

# NCR INVESTOR DAY



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NCR Corporation

December 3, 2020

# Notes to Investors

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**FORWARD-LOOKING STATEMENTS.** Comments made during this presentation 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") including statements that contain the words "expect," "intend," "plan," "believe," "will," "should," "would," "could," "may," "ought," "objective," 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 about NCR's expected areas of focus and strategy to drive growth and create long-term stockholder value, including, but, not limited to, the Company's 80/60/20 strategy and accelerating NCR as a Service; NCR's expectations for financial performance through 2024; expectations for accelerating recurring revenue; statements regarding the Company's Q4 2020 financial performance and the Company's estimated 2020 full year revenue; performance in the market and versus competitors; market share and growth; product introductions and competitive advantages; winning in the market; platform return on investment; NCR's cost reduction actions and their expected benefits in 2020 and beyond; NCR's financial objectives and expected impacts (headwinds and tailwinds) through 2024; and NCR's expected cash flow generation, redeployment and capital allocation strategy through 2024. 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, 2020, and those factors detailed from time to time in NCR's other SEC reports. These materials are dated December 3, 2020, 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 otherwise required by law.

**NON-GAAP MEASURES.** While NCR reports its results in accordance with generally accepted accounting principles in the United States (GAAP), comments made during this presentation and in these materials will include or make reference to certain "non-GAAP" measures, including: selected measures, such as free cash flow and adjusted EBITDA margin percentage. 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" unless noted therein 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: 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, and certain professional services arrangements, as well as term-based software license arrangements that include customer termination rights.

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

# INVESTOR DAY 2020

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## Vision & Strategy

**Mike Hayford**, President & CEO

# Investment Thesis

NCR shareholder value creation will be driven by:



**Mix shift to software  
and services**

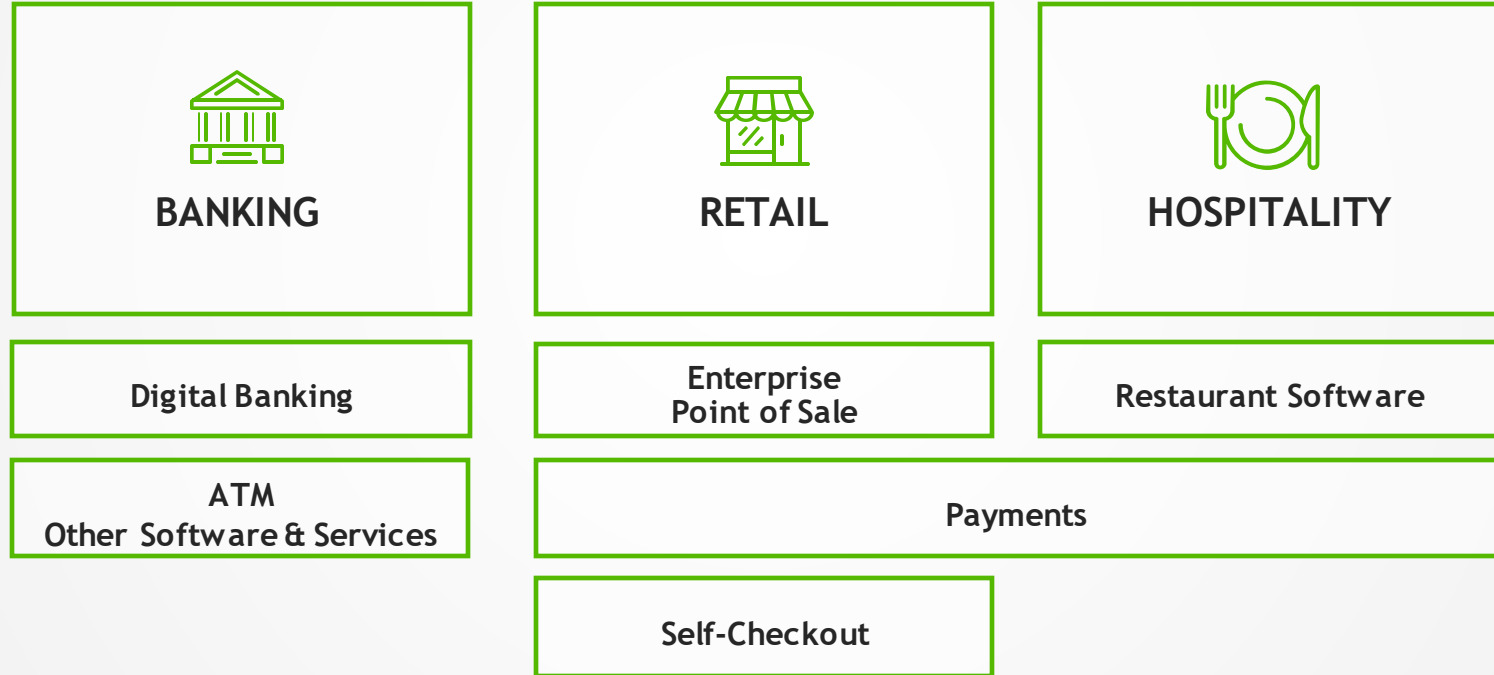


**Recurring revenue  
growth**



**Margin expansion**

# Leader Across Our Business Lines



# Solutions That RUN Self-Directed Banking

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**ATM business - hardware  
surrounded by annuity  
stream**

**Digital Banking is  
\$500M business today,  
24M users**

# Solutions That RUN The Store

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Enterprise POS solutions

Self-checkout

# Solutions That RUN The Restaurant

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Aloha cloud-based  
restaurant solutions



# NCR Executive Leadership Team



**Mike Hayford**  
President & CEO



**Owen Sullivan**  
EVP, Chief  
Operating Officer



**Tim Oliver**  
EVP & Chief  
Financial Officer



**Debra Bronder**  
SVP, Chief HR Officer



**Jim Bedore**  
EVP, General Counsel & Corporate  
Secretary

## BUSINESS UNITS

### RETAIL



**David Wilkinson**  
President & GM

### HOSPITALITY



**Dirk Izzo**  
President & GM

### BANKING



**Frank Hauck**  
President & GM

## DELIVERY TEAMS

### LEAN FACTORY



**Adrian Button**  
EVP, Product & Service Operations

### PROFESSIONAL SERVICES



**Mithu Bhargava**  
SVP, Professional Services

### SW ENGINEERING & TECHNOLOGY



**Tim Vanderham**  
SVP, Chief Technology Officer

### ENTERPRISE ACCOUNTS



**Dan Campbell**  
EVP, Global Sales

### CORPORATE MARKETING



**Marija Zivanovic-Smith**  
SVP, Corporate Marketing,  
Communications & Public Affairs

### INFORMATION TECHNOLOGY



**Bill VanCuren**  
SVP, Chief Information  
Officer

# NCR's **Commitment** To ESG

NCR strives to be an ESG leader among peer technology companies



## ENVIRONMENTAL

ECO-FRIENDLY PRODUCT AND FACILITY DESIGNS

E-WASTE AND PRODUCT RECYCLING PROGRAMS



## SOCIAL

ROBUST DIVERSITY, PRIVACY, CYBERSECURITY PROGRAMS

SUPPLY CHAIN OVERSIGHT, CODE OF CONDUCT



## GOVERNANCE

SENIOR ESG OWNERSHIP, BoD OVERSIGHT

ROBUST, NON-RETALITORY WHISTLEBLOWER PROGRAM

# Agenda

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|   |  |
|---|--|
| Opening remarks + logistics                               | Michael Nelson, VP Investor Relations & Treasurer  |
| Vision & strategy   | Mike Hayford, President & CEO  |
| Operational execution<br>& introduction to Business Units | Owen Sullivan, EVP, Chief Operating Officer  |
| Banking   | Frank Hauck, President and GM Banking<br>Shawn Phillips, GM ATMaas<br>Doug Brown, President Digital Banking                            |
| Retail  | David Wilkinson, President and GM Retail   |
| Hospitality   | Dirk Izzo, President and GM Hospitality  |
| Functional roundtable                                     | Owen Sullivan<br>Adrian Button, EVP Product and Service Ops<br>Tim Vanderham, SVP and CTO<br>Mithu Bhargava, SVP Professional Services |
| Financial outlook: A path to 80 60 20                     | Tim Oliver, Chief Financial Officer  |
| Summary   | Mike Hayford   |
| Chairman's remarks  | Frank Martire, Executive Chairman  |
| Q&A   | Mike Hayford, Owen Sullivan, Tim Oliver  |
| Conclusion  | Mike Hayford   |

# INVESTOR DAY 2020

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## Executing Our Strategy

**Owen Sullivan**, EVP, Chief Operating Officer

# 2018: Siloed Model



**FUNCTIONAL ORG MODEL**  
Customer left to navigate NCR = Confusion & Frustration



# Today: Industry-**Aligned** GM Model

## BUSINESS UNIT MODEL

One accountable voice to customer



Industry GM Organization

BANKING | RETAIL | HOSPITALITY



Lean Factory



Software  
Engineering



Services



Corporate Functional Support

# Leader Across Our Business Lines

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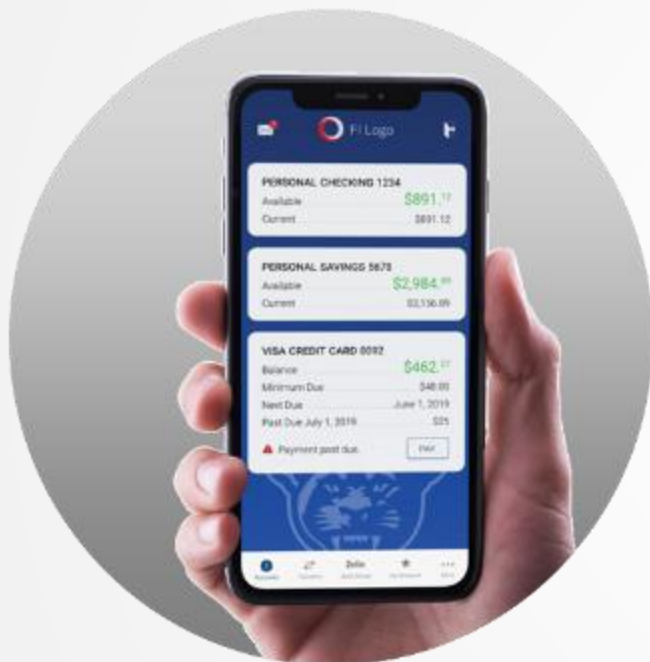
**BANKING**



RETAIL



HOSPITALITY



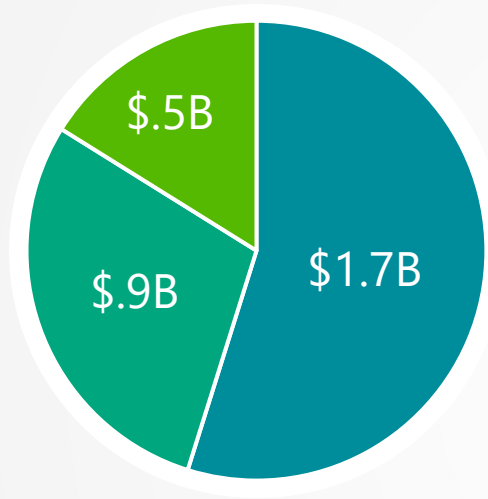
# NCR Banking Solutions That **RUN** Self- Directed Banking

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**Frank Hauck**  
President & General Manager



# NCR Banking Business \$3.1B 2020e Revenue



■ Banking Software & Services   ■ ATM Hardware   ■ Digital Banking

- **Win** in Digital Banking
- **Broaden** Digital First platform
- **Shift** to cloud, SaaS & subscription
- **Maintain** #1 self-service ATM share
- **Expand** multi-vendor ATM business
- **Grow** ATM-as-a-Service

## Representative customers



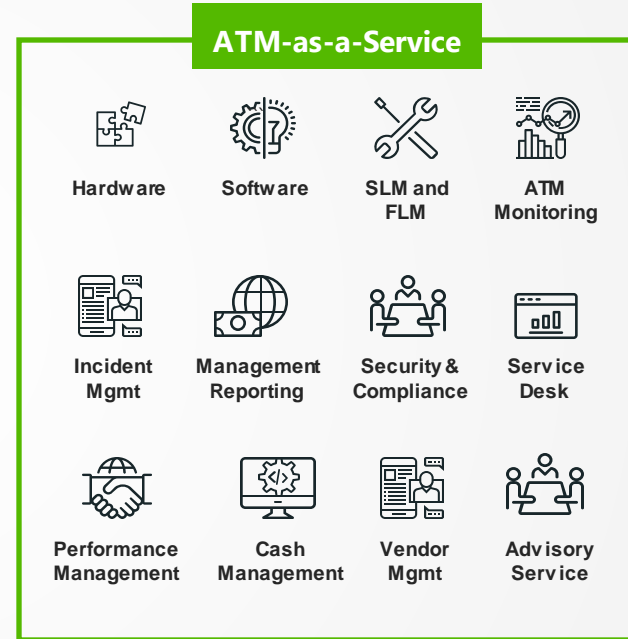
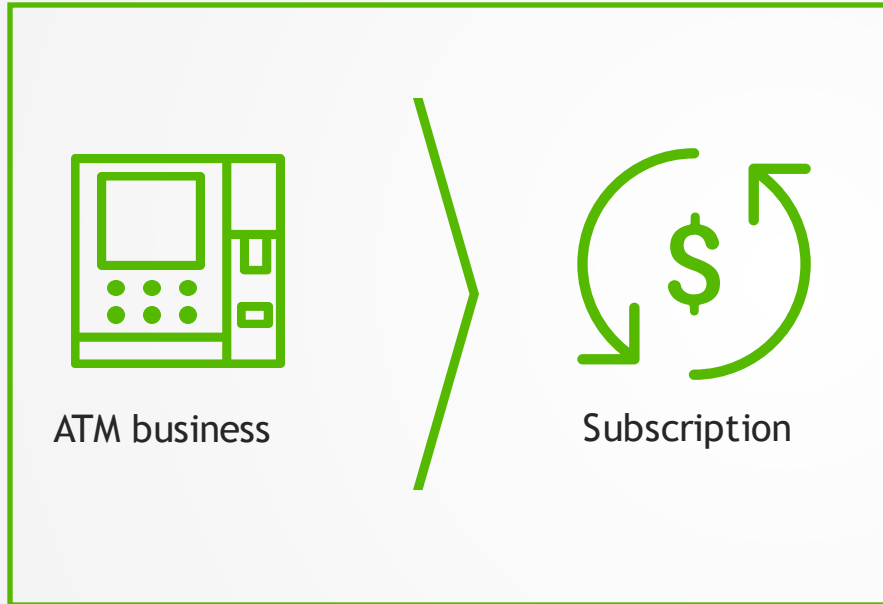


# NCR Banking ATM-as-a-Service

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**Shawn Phillips**  
General Manager ATMaaS

# The Market is Shifting to ATM-as-a-Service

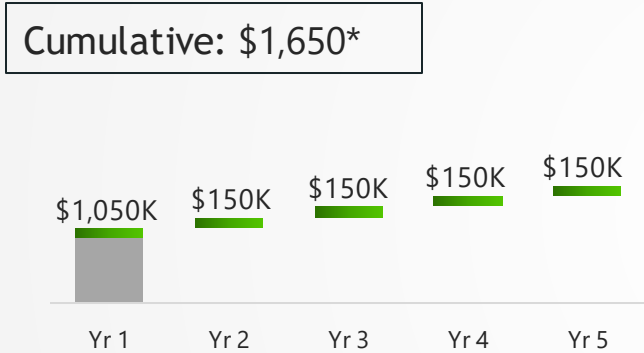


Everything a FI needs to RUN self-directed banking  
from the world's #1 ATM provider\*

# The Economics of ATM-as-a-Service

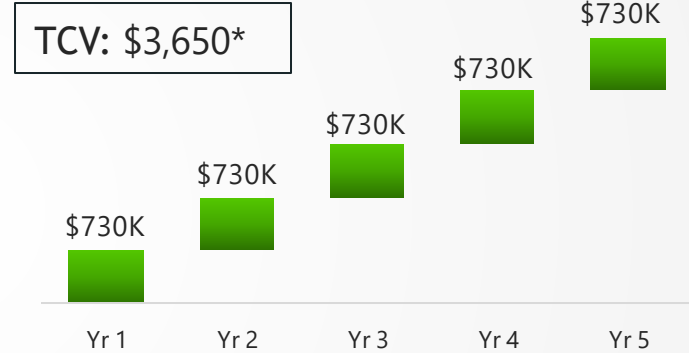


**Traditional:** US Community Financial Institution, 25 ATMs



- ATM Hardware & Software
- Hardware & Software Maintenance

**As a Service:** Shift to As-a-Service model, predictable, recurring



- NCR ATM-as-a-Service
- Including Hardware, Software & Service

\*For illustrative purposes only



Hardware



Software



SLM and FLM



ATM Monitoring



Incident Mgmt



Mgmt Reporting



Security & Compliance



Service Desk



Performance Mgmt



Cash Mgmt



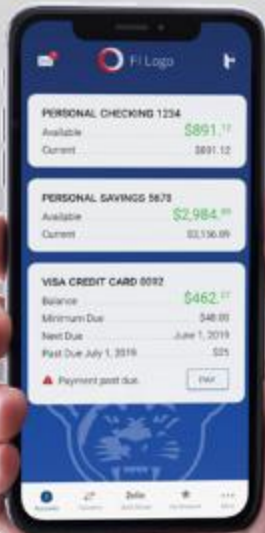
Vendor Mgmt



Advisory Service



ATM Cleaning



# NCR Digital Banking

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**Doug Brown**

President Digital Banking

# NCR Digital Banking - Leadership Market Position

Digital Banking \$500M



**24 Million**

Digital Users  
12% YoY Growth



**4.8**

Star App Rating



**~2,250 Branches**

live with NCR Digital  
First Teller



**650**

Banks and Credit Unions



**SYNOVUS**



**Top 3 Mobile**

in Consumer Experience  
(MagnifyMoney 2020)



**Industry Leader**

IDC MarketScape  
Celent 2020 Winner



**20 of Top 35**

North American Banks  
for Mobile Transactions

# NCR Digital Banking - Positioned for Growth



**Digital  
Banking**

Superior customer experience

Innovation through fintech integration

Highest ROI platform

Bank and credit union domain expertise

# NCR Banking - **Growth** Levers



## Banking Growth

### ATMs & ATM-CENTRIC

- Surrounding with recurring service & software
- Shifting to ATM-as-a-Service

### DIGITAL BANKING

- Reinvigorating our Digital Banking business
- Broadening the Digital First platform



# Leader Across Our Business Lines

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BANKING



RETAIL



HOSPITALITY



# NCR Retail Core POS Software Solutions That **RUN** The Store

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**David Wilkinson**  
President and GM, NCR Retail

# NCR Retail Business

## \$2.1B 2020e Revenue



## Run your store end-to-end

Leading with digital, our next generation retail store architecture connects every customer touchpoint into a single, amazing experience that makes shopping effortless for your customers while making business easier, faster and more profitable for you.



### ENTERPRISE POS SOLUTIONS

\$1.2B Business



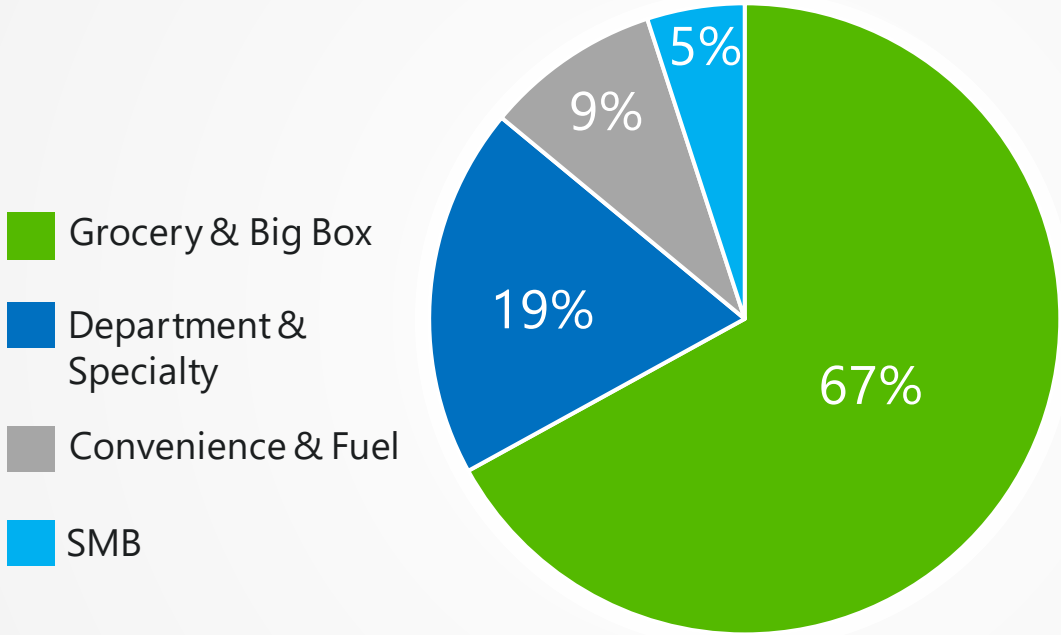
### SELF- CHECKOUT

\$900M Business

#### Representative customers



# NCR Retail Customers

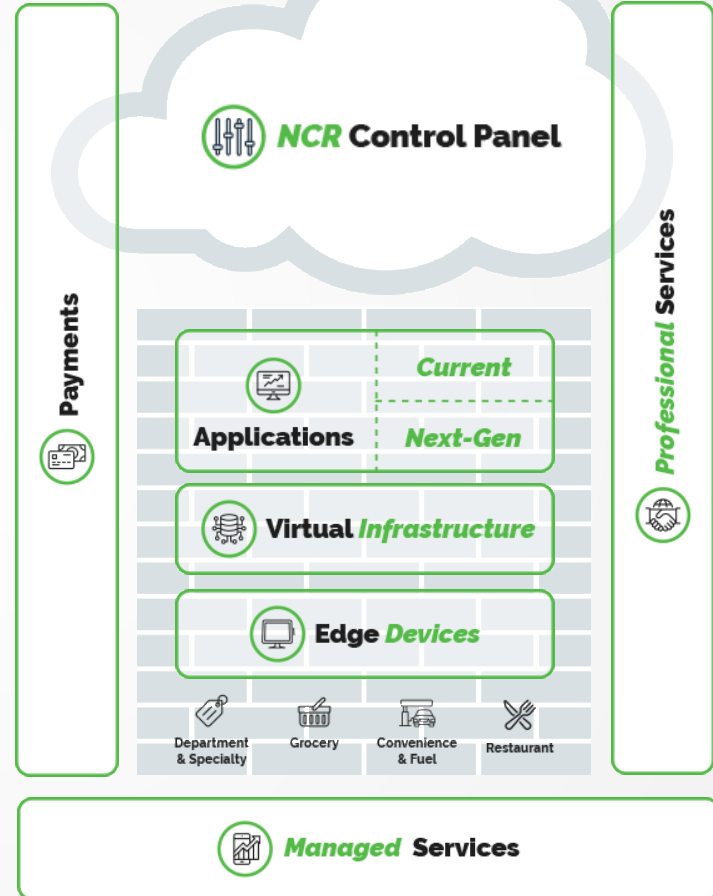


 > 1.5M checkout lanes worldwide\*

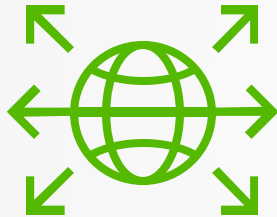
\* Source: NCR Product Management

# NCR Retail Platform

- Simplifies the needed **refresh cycle** of our massive install base
- Customers can **simply convert** sites to the platform, add new capabilities, attach new services and **NCR can expand wallet share**
- Strong NCR value proposition of faster time-to-market, **lower cost of ownership** and improved tech availability
- We have the **right sales and services** coverage for this market



# NCR Retail - Positioned for Growth



## Retail Growth

Maintain self-checkout leadership and grow with the market

Win the upgrade cycle for next-gen, cloud-based bundled POS software offerings

# Leader Across Our Business Lines

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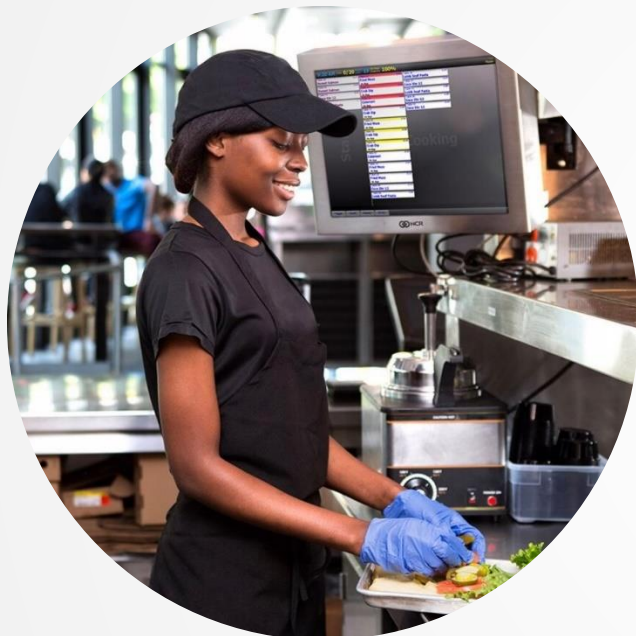
BANKING



RETAIL



HOSPITALITY



# NCR Hospitality Core POS Software Solutions That **RUN** The Restaurant

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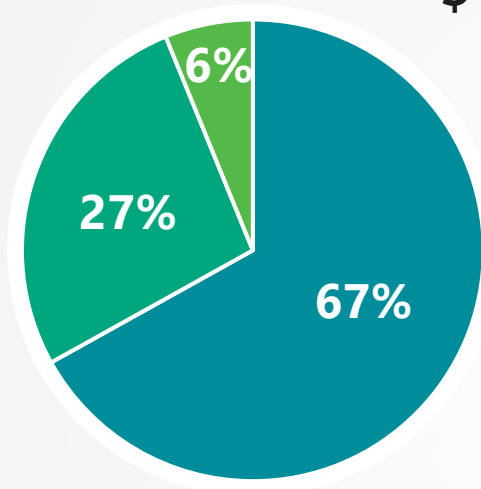
**Dirk Izzo**

President & GM, NCR Hospitality



# NCR Hospitality (Restaurant) Business

## \$700M 2020e Revenue



■ Small & Medium Restaurant   ■ Enterprise Restaurant   ■ Others

- Over 100,000 sites worldwide
- #1 Restaurant POS software provider in U.S. (source: RBR 2020)
- Half of the top 100 worldwide restaurant brands use NCR
- 32 of the top 50 quick service restaurant chains use NCR
- More restaurant employees are trained on NCR Aloha than any other restaurant software



# We Provide Everything To **RUN** The Restaurant

Restaurant management platform (Aloha)

Digital, mobile, contactless experiences

Wall-to-wall services

Monthly Subscription & Transactions

“ We're delighted to work with NCR to integrate Grubhub into the NCR Aloha POS for a ready-to-deploy solution that enhances the delivery experience and boosts efficiency for restaurant operators. ”

**GRUBHUB**

# Why We Will **Win** In The Market



Hospitality  
Growth

Increase our share of wallet

Expand our market share - incremental site growth

Only 3% of our base is converted to Aloha Essentials

# Functional Execution

## Roundtable

### Adrian Button

EVP, Product &  
Service Operations



### Product & Services Operations

- Quality & cost efficiency

### Tim Vanderham

SVP, Chief Technology  
Officer



### Software Engineering

- Scalable software architecture & discipline

### Mithu Bhargava

SVP, Professional Services



### Professional Services

- Integration touchpoint & innovation

# A Global, **Efficient Network** Delivering For Our Customers



**14K**  
Engineers



**285K**  
Units/Year



**9.4M**  
Dispatches/Year



**22M**  
Service Calls/Year



**13M**  
Devices Supported

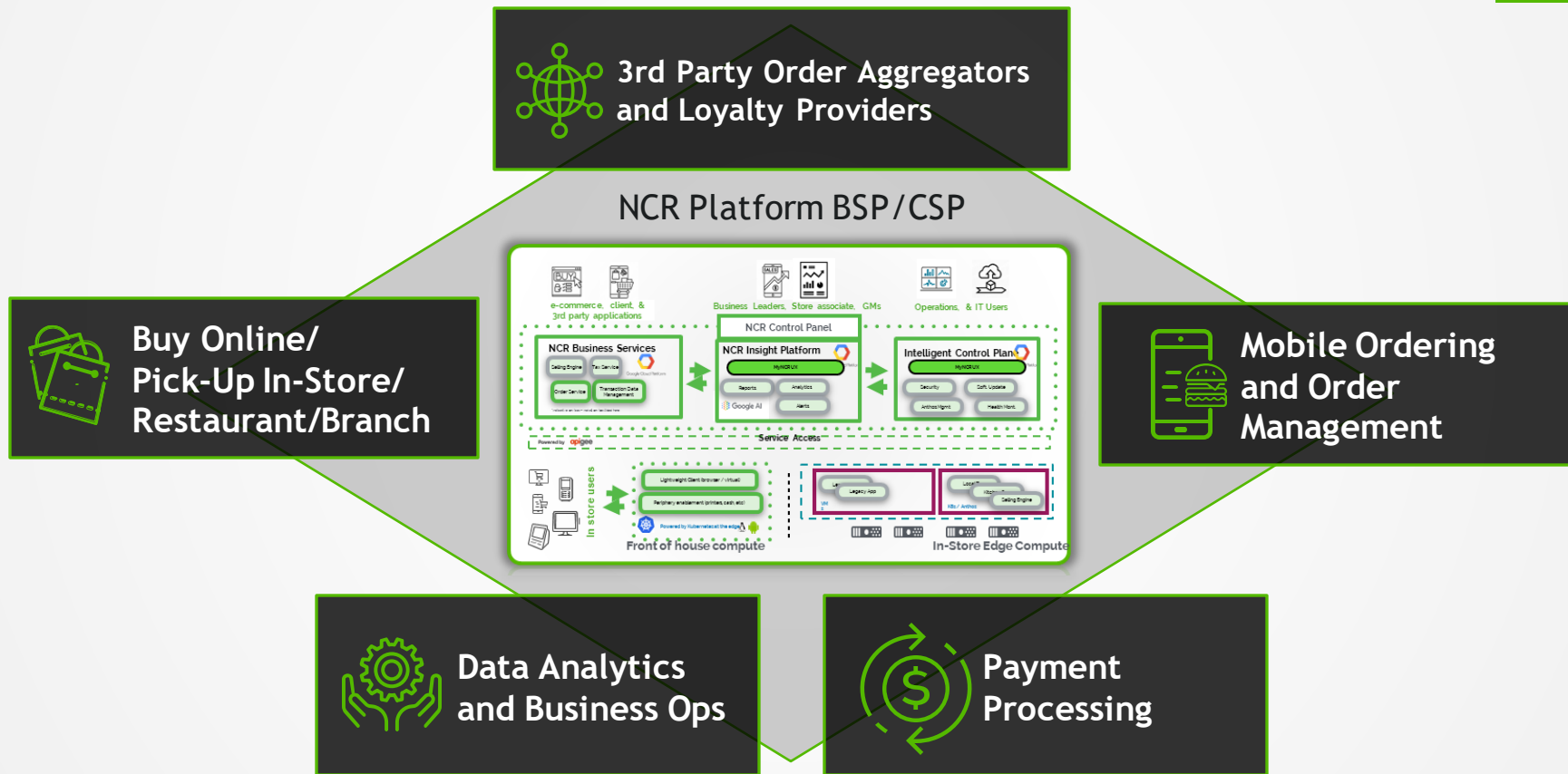


**150K**  
Parts Shipped Weekly



- Manufacturing Plant
- Service Operations Center Hub
- Distribution/Fulfillment Center/Warehouse

# NCR Platform Architecture



# Professional Software Services Delivering for Our Customers



**4,100+**  
Software Consultants



**55+**  
Countries



**7,100+**  
Projects Per Year



**100+**  
Packaged PS Offers

**WHOLE FOODS**  
MARKET

## Run The Store

- Services led migration to Next-Generation Retail Software Architecture
- Connected experiences across physical to digital channels
- Enabling e-commerce, mobile and integration to their back-office systems



**CHIPOTLE**

## Run The Restaurant

- Co-innovate digital makeline experience leveraging Aloha Essentials platform
- Order accuracy up 99%
- Wait times down 50%



**Trustmark**

## Run Self-Directed Banking

- Modernize branch experience to self-directed banking approach
- Advisory services to redefine consumer experience and create upsell opportunities

# INVESTOR DAY 2020

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## Financial Outlook: A Path to 80|60|20 Success

**Tim Oliver**, EVP, Chief Financial Officer



# Update on More Tactical Topics

## Q4 2020

- Results to date are consistent with Oct. 27<sup>th</sup> commentary
  - Revenue, EBITDA and cash flow expected to be similar to results in 2020 Q3
  - Productivity initiatives and asset reviews are ongoing
  - Cost reduction actions will achieve \$125-150M of annual run-rate savings

## 2021

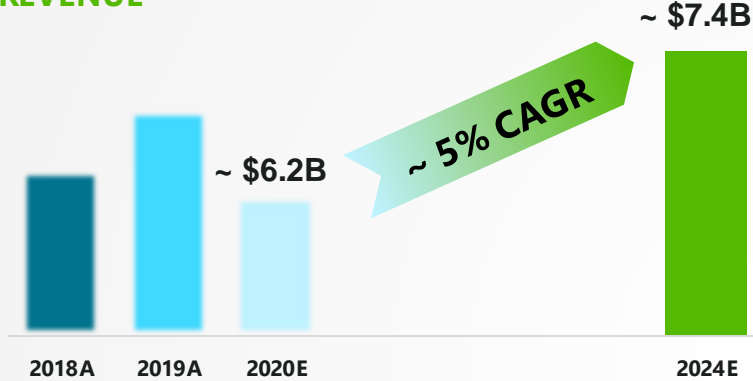
- Annual planning process is nearly complete
  - Anticipate modest sequential improvement in end markets across the full year of 2021

**No further 2020 updates or 2021 guidance today**

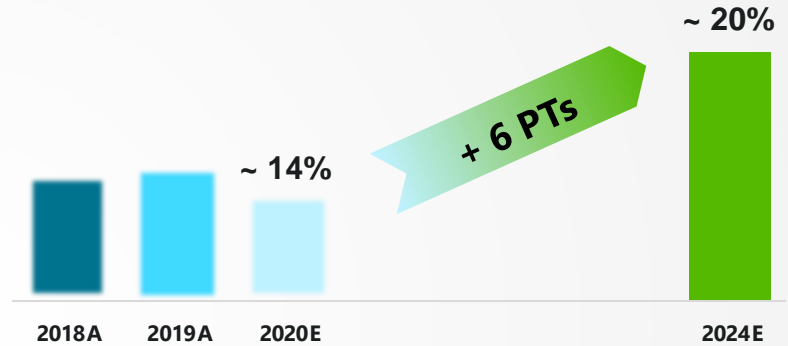
# NCR 2020-2024 Financial Objectives



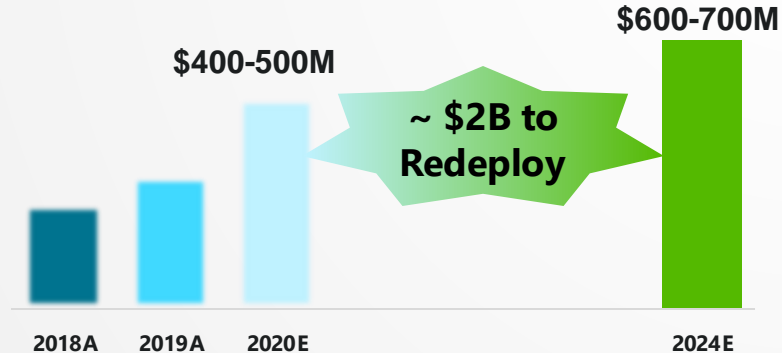
## REVENUE



## ADJ. EBITDA MARGIN %



## FREE CASH FLOW



## STRATEGIC EXECUTION

|                             | 2018 | 2019 | 2020 | 2024 |
|-----------------------------|------|------|------|------|
| Software & Services Revenue | 68%  | 65%  | 72%  | ~80% |
| Recurring Revenue           | 46%  | 46%  | 54%  | >60% |
| Adj. EBITDA Margin          | 15%  | 15%  | 14%  | ~20% |

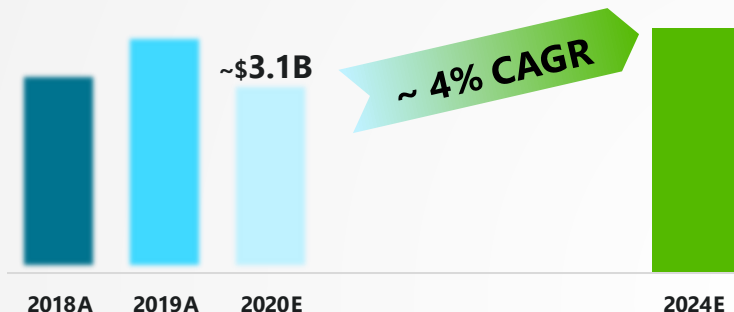
# Defining 80|60|20

|      |   |
|------|---|
| 80 % | ...of NCR's revenue will come from <b>software and services</b> .   |
| 60 % | ...of NCR's revenue will come from <b>recurring revenue</b> .<br>Defined as contracts where there is a predictable revenue pattern that will occur at regular intervals. This includes hardware and software maintenance, cloud, payment processing, certain professional services arrangements, and term-based software licenses.                                |
| 20 % | ...goal for <b>adjusted EBITDA</b> as a percent of revenue.<br>Adjusted earnings before interest, taxes, depreciation and amortization as a % of revenue. Typical adjustments include amortization as well as other special items, including pension, mark-to-market adjustment, amortization of acquired intangible assets, restructuring charges, among others. |

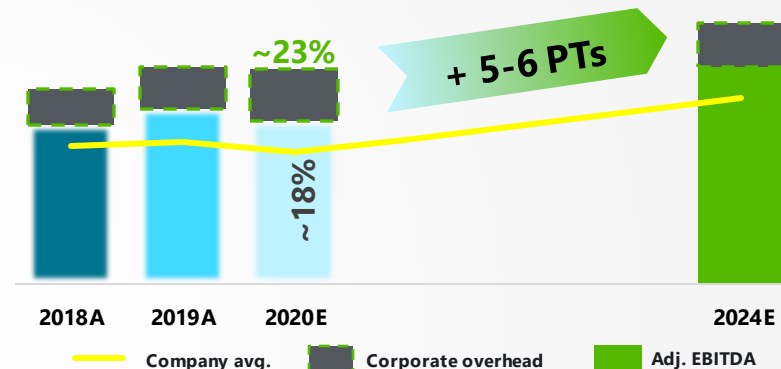
# NCR Banking Financial Objectives



## REVENUE



## ADJ. EBITDA MARGIN %



## Metrics to watch

- Digital Banking Revenue
- Digital Banking Registered Users
- Recurring Revenue

## Q3 YTD

**\$354.4M**

**24.3M**

**\$1.264B**

## STRATEGIC EXECUTION

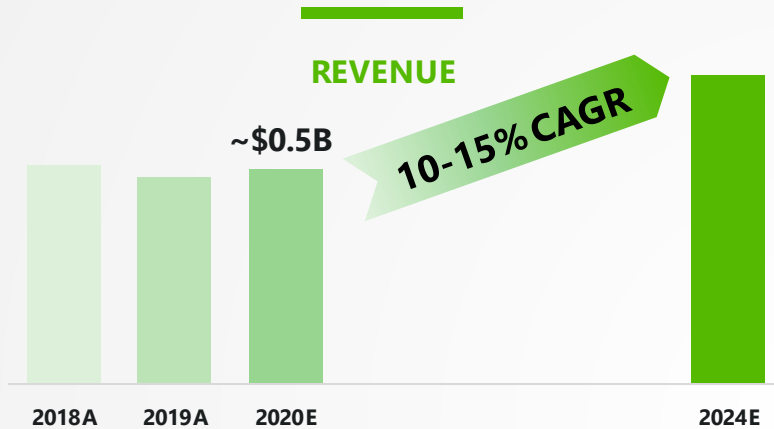
|                             | 2018 | 2019 | 2020 | 2024 |
|-----------------------------|------|------|------|------|
| Software & Services Revenue | 69%  | 64%  | 71%  | >80% |
| Recurring Revenue           | 49%  | 46%  | 55%  | >60% |
| Adj. EBITDA Margin          | 17%  | 19%  | 18%  | >20% |

# NCR **Banking** Business Revenue Composition

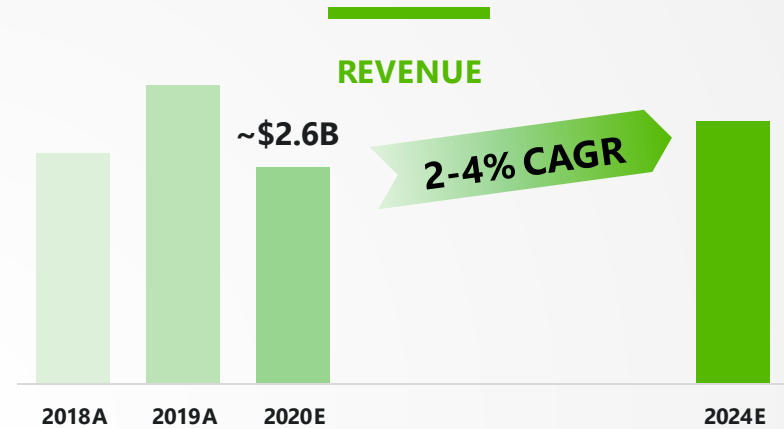


|  | Products  | % Attach                                      | 2020 Est. Revenue |
|--|---|---|-------------------|
| <b>DIGITAL BANKING</b>                       | Online/Mobile Banking – DI/D3   | <b>0%</b>                                     | <b>\$0.5B</b>     |
|  | Software – Remote Transactions  |   |                   |
|  | Professional Services – Digital Banking Consulting  |   |                   |
| <b>OTHER BANKING Software &amp; Services</b> | Software – Enterprise Monitoring, Cx Marketing, Security, Transaction Processing, Cash Management | <b>15-100%<br/>In<br/>Ascending<br/>Order</b> | <b>\$1.7B</b>     |
|  | Professional Services – ATM-Centric Consulting  |   |                   |
|  | Software – ATM Multivendor  |   |                   |
|  | Services – Implementation, Break/Fix  |   |                   |
|  | Managed Services and ATM-as-a-Service   |   |                   |
|  | Software – Interactive Teller Machine   |   |                   |
|  | Software – Middleware   |   |                   |
|  |   |   |                   |
| <b>ATM's</b>                                 | ATM Hardware  | <b>100%</b>                                   | <b>\$0.9B</b>     |

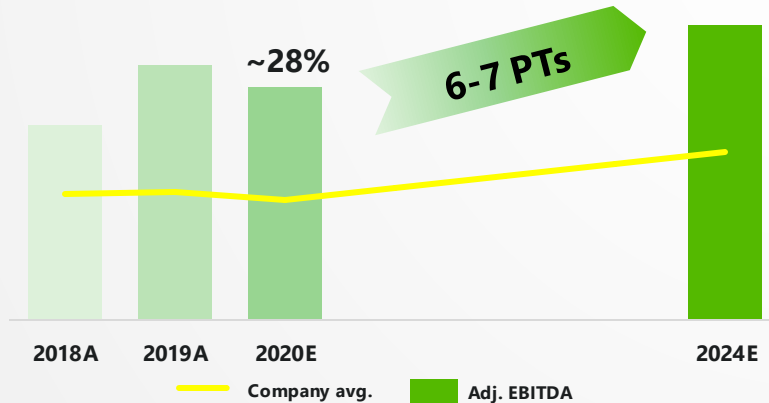
## Banking: Digital Banking Financial Objectives



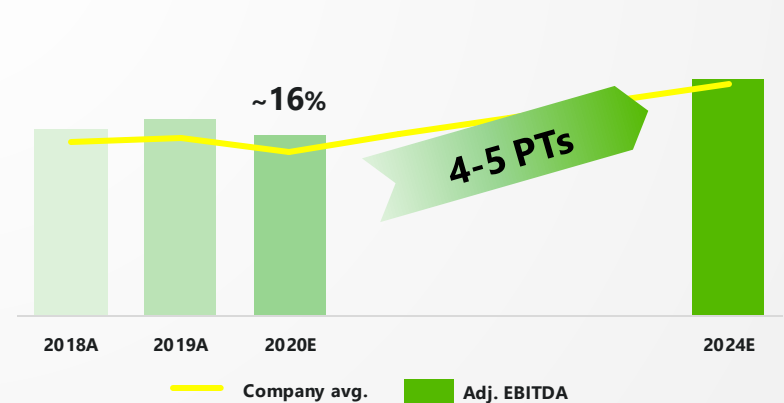
## Banking: Other Software & Services Financial Objectives



### ADJ. EBITDA MARGIN %



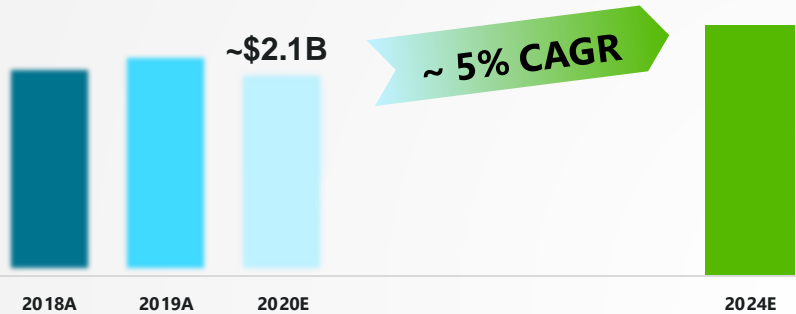
### ADJ. EBITDA MARGIN %



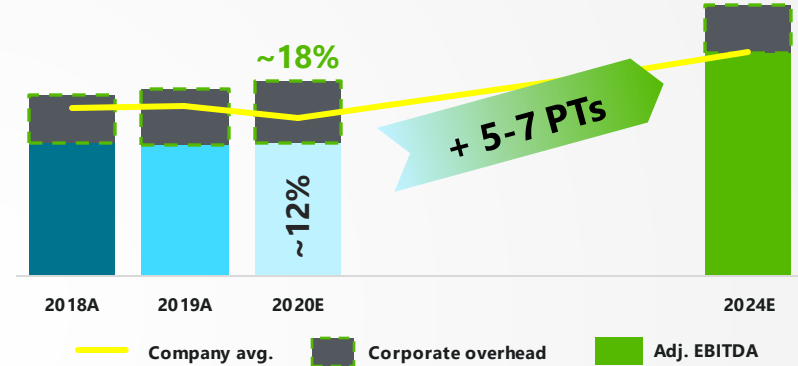
# NCR Retail Financial Objectives



## REVENUE



## ADJ. EBITDA MARGIN %



### Metrics to watch

- Platform Lanes
- SCO Revenue
- Recurring Revenue

### Q3 YTD

**12,642**

**\$642M**

**\$717M**

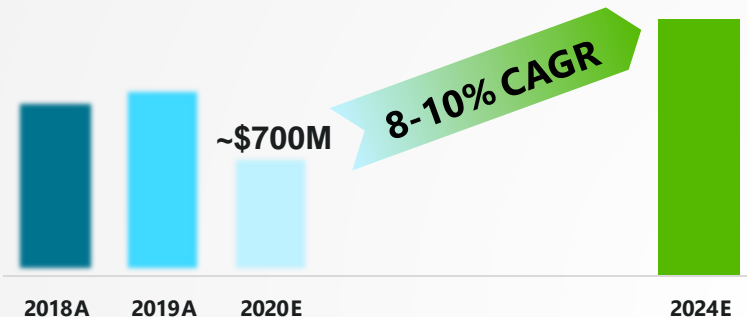
## STRATEGIC EXECUTION

|                             | 2018 | 2019 | 2020 | 2024 |
|-----------------------------|------|------|------|------|
| Software & Services Revenue | 63%  | 63%  | 67%  | <80% |
| Recurring Revenue           | 37%  | 41%  | 47%  | ~60% |
| Adj. EBITDA Margin          | 12%  | 12%  | 12%  | <20% |

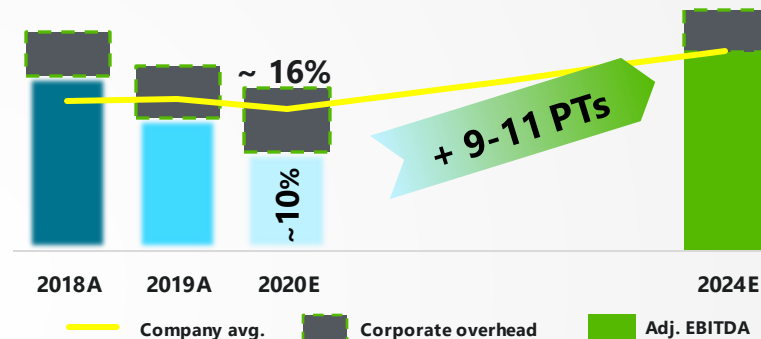
# NCR Hospitality Financial Objectives



## REVENUE



## ADJ. EBITDA MARGIN %



## Metrics to watch

- Number of Aloha Essentials Sites\*
- Recurring Revenue

## Q3 YTD

3,484

\$311M

\* Subscription based sites

## STRATEGIC EXECUTION

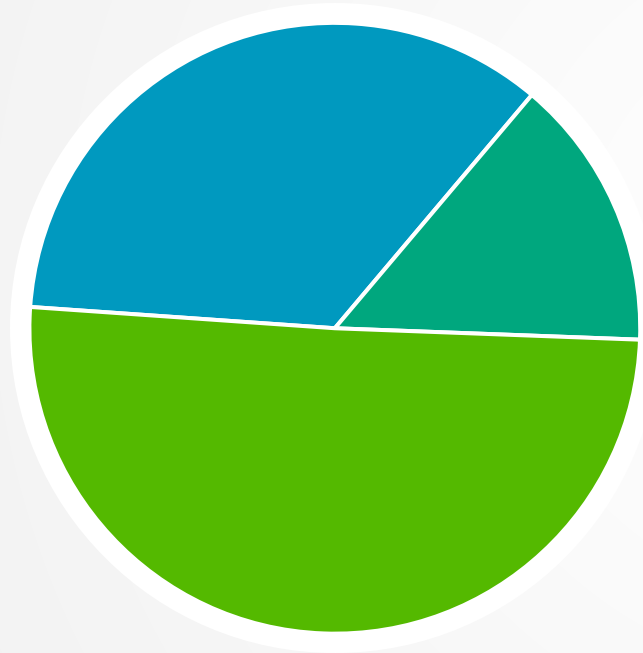
|                             | 2018 | 2019 | 2020 | 2024 |
|-----------------------------|------|------|------|------|
| Software & Services Revenue | 70%  | 67%  | 75%  | >80% |
| Recurring Revenue           | 48%  | 51%  | 61%  | >60% |
| Adj. EBITDA Margin          | 18%  | 13%  | 10%  | ~20% |



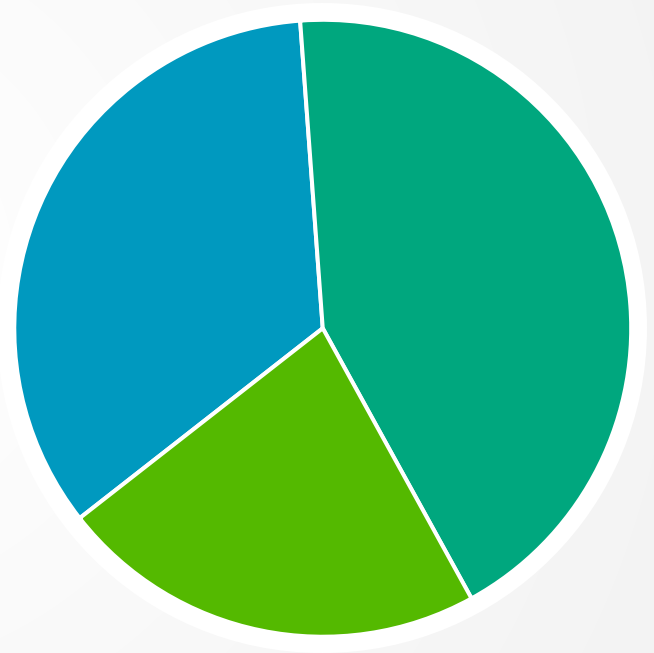
# NCR Payments Business Financial Objectives



2020 Revenue: ~ \$100M



2024 Revenue: ~ 20-30% CAGR

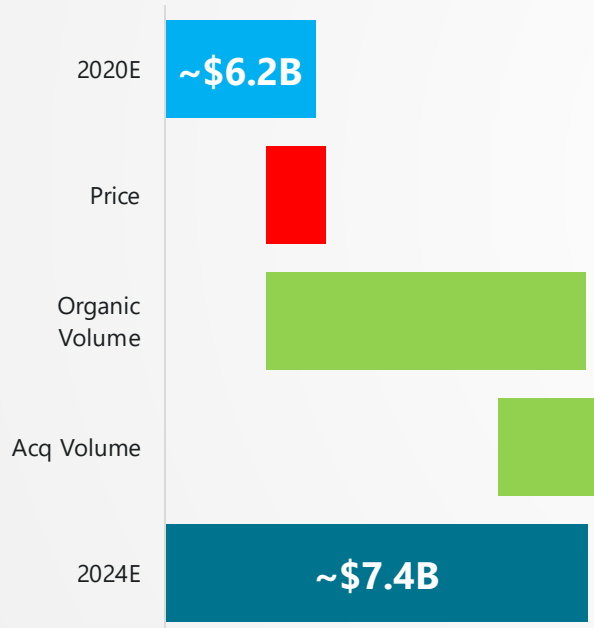


- Retail
- Hospitality
- Non-NCR

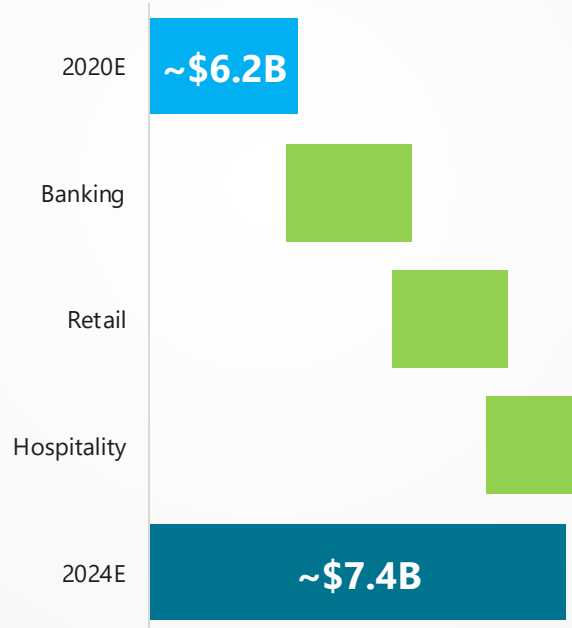
NCR POS Addressable Market: \$1.5B - \$2B

# Revenue Growth Bridge

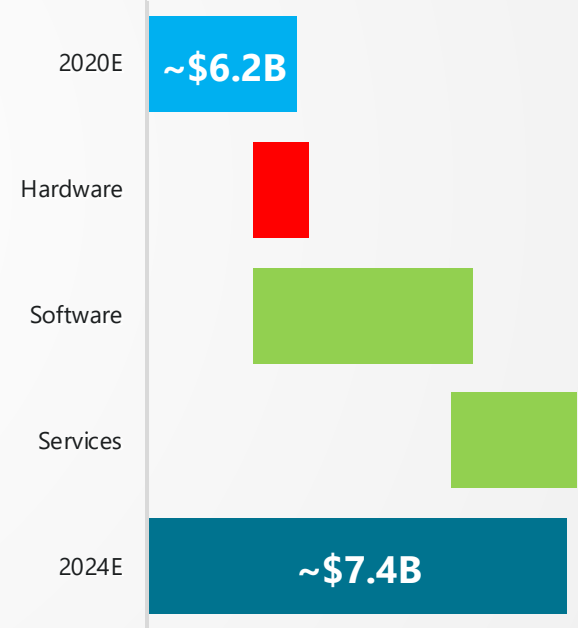
## BY CAUSE



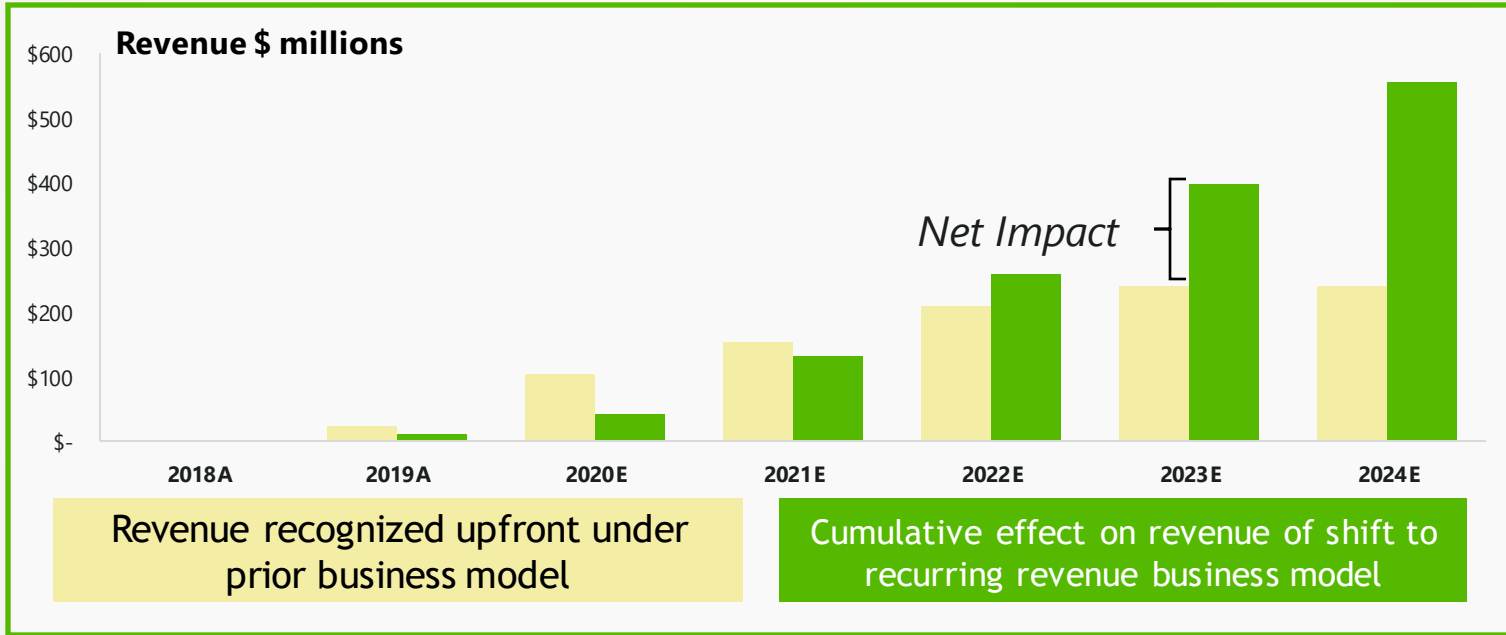
## BY SEGMENT



## BY PRODUCT



# Impact on Revenue of Shift to Recurring Revenue Business Model



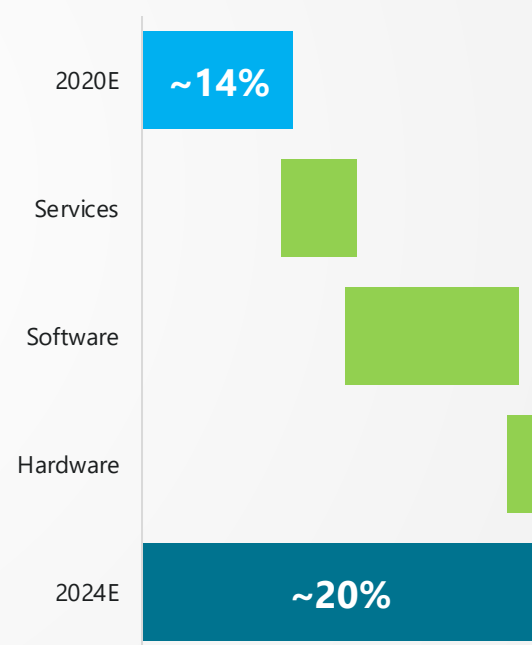
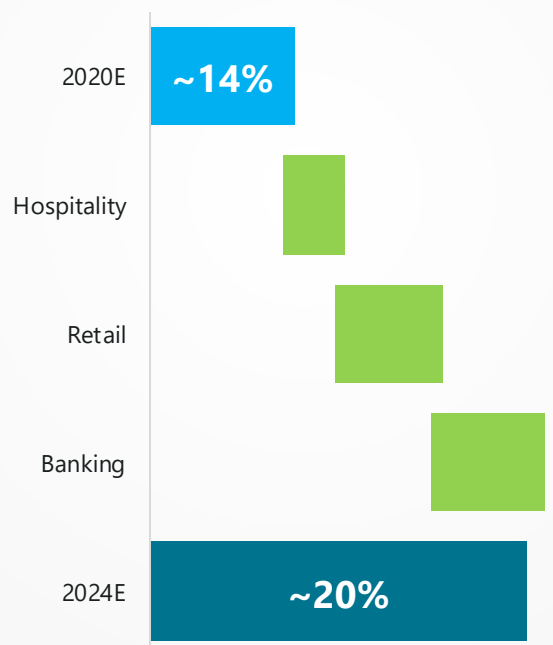
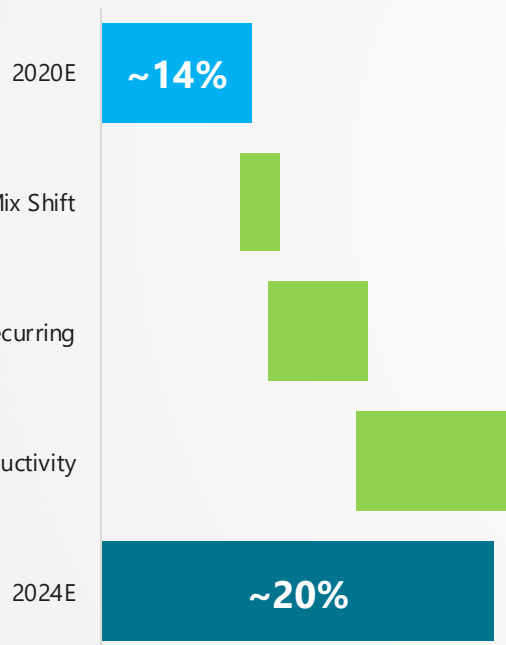
**Net Impact is expected to become accretive in late 2022**

# Adj. EBITDA Margin Growth Bridge

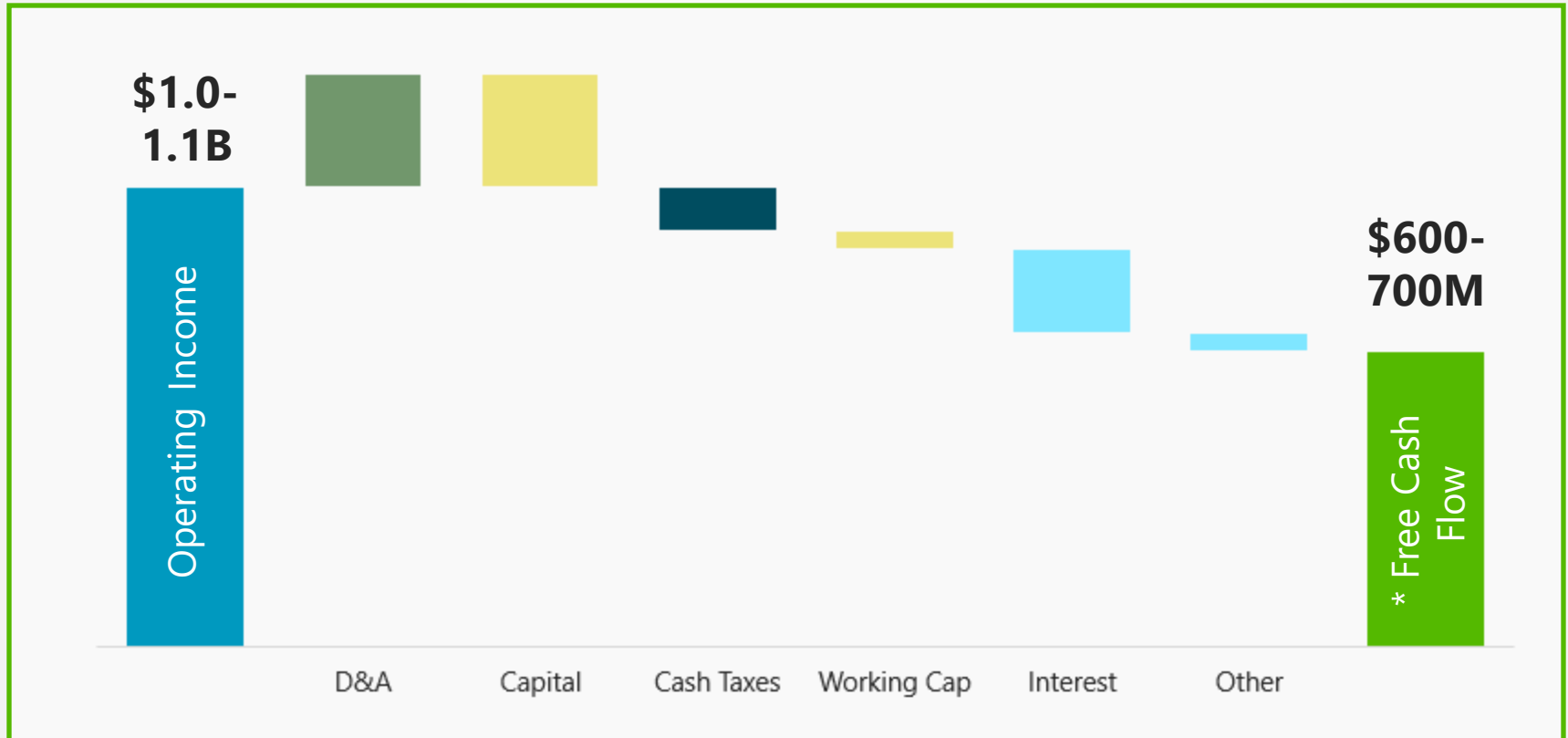
## BY CAUSE

## BY SEGMENT

## BY PRODUCT



# 2024 Free Cash Flow Generation



\* Free Cash Flow excludes discontinued operations and pension contributions

# Cash Generation and Redeployment

## Cash Generation Opportunities

- **Higher profitability**
- **Cap Ex Efficiency**
- **Cash cycle improvements**
  - Services inventory
  - Invoice accuracy
  - Vendor management
- **Business Linearity**

## Redeployment Priorities

### Uses:

- Organic growth (Cap Ex)
- Acquisitions
- Stock buyback
- Reduce Leverage

### 4yr. Total

\$0-250M > Deprec.  
~\$600-\$800M  
~\$400-\$500M  
Remainder

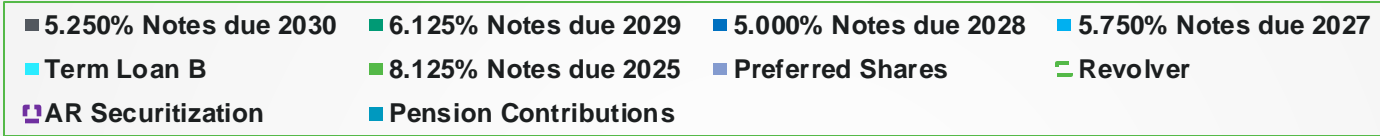
### Legacy Uses:

- Pension
- Disc Operations

~\$300-\$400M  
~\$100-\$150M

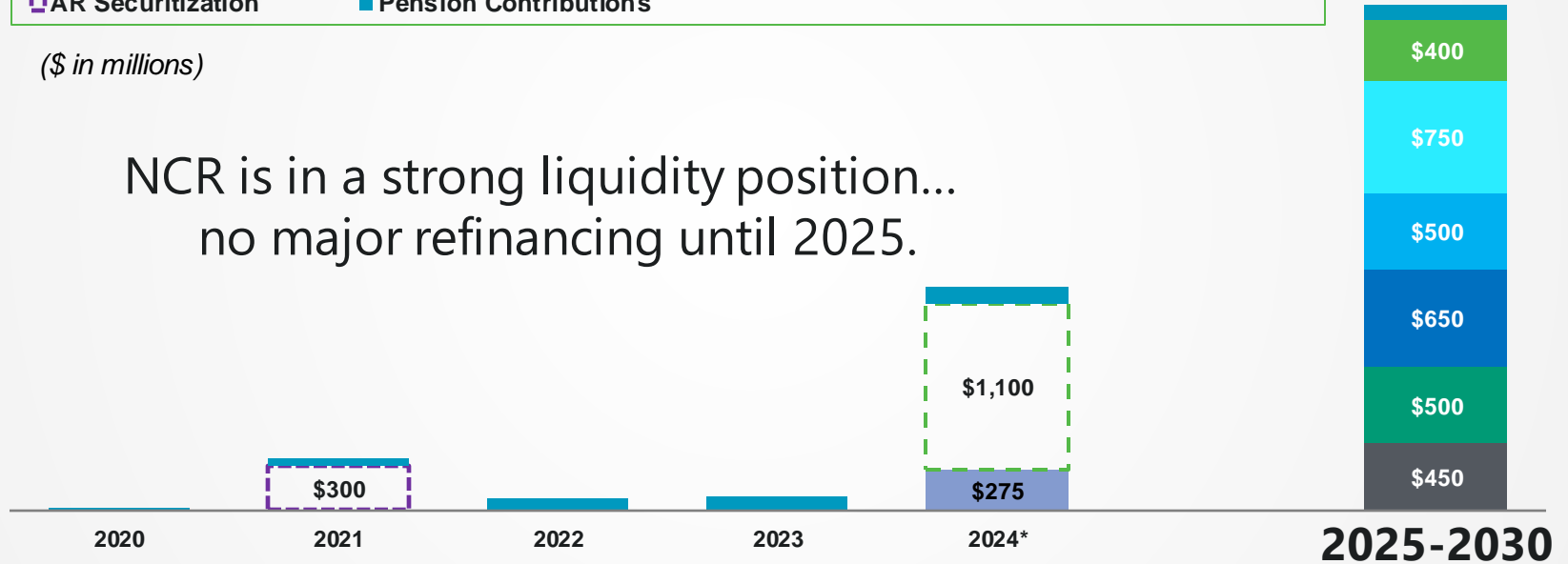
**Approximately \$2 Billion in cumulative free cash flow**

# Debt & Preferred Stock Maturities Status



(\$ in millions)

NCR is in a strong liquidity position...  
no major refinancing until 2025.

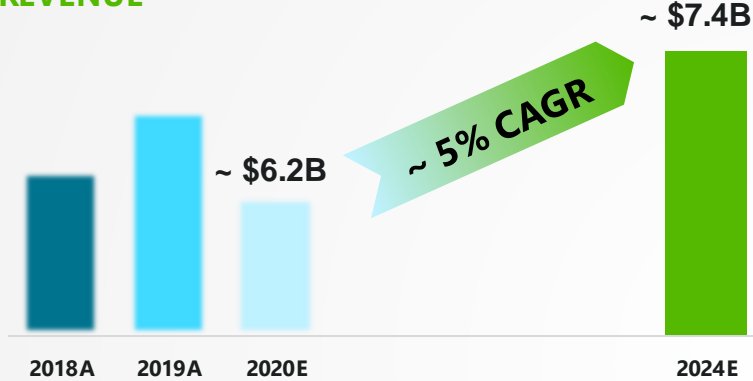


\* First "Put" Date Preferred - Current balance sheet value of Series A preferred : \$275M

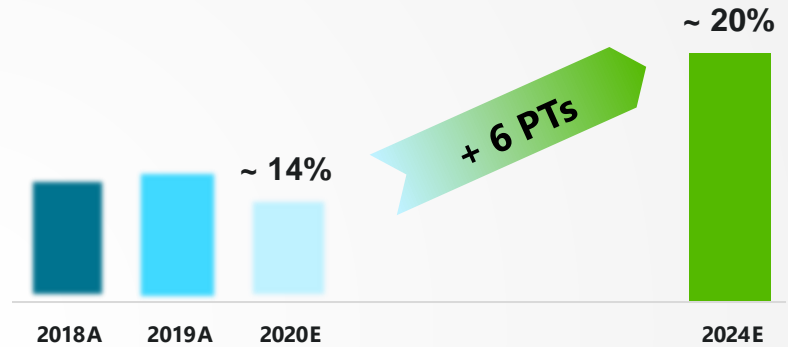
# NCR 2020-2024 Financial Objectives



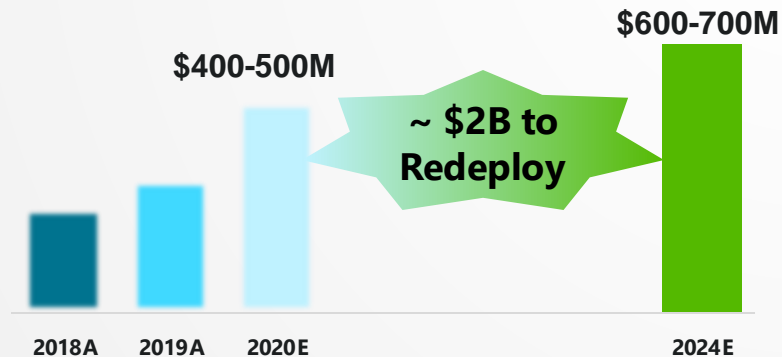
## REVENUE



## ADJ. EBITDA MARGIN %



## FREE CASH FLOW



## STRATEGIC EXECUTION

|                             | 2018 | 2019 | 2020 | 2024 |
|-----------------------------|------|------|------|------|
| Software & Services Revenue | 68%  | 65%  | 72%  | ~80% |
| Recurring Revenue           | 46%  | 46%  | 54%  | >60% |
| Adj. EBITDA Margin          | 15%  | 15%  | 14%  | ~20% |



# Call In With Your Questions ...

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888-820-9413

Confirmation Code:1666001

# INVESTOR DAY 2020

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Frank Martire

NCR Executive Chairman and Chairman of the Board

# Investment Thesis

NCR shareholder value creation will be driven by:



**Mix shift to software and services**



**Recurring revenue growth**



**Margin expansion**

# NCR INVESTOR DAY

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Q&A

Dial-In:

888-820-9413

Confirmation Code:1666001

# INVESTOR DAY 2020



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## Supplemental Materials

# 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.

## 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 pension contributions. 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.

## ADJUSTED EBITDA MARGIN %

NCR believes the Adjusted EBITDA Margin percentage provides useful information to investors because it is an indicator of 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 from continuing operations attributable to NCR plus interest expense, net; plus income tax expense (benefit); plus depreciation and amortization; plus other income (expense); plus pension mark-to-market adjustments, amortization of acquired intangible assets, restructuring charges, among others. Adjusted EBITDA Margin percentage is calculated based on Adjusted EBITDA as a percentage of total revenue.

However, with respect to our projection of Adjusted EBITDA margin percentage, we are not providing a reconciliation to the respective GAAP measures because we are unable to predict with reasonable certainty the reconciling items that may affect GAAP net income from continuing operations 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.

# GAAP TO NON-GAAP RECONCILIATION

## FREE CASH FLOW

|                                       | 2020E             | 2024E             |
|---------------------------------------|-------------------|-------------------|
| Cash provided by Operating Activities | \$675-775M        | \$800-900M        |
| Total capital expenditures            | (\$250-300M)      | (~\$300M)         |
| Pension contributions                 | \$20-25M          | ~\$100M           |
| <b>Free Cash Flow</b>                 | <b>\$400-500M</b> | <b>\$600-700M</b> |