sale of Trade Accounts Receivable	(\$26)	(\$300)
Less: Acquisition Related Items	\$—	\$55
Plus: Settlement Restricted Cash Activity	(\$42)	(\$41)
Plus: Pension contributions	\$4	\$17
Free Cash Flow	\$100	\$460
Net Debt & EBITDA	Q4 2021	Q3 2021
Debt	\$5,562	\$5,564
Cash	(\$447)	(\$383)
Net Debt	\$5,115	\$5,181
Adjusted EBITDA LTM	\$1,244	\$1,149
Net Debt / Adjusted EBITDA	4.1x	4.5x
Net Debt/ Adjusted EBITDA with CATM⁽¹⁾	3.7x	3.8x

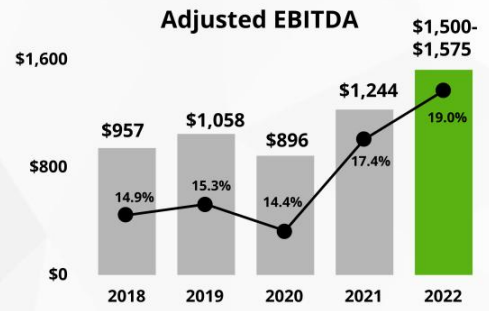
⁽¹⁾ Net Debt/ Adjusted EBITDA with Cardtronics ("CATM") calculation includes the addition of the historical EBITDA of CATM for the twelve month period ending Q4 & Q3 2021.

2022 GUIDANCE

\$ in millions, except for EPS



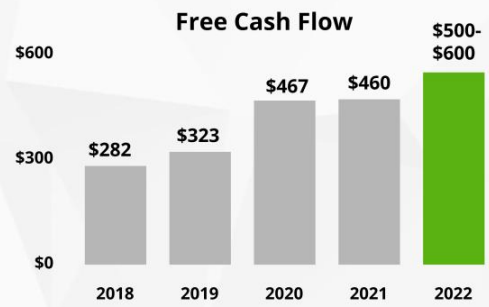
Growth from 12% to 15%



Growth from 21% to 27%



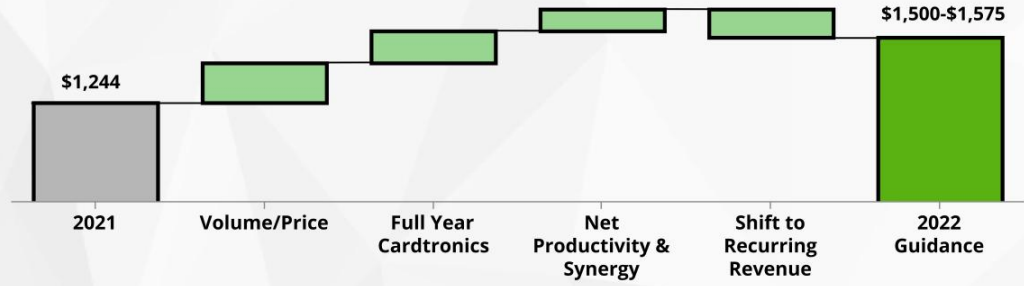
Growth from 27% to 39%



Growth from 9% to 30%

2022 ADJUSTED EBITDA BRIDGE

\$ in millions, except for EPS



LOOKING FORWARD

Leverage software and payments platform to increase share of wallet

Capitalize on Cardtronics and LibertyX™ opportunities

Continued execution to drive solid return

Continued transformation to drive re-rate of valuation

Explore actions to accelerate shareholder value creation



SUPPLEMENTARY MATERIALS



Q4 2021 GAAP RESULTS

\$ in millions, except per share amounts

	Q4 2021	Q4 2020	% Change
Revenue	\$2,034	\$1,631	25%
Gross Margin	503	328	53%
Gross Margin Rate	24.7%	20.1%	
Operating Expenses	380	391	(3)%
% of Revenue	18.7%	24.0%	
Operating Income	123	(63)	(295)%
% of Revenue	6.0%	(3.9%)	
Interest and other expense	49	(83)	(159)%
Income Tax Expense (Benefit)	109	(20)	(645)%
Effective Income Tax Rate	63.4%	13.7%	
Net Income from Continuing Operations (attributable to NCR)	\$64	(\$125)	(151)%
Diluted EPS	\$0.43	(\$1.06)	(141)%

Q4 2021 OPERATIONAL RESULTS

\$ in millions, except per share amounts

	Q4 2021	Q4 2020	% Change
Revenue	\$2,034	\$1,631	25%
Gross Margin (non-GAAP)	549	465	18%
Gross Margin Rate (non-GAAP)	27.0%	28.5%	
Operating Expenses (non-GAAP)	\$334	\$313	7%
% of Revenue	16.4%	19.2%	
Operating Income (non-GAAP)	\$215	\$152	41%
% of Revenue	10.6%	9.3%	
Interest and other expense (non-GAAP)	(\$63)	(\$49)	29%
Income Tax Expense (non-GAAP)	39	21	86%
Effective Income Tax Rate (non-GAAP)	25.7%	20.4%	
Net Income (Loss) From Continuing Operations (attributable to NCR) (non-GAAP)	\$113	\$83	37%
Diluted EPS (non-GAAP)	\$0.76	\$0.59	30%

NON-GAAP MEASURES

While NCR reports its results in accordance with generally accepted accounting principles (GAAP) in the United States, comments made during this conference call and in these materials will include non-GAAP measures. These measures are included to provide additional useful information regarding NCR's financial results, and are not a substitute for their comparable GAAP measures.

Non-GAAP Diluted Earnings Per Share (EPS), Gross Margin (non-GAAP), Gross Margin Rate (non-GAAP), Operating Expenses (non-GAAP), Operating Income (non-GAAP), Operating Margin Rate (non-GAAP), Other (Expense) (non-GAAP), Income Tax Expense (non-GAAP), Effective Income Tax Rate (non-GAAP), and Net Income from Continuing Operations Attributable to NCR (non-GAAP). NCR's non-GAAP diluted EPS, gross margin (non-GAAP), gross margin rate (non-GAAP), operating expenses (non-GAAP), operating income (non-GAAP), operating margin rate (non-GAAP), other (expense) (non-GAAP), income tax expense (non-GAAP), effective income tax rate (non-GAAP), and net income from continuing operations attributable to NCR (non-GAAP) are determined by excluding, as applicable, pension mark-to-market adjustments, pension settlements, pension curtailments and pension special termination benefits, as well as other special items, including amortization of acquisition related intangibles and transformation and restructuring activities, from NCR's GAAP earnings per share, gross margin, gross margin rate, expenses, income from operations, operating margin rate, other (expense), income tax expense, effective income tax rate and net income from continuing operations attributable to NCR, respectively. Due to the non-operational nature of these pension and other special items, NCR's management uses these non-GAAP measures to evaluate year-over-year operating performance. NCR believes these measures are useful for investors because they provide a more complete understanding of NCR's underlying operational performance, as well as consistency and comparability with NCR's past reports of financial results.

Free Cash Flow. NCR defines free cash flow as net cash provided by (used in) operating activities less capital expenditures for property, plant and equipment, less additions to capitalized software, plus/minus restricted cash settlement activity, plus acquisition related items, less the impact from the initial sale of Trade accounts receivables under the agreement entered into during the 3rd quarter of 2021, and plus pension contributions and pension settlements. NCR's management uses free cash flow to assess the financial performance of the Company and believes it is useful for investors because it relates the operating cash flow of the Company to the capital that is spent to continue and improve business operations. In particular, free cash flow indicates the amount of cash generated after capital expenditures, which can be used for, among other things, investment in the Company's existing businesses, strategic acquisitions, strengthening the Company's balance sheet, repurchase of Company stock and repayment of the Company's debt obligations. Free cash flow does not represent the residual cash flow available for discretionary expenditures since there may be other nondiscretionary expenditures that are not deducted from the measure. Free cash flow does not have uniform definitions under GAAP and, therefore, NCR's definitions may differ from other companies' definitions of these measures.

NON-GAAP MEASURES

Net Debt and Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA). NCR determines Net Debt based on its total debt less cash and cash equivalents, with total debt being defined as total short-term borrowings plus total long-term debt. NCR believes that Net Debt provides useful information to investors because NCR's management reviews Net Debt as part of its management of overall liquidity, financial flexibility, capital structure and leverage. In addition, certain debt rating agencies, creditors and credit analysts monitor NCR's Net Debt as part of their assessments of NCR's business.

NCR determines Adjusted EBITDA for a given period based on its GAAP net income from continuing operations attributable to NCR plus interest expense, net; plus income tax expense (benefit); plus depreciation and amortization; plus other income (expense); plus pension mark-to-market adjustments, pension settlements, pension curtailments and pension special termination benefits and other special items, including amortization of acquisition related intangibles and restructuring charges, among others. NCR uses Adjusted EBITDA to manage and measure the performance of its business segments. NCR also uses Adjusted EBITDA to manage and determine the effectiveness of its business managers and as a basis for incentive compensation. NCR believes that Adjusted EBITDA provides useful information to investors because it is an indicator of the strength and performance of the Company's ongoing business operations, including its ability to fund discretionary spending such as capital expenditures, strategic acquisitions and other investments.

NCR believes that its ratio of Net Debt to Adjusted EBITDA provides useful information to investors because it is an indicator of the company's ability to meet its future financial obligations. In addition, the Net Debt to Adjusted EBITDA ratio is frequently used by investors and credit rating agencies. The Net Debt to Adjusted EBITDA ratio is calculated by dividing Net Debt by trailing twelve-month Adjusted EBITDA.

NCR management's definitions and calculations of these non-GAAP measures may differ from similarly-titled measures reported by other companies and cannot, therefore, be compared with similarly-titled measures of other companies. These non-GAAP measures should not be considered as substitutes for, or superior to, results determined in accordance with GAAP. These non-GAAP measures are reconciled to their corresponding GAAP measures in the following slides and elsewhere in these materials. These reconciliations and other information regarding these non-GAAP measures are also available on the Investor Relations page of NCR's website at www.ncr.com.

GAAP TO NON-GAAP RECONCILIATION

\$ in millions

	Q4 2021	Q3 2021	Q4 2020
Net (Loss) Income from Continuing Operations Attributable to NCR (GAAP)	\$ 64	\$ 12	\$ (125)
Pension Mark-to-Market Adjustments	(118)	—	34
Transformation & Restructuring Costs	46	5	202
Acquisition-Related Amortization of Intangibles	44	45	19
Acquisition-Related Costs	6	9	(6)
Loss on Debt Extinguishment	—	42	—
Interest Expense	64	68	51
Interest Income	(4)	—	(3)
Depreciation and Amortization	107	104	74
Income Taxes	109	29	(20)
Stock Compensation Expense	35	38	32
Adjusted EBITDA (non-GAAP)	\$ 353	\$ 352	\$ 258

GAAP TO NON-GAAP RECONCILIATION

\$ in millions

	Q4 2021 LTM	Q3 2021 LTM	Q4 2020 LTM	Q4 2019 LTM	Q4 2018 LTM
Net (Loss) Income from Continuing Operations Attributable to NCR (GAAP)	\$ 97	\$ (92)	\$ (7)	\$ 614	\$ (36)
Pension Mark-to-Market Adjustments	(118)	34	34	75	(45)
Transformation & Restructuring Costs	66	222	234	58	223
Acquisition-Related Amortization of Intangibles	132	107	81	86	85
Acquisition-Related Costs	98	86	(6)	3	6
Internal reorganization & IP Transfer	—	—	—	(37)	—
Asset Impairment Charge	—	—	—	—	183
Loss on Debt Extinguishment	42	42	20	—	—
Interest Expense	238	225	218	197	168
Interest Income	(8)	(7)	(8)	(4)	(5)
Depreciation and Amortization	357	324	275	232	241
Income Taxes	186	57	(53)	(273)	73
Stock Compensation Expense	154	151	108	107	64
Adjusted EBITDA (non-GAAP)	\$ 1,244	\$ 1,149	\$ 896	\$ 1,058	\$ 957

ADJUSTED EBITDA BY SEGMENT

\$ in millions

	Q4 2021	Q3 2021	Q4 2020
Banking	\$ 230	\$ 242	\$ 132
Retail	87	70	88
Hospitality	27	35	27
Other	11	10	11
Adjusted EBITDA by Segment	\$ 355	\$ 357	\$ 258
Corporate and Other	(2)	(5)	—
Adjusted EBITDA	\$ 353	\$ 352	\$ 258

GAAP TO NON-GAAP RECONCILIATION

Q4 2021

\$ in millions, except per share amounts

	Q4 QTD 2021 GAAP	Transfor mation Costs	Acquisition- related amortization of intangibles	Acquisition - related costs	Debt Refinancin g & Extinguish ment	Tax Related Items	Pension mark-to- market adjustments	Q4 QTD 2021 non- GAAP
Product revenue	\$640	\$—	\$—	\$—	\$—	\$—	\$—	\$640
Service revenue	1,394	—	—	—	—	—	—	1,394
Total revenue	2,034	—	—	—	—	—	—	2,034
Cost of products	560	(16)	(1)	—	—	—	—	543
Cost of services	971	(9)	(20)	—	—	—	—	942
Gross margin	503	25	21	—	—	—	—	549
<i>Gross margin rate</i>	24.7%	1.3%	1.0%	—%	—%	—%	—%	27.0%
Selling, general and administrative expenses	316	(15)	(23)	(7)	—	—	—	271
Research and development expenses	64	—	—	(1)	—	—	—	63
Total operating expenses	380	(15)	(23)	(8)	—	—	—	334
<i>Total operating expense as a % of revenue</i>	18.7%	(0.3)%	(1.0)%	(1.2)%	—	—	—	16.4%
Income from operations	123	40	44	8	—	—	—	215
<i>Income from operations as a % of revenue</i>	6.0%	0.8%	1.8%	1.2%	—	—	—	10.6%
Interest and Other (expense) income, net	49	6	—	—	—	—	(118)	(63)
Income from continuing operations before income taxes	172	46	44	8	—	—	(118)	152
Income tax (benefit) expense	109	7	9	(12)	—	(48)	(26)	39
<i>Effective income tax rate</i>	63.4%							25.7%
Income from continuing operations	63	39	35	20	—	48	(92)	113
Net income (loss) attributable to noncontrolling interests	(1)	—	—	—	—	—	—	(1)
Income from continuing operations (attributable to NCR)	\$64	\$39	\$35	\$20	\$—	\$48	(\$92)	\$114
Diluted earnings per share	\$0.43	\$0.26	\$0.23	\$0.13	\$—	\$0.32	(\$0.62)	\$0.76
Diluted shares outstanding	140.3							149.5

GAAP TO NON-GAAP RECONCILIATION

FY 2021

\$ in millions, except per share amounts

	FY 2021 GAAP	Transfor mation Costs	Acquisition- related amortization of intangibles	Acquisition - related costs	Debt Refinancing & Extinguishmen t	Tax Related Items	Pension mark- to- market	FY 2021 non- GAAP
Product revenue	\$2,193	\$—	\$—	\$—	\$—	\$—	\$—	\$2,193
Service revenue	4,963	—	—	—	—	—	—	4,963
Total revenue	7,156	—	—	—	—	—	—	7,156
Cost of products	1,850	(16)	(9)	—	—	—	—	1,825
Cost of services	3,413	(23)	(51)	—	—	—	—	3,339
Gross margin	1,893	39	60	—	—	—	—	1,992
<i>Gross margin rate</i>	<i>26.5%</i>	<i>0.5%</i>	<i>0.7%</i>	<i>—%</i>	<i>—%</i>	<i>—%</i>	<i>—%</i>	<i>27.8%</i>
Selling, general and administrative expenses	1,151	(20)	(72)	(84)	—	—	—	975
Research and development expenses	268	(1)	—	(1)	—	—	—	266
Total operating expenses	1,419	(21)	(72)	(85)	—	—	—	1,241
<i>Total operating expense as a % of revenue</i>	<i>19.8%</i>	<i>(0.3)%</i>	<i>(1.0)%</i>	<i>(1.2)%</i>	<i>—</i>	<i>—</i>	<i>—%</i>	<i>17.3%</i>
Income from operations	474	60	132	85	—	—	—	751
<i>Income from operations as a % of revenue</i>	<i>6.6%</i>	<i>0.8%</i>	<i>1.8%</i>	<i>1.2%</i>	<i>—</i>	<i>—</i>	<i>—%</i>	<i>10.5%</i>
Interest and Other (expense) income, net	(190)	6	—	31	43	—	(118)	(228)
Income from continuing operations before income taxes	284	66	132	116	43	—	(118)	523
Income tax (benefit) expense	186	10	28	11	1	(68)	(26)	142
<i>Effective income tax rate</i>	<i>65.5%</i>							<i>27.2%</i>
Income from continuing operations	98	56	104	105	42	68	(92)	381
Net income (loss) attributable to noncontrolling interests	1	—	—	—	—	—	—	1
Income from continuing operations (attributable to NCR)	\$97	\$56	\$104	\$105	\$42	\$68	(\$92)	\$380
Diluted earnings per share	\$0.58	\$0.38	\$0.70	\$0.71	\$0.28	\$0.46	(\$0.62)	\$2.56
Diluted shares outstanding	139.0							148.2

GAAP TO NON-GAAP RECONCILIATION

Q4 2021

\$ in millions, except per share amounts

	Q4 QTD 2021 GAAP	Q4 QTD 2021 non-GAAP
<i>Income from continuing operations attributable to NCR common stakeholders:</i>		
Income from continuing operations (attributable to NCR)	\$64	\$114
Dividends on convertible preferred shares	(4)	—
Income from continuing operations attributable to NCR common stakeholders	\$60	\$114
<i>Weighted average outstanding shares:</i>		
Weighted average diluted shares outstanding	140.3	140.3
Weighted as-if converted preferred shares	—	9.2
Total shares used in diluted earnings per share	140.3	149.5
Diluted earnings per share ⁽¹⁾	\$0.43	\$0.76

⁽¹⁾ GAAP EPS is determined using the most dilutive measure, either including the impact of the dividends or deemed dividends on NCR's Series A Convertible Preferred Shares in the calculation of net income or loss available to common stakeholders or including the impact of the conversion of such preferred stock into common stock in the calculation of the weighted average diluted shares outstanding. Non-GAAP EPS is always determined using the as-if converted preferred shares and shares that would be issued for stock compensation awards. Therefore, GAAP diluted EPS and non-GAAP diluted EPS may be calculated using different methods, and may not mathematically reconcile.

GAAP TO NON-GAAP RECONCILIATION

FY 2021

\$ in millions, except per share amounts

	FY 2021 GAAP	FY 2021 non-GAAP
<i>Income from continuing operations attributable to NCR common stakeholders:</i>		
Income from continuing operations (attributable to NCR)	\$97	\$380
Dividends on convertible preferred shares	(16)	—
Income from continuing operations attributable to NCR common stakeholders	\$81	\$380
<i>Weighted average outstanding shares:</i>		
Weighted average diluted shares outstanding	139.0	139.0
Weighted as-if converted preferred shares	—	9.2
Total shares used in diluted earnings per share	139.0	148.2
Diluted earnings per share ⁽¹⁾	\$0.58	\$2.56

⁽¹⁾ GAAP EPS is determined using the most dilutive measure, either including the impact of the dividends or deemed dividends on NCR's Series A Convertible Preferred Shares in the calculation of net income or loss available to common stakeholders or including the impact of the conversion of such preferred stock into common stock in the calculation of the weighted average diluted shares outstanding. Non-GAAP EPS is always determined using the as-if converted preferred shares and shares that would be issued for stock compensation awards. Therefore, GAAP diluted EPS and non-GAAP diluted EPS may be calculated using different methods, and may not mathematically reconcile.

GAAP TO NON-GAAP RECONCILIATION

Q4 2020

\$ in millions, except per share amounts

	Q4 QTD 2020 GAAP	Transformation Costs	Acquisition- related amortization of intangibles	Acquisition- related costs	VA Release	Pension market-to- market	Q4 QTD 2020 non-GAAP
Product revenue	\$529	\$—	\$—	\$—	\$—	\$—	\$529
Service revenue	1,102	—	—	—	—	—	1,102
Total revenue	1,631	—	—	—	—	—	1,631
Cost of products	479	(45)	(2)	—	—	—	432
Cost of services	824	(86)	(4)	—	—	—	734
Gross margin	328	131	6	—	—	—	465
<i>Gross margin rate</i>	20.1%	8.0%	0.4%	—%	—%	—%	28.5%
Selling, general and administrative expenses	326	(56)	(13)	(1)	—	—	256
Research and development expenses	65	(8)	—	—	—	—	57
Total expenses	391	(64)	(13)	(1)	—	—	313
<i>Total expense as a % of revenue</i>	24.0%	(3.9)%	(0.8)%	(0.1)%	—%	—%	19.2%
Income from operations	(63)	195	19	1	—	—	152
Income from operations as a % of revenue	(3.9)%	12.0%	1.1%	0.1%	—%	—%	9.3%
Interest and Other (expense) income, net	(83)	7	—	(7)	—	34	(49)
Income from continuing operations before income taxes	(146)	202	19	(6)	—	34	103
Income tax expense	(20)	37	4	—	(5)	5	21
<i>Effective income tax rate</i>	13.7%						20.4%
Income from continuing operations	(126)	165	15	(6)	5	29	82
Net income attributable to noncontrolling interests	(1)	—	—	—	—	—	(1)
Income from continuing operations (attributable to NCR)	(\$125)	\$165	\$15	(\$6)	\$5	\$29	\$83
Diluted (loss) earnings per share	(\$1.06)	\$1.17	\$0.11	(\$0.04)	\$0.04	\$0.20	\$0.59
Diluted shares outstanding	129.0						141.6

GAAP TO NON-GAAP RECONCILIATION

FY 2020

\$ in millions, except per share amounts

	FY 2020 GAAP	Transformat ion Costs	Acquisition- related amortization of intangibles	Acquisition- related costs	Debt Refinancing	VA Release	Pension market-to- market	FY 2020 non-GAAP
Product revenue	\$2,005	\$—	\$—	\$—	\$—	\$—	\$—	\$2,005
Service revenue	4,202	—	—	—	—	—	—	4,202
Total revenue	6,207	—	—	—	—	—	—	6,207
Cost of products	1,733	(58)	(9)	—	—	—	—	1,666
Cost of services	2,950	(92)	(13)	—	—	—	—	2,845
Gross margin	1,524	150	22	—	—	—	—	1,696
<i>Gross margin rate</i>	24.6%	2.4%	0.3%	—%	—%	—%	—%	27.3%
Selling, general and administrative expenses	1,069	(66)	(59)	(1)	—	—	—	943
Research and development expenses	234	(11)	—	—	—	—	—	223
Total expenses	1,303	(77)	(59)	(1)	—	—	—	1,166
<i>Total expense as a % of revenue</i>	21.0%	(1.2)%	(1.0)%	—%	—%	—%	—%	18.8%
Income from operations	221	227	81	1	—	—	—	530
Income from operations as a % of revenue	3.6%	3.7%	1.2%	—%	—%	—%	—%	8.5%
Interest and Other (expense) income, net	(280)	7	—	(7)	20	—	34	(226)
Income from continuing operations before income taxes	(59)	234	81	(6)	20	—	34	304
Income tax expense	(53)	44	17	—	5	43	5	61
<i>Effective income tax rate</i>	89.8%							20.1%
Income from continuing operations	(6)	190	64	(6)	15	(43)	29	243
Net income attributable to noncontrolling interests	1	—	—	—	—	—	—	1
Income from continuing operations (attributable to NCR)	(7)	\$190	\$64	(\$6)	\$15	(\$43)	\$29	\$242
Diluted (loss) earnings per share	(\$0.30)	\$1.33	\$0.45	(\$0.04)	\$0.10	(\$0.30)	\$0.20	\$1.69
Diluted shares outstanding	128.4							142.9

GAAP TO NON-GAAP RECONCILIATION

Q4 2020

\$ in millions, except per share amounts

	FY 2020 GAAP	FY 2020 non-GAAP
Income from continuing operations attributable to NCR common stakeholders:		
Income from continuing operations (attributable to NCR)	(\$125)	\$83
Dividends on convertible preferred shares	(\$12)	\$—
Income from continuing operations attributable to NCR common stakeholders	(\$137)	\$83
Weighted average outstanding shares:		
Weighted average diluted shares outstanding	129	132
Weighted as-if converted preferred shares	—	9.6
Total shares used in diluted earnings per share	129	141.6
Diluted earnings per share ⁽¹⁾	(\$1.06)	\$0.59

⁽¹⁾ GAAP EPS is determined using the most dilutive measure, either including the impact of the dividends or deemed dividends on NCR's Series A Convertible Preferred Shares in the calculation of net income or loss available to common stakeholders or including the impact of the conversion of such preferred stock into common stock in the calculation of the weighted average diluted shares outstanding. Non-GAAP EPS is always determined using the as-if converted preferred shares and shares that would be issued for stock compensation awards. Therefore, GAAP diluted EPS and non-GAAP diluted EPS may be calculated using different methods, and may not mathematically reconcile.

GAAP TO NON-GAAP RECONCILIATION

FY 2020

\$ in millions, except per share amounts

	FY 2020 GAAP	FY 2020 non-GAAP
<i>Income from continuing operations attributable to NCR common stakeholders:</i>		
Income from continuing operations (attributable to NCR)	(\$7)	\$242
Dividends on convertible preferred shares	(\$31)	\$—
<i>Income from continuing operations attributable to NCR common stakeholders</i>	(\$38)	\$242
<i>Weighted average outstanding shares:</i>		
Weighted average diluted shares outstanding	128.4	128.4
Weighted as-if converted preferred shares	—	14.5
Total shares used in diluted earnings per share	128.4	142.9
Diluted earnings per share ⁽¹⁾	(\$0.30)	\$1.69

⁽¹⁾ GAAP EPS is determined using the most dilutive measure, either including the impact of the dividends or deemed dividends on NCR's Series A Convertible Preferred Shares in the calculation of net income or loss available to common stakeholders or including the impact of the conversion of such preferred stock into common stock in the calculation of the weighted average diluted shares outstanding. Non-GAAP EPS is always determined using the as-if converted preferred shares and shares that would be issued for stock compensation awards. Therefore, GAAP diluted EPS and non-GAAP diluted EPS may be calculated using different methods, and may not mathematically reconcile.

GAAP TO NON-GAAP RECONCILIATION

\$ in millions

	Q4 2021	Q3 2021	Q4 2020
Cash provided by operating activities	\$270	\$497	\$146
Less: Total capital expenditures	(\$106)	(\$102)	(\$63)
Less: Sale of Accounts Receivables	(\$26)	(\$274)	\$—
Plus: Pension contributions	\$4	\$4	\$75
Plus: Settlement Restricted Cash Activity	(\$42)	\$—	\$3
Free Cash Flow	\$100	\$125	\$161

GAAP TO NON-GAAP RECONCILIATION

\$ in millions

	FY 2021	FY 2020	FY 2019	FY 2018
Cash provided by operating activities	\$1,077	\$641	\$634	\$572
Less: Total capital expenditures	(\$348)	(\$263)	(\$329)	(\$313)
Less: Sale of Accounts Receivables	(\$300)	\$—	\$—	\$—
Plus: Pension contributions	\$17	\$89	\$23	\$24
Plus: Settlement Restricted Cash Activity	(\$41)	\$—	(\$5)	(\$1)
Plus: Acquisition Related Items	\$55	\$—	\$—	\$—
Free Cash Flow	\$460	\$467	\$323	\$282



THANK YOU



