

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): March 31, 2020



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) 445-5000

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 7.01. Regulation FD Disclosure.

On March 31, 2020, NCR Corporation, a Maryland corporation (“NCR” or the “Company”), issued a press release regarding a conference call to be held today, Tuesday, March 31, 2020 at 4:30 p.m. Eastern Time to discuss an update on the current impact of COVID-19, and the withdrawal of the Company’s previously announced 2020 outlook. A copy of the press release is attached hereto as Exhibit 99.1 and hereby incorporated by reference. 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 furnished under Item 7.01 in this Form 8-K shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section and shall not be deemed incorporated by reference in any filing made by the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

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

Exhibit No.	Description
99.1	Press Release issued by the Company, dated March 31, 2020
99.2	Supplemental Materials, dated March 31, 2020
104	Cover Page Interactive Data File, formatted in iXBRL

Index to Exhibits

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

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104	Cover Page Interactive Data File, formatted in iXBRL

Forward-Looking Statements

This current report on Form 8-K contains statements that are “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”), including statements containing the words “plans,” “will,” “anticipates,” “expects,” and “intends,” or similar expressions, 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 report include, without limitation, statements regarding the impact of the COVID-19 global pandemic and NCR’s previously issued 2020 guidance that is now withdrawn. These forward-looking statements are based on our current expectations and involve substantial risks and uncertainties that could cause actual results to differ materially from those expressed or implied by the forward-looking statements, and therefore, we cannot assure you that our plans, intentions, expectations or strategies will be attained or achieved. Such risks and uncertainties include, without limitation, the impact of the COVID-19 global pandemic on NCR’s workforce, operations and financial results including the impact on our customers’ businesses; the impact of the March 2020 tornados in the greater Nashville area on an NCR Global Fulfillment Center in Mt. Juliet, Tennessee operated by a third party; the sufficiency and effectiveness of NCR’s or its third-party logistics partner’s business continuity plans; the adequacy of NCR’s property damage and business interruption insurance coverage and NCR’s ability to recover under the applicable policies; and the other factors and financial, operational and legal risks or uncertainties described in the Company’s filings with the SEC, 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. 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.

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/ Andre J. Fernandez
Andre J. Fernandez
Executive Vice President and Chief Financial Officer

Date: March 31, 2020



NCR to Host Investor Update Call on Tuesday, March 31

ATLANTA-March 31, 2020-NCR Corporation (NYSE: NCR) today announced a conference call will be held on Tuesday, March 31 at 4:30 PM Eastern Time to discuss an update on the current impact of COVID-19.

Participants should plan to access the call 15 minutes prior to the start time to ensure a smooth connection. Details are as follows:

Conference call	Dial in Number	Passcode	Time/Date
	888-378-4398 (Tollfree) 786-789-4775 (Local)	965124	4:30 p.m. Eastern, March 31, 2020

“As NCR closely monitors the impact of the COVID-19 health emergency, our focus has been consistent - take care of our employees, take care of our customers, and take care of our company,” said Michael Hayford, President and Chief Executive Officer. “While there is tremendous uncertainty regarding how long this crisis will last, we are taking proactive steps to come out in a stronger competitive position. We are confident that NCR has the expertise and the resources to weather this crisis.”

Given this rapidly evolving environment, the Company’s outlook for 2020 previously provided on February 11, 2020 is withdrawn, and investors should no longer rely upon this guidance.

The live conference call and related presentation materials will also be available at <http://investor.ncr.com/>. The conference call will be archived and available at the same site shortly after the conference call is complete.

About NCR Corporation

NCR Corporation (NYSE: NCR) is a leading software- and services-led enterprise provider in the financial, retail and hospitality industries. NCR is headquartered in Atlanta, Ga., with 36,000 employees globally. NCR is a trademark of NCR Corporation in the United States and other countries.

Website: www.ncr.com

Twitter: [@NCRCorporation](https://twitter.com/NCRCorporation)

Facebook: www.facebook.com/ncrcorp

LinkedIn: www.linkedin.com/company/ncr-corporation

YouTube: www.youtube.com/user/ncrcorporation

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Media Contact

Scott Sykes
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212-589-8428
scott.sykes@ncr.com

Forward-Looking Statements

This press release contains statements that are “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”), including statements containing the words “plans,” “will,” “anticipates,” “expects,” and “intends,” or similar expressions, 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 press release include, without limitation, statements regarding the expected impact of the COVID-19 global pandemic on NCR’s competitive position; NCR’s expected expertise and resources relating to the impact of the global pandemic; and NCR’s previously issued 2020 guidance that is now withdrawn. These forward-looking statements are based on our current expectations and involve substantial risks and uncertainties that could cause actual results to differ materially from those expressed or implied by the forward-looking statements, and therefore, we cannot assure you that our plans, intentions, expectations or strategies will be attained or achieved. Such risks and uncertainties include, without limitation, the impact of the COVID-19 global pandemic on NCR’s workforce, operations and financial results including the impact on our customers’ businesses; the impact of the March 2020 tornados in the greater Nashville area on an NCR Global Fulfillment Center in Mt. Juliet, Tennessee operated by a third party; the sufficiency and effectiveness of NCR’s or its third-party logistics partner’s business continuity plans; the adequacy of NCR’s property damage and business interruption insurance coverage and NCR’s ability to recover under the applicable policies; and the other factors and financial, operational and legal risks or uncertainties described in the Company’s filings with the SEC, 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. 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.

NCR COVID-19 Business Update

March 31, 2020

Notes to Investors

FORWARD-LOOKING STATEMENTS. Comments made during this conference call and in these materials contain statements that are “forward-looking statements” within the meaning 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”), including statements containing the words “expect,” “anticipate,” “outlook,” “intend,” “plan,” “believe,” “will,” “should,” “would,” “could,” and words of similar meaning, as well as 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 other examples of forward-looking statements. Examples of forward-looking statements in these materials include, without limitation, statements regarding NCR’s business continuity plan related to the NCR Global Fulfillment Center in Mt. Juliet, Tennessee; the expected impact of the COVID-19 global pandemic on NCR’s Banking, Retail and Hospitality segments including the impact on customers’ businesses; expectations regarding operating goals and reductions to manage these goals; expectations regarding our debt maturities and liquidity; expectations regarding our manufacturing cost structure; expectations regarding covenant requirements under our Senior Secured Credit Facility; and that investors should no longer rely on NCR’s previously issued guidance that is now withdrawn. These forward-looking statements are based on our current expectations and involve substantial risks and uncertainties that could cause actual results to differ materially from those expressed or implied by the forward-looking statements, and therefore, we cannot assure you that our plans, intentions, expectations or strategies will be attained. 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 uncertainties, many of which are out of our control. Forward-looking statements are not guarantees of future performance, and there are a number of important factors that could cause outcomes and results to differ materially from the results contemplated by such forward-looking statements, including those factors relating to: the impact of the COVID-19 global pandemic on our workforce, operations and financial results including the impact on our customers’ businesses; the impact of the March 2020 tornadoes in the greater Nashville area on an NCR Global Fulfillment Center in Mt. Juliet, Tennessee operated by a third party; the sufficiency and effectiveness of NCR’s or its third-party logistics partner’s business continuity plans, the adequacy of NCR’s damage and business interruption insurance coverage and NCR’s ability to recover under the applicable policies; domestic and global economic and credit conditions including, in part, resulting from the imposition or threat of protectionist trade policies or import or export tariffs, global and regional market conditions and spending trends in the financial services industries, 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, and other further potential changes in Eurozone participation and fluctuations in oil and commodity prices; the transformation of our business and shift to increased software and services revenue recurring revenue; our ability to improve execution in our sales and service organizations; our ability to successfully introduce new solutions and compete in the technology industry; cybersecurity risks and compliance with data privacy and protection requirements; the possibility of disruptions in or problems without data center hosting facilities; defects or errors in our products; our indebtedness and its terms on our financial and operating activities; the historical seasonality of our sales; tax rates and tax legislation; foreign currency fluctuations; the success of our restructuring plans and cost reduction savings initiatives; manufacturing disruptions, including those caused by or related to outsourced manufacturing or disruptions in our supply chain; COVID-19; the availability and success of acquisitions, divestitures and alliances; our pension strategy and underfunded pension obligations; reliance on third party suppliers; the impact of our Series A Convertible Preferred Stock; our multinational operations, including in new and emerging markets; collectability difficulties in subcontracting relationships in certain markets; development and protection of intellectual property; workforce turnover and the ability to attract and retain skilled employees; uncertainties or delays associated with the transition of business leaders; environmental exposures from our historical and ongoing manufacturing activities; uncertainties with regard to regulations, lawsuits, claims and other matters across various jurisdictions; and other risks described in the “Risk Factors” section of our most recent Annual Report on Form 10-K for the year ended December 31, 2019, which is incorporated by reference in this presentation. 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 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 an obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

NON-GAAP MEASURES. While NCR reports its results in accordance with generally accepted accounting principles in the United States (GAAP), comments made during this conference call in these materials will include or make reference to certain “non-GAAP” measures, including: selected measures, such as period-over-period revenue growth, expressed on a constant currency basis; gross margin rate (non-GAAP); diluted earnings per share (non-GAAP); free cash flow (FCF); gross margin (non-GAAP); net debt; adjusted EBITDA; the ratio of net debt to adjusted 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 available on the Investor Relations page of NCR’s website at www.ncr.com except for non-GAAP earnings per share and Adjusted EBITDA guidance because we are unable to predict with reasonable certainty the reconciling items that may affect GAAP net income from continuing operations. GAAP earnings per share without unreasonable effort. Descriptions of many of these non-GAAP measures are also included in NCR’s SEC reports.

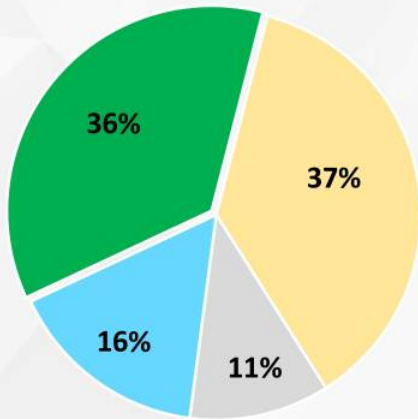
USE OF CERTAIN TERMS. As used in these materials: the term “recurring revenue” means revenue for products and services under contract for which revenue is recognized over time.

NCR Operating Climate

- NCR Global Fulfillment Center
 - Tornado on March 3rd
 - Business Continuity Plan activated; shipments back to normal capacity
 - Coronavirus
 - NCR Coronavirus Task Force operating since January
 - NCR Executive Leadership Team meets daily to review status/actions
 - Manufacturing plants in Hungary; India; Brazil; Mexico (outsourced)
 - Majority of back-office work is being done in a Work from Home status
 - NCR work is considered essential business
-

Banking

\$3.5B 2019 Revenue (51% of NCR)



- ATM Hardware
- ATM Break Fix Services
- Digital Banking
- Software & Services

Markets We Serve

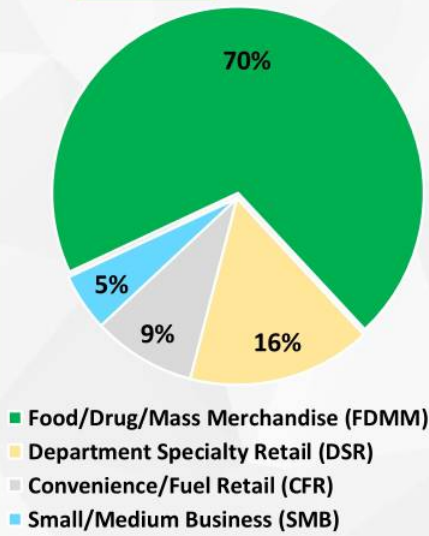
- **ATM Hardware:** Self Service Hardware automating extending business hours for teller transactions
- **ATM Break Fix Services:** Provision of basic repair resolution through to full network managed services and outsourcing
- **Digital Banking:** Provision of online Banking transactions and access
- **Software and Services:** Cloud enabled solutions to improve efficiency through digital transformation

Expected Impact

- *Near term impacts with logistics* ATM (Self-Service) has become critical for banks again
- *Minimal impact.* Very busy critical function
- *Minimal impact.* Critical for Retail Banking
- *Slight impact.* Site restrictions & budget reductions potential to impact consulting engagement

Retail

\$2.2B 2019 Revenue (32% of NCR)



Markets We Serve

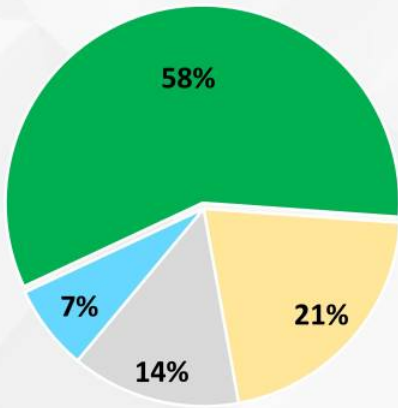
- **Food/Drug/Mass Merchandise:** Includes grocery stores, drug stores & big box retailers
- **Department/Specialty Retail:** Includes department stores and specialty retailers
- **Convenience/Fuel Retail:** Includes convenience stores and fuel retailers
- **Small / Medium Business:** Includes small and medium specialty retailers with one to several locations

Expected Impact

- *Near term impact with logistics; checkout & point-of-sale supp critical function during this tim*
- *Significant impacts in near term closing temporarily but online retailers continue to operate*
- *Near term impacts with logistics busy critical function*
- *Significant impacts in near term*

Hospitality

\$0.8B 2019 Revenue (12% of NCR)



- Quick Service Restaurant (QSR)
- Small/Medium Business (SMB)
- Table Service Restaurant (TSR)
- Travel & Entertainment (T&E)

Markets We Serve

- **Quick Service Restaurant:** Includes fast food restaurants with self-service & quick pick options
- **Small / Medium Business:** Includes restaurants with less than 50 sites
- **Table Service Restaurant:** Includes restaurants with dining in and full table service options
- **Travel & Entertainment:** Includes airlines, sporting venues, & theaters

Expected Impact

- *Minimal impact on customer d*
- *Significant impacts in near term the working capital & cashflow of restaurants being shut dow*
- *Near term impacts due to dinir closures mitigated by increase delivery & take-out*
- *Significant impacts in near term see events begin cancelled an pushed out*

Manufacturing Network

 NCR	 NCR	 NCR	 USI	 JABIL	 CEVA
Chennai, IN	Budapest, HU	Manaus, BR	Guadalajara, MX	Chihuahua, MX	Nashville, TN
-Complete Range of ATMs, Media Handling Modules and related kits	-All LOBs primarily serving EMEA	-Brazil Domestic Production -Products fully customized for Brazilian market	-Contract Manufacturing Hospitality POS & peripherals -Retail POS & peripherals -Optic	--Contract Manufacturing ATMs	-Distribution Center North America fulfillment -POS staging -SCO configuration -Pick, Pack, & Ship -Hospitality quick ship

Variable Manufacturing Cost Structure

- ~70%-80% manufacturing costs are variable
- Increased variable cost-model in Hardware business via contract manufacturing
- Provides capability to absorb volume changes with less bottom-line impact
- Each facility has majority of its parts sourced independently

Actions: Cash Focus

Operating Goals

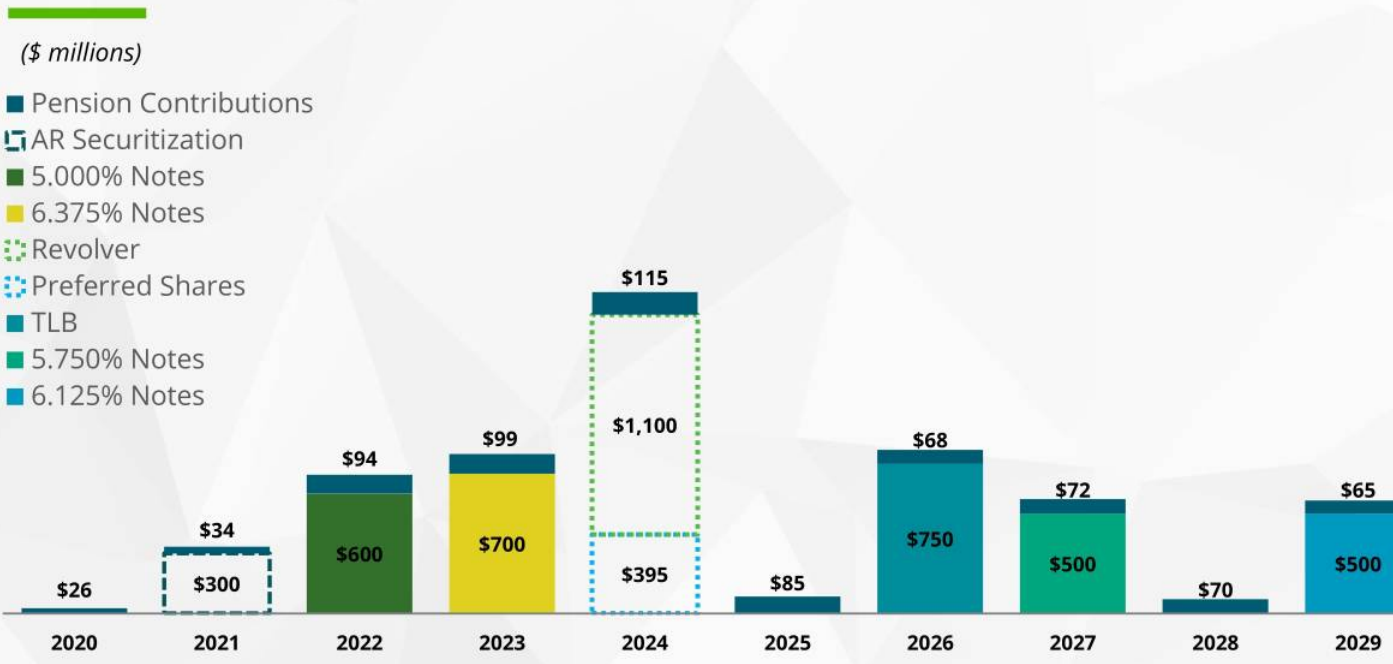
- Manage quarter to quarter at cash flow neutral
- Address potential business impacts with spending cuts

Reductions

- **Cash Savings:**
 - Suspend stock buybacks
 - Limit M&A
 - Salary reductions
 - Capital projects
 - Contractors
 - Travel
 - Merit freeze
 - Hiring freeze

NCR Debt Maturities & Liquidity Status

Estimated As of March 31, 2020



*Term Loan B (TLB) amortization of 1% of principal (~\$7M/annually) not reflected in above schedule
 *First "Put" Date Preferred
 *Pension estimates are as of 12/31/19 valuation data

Key Takeaways

- Building a cash reserve to maximize financial flexibility
 - Strong liquidity
 - Ample room on the Company's debt covenants
 - NCR's Senior Secured Credit Facility covenant is 4.75x Net Debt/trailing twelve month adjusted EBITDA. Covenant defined net leverage is expected to be in the mid 3x at 3/31/20, which is significantly under the covenant requirement
 - Variable cost structure with additional levers to pull
 - Withdraw 2020 guidance
 - Postpone Investor Day, previously scheduled for May 14th
-

Q&A



