

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 3, 2021



**NCR CORPORATION**  
(Exact name of registrant as specified in its charter)

Commission File Number 001-00395

**Maryland**  
(State or other jurisdiction of  
incorporation or organization)

**31-0387920**  
(I.R.S. Employer  
Identification No.)

**864 Spring Street NW**  
**Atlanta, GA 30308**  
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (937) 445-1936

**N/A**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	NCR	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02. Results of Operations and Financial Condition.**

On August 3, 2021, the Company issued a press release setting forth its second quarter 2021 financial results and certain other financial information. A copy of the press release is attached hereto as Exhibit 99.1 and hereby incorporated by reference.

**Item 7.01. Regulation FD Disclosure.**

On August 3, 2021, the Company will hold its previously announced conference call to discuss its second quarter financial results. A copy of supplementary materials that will be referred to in the conference call, and which were posted to the Company's website, is attached hereto as Exhibit 99.2.

The information in this report (including Exhibits 99.1 and 99.2) is being furnished pursuant to Item 2.02 and Item 7.01 and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits:

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

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Press Release issued by the Company, dated August 3, 2021</a>
99.2	<a href="#">Supplemental materials, dated August 3, 2021</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NCR Corporation

By: /s/ Timothy C. Oliver  
Timothy C. Oliver  
Executive Vice President and Chief Financial Officer

Date: August 3, 2021



August 3, 2021

**NCR Announces Second Quarter 2021 Results**  
**Revenue up 13% and Significant Profit Margin Expansion**

ATLANTA - NCR Corporation (NYSE: NCR) reported financial results today for the three months ended June 30, 2021. Second quarter and other recent highlights include:

- **Revenue of \$1.68 billion, up 13%; NCR stand-alone up 11% including recurring revenue growth of 11%**
- **Significant profit margin expansion driven by cost reductions and favorable mix of revenue**
- **Cash flow from operations of \$155 million; Free cash flow of \$142 million**
- **GAAP diluted EPS of \$(0.10); Non-GAAP diluted EPS of \$0.62, NCR stand-alone of \$0.64**
- **Cardtronics transaction completed on June 21, 2021**
- **Announced definitive agreement to acquire LibertyX**
- **Second half 2021 guidance announced**

“Our second quarter results demonstrate positive momentum across all segments and included strong revenue growth, margin expansion and cash flow generation,” said Michael Hayford, President and Chief Executive Officer. “Our strategy of investing in NCR’s strategic growth platforms and the shift to NCR-as-a-Service are paying off. We closed the Cardtronics transaction and recently announced a definitive agreement to acquire LibertyX, a leading cryptocurrency software provider. NCR will use the LibertyX technology, together with Cardtronics, to expand our as-a-Service offerings. Our financial position is strong, and NCR is poised to deliver increased value to customers and sustainable long-term value to stockholders.”

Cardtronics is a wholly-owned subsidiary of NCR that is currently operating separately and independently from NCR pending completion of the merger review by the UK Competition and Markets Authority (CMA). NCR can begin integration with Cardtronics only after regulatory approval by the CMA.

In this release, we use certain non-GAAP measures. These non-GAAP measures include "free cash flow," "adjusted EBITDA," and others with the words "non-GAAP" in their titles. These non-GAAP measures are listed, described and reconciled to their most directly comparable GAAP measures under the heading "Non-GAAP Financial Measures" later in this release.

## Second Quarter 2021 Operating Results

On June 21, 2021, we completed the transaction with Cardtronics plc ("Cardtronics"). The second quarter 2021 results include the operations of Cardtronics from June 21, 2021 to June 30, 2021 which includes \$32 million of revenue and \$8 million of Adjusted EBITDA. The results of Cardtronics have been included in the Banking segment results.

### Revenue

Second quarter revenue of \$1,677 million increased 13% year over year. The following table shows revenue for the second quarter:

\$ in millions	Q2 2021	Q2 2020	% Increase (Decrease)
Banking	\$ 809	\$ 763	6 %
Retail	576	483	19 %
Hospitality	215	160	34 %
T&T	77	78	(1 %)
<b>Total Revenue</b>	<b>\$ 1,677</b>	<b>\$ 1,484</b>	<b>13 %</b>
<b>Software &amp; Services Revenue</b>	<b>\$ 1,144</b>	<b>\$ 1,065</b>	<b>7 %</b>
<b>Software &amp; Services Revenue %</b>	<b>69 %</b>	<b>72 %</b>	
<b>Recurring Revenue</b>	<b>\$ 900</b>	<b>\$ 814</b>	<b>11 %</b>
<b>Recurring Revenue %</b>	<b>55 %</b>	<b>55 %</b>	

Note - Software & Services Revenue, software & services revenue %, recurring revenue and recurring revenue % are based on NCR stand-alone results and exclude the results of Cardtronics for the 10-day period following close from June 21, 2021 to June 30, 2021.

Banking revenue increased 6% due to higher software and services revenue partially offset by a decline in ATM hardware revenue. Cardtronics increased banking revenue by 4% on the revenue comparison.

Retail revenue increased 19% due to growth in self-checkout and point-of-sale solutions revenue across both our food-drug-merchandise and convenience-fuel-retail customers.

Hospitality revenue increased 34% driven primarily by an increase in point-of-sale solutions revenue across both our enterprise and small-and-medium business customers.

### Gross Margin

Second quarter gross margin of \$456 million increased from \$372 million in the prior year period. Gross margin rate was 27.2%, up from 25.1%. Second quarter gross margin (non-GAAP) of \$472 million increased from \$381 million in the prior year period. Gross margin rate (non-GAAP) was 28.1%, up from 25.7%. The increases in gross margin, both GAAP and non-GAAP, were driven by higher revenue and recurring cost-saving actions partially offset by increased supply chain costs.

### Operating Expenses

Second quarter operating expenses of \$372 million increased from \$283 million in the prior year period. The increase in operating expenses (GAAP) were driven by transaction costs related to closing the Cardtronics transaction and an increase in strategic investment costs. Second quarter operating expenses (non-GAAP) of \$299 million increased from \$265 million in the prior year period. The increase in operating expenses (non-GAAP) were driven by an increase in research and development costs related to higher strategic investments.

### Operating Income

Second quarter income from operations of \$84 million decreased from \$89 million in the prior year period. Second quarter operating income (non-GAAP) of \$173 million increased from \$116 million in the prior year period. The changes in operating income, both GAAP and non-GAAP, were driven by the impacts to gross margin and operating expenses described above.

*Other Expense/Income*

Second quarter other expense of \$62 million increased from \$59 million in the prior year period. The increase in other expense was due to higher interest expense. Second quarter other expense (non-GAAP) of \$49 million decreased from \$59 million. The decrease in other expense (non-GAAP) was due to lower interest expense which excludes the interest expense for the 5.125% notes that was attributable to the pre-acquisition period.

*Income Tax Expense/Benefit*

Second quarter income tax expense of \$31 million increased from an income tax benefit \$34 million in the prior year period. The second quarter effective income tax rate was 140.9%, compared to (113.3)% in the prior year period. The increase in income tax expense was primarily driven by a changes in discrete tax expenses and benefits. Second quarter income tax expense (non-GAAP) of \$33 million increased from \$19 million in the prior year period. The second quarter effective income tax rate (non-GAAP) was 26.6%, compared to 33.3% in the prior year period. The increase in income tax expense (non-GAAP) was primarily driven by higher income before taxes.

*Net Income from Continuing Operations Attributable to NCR*

Second quarter net loss from continuing operations attributable to NCR of \$9 million decreased from net income from continuing operations attributable to NCR of \$64 million in the prior year period. The decrease was driven by the transactions costs incurred related to the Cardtronics acquisition and higher income tax expense, described above.

*Adjusted EBITDA*

Second quarter adjusted EBITDA of \$281 million increased from \$201 million in the prior year period. Adjusted EBITDA margin rate increased to 16.8%, compared to 13.5% in the prior year period. The increase in adjusted EBITDA was driven by impacts to gross margin and operating expenses, described above.

*Cash Flow*

Second quarter cash provided by operating activities of \$155 million decreased from cash provided by operating activities of \$229 million in the prior year period. Second quarter free cash flow was \$142 million, compared to free cash flow of \$160 million in the prior year period. The decreases in cash provided by operating activities and free cash flow were both driven by changes in working capital period over period.

### **Second Half 2021 Outlook**

In the second half of 2021, we expect revenue to be \$4.0 billion to \$4.1 billion, adjusted EBITDA to be \$700 million to \$750 million, diluted non-GAAP earnings per share of \$1.30 to \$1.50 and free cash flow of \$325 million to \$375 million. The second half 2021 guidance includes the operations of Cardtronics.

With respect to our Adjusted EBITDA and non-GAAP diluted earnings per share guidance, we do not provide 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 and GAAP earnings per share without unreasonable effort. The reconciling items are primarily the future impact of special tax items, capital structure transactions, restructuring, pension mark-to-market transactions, acquisitions or divestitures, or other events. These reconciling items are uncertain, depend on various factors and could significantly impact, either individually or in the aggregate, the GAAP measures. Refer to the heading "Non-GAAP Financial Measures" for additional information regarding our use of non-GAAP financial measures.

### **Impact from COVID-19**

We continue to navigate through the challenging times presented by COVID-19, with a sharp focus on safeguarding our employees and helping our customers. Despite the unprecedented environment, our teams are executing at a high level and we are advancing our strategy. While it is difficult to project how disruptive and protracted the pandemic will be, we do expect it will negatively impact our business.

The COVID-19 pandemic is complex and continues to evolve. The ultimate impact on our overall financial condition and operating results will depend on the currently unknowable duration and severity of the pandemic, as well as any additional governmental and public actions taken in response. We continue to evaluate the long-term impact that COVID-19 may have on our business model. There can be no assurance that the measures we have taken or will take will completely offset the negative impact of COVID-19.

### **2021 Second Quarter Earnings Conference Call**

A conference call is scheduled for today at 4:30 p.m. Eastern Time to discuss the second quarter 2021 results. Access to the conference call and accompanying slides, as well as a replay of the call, are available on NCR's web site at <http://investor.ncr.com>. Additionally, the live call can be accessed by dialing 888-820-9413 (United States/Canada Toll-free) or 786-460-7169 (International Toll) and entering the participant passcode 7622865.

More information on NCR's second quarter earnings, including additional financial information and analysis, is available on NCR's Investor Relations website at <http://investor.ncr.com/>.

#### **About NCR Corporation**

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

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

Twitter: @NCRCorporation

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

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

YouTube: [www.youtube.com/user/ncrcorporation](http://www.youtube.com/user/ncrcorporation)

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## Cautionary Statements

This release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (the “Act”). Forward-looking statements use words such as “expect,” “anticipate,” “outlook,” “intend,” “plan,” “confident,” “believe,” “will,” “should,” “would,” “potential,” “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 this release include, without limitation, statements regarding NCR’s expansion, acceleration, and execution of our NCR-as-a-Service and 80/60/20 strategy, statements regarding our financial position, expectations regarding delivery of increased value to customers, expectations regarding growth and long-term value creation for our stockholders, statements regarding our plan to continue investing in strategic platforms, statements regarding the UK Competition and Markets Authority (the “CMA”) regulatory approval of the Cardtronics acquisition, expectations regarding the impact of the Cardtronics acquisition on NCR, statements regarding the proposed transaction between NCR and LibertyX and its impact on NCR, statements regarding our plans to manage our business through the COVID-19 pandemic and the health and safety of our employees and helping our customers, the expected impact of the COVID-19 pandemic on our business, segments and revenues, expectations regarding demand for our products and services, expectations regarding supply chain challenges in materials, labor and freight and escalation in cost, as well as measures to offset impacts to profit and cash flow, related to such challenges, delivery capability and our continued prioritization of the same, statements regarding our second half 2021 financial outlook for NCR standalone, Cardtronics and the combined company including revenue, adjusted EBITDA, adjusted EBITDA margin, earnings per share and free cash flow, as well as assumptions and risks related to such outlook, expectations regarding increasing revenue and cash flow linearity, expectations regarding cost discipline, operating leverage, margin expansion and return on investment opportunities, and statements regarding our focus on capitalization of opportunities, expansion of solutions portfolio, allocation of capital and return on investment, and customer satisfaction. Forward-looking statements are based on our current beliefs, expectations and assumptions, which may not prove to be accurate, and involve a number of known and unknown risks and uncertainties, many of which are out of NCR’s control. Forward-looking statements are not guarantees of future performance, and there are a number of important factors that could cause actual outcomes and results to differ materially from the results contemplated by such forward-looking statements, including those factors relating to: the impact of the coronavirus (COVID-19) pandemic on our supply chain costs, including but not limited to, materials, labor and freight, business, financial condition and results of operations; domestic and global economic and credit conditions including, in particular, political, consumer, and unemployment conditions, the imposition or threat of protectionist trade policies or import or export tariffs, global and regional market conditions and spending trends, new tax legislation across multiple jurisdictions, modified or new global or regional trade agreements, execution of the United Kingdom’s exit from the European Union, uncertainty over further potential changes in Eurozone participation, fluctuations in oil and commodity prices, and our customer responses to the same; the transformation of our business model to an as-a-service company with focus on, among other items, increased software and services revenue, and recurring revenue; our ability grow software and services and expanding our customer base; our ability to successfully develop and introduce new solutions in the competitive, rapidly changing environment in which we do business; defects, errors, installation difficulties or development delays in our products; disruptions in our data center hosting facilities or cloud based hosting; our ability to compete effectively within the technology industry; reliance on third party suppliers; our multinational operations, including in new and emerging markets; our ability to successfully integrate acquisitions or effectively manage alliance activities, including but not limited to, the Cardtronics acquisition; continuous improvement, customer experience, restructuring and cost reduction initiatives; our ability to retain key employees, or attract quality new and replacement employees; financing and liquidity risks including: our level of indebtedness; the terms of the documents governing our indebtedness including financial and other covenants; the incurrence of substantially more debt, including secured debt, and similar liabilities, which would increase the risks described in our risk factors relating to indebtedness and repurchase obligations; sufficiency of our cash flows including to service our indebtedness; interest rate risk, which could cause our debt service obligations to increase significantly; our ability to raise the funds necessary to finance a required repurchase of our senior unsecured notes or our Series A Convertible Preferred Stock; a lowering or withdrawal of the ratings assigned to our debt securities by rating agencies; our pension liabilities; data protection, cybersecurity and privacy risks; intellectual property risks including protection, development and our ability to manage third party claims regarding patents and other intellectual property rights; legal and regulatory risks including unanticipated changes to our tax rates and additional income tax liabilities; environmental exposures from our historical and ongoing manufacturing activities; uncertainties with regard to regulations, lawsuits, claims, and other matters across various jurisdictions; other risks including the impact of the terms of our Series A Convertible Preferred Stock relating to voting power, share dilution and market price of our common stock, as well as rights, preferences and privileges that are not held by, and are preferential to, the rights of our common stockholders; actions or proposals from stockholders that do not align with our business strategies or the interests of our other stockholders; potential write-down of the value of certain significant assets; the integration of the business of Cardtronics and realization of anticipated benefits; the CMA review of the Cardtronics transaction and remedies that may be required if the CMA does not approve the transaction as contemplated, including but not limited to, the divestiture of certain NCR and/or Cardtronics businesses; loss of management personnel and other key employees of NCR and Cardtronics related to the Cardtronics transaction; unknown or developing litigation or claims involving Cardtronics; certain additional significant risks and uncertainties from the Cardtronics business and industry such as reduced need for cash in the marketplace or a decline the usage of Cardtronics ATMs related to the proliferation of payment options; changes in financial services transaction fees, loss of or change in key merchant contracts or bank sponsorships, change in interchange fees or rates, EFT network rules and regulations compliance, vault cash risks, election by Cardtronics merchant customers not to participate in the surcharge-free network offerings, cash-in-transit risks, and settlement of merchant funds or in the vault cash reconciliations; and increased total indebtedness following completion of the Cardtronics acquisition and the implications related to such indebtedness. Additional information concerning these and other factors can be found in the Company’s filings with the U.S. Securities and Exchange Commission, including the Company’s most recent annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. Any forward-looking statement speaks only as of the date on which it is made. The Company does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

## Non-GAAP Financial Measures

*Non-GAAP Financial Measures.* While NCR reports its results in accordance with Generally Accepted Accounting Principles in the United States, or GAAP, in this release NCR also uses the non-GAAP measures listed and described below.

*Non-GAAP Diluted Earnings Per Share (EPS), Gross Margin (non-GAAP), Gross Margin Rate (non-GAAP), Operating 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.

*Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA).* NCR determines Adjusted EBITDA for a given period based on its GAAP net income from continuing operations attributable to NCR plus interest expense, net; plus income tax expense (benefit); plus depreciation and amortization; plus 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.

*Adjusted EBITDA margin* is calculated based on Adjusted EBITDA as a percentage of total revenue.

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

*NCR Standalone Revenue Growth* NCR presents period-over-period revenue growth, on a standalone basis, which excludes the impacts from the operations of Cardtronics for the period from the date of close, June 21, 2021 to June 30, 2021. NCR's management believes that presentation of this financial measure without this result is more representative of the company's period-over-period operating performance and provides additional insight which may be helpful for investors.

NCR's definitions and calculations of these non-GAAP measures may differ from similarly-titled measures reported by other companies and cannot, therefore, be compared with similarly-titled measures of other companies. These non-GAAP measures should not be considered as substitutes for, or superior to, results determined in accordance with GAAP.

## Use of Certain Terms

Recurring revenue includes all revenue streams from contracts where there is a predictable revenue pattern that will occur at regular intervals with a relatively high degree of certainty. This includes hardware and software maintenance revenue, cloud revenue, payment processing revenue, and certain professional services arrangements, as well as term-based software license arrangements that include customer termination rights and excludes the results from Cardtronics.

Reconciliation of Revenue Growth to Revenue Growth for NCR Standalone

\$ in millions	Q2 2021	
<b>Revenue Growth</b>		<b>13 %</b>
Cardtronics Impact		2 %
<b>Revenue Growth - NCR standalone</b>		<b>11 %</b>

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

\$ in millions	Q2 2021		Q2 2020	
<b>Gross Margin (GAAP)</b>	\$	456	\$	372
Transformation and restructuring costs		7		5
Acquisition-related amortization of intangibles		9		4
<b>Gross Margin (Non-GAAP)</b>	\$	<b>472</b>	\$	<b>381</b>

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

	Q2 2021		Q2 2020	
<b>Gross Margin Rate (GAAP)</b>		27.2 %		25.1 %
Transformation and restructuring costs		0.4 %		0.3 %
Acquisition-related amortization of intangibles		0.5 %		0.3 %
<b>Gross Margin Rate (Non-GAAP)</b>		<b>28.1 %</b>		<b>25.7 %</b>

Reconciliation of Operating Expenses (GAAP) to Operating Expenses (Non-GAAP)

\$ in millions	Q2 2021		Q2 2020	
<b>Operating Expenses (GAAP)</b>	\$	372	\$	283
Transformation and restructuring costs		—		(3)
Acquisition-related amortization of intangibles		(14)		(15)
Acquisition-related costs		(59)		—
<b>Operating Expenses (Non-GAAP)</b>	\$	<b>299</b>	\$	<b>265</b>

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

\$ in millions	Q2 2021		Q2 2020	
<b>Income (Loss) from Operations (GAAP)</b>	\$	84	\$	89
Transformation and restructuring costs		7		8
Acquisition-related amortization of intangibles		23		19
Acquisition-related costs		59		—
<b>Operating Income (Non-GAAP)</b>	\$	<b>173</b>	\$	<b>116</b>

Reconciliation of Other (Expense) (GAAP) to Other (Expense) (Non-GAAP)

\$ in millions	Q2 2021		Q2 2020	
<b>Other Income (Expense) (GAAP)</b>	\$	(62)	\$	(59)
Acquisition-related cost		13		—
<b>Other Income (Expense) (Non-GAAP)</b>	\$	<b>(49)</b>	\$	<b>(59)</b>

**Reconciliation of Income Tax (Benefit) Expense (GAAP) to Income Tax Expense (Non-GAAP)**

\$ in millions	Q2 2021		Q2 2020	
<b>Income Tax (Benefit) Expense (GAAP)</b>	\$	31	\$	(34)
Transformation and restructuring costs		1		1
Acquisition-related amortization of intangibles		5		4
Acquisition-related costs		16		—
Valuation allowance & other tax adjustments		(20)		48
<b>Income Tax Expense (Non-GAAP)</b>	\$	33	\$	19

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

\$ in millions	Q2 2021		Q2 2020	
<b>Net Income (Loss) from Continuing Operations Attributable to NCR (GAAP)</b>	\$	(9)	\$	64
Transformation and restructuring costs		7		8
Acquisition-related amortization of intangibles		23		19
Acquisition-related costs		56		—
Depreciation and amortization (excluding acquisition-related amortization of intangibles)		76		68
Interest expense		61		57
Interest income		(1)		(1)
Income tax expense (benefit)		31		(34)
Stock-based compensation expense		37		20
<b>Adjusted EBITDA (Non-GAAP)</b>	\$	281	\$	201

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

	Q2 2021		Q2 2020	
<b>Diluted Earnings Per Share (GAAP) <sup>(1)</sup></b>	\$	(0.10)	\$	0.44
Transformation and restructuring costs		0.04		0.05
Acquisition-related amortization of intangibles		0.12		0.11
Acquisition-related costs		0.38		—
Valuation allowance release & other tax adjustments		0.14		(0.34)
<b>Diluted Earnings Per Share (Non-GAAP) <sup>(1)</sup></b>	\$	0.62	\$	0.27

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

**Reconciliation of Net Cash Provided by Operating Activities (GAAP) to Free Cash Flow (Non-GAAP)**

\$ in millions	Q2 2021		Q2 2020	
<b>Net cash provided by (used in) operating activities</b>	\$	155	\$	229
Total capital expenditures		(79)		(61)
Restricted cash settlement activity		6		(12)
Acquisition related items		55		—
Pension contributions		5		4
<b>Free cash flow</b>	\$	142	\$	160

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

	For the Periods Ended June 30			
	Three Months		Six Months	
	2021	2020	2021	2020
<b>Revenue</b>				
Product	\$ 551	\$ 481	\$ 1,033	\$ 955
Service	1,126	1,003	2,188	2,032
<b>Total Revenue</b>	<b>1,677</b>	<b>1,484</b>	<b>3,221</b>	<b>2,987</b>
Cost of products	453	411	861	802
Cost of services	768	701	1,490	1,416
<b>Total gross margin</b>	<b>456</b>	<b>372</b>	<b>870</b>	<b>769</b>
<i>% of Revenue</i>	<i>27.2 %</i>	<i>25.1 %</i>	<i>27.0 %</i>	<i>25.7 %</i>
Selling, general and administrative expenses	303	234	541	489
Research and development expenses	69	49	135	114
<b>Income (loss) from operations</b>	<b>84</b>	<b>89</b>	<b>194</b>	<b>166</b>
<i>% of Revenue</i>	<i>5.0 %</i>	<i>6.0 %</i>	<i>6.0 %</i>	<i>5.6 %</i>
Interest expense	(61)	(57)	(106)	(107)
Other expense, net	(1)	(2)	(18)	(4)
Total other expense, net	(62)	(59)	(124)	(111)
<b>Income (loss) from continuing operations before income taxes</b>	<b>22</b>	<b>30</b>	<b>70</b>	<b>55</b>
<i>% of Revenue</i>	<i>1.3 %</i>	<i>2.0 %</i>	<i>2.2 %</i>	<i>1.8 %</i>
Income tax expense (benefit)	31	(34)	48	(33)
<b>Income (loss) from continuing operations</b>	<b>(9)</b>	<b>64</b>	<b>22</b>	<b>88</b>
Loss from discontinued operations, net of tax	—	—	—	—
<b>Net income (loss)</b>	<b>(9)</b>	<b>64</b>	<b>22</b>	<b>88</b>
Net income (loss) attributable to noncontrolling interests	—	—	1	1
<b>Net income (loss) attributable to NCR</b>	<b>\$ (9)</b>	<b>\$ 64</b>	<b>\$ 21</b>	<b>\$ 87</b>
<b>Amounts attributable to NCR common stockholders:</b>				
Income (loss) from continuing operations	\$ (9)	\$ 64	\$ 21	\$ 87
Dividends on convertible preferred stock	(4)	(7)	(8)	(13)
Income (loss) from continuing operations attributable to NCR common stockholders	(13)	57	13	74
Loss from discontinued operations, net of tax	—	—	—	—
Net income (loss) attributable to NCR common stockholders	\$ (13)	\$ 57	\$ 13	\$ 74
<b>Income (loss) per share attributable to NCR common stockholders:</b>				
<b>Income (loss) per common share from continuing operations</b>				
Basic	\$ (0.10)	\$ 0.45	\$ 0.10	\$ 0.58
Diluted <sup>(1)</sup>	\$ (0.10)	\$ 0.44	\$ 0.10	\$ 0.57
<b>Net income (loss) per common share</b>				
Basic	\$ (0.10)	\$ 0.45	\$ 0.10	\$ 0.58
Diluted <sup>(1)</sup>	\$ (0.10)	\$ 0.44	\$ 0.10	\$ 0.57
<b>Weighted average common shares outstanding</b>				
Basic	131.0	128.0	130.5	128.0
Diluted <sup>(1)</sup>	131.0	128.9	136.1	129.7

<sup>(1)</sup> Diluted EPS is determined using the most dilutive measure, either including the impact of the dividends and deemed dividends on NCR's Series A Convertible Preferred Shares in the calculation of net income or loss per common share from continuing operations and net income or loss per common share or including the impact of the conversion of such preferred stock into common stock in the calculation of the weighted average diluted shares outstanding.

**NCR CORPORATION**  
**REVENUE AND OPERATING INCOME SUMMARY**  
(Unaudited)  
(in millions)

	For the Periods Ended June 30					
	Three Months			Six Months		
	2021	2020	% Change	2021	2020	% Change
<b>Revenue by segment</b>						
Banking	\$ 809	\$ 763	6%	\$ 1,565	\$ 1,526	3%
Retail	576	483	19%	1,108	955	16%
Hospitality	215	160	34%	394	329	20%
T&T	77	78	(1)%	154	177	(13)%
<b>Total Revenue</b>	<b>\$ 1,677</b>	<b>\$ 1,484</b>	<b>13%</b>	<b>\$ 3,221</b>	<b>\$ 2,987</b>	<b>8%</b>
<b>Adjusted EBITDA by segment</b>						
Banking	\$ 151	\$ 130		\$ 305	\$ 270	
Banking adjusted EBITDA margin %	18.7%	17.0%		19.5%	17.7%	
Retail	92	49		165	86	
Retail adjusted EBITDA margin %	16.0%	10.1%		14.9%	9.0%	
Hospitality	30	15		55	22	
Hospitality adjusted EBITDA margin %	14.0%	9.4%		14.0%	6.7%	
T&T	9	10		19	18	
T&T EBITDA margin %	11.7%	12.8%		12.3%	10.2%	
Corporate and Other	(1)	(3)		(5)	(7)	
<b>Total adjusted EBITDA</b>	<b>\$ 281</b>	<b>\$ 201</b>		<b>\$ 539</b>	<b>\$ 389</b>	
Total adjusted EBITDA margin %	16.8%	13.5%		16.7%	13.0%	

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

Assets	June 30, 2021	March 31, 2021	December 31, 2020
<b>Current assets</b>			
Cash and cash equivalents	\$ 449	\$ 319	\$ 338
Accounts receivable, net of allowances of \$40, \$39 and \$51 as of June 30, 2021, March 31, 2021 and December 31, 2020, respectively	1,271	1,212	1,117
Inventories	695	634	601
Restricted cash	241	64	59
Other current assets	450	383	363
<b>Total current assets</b>	<b>3,106</b>	<b>2,612</b>	<b>2,478</b>
Property, plant and equipment, net	676	364	373
Goodwill	4,520	2,924	2,837
Intangibles, net	1,420	565	532
Operating lease assets	439	396	344
Prepaid pension cost	209	202	199
Deferred income taxes	930	946	965
Other assets	763	693	686
<b>Total assets</b>	<b>\$ 12,063</b>	<b>\$ 8,702</b>	<b>\$ 8,414</b>
<b>Liabilities and stockholders' equity</b>			
<b>Current liabilities</b>			
Short-term borrowings	\$ 303	\$ 52	\$ 8
Accounts payable	746	707	632
Payroll and benefits liabilities	347	227	268
Contract liabilities	572	594	507
Settlement liabilities	243	39	31
Other current liabilities	756	599	642
<b>Total current liabilities</b>	<b>2,967</b>	<b>2,218</b>	<b>2,088</b>
Long-term debt	5,668	3,349	3,270
Pension and indemnity plan liabilities	842	839	851
Postretirement and postemployment benefits liabilities	116	117	120
Income tax accruals	98	101	102
Operating lease liabilities	420	377	325
Other liabilities	521	328	334
<b>Total liabilities</b>	<b>10,632</b>	<b>7,329</b>	<b>7,090</b>
Series A convertible preferred stock: par value \$0.01 per share, 3.0 shares authorized, 0.3 issued and outstanding as of June 30, 2021, March 31, 2021 and December 31, 2020, respectively; redemption amount and liquidation preference of \$276 as of June 30, 2021, March 31, 2021 and December 31, 2020, respectively	273	273	273
<b>Stockholders' equity</b>			
<b>NCR stockholders' equity:</b>			
Preferred stock: par value \$0.01 per share, 100.0 shares authorized, no shares issued and outstanding as of June 30, 2021, March 31, 2021 and December 31, 2020, respectively	—	—	—
Common stock: par value \$0.01 per share, 500.0 shares authorized, 131.1, 130.6 and 130.6 shares issued and outstanding as of June 30, 2021, March 31, 2021 and December 31, 2020, respectively	1	1	1
Paid-in capital	461	398	368
Retained earnings	963	976	950
Accumulated other comprehensive loss	(271)	(279)	(271)
<b>Total NCR stockholders' equity</b>	<b>1,154</b>	<b>1,096</b>	<b>1,048</b>
Noncontrolling interests in subsidiaries	4	4	3
<b>Total stockholders' equity</b>	<b>1,158</b>	<b>1,100</b>	<b>1,051</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 12,063</b>	<b>\$ 8,702</b>	<b>\$ 8,414</b>



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

Schedule D

	For the Periods Ended June 30			
	Three Months		Six Months	
	2021	2020	2021	2020
<b>Operating activities</b>				
Net income (loss)	\$ (9)	\$ 64	\$ 22	\$ 88
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization	120	89	212	176
Stock-based compensation expense	37	20	81	45
Deferred income taxes	19	(35)	26	(30)
Impairment of other assets	—	3	—	4
Gain (loss) on disposal of property, plant and equipment	—	—	—	(2)
Changes in assets and liabilities:				
Receivables	13	116	(78)	253
Inventories	(64)	34	(81)	(14)
Current payables and accrued expenses	100	(47)	134	(230)
Contract liabilities	(31)	(52)	43	56
Employee benefit plans	(11)	—	(21)	(3)
Other assets and liabilities	(19)	37	(28)	(60)
<b>Net cash provided by operating activities</b>	<b>155</b>	<b>229</b>	<b>310</b>	<b>283</b>
<b>Investing activities</b>				
Expenditures for property, plant and equipment	(20)	(8)	(30)	(18)
Proceeds from sale of property, plant and equipment	—	—	—	7
Additions to capitalized software	(59)	(53)	(110)	(122)
Business acquisitions, net of cash acquired	(2,307)	1	(2,464)	(25)
Purchases of short-term investments	(8)	(6)	(13)	(6)
Proceeds from sales of short-term investments	9	11	14	11
Other investing activities, net	(6)	(1)	(6)	(1)
<b>Net cash used in investing activities</b>	<b>(2,391)</b>	<b>(56)</b>	<b>(2,609)</b>	<b>(154)</b>
<b>Financing activities</b>				
Short term borrowings, net	—	(3)	—	—
Payments on term credit facilities	(97)	(2)	(105)	(4)
Payments on revolving credit facilities	(367)	(93)	(685)	(666)
Borrowings on term credit facilities	1,505	3	1,505	3
Borrowings on revolving credit facilities	361	7	809	1,404
Proceeds from issuance of senior unsecured notes	1,200	400	1,200	400
Debt issuance costs and bridge commitment fees	(50)	(7)	(51)	(8)
Cash dividend paid for Series A preferred shares dividends	(4)	—	(8)	(6)
Repurchases of common stock	—	—	—	(41)
Proceeds from employee stock plans	10	6	18	9
Tax withholding payments on behalf of employees	(3)	(1)	(25)	(25)
Net change in client funds obligations	(8)	(15)	(8)	(3)
Principal payments for finance lease obligations	(4)	—	(8)	(3)
Other financing activities	—	(3)	(1)	(3)
<b>Net cash provided by (used in) financing activities</b>	<b>2,543</b>	<b>292</b>	<b>2,641</b>	<b>1,057</b>
<b>Cash flows from discontinued operations</b>				
Net cash provided by (used in) discontinued operations	(3)	3	(47)	6
Effect of exchange rate changes on cash, cash equivalents and restricted cash	2	(2)	(4)	(16)
<b>Increase (decrease) in cash, cash equivalents, and restricted cash</b>	<b>306</b>	<b>466</b>	<b>291</b>	<b>1,176</b>
Cash, cash equivalents and restricted cash at beginning of period	391	1,273	406	563
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 697</b>	<b>\$ 1,739</b>	<b>\$ 697</b>	<b>\$ 1,739</b>





# Q2 2021 EARNINGS CONFERENCE CALL

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

August 3, 2021



# 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,” “believe,” “will,” “should,” “would,” “potential,” “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 NCR’s expansion, acceleration, and execution of our NCR-as-a-Service and 80/60/20 strategy, statements regarding our financial position, expectations regarding delivery of increased value to customers, expectations regarding growth and long-term value creation for our stockholders, statements regarding our plan to continue investing in strategic platforms, statements regarding the UK Competition and Markets Authority (the “CMA”) regulatory approval of the Cardtronics acquisition, expectations regarding the impact of the Cardtronics acquisition on NCR, statements regarding the proposed transaction between NCR and LibertyX and, its impact on NCR, statements regarding our plans to manage our business through the COVID-19 pandemic and the health and safety of our employees and helping our customers, the expected impact of the COVID-19 pandemic on our business, segments and revenues, expectations regarding demand for our products and services, expectations regarding supply chain challenges in materials, labor and freight escalation in cost, as well as measures to offset impacts to profit and cash flow, related to such challenges, delivery capability and our continued prioritization of the same, statements regarding our second half 2021 financial outlook for NCR standalone, Cardtronics and the combined company including revenue, adjusted EBITDA, adjusted EBITDA margin, earnings per share and free cash flow, as well as assumptions and risks related to such outlook, expectations regarding increasing revenue and cash flow linearity, expectations regarding cost discipline, operating leverage, margin expansion and return on investment opportunities, and statements regarding our focus on capitalization of opportunities, expansion of solutions portfolio, allocation of capital and return on investment, and customer satisfaction. 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 26, 2021 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 August 3, 2021, 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.

# 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](http://www.ncr.com). Descriptions of many of these non-GAAP measures are also included in NCR's SEC reports.

**USE OF CERTAIN TERMS.** As used in these materials:

- (i) the term "recurring revenue" includes all revenue streams from contracts where there is a predictable revenue pattern that will occur at regular intervals with a relatively high degree of certainty. This includes hardware and software maintenance revenue, cloud revenue, payment processing revenue, and certain professional services arrangements, as well as term-based software license arrangements that include customer termination rights and excludes the results from Cardtronics.

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 13% Y/Y**

**NCR standalone revenue up 11%; Recurring revenue up 11%**

**Adjusted EBITDA growth of 40% Y/Y**

**Adjusted EBITDA margin expansion of 330 bps to 16.8%**

**Free Cash Flow of \$142M in Q2**

**Closed Cardtronics transaction; Announced LibertyX**

# CARDTRONICS Transaction Update

**Closed on June 21, 2021**

**Under UK antitrust regulatory review**

**Continues to operate independently and integration activities on hold until UK antitrust regulatory approval**

**In Q2 2021, Cardtronics contributed \$32M of revenue and \$8M of Adjusted EBITDA for the ten days of operations following the June 21, 2021 closing**

# STRATEGIC UPDATE

**Strong momentum across all segments**

**Banking - Digital banking momentum and accelerating shift to recurring software revenue**

**Retail - Gaining traction on NCR Emerald™ and self-checkout solutions**

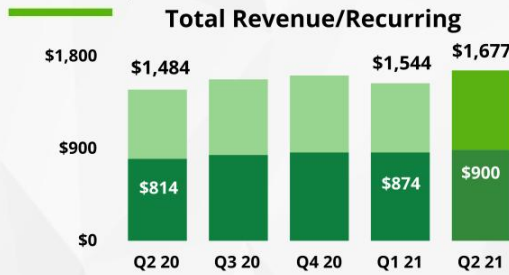
**Hospitality - Momentum in Aloha™ Essentials continues**

**Accelerating NCR-as-a-Service transformation**

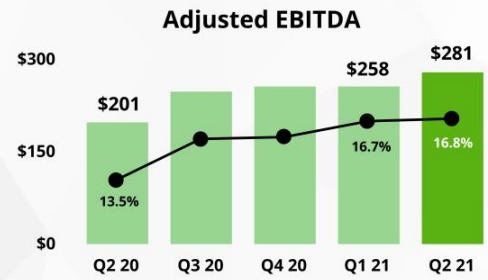
**Continue to invest in strategic platforms**

# Q2 2021 FINANCIAL RESULTS

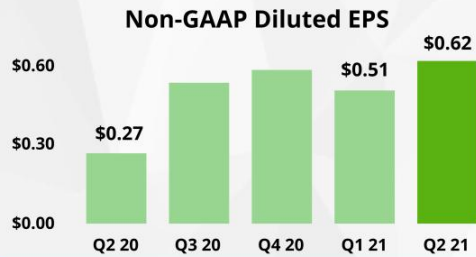
\$ in millions, except for EPS



Revenue up 13% y/y; NCR stand alone up 11% including recurring revenue up 11% y/y



Adjusted EBITDA up 40% and margin rate up 330 bps y/y



Non-GAAP EPS for NCR stand alone is \$0.64 for Q2 21



Driving more linear free cash flow production

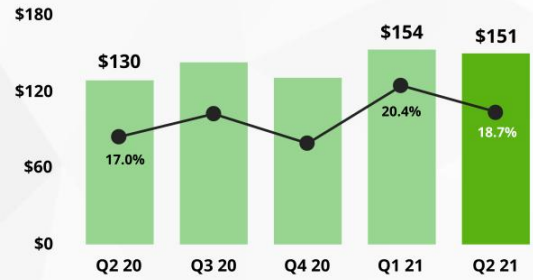
# BANKING

\$ in millions, except registered users

## Revenue



## Adjusted EBITDA



## Key Metrics

### Digital Banking Revenue



Up 8% y/y

### Digital Banking Registered Users



Up 11% y/y

### Recurring Revenue



Up 12% y/y

**Digital banking and shift to recurring revenue gaining traction**



# RETAIL

\$ in millions, except platform lanes

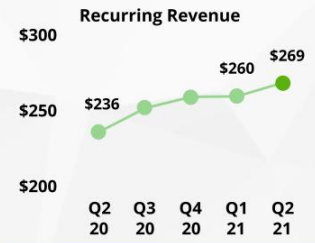
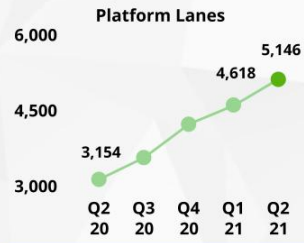
## Revenue



## Adjusted EBITDA



## Key Metrics



Up 42% y/y

Up 63% y/y

Up 14% y/y

**Momentum in Self-Checkout and Platform Lanes**

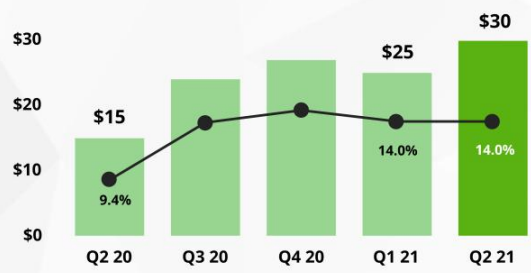
# HOSPITALITY

\$ in millions, except Aloha Essential sites

## Revenue



## Adjusted EBITDA



## Key Metrics



## Recurring Revenue



Up 88% y/y

Up 7% y/y

**Conversion to Aloha Essentials gaining traction**

## Progress on NCR 80/60/20 Goals

	Q2 2021	Q2 2020
<b>80%</b> of NCR's revenue will come from <b>software and services</b>	<b>69%</b>	72%
<b>60%</b> of NCR's revenue will come from <b>recurring revenue</b>	<b>55%</b>	55%
<b>20%</b> goal for <b>Adjusted EBITDA</b> as a percent of revenue	<b>16.6%</b>	13.5%

Note - Metrics are based on NCR standalone results and exclude the results of Cardtronics for the 10-day period following close from June 21, 2021 to June 30, 2021.

# FREE CASH FLOW, NET DEBT & EBITDA

\$ in millions

Free Cash Flow	Q2 2021	Q2 2020
Cash provided by operating activities	\$155	\$229
Less: Total capital expenditures	(\$79)	(\$61)
Plus: Pension contributions	\$5	\$4
Less: Settlement Restricted Cash Activity	\$6	(\$12)
Less: Acquisition Related Items	\$55	\$—
<b>Free Cash Flow</b>	<b>\$142</b>	<b>\$160</b>

Net Debt & EBITDA	Q2 2021	Q1 2021	Q2 2020
Debt	\$5,971	\$3,401	\$4,690
Cash	(\$449)	(\$319)	(\$1,681)
Net Debt	\$5,522	\$3,082	\$3,009
Adjusted EBITDA LTM	\$1,046	\$966	\$966
<b>Net Debt / Adjusted EBITDA</b>	<b>5.3x</b>	<b>3.2x</b>	<b>3.1x</b>
<b>Proforma Net Debt/ Adjusted EBITDA<sup>(1)</sup></b>	<b>4.2x</b>		

<sup>(1)</sup> Proforma Net Debt/ Adjusted EBITDA calculation includes the addition of the historical EBITDA of Cardtronics for the twelve month period ending Q1 21.

# OUTLOOK 2H 2021

\$ in millions, except per share data

	NCR	Cardtronics	Combined
<b>Revenue</b>	\$3,430 - \$3,480	~ \$600	<b>\$4,000 - \$4,100</b>
<b>Adjusted EBITDA</b>	~ 16%	~ 28%	<b>\$700 - \$750</b>
<b>EPS <sup>(1)</sup></b>			<b>\$1.30 - \$1.50</b>
<b>Free Cash Flow</b>			<b>\$325 - \$375</b>

<sup>(1)</sup> Includes approx. \$150 million of other income (expense), an effective income tax rate of approx. 26% and approx. 148 million for diluted share count.

## Risks

- **Supply chain costs including materials, labor & freight**
- **Uncertainty on global Covid-19 recovery**
- **Delay or success in integration of Cardtronics**

# NCR - Beyond Cash

Digital Currency Capabilities



Crypto currency capabilities added to our banking and commerce platforms

Banks



Retailers



Restaurants



Digital Currency Services

Buy / Sell / Hold

Remittance

Payments

# LOOKING FORWARD

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**Capitalize on Cardtronics opportunities**

**Expand our solutions portfolio to include cryptocurrency capabilities**

**Allocate capital to highest growth and return on investment opportunities**

**Focus on customer satisfaction initiatives**

**Investor Day scheduled for December 9th, 2021**



**SUPPLEMENTARY  
MATERIALS**





# Q2 2021 GAAP RESULTS

\$ in millions, except per share amounts

	Q2 2021	Q2 2020	% Change
Revenue	\$1,677	\$1,484	13%
Gross Margin	456	372	23%
Gross Margin Rate	27.2%	25.1%	
Operating Expenses	372	283	31%
% of Revenue	22.2%	19.1%	
Operating Income	84	89	(6)%
% of Revenue	5.0%	6.0%	
Interest and other expense	(62)	(59)	5%
Income Tax Expense (Benefit)	31	(34)	(191)%
Effective Income Tax Rate	140.9%	(113.3)%	
Net Income from Continuing Operations (attributable to NCR)	(\$9)	\$64	(114)%
Diluted EPS	(\$0.10)	\$0.44	(123)%

# Q2 2021 OPERATIONAL RESULTS

\$ in millions, except per share amounts

	Q2 2021	Q2 2020	% Change
<b>Revenue</b>	<b>\$1,677</b>	<b>\$1,484</b>	<b>13%</b>
<b>Gross Margin (non-GAAP)</b>	<b>472</b>	<b>381</b>	<b>24%</b>
<b>Gross Margin Rate (non-GAAP)</b>	<b>28.1%</b>	<b>25.7%</b>	
<b>Operating Expenses (non-GAAP)</b>	<b>\$299</b>	<b>\$265</b>	<b>13%</b>
<b>% of Revenue</b>	<b>17.8%</b>	<b>17.9%</b>	
<b>Operating Income (non-GAAP)</b>	<b>\$173</b>	<b>\$116</b>	<b>49%</b>
<b>% of Revenue</b>	<b>10.3%</b>	<b>7.8%</b>	
<b>Interest and other expense (non-GAAP)</b>	<b>(\$49)</b>	<b>(\$59)</b>	<b>17%</b>
<b>Income Tax Expense (non-GAAP)</b>	<b>33</b>	<b>19</b>	<b>74%</b>
<b>Effective Income Tax Rate (non-GAAP)</b>	<b>26.6%</b>	<b>33.3%</b>	
<b>Net Income (Loss) From Continuing Operations (attributable to NCR) (non-GAAP)</b>	<b>\$91</b>	<b>\$38</b>	<b>139%</b>
<b>Diluted EPS (non-GAAP)</b>	<b>\$0.62</b>	<b>\$0.27</b>	<b>133%</b>

# 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 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 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 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 Standalone Revenue Growth** NCR presents certain financial measures, such as period-over-period revenue growth, on a standalone basis, which excludes the impacts from operations of Cardtronics for the period from the date of close, June 21, 2021 to June 30, 2021. NCR's management believes that presentation of financial measures without this result is more representative of the company's period-over-period operating performance and provides additional insight which may be helpful for investors.

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

# GAAP TO NON-GAAP RECONCILIATION

\$ in millions

	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
<b>Net (Loss) Income from Continuing Operations Attributable to NCR (GAAP)</b>	<b>\$ (9)</b>	<b>\$ 30</b>	<b>\$ (125)</b>	<b>\$ 31</b>	<b>\$ 64</b>
Pension Mark-to-Market Adjustments	—	—	34	—	—
Transformation & Restructuring Costs	7	8	202	19	8
Acquisition-Related Amortization of Intangibles	23	20	19	21	19
Acquisition-Related Costs	56	27	(6)	—	—
Loss on Debt Extinguishment	—	—	—	20	—
Interest Expense	61	45	51	60	57
Interest Income	(1)	(3)	(3)	(3)	(1)
Depreciation and Amortization	76	70	74	70	68
Income Taxes	31	17	(20)	—	(34)
Stock Compensation Expense	37	44	32	31	20
<b>Adjusted EBITDA (non-GAAP)</b>	<b>\$ 281</b>	<b>\$ 258</b>	<b>\$ 258</b>	<b>\$ 249</b>	<b>\$ 201</b>

# GAAP TO NON-GAAP RECONCILIATION

\$ in millions

	Q2 2021 LTM	Q1 2021 LTM	Q2 2020 LTM
<b>Net (Loss) Income from Continuing Operations Attributable to NCR (GAAP)</b>	<b>\$ (73)</b>	<b>\$ —</b>	<b>\$ 576</b>
Pension Mark-to-Market Adjustments	34	34	75
Transformation & Restructuring Costs	236	237	31
Acquisition-Related Amortization of Intangibles	83	79	85
Acquisition-Related Costs	77	21	3
Internal reorganization & IP Transfer	—	—	(37)
Loss on Debt Extinguishment	20	20	—
Interest Expense	217	213	214
Interest Income	(10)	(10)	(4)
Depreciation and Amortization	290	282	249
Income Taxes	28	(37)	(330)
Stock Compensation Expense	144	127	104
<b>Adjusted EBITDA (non-GAAP)</b>	<b>\$ 1,046</b>	<b>\$ 966</b>	<b>\$ 966</b>

# ADJUSTED EBITDA BY SEGMENT

\$ in millions

	Q2 2021	Q1 2021	Q2 2020
<b>Banking</b>	\$ 151	\$ 154	\$ 130
<b>Retail</b>	92	73	49
<b>Hospitality</b>	30	25	15
<b>Other</b>	9	10	10
<b>Adjusted EBITDA by Segment</b>	\$ 282	\$ 262	\$ 204
<b>Corporate and Other</b>	(1)	(4)	(3)
<b>Adjusted EBITDA</b>	\$ 281	\$ 258	\$ 201

# GAAP TO NON-GAAP RECONCILIATION

Q2 2021

\$ in millions, except per share amounts

	Q2 QTD 2021 GAAP	Transformation Costs	Acquisition- related amortization of intangibles	Acquisition- related costs	Tax Related Items	Q2 QTD 2021 non-GAAP
Product revenue	\$551	\$—	\$—	\$—	\$—	\$551
Service revenue	1,126	—	—	—	—	1,126
<b>Total revenue</b>	<b>1,677</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,677</b>
Cost of products	453	—	(2)	—	—	451
Cost of services	768	(7)	(7)	—	—	754
<b>Gross margin</b>	<b>456</b>	<b>7</b>	<b>9</b>	<b>—</b>	<b>—</b>	<b>472</b>
<i>Gross margin rate</i>	<b>27.2%</b>	<i>0.4%</i>	<i>0.5%</i>	<i>—%</i>	<i>—%</i>	<b>28.1%</b>
Selling, general and administrative expenses	303	(1)	(14)	(59)	—	229
Research and development expenses	69	1	—	—	—	70
Total operating expenses	372	—	(14)	(59)	—	299
<i>Total operating expense as a % of revenue</i>	<b>22.2%</b>	<i>—%</i>	<i>(0.8)%</i>	<i>(3.5)%</i>	<i>—%</i>	<b>17.8%</b>
<b>Income from operations</b>	<b>84</b>	<b>7</b>	<b>23</b>	<b>59</b>	<b>—</b>	<b>173</b>
<i>Income from operations as a % of revenue</i>	<b>5.0%</b>	<i>0.4%</i>	<i>1.4%</i>	<i>3.5%</i>	<i>—%</i>	<b>10.3%</b>
Interest and Other (expense) income, net	(62)	—	—	13	—	(49)
Income from continuing operations before income taxes	22	7	23	72	—	124
Income tax (benefit) expense	31	1	5	16	(20)	33
<i>Effective income tax rate</i>	<b>140.9%</b>	<i>14%</i>	<i>22%</i>	<i>22.2%</i>	<i>—%</i>	<b>26.6%</b>
Income from continuing operations	(9)	6	18	56	20	91
Net income (loss) attributable to noncontrolling interests	—	—	—	—	—	—
<b>Income from continuing operations (attributable to NCR)</b>	<b>(\$9)</b>	<b>\$6</b>	<b>\$18</b>	<b>\$56</b>	<b>\$20</b>	<b>\$91</b>
<b>Diluted earnings per share</b>	<b>(\$0.10)</b>	<b>\$0.04</b>	<b>\$0.12</b>	<b>\$0.38</b>	<b>\$0.14</b>	<b>\$0.62</b>
Diluted shares outstanding	131.0					146.2



# GAAP TO NON-GAAP RECONCILIATION

Q2 2021

\$ in millions, except per share amounts

	Q2 QTD 2021 GAAP	Q2 QTD 2021 non-GAAP
<b><i>Income from continuing operations attributable to NCR common stockholders:</i></b>		
Income from continuing operations (attributable to NCR)	(\$9)	\$91
Dividends on convertible preferred shares	(4)	—
<b>Income from continuing operations attributable to NCR common stockholders</b>	<b>(\$13)</b>	<b>\$91</b>
<b><i>Weighted average outstanding shares:</i></b>		
Weighted average diluted shares outstanding	131.0	137.0
Weighted as-if converted preferred shares	—	9.2
<b>Total shares used in diluted earnings per share</b>	<b>131.0</b>	<b>146.2</b>
<b>Diluted earnings per share <sup>(1)</sup></b>	<b>(\$0.10)</b>	<b>\$0.62</b>

<sup>(1)</sup> GAAP EPS is determined using the most dilutive measure, either including the impact of the dividends or deemed dividends on NCR's Series A Convertible Preferred Shares in the calculation of net income or loss available to common stockholders or including the impact of the conversion of such preferred stock into common stock in the calculation of the weighted average diluted shares outstanding. Non-GAAP EPS is always determined using the as-if converted preferred shares and shares that would be issued for stock compensation awards. Therefore, GAAP diluted EPS and non-GAAP diluted EPS may be calculated using different methods, and may not mathematically reconcile.

# GAAP TO NON-GAAP RECONCILIATION

Q2 2020

\$ in millions, except per share amounts

	Q2 QTD 2020 GAAP	Transformation Costs	Acquisition-related amortization of intangibles	Tax Related Items	Q2 QTD 2020 non-GAAP
Product revenue	\$481	\$—	\$—	\$—	\$481
Service revenue	1,003	—	—	—	1,003
<b>Total revenue</b>	<b>1,484</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,484</b>
Cost of products	411	(3)	(2)	—	406
Cost of services	701	(2)	(2)	—	697
<b>Gross margin</b>	<b>372</b>	<b>5</b>	<b>4</b>	<b>—</b>	<b>381</b>
<i>Gross margin rate</i>	<i>25.1%</i>	<i>0.3%</i>	<i>0.3%</i>	<i>—%</i>	<i>25.7%</i>
Selling, general and administrative expenses	234	(3)	(15)	—	216
Research and development expenses	49	—	—	—	49
Total expenses	283	(3)	(15)	—	265
<i>Total expense as a % of revenue</i>	<i>19.1%</i>	<i>(0.2)%</i>	<i>(1.0)%</i>	<i>—%</i>	<i>17.9%</i>
<b>Income from operations</b>	<b>89</b>	<b>8</b>	<b>19</b>	<b>—</b>	<b>116</b>
Income from operations as a % of revenue	6.0%	0.5%	1.3%	—%	7.8%
Interest and Other (expense) income, net	(59)	—	—	—	(59)
Income from continuing operations before income taxes	30	8	19	—	57
Income tax expense	(34)	1	4	48	19
<i>Effective income tax rate</i>	<i>(113.3)%</i>				<i>33.3%</i>
Income from continuing operations	64	7	15	(48)	38
Net income attributable to noncontrolling interests	—	—	—	—	—
<b>Income from continuing operations (attributable to NCR)</b>	<b>\$64</b>	<b>\$7</b>	<b>\$15</b>	<b>(\$48)</b>	<b>\$38</b>
<b>Diluted (loss) earnings per share</b>	<b>\$0.44</b>	<b>\$0.05</b>	<b>\$0.11</b>	<b>(\$0.34)</b>	<b>\$0.27</b>
Diluted shares outstanding	128.9				142.3

# GAAP TO NON-GAAP RECONCILIATION

Q2 2020

\$ in millions, except per share amounts

	Q2 QTD 2020 GAAP	Q2 QTD 2020 non-GAAP
<b>Income from continuing operations attributable to NCR common stockholders:</b>		
Income from continuing operations (attributable to NCR)	\$64	\$38
Dividends on convertible preferred shares	(\$7)	\$—
<b>Income from continuing operations attributable to NCR common stockholders</b>	<b>\$57</b>	<b>\$38</b>
<b>Weighted average outstanding shares:</b>		
Weighted average diluted shares outstanding	128.9	128.9
Weighted as-if converted preferred shares	—	13.4
<b>Total shares used in diluted earnings per share</b>	<b>128.9</b>	<b>142.3</b>
<b>Diluted earnings per share <sup>(1)</sup></b>	<b>\$0.44</b>	<b>\$0.27</b>

<sup>(1)</sup> GAAP EPS is determined using the most dilutive measure, either including the impact of the dividends or deemed dividends on NCR's Series A Convertible Preferred Shares in the calculation of net income or loss available to common stockholders or including the impact of the conversion of such preferred stock into common stock in the calculation of the weighted average diluted shares outstanding. Non-GAAP EPS is always determined using the as-if converted preferred shares and shares that would be issued for stock compensation awards. Therefore, GAAP diluted EPS and non-GAAP diluted EPS may be calculated using different methods, and may not mathematically reconcile.

# GAAP TO NON-GAAP RECONCILIATION

\$ in millions

	Q2 2021	Q1 2021	Q2 2020
Cash provided by operating activities	\$155	\$155	\$229
Less: Total capital expenditures	(\$79)	(\$61)	(\$61)
Plus: Pension contributions	\$5	\$4	\$4
Plus: Settlement Restricted Cash Activity	\$6	(\$5)	(\$12)
Plus: Acquisition Related Items	\$55	\$—	\$—
<b>Free Cash Flow</b>	<b>\$142</b>	<b>\$93</b>	<b>\$160</b>

# GAAP TO NON-GAAP RECONCILIATION

\$ in millions

	Q2 2021
Revenue Growth	13%
Impact from Cardtronics	2%
<b>Revenue Growth - NCR Standalone</b>	<b>11%</b>



**THANK YOU**



