

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): May 4, 2023



**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 May 4, 2023, the Company issued a press release setting forth its first quarter 2023 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 May 4, 2023, the Company will hold its previously announced conference call to discuss its first 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	<a href="#">Press Release issued by the Company, dated May 4, 2023</a>
99.2	<a href="#">Supplemental materials, dated May 4, 2023</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**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: May 4, 2023



## **NCR Announces Solid First Quarter 2023 Results** **Separation Into Two Leading Public Companies On Track**

ATLANTA, May 4, 2023 - NCR Corporation (NYSE: NCR) reported financial results today for the three months ended March 31, 2023. First quarter results and other recent highlights include:

- **Revenue of \$1.9 billion, up 1%; up 4% on a constant currency basis**
  - **Recurring revenue of \$1.2 billion, up 4% and up 7% on a constant currency basis**
- **Net income from continuing operations attributable to NCR of \$9 million, up 127%**
  - **Adjusted EBITDA of \$302 million, up 11% and up 19% on a constant currency basis**
- **GAAP diluted EPS from continuing operations of \$0.04, up 115%**
  - **Non-GAAP diluted EPS of \$0.56, up 6%**
- **Net cash provided by operating activities of \$317 million; Free cash flow of \$209 million**
- **Company progressing toward separation into two public companies**

“Our first quarter results represent a good start to the year as we delivered strong recurring revenue growth, margin expansion and increased cash flow generation,” said Michael Hayford, Chief Executive Officer. “We have positive momentum heading toward the separation into two public companies. During the past two quarters, NCR generated over \$400 million in combined free cash flow, allowing us to reduce financial leverage in anticipation of the separation transaction.”

Mr. Hayford continued, “Following the planned fourth quarter separation, we will become two strong, standalone companies with long runways for growth. We believe each company will benefit from increased operating and financial flexibility and will unlock significant value for our customers and stockholders.”

In this release, we use certain non-GAAP measures, including presenting certain measures on a constant currency basis. These non-GAAP measures include “free cash flow,” “Adjusted EBITDA,” and others with the words “non-GAAP” or “constant currency” 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.

## First Quarter 2023 Operating Results

### Revenue

First quarter revenue of \$1,891 million increased 1% year over year. On a constant currency basis, revenue was up 4% year over year. The following table shows revenue for the first quarter:

\$ in millions	Q1 2023		Q1 2022		% Increase (Decrease)	% Increase (Decrease) Constant Currency
Retail	\$	552	\$	546	1 %	4 %
Hospitality		223		211	6 %	7 %
Digital Banking		136		136	— %	— %
Payments & Network		323		299	8 %	11 %
Self-Service Banking		613		611	— %	4 %
Other		54		68	(21)%	(18)%
Eliminations <sup>(1)</sup>		(10)		(8)	25 %	25 %
<b>Total segment revenue</b>	<b>\$</b>	<b>1,891</b>	<b>\$</b>	<b>1,863</b>	<b>2 %</b>	<b>4 %</b>
Other adjustment <sup>(2)</sup>		—		3		
<b>Total revenue</b>	<b>\$</b>	<b>1,891</b>	<b>\$</b>	<b>1,866</b>	<b>1 %</b>	<b>4 %</b>
<b>Recurring revenue</b>	<b>\$</b>	<b>1,229</b>	<b>\$</b>	<b>1,179</b>	<b>4 %</b>	<b>7 %</b>
<b>Recurring revenue %</b>		<b>65 %</b>		<b>63 %</b>		

<sup>(1)</sup> Eliminations include revenues from contracts with customers and the related costs that are reported in the Payments & Network segment as well as in the Retail or Hospitality segments, including merchant acquiring services that are monetized via payments.

<sup>(2)</sup> Other adjustment reflects the revenue attributable to the Company's operations in Russia for the three months ending March 31, 2022 that were excluded from management's measure of revenue due to our previous announcement to suspend sales to Russia and orderly wind down of our operations in Russia beginning in the first quarter of 2022. Refer to section entitled "Non-GAAP Financial Measures" for additional information.

- First quarter gross margin of \$466 million increased from \$411 million in the prior year period. Gross margin rate was 24.6%, compared to 22.0% in the prior period. First quarter gross margin (non-GAAP) of \$496 million increased from \$453 million in the prior year period. Gross margin rate (non-GAAP) was 26.2%, compared to 24.3% in the prior period.
- First quarter income from operations of \$110 million increased from \$33 million in the prior year period. First quarter operating income (non-GAAP) of \$206 million increased from \$158 million in the prior year period.
- First quarter net income from continuing operations attributable to NCR of \$9 million increased from net loss from continuing operations attributable to NCR of \$33 million in the prior year period.
- First quarter Adjusted EBITDA of \$302 million increased from \$271 million in the prior year period. Foreign currency fluctuations had an unfavorable impact on the Adjusted EBITDA comparison of 8%. Adjusted EBITDA margin rate was 16.0%, compared to 14.5% in the prior year period.
- First quarter cash provided by operating activities of \$317 million increased from cash provided by operating activities of \$38 million in the prior year period. First quarter free cash flow was \$209 million, compared to free cash outflow of \$10 million in the prior year period.

### **2023 Outlook**

We are affirming our full year 2023 guidance communicated on February 7, 2023. For the full year 2023, we are forecasting:

- Revenue - \$7.8 billion to \$8.0 billion
- Adjusted EBITDA - \$1.45 billion to \$1.55 billion
- Non-GAAP diluted EPS - \$3.30 - \$3.50
- Free cash flow - \$400 million to \$500 million

For the second quarter of 2023, we are forecasting:

- Revenue - \$1.9 billion to \$2.0 billion
- Adjusted EBITDA - \$340 million to \$360 million
- Non-GAAP diluted EPS - \$0.70 - \$0.76
- Free cash flow - approximately \$50 million

With respect to our Adjusted EBITDA, Free Cash Flow and non-GAAP diluted earnings per share guidance, we do not provide a reconciliation of the respective GAAP measures because we are not able to predict with reasonable certainty the reconciling items that may affect the GAAP net income from continuing operations, GAAP cash flow from operating activities and GAAP diluted earnings per share from continuing operations 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.

### **Separation Update**

On September 15, 2022, NCR announced a plan to separate into two independent, publicly traded companies – one focused on digital commerce, the other on ATMs. The separation is intended to be structured in a tax-free manner. The separation transaction will follow the satisfaction of customary conditions, including effectiveness of appropriate filings with the U.S. Securities and Exchange Commission, and the completion of audited financial statements. The current target is to complete the separation in the fourth quarter of 2023.

Should alternative options become available in the future that could deliver superior value to our shareholders than the planned separation, such as a whole or partial company sale of NCR, the Board remains open to considering alternative scenarios.

## **2023 First Quarter Earnings Conference Call**

A conference call is scheduled for today at 4:30 p.m. Eastern Time to discuss the first quarter 2023 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 8001995.

More information on NCR's first 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 leader in transforming, connecting and running technology platforms for self-directed banking, stores and restaurants. NCR is headquartered in Atlanta, Georgia, with 35,000 employees globally. NCR is a trademark of NCR Corporation in the United States and other countries.

Website: [www.ncr.com](http://www.ncr.com)

Twitter: @NCRCorporation

Facebook: [www.facebook.com/ncrcorp](http://www.facebook.com/ncrcorp)

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

YouTube: [www.youtube.com/user/ncrcorporation](http://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,” “planned,” “objective,” “likely,” “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 expectations of demand for our solutions and execution, and the impact thereof on our financial results in 2023; NCR’s focus on advancing our strategic growth initiatives and transforming NCR into a software-led as-a-service company with a higher mix of recurring revenue streams; our expectations of NCR’s ability to deliver increased value to customers and stockholders; statements regarding the planned separation of NCR into two separate companies, including, but not limited to, statements regarding the anticipated timing and structure of such planned transaction, the future commercial or financial performance of the commerce company or the ATM company following such planned transaction, value creation and ability to innovate and drive growth generally as a result of such transaction, and the expected capital structure, net debt and pension obligations of the companies at the time of and following the transaction. 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:

- Strategy and Technology: transforming our business model; development and introduction of new solutions; competition in the technology industry; integration of acquisitions and management of alliance activities; our multinational operations;
- Business Operations: domestic and global economic and credit conditions; risks and uncertainties from the payments-related business and industry; disruptions in our data center hosting and public cloud facilities; retention and attraction of key employees; defects, errors, installation difficulties or development delays; failure of third-party suppliers; a major natural disaster or catastrophic event, including the impact of the coronavirus (COVID-19) pandemic and geopolitical and macroeconomic challenges; environmental exposures from historical and ongoing manufacturing activities; and climate change;
- Data Privacy & Security: impact of data protection, cybersecurity and data privacy including any related issues, including the April 2023 ransomware incident;
- Finance and Accounting: our level of indebtedness; the terms governing our indebtedness; incurrence of additional debt or similar liabilities or obligations; access or renewal of financing sources; our cash flow sufficiency to service our indebtedness; interest rate risks; the terms governing our trade receivables facility; the impact of certain changes in control relating to acceleration of our indebtedness, our obligations under other financing arrangements, or required repurchase of our senior unsecured notes; any lowering or withdrawal of the ratings assigned to our debt securities by rating agencies; our pension liabilities; and write down of the value of certain significant assets;
- Law and Compliance: allegations or claims by third parties that our products or services infringe on intellectual property rights of others, including claims against our customers and claims by our customers to defend and indemnify them with respect to such claims; protection of our intellectual property; changes to our tax rates and additional income tax liabilities; uncertainties regarding regulations, lawsuits and other related matters; and changes to cryptocurrency regulations;
- Governance: impact of the terms of our Series A Convertible Preferred (“Series A”) Stock relating to voting power, share dilution and market price of our common stock; rights, preferences and privileges of Series A stockholders compared to the rights of our common stockholders; and actions or proposals from stockholders that do not align with our business strategies or the interests of our other stockholders;
- Planned Separation: an unexpected failure to complete, or unexpected delays in completing, the necessary actions for the planned separation, or to obtain the necessary approvals or third party consents to complete these actions; that the potential strategic benefits, synergies or opportunities expected from the separation may not be realized or may take longer to realize than expected; costs of implementation of the separation and any changes to the configuration of businesses included in the separation if implemented; the potential inability to access or reduced access to the capital markets or increased cost of borrowings, including as a result of a credit rating downgrade; the potential adverse reactions to the planned separation by customers, suppliers, strategic partners or key personnel and potential difficulties in maintaining relationships with such persons and risks associated with third party contracts containing consent and/or other provisions that may be triggered by the planned separation; the risk that any newly formed entity to house the commerce or ATM business would have no credit rating and may not have access to the capital markets on acceptable terms; unforeseen tax liabilities or changes in tax law; requests or requirements of governmental authorities related to certain existing liabilities; and the ability to obtain or consummate financing or refinancing related to the transaction upon acceptable terms or at all.

Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those set forth in the forward-looking statements. There can be no guarantee that the planned separation



will be completed in the expected form or within the expected time frame or at all. Nor can there be any guarantee that the commerce business and ATM business after a separation will be able to realize any of the potential strategic benefits, synergies or opportunities as a result of these actions. Neither can there be any guarantee that shareholders will achieve any particular level of shareholder returns. Nor can there be any guarantee that the planned separation will enhance value for shareholders, or that NCR or any of its divisions, or separate commerce and ATM business, will be commercially successful in the future, or achieve any particular credit rating or financial results. 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 Income (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 income (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, stock-based compensation expense, and transformation and restructuring activities, from NCR's GAAP earnings per share, gross margin, gross margin rate, expenses, income from operations, interest and other income (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. Prior to 2023, our calculations of these non-GAAP measures did not exclude stock-based compensation expense. We believe that it is useful to exclude stock-based compensation expense, which is a non-cash expense, in order to better understand the long-term performance of our core business and to facilitate comparison of our results to those of peer companies over multiple periods. All periods presented have been recast to reflect this new definition.

*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 stock-based compensation expense; 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 transformation and restructuring charges (which includes integration, severance and other exit and disposal costs), 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. Adjusted EBITDA margin by segment is calculated based on segment Adjusted EBITDA divided by the related component of revenue.

*Special Item Related to Russia* The war in Eastern Europe and related sanctions imposed on Russia and related actors by the United States and other jurisdictions required us to commence the orderly wind down of our operations in Russia in the first quarter of 2022. As of March 31, 2023, we have ceased operations in Russia and are in process of dissolving our only subsidiary in Russia. As a result, for the three months ended March 31, 2022, our non-GAAP presentation of the measures described above exclude the immaterial impact of our operating results in Russia, as well as the impact of impairments taken to write down the carrying value of assets and liabilities, severance charges, and the assessment of collectability on revenue recognition. No charges have been recognized for the three months ended March 31, 2023. We consider this to be a non-recurring special item and management has reviewed the results of its business segments excluding these impacts.

*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, 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.

*Constant Currency.* NCR presents certain financial measures, such as period-over-period revenue growth, on a constant currency basis, which excludes the effects of foreign currency translation by translating prior period results at current period monthly average exchange rates. Due to the overall variability of foreign exchange rates from period to period, NCR's management uses constant currency measures to evaluate period-over-period operating performance on a more consistent and comparable basis. NCR's management believes that presentation of financial measures without this result may contribute to an understanding of the Company's period-over-period operating performance and provides additional insight into historical and/or future performance, which may be helpful for investors.

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, cryptocurrency-related 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	Q1 2023		Q1 2022	
<b>Gross Margin (GAAP)</b>	<b>\$</b>	<b>466</b>	<b>\$</b>	<b>411</b>
Transformation and restructuring costs		—		5
Stock-based compensation expense		4		4
Acquisition-related amortization of intangibles		26		19
Russia		—		14
<b>Gross Margin (Non-GAAP)</b>	<b>\$</b>	<b>496</b>	<b>\$</b>	<b>453</b>

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

	Q1 2023		Q1 2022	
<b>Gross Margin Rate (GAAP)</b>		<b>24.6 %</b>		<b>22.0 %</b>
Transformation and restructuring costs		— %		0.3 %
Stock-based compensation expense		0.2 %		0.2 %
Acquisition-related amortization of intangibles		1.4 %		1.0 %
Russia		— %		0.8 %
<b>Gross Margin Rate (Non-GAAP)</b>		<b>26.2 %</b>		<b>24.3 %</b>

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

\$ in millions		Q1 2023		Q1 2022	
<b>Income (Loss) from Operations (GAAP)</b>		\$	110	\$	33
Transformation and restructuring costs			3		27
Stock-based compensation expense			32		34
Acquisition-related amortization of intangibles			42		41
Acquisition-related costs			—		5
Separation costs			19		—
Russia			—		18
<b>Operating Income (Non-GAAP)</b>		\$	206	\$	158

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

\$ in millions		Q1 2023		Q1 2022	
<b>Net Income (Loss) from Continuing Operations Attributable to NCR (GAAP)</b>		\$	9	\$	(33)
Transformation and restructuring costs			—		27
Acquisition-related amortization of intangibles			42		41
Acquisition-related costs			—		5
Separation costs			19		—
Depreciation and amortization (excluding acquisition-related amortization of intangibles)			106		103
Interest expense			83		63
Interest income			(3)		(1)
Income tax expense (benefit)			14		13
Stock-based compensation expense			32		34
Russia			—		19
<b>Adjusted EBITDA (Non-GAAP)</b>		\$	302	\$	271

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

	Q1 2023		Q1 2022	
<b>Diluted Earnings Per Share from Continuing Operations (GAAP) <sup>(1)</sup></b>	\$	0.04	\$	(0.27)
Transformation and restructuring costs		—		0.15
Stock-based compensation expense		0.21		0.21
Acquisition-related amortization of intangibles		0.19		0.23
Acquisition-related costs		—		0.03
Separation costs		0.09		—
Russia		—		0.13
<b>Diluted Earnings Per Share from Continuing Operations (Non-GAAP) <sup>(1)</sup></b>	\$	0.56	\$	0.53

<sup>(1)</sup> 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

	Q1 2023		Q1 2022	
<b>Net cash provided by (used in) operating activities</b>	\$	317	\$	38
Total capital expenditures		(83)		(80)
Restricted cash settlement activity		(29)		28
Pension contributions		4		4
<b>Free cash flow</b>	\$	209	\$	(10)

Reconciliation of As Reported Growth % (GAAP) to Growth Constant Currency % (Non-GAAP)

\$ in millions	Three months ended March 31, 2023		
	As Reported Growth %	Favorable (Unfavorable) FX Impact	Growth % Constant Currency (non-GAAP)
<b>Revenue by segment</b>			
Retail	1 %	(3)%	4 %
Hospitality	6 %	(1)%	7 %
Digital Banking	— %	— %	— %
Payments & Network	8 %	(3)%	11 %
Self-Service Banking	— %	(4)%	4 %
Other	(21)%	(3)%	(18)%
Eliminations	25 %	— %	25 %
<b>Total segment revenue</b>	<b>2 %</b>	<b>(2)%</b>	<b>4 %</b>
<b>Total revenue</b>	<b>1 %</b>	<b>(3)%</b>	<b>4 %</b>
<b>Recurring Revenue</b>	<b>4 %</b>	<b>(3)%</b>	<b>7 %</b>
<b>Adjusted EBITDA</b>	<b>11 %</b>	<b>(8)%</b>	<b>19 %</b>

NCR CORPORATION  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(Unaudited)  
(in millions, except per share amounts)

Schedule A

	For the Periods Ended March 31	
	Three Months	
	2023	2022
<b>Revenue</b>		
Product	\$ 521	\$ 516
Service	1,370	1,350
<b>Total Revenue</b>	<b>1,891</b>	<b>1,866</b>
Cost of products	456	492
Cost of services	969	963
<b>Total gross margin</b>	<b>466</b>	<b>411</b>
<i>% of Revenue</i>	24.6 %	22.0 %
Selling, general and administrative expenses	292	313
Research and development expenses	64	65
<b>Income (loss) from operations</b>	<b>110</b>	<b>33</b>
<i>% of Revenue</i>	5.8 %	1.8 %
Interest expense	(83)	(63)
Other income (expense), net	(3)	9
Total interest and other expense, net	(86)	(54)
<b>Income (loss) from continuing operations before income taxes</b>	<b>24</b>	<b>(21)</b>
<i>% of Revenue</i>	1.3 %	(1.1)%
Income tax expense (benefit)	14	13
<b>Income (loss) from continuing operations</b>	<b>10</b>	<b>(34)</b>
Income (loss) from discontinued operations, net of tax	—	(1)
<b>Net income (loss)</b>	<b>10</b>	<b>(35)</b>
Net income (loss) attributable to noncontrolling interests	1	(1)
<b>Net income (loss) attributable to NCR</b>	<b>\$ 9</b>	<b>\$ (34)</b>
<b>Amounts attributable to NCR common stockholders:</b>		
Income (loss) from continuing operations	\$ 9	\$ (33)
Dividends on convertible preferred stock	(4)	(4)
Income (loss) from continuing operations attributable to NCR common stockholders	5	(37)
Income (loss) from discontinued operations, net of tax	—	(1)
Net income (loss) attributable to NCR common stockholders	\$ 5	\$ (38)
<b>Income (loss) per share attributable to NCR common stockholders:</b>		
<b>Income (loss) per common share from continuing operations</b>		
Basic	\$ 0.04	\$ (0.27)
Diluted <sup>(1)</sup>	\$ 0.04	\$ (0.27)
<b>Net income (loss) per common share</b>		
Basic	\$ 0.04	\$ (0.28)
Diluted <sup>(1)</sup>	\$ 0.04	\$ (0.28)
<b>Weighted average common shares outstanding</b>		
Basic	139.6	135.7
Diluted <sup>(1)</sup>	141.7	135.7

<sup>(1)</sup> 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 ADJUSTED EBITDA SUMMARY  
(Unaudited)  
(in millions)

Schedule B

	For the Periods Ended March 31			
	Three Months			
	2023	2022	% Change	% Change Constant Currency
<b>Revenue by segment</b>				
Retail	\$ 552	\$ 546	1%	4%
Hospitality	223	211	6%	7%
Digital Banking	136	136	—%	—%
Payments & Network	323	299	8%	11%
Self-Service Banking	613	611	—%	4%
Other	54	68	(21)%	(18)%
Eliminations	(10)	(8)	25%	25%
<b>Total segment revenue</b>	<b>\$ 1,891</b>	<b>\$ 1,863</b>	<b>2%</b>	<b>4%</b>
Other adjustment <sup>(1)</sup>	—	3		
<b>Total revenue</b>	<b>\$ 1,891</b>	<b>\$ 1,866</b>	<b>1%</b>	<b>4%</b>
<b>Adjusted EBITDA by segment</b>				
Retail	\$ 97	\$ 67	45%	
<i>Retail Adjusted EBITDA margin %</i>	<i>17.6%</i>	<i>12.3%</i>		
Hospitality	53	41	29%	
<i>Hospitality Adjusted EBITDA margin %</i>	<i>23.8%</i>	<i>19.4%</i>		
Digital Banking	49	56	(13)%	
<i>Digital Banking Adjusted EBITDA margin %</i>	<i>36.0%</i>	<i>41.2%</i>		
Payments & Network	83	98	(15)%	
<i>Payments &amp; Network Adjusted EBITDA margin %</i>	<i>25.7%</i>	<i>32.8%</i>		
Self-Service Banking	138	112	23%	
<i>Self-Service Banking Adjusted EBITDA margin %</i>	<i>22.5%</i>	<i>18.3%</i>		
Corporate and Other <sup>(2)</sup>	(110)	(97)	13%	
Eliminations	(8)	(6)	33%	
<b>Total Adjusted EBITDA</b>	<b>\$ 302</b>	<b>\$ 271</b>	<b>11%</b>	<b>19%</b>
<i>Total Adjusted EBITDA margin %</i>	<i>16.0%</i>	<i>14.5%</i>		

<sup>(1)</sup> Other adjustment reflects the revenue attributable to the Company's operations in Russia for the three months ending March 31, 2022 that were excluded from management's measure of revenue due to our previous announcement to suspend sales to Russia and anticipated orderly wind down of our operations in Russia beginning in the first quarter of 2022. Refer to the section entitled "Non-GAAP Financial Measures" for additional information.

<sup>(2)</sup> Corporate and Other includes income and expenses related to corporate functions that are not specifically attributable to an individual reportable segment along with any immaterial operating segment(s).

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

Schedule C

	March 31, 2023	December 31, 2022
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 519	\$ 505
Accounts receivable, net of allowances of \$37 and \$34 as of March 31, 2023 and December 31, 2022, respectively	1,009	1,083
Inventories	792	772
Restricted cash	257	228
Prepaid and other current assets	493	494
<b>Total current assets</b>	<b>3,070</b>	<b>3,082</b>
Property, plant and equipment, net	681	663
Goodwill	4,542	4,540
Intangibles, net	1,105	1,145
Operating lease assets	353	371
Prepaid pension cost	217	212
Deferred income taxes	595	598
Other assets	879	896
<b>Total assets</b>	<b>\$ 11,442</b>	<b>\$ 11,507</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Short-term borrowings	\$ 105	\$ 104
Accounts payable	952	942
Payroll and benefits liabilities	223	207
Contract liabilities	631	537
Settlement liabilities	269	250
Other current liabilities	636	673
<b>Total current liabilities</b>	<b>2,816</b>	<b>2,713</b>
Long-term debt	5,406	5,561
Pension and indemnity plan liabilities	615	614
Postretirement and postemployment benefits liabilities	88	91
Income tax accruals	97	97
Operating lease liabilities	340	353
Other liabilities	317	324
<b>Total liabilities</b>	<b>9,679</b>	<b>9,753</b>
Series A convertible preferred stock: par value \$0.01 per share, 3.0 shares authorized, 0.3 issued and outstanding as of March 31, 2023 and December 31, 2022, respectively; redemption amount and liquidation preference of \$276 as of March 31, 2023 and December 31, 2022, respectively	275	275
<b>Stockholders' equity</b>		
NCR stockholders' equity:		
Preferred stock: par value \$0.01 per share, 100.0 shares authorized, no shares issued and outstanding as of March 31, 2023 and December 31, 2022, respectively	—	—
Common stock: par value \$0.01 per share, 500.0 shares authorized, 140.1 and 138.0 shares issued and outstanding as of March 31, 2023 and December 31, 2022, respectively	1	1
Paid-in capital	727	704
Retained earnings	1,080	1,075
Accumulated other comprehensive loss	(319)	(300)
<b>Total NCR stockholders' equity</b>	<b>1,489</b>	<b>1,480</b>
Noncontrolling interests in subsidiaries	(1)	(1)
<b>Total stockholders' equity</b>	<b>1,488</b>	<b>1,479</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 11,442</b>	<b>\$ 11,507</b>



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

Schedule D

	For the Periods Ended March 31	
	Three Months	
	2023	2022
<b>Operating activities</b>		
Net income (loss)	\$ 10	\$ (35)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Loss (income) from discontinued operations	—	1
Depreciation and amortization	151	147
Stock-based compensation expense	32	34
Deferred income taxes	6	4
Loss (gain) on disposal of property, plant and equipment and other assets	2	2
(Gain) loss on divestiture	(3)	—
Changes in assets and liabilities:		
Receivables	63	(129)
Inventories	(45)	(77)
Current payables and accrued expenses	20	(63)
Contract liabilities	95	105
Employee benefit plans	(16)	(8)
Other assets and liabilities	2	57
<b>Net cash provided by operating activities</b>	<b>\$ 317</b>	<b>\$ 38</b>
<b>Investing activities</b>		
Expenditures for property, plant and equipment	\$ (19)	\$ (15)
Additions to capitalized software	(64)	(77)
Business acquisitions, net of cash acquired	(6)	(1)
Proceeds from divestiture, net	3	—
Other investing activities, net	—	(5)
<b>Net cash used in investing activities</b>	<b>\$ (86)</b>	<b>\$ (86)</b>
<b>Financing activities</b>		
Short term borrowings, net	\$ —	\$ 2
Payments on term credit facilities	(26)	(2)
Payments on revolving credit facilities	(448)	(279)
Borrowings on revolving credit facilities	318	312
Cash dividend paid for Series A preferred shares dividends	(4)	(4)
Proceeds from employee stock plans	6	6
Tax withholding payments on behalf of employees	(16)	(36)
Net change in client funds obligations	—	6
Principal payments for finance lease obligations	(5)	(4)
Other financing activities	—	—
<b>Net cash provided by (used in) financing activities</b>	<b>\$ (175)</b>	<b>\$ 1</b>
<b>Cash flows from discontinued operations</b>		
Net cash provided by (used in) operating activities of discontinued operations	(6)	(4)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(10)	(6)
<b>Increase (decrease) in cash, cash equivalents, and restricted cash</b>	<b>\$ 40</b>	<b>\$ (57)</b>
<b>Cash, cash equivalents and restricted cash at beginning of period</b>	<b>740</b>	<b>749</b>
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 780</b>	<b>\$ 692</b>

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# Q1 2023 EARNINGS CONFERENCE CALL

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

May 4, 2023

# NOTES TO INVESTORS

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**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,” “planned,” “objective,” “likely,” “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: NCR’s expectations of demands for our solutions and execution, and the impact thereof on our financial results in 2023; NCR’s focus on advancing our strategic growth initiatives and transforming NCR into a software-led as-a-service company with a higher mix of recurring revenue streams; our expectations of NCR’s ability to deliver increased value to customers and stockholders; various macroeconomic challenges that may impact our financial performance in 2023; our expectations and assumptions regarding NCR’s full year and second quarter 2023 financial performance; expectations to leverage our software and payments platform to increase share of wallet; our focus on operational excellence; managing supply chain challenges; free cash flow generation; and statements regarding the planned separation of NCR into two separate companies, including, but not limited to, statements regarding the anticipated timing and structure of such planned transaction, the future commercial or financial performance of the commerce company or the ATM company following such planned transaction, value creation and ability to innovate and drive growth generally as a result of such transaction, and the expected capital structure, net debt and pension obligations of the companies at the time of and following the transaction. 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 27, 2023 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 May 4, 2023, 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

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**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; adjusted EBITDA growth; adjusted EBITDA margin; 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); net income (non-GAAP); and measurements in constant currency. 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](http://www.ncr.com). 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:

- (i) 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, cryptocurrency-related revenue, and certain professional services arrangements, as well as term-based software license arrangements that include customer termination rights.
- (ii) the term "annual recurring revenue" or "ARR" is recurring revenue, excluding software license sold as a subscription, for the last three months times four, plus the rolling four quarters for term-based software license arrangements that include customer termination rights.
- (iii) the term "CC" means constant currency.
- (iv) the term "LTM" means last twelve months.

# NOTES TO INVESTORS

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**COMBINED SEGMENTS.** Combined segment information is provided for illustrative purposes only and is not representative of actual post-separation performance and does not purport to represent what NCR's (RemainCo) or NCR ATMCo's (SpinCo) financial position and results of operations actually would have been had they operated as independent companies during the periods presented. Importantly, this information reflects an allocation of expenses related to certain NCR corporate functions and other shared functions which may not be indicative of the actual expense that would have been incurred had the companies operated as independent companies during the periods presented, nor are they indicative of future expenses. The revenue and Adjusted EBITDA of corporate and other immaterial operating segments are not included in the combined segments. The ultimate financial performance and results of operations for NCR (RemainCo) and NCR ATMCo (SpinCo) will differ based on certain items which are not reflected in the information presented, including the final perimeter of the transaction, carve-out assumptions, final capital structure, required corporate expenses and other allocations, and such items may be material and result in material differences to financial performance and results of operations. These combined segment results should not be considered guidance or promises of future performance. There can be no guarantee that NCR (RemainCo) or NCR ATMCo (SpinCo) will achieve results similar to those presented here. Reconciliations of the combined segment information to NCR's reportable segments and consolidated results are included in the accompanying "Supplementary Materials". Such reconciliations include the unallocated revenue and Adjusted EBITDA related to corporate and other immaterial operating segments that are not included in the combined segments.

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

# OVERVIEW

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**Solid first quarter results**

**On track to separate NCR into two public companies**

**Revenue up 4% CC Y/Y**

**Recurring revenue up 7% CC Y/Y**

**Adjusted EBITDA growth of 19% CC Y/Y**

**Free cash flow of \$209 million**

**Cybersecurity incident mitigated; critical applications recovered**

# STRATEGIC BUSINESS UPDATE

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**Strong execution advancing strategic growth initiatives**

**Retail - Momentum in NCR Emerald™**

**Hospitality - Continue growth in Aloha™**

**Digital Banking - Winning in the market**

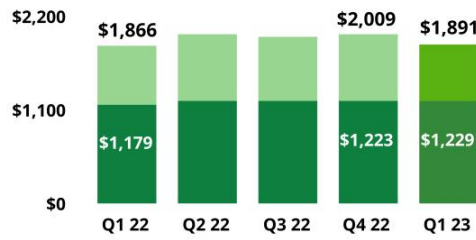
**Payments - Strong growth across Merchant acquiring and Allpoint™ networks**

**Self-Service Banking - Acceleration in ATMaas**

# Q1 2023 FINANCIAL RESULTS

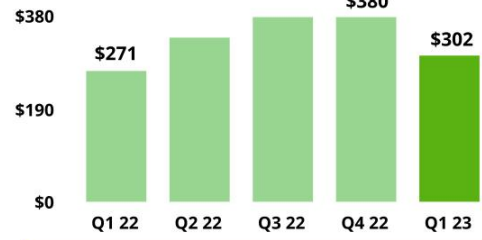
\$ in millions, except for EPS

## Total Revenue/Recurring



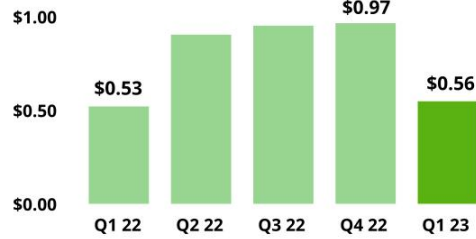
Revenue up 1% y/y as reported and up 4% CC;  
Recurring revenue up 4% y/y as reported and up 7% CC

## Adjusted EBITDA



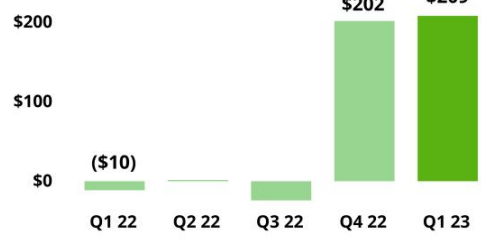
Adjusted EBITDA up 11% y/y as reported  
and up 19% CC

## Non-GAAP Diluted EPS



Non-GAAP diluted EPS up 6% y/y as reported and up  
27% CC; FX impact \$(0.09)

## Free Cash Flow



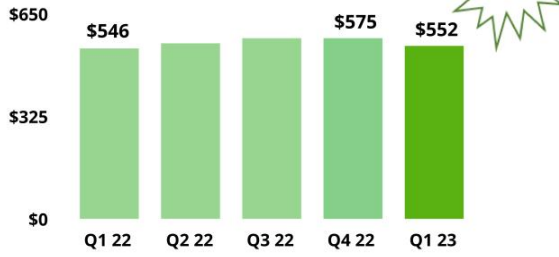
Strong Free Cash Flow driven by higher  
profitability and working capital improvements



# RETAIL

\$ in millions, except platform lanes

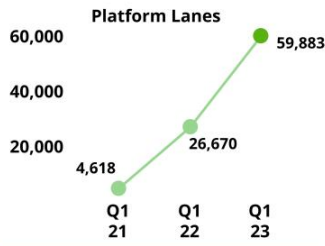
## Revenue



## Adjusted EBITDA



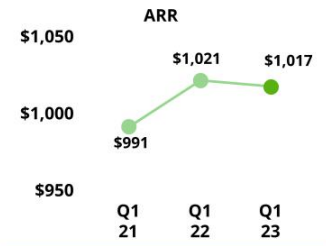
## Key Strategic Metrics



Up 125% y/y



Flat y/y



Flat y/y

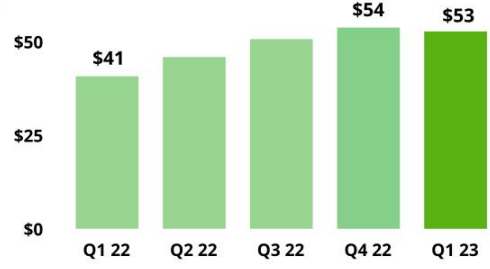
# HOSPITALITY

\$ in millions, except site counts

## Revenue

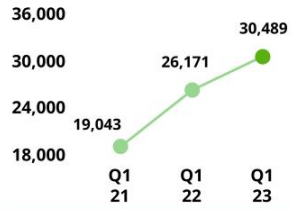


## Adjusted EBITDA



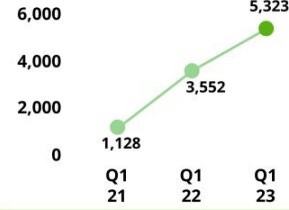
## Key Strategic Metrics

### Platform Sites



Up 16% y/y

### Payments Sites



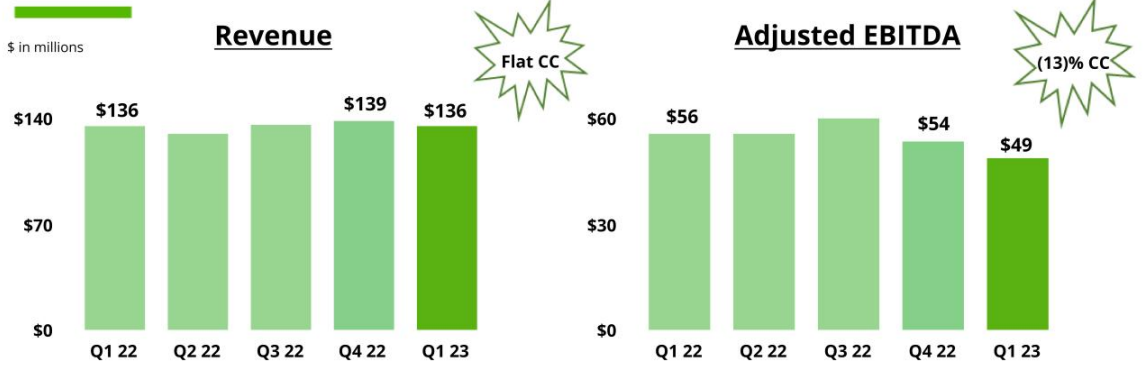
Up 50% y/y

### ARR

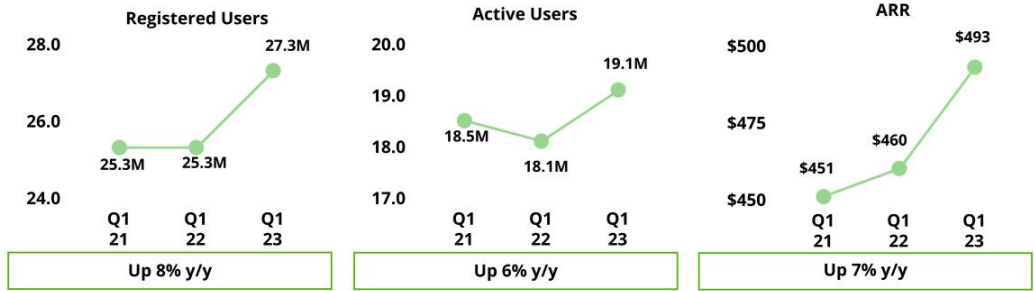


Up 12% y/y

# DIGITAL BANKING

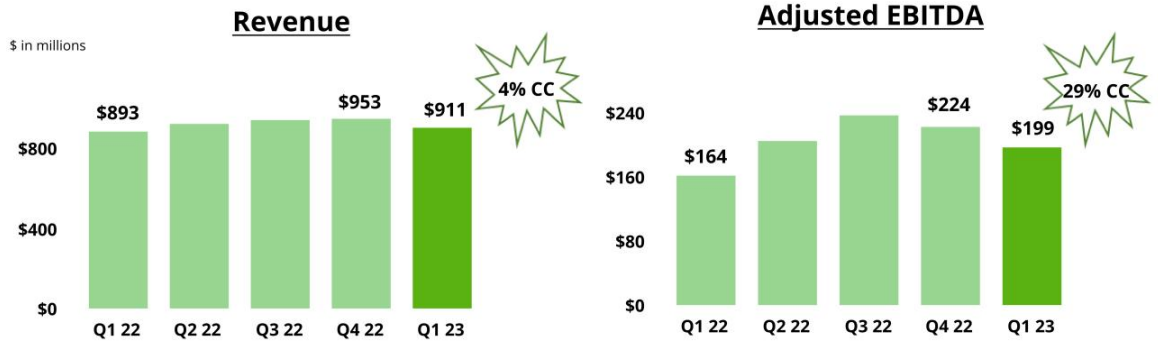


## Key Strategic Metrics



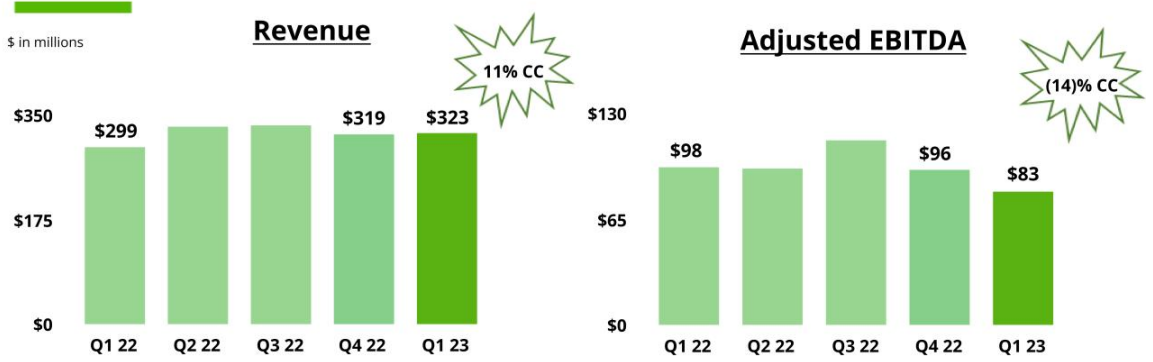
# Combined Segments: NCR (RemainCo)<sup>(1)</sup>

## Retail, Hospitality, Digital Banking

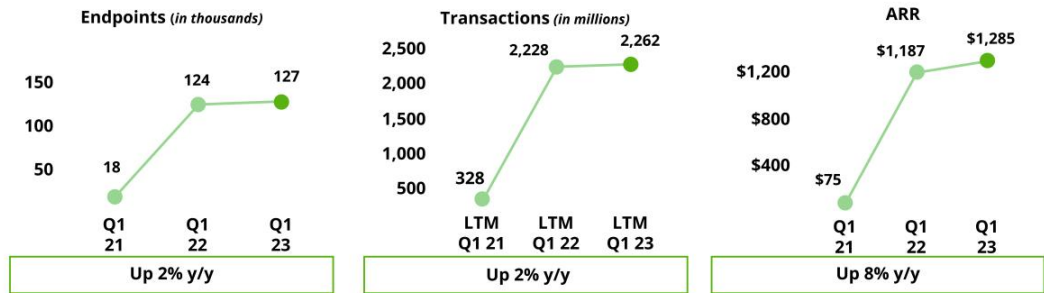


<sup>(1)</sup> This combined segment information is provided for illustrative purposes only and does not represent what NCR's (RemainCo) or NCR ATMCo's (SpinCo) financial position and results of operations actually would have been had they operated as independent companies. The combined segment information is the sum of the segments as reported. The revenue and Adjusted EBITDA of corporate and other immaterial operating segments are not included in this presentation. Refer to the slides "Notes to Investors" for additional information on this presentation of combined segments.

# PAYMENTS & NETWORK\*



## Key Strategic Metrics

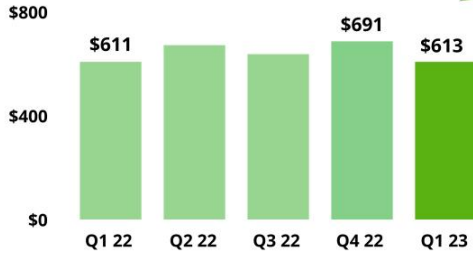


\* Fiscal 2021 includes the results of Cardtronics plc from the date of acquisition, June 21, 2021.

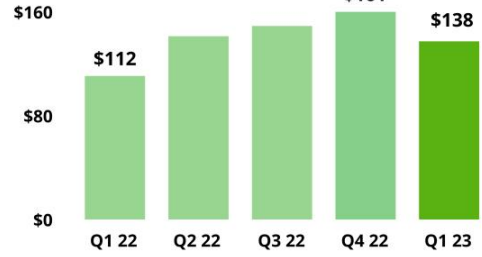
# SELF-SERVICE BANKING

\$ in millions, except units and percentages

## Revenue

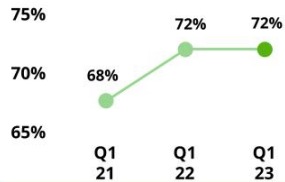


## Adjusted EBITDA



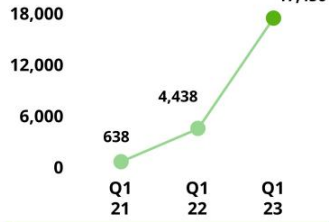
## Key Strategic Metrics

### Software & Services Revenue Mix



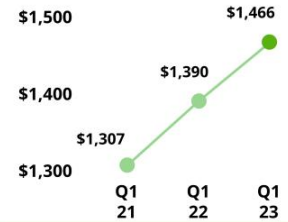
Flat to prior year

### ATMaaS Units



Up 293% y/y

### ARR



Up 5% y/y

# Combined Segments: NCR ATMCo (SpinCo)<sup>(1)</sup>

## Payments & Network, Self-Service Banking, less Eliminations



<sup>(1)</sup> This combined segment information is provided for illustrative purposes only and does not represent what NCR's (RemainCo) or NCR ATMCo's (SpinCo) financial position and results of operations actually would have been had they operated as independent companies. The combined segment information is the sum of the segments as reported. The revenue and Adjusted EBITDA of corporate and other immaterial operating segments are not included in this presentation. Refer to the slides "Notes to Investors" for additional information on this presentation of combined segments.

# FREE CASH FLOW, NET DEBT & EBITDA

\$ in millions

Free Cash Flow	Q1 2023	Q1 2022
Cash provided by operating activities	\$317	\$38
Less: Total capital expenditures	(83)	(80)
Plus: Restricted cash settlement activity	(29)	28
Plus: Pension contributions	4	4
<b>Free Cash Flow</b>	<b>\$209</b>	<b>\$(10)</b>

Net Debt & EBITDA	Q1 2023	Q1 2022
Debt	\$5,511	\$5,599
Cash	\$(519)	\$(412)
Net Debt	\$4,992	\$5,187
Adjusted EBITDA LTM	\$1,401	\$1,257
<b>Net Debt / Adjusted EBITDA</b>	<b>3.6x</b>	<b>4.1x</b>



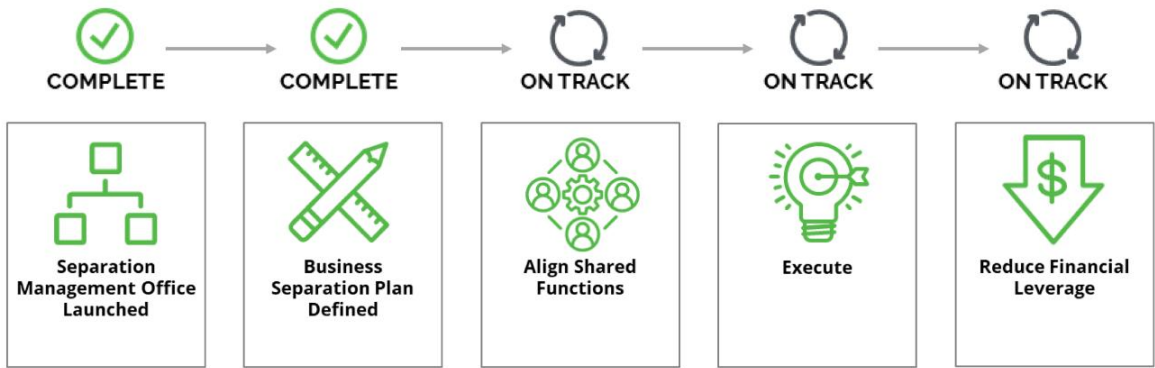
# 2023 GUIDANCE

In millions, except per share amounts

Guidance <sup>(1)</sup>	Q2 2023	FY 2023
<b>Revenue</b>	\$1,900 - \$2,000	\$7,800 - \$8,000
<b>Adjusted EBITDA</b>	\$340 - \$360	\$1,450 - \$1,550
<b>Non-GAAP Diluted EPS</b>	\$0.70 - \$0.76	\$3.30 - \$3.50
<b>Free Cash Flow</b>	~ \$50	\$400 - \$500
<b>Assumptions</b>		
Interest expense	\$88	\$330
Effective tax rate (non-GAAP)	27% - 29%	29%
Non-GAAP dilutive share count	153 - 154	155

<sup>(1)</sup> With respect to our Adjusted EBITDA, Free Cash Flow and non-GAAP diluted earnings per share guidance, we do not provide a reconciliation of the respective GAAP measures because we are not able to predict with reasonable certainty the reconciling items that may affect the GAAP net income from continuing operations, GAAP cash flow from operating activities and GAAP diluted earnings per share from continuing operations 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 slides "Notes to Investors" and "Non-GAAP Measures" for additional information regarding our use of non-GAAP financial measures.

# NCR SEPARATION ROADMAP<sup>(1)</sup>



**On track to complete separation activities in the fourth quarter of 2023**

<sup>(1)</sup> There can be no guarantee that the planned separation will be completed in the expected form or within the expected time frame or at all. Nor can there be any guarantee that the commerce business and ATM business after a separation will be able to realize any of the potential strategic benefits, synergies or opportunities as a result of these actions. Neither can there be any guarantee that shareholders will achieve any particular level of shareholder returns. Nor can there be any guarantee that the planned separation will enhance value for shareholders, or that NCR or any of its divisions, or separate NCR (RemainCo) and NCR ATMCo (SpinCo) business, will be commercially successful in the future, or achieve any particular credit rating or financial results.

## **LOOKING FORWARD**

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**On track to separate NCR into two public companies**

**Cybersecurity recovery expected in near future**

**Sequential quarterly operational and financial improvement**

**Congratulations CEO-Designates**



# SUPPLEMENTARY MATERIALS



# Q1 2023 GAAP RESULTS

\$ in millions, except per share amounts

	Q1 2023	Q1 2022	% Change
Revenue	\$1,891	\$1,866	1%
Gross Margin	466	411	13%
Gross Margin Rate	24.6%	22.0%	
Operating Expenses	356	378	(6)%
% of Revenue	18.8%	20.3%	
Operating Income	110	33	233%
% of Revenue	5.8%	1.8%	
Interest and other expense, net	(86)	(54)	59%
Income Tax Expense (Benefit)	14	13	
Effective Income Tax Rate	58.3%	(61.9)%	
Net Income (Loss) from Continuing Operations (attributable to NCR)	\$9	\$(33)	127%
Diluted EPS from Continuing Operations	\$0.04	\$(0.27)	115%

# Q1 2023 OPERATIONAL RESULTS

\$ in millions, except per share amounts

	Q1 2023	Q1 2022	% Change as Reported	% Change Adjusted Constant Currency
Revenue (non-GAAP)	\$1,891	\$1,863	2%	4%
Gross Margin (non-GAAP)	496	453	9%	16%
Gross Margin Rate (non-GAAP)	26.2%	24.3%		
Operating Expenses (non-GAAP)	290	295	(2)%	1%
% of Revenue	15.3%	15.8%		
Operating Income (non-GAAP)	206	158	30%	45%
% of Revenue	10.9%	8.5%		
Interest and other expense (non-GAAP)	(89)	(53)	68%	68%
Income Tax Expense (non-GAAP)	32	26	23%	23%
Effective Income Tax Rate (non-GAAP)	27.4%	24.8%		
Net Income (Loss) From Continuing Operations (attributable to NCR) (non-GAAP)	\$84	\$80	5%	31%
Diluted EPS (non-GAAP)	\$0.56	\$0.53	6%	27%

# 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. There can be no assurance that either NCR (RemainCo) or NCR ATMCo (SpinCo) will utilize the non-GAAP metrics herein, that they will not use different metrics, or that they will define such metrics differently than as presented herein.

**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), Interest and 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), interest and 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, stock-based compensation expense, and transformation and restructuring activities, from NCR's GAAP earnings per share, gross margin, gross margin rate, expenses, income from operations, operating margin rate, interest and other income (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. Prior to 2023, our calculations of these non-GAAP measures did not exclude stock-based compensation expense. We believe that it is useful to exclude stock-based compensation expense, which is a non-cash expense, in order to better understand the long-term performance of our core business and to facilitate comparison of our results to those of peer companies over multiple periods. All periods presented have been recast to reflect this new definition.

**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, 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 stock-based compensation expense; 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 transformation and restructuring charges (which includes integration, severance and other exit and disposal costs), 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.

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 a measure 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.

**Special Item Related to Russia** The war in Eastern Europe and related sanctions imposed on Russia and related actors by the United States and other jurisdictions required us to commence the orderly wind down of our operations in Russia in the first quarter of 2022. As of March 31, 2023, we have ceased operations in Russia and are in process of dissolving our only subsidiary in Russia. As a result, for the three months ending March 31, 2022, our non-GAAP presentation of the measures described above exclude the immaterial impact of our operating results in Russia, as well as the impact of impairments taken to write down the carrying value of assets and liabilities, severance charges, and the assessment of collectability on revenue recognition. No charges have been recognized for the three months ended March 31, 2023. We consider this to be a non-recurring special item and management has reviewed the results of its business segments excluding these impacts.



# NON-GAAP MEASURES

**Constant currency.** NCR presents certain financial measures, such as period-over-period revenue growth, on a constant currency basis, which excludes the effects of foreign currency translation by translating prior period results at current period monthly average exchange rates. Due to the overall variability of foreign exchange rates from period to period, NCR's management uses constant currency measures to evaluate period-over-period operating performance on a more consistent and comparable basis. NCR's management believes that presentation of financial measures without this result may contribute to an understanding of the Company's period-over-period operating performance and provides additional insight into historical and/or future performance, which may be helpful for investors.

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](http://www.ncr.com).

# GAAP TO NON-GAAP RECONCILIATION

\$ in millions

	Q1 2023	Q4 2022	Q1 2022
<b>Net (Loss) Income from Continuing Operations Attributable to NCR (GAAP)</b>	<b>\$ 9</b>	<b>\$ (7)</b>	<b>(33)</b>
Pension Mark-to-Market Adjustments	—	8	—
Transformation & Restructuring Costs	—	30	27
Acquisition-Related Amortization of Intangibles	42	42	41
Acquisition-Related Costs	—	1	5
Separation Costs	19	3	—
Interest Expense	83	81	63
Interest Income	(3)	(7)	(1)
Depreciation and Amortization	106	109	103
Income Taxes	14	92	13
Stock-Based Compensation Expense	32	28	34
Russia	—	—	19
<b>Adjusted EBITDA (non-GAAP)</b>	<b>\$ 302</b>	<b>\$ 380</b>	<b>271</b>

# GAAP TO NON-GAAP RECONCILIATION

\$ in millions

	Q1 2023 LTM	Q4 2022 LTM	Q1 2022 LTM
<b>Net (Loss) Income from Continuing Operations Attributable to NCR (GAAP)</b>	<b>\$ 106</b>	<b>\$ 64</b>	<b>\$ 34</b>
Pension Mark-to-Market Adjustments	8	8	(118)
Transformation & Restructuring Costs	96	123	85
Acquisition-Related Amortization of Intangibles	173	172	153
Acquisition-Related Costs	5	10	76
Separation Costs	22	3	—
Loss on Debt Extinguishment	—	—	42
Interest Expense	305	285	256
Interest Income	(15)	(13)	(6)
Depreciation and Amortization	426	423	390
Income Taxes	149	148	182
Stock-Based Compensation Expense	123	125	144
Russia	3	22	19
<b>Adjusted EBITDA (non-GAAP)</b>	<b>\$ 1,401</b>	<b>\$ 1,370</b>	<b>\$ 1,257</b>

# ADJUSTED EBITDA BY SEGMENT

\$ in millions

	Q1 2023	Q4 2022	Q1 2022
<b>Retail</b>	\$ 97	\$ 116	\$ 67
<b>Hospitality</b>	53	54	41
<b>Digital Banking</b>	49	54	56
<b>Payments &amp; Network</b>	83	96	98
<b>Self-Service Banking</b>	138	161	112
<b>Corporate and Other</b>	(110)	(92)	(97)
<b>Eliminations</b>	(8)	(9)	(6)
<b>Adjusted EBITDA</b>	\$ 302	\$ 380	\$ 271

# GAAP TO NON-GAAP RECONCILIATION

Q1 2023

\$ in millions, except per share amounts

	Q1 2023 QTD GAAP	Transformation Costs	Stock-based Compensation	Acquisition- related amortization of intangibles	Acquisition- related Costs	Separation Costs	Q1 2023 QTD non-GAAP
Product revenue	\$521	\$—	\$—	\$—	\$—	\$—	\$521
Service revenue	1,370	—	—	—	—	—	1,370
<b>Total revenue</b>	<b>1,891</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,891</b>
Cost of products	456	—	(1)	(2)	—	—	453
Cost of services	969	—	(3)	(24)	—	—	942
<b>Gross margin</b>	<b>466</b>	<b>—</b>	<b>4</b>	<b>26</b>	<b>—</b>	<b>—</b>	<b>496</b>
<i>Gross margin rate</i>	<b>24.6%</b>	—%	0.2%	1.4%	—%	—%	<b>26.2%</b>
Selling, general and administrative expenses	292	(3)	(25)	(16)	—	(19)	229
Research and development expenses	64	—	(3)	—	—	—	61
Total operating expenses	356	(3)	(28)	(16)	—	(19)	290
<i>Total operating expense as a % of revenue</i>	<b>18.8%</b>	(0.2)%	(1.5)%	(0.8)%	—%	(1.0)%	<b>15.3%</b>
<b>Income from operations</b>	<b>110</b>	<b>3</b>	<b>32</b>	<b>42</b>	<b>—</b>	<b>19</b>	<b>206</b>
<i>Income from operations as a % of revenue</i>	<b>5.8%</b>	0.2%	1.7%	2.2%	—%	1.0%	<b>10.9%</b>
Interest and Other (expense) income, net	(86)	(3)	—	—	—	—	(89)
Income from continuing operations before income taxes	24	—	32	42	—	19	117
Income tax (benefit) expense	14	—	—	13	—	5	32
<i>Effective income tax rate</i>	<b>58.3%</b>						<b>27.4%</b>
Income (loss) from continuing operations	10	—	32	29	—	14	85
Net income (loss) attributable to noncontrolling interests	1	—	—	—	—	—	1
<b>Income (loss) from continuing operations (attributable to NCR)</b>	<b>\$9</b>	<b>\$—</b>	<b>\$32</b>	<b>\$29</b>	<b>\$—</b>	<b>\$14</b>	<b>\$84</b>
<b>Diluted earnings per share</b>	<b>\$0.04</b>	<b>\$—</b>	<b>\$0.21</b>	<b>\$0.19</b>	<b>\$—</b>	<b>\$0.09</b>	<b>\$0.56</b>
Diluted shares outstanding	141.7						150.9

# GAAP TO NON-GAAP RECONCILIATION

Q1 2023

\$ in millions, except per share amounts

	Q1 2023 QTD	Q1 2023 QTD non-GAAP
<b>Income (loss) from continuing operations attributable to NCR common stockholders:</b>		
Income (loss) from continuing operations (attributable to NCR)	\$9	\$84
Dividends on convertible preferred shares	\$(4)	\$—
<b>Income (loss) from continuing operations attributable to NCR common stockholders</b>	<b>\$5</b>	<b>\$84</b>
<b>Weighted average outstanding shares:</b>		
Weighted average diluted shares outstanding	141.7	141.7
Weighted as-if converted preferred shares	—	9.2
<b>Total shares used in diluted earnings per share</b>	<b>141.7</b>	<b>150.9</b>
<b>Diluted earnings per share from continuing operations <sup>(1)</sup></b>	<b>\$0.04</b>	<b>\$0.56</b>

<sup>(1)</sup> 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 stockholders 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

Q1 2022

\$ in millions, except per share amounts

	Q1 2022 QTD GAAP	Transformation Costs	Stock-based Compensation Costs	Acquisition- related amortization of intangibles	Acquisition- related costs	Russia	Q1 2022 QTD non-GAAP
Product revenue	\$516	\$—	\$—	\$—	\$—	\$—	\$516
Service revenue	1,350	—	—	—	—	(3)	1,347
<b>Total revenue</b>	<b>1,866</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(3)</b>	<b>1,863</b>
Cost of products	492	(1)	(2)	(2)	—	(7)	480
Cost of services	963	(4)	(2)	(17)	—	(10)	930
<b>Gross margin</b>	<b>411</b>	<b>5</b>	<b>4</b>	<b>19</b>	<b>—</b>	<b>14</b>	<b>453</b>
<i>Gross margin rate</i>	<b>22.0%</b>	0.3%	0.2%	1.0%	—%	0.8%	<b>24.3%</b>
Selling, general and administrative expenses	313	(21)	(27)	(22)	(5)	(4)	234
Research and development expenses	65	(1)	(3)	—	—	—	61
Total operating expenses	378	(22)	(30)	(22)	(5)	(4)	295
<i>Total operating expense as a % of revenue</i>	<b>20.3%</b>	(1.2)%	(1.6)%	(1.2)%	(0.3)%	(0.2)%	<b>15.8%</b>
<b>Income from operations</b>	<b>33</b>	<b>27</b>	<b>34</b>	<b>41</b>	<b>5</b>	<b>18</b>	<b>158</b>
<i>Income from operations as a % of revenue</i>	<b>1.8%</b>	1.4%	1.8%	2.2%	0.3%	1.0%	<b>8.5%</b>
Interest and Other (expense) income, net	(54)	—	—	—	—	1	(53)
Income from continuing operations before income taxes	(21)	27	34	41	5	19	105
Income tax (benefit) expense	13	4	3	6	—	—	26
<i>Effective income tax rate</i>	<b>(61.9)%</b>						<b>24.8%</b>
Income from continuing operations	(34)	23	31	35	5	19	79
Net income (loss) attributable to noncontrolling interests	(1)	—	—	—	—	—	(1)
<b>Income from continuing operations (attributable to NCR)</b>	<b>\$(33)</b>	<b>\$23</b>	<b>\$31</b>	<b>\$35</b>	<b>\$5</b>	<b>\$19</b>	<b>\$80</b>
<b>Diluted earnings per share</b>	<b>\$(0.27)</b>	<b>\$0.15</b>	<b>\$0.21</b>	<b>\$0.23</b>	<b>\$0.03</b>	<b>\$0.13</b>	<b>\$0.53</b>
Diluted shares outstanding	135.7						150.7

# GAAP TO NON-GAAP RECONCILIATION

Q1 2022

\$ in millions, except per share amounts

	Q1 2022 QTD GAAP	Q1 2022 QTD non- GAAP
<b><i>Income from continuing operations attributable to NCR common stockholders:</i></b>		
Income from continuing operations (attributable to NCR)	\$(33)	\$80
Dividends on convertible preferred shares	\$(4)	\$—
<b>Income from continuing operations attributable to NCR common stockholders</b>	<b>\$(37)</b>	<b>\$80</b>
<b><i>Weighted average outstanding shares:</i></b>		
Weighted average diluted shares outstanding	135.7	141.5
Weighted as-if converted preferred shares	—	9.2
<b>Total shares used in diluted earnings per share</b>	<b>135.7</b>	<b>150.7</b>
<b>Diluted earnings per share <sup>(1)</sup></b>	<b>\$(0.27)</b>	<b>\$0.53</b>

<sup>(1)</sup> 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 2022

\$ in millions, except per share amounts

	Q4 QTD 2022 GAAP	Transformation Costs	Stock-based Compensation Costs	Acquisition- related amortization of intangibles	Acquisition- related costs	Separation Costs	Valuation Allowance & Other Tax	Pension Mark-to- Market Adjustments	Q4 QTD 2022 non-GAAP
Product revenue	\$631	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$631
Service revenue	1,378	—	—	—	—	—	—	—	1,378
<b>Total revenue</b>	<b>2,009</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,009</b>
Cost of products	537	(5)	(1)	(3)	—	—	—	—	528
Cost of services	987	(3)	(2)	(24)	—	—	—	—	958
<b>Gross margin</b>	<b>485</b>	<b>8</b>	<b>3</b>	<b>27</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>523</b>
<i>Gross margin rate</i>	<i>24.1%</i>	<i>0.4%</i>	<i>0.1%</i>	<i>1.4%</i>	<i>—%</i>	<i>—%</i>	<i>—%</i>	<i>—%</i>	<i>26.0%</i>
Selling, general and administrative expenses	266	(10)	(22)	(15)	(1)	(3)	—	—	215
Research and development expenses	53	(2)	(3)	—	—	—	—	—	48
Total operating expenses	319	(12)	(25)	(15)	(1)	(3)	—	—	263
<i>Total operating expense as a % of revenue</i>	<i>15.9%</i>	<i>(0.6)%</i>	<i>(1.2)%</i>	<i>(0.7)%</i>	<i>—%</i>	<i>(0.1)%</i>	<i>—%</i>	<i>—%</i>	<i>13.1%</i>
<b>Income from operations</b>	<b>166</b>	<b>20</b>	<b>28</b>	<b>42</b>	<b>1</b>	<b>3</b>	<b>—</b>	<b>—</b>	<b>260</b>
<i>Income from operations as a % of revenue</i>	<i>8.3%</i>	<i>1.0%</i>	<i>1.4%</i>	<i>2.1%</i>	<i>—%</i>	<i>0.1%</i>	<i>—%</i>	<i>—%</i>	<i>12.9%</i>
Interest and Other (expense) income, net	(83)	10	—	—	—	—	—	8	(65)
Income from continuing operations before income taxes	83	30	28	42	1	3	—	8	195
Income tax (benefit) expense	92	—	2	19	—	1	(72)	10	52
<i>Effective income tax rate</i>	<i>110.8%</i>								<i>26.7%</i>
Income (loss) from continuing operations	(9)	30	26	23	1	2	72	(2)	143
Net income (loss) attributable to noncontrolling interests	(2)	—	—	—	—	—	—	—	(2)
<b>Income (loss) from continuing operations (attributable to NCR)</b>	<b>\$(7)</b>	<b>\$30</b>	<b>\$26</b>	<b>\$23</b>	<b>\$1</b>	<b>\$2</b>	<b>\$72</b>	<b>\$(2)</b>	<b>\$145</b>
<b>Diluted earnings per share</b>	<b>\$(0.08)</b>	<b>\$0.20</b>	<b>\$0.17</b>	<b>\$0.15</b>	<b>\$0.01</b>	<b>\$0.01</b>	<b>\$0.48</b>	<b>\$(0.01)</b>	<b>\$0.97</b>
Diluted shares outstanding	137.5								149.9

# GAAP TO NON-GAAP RECONCILIATION

Q4 2022

\$ in millions, except per share amounts

	Q4 QTD 2022 GAAP	Q4 QTD 2022 non-GAAP
<b><i>Income (loss) from continuing operations attributable to NCR common stockholders:</i></b>		
Income (loss) from continuing operations (attributable to NCR)	\$ (7)	\$ 145
Dividends on convertible preferred shares	\$ (4)	\$ —
<b>Income (loss) from continuing operations attributable to NCR common stockholders</b>	<b>\$ (11)</b>	<b>\$ 145</b>
<b><i>Weighted average outstanding shares:</i></b>		
Weighted average diluted shares outstanding	137.5	140.7
Weighted as-if converted preferred shares	—	9.2
<b>Total shares used in diluted earnings per share</b>	<b>137.5</b>	<b>149.9</b>
<b>Diluted earnings per share from continuing operations <sup>(1)</sup></b>	<b>\$ (0.08)</b>	<b>\$ 0.97</b>

<sup>(1)</sup> 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 stockholders 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

	Q1 2023	Q4 2022	Q1 2022
Cash provided by operating activities	\$317	\$202	\$38
Less: Total capital expenditures	\$(83)	\$(88)	\$(80)
Plus: Pension contributions	\$4	\$55	\$4
Plus: Restricted cash settlement activity	\$(29)	\$33	\$28
<b>Free Cash Flow</b>	<b>\$209</b>	<b>\$202</b>	<b>\$(10)</b>

## RECONCILIATION OF COMBINED SEGMENTS

REVENUE	Q1 2023	Q4 2022	Q1 2022
Retail	\$552	\$575	\$546
Hospitality	223	239	211
Digital Banking	136	139	136
<b>Subtotal</b>	<b>\$911</b>	<b>\$953</b>	<b>\$893</b>
Payments & Network	\$323	\$319	\$299
Self-Service Banking	613	691	611
Eliminations <sup>(1)</sup>	(10)	(11)	(8)
<b>Subtotal</b>	<b>\$926</b>	<b>\$999</b>	<b>\$902</b>
Other	54	57	68
Other adjustment <sup>(2)</sup>	—	—	3
<b>Total NCR</b>	<b>\$1,891</b>	<b>\$2,009</b>	<b>\$1,866</b>

<sup>(1)</sup> Eliminations include revenues from contracts with customers and the related costs that are reported in the Payments & Network segment as well as in the Retail or Hospitality segments, including merchant acquiring services that are monetized via payments.

<sup>(2)</sup> Other adjustment reflects the revenue attributable to the Company's operations in Russia for the three months ending March 31, 2022 that were excluded from management's measure of revenue due to our previous announcement to suspend sales to Russia and orderly wind down of our operations in Russia beginning in the first quarter of 2022. Refer to section entitled "Non-GAAP Measures" for additional information.

## RECONCILIATION OF COMBINED SEGMENTS

ADJUSTED EBITDA	Q1 2023	Q4 2022	Q1 2022
Retail	\$97	\$116	\$67
Hospitality	53	54	41
Digital Banking	49	54	56
<b>Subtotal</b>	<b>\$199</b>	<b>\$224</b>	<b>\$164</b>
Payments & Network	\$83	\$96	\$98
Self-Service Banking	138	161	112
Eliminations <sup>(1)</sup>	(8)	(9)	(6)
<b>Subtotal</b>	<b>\$213</b>	<b>\$248</b>	<b>\$204</b>
Corporate & Other <sup>(2)</sup>	(110)	(92)	(97)
<b>Total NCR</b>	<b>\$302</b>	<b>\$380</b>	<b>\$271</b>

<sup>(1)</sup> Eliminations include revenues from contracts with customers and the related costs that are reported in the Payments & Network segment as well as in the Retail or Hospitality segments, including merchant acquiring services that are monetized via payments.

<sup>(2)</sup> Corporate and Other includes income and expenses related to corporate functions that are not specifically attributable to an individual reportable segment along with any immaterial operating segment(s).

## RECONCILIATION OF CONSTANT CURRENCY

Q1 2023 - REVENUE	Revenue Growth % (GAAP)	Favorable (Unfavorable) FX Impact	Revenue Growth % Constant Currency (non-GAAP)
Retail	1 %	(3)%	4 %
Hospitality	6 %	(1)%	7 %
Digital Banking	— %	— %	— %
<b>SUBTOTAL</b>	<b>2 %</b>	<b>(2)%</b>	<b>4 %</b>
Payments & Network	8 %	(3)%	11 %
Self-Service Banking	— %	(4)%	4 %
Eliminations	25 %	— %	25 %
<b>SUBTOTAL</b>	<b>3 %</b>	<b>(3)%</b>	<b>6 %</b>
Other	(21)%	(3)%	(18)%
<b>Total Revenue</b>	<b>1 %</b>	<b>(3)%</b>	<b>4 %</b>

## RECONCILIATION OF CONSTANT CURRENCY

Q1 2023 - Adjusted EBITDA	Adjusted EBITDA Growth %	Favorable (Unfavorable) FX Impact	Adjusted EBITDA Growth % Constant Currency (non-GAAP)
Retail	45 %	(25)%	70 %
Hospitality	29 %	— %	29 %
Digital Banking	(13)%	— %	(13)%
<b>SUBTOTAL</b>	<b>21 %</b>	<b>(8)%</b>	<b>29 %</b>
Payments & Network	(15)%	(1)%	(14)%
Self-Service Banking	23 %	(10)%	33 %
Eliminations	33 %	— %	33 %
<b>SUBTOTAL</b>	<b>4 %</b>	<b>(6)%</b>	<b>10 %</b>
Corporate and Other	13 %	(3)%	16 %
<b>Adjusted EBITDA</b>	<b>11 %</b>	<b>(8)%</b>	<b>19 %</b>

**THANK YOU**





