

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

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT

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

Date of Report (Date of earliest event reported): October 25, 2022



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.

Explanatory Note

On October 25, 2022, NCR Corporation (the “Company”) filed a Current Report on Form 8-K (the “Original Report”) with the Securities and Exchange Commission. This Amendment No. 1 to Current Report on Form 8-K/A amends Items 2.02, 7.01 and 9.01 of the Original Report to correct the classification of certain costs between Cost of services, Selling, general and administrative expenses, and Research and development for the three and nine months ended September 30, 2022. The impact to Income from operations and Net Income is zero.

The changes resulted from a correction to the allocation of overhead expenses to the correct financial statement line items within the Consolidated Statement of Operations.

Item 2.02. Results of Operations and Financial Condition.

On October 25, 2022, the Company issued a press release setting forth its third quarter 2022 financial results and certain other financial information. A copy of the press release, as corrected, is attached hereto as Exhibit 99.1 and hereby incorporated by reference.

Item 7.01. Regulation FD Disclosure.

On October 25, 2022, the Company held its previously announced conference call to discuss its third quarter financial results. A copy of supplementary materials referred to in the conference call, and which were posted to the Company’s website, as corrected, is attached hereto as Exhibit 99.2.

The information in this report (including Exhibits 99.1 and 99.2, as corrected) 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:

Exhibit No.	Description
99.1	Press Release issued by the Company, dated October 25, 2022 (as corrected)
99.2	Supplemental materials, dated October 25, 2022 (as corrected)
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: October 26, 2022



October 25, 2022 (as revised October 26, 2022)*

NCR Announces Third Quarter 2022 Results
Revenue Up 4% and Up 8% Constant Currency

ATLANTA - NCR Corporation (NYSE: NCR) reported financial results today for the three months ended September 30, 2022. Third quarter and other recent highlights include:

- **Revenue of \$1.97 billion, up 4%; up 8% on a constant currency basis**
- **GAAP diluted EPS from continuing operations of \$0.46, up 667%**
 - **Non-GAAP diluted EPS of \$0.80, up 16% and up 40% on a constant currency basis**
- **Net income from continuing operations attributable to NCR of \$69 million, up 475%**
 - **Adjusted EBITDA of \$380 million, up 8% and up 15% on a constant currency basis**
- **Strong execution across strategic growth initiatives**
- **Company continues to move forward with previously announced plan to separate into two companies**

“We are pleased with our third quarter results, which represent strong execution with solid revenue growth and significant margin expansion, despite ongoing macroeconomic and geopolitical volatility,” said Michael Hayford, Chief Executive Officer. “Our third quarter results demonstrate the power of our strategy that is transforming NCR into a software-led as-a-service company with a higher mix of recurring revenue streams.”

Hayford continued, “We are working towards separating NCR into two public companies, which is the right next step in NCR’s transformation. We believe the separation will unlock significant value for 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.

* This earnings release has been revised as described in the "Explanatory Note" to the Form 8-K/A of NCR Corporation furnished to the Securities and Exchange Commission on October 26, 2022.

Third 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

Third quarter revenue of \$1,972 million increased 4% year over year. Foreign currency fluctuations had an unfavorable impact on the revenue comparison of 4%. The following table shows revenue for the third quarter:

\$ in millions	Q3 2022		Q3 2021		% Increase (Decrease)	% Increase (Decrease) Constant Currency
Retail	\$	575	\$	541	6 %	12 %
Hospitality		238		224	6 %	8 %
Digital Banking		137		128	7 %	7 %
Payments & Network		336		304	11 %	14 %
Self-Service Banking		640		637	— %	6 %
Other		58		75	(23)%	(18)%
Eliminations ⁽¹⁾		(12)		(8)	50 %	50 %
Total revenue	\$	1,972	\$	1,901	4 %	8 %
Recurring revenue	\$	1,222	\$	1,181	3 %	7 %
Recurring revenue %		62 %		62 %		

⁽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.

- Third quarter gross margin of \$491 million decreased from \$520 million in the prior year period. Gross margin rate was 24.9%, compared to 27.4% in the prior period. Third quarter gross margin (non-GAAP) of \$526 million decreased from \$546 million in the prior year period. Gross margin rate (non-GAAP) was 26.7%, compared to 28.7% in the prior period.
- Third quarter income from operations of \$187 million increased from \$157 million in the prior year period. Third quarter operating income (non-GAAP) of \$249 million increased from \$215 million in the prior year period.
- Third quarter net income from continuing operations attributable to NCR of \$69 million increased from net income from continuing operations attributable to NCR of \$12 million in the prior year period.
- Third quarter Adjusted EBITDA of \$380 million increased from \$352 million in the prior year period. Foreign currency fluctuations had an unfavorable impact on the Adjusted EBITDA comparison of 7%. Adjusted EBITDA margin rate was 19.3%, compared to 18.5% in the prior year period.
- Third quarter cash provided by operating activities of \$127 million decreased from cash provided by operating activities of \$497 million in the prior year period. Third quarter free cash outflow was \$28 million, compared to free cash flow of \$125 million in the prior year period.

Strategic Review

On September 15, 2022, the Company 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 and is targeted for the end of 2023. 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 financials.

2022 Third Quarter Earnings Conference Call

A conference call is scheduled for today at 4:30 p.m. Eastern Time to discuss the third 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 1883509.

More information on NCR's third 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 2022; 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 digital 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; and 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 digital 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 digital 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 digital 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, 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 stock-based compensation expense; plus other income (expense); plus pension mark-to-market adjustments, pension settlements, pension curtailments and pension special termination benefits and other special items, including amortization of acquisition related intangibles and restructuring charges, among others. NCR uses Adjusted EBITDA to manage and measure the performance of its business segments. NCR also uses Adjusted EBITDA to manage and determine the effectiveness of its business managers and as a basis for incentive compensation. NCR believes that Adjusted EBITDA provides useful information to investors because it is an indicator of the strength and performance of the Company's ongoing business operations, including its ability to fund discretionary spending such as capital expenditures, strategic acquisitions and other investments.

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 September 30, 2022, we have ceased operations in Russia and are in process of dissolving our only subsidiary in Russia. As a result, for the three and nine months ending September 30, 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 nine months ended September 30, 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 3rd quarter of 2021, and plus pension contributions and pension settlements. NCR's management uses free cash flow to assess the financial performance of the Company and believes it is useful for investors because it relates the operating cash flow of the Company to the capital that is spent to continue and improve business operations. In particular, free cash flow indicates the amount of cash generated after capital expenditures, which can be used for, among other things, investment in the Company's existing businesses, strategic acquisitions, strengthening the Company's balance sheet, repurchase of Company stock and repayment of the Company's debt obligations. Free cash flow does not represent the residual cash flow available for discretionary expenditures since there may be other nondiscretionary expenditures that are not deducted from the measure. Free cash flow does not have uniform definitions under GAAP and, therefore, NCR's definitions may differ from other companies' definitions of these measures.

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	Q3 2022		Q3 2021	
Gross Margin (GAAP)	\$	491	\$	520
Transformation and restructuring costs		8		3
Acquisition-related amortization of intangibles		27		23
Gross Margin (Non-GAAP)	\$	526	\$	546

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

	Q3 2022		Q3 2021	
Gross Margin Rate (GAAP)		24.9 %		27.4 %
Transformation and restructuring costs		0.4 %		0.1 %
Acquisition-related amortization of intangibles		1.4 %		1.2 %
Gross Margin Rate (Non-GAAP)		26.7 %		28.7 %

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

\$ in millions	Q3 2022		Q3 2021	
Income (Loss) from Operations (GAAP)	\$	187	\$	157
Transformation and restructuring costs		17		5
Acquisition-related amortization of intangibles		44		45
Acquisition-related costs		1		8
Operating Income (Non-GAAP)	\$	249	\$	215

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

\$ in millions

	Q3 2022		Q3 2021	
Net Income (Loss) from Continuing Operations Attributable to NCR (GAAP)	\$	69	\$	12
Transformation and restructuring costs		17		5
Acquisition-related amortization of intangibles		44		45
Acquisition-related costs		1		9
Depreciation and amortization (excluding acquisition-related amortization of intangibles)		107		104
Loss on Debt Extinguishment		—		42
Interest expense		74		68
Interest income		(3)		—
Income tax expense (benefit)		43		29
Stock-based compensation expense		28		38
Adjusted EBITDA (Non-GAAP)	\$	380	\$	352

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

	Q3 2022		Q3 2021	
Diluted Earnings Per Share from Continuing Operations (GAAP) ⁽¹⁾	\$	0.46	\$	0.06
Transformation and restructuring costs		0.11		0.03
Acquisition-related amortization of intangibles		0.23		0.24
Acquisition-related costs		0.01		0.05
Debt extinguishment		—		0.28
Debt refinancing		—		0.01
Diluted Earnings Per Share from Continuing Operations (Non-GAAP) ⁽¹⁾	\$	0.80	\$	0.69

⁽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

	Q3 2022		Q3 2021	
Net cash provided by (used in) operating activities	\$	127	\$	497
Total capital expenditures		(115)		(102)
Restricted cash settlement activity		(43)		—
Initial sale of Trade Accounts Receivable		—		(274)
Pension contributions		3		4
Free cash flow	\$	(28)	\$	125

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

\$ in millions	Three months ended September 30, 2022			Nine months ended September 30, 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	6 %	(6) %	12 %	4 %	(4) %	8 %
Hospitality	6 %	(2) %	8 %	11 %	(1) %	12 %
Digital Banking	7 %	— %	7 %	6 %	— %	6 %
Payments & Network	11 %	(3) %	14 %	154 %	(8) %	162 %
Self-Service Banking	— %	(6) %	6 %	1 %	(4) %	5 %
Other	(23)%	(5) %	(18)%	(18)%	(3) %	(15)%
Eliminations	50 %	— %	50 %	78 %	— %	78 %
Total segment revenue	4 %	(4) %	8 %	14 %	(3) %	17 %
Total revenue	4 %	(4) %	8 %	14 %	(4) %	18 %
Recurring Revenue	3 %	(4) %	7 %	21 %	(4) %	25 %
Adjusted EBITDA	8 %	(7) %	15 %	11 %	(5) %	16 %
Non-GAAP Diluted EPS	16 %	(24) %	40 %	1 %	(11) %	12 %

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

	For the Periods Ended September 30			
	Three Months		Nine Months	
	2022	2021	2022	2021
Revenue				
Product	\$ 590	\$ 520	\$ 1,720	\$ 1,553
Service	1,382	1,381	4,115	3,569
Total Revenue	1,972	1,901	5,835	5,122
Cost of products	524	429	1,560	1,290
Cost of services	957	952	2,902	2,442
Total gross margin	491	520	1,373	1,390
<i>% of Revenue</i>	24.9 %	27.4 %	23.5 %	27.1 %
Selling, general and administrative expenses	264	294	886	835
Research and development expenses	40	69	164	204
Income (loss) from operations	187	157	323	351
<i>% of Revenue</i>	9.5 %	8.3 %	5.5 %	6.9 %
Loss on extinguishment of debt	—	(42)	—	(42)
Interest expense	(74)	(68)	(204)	(174)
Other income (expense), net	(1)	(5)	9	(23)
Total interest and other expense, net	(75)	(115)	(195)	(239)
Income (loss) from continuing operations before income taxes	112	42	128	112
<i>% of Revenue</i>	5.7 %	2.2 %	2.2 %	2.2 %
Income tax expense (benefit)	43	29	56	77
Income (loss) from continuing operations	69	13	72	35
Income (loss) from discontinued operations, net of tax	—	—	5	—
Net income (loss)	69	13	77	35
Net income (loss) attributable to noncontrolling interests	—	1	1	2
Net income (loss) attributable to NCR	\$ 69	\$ 12	\$ 76	\$ 33
Amounts attributable to NCR common stockholders:				
Income (loss) from continuing operations	\$ 69	\$ 12	\$ 71	\$ 33
Dividends on convertible preferred stock	(4)	(4)	(12)	(12)
Income (loss) from continuing operations attributable to NCR common stockholders	65	8	59	21
Income (loss) from discontinued operations, net of tax	—	—	5	—
Net income (loss) attributable to NCR common stockholders	\$ 65	\$ 8	\$ 64	\$ 21
Income (loss) per share attributable to NCR common stockholders:				
Income (loss) per common share from continuing operations				
Basic	\$ 0.47	\$ 0.06	\$ 0.43	\$ 0.16
Diluted ⁽¹⁾	\$ 0.46	\$ 0.06	\$ 0.42	\$ 0.15
Net income (loss) per common share				
Basic	\$ 0.47	\$ 0.06	\$ 0.47	\$ 0.16
Diluted ⁽¹⁾	\$ 0.46	\$ 0.06	\$ 0.45	\$ 0.15
Weighted average common shares outstanding				
Basic	137.0	131.5	136.4	130.8
Diluted ⁽¹⁾	140.3	137.8	140.9	137.1

⁽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)

	For the Periods Ended September 30							
	Three Months				Nine Months			
	2022	2021	% Change	% Change Constant Currency	2022	2021	% Change	% Change Constant Currency
Revenue by segment								
Retail	\$ 575	\$ 541	6%	12%	\$ 1,683	\$ 1,623	4%	8%
Hospitality	238	224	6%	8%	687	618	11%	12%
Digital Banking	137	128	7%	7%	404	380	6%	6%
Payments & Network	336	304	11%	14%	967	380	154%	162%
Self-Service Banking	640	637	—%	6%	1,930	1,910	1%	5%
Other	58	75	(23)%	(18)%	187	229	(18)%	(15)%
Eliminations	(12)	(8)	50%	50%	(32)	(18)	78%	78%
Total segment revenue	\$ 1,972	\$ 1,901	4%	8%	\$ 5,826	\$ 5,122	14%	17%
Other adjustment ⁽¹⁾	—	—			9	—		
Total revenue	\$ 1,972	\$ 1,901	4%	8%	\$ 5,835	\$ 5,122	14%	18%
Adjusted EBITDA by segment								
Retail	\$ 128	\$ 104	23%		\$ 299	\$ 323	(7)%	
<i>Retail Adjusted EBITDA margin %</i>	22.3%	19.2%			17.8%	19.9%		
Hospitality	51	44	16%		138	119	16%	
<i>Hospitality Adjusted EBITDA margin %</i>	21.4%	19.6%			20.1%	19.3%		
Digital Banking	60	52	15%		172	161	7%	
<i>Digital Banking Adjusted EBITDA margin %</i>	43.8%	40.6%			42.6%	42.4%		
Payments & Network	114	111	3%		309	133	132%	
<i>Payments & Network Adjusted EBITDA margin %</i>	33.9%	36.5%			32.0%	35.0%		
Self-Service Banking	150	155	(3)%		404	432	(6)%	
<i>Self-Service Banking Adjusted EBITDA margin %</i>	23.4%	24.3%			20.9%	22.6%		
Corporate and Other ⁽²⁾	(112)	(109)	3%		(307)	(265)	16%	
Eliminations	(11)	(5)	120%		(25)	(12)	108%	
Total Adjusted EBITDA	\$ 380	\$ 352	8%	15%	\$ 990	\$ 891	11%	16%
<i>Total Adjusted EBITDA margin %</i>	19.3%	18.5%			17.0%	17.4%		

⁽¹⁾ Other adjustment reflects the revenue attributable to the Company's operations in Russia for the three and nine months ending September 30, 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 nine months ending September 30, 2021 of \$14 million and \$33 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)

	September 30, 2022	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	\$ 434	\$ 447
Accounts receivable, net of allowances of \$29 and \$24 as of September 30, 2022 and December 31, 2021, respectively	1,116	959
Inventories	827	754
Restricted cash	302	295
Other current assets	512	421
Total current assets	3,191	2,876
Property, plant and equipment, net	620	703
Goodwill	4,572	4,519
Intangibles, net	1,184	1,316
Operating lease assets	377	419
Prepaid pension cost	263	300
Deferred income taxes	678	732
Other assets	898	776
Total assets	\$ 11,783	\$ 11,641
Liabilities and stockholders' equity		
Current liabilities		
Short-term borrowings	\$ 106	\$ 57
Accounts payable	876	826
Payroll and benefits liabilities	319	389
Contract liabilities	507	516
Settlement liabilities	271	263
Other current liabilities	691	757
Total current liabilities	2,770	2,808
Long-term debt	5,611	5,505
Pension and indemnity plan liabilities	723	789
Postretirement and postemployment benefits liabilities	121	119
Income tax accruals	108	116
Operating lease liabilities	358	388
Other liabilities	371	383
Total liabilities	10,062	10,108
Series A convertible preferred stock: par value \$0.01 per share, 3.0 shares authorized, 0.3 issued and outstanding as of September 30, 2022 and December 31, 2021, respectively; redemption amount and liquidation preference of \$276 as of September 30, 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 September 30, 2022 and December 31, 2021, respectively	—	—
Common stock: par value \$0.01 per share, 500.0 shares authorized, 137.0 and 132.2 shares issued and outstanding as of September 30, 2022 and December 31, 2021, respectively	1	1
Paid-in capital	675	515
Retained earnings	1,095	1,031
Accumulated other comprehensive loss	(326)	(291)
Total NCR stockholders' equity	1,445	1,256
Noncontrolling interests in subsidiaries	1	3
Total stockholders' equity	1,446	1,259
Total liabilities and stockholders' equity	\$ 11,783	\$ 11,641

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

	For the Periods Ended September 30			
	Three Months		Nine Months	
	2022	2021	2022	2021
Operating activities				
Net income (loss)	\$ 69	\$ 13	\$ 77	\$ 35
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Income from discontinued operations	—	—	(5)	—
Loss on debt extinguishment	—	42	—	42
Depreciation and amortization	152	152	451	364
Stock-based compensation expense	28	38	97	119
Deferred income taxes	18	4	24	30
Loss (gain) on disposal of property, plant and equipment and other assets	2	—	4	—
Changes in assets and liabilities:				
Receivables	(65)	318	(274)	240
Inventories	(18)	(84)	(220)	(165)
Current payables and accrued expenses	55	76	113	210
Contract liabilities	(58)	(38)	(24)	5
Employee benefit plans	(9)	(9)	(3)	(30)
Other assets and liabilities	(47)	(15)	5	(43)
Net cash provided by operating activities	\$ 127	\$ 497	\$ 245	\$ 807
Investing activities				
Expenditures for property, plant and equipment	(40)	(38)	(72)	(68)
Proceeds from sale of property, plant and equipment and other assets	5	1	8	1
Additions to capitalized software	(75)	(64)	(217)	(174)
Business acquisitions, net of cash acquired	(11)	(2)	(12)	(2,466)
Purchases of short-term investments	—	—	—	(13)
Proceeds from sales of short-term investments	—	—	—	14
Other investing activities, net	—	—	(5)	(6)
Net cash used in investing activities	\$ (121)	\$ (103)	\$ (298)	\$ (2,712)
Financing activities				
Short term borrowings, net	(2)	—	—	—
Payments of senior unsecured notes	—	(400)	—	(400)
Payments on term credit facilities	(27)	(1)	(31)	(106)
Payments on revolving credit facilities	(247)	(746)	(846)	(1,431)
Borrowings on term credit facilities	—	—	—	1,505
Borrowings on revolving credit facilities	384	732	1,021	1,541
Proceeds from issuance of senior unsecured notes	—	—	—	1,200
Debt issuance costs and bridge commitment fees	—	(1)	—	(52)
Call premium paid on debt extinguishment	—	(37)	—	(37)
Cash dividend paid for Series A preferred shares dividends	(3)	(3)	(11)	(11)
Proceeds from employee stock plans	5	15	19	33
Tax withholding payments on behalf of employees	(2)	(3)	(38)	(28)
Net change in client funds obligations	(3)	5	(6)	(3)
Principal payments for finance lease obligations	(4)	(5)	(12)	(13)
Other financing activities	(1)	(1)	(3)	(2)
Net cash provided by (used in) financing activities	\$ 100	\$ (445)	\$ 93	\$ 2,196
Cash flows from discontinued operations				
Net cash provided by (used in) discontinued operations	(1)	(3)	(1)	(50)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(24)	(8)	(43)	(12)
Increase (decrease) in cash, cash equivalents, and restricted cash	\$ 81	\$ (62)	\$ (4)	\$ 229
Cash, cash equivalents and restricted cash at beginning of period	664	697	749	406
Cash, cash equivalents, and restricted cash at end of period	\$ 745	\$ 635	\$ 745	\$ 635

Q3 2022 EARNINGS CONFERENCE CALL

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

October 25, 2022 (as revised October 26, 2022)*

* The Supplementary Materials of this presentation have been revised as described in the "Explanatory Note" to the Form 8-K/A of NCR Corporation furnished to the Securities and Exchange Commission on October 26, 2022.



NOTES TO INVESTORS

FORWARD-LOOKING STATEMENTS. Comments made during this conference call and in these materials contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (the “Act”). Forward-looking statements use words such as “expect,” “anticipate,” “outlook,” “intend,” “plan,” “confident,” “believe,” “will,” “should,” “would,” “potential,” “positioning,” “proposed,” “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 2022; our expectations and assumptions regarding NCR’s full year 2022 financial performance; an illustrative separation and targeted growth rates; 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 digital 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 October 25, 2022, and NCR does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

NOTES TO INVESTORS

NON-GAAP MEASURES. While NCR reports its results in accordance with generally accepted accounting principles in the United States, or GAAP, comments made during this conference call and in these materials will include or make reference to certain "non-GAAP" measures, including: selected measures, such as period-over-period revenue growth; gross margin rate (non-GAAP); diluted earnings per share (non-GAAP); free cash flow; gross margin (non-GAAP); net debt; adjusted EBITDA; 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.

OVERVIEW

Strong execution

Revenue up 8% CC Y/Y; Recurring revenue up 7% CC Y/Y

Adjusted EBITDA growth of 15% CC Y/Y

Adjusted EBITDA margin 19.3%, up 230 bps from Q2 2022

BUSINESS UPDATE

Retail - Gaining traction in NCR Emerald™

Hospitality - Another strong quarter

Digital Banking - Winning in the market

Payments - Solid year over year growth

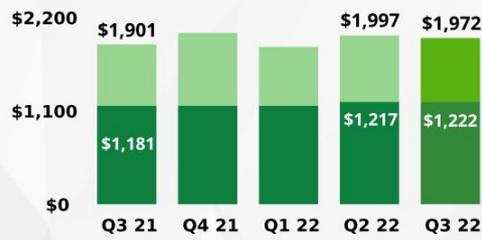
Self-Service Banking - Momentum in ATMaaS

Plan to separate NCR into two public companies

Q3 2022 FINANCIAL RESULTS

\$ in millions, except for EPS

Total Revenue/Recurring



Revenue up 4% y/y as reported and up 8% CC;
Recurring revenue up 3% y/y as reported and up 7% CC

Adjusted EBITDA



Adjusted EBITDA up 8% y/y as reported
and up 15% CC

Non-GAAP Diluted EPS



Non-GAAP diluted EPS up 16% y/y as reported and
up 40% CC; FX impact \$(0.12)

Free Cash Flow



Free Cash Flow challenged by near term
investments in working capital and timing of
disbursements

RETAIL

\$ in millions, except platform lanes

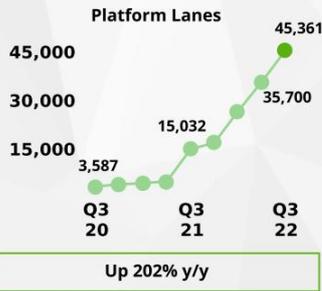
Revenue



Adjusted EBITDA



Key Metrics



HOSPITALITY

\$ in millions, except site counts

Revenue



Adjusted EBITDA



Key Metrics

Platform Sites



Payments Sites



ARR



DIGITAL BANKING

\$ in millions

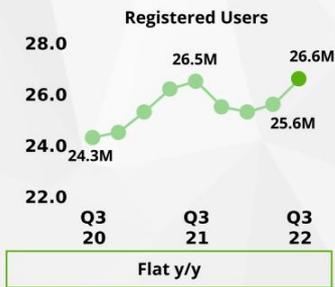
Revenue



Adjusted EBITDA



Key Metrics



PAYMENTS & NETWORK

\$ in millions

Revenue



Adjusted EBITDA



Key Metrics

Endpoints (in thousands)



Transactions (in millions)



ARR



SELF-SERVICE BANKING

\$ in millions, except units and percentages

Revenue



Adjusted EBITDA



Key Metrics

Software & Services Revenue Mix



Flat y/y

ATMaaS Units



Up 185% y/y

ARR



Up 4% y/y

FREE CASH FLOW, NET DEBT & EBITDA

\$ in millions

Free Cash Flow	Q3 2022	Q3 2021
Cash provided by operating activities	\$127	\$497
Less: Total capital expenditures	\$(115)	\$(102)
Less: Initial sale of Trade Accounts Receivable	\$—	\$(274)
Plus: Restricted cash settlement activity	(\$43)	\$—
Plus: Pension contributions	\$3	\$4
Free Cash Flow	\$(28)	\$125

Net Debt & EBITDA	Q3 2022	Q2 2022
Debt	\$5,717	\$5,605
Cash	\$(434)	\$(398)
Net Debt	\$5,283	\$5,207
Adjusted EBITDA LTM	\$1,343	\$1,315
Net Debt / Adjusted EBITDA	3.9x	4.0x

NCR Separation Plan

NCR

Retail

Hospitality

Digital Banking

Payments & Network

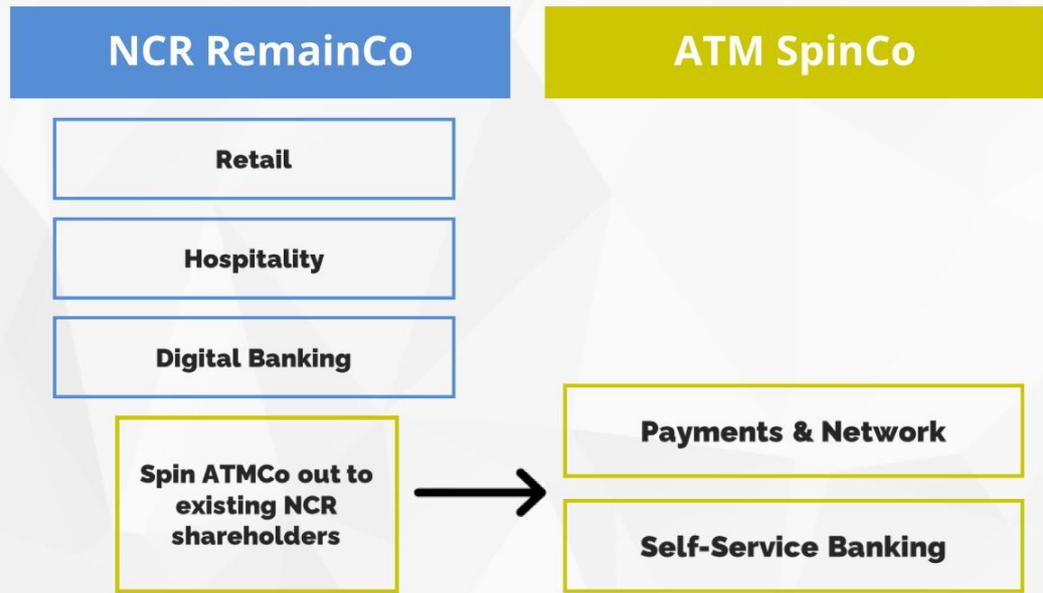
Self-Service Banking

Spin Considerations

- **Simplify and focus**
- **Minimize tax impact to shareholders**
- **Provide for flexible capital allocation policies**
- **Minimize debt friction cost**
- **Retain portion of existing debt**
- **Establish appropriate leverage levels**
- **Position to maximize shareholder value**

⁽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 digital 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 ATM business, will be commercially successful in the future, or achieve any particular credit rating or financial results.

NCR Separation Plan



⁽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 digital 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 ATM business, will be commercially successful in the future, or achieve any particular credit rating or financial results.

Illustrative Separation

\$ in millions

<i>As of September 30, 2022 LTM</i>	WholeCo	NCR RemainCo ⁽³⁾	ATM SpinCo ⁽³⁾
Revenue	\$7,869	\$4,047	\$3,822
Adjusted EBITDA ⁽¹⁾	\$1,343	\$654	\$689
Adjusted EBITDA margin % ⁽¹⁾	17.1%	16.2%	18.0%
Capital expenditures ("CAPEX")	\$395	\$267	\$128

<i>Targeted growth rates⁽²⁾</i>	WholeCo	NCR RemainCo	ATM SpinCo
Revenue	6% - 9%	At or above high-end of WholeCo range	At or below low-end of WholeCo range
Adjusted EBITDA	9% - 12%	Grows faster than revenue	Grows faster than revenue
Free Cash Flow Conversion ⁽⁴⁾	40% - 45% of Adj. EBITDA	At lower conversion than WholeCo	At higher conversion than WholeCo

⁽¹⁾ See definition in Supplementary Materials. ⁽²⁾ Illustrative targeted annual growth rates and WholeCo targeted growth rates are based on the 5-year strategic plan provided in NCR Investor Day 2021 presentation dated December 9, 2021. Actual results may differ and such differences may be material. Targeted annual growth rates should not be considered guidance or promises of future performance. ⁽³⁾ Final amounts will likely differ based on future carve-out audits and final structuring. ⁽⁴⁾ Free Cash Flow Conversion is defined as Adjusted EBITDA less CAPEX divided by Adjusted EBITDA. This definition differs from how NCR defines Free Cash Flow. For more details on the definitions, see the definitions in the Supplementary Materials as well as Notes to Investors.

Targeted Capital Structure

WholeCo Current Capital Structure

<i>\$ in millions</i>	September 30, 2022
Total Unsecured Debt	\$3,300
5.750% Senior Notes due 2027	500
5.000% Senior Notes due 2028	650
5.125% Senior Notes due 2029	1,200
6.125% Senior Notes due 2029	500
5.250% Senior Notes due 2030	450
Total Secured Debt	\$2,417
Revolving Credit Facility	506
Term Loan A	1,183
Term Loan B	728
Total Debt	\$5,717
(-) Cash and Cash Equivalents	(434)
Net Debt ⁽¹⁾	\$5,283
Adjusted EBITDA LTM ⁽¹⁾	\$1,343
Net Debt / Adj. EBITDA ⁽¹⁾	3.9x

NCR RemainCo Targeted Capital Structure Post Separation ⁽²⁾

- Retain majority of current debt stack
- Minimize debt friction cost
- Rework secured debt
- Target Net Debt / Adj. EBITDA⁽¹⁾ 3.0x - 3.4x

ATM SpinCo Targeted Capital Structure Post Separation ⁽²⁾

- New Senior Notes
- New secured bank debt
- Currently anticipate pension plan remains with ATM SpinCo
- Target Net Debt / Adj. EBITDA⁽¹⁾ 3.4x - 3.8x

WholeCo

- Seek to generate \$500M - \$800M Free Cash Flow⁽¹⁾ between now and separation

⁽¹⁾ See definition in Supplementary Materials. Actual results may differ and such differences may be material. Targeted free cash flow should not be considered guidance or promises of future performance. ⁽²⁾ There can be no guarantee that either NCR RemainCo's or ATM SpinCo's capital structure will be as assumed, and such differences could be material. The actual capital structure will depend in part on the timing of the transaction, the state of the credit and financial markets, the ability to consummate the transaction within existing debt covenants or the ability to obtain any needed amendments, waivers or consents from lenders and others, and other economic, financial and geopolitical factors, a number of which are beyond NCR's control.

LOOKING FORWARD

Continue to execute in a difficult macro environment

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

Improve cost structure

Drive cash flow generation

Allocate capital to highest return on investment opportunities

Plan to separate NCR into two public companies



SUPPLEMENTARY MATERIALS



Q3 2022 GAAP RESULTS

\$ in millions, except per share amounts

	Q3 2022	Q3 2021	% Change
Revenue	\$1,972	\$1,901	4%
Gross Margin	491	520	(6)%
Gross Margin Rate	24.9%	27.4%	
Operating Expenses	304	363	(16)%
% of Revenue	15.4%	19.1%	
Operating Income	187	157	19%
% of Revenue	9.5%	8.3%	
Interest and other expense, net	(75)	(115)	(35)%
Income Tax Expense (Benefit)	43	29	
Effective Income Tax Rate	38.4%	69.0%	
Net Income (Loss) from Continuing Operations (attributable to NCR)	\$69	\$12	475%
Diluted EPS from Continuing Operations	\$0.46	\$0.06	667%

Q3 2022 OPERATIONAL RESULTS

\$ in millions, except per share amounts

	Q3 2022	Q3 2021	% Change as Reported	% Change Adjusted Constant Currency
Revenue (non-GAAP)	\$1,972	\$1,901	4%	8%
Gross Margin (non-GAAP)	526	546	(4)%	2%
Gross Margin Rate (non-GAAP)	26.7%	28.7%		
Operating Expenses (non-GAAP)	277	331	(16)%	(13)%
% of Revenue	14.0%	17.4%		
Operating Income (non-GAAP)	249	215	16%	25%
% of Revenue	12.6%	11.3%		
Interest and other expense (non-GAAP)	(75)	(71)	6%	6%
Income Tax Expense (non-GAAP)	54	41	32%	32%
Effective Income Tax Rate (non-GAAP)	31.0%	28.5%		
Net Income (Loss) From Continuing Operations (attributable to NCR) (non-GAAP)	\$120	\$102	18%	40%
Diluted EPS (non-GAAP)	\$0.80	\$0.69	16%	40%

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 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 (expense), income tax expense, effective income tax rate and net income from continuing operations attributable to NCR, respectively. Due to the non-operational nature of these pension and other special items, NCR's management uses these non-GAAP measures to evaluate year-over-year operating performance. NCR believes these measures are useful for investors because they provide a more complete understanding of NCR's underlying operational performance, as well as consistency and comparability with NCR's past reports of financial results.

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

NON-GAAP MEASURES

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

NCR determines Adjusted EBITDA for a given period based on its GAAP net income from continuing operations attributable to NCR plus interest expense, net; plus income tax expense (benefit); plus depreciation and amortization; plus stock-based compensation expense; plus other income (expense); plus pension mark-to-market adjustments, pension settlements, pension curtailments and pension special termination benefits and other special items, including amortization of acquisition related intangibles and 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 September 30, 2022, we have ceased operations in Russia and are in process of dissolving our only subsidiary in Russia. As a result, for the nine months ending September 30, 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 nine months ended September 30, 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

	Q3 2022	Q2 2022	Q3 2021
Net (Loss) Income from Continuing Operations Attributable to NCR (GAAP)	\$ 69	\$ 35	\$ 12
Transformation & Restructuring Costs	17	49	5
Acquisition-Related Amortization of Intangibles	44	45	45
Acquisition-Related Costs	1	3	9
Loss on Debt Extinguishment	—	—	42
Interest Expense	74	67	68
Interest Income	(3)	(2)	—
Depreciation and Amortization	107	104	104
Income Taxes	43	—	29
Stock Compensation Expense	28	35	38
Russia	—	3	—
Adjusted EBITDA (non-GAAP)	\$ 380	\$ 339	\$ 352

GAAP TO NON-GAAP RECONCILIATION

\$ in millions

	Q3 2022 LTM	Q2 2022 LTM	Q3 2021 LTM
Net (Loss) Income from Continuing Operations Attributable to NCR (GAAP)	\$ 135	\$ 78	\$ (92)
Pension Mark-to-Market Adjustments	(118)	(118)	34
Transformation & Restructuring Costs	139	127	222
Acquisition-Related Amortization of Intangibles	174	175	107
Acquisition-Related Costs	15	23	86
Loss on Debt Extinguishment	—	42	42
Interest Expense	268	262	225
Interest Income	(10)	(7)	(7)
Depreciation and Amortization	421	418	324
Income Taxes	165	151	57
Stock Compensation Expense	132	142	151
Russia	22	22	—
Adjusted EBITDA (non-GAAP)	\$ 1,343	\$ 1,315	\$ 1,149

ADJUSTED EBITDA BY SEGMENT

\$ in millions

	Q3 2022	Q2 2022	Q3 2021
Retail	\$ 128	\$ 104	\$ 104
Hospitality	51	46	44
Digital Banking	60	56	52
Payments & Network	114	97	111
Self-Service Banking	150	142	155
Corporate and Other	(112)	(98)	(109)
Eliminations	(11)	(8)	(5)
Adjusted EBITDA	\$ 380	\$ 339	\$ 352

GAAP TO NON-GAAP RECONCILIATION

Q3 2022

\$ in millions, except per share amounts

	Q3 QTD 2022 GAAP	Transform ation Costs	Acquisition- related amortization of intangibles	Acquisition- related costs	Russia	Q3 QTD 2022 non-GAAP
Product revenue	\$590	\$—	\$—	\$—	\$—	\$590
Service revenue	1,382	—	—	—	—	1,382
Total revenue	1,972	—	—	—	—	1,972
Cost of products	524	(5)	(1)	—	—	518
Cost of services	957	(3)	(26)	—	—	928
Gross margin	491	8	27	—	—	526
<i>Gross margin rate</i>	24.9%	0.4%	1.4%	—%	—%	26.7%
Selling, general and administrative expenses	264	(8)	(17)	(1)	—	238
Research and development expenses	40	(1)	—	—	—	39
Total operating expenses	304	(9)	(17)	(1)	—	277
<i>Total operating expense as a % of revenue</i>	15.4%	(0.5)%	(0.9)%	(0.1)%	—%	14.0%
Income from operations	187	17	44	1	—	249
<i>Income from operations as a % of revenue</i>	9.5%	0.9%	2.2%	0.1%	—%	12.6%
Interest and Other (expense) income, net	(75)	—	—	—	—	(75)
Income from continuing operations before income taxes	112	17	44	1	—	174
Income tax (benefit) expense	43	1	10	—	—	54
<i>Effective income tax rate</i>	38.4%					31.0%
Income from continuing operations	69	16	34	1	—	120
Net income (loss) attributable to noncontrolling interests	—	—	—	—	—	—
Income from continuing operations (attributable to NCR)	\$69	\$16	\$34	\$1	\$—	\$120
Diluted earnings per share	\$0.46	\$0.11	\$0.23	\$0.01	\$—	\$0.80
Diluted shares outstanding	140.3					149.5

GAAP TO NON-GAAP RECONCILIATION

Q3 2022

\$ in millions, except per share amounts

	Q3 QTD 2022 GAAP	Q3 QTD 2022 non-GAAP
Income from continuing operations attributable to NCR common stockholders:		
Income from continuing operations (attributable to NCR)	\$69	\$120
Dividends on convertible preferred shares	\$(4)	\$—
Income from continuing operations attributable to NCR common stockholders	\$65	\$120
Weighted average outstanding shares:		
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 from continuing operations ⁽¹⁾	\$0.46	\$0.80

⁽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

Q3 2021

\$ in millions, except per share amounts

	Q3 QTD 2021 GAAP	Transformation Costs	Acquisition- related amortization of intangibles	Acquisition- related costs	Debt Refinancing & Extinguishment	Q3 QTD 2021 non-GAAP
Product revenue	\$520	\$—	\$—	\$—	\$—	\$520
Service revenue	1,381	—	—	—	—	1,381
Total revenue	1,901	—	—	—	—	1,901
Cost of products	429	—	(3)	—	—	426
Cost of services	952	(3)	(20)	—	—	929
Gross margin	520	3	23	—	—	546
<i>Gross margin rate</i>	27.4%	<i>0.1%</i>	<i>1.2%</i>	<i>—%</i>	<i>—%</i>	28.7%
Selling, general and administrative expenses	294	(2)	(22)	(8)	—	262
Research and development expenses	69	—	—	—	—	69
Total expenses	363	(2)	(22)	(8)	—	331
<i>Total expense as a % of revenue</i>	19.1%	<i>(0.1)%</i>	<i>(1.2)%</i>	<i>(0.4)%</i>	<i>—%</i>	17.4%
Income from operations	157	5	45	8	—	215
Income from operations as a % of revenue	8.3%	0.3%	2.3%	0.4%	—%	11.3%
Interest and Other (expense) income, net	(115)	—	—	1	43	(71)
Income from continuing operations before income taxes	42	5	45	9	43	144
Income tax expense	29	—	10	1	1	41
<i>Effective income tax rate</i>	69.0%					28.5%
Income from continuing operations	13	5	35	8	42	103
Net income attributable to noncontrolling interests	1	—	—	—	—	1
Income from continuing operations (attributable to NCR)	\$12	\$5	\$35	\$8	\$42	\$102
Diluted (loss) earnings per share	\$0.06	\$0.03	\$0.24	\$0.05	\$0.29	\$0.69
Diluted shares outstanding	137.8					147.0

GAAP TO NON-GAAP RECONCILIATION

Q3 2021

\$ in millions, except per share amounts

	Q3 QTD 2021 GAAP	Q3 QTD 2021 non-GAAP
Income from continuing operations attributable to NCR common stockholders:		
Income from continuing operations (attributable to NCR)	\$12	\$102
Dividends on convertible preferred shares	(4)	—
Income from continuing operations attributable to NCR common stockholders	\$8	\$102
Weighted average outstanding shares:		
Weighted average diluted shares outstanding	137.8	137.8
Weighted as-if converted preferred shares	—	9.2
Total shares used in diluted earnings per share	137.8	147.0
Diluted earnings per share from continuing operations⁽¹⁾	\$0.06	\$0.69

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

GAAP TO NON-GAAP RECONCILIATION

\$ in millions

	Q3 2022	Q2 2022	Q3 2021
Cash provided by operating activities	\$127	\$80	\$497
Less: Total capital expenditures	\$(115)	\$(94)	\$(102)
Less: Sale of Accounts Receivables	\$—	\$—	\$(274)
Plus: Pension contributions	\$3	\$5	\$4
Plus: Restricted Cash Settlement Activity	(\$43)	\$9	\$—
Free Cash Flow	\$(28)	\$—	\$125

RECONCILIATION OF CONSTANT CURRENCY

\$ in millions, except per share amounts

Q3 2022 Operational Results	% Change as Reported	Favorable (Unfavorable) FX Impact	% Change Adjusted Constant Currency
Revenue (non-GAAP)	4%	(4)%	8%
Gross Margin (non-GAAP)	(4)%	(6)%	2%
Operating Expenses (non-GAAP)	(16)%	3%	(13)%
Operating Income (non-GAAP)	16%	(9)%	25%
Interest and other expense (non-GAAP)	6%	—%	6%
Income Tax Expense (non-GAAP)	32%	—%	32%
Net Income (Loss) From Continuing Operations (attributable to NCR) (non-GAAP)	18%	(22)%	40%
Diluted EPS (non-GAAP)	16%	(24)%	40%
Recurring Revenue	3%	(4)%	7%

RECONCILIATION OF CONSTANT CURRENCY

\$ in millions

	Revenue Growth % (GAAP)	Favorable (Unfavorable) FX Impact	Revenue Growth % Constant Currency (non-GAAP)
Retail	6 %	(6)%	12 %
Hospitality	6 %	(2)%	8 %
Digital Banking	7 %	— %	7 %
Payments & Network	11 %	(3)%	14 %
Self-Service Banking	— %	(6)%	6 %
Other	(23)%	(5)%	(18)%
Eliminations	50 %	— %	50 %
Total Revenue	4 %	(4)%	8 %

RECONCILIATION OF CONSTANT CURRENCY

\$ in millions

	Adjusted EBITDA Growth %	Favorable (Unfavorable) FX Impact	Adjusted EBITDA Growth % Constant Currency (non-GAAP)
Retail	23 %	(12)%	35 %
Hospitality	16 %	— %	16 %
Digital Banking	15 %	— %	15 %
Payments & Network	3 %	(4)%	7 %
Self-Service Banking	(3)%	(4)%	1 %
Corporate and Other	(3)%	— %	(3)%
Eliminations	(120)%	— %	(120)%
Adjusted EBITDA	8 %	(7)%	15 %



THANK YOU



