
Q1 2022 EARNINGS CONFERENCE CALL

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

April 26, 2022



NOTES TO INVESTORS

FORWARD-LOOKING STATEMENTS. Comments made during this conference call and in these materials contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (the “Act”). Forward-looking statements use words such as “expect,” “anticipate,” “outlook,” “intend,” “plan,” “confident,” “believe,” “will,” “should,” “would,” “potential,” “positioning,” “proposed,” “objective,” “could,” “may,” and words of similar meaning, as well as other words or expressions referencing future events, conditions or circumstances. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Act. Statements that describe or relate to NCR’s plans, goals, intentions, strategies, or financial outlook, and statements that do not relate to historical or current fact, are examples of forward-looking statements. Examples of forward-looking statements in these materials include, without limitation, statements regarding: macroeconomic and geopolitical challenges and the impact thereof including, but not limited to, inflationary pressures for components, freight, fuel, and interest, the war in Eastern Europe, increase in interest rates and continued waves of the COVID-19 pandemic; NCR’s focus on advancing our strategic growth initiatives and transforming NCR into a software-led as-a-service company; expectations regarding demand and order activity for our software platform and payments solutions and our long-term prospects; NCR’s full year 2022 financial forecast and expectations and assumptions regarding financial performance in 2022; a comprehensive strategic review to evaluate strategic alternatives (which could include a disposition of a material business or assets of the Company, a spin-off, merger or sale of the Company, other structural changes, changes to branding or geographic footprint or other transactions or alternatives); expectations regarding momentum across strategic growth initiatives; expectations regarding demand, momentum and growth acceleration; interest from potential suitors in strategic review; our plans and expectations to leverage our software and payments platform to increase share of wallet, capitalize on strong customer demand, execute cost take-out/price actions, continue execution of NCR-as-a-Service strategy, and explore actions to accelerate shareholder value creation. 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 25, 2022 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 April 26, 2022, and NCR does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

NOTES TO INVESTORS

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

CHANGE IN REPORTABLE SEGMENTS. Effective January 1, 2022, the Company realigned its reportable segments to correspond with changes to its operating model, management structure and organizational responsibilities. The reportable segments effective January 1, 2022 include: Payments & Network, Digital Banking, Self-Service Banking, Retail, and Hospitality. Additionally, effective January 1, 2022, the Company manages Corporate & Other, which includes income and expense that are not specifically attributable to an individual reportable segment along with any immaterial operating segment(s). Eliminations includes 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.

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, 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.

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

Revenue up 21% Y/Y; Recurring revenue up 35% Y/Y

Adjusted EBITDA growth of 5% Y/Y

Continued success transforming NCR

Unprecedented external macro impacts

- **Inflation**
- **Interest rates**
- **War**
- **Omicron variant**

BUSINESS UPDATE

Good momentum across strategic growth initiatives

Payments - Gaining traction across Merchant acquiring and Allpoint™ networks

Digital Banking – Continued positive momentum

Self-Service Banking - Increased interest in ATMaaS

Retail - Strong growth in NCR Commerce software platform

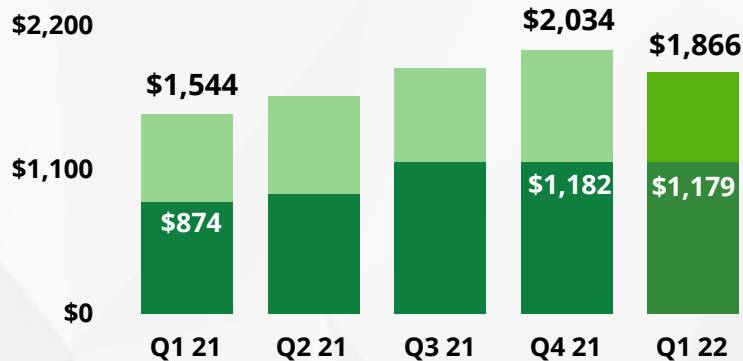
Hospitality - Momentum in platform sites continues

Board-led strategic review is ongoing

Q1 2022 FINANCIAL RESULTS

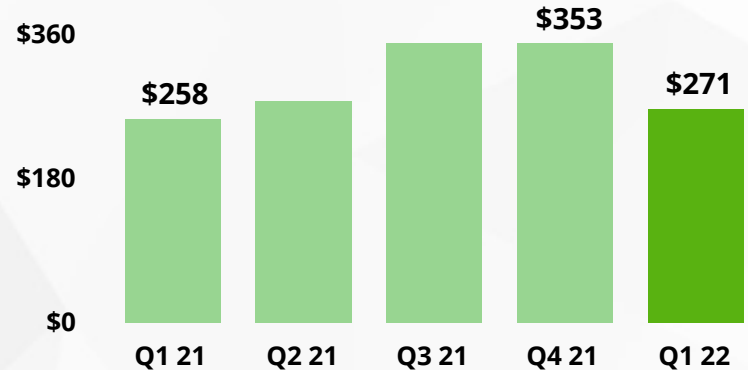
\$ in millions, except for EPS

Total Revenue/Recurring



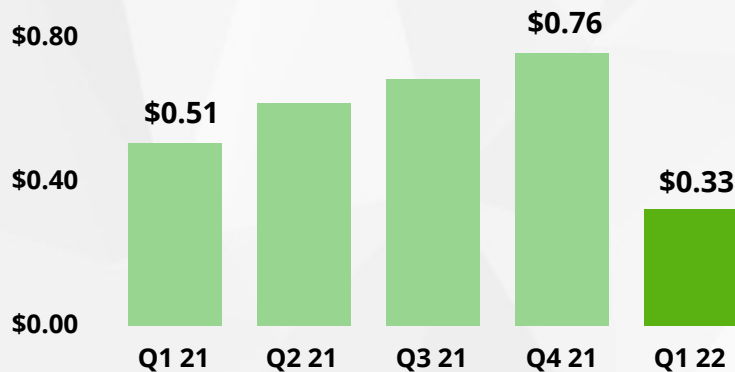
Revenue up 21% y/y; Recurring revenue up 35% y/y

Adjusted EBITDA



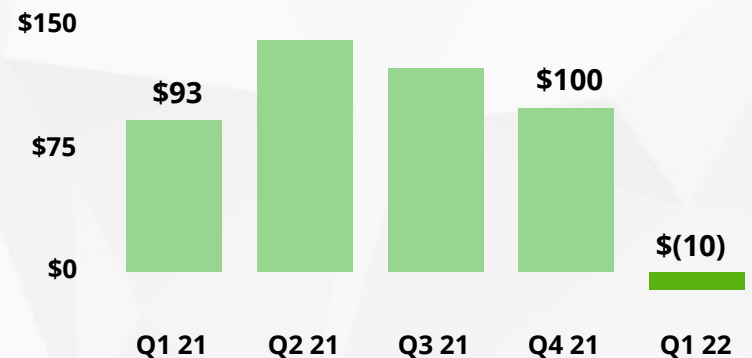
Adjusted EBITDA up 5% y/y

Non-GAAP Diluted EPS



Non-GAAP diluted EPS impacted by macro pressures

Free Cash Flow



Above expectations given seasonal factors

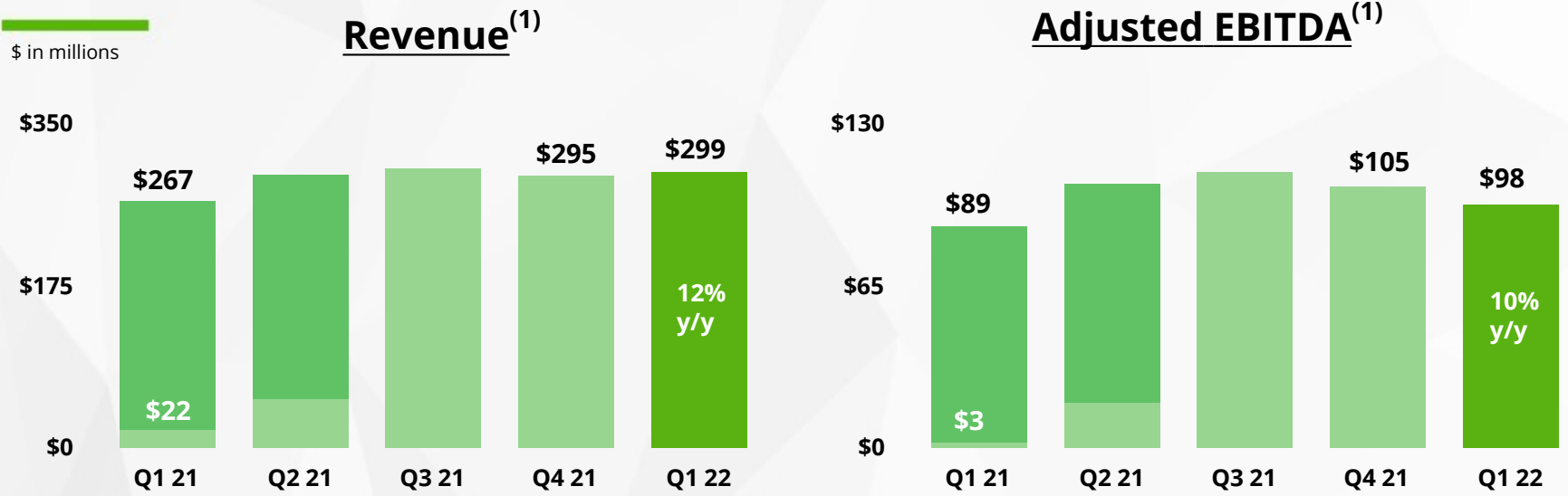
Q1 2022E & Projected 2022 Impacts

\$ in millions

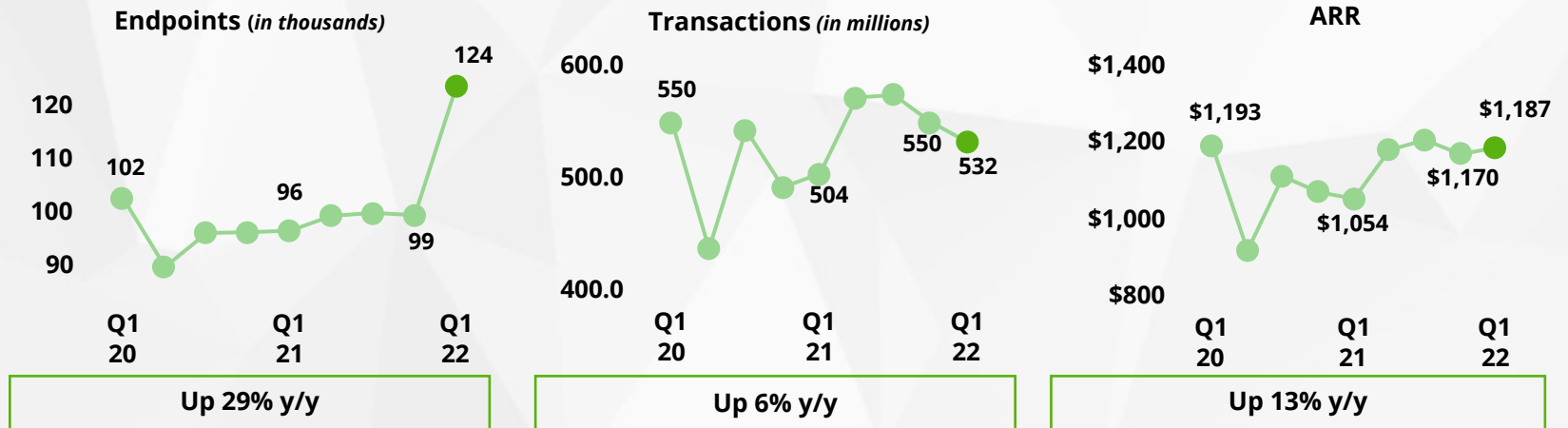
	Estimated Q1 2022 Impact		Projected Full Year Impact	
	Revenue	EBITDA	Revenue	EBITDA
COVID	\$60	\$23	\$50	\$35
<ul style="list-style-type: none"> December to March Omicron wave (Payments) China lockdown & supply disruption 				
War in Eastern Europe	30	7	100	15
<ul style="list-style-type: none"> Eastern Europe direct revenue Indirect supply disruptions 				
Excess Inflation vs Realized Price	—	38	—	75
<ul style="list-style-type: none"> Components Freight Fuel 				
Interest Rate & Other	—	7	—	25
Total Gross Impact	\$90	\$75	\$150	\$150
Mitigating Actions			~\$50	\$50-\$100

Further cost productivity and pricing actions underway

PAYMENTS & NETWORK



Key Metrics⁽²⁾



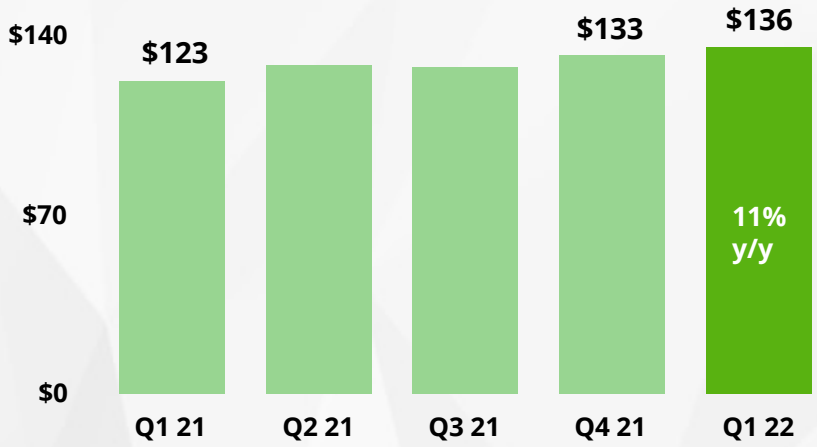
⁽¹⁾ Revenue and Adjusted EBITDA for the periods Q1 2021 and Q2 2021 include the addition of the pre-acquisition historical results of Cardtronics related to the Payments & Network segment.

⁽²⁾ Key Metrics for Q1 2020 through Q2 2021 include the addition of the pre-acquisition historical results of Cardtronics related to the Payments & Network segment.

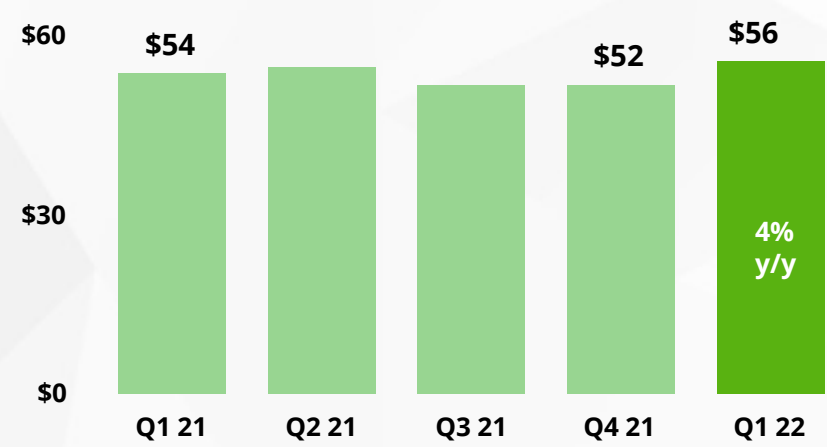
DIGITAL BANKING

\$ in millions

Revenue

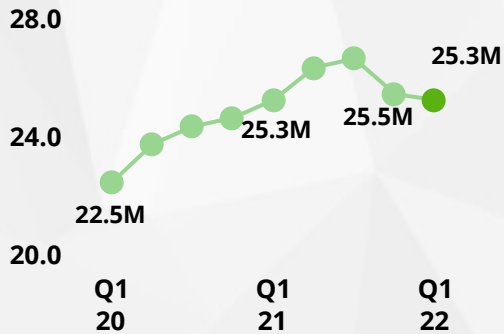


Adjusted EBITDA



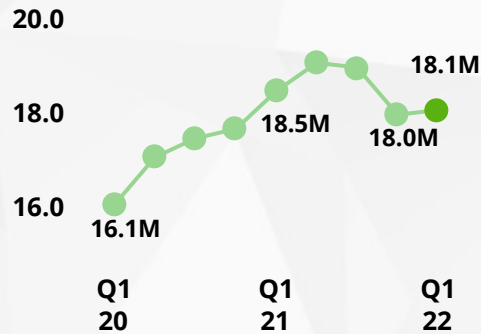
Key Metrics

Registered Users



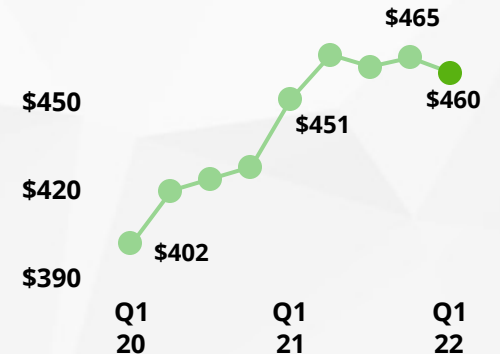
Flat y/y

Active Users



Down 2% y/y

ARR

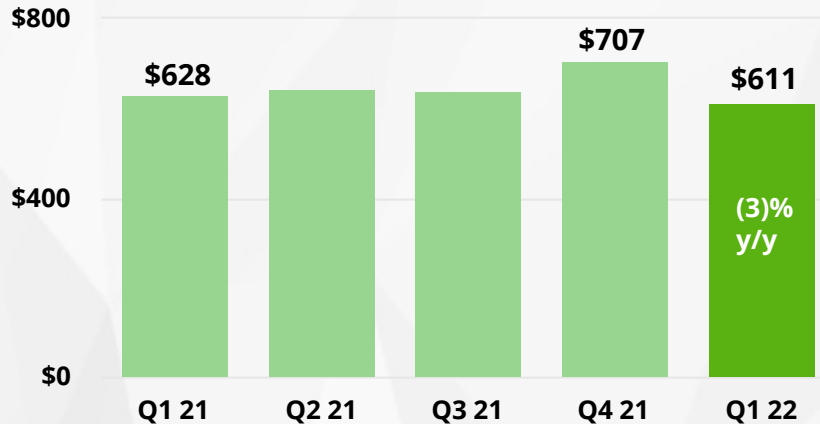


Up 2% y/y

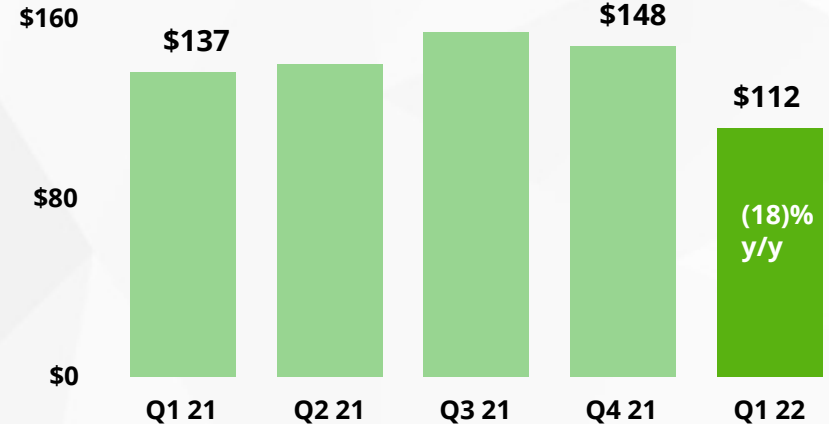
SELF-SERVICE BANKING

\$ in millions, except units and percentages

Revenue

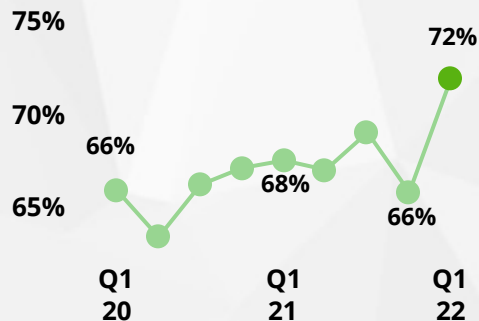


Adjusted EBITDA



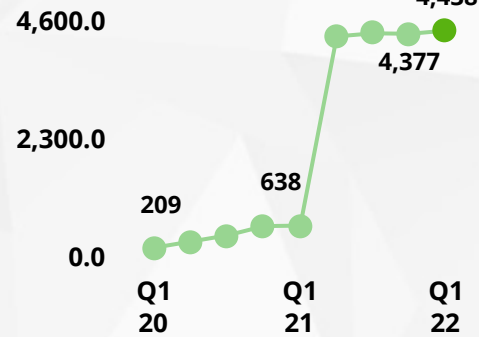
Key Metrics

Software & Services Revenue Mix



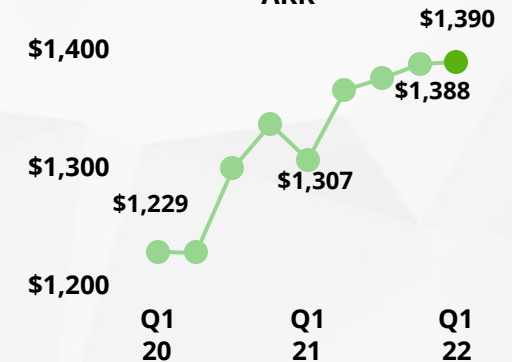
Up 4 points y/y

ATMaas Units



Up significantly and growing

ARR

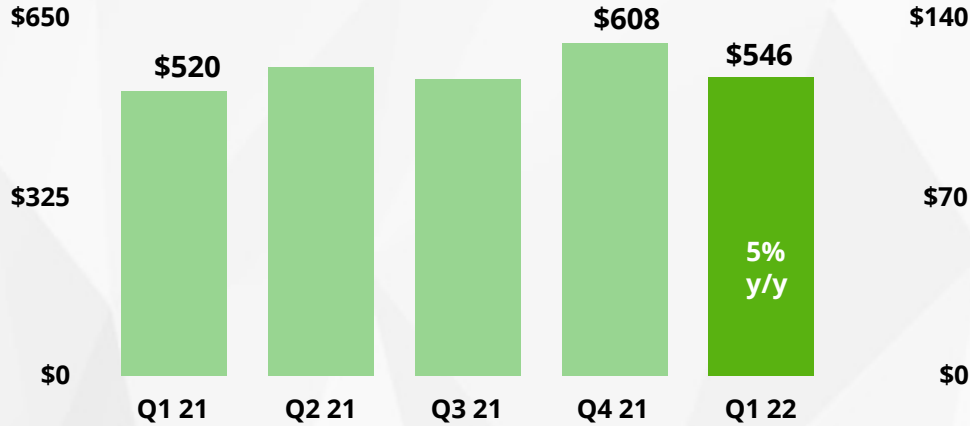


Up 6% y/y

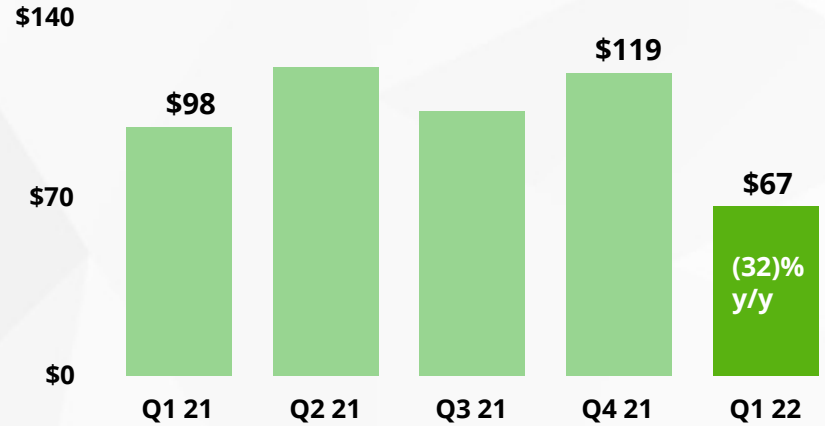
RETAIL

\$ in millions, except platform lanes

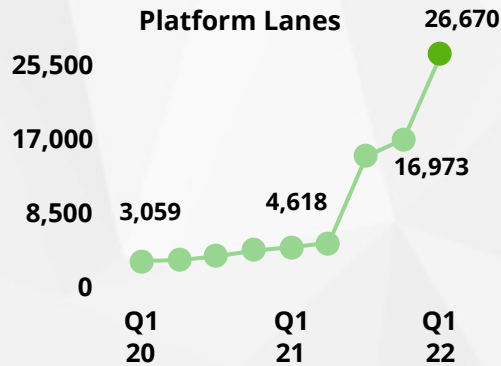
Revenue



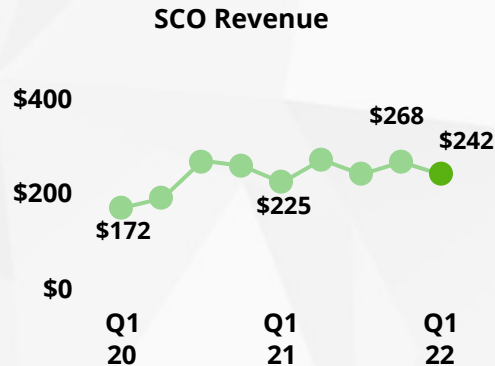
Adjusted EBITDA



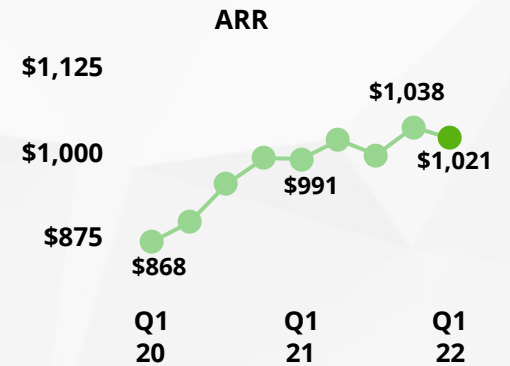
Key Metrics



Up 478% y/y



Up 8% y/y

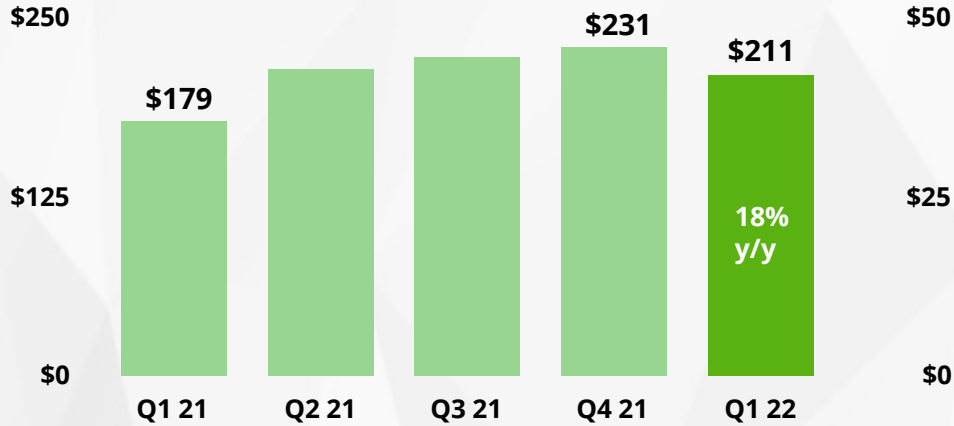


Up 3% y/y

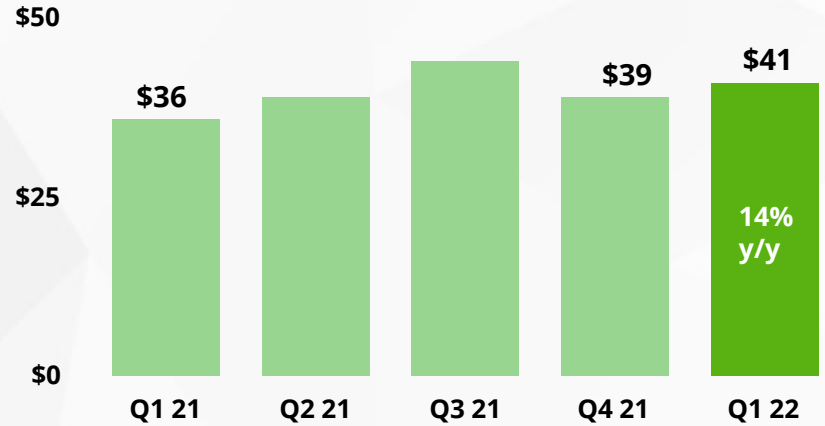
HOSPITALITY

\$ in millions, except site counts

Revenue

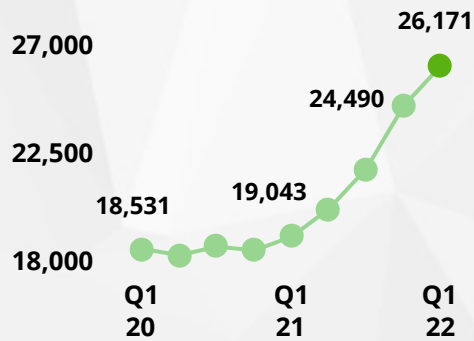


Adjusted EBITDA



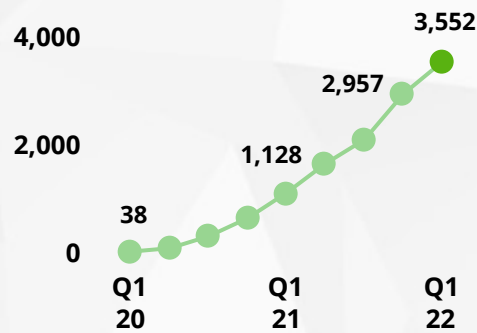
Key Metrics

Platform Sites



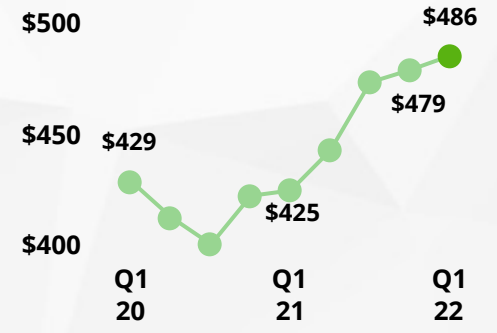
Up 37% y/y

Payments Sites



Up 215% y/y

ARR



Up 14% y/y

FREE CASH FLOW, NET DEBT & EBITDA

\$ in millions

Free Cash Flow	Q1 2022	Q1 2021
Cash provided by operating activities	\$38	\$155
Less: Total capital expenditures	(\$80)	(\$61)
Plus: Restricted Cash Settlement Activity	\$28	(\$5)
Plus: Pension contributions	\$4	\$4
Free Cash Flow	(\$10)	\$93

Net Debt & EBITDA	Q1 2022	Q4 2021
Debt	\$5,599	\$5,562
Cash	(\$412)	(\$447)
Net Debt	\$5,187	\$5,115
Adjusted EBITDA LTM	\$1,257	\$1,244
Net Debt / Adjusted EBITDA	4.1x	4.1x
Net Debt/ Adjusted EBITDA with CATM⁽¹⁾	3.9x	3.7x

⁽¹⁾ Net Debt/ Adjusted EBITDA with Cardtronics ("CATM") calculation includes the addition of the pre-acquisition historical EBITDA of CATM for the twelve month period ending Q1 22 and Q4 21, respectively.

OUTLOOK

Revenue of approximately \$8 billion

- Higher growth in second half of year on higher transaction volumes and hardware parts availability

Adjusted EBITDA of \$1.4 - \$1.5 billion

- \$50 - \$75 million of improvement across each of the remaining three quarters

Free Cash Flow of \$400 - \$500 million

- Adjusted for profit change

Non-GAAP Diluted EPS of \$2.70 - \$3.20

- Adjusted for EBITDA change and tax rate impact

LOOKING FORWARD

Continued transformation to a software-led as-a-service company

Address external macro headwinds

Continue board-led strategic review process to unlock shareholder value



SUPPLEMENTARY MATERIALS

Q1 2022 GAAP RESULTS

\$ in millions, except per share amounts

	Q1 2022	Q1 2021	% Change
Revenue	\$1,866	\$1,544	21%
Gross Margin	411	414	(1)%
Gross Margin Rate	22.0%	26.8%	
Operating Expenses	378	304	24%
% of Revenue	20.3%	19.7%	
Operating Income	33	110	(70)%
% of Revenue	1.8%	7.1%	
Interest and other expense, net	(54)	(62)	(13)%
Income Tax Expense (Benefit)	13	17	
Effective Income Tax Rate	(61.9)%	35.4%	
Net Income (Loss) from Continuing Operations (attributable to NCR)	\$(33)	\$30	(210)%
Diluted EPS from Continuing Operations	\$(0.27)	\$0.19	(242)%

Q1 2022 OPERATIONAL RESULTS

\$ in millions, except per share amounts

	Q1 2022	Q1 2021	% Change
Revenue (non-GAAP)	\$1,863	\$1,544	21%
Gross Margin (non-GAAP)	449	425	6%
Gross Margin Rate (non-GAAP)	24.1%	27.5%	
Operating Expenses (non-GAAP)	325	277	17%
% of Revenue	17.4%	17.9%	
Operating Income (non-GAAP)	124	148	(16)%
% of Revenue	6.7%	9.6%	
Interest and other expense (non-GAAP)	(53)	(45)	18%
Income Tax Expense (non-GAAP)	23	29	(21)%
Effective Income Tax Rate (non-GAAP)	32.4%	28.2%	
Net Income (Loss) From Continuing Operations (attributable to NCR) (non-GAAP)	\$49	\$73	(33)%
Diluted EPS (non-GAAP)	\$0.33	\$0.51	(35)%

NON-GAAP MEASURES

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

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

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

NON-GAAP MEASURES

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

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

NCR believes that its ratio of Net Debt to Adjusted EBITDA provides useful information to investors because it is an indicator of the company's ability to meet its future financial obligations. In addition, the Net Debt to Adjusted EBITDA ratio is 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.

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 orderly wind down our operations in Russia beginning in the first quarter of 2022. As a result, for the three months ending March 31, 2022, our non-GAAP presentation of the measures described above exclude the 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. We consider this to be a special item and management has reviewed the results of its business segments excluding these impacts. We have not adjusted the presentation of the prior year period due to the immaterial impact of Russia to income from continuing operations for the three months ended March 31, 2021.

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

GAAP TO NON-GAAP RECONCILIATION

\$ in millions

	Q1 2022	Q4 2021	Q1 2021
Net (Loss) Income from Continuing Operations Attributable to NCR (GAAP)	\$ (33)	\$ 64	\$ 30
Pension Mark-to-Market Adjustments	—	(118)	—
Transformation & Restructuring Costs	27	46	8
Acquisition-Related Amortization of Intangibles	41	44	20
Acquisition-Related Costs	5	6	27
Interest Expense	63	64	45
Interest Income	(1)	(4)	(3)
Depreciation and Amortization	103	107	70
Income Taxes	13	109	17
Stock Compensation Expense	34	35	44
Russia	19	—	—
Adjusted EBITDA (non-GAAP)	\$ 271	\$ 353	\$ 258

GAAP TO NON-GAAP RECONCILIATION

\$ in millions

	Q1 2022 LTM	Q4 2021 LTM	Q1 2021 LTM
Net (Loss) Income from Continuing Operations Attributable to NCR (GAAP)	\$ 34	\$ 97	\$ —
Pension Mark-to-Market Adjustments	(118)	(118)	34
Transformation & Restructuring Costs	85	66	237
Acquisition-Related Amortization of Intangibles	153	132	79
Acquisition-Related Costs	76	98	21
Loss on Debt Extinguishment	42	42	20
Interest Expense	256	238	213
Interest Income	(6)	(8)	(10)
Depreciation and Amortization	390	357	282
Income Taxes	182	186	(37)
Stock Compensation Expense	144	154	127
Russia	19	—	—
Adjusted EBITDA (non-GAAP)	\$ 1,257	\$ 1,244	\$ 966

ADJUSTED EBITDA BY SEGMENT

\$ in millions

	Q1 2022	Q4 2021	Q1 2021
Payments & Network	\$ 98	\$ 105	\$ 3
Digital Banking	56	52	54
Self-Service Banking	112	148	137
Retail	67	119	98
Hospitality	41	39	36
Corporate and Other	(97)	(104)	(67)
Eliminations	(6)	(6)	(3)
Adjusted EBITDA	\$ 271	\$ 353	\$ 258

GAAP TO NON-GAAP RECONCILIATION

Q1 2022

\$ in millions, except per share amounts

	Q1 QTD 2022 GAAP	Transform ation Costs	Acquisition- related amortization of intangibles	Acquisition- related costs	Russia	Q1 QTD 2022 non-GAAP
Product revenue	\$516	\$—	\$—	\$—	\$—	\$516
Service revenue	1,350	—	—	—	(3)	1,347
Total revenue	1,866	—	—	—	(3)	1,863
Cost of products	492	(1)	(2)	—	(7)	482
Cost of services	963	(4)	(17)	—	(10)	932
Gross margin	411	5	19	—	14	449
<i>Gross margin rate</i>	22.0%	0.3%	1.0%	—%	0.8%	24.1%
Selling, general and administrative expenses	313	(21)	(22)	(5)	(4)	261
Research and development expenses	65	(1)	—	—	—	64
Total operating expenses	378	(22)	(22)	(5)	(4)	325
<i>Total operating expense as a % of revenue</i>	20.3%	(1.2)%	(1.2)%	(0.3)%	(0.2)%	17.4%
Income from operations	33	27	41	5	18	124
<i>Income from operations as a % of revenue</i>	1.8%	1.4%	2.2%	0.3%	1.0%	6.7%
Interest and Other (expense) income, net	(54)	—	—	—	1	(53)
Income from continuing operations before income taxes	(21)	27	41	5	19	71
Income tax (benefit) expense	13	4	6	—	—	23
<i>Effective income tax rate</i>	(61.9)%					32.4%
Income from continuing operations	(34)	23	35	5	19	48
Net income (loss) attributable to noncontrolling interests	(1)	—	—	—	—	(1)
Income from continuing operations (attributable to NCR)	(\$33)	\$23	\$35	\$5	\$19	\$49
Diluted earnings per share	(\$0.27)	\$0.15	\$0.23	\$0.03	\$0.13	\$0.33
Diluted shares outstanding	135.7					150.7

GAAP TO NON-GAAP RECONCILIATION

Q1 2022

\$ in millions, except per share amounts

	Q1 QTD 2022 GAAP	Q1 QTD 2022 non-GAAP
<i>Income from continuing operations attributable to NCR common stockholders:</i>		
Income from continuing operations (attributable to NCR)	(\$33)	\$49
Dividends on convertible preferred shares	(\$4)	\$—
Income from continuing operations attributable to NCR common stockholders	(\$37)	\$49
<i>Weighted average outstanding shares:</i>		
Weighted average diluted shares outstanding	135.7	141.5
Weighted as-if converted preferred shares	—	9.2
Total shares used in diluted earnings per share	135.7	150.7
Diluted earnings per share from continuing operations⁽¹⁾	(\$0.27)	\$0.33

⁽¹⁾ GAAP EPS is determined using the most dilutive measure, either including the impact of the dividends or deemed dividends on NCR's Series A Convertible Preferred Shares in the calculation of net income or loss available to common 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 2021

\$ in millions, except per share amounts

	Q1 QTD 2021 GAAP	Transformation Costs	Acquisition- related amortization of intangibles	Acquisition- related costs	Q1 QTD 2021 non-GAAP
Product revenue	\$482	\$—	\$—	\$—	\$482
Service revenue	1,062	—	—	—	1,062
Total revenue	1,544	—	—	—	1,544
Cost of products	408	—	(3)	—	405
Cost of services	722	(4)	(4)	—	714
Gross margin	414	4	7	—	425
<i>Gross margin rate</i>	26.8%	0.3%	0.4%	—%	27.5%
Selling, general and administrative expenses	238	(2)	(13)	(10)	213
Research and development expenses	66	(2)	—	—	64
Total expenses	304	(4)	(13)	(10)	277
<i>Total expense as a % of revenue</i>	19.7%	(0.3)%	(0.9)%	(0.6)%	17.9%
Income from operations	110	8	20	10	148
Income from operations as a % of revenue	7.1%	0.5%	1.4%	0.6%	9.6%
Interest and Other (expense) income, net	(62)	—	—	17	(45)
Income from continuing operations before income taxes	48	8	20	27	103
Income tax expense	17	2	4	6	29
<i>Effective income tax rate</i>	35.4%				28.2%
Income from continuing operations	31	6	16	21	74
Net income attributable to noncontrolling interests	1	—	—	—	1
Income from continuing operations (attributable to NCR)	\$30	\$6	\$16	\$21	\$73
Diluted (loss) earnings per share	\$0.19	\$0.04	\$0.11	\$0.15	\$0.51
Diluted shares outstanding	134.7				143.9

GAAP TO NON-GAAP RECONCILIATION

Q1 2021

\$ in millions, except per share amounts

	Q1 QTD 2021 GAAP	Q1 QTD 2021 non-GAAP
<i>Income from continuing operations attributable to NCR common stockholders:</i>		
Income from continuing operations (attributable to NCR)	\$30	\$73
Dividends on convertible preferred shares	(\$4)	\$—
Income from continuing operations attributable to NCR common stockholders	\$26	\$73
<i>Weighted average outstanding shares:</i>		
Weighted average diluted shares outstanding	134.7	134.7
Weighted as-if converted preferred shares	—	9.2
Total shares used in diluted earnings per share	134.7	143.9
Diluted earnings per share from continuing operations⁽¹⁾	\$0.19	\$0.51

⁽¹⁾ GAAP EPS is determined using the most dilutive measure, either including the impact of the dividends or deemed dividends on NCR's Series A Convertible Preferred Shares in the calculation of net income or loss available to common 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 2022	Q4 2021	Q1 2021
Cash provided by operating activities	\$38	\$270	\$155
Less: Total capital expenditures	(\$80)	(\$106)	(\$61)
Less: Sale of Accounts Receivables	\$—	(\$26)	\$—
Plus: Pension contributions	\$4	\$4	\$4
Plus: Restricted Cash Settlement Activity	\$28	(\$42)	(\$5)
Free Cash Flow	(\$10)	\$100	\$93



THANK YOU

