

Q2 2019 EARNINGS CONFERENCE CALL

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July 30, 2019



NOTES TO INVESTORS

FORWARD-LOOKING STATEMENTS. Comments made during this conference call and in these materials contain forward-looking statements. 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. The forward-looking statements in these materials include statements about NCR's full year 2019 financial guidance and the expected type and magnitude of the non-operational adjustments included in any forward-looking non-GAAP measures; NCR's strategy and expected areas of focus to drive stockholder value creation including strategic growth platforms, revenue shift to recurring software and services revenue and its impact on revenue, revenue growth acceleration, customer purchasing experience, and sales team quoting and configuration process; spend optimization and related expected investments and results; areas of focus to improve productivity; payments platform integration; NCR's investment priorities and their expected benefits in 2019; NCR's acquisition strategy; and NCR's expected free cash flow generation and capital allocation strategy. 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 Securities and Exchange Commission (SEC) on February 28, 2019, and those factors detailed from time to time in NCR's other SEC reports. These materials are dated July 30, 2019, 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.

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

NOTES TO INVESTORS

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 and 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 (CC) basis; gross margin rate (non-GAAP); diluted earnings per share (non-GAAP); free cash flow; gross margin (non-GAAP); net debt; adjusted EBITDA; the ratio of net debt to adjusted EBITDA; operating income (non-GAAP); interest and other expense (non-GAAP); income tax expense (non-GAAP); effective income tax rate (non-GAAP); and net income (non-GAAP). These measures are included to provide additional useful information regarding NCR's financial results, and are not a substitute for their comparable GAAP measures. Explanations of these non-GAAP measures, and reconciliations of these non-GAAP measures to their directly comparable GAAP measures, are included in the accompanying "Supplementary Materials" and are available on the Investor Relations page of NCR's website at www.ncr.com. Descriptions of many of these non-GAAP measures are also included in NCR's SEC reports.

USE OF CERTAIN TERMS. As used in these materials: (i) the term "recurring revenue" means revenue for services under contract for which revenue is recognized over time and (ii) the term "CC" means constant currency.

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

RESULTS EXCEED expectations

Continued to **IMPROVE EXECUTION**

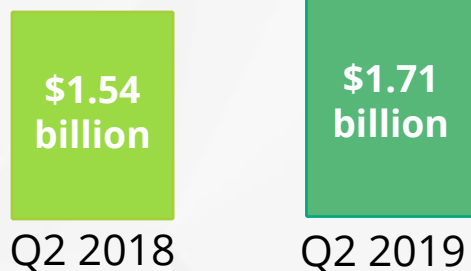
BANKING REVENUE up 23% cc; ATM revenue up 78% cc

Progress building **STRATEGIC GROWTH PLATFORMS**
and **TARGETED M&A** program

2019 REVENUE GUIDANCE increased

Q2 2019 FINANCIAL RESULTS

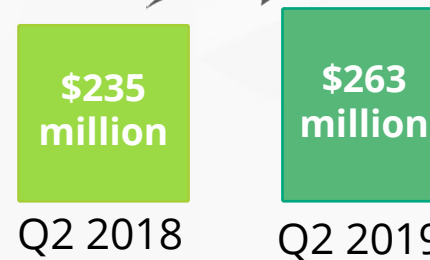
Revenue



FX Impact
\$(36)
million

Revenue up 11% as reported and up 14% CC

Adjusted EBITDA



Adjusted EBITDA up 12%

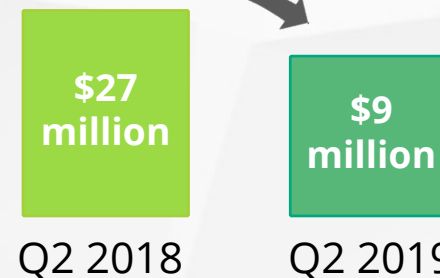
Non-GAAP Diluted EPS



FX Impact
(\$0.05)

Non-GAAP EPS up 17% as reported and up 27% CC

Free Cash Flow



Free cash flow down due to higher working capital

SHIFT TO SUBSCRIPTION

to drive increased recurring revenue across our strategic growth platforms



Digital First
Banking



Digital First
Restaurant



Digital First
Retail



Digital
Connected
Services



Digital
Convenience
and Fuel



Digital Small
Business
Essentials

PAYMENTS INTEGRATION



NCR Silver
Integration Complete
& Customers Live



Aloha Integration
on Track & POC⁺
Live



On Track for
NCR Silver &
Aloha GA*
2H19

+ Proof of Concept

* General Availability

M&A UPDATE

D3 Technology

- Expands addressable market for Digital First Banking
- Supports the U.S. large financial institution market
- Platform for international expansion

Texas P.O.S.

- Expands Hospitality sales and services coverage in Texas

OKI Brazil IT Services

- Increases the breadth of NCR's service offerings in Brazil

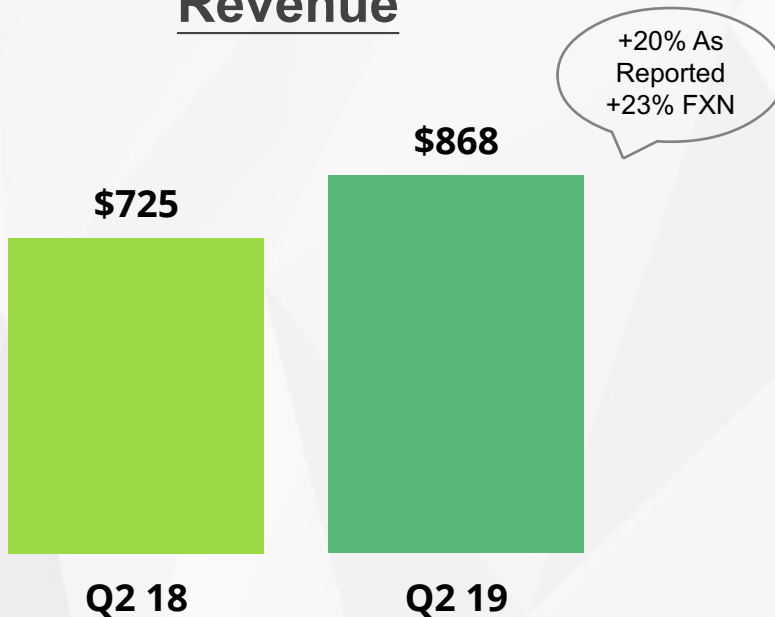
Minority Interest in NCR Manaus

- Expands addressable market in Brazil

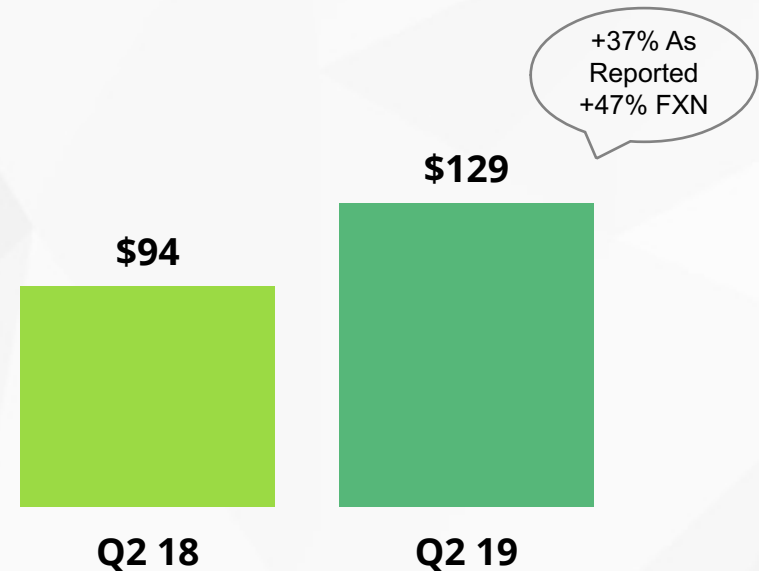
BANKING

\$ in millions

Revenue



Operating Income

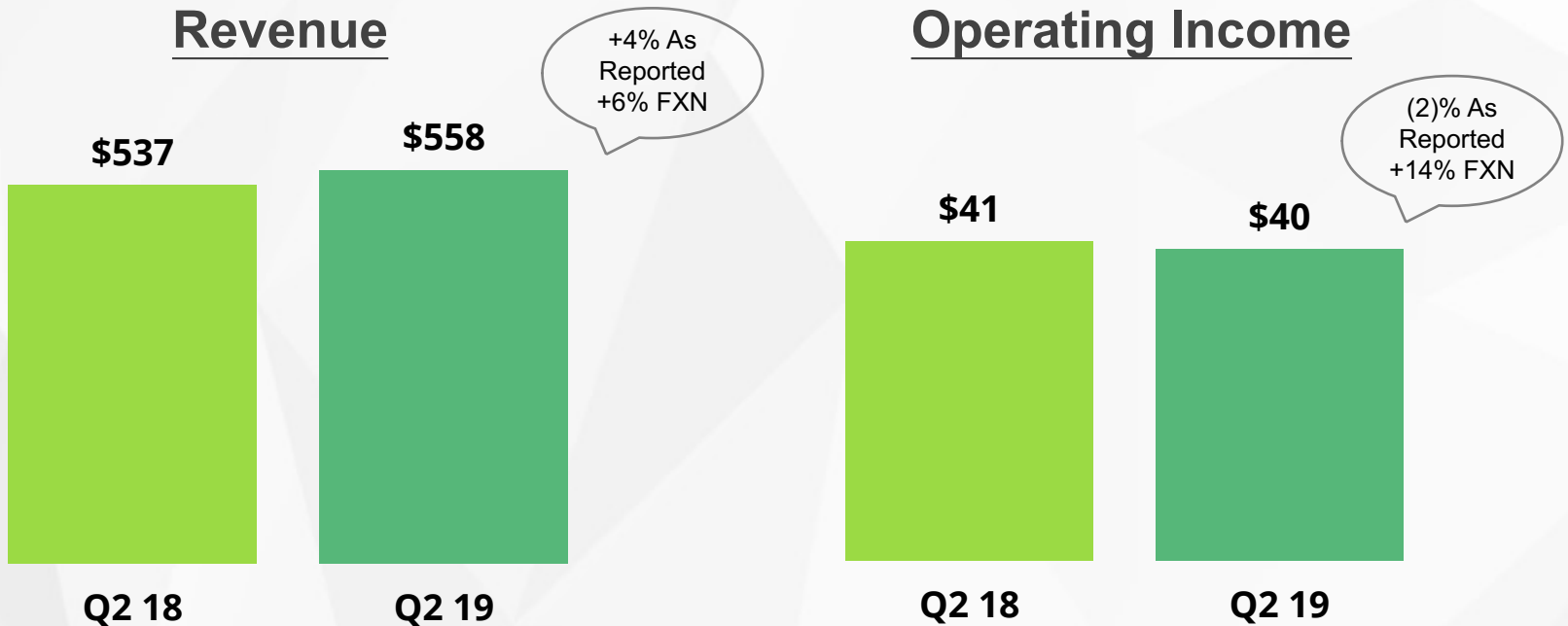


Key Highlights

- Revenue up 23% CC driven by ATM hardware revenue growth of 78% CC and related software as well as services revenue growth
- Operating Income up 47% CC driven by higher volume and favorable mix of revenue

RETAIL

\$ in millions



Key Highlights

- Revenue up 6% CC driven by increase in payments, self-checkout and services revenue
- Operating Income up 14% CC driven by services productivity improvements

HOSPITALITY

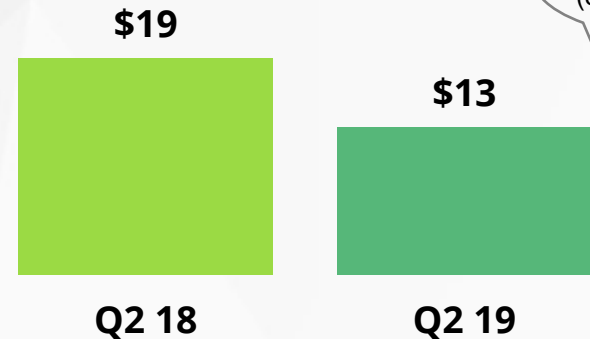
\$ in millions

Revenue



+2% As Reported
+3% FXN

Operating Income



(32)% As Reported
(36)% FXN

Key Highlights

- Revenue up 3% CC driven by increase in cloud and payments revenue
- Operating Income down 36% CC driven by unfavorable mix of revenue and continued investment in customer satisfaction initiatives

SUPPLEMENTAL REVENUE

	Q2 2019	Q2 2018	% Change	% Change CC
Software	\$496	\$470	6%	7%
Services	\$622	\$610	2%	5%
Hardware	\$592	\$457	30%	33%
<i>ATM</i>	\$312	\$180	73%	78%
<i>SCO/POS</i>	\$280	\$277	1%	3%
Total Revenue	\$1,710	\$1,537	11%	14%

\$ in millions

Key Highlights

- Software growth of 7% CC driven by an increase in ATM-related software revenue as well as an increase in cloud and payments revenue
- Services growth of 5% CC driven by increase in recurring revenue
- Hardware growth of 33% CC driven by 78% CC growth in ATM revenue and 3% CC growth in SCO/POS revenue

FREE CASH FLOW, NET DEBT & EBITDA

Free Cash Flow	Q2 2019	Q2 2018
Cash provided by Operating Activities	\$87	\$119
Total capital expenditures	(\$73)	(\$85)
Cash used in Discontinued Operations	(5)	(7)
Free Cash Flow	\$9	\$27

\$ in millions

Net Debt & EBITDA	Q2 2019	Q1 2019	Q2 2018
Debt	\$3,116	\$3,211	\$3,112
Cash	(\$335)	(\$414)	(\$343)
Net Debt	2,781	\$2,797	\$2,769
Adjusted EBITDA ⁽¹⁾	\$986	\$958	\$1,065
Net Debt / Adjusted EBITDA	2.8x	2.9x	2.6x

⁽¹⁾ Adjusted EBITDA for the trailing twelve-month period

\$ in millions

2019 GUIDANCE

	Current Guidance *	Previous Guidance
Revenue Growth	3% - 4%	1% - 2%
Net Income Attributable to NCR	\$290 - \$305	\$290 - \$305
Adjusted EBITDA	\$1,040 - \$1,080	\$1,040 - \$1,080
GAAP Diluted EPS	\$1.91 - \$2.01	\$1.91 - \$2.01
Non-GAAP Diluted EPS	\$2.75 - \$2.85	\$2.75 - \$2.85
Cash Flow from Operations	\$705 - \$730	\$705 - \$730
Free Cash Flow	\$300 - \$350	\$300 - \$350

\$ in millions, except per share amounts

* Revenue growth guidance raised to 3% to 4% with all other guidance reaffirmed

LOOKING FORWARD



- Solid execution in Q2 reinforces full year confidence
- Targeted investments to drive profitable growth
- Mix shift to software, services and recurring revenue
- Improve cost structure
- Allocate capital to highest growth and return on investment opportunities
- Drive cash flow generation

SUPPLEMENTARY MATERIALS



Q2 2019 GAAP RESULTS

	Q2 2019	Q2 2018	% Change As Reported
Revenue	\$1,710	\$1,537	11%
Gross Margin	471	403	17%
Gross Margin Rate	27.5%	26.2%	
Operating Expenses	314	509	(38)%
% of Revenue	18.4%	33.1%	
Operating Income (Loss)	157	(106)	248%
% of Revenue	9.2%	(6.9%)	
Interest and other expense	(54)	(50)	8%
Income Tax Expense (Benefit)	15	(12)	225%
Effective Income Tax Rate	14.6%	7.7%	
Net Income (Loss) From Continuing Operations (attributable to NCR)	88	(143)	162%
Diluted EPS	\$0.58	(\$1.31)	144%

\$ in millions, except per share amounts

Q2 2019 OPERATIONAL RESULTS

	Q2 2019	Q2 2018	% Change As Reported	% Change Constant Currency
Revenue	\$1,710	\$1,537	11%	14%
Gross Margin (non-GAAP)	487	449	8%	12%
Gross Margin Rate (non-GAAP)	28.5%	29.2%	(70 bps)	(30 bps)
Operating Expenses (non-GAAP)	295	284	4%	6%
% of Revenue	17.3%	18.5%	(120)bps	(130)bps
Operating Income (non-GAAP)	192	165	16%	25%
% of Revenue	11.2%	10.7%	50bps	100bps
Interest and other expense (non-GAAP)	(54)	(50)	8%	11%
Income Tax Expense (non-GAAP)	22	18	22%	37%
Effective Income Tax Rate (non-GAAP)	15.9%	15.7%		
Net Income (Loss) From Continuing Operations (attributable to NCR) (non-GAAP)	116	97	20%	30%
Diluted EPS (non-GAAP)	\$0.76	\$0.65	17%	27%

\$ in millions, except per share amounts

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.

Operating Income (non-GAAP), Diluted EPS (non-GAAP), Gross Margin (non-GAAP), Gross Margin Rate (non-GAAP), Interest and Other expense (non-GAAP), Effective Income Tax Rate (non-GAAP), Net Income (non-GAAP), Operating Expenses (non-GAAP) and Income Tax Expense (non-GAAP). NCR's operating income (non-GAAP), diluted earnings per share (non-GAAP), gross margin (non-GAAP), gross margin rate (non-GAAP), interest and other expense (non-GAAP), effective income tax rate (non-GAAP), and net income (non-GAAP), operating expenses (non-GAAP) and income tax expense (non-GAAP) are determined by excluding pension mark-to-market adjustments, pension settlements, pension curtailments and pension special termination benefits and other special items, including amortization of acquisition related intangibles, from NCR's GAAP income (loss) from operations, earnings per share, gross margin, gross margin rate, interest and other expense, effective income tax rate, net income, operating expenses and income tax expense, 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 also uses operating income (non-GAAP) and non-GAAP diluted EPS, to manage and determine the effectiveness of its business managers and as a basis for incentive compensation. NCR believes these measures are useful for investors because they provide a more complete understanding of NCR's underlying operational performance, as well as consistency and comparability with NCR's past reports of financial results.

Free Cash Flow. NCR defines free cash flow as net cash provided by/used in operating activities and cash flow provided by/used in discontinued operations less capital expenditures for property, plant and equipment, additions to capitalized software, discretionary 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 a uniform definition under GAAP and, therefore, NCR's definition may differ from other companies' definition of this measure.

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 these results is more representative 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.

Net Debt and Adjusted EBITDA. 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 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 Adjusted EBITDA (adjusted earnings before interest, taxes, depreciation and amortization) provides useful information to investors because it is an indicator of the strength and performance of the Company's ongoing business operations, including its ability to fund discretionary spending such as capital expenditures, strategic acquisitions and other investments. NCR determines Adjusted EBITDA for a given period based on its GAAP net income attributable to NCR plus interest expense, net; plus income tax expense (benefit); plus depreciation and amortization; plus other income (expense); plus pension mark-to-market adjustments, pension settlements, pension curtailments and pension special termination benefits and other special items, including amortization of acquisition related intangibles. 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.

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 measures frequently used by investors and credit rating agencies. The Net Debt to Adjusted EBITDA ratio is calculated by dividing Net Debt by trailing twelve-month Adjusted EBITDA.

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

GAAP TO NON-GAAP RECONCILIATION

Net Income from Continuing Operations (GAAP) to Adjusted EBITDA (non-GAAP)

	Q2 2019 LTM	Q1 2019 LTM	Q2 2018 LTM	Q2 2019	Q2 2018
Net (Loss) Income from Continuing Operations Attributable to NCR (GAAP)	\$ 177	\$ (54)	\$ (5)	\$ 88	\$ (143)
Pension Mark-to-Market Adjustments	(45)	(45)	28	—	—
Transformation/Restructuring Costs	181	233	90	14	66
Acquisition-Related Amortization of Intangibles	83	83	102	21	21
Acquisition-Related Costs	5	6	4	—	1
Long-lived and Intangible Asset Impairment Charges	—	183	183	—	183
Interest Expense	176	172	165	45	41
Interest Income	(5)	(5)	(3)	(1)	(1)
Depreciation and Amortization	232	237	243	56	61
Income Taxes	102	75	190	15	(12)
Stock Compensation Expense	80	73	68	25	18
Adjusted EBITDA (non-GAAP)	\$ 986	\$ 958	\$ 1,065	\$ 263	\$ 235

\$ in millions

GAAP TO NON-GAAP RECONCILIATION

Q2 2019 QTD

	Q2 QTD 2019 GAAP	Transformation and Restructuring costs	Acquisition- related amortization of intangibles	Q2 QTD 2019 non-GAAP
Product revenue	\$664	\$—	\$—	\$664
Service revenue	1,046	—	—	1,046
Total revenue	1,710	—	—	1,710
Cost of products	539	(9)	(2)	528
Cost of services	700	(1)	(4)	695
Gross margin	471	10	6	487
<i>Gross margin rate</i>	<i>27.5%</i>	<i>0.6%</i>	<i>0.4%</i>	<i>28.5%</i>
Selling, general and administrative expenses	\$252	(4)	(15)	\$233
Research and development expenses	62	—	—	62
Total operating expenses	\$314	(4)	(15)	\$295
<i>Total operating expense as a % of revenue</i>	<i>18.4%</i>	<i>(0.1)%</i>	<i>(0.9)%</i>	<i>17.3%</i>
Income from operations	157	14	21	192
<i>Income from operations as a % of revenue</i>	<i>9.2%</i>	<i>0.8%</i>	<i>1.2%</i>	<i>11.2%</i>
Interest and Other (expense) income, net	(54)	—	—	(54)
Income from continuing operations before income taxes	103	14	21	138
Income tax (benefit) expense	15	3	4	22
<i>Effective income tax rate</i>	<i>14.6%</i>			<i>15.9%</i>
Income from continuing operations	88	11	17	116
Net income attributable to noncontrolling interests	—	—	—	—
Income from continuing operations (attributable to NCR)	\$88	\$11	\$17	\$116
Diluted earnings per share	\$0.58	0.07	0.11	\$0.76
Diluted shares outstanding	152.7			152.7

\$ in millions, except per share amounts

GAAP TO NON-GAAP RECONCILIATION

Q2 2019 QTD

	Q2 QTD 2019 GAAP	Q2 QTD 2019 non-GAAP
<i>Income from continuing operations attributable to NCR common stockholders:</i>		
Income from continuing operations (attributable to NCR)	\$88	\$116
Dividends on convertible preferred shares	\$(12)	—
Income from continuing operations attributable to NCR common stockholders	\$76	\$116
<i>Weighted average outstanding shares:</i>		
Weighted average diluted shares outstanding	123.1	123.1
Weighted as-if converted preferred shares	29.6	29.6
Total shares used in diluted earnings per share	152.7	152.7
Diluted earnings per share ⁽¹⁾	\$0.58	\$0.76

\$ in millions, except per share amounts

⁽¹⁾ GAAP EPS is determined using the most dilutive measure, either including the impact of the 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

Q2 2018 QTD

	Q2 QTD 2018 GAAP	Transformation Costs	Asset Impairment charges	Acquisition- related amortization of intangibles	Acquisition- related costs	Impact of U.S. Tax Reform	Q2 QTD 2018 non- GAAP
Product revenue	525	\$—	\$—	\$—	—	—	525
Service revenue	1,012	—	—	—	—	—	1,012
Total revenue	1,537	—	—	—	—	—	1,537
Cost of products	451	(32)	—	(2)	—	—	417
Cost of services	683	(9)	—	(3)	—	—	671
Gross margin	403	41	—	5	—	—	449
Gross margin rate	26.2%	2.7%	—%	0.3%	—%	—%	29.2%
Selling, general and administrative	261	(22)	—	(16)	(1)	—	222
Research and development expenses	65	(3)	—	—	—	—	62
Asset impairment charges	183	—	(183)	—	—	—	—
Total expenses	509	(25)	(183)	(16)	(1)	—	284
<i>Total expense as a % of revenue</i>	33.1%	(1.6)%	(11.9)%	(1.0)%	(0.1)%	—%	18.5%
Income from operations	(106)	66	183	21	1	—	165
Income from operations as a % of revenue	(6.9)%	4.2%	11.9%	1.4%	0.1%	—%	10.7%
Interest and Other (expense) income, net	(50)	—	—	—	—	—	(50)
Income from continuing operations before income taxes	(156)	66	183	21	1	—	115
Income tax expense	(12)	16	8	4	—	2	18
<i>Effective income tax rate</i>	8%						15.7%
Income from continuing operations	(144)	50	175	17	1	(2)	97
Net income attributable to noncontrolling interests	(1)	—	1	—	—	—	—
Income from continuing operations (attributable to NCR)	(143)	50	174	17	1	(2)	97
Diluted (loss) earnings per share	(\$1.31)	\$0.34	\$1.17	\$0.11	\$0.01	(\$0.01)	\$0.65
Diluted shares outstanding	117.9						149.2

\$ in millions, except per share amounts

GAAP TO NON-GAAP RECONCILIATION

Q2 2018 QTD

	Q2 QTD 2018 GAAP	Q2 QTD 2018 non-GAAP
<i>Income from continuing operations attributable to NCR common stockholders:</i>		
Income from continuing operations (attributable to NCR)	(\$143)	\$97
Dividends on convertible preferred shares	(12)	—
Income from continuing operations attributable to NCR common stockholders	(\$155)	\$97
<i>Weighted average outstanding shares:</i>		
Weighted average diluted shares outstanding	117.9	121.1
Weighted as-if converted preferred shares	—	28.1
Total shares used in diluted earnings per share	117.9	149.2
Diluted earnings per share ⁽¹⁾	(\$1.31)	\$0.65

\$ in millions, except per share amounts

⁽¹⁾ GAAP EPS is determined using the most dilutive measure, either including the impact of the 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

Q2 2019 QTD

Operating Income and Operating Income Rate (non-GAAP) to Operating Income and Operating Income Rate (GAAP)

	Operating Income	Operating Income Rate
Banking	\$129	14.9%
Retail	40	7.2%
Hospitality	13	6.4%
Other	10	12.2%
Total Operating Income (non-GAAP)	192	11.2%
Less:		
Transformation and restructuring costs	14	0.8%
Acquisition-related amortization of intangibles	21	1.2%
Total Operating Income (GAAP)	\$157	9.2%

\$ in millions

GAAP TO NON-GAAP RECONCILIATION

Q2 2018 QTD

Operating Income and Operating Income Rate (non-GAAP) to Operating Income and Operating Income Rate (GAAP)

	Operating Income	Operating Income Rate
Banking	\$94	13.0%
Retail	41	7.6%
Hospitality	19	9.6%
Other	11	14.3%
Total Operating Income (non-GAAP)	165	10.7%
Less:		
Transformation and restructuring costs	66	4.2%
Asset impairment charges	183	11.9%
Acquisition-related amortization of intangibles	21	1.4%
Acquisition-related costs	1	0.1%
Total Operating Loss (GAAP)	(\$106)	(6.9)%

GAAP TO NON-GAAP RECONCILIATION

Q2 2019 QTD

Revenue Growth % (GAAP) to Revenue Growth Constant Currency % (non-GAAP)

	Revenue Growth % (GAAP)	Favorable (unfavorable) FX impact	Revenue Growth Constant Currency % (non-GAAP)
Banking	20%	(3%)	23%
Retail	4%	(2%)	6%
Hospitality	2%	(1%)	3%
Other	6%	(2%)	8%
Total Revenue Growth %	11%	(3)%	14%

GAAP TO NON-GAAP RECONCILIATION

Q2 2019 QTD

Revenue Growth % (GAAP) to Revenue Growth Constant Currency % (non-GAAP)

	Revenue Growth % (GAAP)	Favorable (unfavorable) FX impact	Revenue Growth Constant Currency % (non-GAAP)
Software	6%	(1%)	7%
Services	2%	(3%)	5%
Hardware	30%	(3%)	33%
ATM	73%	(5%)	78%
SCO/POS	1%	(2%)	3%
Total Revenue Growth %	11%	(3)%	14%

GAAP TO NON-GAAP RECONCILIATION

Q2 2019 QTD

Operating Income % (GAAP) to Operating Income Constant Currency % (non-GAAP)

	Operating Income Growth % (GAAP)	Favorable (unfavorable) FX impact	Operating Income Growth % (non-GAAP)
Banking	37%	(10%)	47%
Retail	(2%)	(16%)	14%
Hospitality	(32%)	4%	(36%)
Other	(9%)	5%	(14%)
Total Operating Income %	16%	(9)%	25%

GAAP TO NON-GAAP RECONCILIATION

Q2 Operational Results	% Change As Reported	Favorable (unfavorable) FX impact	% Change Constant Currency
Revenue	11%	(3%)	14%
Gross Margin (non-GAAP)	8%	(4)%	12%
Gross Margin Rate (non-GAAP)	(70 bps)	(40 bps)	(30 bps)
Operating Expenses (non-GAAP)	4%	(2%)	6%
% of Revenue	(120)bps	10bps	(130)bps
Operating Income (non-GAAP)	16%	(9%)	25%
% of Revenue	50bps	(50)bps	100bps
Interest and other expense (non-GAAP)	(8%)	3%	(11%)
Income Tax Expense (non-GAAP)	22%	(15)%	37%
Net Income (Loss) From Continuing Operations (attributable to NCR) (non-GAAP)	20%	(10)%	30%
Diluted EPS (non-GAAP)	17%	(10%)	27%

\$ in millions, except per share amounts

GAAP TO NON-GAAP RECONCILIATION

Diluted Earnings Per Share

	2019 Guidance
Diluted EPS (GAAP) ^{(1) (2)}	\$1.91 - \$2.01
Transformation and restructuring costs	\$0.31
Acquisition-related amortization of intangibles	\$0.48
Acquisition-related costs	\$0.05
Non-GAAP Diluted EPS ^{(1) (3)}	\$2.75 - \$2.85

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

⁽²⁾ Except for the adjustments noted herein, this guidance does not include the effects of any future acquisitions/divestitures, pension mark-to-market adjustments, taxes or other events, which are difficult to predict and which may or may not be significant.

⁽³⁾ For FY 2019, we have assumed an effective tax rate of 23% to 24% and a share count of 153 million compared to an effective tax rate of 19% and a share count of 150 million in FY 2018.

GAAP TO NON-GAAP RECONCILIATION

Earnings Before Interest, Taxes, Depreciation & Amortization (Adjusted EBITDA)

	2019 Guidance
Net Income Attributable to NCR (GAAP)	\$290 - \$305
Transformation and restructuring costs	60
Acquisition-related amortization of intangibles	95
Acquisition-related costs	10
Interest	180 - 195
Taxes	85 - 95
Depreciation and amortization	240
Stock compensation	80
Adjusted EBITDA (Non-GAAP)	\$1,040 - \$1,080

\$ in millions

GAAP TO NON-GAAP RECONCILIATION

	2019 Guidance
Cash Provided by Operating Activities	\$705 - \$730
Less: Total capital expenditures	(350) - (375)
Less: Cash used in Discontinued Operations	(30)
Free Cash Flow	\$300 - \$350

\$ in millions

THANK YOU

