

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): February 7, 2023



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

Commission File Number 001-00395

Maryland
(State or other jurisdiction of
incorporation or organization)

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

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

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

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

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

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

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

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

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

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

Item 2.02. Results of Operations and Financial Condition.

On February 7, 2023, the Company issued a press release setting forth its full year and fourth quarter 2022 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 February 7, 2023, the Company will hold its previously announced conference call to discuss its full year and fourth 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	Press Release issued by the Company, dated February 7, 2023
99.2	Supplemental materials, dated February 7, 2023
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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

NCR Corporation

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

Date: February 7, 2023



NCR Announces Full Year and Fourth Quarter 2022 Results

Full Year Revenue Up 10% and Up 13% Constant Currency

ATLANTA, February 7, 2023 - NCR Corporation (NYSE: NCR) reported financial results today for the full year and three months ended December 31, 2022. Full year and fourth quarter results and other recent highlights include:

- **Delivered strong full year and fourth quarter 2022 results**
- **Full year revenue of \$7.8 billion, up 10%; up 13% on a constant currency basis**
 - Full year recurring revenue of \$4.8 billion, up 16% and up 20% on a constant currency basis
- **Full year net income from continuing operations attributable to NCR of \$64 million, down 34%**
 - Full year Adjusted EBITDA of \$1,370 million, up 10% and up 16% on a constant currency basis
- **Full year GAAP diluted EPS from continuing operations of \$0.34, down 41%**
 - Full year Non-GAAP diluted EPS of \$2.62, up 2%
- **Expect 2023 to be another strong year executing strategic initiatives, with improved profitability**
- **Company continues to move forward with previously announced plan to separate into two companies**

“Our fourth quarter results represented a good finish to a year where we executed extremely well even with the challenging macroeconomic environment throughout 2022,” said Michael Hayford, Chief Executive Officer. “We delivered solid financial performance, made progress on our strategy to NCR becoming a software-led as-a-service company with higher recurring revenue streams, and demonstrated our unwavering commitment to our customers with further increases in our customer satisfaction metrics. We enter 2023 with products winning in the market and positive momentum.”

Hayford continued, “We are making good progress on our plans to separate NCR into two public companies. We continue to believe the separation will unlock significant value for our customers and stockholders.”

In this release, we use certain non-GAAP measures, including presenting certain measures on a constant currency basis. These non-GAAP measures include “free cash flow,” “Adjusted EBITDA,” and others with the words “non-GAAP” or “constant currency” in their titles. These non-GAAP measures are listed, described and reconciled to their most directly comparable GAAP measures under the heading “Non-GAAP Financial Measures” later in this release.

Full Year and Fourth Quarter 2022 Operating Results

Effective January 1, 2022, the Company realigned its reportable segments to correspond with changes to its operating model, management structure and organizational responsibilities. Prior periods have been reclassified in order to conform to current period presentation.

Revenue

Fourth quarter revenue of \$2,009 million decreased 1% year over year. On a constant currency basis, fourth quarter revenue was up 2% year over year. Full year revenue of \$7,844 million increased 10% year over year. On a constant currency basis, full year revenue was up 13% year over year. The following tables show revenue for the fourth quarter and full year:

\$ in millions	Q4 2022		Q4 2021		% Increase (Decrease)	% Increase (Decrease) Constant Currency
Retail	\$	575	\$	608	(5)%	(1)%
Hospitality		239		231	3 %	5 %
Digital Banking		139		133	5 %	5 %
Payments & Network		319		295	8 %	11 %
Self-Service Banking		691		707	(2)%	2 %
Other		57		68	(16)%	(14)%
Eliminations ⁽¹⁾		(11)		(8)	38 %	38 %
Total revenue	\$	2,009	\$	2,034	(1)%	2 %
Recurring revenue	\$	1,223	\$	1,182	3 %	7 %
Recurring revenue %		61 %		58 %		

\$ in millions	FY 2022		FY 2021		% Increase (Decrease)	% Increase (Decrease) Constant Currency
Retail	\$	2,258	\$	2,231	1 %	5 %
Hospitality		926		849	9 %	10 %
Digital Banking		543		513	6 %	6 %
Payments & Network		1,286		675	91 %	96 %
Self-Service Banking		2,621		2,617	— %	4 %
Other		244		297	(18)%	(14)%
Eliminations ⁽¹⁾		(43)		(26)	65 %	65 %
Total segment revenue	\$	7,835	\$	7,156	9 %	13 %
Other adjustment ⁽²⁾		9		—		
Total revenue	\$	7,844	\$	7,156	10 %	13 %
Recurring revenue	\$	4,841	\$	4,166	16 %	20 %
Recurring revenue %		62 %		58 %		

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

⁽²⁾ Other adjustment reflects the revenue attributable to the Company's operations in Russia for the twelve months ending December 31, 2022 that were excluded from management's measure of revenue due to our announcement to suspend sales to Russia and anticipated orderly wind down of our operations in Russia. The revenue attributable to Russian operations for the three and twelve months ending December 31, 2021 of \$15 million and \$48 million, respectively, is included in the respective segments. Refer to section entitled "Non-GAAP Financial Measures" for additional information.

- Fourth quarter gross margin of \$485 million decreased from \$503 million in the prior year period. Gross margin rate was 24.1%, compared to 24.7% in the prior period. Fourth quarter gross margin (non-GAAP) of \$520 million decreased from \$549 million in the prior year period. Gross margin rate (non-GAAP) was 25.9%, compared to 27.0% in the prior period.
- Fourth quarter income from operations of \$166 million increased from \$123 million in the prior year period. Fourth quarter operating income (non-GAAP) of \$232 million increased from \$215 million in the prior year period.
- Fourth quarter net loss from continuing operations attributable to NCR of \$7 million decreased from net income from continuing operations attributable to NCR of \$64 million in the prior year period.
- Fourth quarter Adjusted EBITDA of \$380 million increased from \$353 million in the prior year period. Foreign currency fluctuations had an unfavorable impact on the Adjusted EBITDA comparison of 6%. Adjusted EBITDA margin rate was 18.9%, compared to 17.4% in the prior year period.
- Fourth quarter cash provided by operating activities of \$202 million decreased from cash provided by operating activities of \$270 million in the prior year period. Fourth quarter free cash flow was \$202 million, compared to free cash flow of \$100 million in the prior year period.
- Full year 2022 net income from continuing operations attributable to NCR of \$64 million decreased from net income from continuing operations attributable to NCR of \$97 million in the prior year period.
- Full year 2022 Adjusted EBITDA increased to \$1,370 million from \$1,244 million in the prior year period.
- Full year 2022 cash provided by operating activities was \$447 million compared to \$1.08 billion in the prior year period. Full year 2022 free cash flow was \$164 million compared to \$460 million in the prior year period.

2023 Outlook

For the full year 2023, we are forecasting:

- Revenue - \$7.8 billion to \$8.0 billion
- Adjusted EBITDA - \$1.45 billion to \$1.55 billion
- Non-GAAP diluted EPS⁽¹⁾ - \$3.30 - \$3.50
- Non-GAAP diluted EPS (prior convention)⁽¹⁾ - \$2.55 to \$2.75
- Free cash flow - \$400 million to \$500 million

For the first quarter of 2023, we are forecasting:

- Revenue - \$1.8 billion to \$1.9 billion
- Adjusted EBITDA - approximately \$300 million
- Non-GAAP diluted EPS⁽¹⁾ - \$0.55 - \$0.60
- Non-GAAP diluted EPS (prior convention)⁽¹⁾ - \$0.35 to \$0.40
- Free cash flow - \$100 million to \$200 million

⁽¹⁾ Our Non-GAAP diluted EPS calculation previously included stock-based compensation expense. Beginning in 2023, we will exclude the impact of stock-based compensation expense from our Non-GAAP diluted EPS calculation, which in 2022 would have resulted in Non-GAAP diluted EPS of approximately \$3.32.

With respect to our Adjusted EBITDA, Free Cash Flow and non-GAAP diluted earnings per share guidance, we do not provide a reconciliation of the respective GAAP measures because we are not able to predict with reasonable certainty the reconciling items that may affect the GAAP net income from continuing operations, GAAP cash flow from operating activities and GAAP diluted earnings per share from continuing operations without unreasonable effort. The reconciling items are primarily the future impact of special tax items, capital structure transactions, restructuring, pension mark-to-market transactions, acquisitions or divestitures, or other events. These reconciling items are uncertain, depend on various factors and could significantly impact, either individually or in the aggregate, the GAAP measures. Refer to the heading “Non-GAAP Financial Measures” for additional information regarding our use of non-GAAP financial measures.

Separation Update

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

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

2022 Fourth Quarter and Full Year Earnings Conference Call

A conference call is scheduled for today at 4:30 p.m. Eastern Time to discuss the full year and fourth quarter 2022 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 4153583.

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

About NCR Corporation

NCR Corporation (NYSE: NCR) is a leader in transforming, connecting and running technology platforms for self-directed banking, stores and restaurants. NCR is headquartered in Atlanta, Georgia, with 38,000 employees globally. NCR is a trademark of NCR Corporation in the United States and other countries.

Website: www.ncr.com

Twitter: @NCRCorporation

Facebook: www.facebook.com/ncrcorp

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

YouTube: www.youtube.com/user/ncrcorporation

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Cautionary Statements

This release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (the “Act”). Forward-looking statements use words such as “expect,” “anticipate,” “outlook,” “intend,” “plan,” “confident,” “believe,” “will,” “should,” “would,” “potential,” “positioning,” “proposed,” “planned,” “objective,” “likely,” “could,” “may,” and words of similar meaning, as well as other words or expressions referencing future events, conditions or circumstances. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Act. Statements that describe or relate to NCR’s plans, goals, intentions, strategies, or financial outlook, and statements that do not relate to historical or current fact, are examples of forward-looking statements. Examples of forward-looking statements in this release include, without limitation, statements regarding: our expectations of demand for our solutions and execution, and the impact thereof on our financial results in 2023; NCR’s focus on advancing our strategic growth initiatives and transforming NCR into a software-led as-a-service company with a higher mix of recurring revenue streams; our expectations of NCR’s ability to deliver increased value to customers and stockholders; statements regarding the planned separation of NCR into two separate companies, including, but not limited to, statements regarding the anticipated timing and structure of such planned transaction, the future commercial or financial performance of the commerce company or the ATM company following such planned transaction, value creation and ability to innovate and drive growth generally as a result of such transaction, and the expected capital structure of the companies at the time of and following the transaction. Forward-looking statements are based on our current beliefs, expectations and assumptions, which may not prove to be accurate, and involve a number of known and unknown risks and uncertainties, many of which are out of NCR’s control. Forward-looking statements are not guarantees of future performance, and there are a number of important factors that could cause actual outcomes and results to differ materially from the results contemplated by such forward-looking statements, including those factors relating to:

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

Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those set forth in the forward-looking statements. There can be no guarantee that the planned separation will be completed in the expected form or within the expected time frame or at all. Nor can there be any guarantee that the commerce business and ATM business after a separation will be able to realize any of the potential strategic benefits, synergies or opportunities as a result of these actions. Neither can there be any guarantee that shareholders will achieve any particular level of shareholder returns. Nor can there be any guarantee that the planned separation will enhance value for shareholders, or that NCR or any of its divisions, or separate commerce and ATM business, will be commercially successful in the future, or achieve any particular credit rating or financial results. Additional information concerning these and other factors can be found in the

Company's filings with the U.S. Securities and Exchange Commission, including the Company's most recent annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. Any forward-looking statement speaks only as of the date on which it is made. The Company does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Non-GAAP Financial Measures

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

Non-GAAP Diluted Earnings Per Share (EPS), Gross Margin (non-GAAP), Gross Margin Rate (non-GAAP), Operating Income (non-GAAP), and Net Income from Continuing Operations Attributable to NCR (non-GAAP). NCR's non-GAAP diluted EPS, gross margin (non-GAAP), gross margin rate (non-GAAP), operating income (non-GAAP), and net income from continuing operations attributable to NCR (non-GAAP) are determined by excluding, as applicable, pension mark-to-market adjustments, pension settlements, pension curtailments and pension special termination benefits, as well as other special items, including amortization of acquisition related intangibles and transformation and restructuring activities, from NCR's GAAP earnings per share, gross margin, gross margin rate, expenses, income from operations, operating margin rate, interest and other income (expense), income tax expense, effective income tax rate and net income from continuing operations attributable to NCR, respectively. Due to the non-operational nature of these pension and other special items, NCR's management uses these non-GAAP measures to evaluate year-over-year operating performance. NCR believes these measures are useful for investors because they provide a more complete understanding of NCR's underlying operational performance, as well as consistency and comparability with NCR's past reports of financial results. Beginning in 2023, we will exclude the impact of stock-based compensation expense from our Non-GAAP diluted EPS calculation.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA). NCR determines Adjusted EBITDA for a given period based on its GAAP net income from continuing operations attributable to NCR plus interest expense, net; plus income tax expense (benefit); plus depreciation and amortization; plus stock-based compensation expense; plus other income (expense); plus pension mark-to-market adjustments, pension settlements, pension curtailments and pension special termination benefits, and other special items, including amortization of acquisition related intangibles and transformation and restructuring charges, among others. NCR uses Adjusted EBITDA to manage and measure the performance of its business segments. NCR also uses Adjusted EBITDA to manage and determine the effectiveness of its business managers and as a basis for incentive compensation. NCR believes that Adjusted EBITDA provides useful information to investors because it is an indicator of the strength and performance of the Company's ongoing business operations, including its ability to fund discretionary spending such as capital expenditures, strategic acquisitions and other investments.

Adjusted EBITDA margin is calculated based on Adjusted EBITDA as a percentage of total revenue. Adjusted EBITDA margin by segment is calculated based on segment Adjusted EBITDA divided by the related component of revenue.

Special Item Related to Russia The war in Eastern Europe and related sanctions imposed on Russia and related actors by the United States and other jurisdictions required us to commence the orderly wind down of our operations in Russia beginning in the first quarter of 2022. As of December 31, 2022, we have ceased operations in Russia and are in process of dissolving our only subsidiary in Russia. As a result, for the twelve months ending December 31, 2022, our non-GAAP presentation of the measures described above exclude the immaterial impact of our operating results in Russia, as well as the impact of impairments taken to write down the carrying value of assets and liabilities, severance charges, and the assessment of collectability on revenue recognition. We consider this to be a non-recurring 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 periods due to the immaterial impact of Russia to revenue and income from continuing operations for the three and twelve months ended December 31, 2021.

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 third 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.

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

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

Use of Certain Terms

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

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

\$ in millions	Q4 2022		Q4 2021	
Gross Margin (GAAP)	\$	485	\$	503
Transformation and restructuring costs		8		25
Acquisition-related amortization of intangibles		27		21
Gross Margin (Non-GAAP)	\$	520	\$	549

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

	Q4 2022		Q4 2021	
Gross Margin Rate (GAAP)		24.1 %		24.7 %
Transformation and restructuring costs		0.4 %		1.3 %
Acquisition-related amortization of intangibles		1.4 %		1.0 %
Gross Margin Rate (Non-GAAP)		25.9 %		27.0 %

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

\$ in millions	Q4 2022		Q4 2021	
Income (Loss) from Operations (GAAP)	\$	166	\$	123
Transformation and restructuring costs		20		40
Acquisition-related amortization of intangibles		42		44
Acquisition-related costs		1		8
Separation costs		3		—
Operating Income (Non-GAAP)	\$	232	\$	215

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

\$ in millions	Q4 2022	Q4 2021	FY 2022	FY 2021
Net Income (Loss) from Continuing Operations Attributable to NCR (GAAP)	\$ (7)	\$ 64	\$ 64	\$ 97
Transformation and restructuring costs	30	46	123	66
Acquisition-related amortization of intangibles	42	44	172	132
Acquisition-related costs	1	6	10	98
Pension mark-to-market adjustments	8	(118)	8	(118)
Separation costs	3	—	3	—
Depreciation and amortization (excluding acquisition-related amortization of intangibles)	109	107	423	357
Loss on Debt Extinguishment	—	—	—	42
Interest expense	81	64	285	238
Interest income	(7)	(4)	(13)	(8)
Income tax expense (benefit)	92	109	148	186
Stock-based compensation expense	28	35	125	154
Russia	—	—	22	—
Adjusted EBITDA (Non-GAAP)	\$ 380	\$ 353	\$ 1,370	\$ 1,244

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

	Q4 2022	Q4 2021	FY 2022	FY 2021
Diluted Earnings Per Share from Continuing Operations (GAAP) ⁽¹⁾	\$ (0.08)	\$ 0.43	\$ 0.34	\$ 0.58
Transformation and restructuring costs	0.20	0.26	0.71	0.38
Acquisition-related amortization of intangibles	0.15	0.23	0.82	0.70
Acquisition-related costs	0.01	0.13	0.06	0.71
Separation costs	0.01	—	0.01	—
Pension mark-to-market adjustments	(0.01)	(0.62)	(0.01)	(0.62)
Debt refinancing	—	—	—	0.28
Valuation allowance & other tax adjustments	0.48	0.32	0.48	0.46
Russia	—	—	0.13	—
Diluted Earnings Per Share from Continuing Operations (Non-GAAP) ⁽¹⁾	\$ 0.79	\$ 0.76	\$ 2.62	\$ 2.56

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

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

\$ in millions	Q4 2022	Q4 2021	FY 2022	FY 2021
Net cash provided by (used in) operating activities	\$ 202	\$ 270	\$ 447	\$ 1,077
Total capital expenditures	(88)	(106)	(377)	(348)
Restricted cash settlement activity	33	(42)	27	(41)
Acquisition related items	—	—	—	55
Initial sale of trade accounts receivable	—	(26)	—	(300)
Pension contributions	55	4	67	17
Free cash flow	\$ 202	\$ 100	\$ 164	\$ 460

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

\$ in millions	Three months ended December 31, 2022			Twelve months ended December 31, 2022		
	As Reported Growth %	Favorable (Unfavorable) FX Impact	Growth % Constant Currency (non-GAAP)	As Reported Growth %	Favorable (Unfavorable) FX Impact	Growth % Constant Currency (non-GAAP)
Revenue by segment						
Retail	(5)%	(4)%	(1)%	1 %	(4)%	5 %
Hospitality	3 %	(2)%	5 %	9 %	(1)%	10 %
Digital Banking	5 %	— %	5 %	6 %	— %	6 %
Payments & Network	8 %	(3)%	11 %	91 %	(5)%	96 %
Self-Service Banking	(2)%	(4)%	2 %	— %	(4)%	4 %
Other	(16)%	(2)%	(14)%	(18)%	(4)%	(14)%
Eliminations	38 %	— %	38 %	65 %	— %	65 %
Total segment revenue	(1)%	(3)%	2 %	9 %	(4)%	13 %
Total revenue	(1)%	(3)%	2 %	10 %	(3)%	13 %
Recurring Revenue	3 %	(4)%	7 %	16 %	(4)%	20 %
Adjusted EBITDA	8 %	(6)%	14 %	10 %	(6)%	16 %

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

Schedule A

	For the Periods Ended December 31			
	Three Months		Twelve Months	
	2022	2021	2022	2021
Revenue				
Product	\$ 631	\$ 640	\$ 2,351	\$ 2,193
Service	1,378	1,394	5,493	4,963
Total Revenue	2,009	2,034	7,844	7,156
Cost of products	537	560	2,097	1,850
Cost of services	987	971	3,889	3,413
Total gross margin	485	503	1,858	1,893
<i>% of Revenue</i>	<i>24.1 %</i>	<i>24.7 %</i>	<i>23.7 %</i>	<i>26.5 %</i>
Selling, general and administrative expenses	266	316	1,152	1,151
Research and development expenses	53	64	217	268
Income (loss) from operations	166	123	489	474
<i>% of Revenue</i>	<i>8.3 %</i>	<i>6.0 %</i>	<i>6.2 %</i>	<i>6.6 %</i>
Loss on extinguishment of debt	—	—	—	(42)
Interest expense	(81)	(64)	(285)	(238)
Other income (expense), net	(2)	113	7	90
Total interest and other expense, net	(83)	49	(278)	(190)
Income (loss) from continuing operations before income taxes	83	172	211	284
<i>% of Revenue</i>	<i>4.1 %</i>	<i>8.5 %</i>	<i>2.7 %</i>	<i>4.0 %</i>
Income tax expense (benefit)	92	109	148	186
Income (loss) from continuing operations	(9)	63	63	98
Income (loss) from discontinued operations, net of tax	(9)	—	(4)	—
Net income (loss)	(18)	63	59	98
Net income (loss) attributable to noncontrolling interests	(2)	(1)	(1)	1
Net income (loss) attributable to NCR	\$ (16)	\$ 64	\$ 60	\$ 97
Amounts attributable to NCR common stockholders:				
Income (loss) from continuing operations	\$ (7)	\$ 64	\$ 64	\$ 97
Dividends on convertible preferred stock	(4)	(4)	(16)	(16)
Income (loss) from continuing operations attributable to NCR common stockholders	(11)	60	48	81
Income (loss) from discontinued operations, net of tax	(9)	—	(4)	—
Net income (loss) attributable to NCR common stockholders	\$ (20)	\$ 60	\$ 44	\$ 81
Income (loss) per share attributable to NCR common stockholders:				
Income (loss) per common share from continuing operations				
Basic	\$ (0.08)	\$ 0.45	\$ 0.35	\$ 0.62
Diluted ⁽¹⁾	\$ (0.08)	\$ 0.43	\$ 0.34	\$ 0.58
Net income (loss) per common share				
Basic	\$ (0.15)	\$ 0.45	\$ 0.32	\$ 0.62
Diluted ⁽¹⁾	\$ (0.15)	\$ 0.43	\$ 0.31	\$ 0.58
Weighted average common shares outstanding				
Basic	137.5	132.1	136.7	131.2
Diluted ⁽¹⁾	137.5	140.3	141.2	139.0

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

NCR CORPORATION
REVENUE AND ADJUSTED EBITDA SUMMARY
(Unaudited)
(in millions)

Schedule B

	For the Periods Ended December 31							
	Three Months				Twelve Months			
	2022	2021	% Change	% Change Constant Currency	2022	2021	% Change	% Change Constant Currency
Revenue by segment								
Retail	\$ 575	\$ 608	(5)%	(1)%	\$ 2,258	\$ 2,231	1%	5%
Hospitality	239	231	3%	5%	926	849	9%	10%
Digital Banking	139	133	5%	5%	543	513	6%	6%
Payments & Network	319	295	8%	11%	1,286	675	91%	96%
Self-Service Banking	691	707	(2)%	2%	2,621	2,617	—%	4%
Other	57	68	(16)%	(14)%	244	297	(18)%	(14)%
Eliminations	(11)	(8)	38%	38%	(43)	(26)	65%	65%
Total segment revenue	\$ 2,009	\$ 2,034	(1)%	2%	\$ 7,835	\$ 7,156	9%	13%
Other adjustment ⁽¹⁾	—	—			9	—		
Total revenue	\$ 2,009	\$ 2,034	(1)%	2%	\$ 7,844	\$ 7,156	10%	13%
Adjusted EBITDA by segment								
Retail	\$ 116	\$ 119	(3)%		\$ 415	\$ 442	(6)%	
<i>Retail Adjusted EBITDA margin %</i>	<i>20.2%</i>	<i>19.6%</i>			<i>18.4%</i>	<i>19.8%</i>		
Hospitality	54	39	38%		192	158	22%	
<i>Hospitality Adjusted EBITDA margin %</i>	<i>22.6%</i>	<i>16.9%</i>			<i>20.7%</i>	<i>18.6%</i>		
Digital Banking	54	52	4%		226	213	6%	
<i>Digital Banking Adjusted EBITDA margin %</i>	<i>38.8%</i>	<i>39.1%</i>			<i>41.6%</i>	<i>41.5%</i>		
Payments & Network	96	105	(9)%		405	238	70%	
<i>Payments & Network Adjusted EBITDA margin %</i>	<i>30.1%</i>	<i>35.6%</i>			<i>31.5%</i>	<i>35.3%</i>		
Self-Service Banking	161	148	9%		565	580	(3)%	
<i>Self-Service Banking Adjusted EBITDA margin %</i>	<i>23.3%</i>	<i>20.9%</i>			<i>21.6%</i>	<i>22.2%</i>		
Corporate and Other ⁽²⁾	(92)	(104)	(12)%		(399)	(369)	8%	
Eliminations	(9)	(6)	50%		(34)	(18)	89%	
Total Adjusted EBITDA	\$ 380	\$ 353	8%	14%	\$ 1,370	\$ 1,244	10%	16%
<i>Total Adjusted EBITDA margin %</i>	<i>18.9%</i>	<i>17.4%</i>			<i>17.5%</i>	<i>17.4%</i>		

⁽¹⁾ Other adjustment reflects the revenue attributable to the Company's operations in Russia for the twelve months ending December 31, 2022 that were excluded from management's measure of revenue due to our announcement to suspend sales to Russia and anticipated orderly wind down of our operations in Russia. The revenue attributable to the Russian operations for the three and twelve months ending December 31, 2021 of \$15 million and \$48 million, respectively, is included in the respective segments. Refer to the section entitled "Non-GAAP Financial Measures" for additional information.

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

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

Schedule C

	December 31, 2022	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	\$ 505	\$ 447
Accounts receivable, net of allowances of \$34 and \$24 as of December 31, 2022 and December 31, 2021, respectively	1,083	959
Inventories	772	754
Restricted cash	228	295
Prepaid and other current assets	508	421
Total current assets	3,096	2,876
Property, plant and equipment, net	648	703
Goodwill	4,540	4,519
Intangibles, net	1,145	1,316
Operating lease assets	371	419
Prepaid pension cost	212	300
Deferred income taxes	604	732
Other assets	910	776
Total assets	\$ 11,526	\$ 11,641
Liabilities and stockholders' equity		
Current liabilities		
Short-term borrowings	\$ 104	\$ 57
Accounts payable	956	826
Payroll and benefits liabilities	207	389
Contract liabilities	537	516
Settlement liabilities	250	263
Other current liabilities	679	757
Total current liabilities	2,733	2,808
Long-term debt	5,561	5,505
Pension and indemnity plan liabilities	614	789
Postretirement and postemployment benefits liabilities	91	119
Income tax accruals	97	116
Operating lease liabilities	353	388
Other liabilities	323	383
Total liabilities	9,772	10,108
Series A convertible preferred stock: par value \$0.01 per share, 3.0 shares authorized, 0.3 issued and outstanding as of December 31, 2022 and December 31, 2021, respectively; redemption amount and liquidation preference of \$276 as of December 31, 2022 and December 31, 2021, respectively	275	274
Stockholders' equity		
NCR stockholders' equity:		
Preferred stock: par value \$0.01 per share, 100.0 shares authorized, no shares issued and outstanding as of December 31, 2022 and December 31, 2021, respectively	—	—
Common stock: par value \$0.01 per share, 500.0 shares authorized, 138.0 and 132.2 shares issued and outstanding as of December 31, 2022 and December 31, 2021, respectively	1	1
Paid-in capital	704	515
Retained earnings	1,075	1,031
Accumulated other comprehensive loss	(300)	(291)
Total NCR stockholders' equity	1,480	1,256
Noncontrolling interests in subsidiaries	(1)	3
Total stockholders' equity	1,479	1,259
Total liabilities and stockholders' equity	\$ 11,526	\$ 11,641

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

Schedule D

	For the Periods Ended December 31			
	Three Months		Twelve Months	
	2022	2021	2022	2021
Operating activities				
Net income (loss)	\$ (18)	\$ 63	\$ 59	\$ 98
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Loss (income) from discontinued operations	9	—	4	—
Loss on debt extinguishment	—	—	—	42
Depreciation and amortization	159	153	610	517
Stock-based compensation expense	28	35	125	154
Deferred income taxes	29	59	53	89
Impairment of other assets	—	24	—	24
Loss (gain) on disposal of property, plant and equipment and other assets	(14)	1	(10)	—
Loss on divestiture	9	—	9	—
Changes in assets and liabilities:				
Receivables	58	(25)	(216)	215
Inventories	32	(30)	(188)	(195)
Current payables and accrued expenses	(65)	45	48	255
Contract liabilities	23	(20)	(1)	(15)
Employee benefit plans	(58)	(117)	(61)	(147)
Other assets and liabilities	10	82	15	40
Net cash provided by operating activities	\$ 202	\$ 270	\$ 447	\$ 1,077
Investing activities				
Expenditures for property, plant and equipment	(20)	(38)	(92)	(106)
Proceeds from sale of property, plant and equipment and other assets	2	—	10	1
Additions to capitalized software	(68)	(68)	(285)	(242)
Business acquisitions, net of cash acquired	(1)	(7)	(13)	(2,473)
Proceeds from divestiture, net	(2)	—	(2)	—
Purchases of short-term investments	—	—	—	(13)
Proceeds from sales of short-term investments	—	—	—	14
Other investing activities, net	—	(1)	(5)	(7)
Net cash used in investing activities	\$ (89)	\$ (114)	\$ (387)	\$ (2,826)
Financing activities				
Short term borrowings, net	1	—	1	—
Payments of senior unsecured notes	—	—	—	(400)
Payments on term credit facilities	(32)	(1)	(63)	(107)
Payments on revolving credit facilities	(346)	(219)	(1,192)	(1,650)
Borrowings on term credit facilities	—	—	—	1,505
Borrowings on revolving credit facilities	312	215	1,333	1,756
Proceeds from senior unsecured and other notes	12	—	12	1,200
Debt issuance costs and bridge commitment fees	—	(1)	—	(53)
Call premium paid on debt extinguishment	—	—	—	(37)
Cash dividend paid for Series A preferred shares dividends	(5)	(4)	(16)	(15)
Proceeds from employee stock plans	12	11	31	44
Tax withholding payments on behalf of employees	(21)	(22)	(59)	(50)
Net change in client funds obligations	(22)	7	(28)	4
Principal payments for finance lease obligations	(3)	(4)	(15)	(17)
Other financing activities	—	—	(3)	(2)
Net cash provided by (used in) financing activities	\$ (92)	\$ (18)	\$ 1	\$ 2,178
Cash flows from discontinued operations				
Net cash provided by (used in) discontinued operations	(19)	(18)	(20)	(68)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(7)	(6)	(50)	(18)
Increase (decrease) in cash, cash equivalents, and restricted cash	\$ (5)	\$ 114	\$ (9)	\$ 343
Cash, cash equivalents and restricted cash at beginning of period	745	635	749	406
Cash, cash equivalents, and restricted cash at end of period	\$ 740	\$ 749	\$ 740	\$ 749



FULL YEAR & Q4 2022 EARNINGS CONFERENCE CALL

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

February 7, 2023

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,” “planned,” “objective,” “likely,” “could,” “may,” and words of similar meaning, as well as other words or expressions referencing future events, conditions or circumstances. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Act. Statements that describe or relate to NCR’s plans, goals, intentions, strategies, or financial outlook, and statements that do not relate to historical or current fact, are examples of forward-looking statements. Examples of forward-looking statements in these materials include, without limitation, statements regarding: NCR’s focus on advancing our strategic growth initiatives and transforming NCR into a software-led as-a-service company with a higher mix of recurring revenue streams; our expectations of NCR’s ability to deliver increased value to customers and stockholders; various macroeconomic challenges that may impact our financial performance in 2023; our expectations and assumptions regarding NCR’s full year and first quarter 2023 financial performance; expectations to leverage our software and payments platform to increase share of wallet; our focus on operational excellence; managing supply chain challenges; expectations regarding our evolution to a lean factory model by outsourcing manufacturing; free cash flow generation; and statements regarding the planned separation of NCR into two separate companies, including, but not limited to, statements regarding the anticipated timing and structure of such planned transaction, the future commercial or financial performance of the commerce company or the ATM company following such planned transaction, value creation and ability to innovate and drive growth generally as a result of such transaction, and the expected capital structure, net debt and pension obligations of the companies at the time of and following the transaction. Forward-looking statements are based on our current beliefs, expectations and assumptions, which may not prove to be accurate, and involve a number of known and unknown risks and uncertainties, many of which are out of NCR’s control. Forward-looking statements are not guarantees of future performance, and there are a number of important factors that could cause actual outcomes and results to differ materially from the results contemplated by such forward-looking statements, including those factors listed in Item 1A “Risk Factors” of NCR’s Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (SEC) on February 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 February 7, 2023, and NCR does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

NOTES TO INVESTORS

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

USE OF CERTAIN TERMS. As used in these materials:

- (i) the term "recurring revenue" includes all revenue streams from contracts where there is a predictable revenue pattern that will occur at regular intervals with a relatively high degree of certainty. This includes hardware and software maintenance revenue, cloud revenue, payment processing revenue, interchange and network revenue, cryptocurrency-related revenue, and certain professional services arrangements, as well as term-based software license arrangements that include customer termination rights.
- (ii) the term "annual recurring revenue" or "ARR" is recurring revenue, excluding software license sold as a subscription, for the last three months times four, plus the rolling four quarters for term-based software license arrangements that include customer termination rights.
- (iii) the term "CC" means constant currency.
- (iv) the term "LTM" means last twelve months.

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

2022 OVERVIEW

Strong execution advancing strategic growth initiatives

Continued increase in customer satisfaction

Revenue up 13% CC Y/Y

Recurring revenue up 20% CC Y/Y

Adjusted EBITDA growth of 16% CC Y/Y

2022 HEADWINDS

Pandemic

War in Eastern Europe

Supply chain disruptions

Inflation

Interest rates

Foreign exchange

BUSINESS UPDATE

Retail - Continue growth in NCR Emerald™

Hospitality - Momentum in Aloha™

Digital Banking - Winning in the market

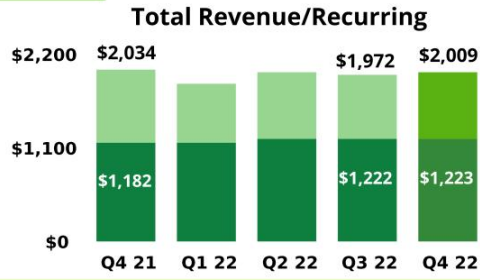
Payments - Gaining traction across Merchant acquiring and Allpoint™ networks

Self-Service Banking - Acceleration in ATMaas

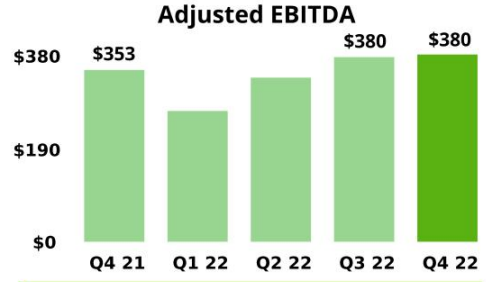
Plan to separate NCR into two public companies

Q4 2022 FINANCIAL RESULTS

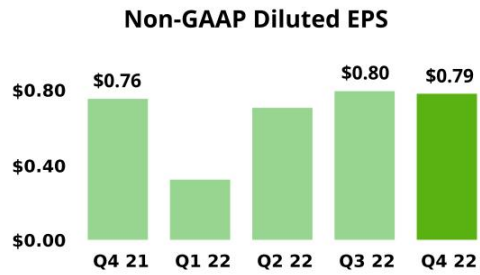
\$ in millions, except for EPS



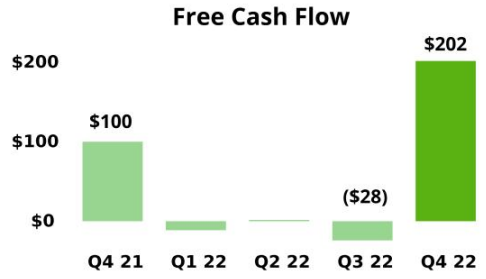
Revenue down 1% y/y as reported and up 2% CC;
Recurring revenue up 3% y/y as reported and up 7% CC



Adjusted EBITDA up 8% y/y as reported
and up 14% CC



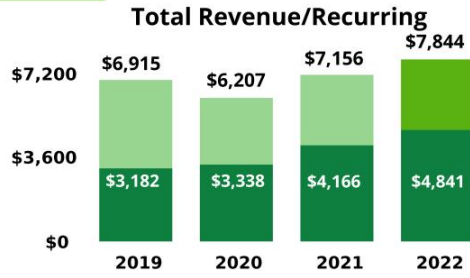
Non-GAAP diluted EPS up 4% y/y as reported and up
8% CC; FX impact \$(0.03)



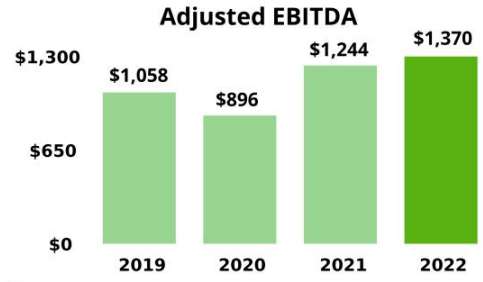
Free Cash Flow improving

2022 FINANCIAL RESULTS

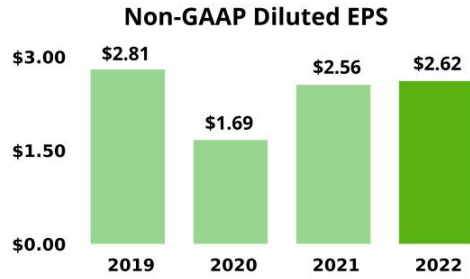
\$ in millions, except for EPS



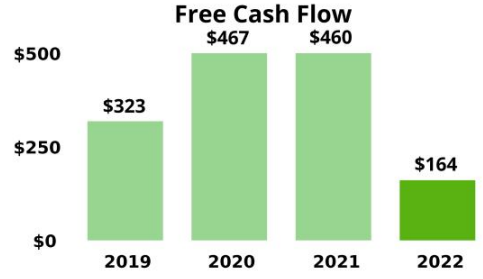
Revenue up 10% y/y as reported and up 13% CC; Recurring revenue up 16% y/y as reported and up 20% CC



Adjusted EBITDA up 10% y/y as reported and up 16% CC



Non-GAAP diluted EPS up 2% y/y as reported and up 12% CC; FX impact \$(0.22)

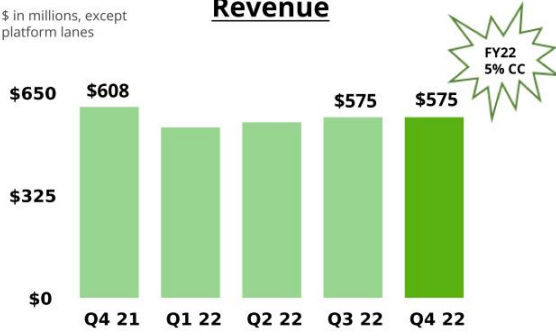


Free Cash Flow impacted by near term investments in working capital

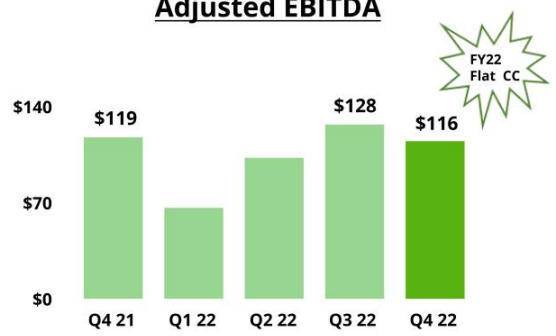
RETAIL

\$ in millions, except platform lanes

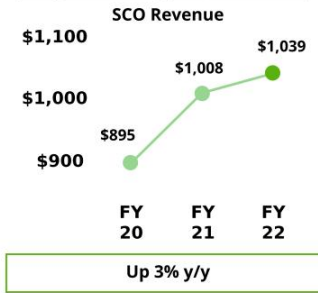
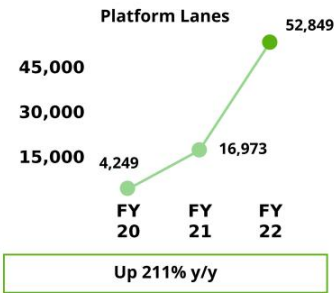
Revenue



Adjusted EBITDA



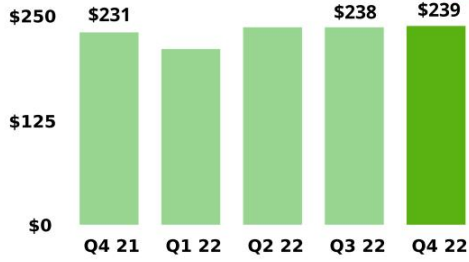
Key Strategic Metrics



HOSPITALITY

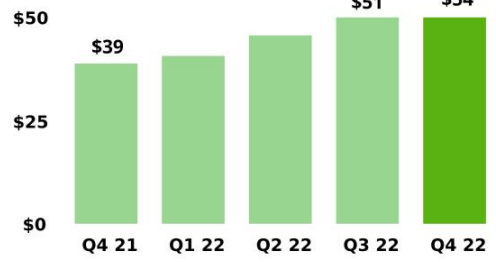
\$ in millions, except site counts

Revenue



FY22
10% CC

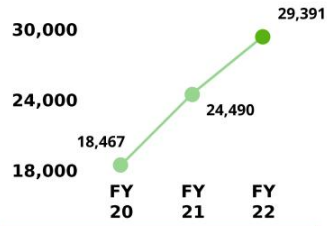
Adjusted EBITDA



FY22
22% CC

Key Strategic Metrics

Platform Sites



Up 20% y/y

Payments Sites



Up 64% y/y

ARR



Up 6% y/y

DIGITAL BANKING

\$ in millions

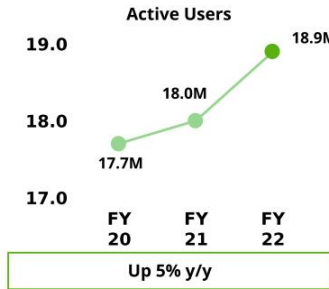
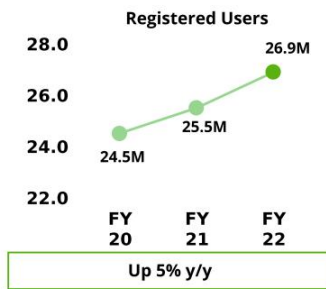
Revenue



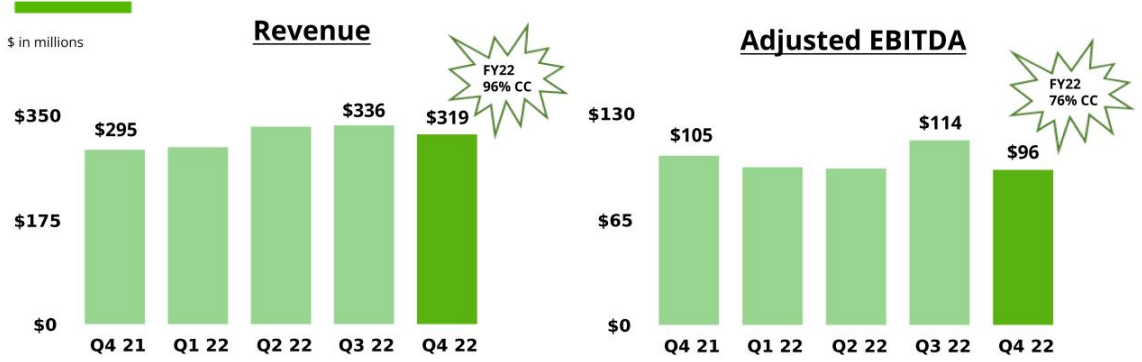
Adjusted EBITDA



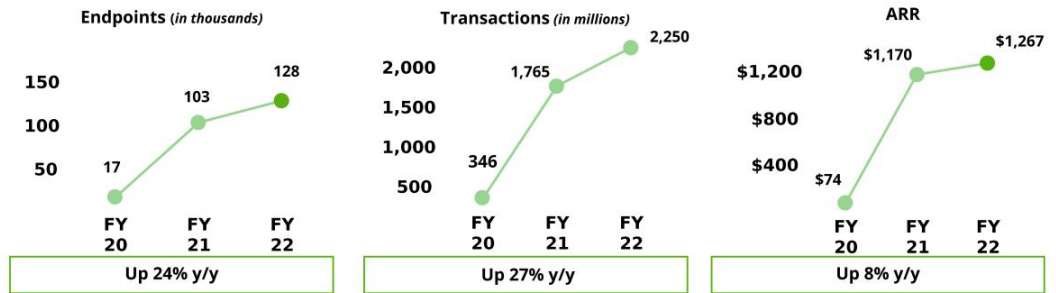
Key Strategic Metrics



PAYMENTS & NETWORK*



Key Strategic Metrics



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

SELF-SERVICE BANKING

\$ in millions, except units and percentages

Revenue



Adjusted EBITDA



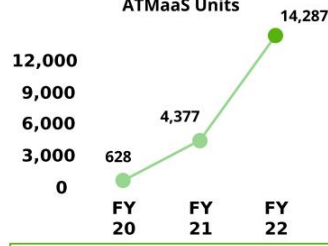
Key Strategic Metrics

Software & Services Revenue Mix



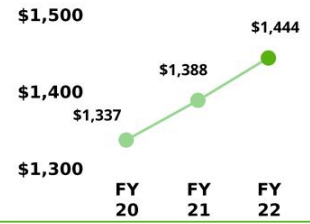
Flat to prior year

ATMaaS Units



Up 226% y/y

ARR



Up 4% y/y

FREE CASH FLOW, NET DEBT & EBITDA

\$ in millions

Free Cash Flow	Q4 2022	FY 2022
Cash provided by operating activities	\$202	\$447
Less: Total capital expenditures	(88)	(377)
Plus: Restricted cash settlement activity	33	27
Plus: Pension contributions	55	67
Free Cash Flow	\$202	\$164

Net Debt & EBITDA	Q4 2022	Q4 2021
Debt	\$5,665	\$5,562
Cash	\$(505)	\$(447)
Net Debt	\$5,160	\$5,115
Adjusted EBITDA LTM	\$1,370	\$1,244
Net Debt / Adjusted EBITDA	3.8x	4.1x

2023 GUIDANCE

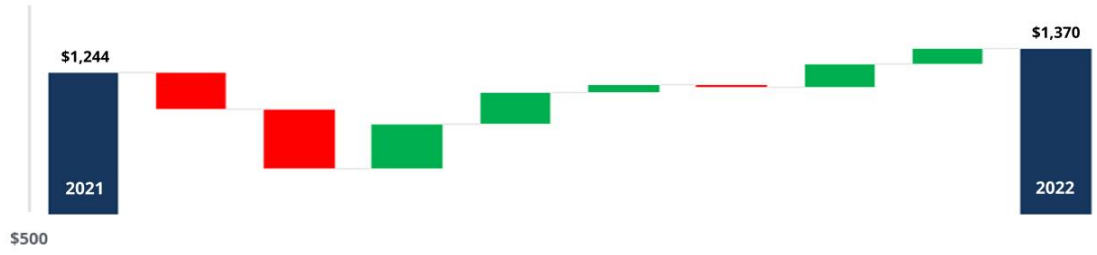
In millions, except per share amounts

Guidance ⁽¹⁾	Q1 2023	FY 2023
Revenue	\$1,800 - \$1,900	\$7,800 - \$8,000
Adjusted EBITDA	~\$300	\$1,450 - \$1,550
Non-GAAP Diluted EPS ⁽²⁾	\$0.55 - \$0.60	\$3.30 - \$3.50
Non-GAAP Diluted EPS (prior convention) ⁽²⁾	\$0.35 - \$0.40	\$2.55 - \$2.75
Free Cash Flow	\$100 - \$200	\$400 - \$500
Assumptions		
Interest expense	\$85	\$330
Effective tax rate (non-GAAP)	29%	29%
Non-GAAP dilutive share count	152	155

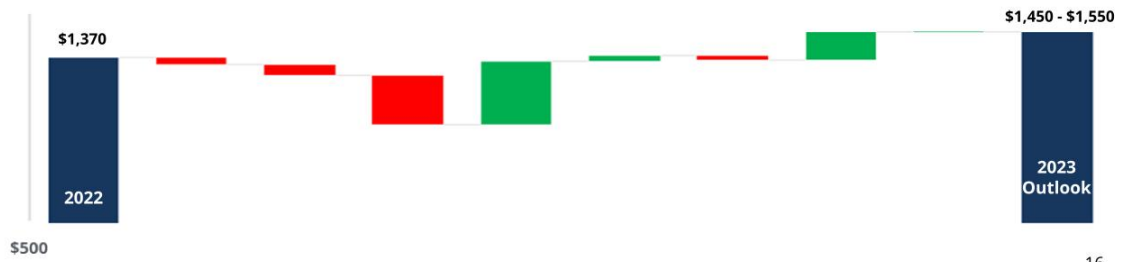
⁽¹⁾ With respect to our Adjusted EBITDA, Free Cash Flow and non-GAAP diluted earnings per share guidance, we do not provide a reconciliation of the respective GAAP measures because we are not able to predict with reasonable certainty the reconciling items that may affect the GAAP net income from continuing operations, GAAP cash flow from operating activities and GAAP diluted earnings per share from continuing operations without unreasonable effort. The reconciling items are primarily the future impact of special tax items, capital structure transactions, restructuring, pension mark-to-market transactions, acquisitions or divestitures, or other events. These reconciling items are uncertain, depend on various factors and could significantly impact, either individually or in the aggregate, the GAAP measures. Refer to the slides "Notes to Investors" and "Non-GAAP Measures" for additional information regarding our use of non-GAAP financial measures. ⁽²⁾ Our Non-GAAP Diluted EPS calculation previously included stock-based compensation expense. Beginning in 2023, we will exclude the impact of stock-based compensation expense from our Non-GAAP Diluted EPS calculation, which in 2022 would have resulted in Non-GAAP Diluted EPS of approximately \$3.32.

EBITDA CASUAL WALKS

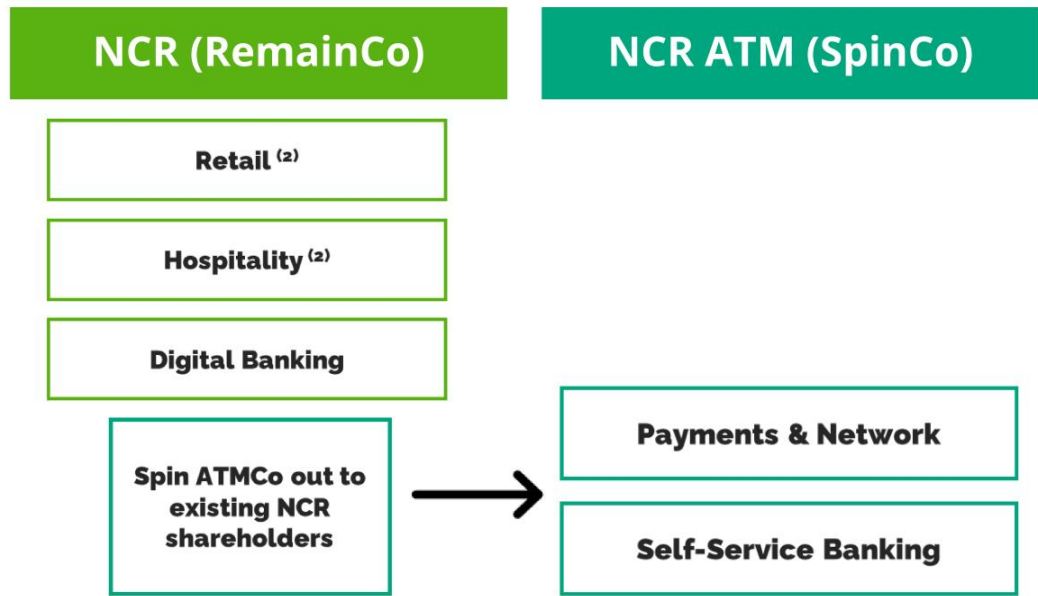
\$ in millions



External Impacts	Inflation	Temporal Actions	Permanent Actions	Volume	Shift to Recurring	Price	M&A & Other
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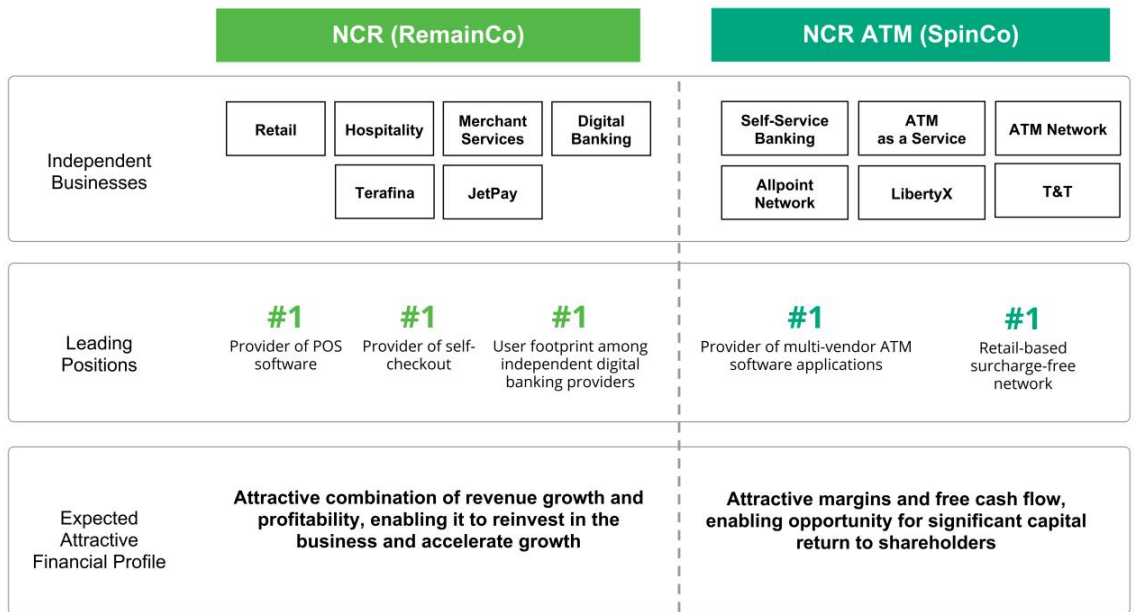


NCR SEPARATION PLAN⁽¹⁾

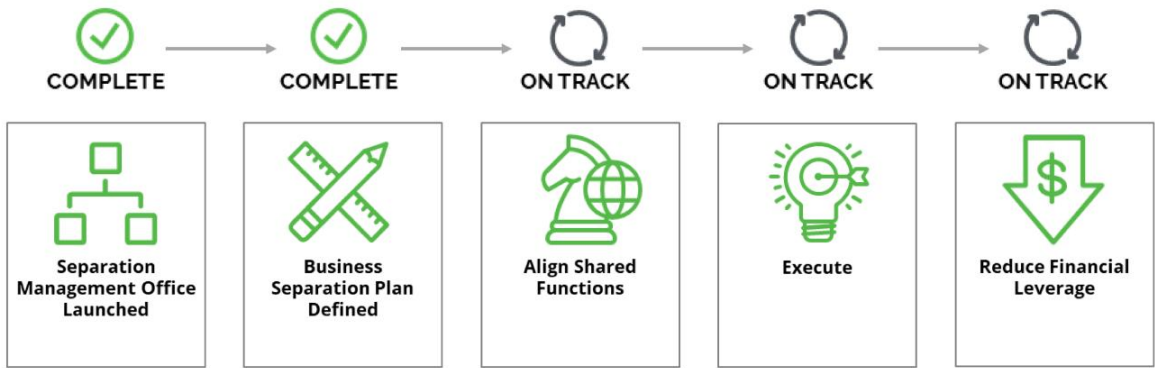


⁽¹⁾ There can be no guarantee that the planned separation will be completed in the expected form or within the expected time frame or at all. Nor can there be any guarantee that the commerce business and ATM business after a separation will be able to realize any of the potential strategic benefits, synergies or opportunities as a result of these actions. Neither can there be any guarantee that shareholders will achieve any particular level of shareholder returns. Nor can there be any guarantee that the planned separation will enhance value for shareholders, or that NCR or any of its divisions, or separate NCR (RemainCo) and NCR ATM (SpinCo) business, will be commercially successful in the future, or achieve any particular credit rating or financial results. ⁽²⁾ Includes merchant acquiring services.

CREATING TWO LEADING COMPANIES



NCR SEPARATION ROADMAP



On track to complete separation activities by the end of 2023

LOOKING FORWARD

Continue to execute strategic growth initiatives

Transformation to a software-led as-a-service company

Cost take out actions

Drive margin expansion

Increase cash flow generation

Plan to separate NCR into two public companies



SUPPLEMENTARY MATERIALS



Q4 2022 GAAP RESULTS

\$ in millions, except per share amounts

	Q4 2022	Q4 2021	% Change
Revenue	\$2,009	\$2,034	(1)%
Gross Margin	485	503	(4)%
Gross Margin Rate	24.1%	24.7%	
Operating Expenses	319	380	(16)%
% of Revenue	15.9%	18.7%	
Operating Income	166	123	35%
% of Revenue	8.3%	6.0%	
Interest and other expense, net	(83)	49	(269)%
Income Tax Expense (Benefit)	92	109	
Effective Income Tax Rate	110.8%	63.4%	
Net Income (Loss) from Continuing Operations (attributable to NCR)	\$(7)	\$64	(111)%
Diluted EPS from Continuing Operations	\$(0.08)	\$0.43	(119)%

Q4 2022 OPERATIONAL RESULTS

\$ in millions, except per share amounts

	Q4 2022	Q4 2021	% Change as Reported	% Change Adjusted Constant Currency
Revenue (non-GAAP)	\$2,009	\$2,034	(1)%	2%
Gross Margin (non-GAAP)	520	549	(5)%	(1)%
Gross Margin Rate (non-GAAP)	25.9%	27.0%		
Operating Expenses (non-GAAP)	288	334	(14)%	(11)%
% of Revenue	14.3%	16.4%		
Operating Income (non-GAAP)	232	215	8%	13%
% of Revenue	11.5%	10.6%		
Interest and other expense (non-GAAP)	(65)	(63)	3%	3%
Income Tax Expense (non-GAAP)	50	39	28%	28%
Effective Income Tax Rate (non-GAAP)	29.9%	25.7%		
Net Income (Loss) From Continuing Operations (attributable to NCR) (non-GAAP)	\$119	\$114	4%	14%
Diluted EPS (non-GAAP)	\$0.79	\$0.76	4%	8%

NON-GAAP MEASURES

While NCR reports its results in accordance with generally accepted accounting principles (GAAP) in the United States, comments made during this conference call and in these materials will include non-GAAP measures. These measures are included to provide additional useful information regarding NCR's financial results, and are not a substitute for their comparable GAAP measures. There can be no assurance that either NCR (RemainCo) or NCR ATM (SpinCo) will utilize the non-GAAP metrics herein, that they will not use different metrics, or that they will define such metrics differently than as presented herein.

Non-GAAP Diluted Earnings Per Share (EPS), Gross Margin (non-GAAP), Gross Margin Rate (non-GAAP), Operating Expenses (non-GAAP), Operating Income (non-GAAP), Operating Margin Rate (non-GAAP), Interest and Other (Expense) (non-GAAP), Income Tax Expense (non-GAAP), Effective Income Tax Rate (non-GAAP), and Net Income from Continuing Operations Attributable to NCR (non-GAAP). NCR's non-GAAP diluted EPS, gross margin (non-GAAP), gross margin rate (non-GAAP), operating expenses (non-GAAP), operating income (non-GAAP), operating margin rate (non-GAAP), interest and other (expense) (non-GAAP), income tax expense (non-GAAP), effective income tax rate (non-GAAP), and net income from continuing operations attributable to NCR (non-GAAP) are determined by excluding, as applicable, pension mark-to-market adjustments, pension settlements, pension curtailments and pension special termination benefits, as well as other special items, including amortization of acquisition related intangibles and transformation and restructuring activities, from NCR's GAAP earnings per share, gross margin, gross margin rate, expenses, income from operations, operating margin rate, interest and other income (expense), income tax expense, effective income tax rate and net income from continuing operations attributable to NCR, respectively. Due to the non-operational nature of these pension and other special items, NCR's management uses these non-GAAP measures to evaluate year-over-year operating performance. NCR believes these measures are useful for investors because they provide a more complete understanding of NCR's underlying operational performance, as well as consistency and comparability with NCR's past reports of financial results. Beginning in 2023, we will exclude the impact of stock-based compensation expense from our Non-GAAP Diluted EPS calculation.

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 third 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 transformation 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.

NCR believes that its ratio of Net Debt to Adjusted EBITDA provides useful information to investors because it is an indicator of the Company's ability to meet its future financial obligations. In addition, the Net Debt to Adjusted EBITDA ratio is a measure frequently used by investors and credit rating agencies. The Net Debt to Adjusted EBITDA ratio is calculated by dividing Net Debt by trailing twelve-month Adjusted EBITDA.

Special Item Related to Russia The war in Eastern Europe and related sanctions imposed on Russia and related actors by the United States and other jurisdictions required us to commence the orderly wind down of our operations in Russia beginning in the first quarter of 2022. As of December 31, 2022, we have ceased operations in Russia and are in process of dissolving our only subsidiary in Russia. As a result, for the twelve months ending December 31, 2022, our non-GAAP presentation of the measures described above exclude the immaterial impact of our operating results in Russia, as well as the impact of impairments taken to write down the carrying value of assets and liabilities, severance charges, and the assessment of collectability on revenue recognition. We consider this to be a non-recurring 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 revenue and income from continuing operations for the three and twelve months ended December 31, 2021.

NON-GAAP MEASURES

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

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

GAAP TO NON-GAAP RECONCILIATION

\$ in millions

	Q4 2022	Q3 2022	Q4 2021
Net (Loss) Income from Continuing Operations Attributable to NCR (GAAP)	\$ (7)	\$ 69	\$ 64
Pension Mark-to-Market Adjustments	8	—	(118)
Transformation & Restructuring Costs	30	17	46
Acquisition-Related Amortization of Intangibles	42	44	44
Acquisition-Related Costs	1	1	6
Separation Costs	3	—	—
Interest Expense	81	74	64
Interest Income	(7)	(3)	(4)
Depreciation and Amortization	109	107	107
Income Taxes	92	43	109
Stock-Based Compensation Expense	28	28	35
Adjusted EBITDA (non-GAAP)	\$ 380	\$ 380	\$ 353

GAAP TO NON-GAAP RECONCILIATION

\$ in millions

	Q4 2022 LTM	Q3 2022 LTM	Q4 2021 LTM
Net (Loss) Income from Continuing Operations Attributable to NCR (GAAP)	\$ 64	\$ 135	\$ 97
Pension Mark-to-Market Adjustments	8	(118)	(118)
Transformation & Restructuring Costs	123	139	66
Acquisition-Related Amortization of Intangibles	172	174	132
Acquisition-Related Costs	10	15	98
Separation Costs	3	—	—
Loss on Debt Extinguishment	—	—	42
Interest Expense	285	268	238
Interest Income	(13)	(10)	(8)
Depreciation and Amortization	423	421	357
Income Taxes	148	165	186
Stock-Based Compensation Expense	125	132	154
Russia	22	22	—
Adjusted EBITDA (non-GAAP)	\$ 1,370	\$ 1,343	\$ 1,244

ADJUSTED EBITDA BY SEGMENT

\$ in millions

	Q4 2022	Q3 2022	Q4 2021
Retail	\$ 116	\$ 128	\$ 119
Hospitality	54	51	39
Digital Banking	54	60	52
Payments & Network	96	114	105
Self-Service Banking	161	150	148
Corporate and Other	(92)	(112)	(104)
Eliminations	(9)	(11)	(6)
Adjusted EBITDA	\$ 380	\$ 380	\$ 353

GAAP TO NON-GAAP RECONCILIATION

Q4 2022

\$ in millions, except per share amounts

	Q4 QTD 2022 GAAP	Transformation Costs	Acquisition- related amortization of intangibles	Acquisition- related costs	Separation Costs	Valuation Allowance & Other Tax	Pension Mark- to-Market Adjustments	Q4 QTD 2022 non-GAAP
Product revenue	\$631	\$—	\$—	\$—	\$—	\$—	\$—	\$631
Service revenue	1,378	—	—	—	—	—	—	1,378
Total revenue	2,009	—	—	—	—	—	—	2,009
Cost of products	537	(5)	(3)	—	—	—	—	529
Cost of services	987	(3)	(24)	—	—	—	—	960
Gross margin	485	8	27	—	—	—	—	520
<i>Gross margin rate</i>	24.1%	0.4%	1.4%	—%	—%	—%	—%	25.9%
Selling, general and administrative expenses	266	(10)	(15)	(1)	(3)	—	—	237
Research and development expenses	53	(2)	—	—	—	—	—	51
Total operating expenses	319	(12)	(15)	(1)	(3)	—	—	288
<i>Total operating expense as a % of revenue</i>	15.9%	(0.6)%	(0.7)%	—%	(0.1)%	—%	—%	14.3%
Income from operations	166	20	42	1	3	—	—	232
<i>Income from operations as a % of revenue</i>	8.3%	1.0%	2.1%	—%	0.1%	—%	—%	11.5%
Interest and Other (expense) income, net	(83)	10	—	—	—	—	8	(65)
Income from continuing operations before income taxes	83	30	42	1	3	—	8	167
Income tax (benefit) expense	92	—	19	—	1	(72)	10	50
<i>Effective income tax rate</i>	110.8%							29.9%
Income (loss) from continuing operations	(9)	30	23	1	2	72	(2)	117
Net income (loss) attributable to noncontrolling interests	(2)	—	—	—	—	—	—	(2)
Income (loss) from continuing operations (attributable to NCR)	\$(7)	\$30	\$23	\$1	\$2	\$72	\$(2)	\$119
Diluted earnings per share	\$(0.08)	\$0.20	\$0.15	\$0.01	\$0.01	\$0.48	\$(0.01)	\$0.79
Diluted shares outstanding	137.5							149.9

GAAP TO NON-GAAP RECONCILIATION

FY 2022

\$ in millions, except per share amounts

	FY 2022 GAAP	Transformation Costs	Acquisition- related amortization of intangibles	Acquisition- related costs	Separation Costs	Russia	Valuation Allowance & Other Tax	Pension Mark-to- Market Adjustments	FY 2022 non- GAAP
Product revenue	\$2,351	\$—	\$—	\$—	\$—	\$(5)	\$—	\$—	\$2,346
Service revenue	5,493	—	—	—	—	(4)	—	—	5,489
Total revenue	7,844	—	—	—	—	(9)	—	—	7,835
Cost of products	2,097	(16)	(8)	—	—	(9)	—	—	2,064
Cost of services	3,889	(21)	(92)	(1)	—	(10)	—	—	3,765
Gross margin	1,858	37	100	1	—	10	—	—	2,006
<i>Gross margin rate</i>	<i>23.7%</i>	<i>0.5%</i>	<i>1.3%</i>	<i>—%</i>	<i>—%</i>	<i>0.1%</i>	<i>—%</i>	<i>—%</i>	<i>25.6%</i>
Selling, general and administrative expenses	1,152	(64)	(72)	(9)	(3)	(6)	—	—	998
Research and development expenses	217	(12)	—	—	—	—	—	—	205
Total operating expenses	1,369	(76)	(72)	(9)	(3)	(6)	—	—	1,203
<i>Total operating expense as a % of revenue</i>	<i>17.5%</i>	<i>(1.0)%</i>	<i>(0.9)%</i>	<i>(0.1)%</i>	<i>—%</i>	<i>(0.1)%</i>	<i>—</i>	<i>—%</i>	<i>15.4%</i>
Income from operations	489	113	172	10	3	16	—	—	803
<i>Income from operations as a % of revenue</i>	<i>6.2%</i>	<i>1.4%</i>	<i>2.2%</i>	<i>0.1%</i>	<i>—%</i>	<i>0.2%</i>	<i>—</i>	<i>—%</i>	<i>10.2%</i>
Interest and Other (expense) income, net	(278)	10	—	—	—	6	—	8	(254)
Income from continuing operations before income taxes	211	123	172	10	3	22	—	8	549
Income tax (benefit) expense	148	16	49	1	1	3	(72)	10	156
<i>Effective income tax rate</i>	<i>70.1%</i>								<i>28.4%</i>
Income from continuing operations	63	107	123	9	2	19	72	(2)	393
Net income (loss) attributable to noncontrolling interests	(1)	—	—	—	—	—	—	—	(1)
Income from continuing operations (attributable to NCR)	\$64	\$107	\$123	\$9	\$2	\$19	\$72	\$(2)	\$394
Diluted earnings per share	\$0.34	\$0.71	\$0.82	\$0.06	\$0.01	\$0.13	\$0.48	\$(0.01)	\$2.62
Diluted shares outstanding	141.2								150.4

GAAP TO NON-GAAP RECONCILIATION

Q4 2022

\$ in millions, except per share amounts

	Q4 QTD 2022 GAAP	Q4 QTD 2022 non-GAAP
<i>Income (loss) from continuing operations attributable to NCR common stockholders:</i>		
Income (loss) from continuing operations (attributable to NCR)	\$ (7)	\$ 119
Dividends on convertible preferred shares	\$ (4)	\$ —
Income (loss) from continuing operations attributable to NCR common stockholders	\$ (11)	\$ 119
<i>Weighted average outstanding shares:</i>		
Weighted average diluted shares outstanding	137.5	140.7
Weighted as-if converted preferred shares	—	9.2
Total shares used in diluted earnings per share	137.5	149.9
Diluted earnings per share from continuing operations ⁽¹⁾	\$ (0.08)	\$ 0.79

⁽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

FY 2022

\$ in millions, except per share amounts

	FY 2022 GAAP	FY 2022 non-GAAP
<i>Income from continuing operations attributable to NCR common stockholders:</i>		
Income from continuing operations (attributable to NCR)	\$64	\$394
Dividends on convertible preferred shares	\$(16)	\$—
Income from continuing operations attributable to NCR common stockholders	\$48	\$394
<i>Weighted average outstanding shares:</i>		
Weighted average diluted shares outstanding	141.2	141.2
Weighted as-if converted preferred shares	—	9.2
Total shares used in diluted earnings per share	141.2	150.4
Diluted earnings per share from continuing operations ⁽¹⁾	\$0.34	\$2.62

⁽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

Q4 2021

\$ in millions, except per share amounts

	Q4 QTD 2021 GAAP	Transfor mation Costs	Acquisition- related amortization of intangibles	Acquisition - related costs	Debt Refinancing & Extinguish- ment	Tax Related Items	Pension mark-to- market adjustments	Q4 QTD 2021 non- GAAP
Product revenue	\$640	\$—	\$—	\$—	\$—	\$—	\$—	\$640
Service revenue	1,394	—	—	—	—	—	—	1,394
Total revenue	2,034	—	—	—	—	—	—	2,034
Cost of products	560	(16)	(1)	—	—	—	—	543
Cost of services	971	(9)	(20)	—	—	—	—	942
Gross margin	503	25	21	—	—	—	—	549
<i>Gross margin rate</i>	<i>24.7%</i>	<i>1.3%</i>	<i>1.0%</i>	<i>—%</i>	<i>—%</i>	<i>—%</i>	<i>—%</i>	<i>27.0%</i>
Selling, general and administrative expenses	316	(15)	(23)	(7)	—	—	—	271
Research and development expenses	64	—	—	(1)	—	—	—	63
Total operating expenses	380	(15)	(23)	(8)	—	—	—	334
<i>Total operating expense as a % of revenue</i>	<i>18.7%</i>	<i>(0.3)%</i>	<i>(1.0)%</i>	<i>(1.2)%</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>16.4%</i>
Income from operations	123	40	44	8	—	—	—	215
<i>Income from operations as a % of revenue</i>	<i>6.0%</i>	<i>0.8%</i>	<i>1.8%</i>	<i>1.2%</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>10.6%</i>
Interest and Other (expense) income, net	49	6	—	—	—	—	(118)	(63)
Income from continuing operations before income taxes	172	46	44	8	—	—	(118)	152
Income tax (benefit) expense	109	7	9	(12)	—	(48)	(26)	39
<i>Effective income tax rate</i>	<i>63.4%</i>							<i>25.7%</i>
Income from continuing operations	63	39	35	20	—	48	(92)	113
Net income (loss) attributable to noncontrolling interests	(1)	—	—	—	—	—	—	(1)
Income from continuing operations (attributable to NCR)	\$64	\$39	\$35	\$20	\$—	\$48	(\$92)	\$114
Diluted earnings per share	\$0.43	\$0.26	\$0.23	\$0.13	\$—	\$0.32	(\$0.62)	\$0.76
Diluted shares outstanding	140.3							149.5

GAAP TO NON-GAAP RECONCILIATION

FY 2021

\$ in millions, except per share amounts

	FY 2021 GAAP	Transfor- mation Costs	Acquisition- related amortization of intangibles	Acquisition - related costs	Debt Refinancing & Extinguishment	Tax Related Items	Pension mark- to- market	FY 2021 non- GAAP
Product revenue	\$2,193	\$—	\$—	\$—	\$—	\$—	\$—	\$2,193
Service revenue	4,963	—	—	—	—	—	—	4,963
Total revenue	7,156	—	—	—	—	—	—	7,156
Cost of products	1,850	(16)	(9)	—	—	—	—	1,825
Cost of services	3,413	(23)	(51)	—	—	—	—	3,339
Gross margin	1,893	39	60	—	—	—	—	1,992
<i>Gross margin rate</i>	<i>26.5%</i>	<i>0.5%</i>	<i>0.7%</i>	<i>—%</i>	<i>—%</i>	<i>—%</i>	<i>—%</i>	<i>27.8%</i>
Selling, general and administrative expenses	1,151	(20)	(72)	(84)	—	—	—	975
Research and development expenses	268	(1)	—	(1)	—	—	—	266
Total operating expenses	1,419	(21)	(72)	(85)	—	—	—	1,241
<i>Total operating expense as a % of revenue</i>	<i>19.8%</i>	<i>(0.3)%</i>	<i>(1.0)%</i>	<i>(1.2)%</i>	<i>—</i>	<i>—</i>	<i>—%</i>	<i>17.3%</i>
Income from operations	474	60	132	85	—	—	—	751
<i>Income from operations as a % of revenue</i>	<i>6.6%</i>	<i>0.8%</i>	<i>1.8%</i>	<i>1.2%</i>	<i>—</i>	<i>—</i>	<i>—%</i>	<i>10.5%</i>
Interest and Other (expense) income, net	(190)	6	—	31	43	—	(118)	(228)
Income from continuing operations before income taxes	284	66	132	116	43	—	(118)	523
Income tax (benefit) expense	186	10	28	11	1	(68)	(26)	142
<i>Effective income tax rate</i>	<i>65.5%</i>							<i>27.2%</i>
Income from continuing operations	98	56	104	105	42	68	(92)	381
Net income (loss) attributable to noncontrolling interests	1	—	—	—	—	—	—	1
Income from continuing operations (attributable to NCR)	\$97	\$56	\$104	\$105	\$42	\$68	(\$92)	\$380
Diluted earnings per share	\$0.58	\$0.38	\$0.70	\$0.71	\$0.28	\$0.46	(\$0.62)	\$2.56
Diluted shares outstanding	139.0							148.2

GAAP TO NON-GAAP RECONCILIATION

Q4 2021

\$ in millions, except per share amounts

	Q4 QTD 2021 GAAP	Q4 QTD 2021 non-GAAP
<i>Income from continuing operations attributable to NCR common stockholders:</i>		
Income from continuing operations (attributable to NCR)	\$64	\$114
Dividends on convertible preferred shares	(4)	—
Income from continuing operations attributable to NCR common stockholders	\$60	\$114
<i>Weighted average outstanding shares:</i>		
Weighted average diluted shares outstanding	140.3	140.3
Weighted as-if converted preferred shares	—	9.2
Total shares used in diluted earnings per share	140.3	149.5
Diluted earnings per share ⁽¹⁾	\$0.43	\$0.76

⁽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 stakeholders or including the impact of the conversion of such preferred stock into common stock in the calculation of the weighted average diluted shares outstanding. Non-GAAP EPS is always determined using the as-if converted preferred shares and shares that would be issued for stock compensation awards. Therefore, GAAP diluted EPS and non-GAAP diluted EPS may be calculated using different methods, and may not mathematically reconcile.

GAAP TO NON-GAAP RECONCILIATION

FY 2021

\$ in millions, except per share amounts

	FY 2021 GAAP	FY 2021 non-GAAP
<i>Income from continuing operations attributable to NCR common stockholders:</i>		
Income from continuing operations (attributable to NCR)	\$97	\$380
Dividends on convertible preferred shares	(16)	—
Income from continuing operations attributable to NCR common stockholders	\$81	\$380
<i>Weighted average outstanding shares:</i>		
Weighted average diluted shares outstanding	139.0	139.0
Weighted as-if converted preferred shares	—	9.2
Total shares used in diluted earnings per share	139.0	148.2
Diluted earnings per share ⁽¹⁾	\$0.58	\$2.56

⁽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 stakeholders or including the impact of the conversion of such preferred stock into common stock in the calculation of the weighted average diluted shares outstanding. Non-GAAP EPS is always determined using the as-if converted preferred shares and shares that would be issued for stock compensation awards. Therefore, GAAP diluted EPS and non-GAAP diluted EPS may be calculated using different methods, and may not mathematically reconcile.

GAAP TO NON-GAAP RECONCILIATION

\$ in millions

	Q4 2022	Q3 2022	Q4 2021
Cash provided by operating activities	\$202	\$127	\$270
Less: Total capital expenditures	\$(88)	\$(115)	\$(106)
Less: Sale of accounts receivables	\$—	\$—	\$(26)
Plus: Pension contributions	\$55	\$3	\$4
Plus: Restricted cash settlement activity	\$33	\$(43)	\$(42)
Free Cash Flow	\$202	\$(28)	\$100

GAAP TO NON-GAAP RECONCILIATION

\$ in millions

	FY 2022	FY 2021	FY 2020	FY 2019
Cash provided by operating activities	\$447	\$1,077	\$641	\$634
Less: Total capital expenditures	\$(377)	\$(348)	\$(263)	\$(329)
Less: Sale of accounts receivables	\$—	\$(300)	\$—	\$—
Plus: Pension contributions	\$67	\$17	\$89	\$23
Plus: Restricted cash settlement activity	\$27	\$(41)	\$—	\$(5)
Plus: Acquisition Related Items	\$—	\$55	\$—	\$—
Free Cash Flow	\$164	\$460	\$467	\$323

RECONCILIATION OF CONSTANT CURRENCY

Q4 2022	Revenue Growth % (GAAP)	Favorable (Unfavorable) FX Impact	Revenue Growth % Constant Currency (non-GAAP)
Retail	(5)%	(4)%	(1)%
Hospitality	3 %	(2)%	5 %
Digital Banking	5 %	— %	5 %
Payments & Network	8 %	(3)%	11 %
Self-Service Banking	(2)%	(4)%	2 %
Other	(16)%	(2)%	(14)%
Eliminations	38 %	— %	38 %
Total Revenue	(1)%	(3)%	2 %

RECONCILIATION OF CONSTANT CURRENCY

FY 2022	Revenue Growth % (GAAP)	Favorable (Unfavorable) FX Impact	Revenue Growth % Constant Currency (non-GAAP)
Retail	1 %	(4)%	5 %
Hospitality	9 %	(1)%	10 %
Digital Banking	6 %	— %	6 %
Payments & Network	91 %	(5)%	96 %
Self-Service Banking	— %	(4)%	4 %
Corporate and Other	(18)%	(4)%	(14)%
Eliminations	65 %	— %	65 %
Total Revenue	10 %	(3)%	13 %

RECONCILIATION OF CONSTANT CURRENCY

Q4 2022	Adjusted EBITDA Growth %	Favorable (Unfavorable) FX Impact	Adjusted EBITDA Growth % Constant Currency (non-GAAP)
Retail	(3)%	(5)%	2 %
Hospitality	38 %	— %	38 %
Digital Banking	4 %	— %	4 %
Payments & Network	(9)%	(4)%	(5)%
Self-Service Banking	9 %	(4)%	13 %
Corporate and Other	12 %	(4)%	16 %
Eliminations	(50)%	— %	(50)%
Adjusted EBITDA	8 %	(6)%	14 %

RECONCILIATION OF CONSTANT CURRENCY

FY 2022	Adjusted EBITDA Growth %	Favorable (Unfavorable) FX Impact	Adjusted EBITDA Growth % Constant Currency (non-GAAP)
Retail	(6)%	(6)%	— %
Hospitality	22 %	— %	22 %
Digital Banking	6 %	— %	6 %
Payments & Network	70 %	(6)%	76 %
Self-Service Banking	(3)%	(4)%	1 %
Corporate and Other	(8)%	(1)%	(7)%
Eliminations	(89)%	— %	(89)%
Adjusted EBITDA	10 %	(6)%	16 %

THANK YOU



