
Q2 2022 EARNINGS CONFERENCE CALL

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OWEN SULLIVAN, PRESIDENT & COO
TIM OLIVER, CFO

July 27, 2022



NOTES TO INVESTORS

FORWARD-LOOKING STATEMENTS. Comments made during this conference call and in these materials contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (the “Act”). Forward-looking statements use words such as “expect,” “anticipate,” “outlook,” “intend,” “plan,” “confident,” “believe,” “will,” “should,” “would,” “potential,” “positioning,” “proposed,” “objective,” “could,” “may,” and words of similar meaning, as well as other words or expressions referencing future events, conditions or circumstances. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Act. Statements that describe or relate to NCR’s plans, goals, intentions, strategies, or financial outlook, and statements that do not relate to historical or current fact, are examples of forward-looking statements. Examples of forward-looking statements in these materials include, without limitation, statements regarding: 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; 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; and our strategic review to evaluate strategic alternatives to enhance shareholder value and the possible outcomes of such strategic review. 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 July 27, 2022, and NCR does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

NOTES TO INVESTORS

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

CHANGE IN REPORTABLE SEGMENTS. Effective January 1, 2022, the Company realigned its reportable segments to correspond with changes to its operating model, management structure and organizational responsibilities. The reportable segments effective January 1, 2022 include: Payments & Network, Digital Banking, Self-Service Banking, Retail, and Hospitality. Additionally, effective January 1, 2022, the Company manages Corporate & Other, which includes income and expense that are not specifically attributable to an individual reportable segment along with any immaterial operating segment(s). Eliminations includes revenues from contracts with customers and the related costs that are reported in the Payments & Network segment as well as in the Retail or Hospitality segments, including merchant acquiring services that are monetized via payments.

USE OF CERTAIN TERMS. As used in these materials:

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

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

OVERVIEW

Revenue up 23% CC Y/Y; Recurring revenue up 35% CC

Adjusted EBITDA growth of 26% CC Y/Y

Adjusted EBITDA margin 17.0%; Up 250 bps from Q1 '22

Managing supply chain challenges

Strong execution

BUSINESS UPDATE

Payments - Solid year over year growth

Digital Banking - Winning in the market

Self-Service Banking - Momentum in ATMaas

Retail - Gaining traction in NCR Emerald™

Hospitality - Strong growth in payment sites

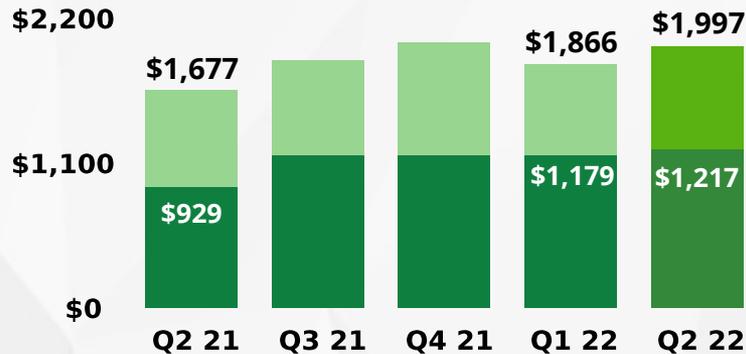
Outsourced Budapest manufacturing facility

Board-led strategic review is ongoing

Q2 2022 FINANCIAL RESULTS

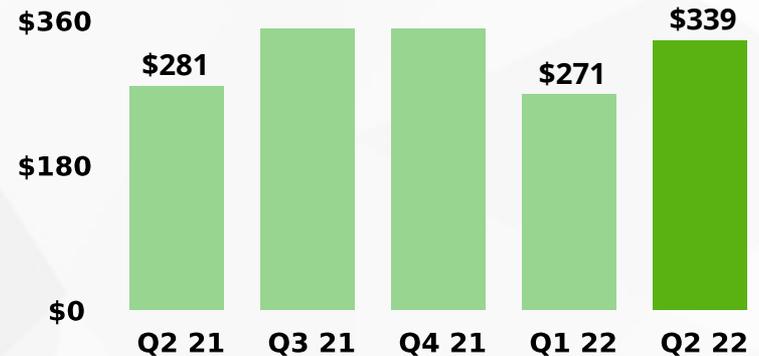
\$ in millions, except for EPS

Total Revenue/Recurring



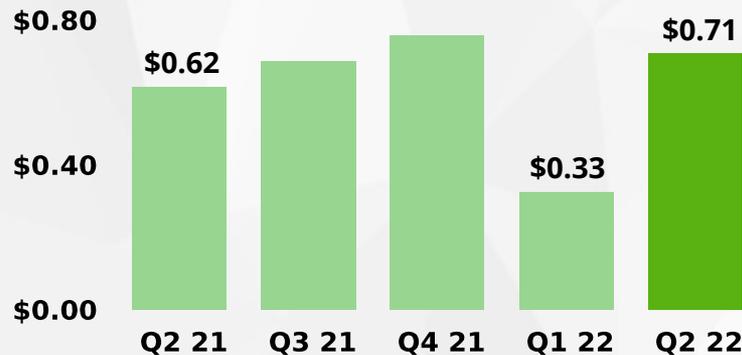
Revenue up 19% y/y as reported and up 23% CC;
Recurring revenue up 31% y/y and up 35% CC

Adjusted EBITDA



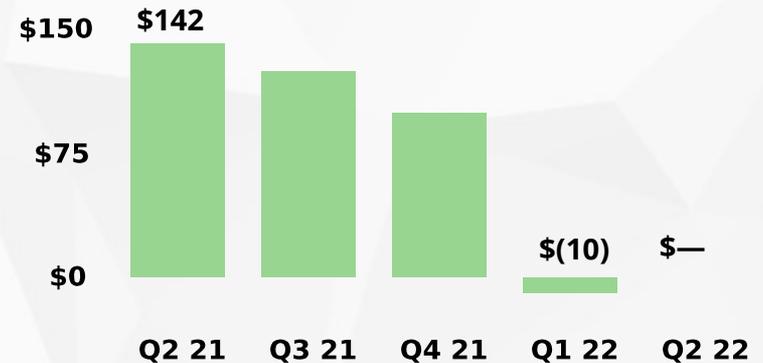
Adjusted EBITDA up 21% y/y as reported
and up 26% CC

Non-GAAP Diluted EPS



Non-GAAP diluted EPS up 15% as reported and up
29% CC; FX impact \$(0.07)

Free Cash Flow

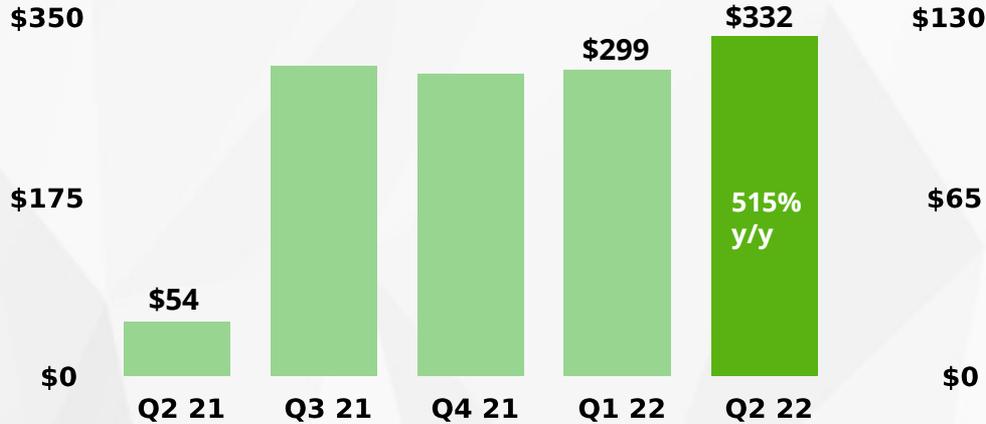


Solid results given near-term investment in
working capital

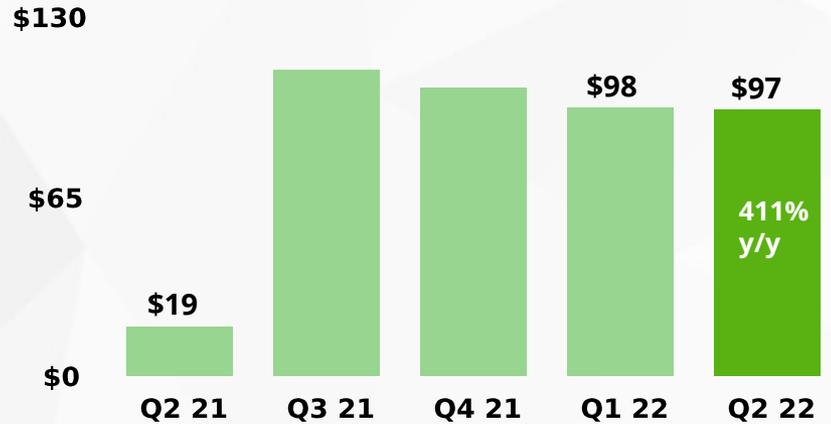
PAYMENTS & NETWORK

\$ in millions

Revenue

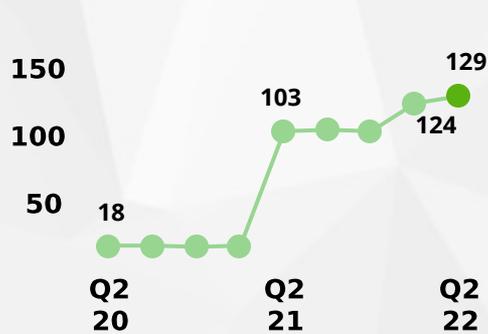


Adjusted EBITDA

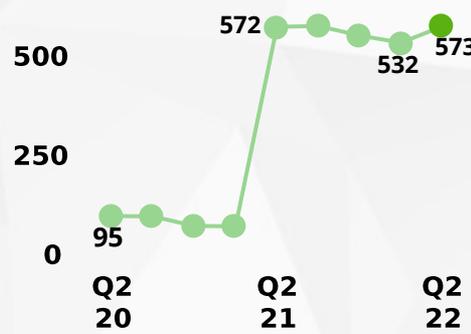


Key Metrics

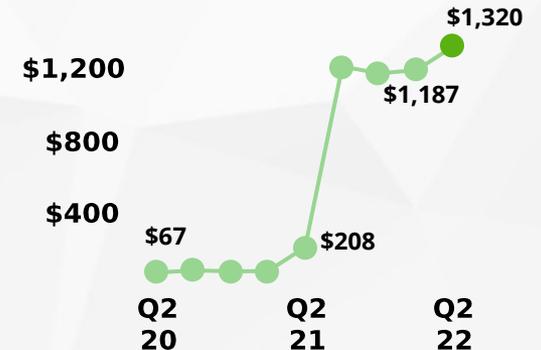
Endpoints (in thousands)



Transactions (in millions)



ARR



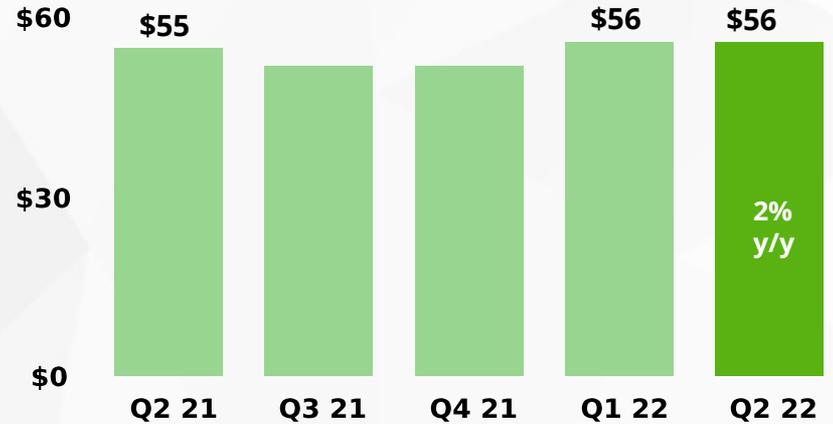
DIGITAL BANKING

\$ in millions

Revenue

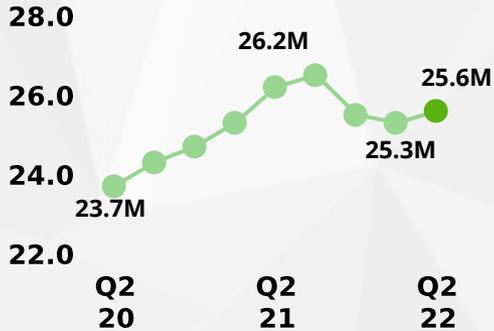


Adjusted EBITDA



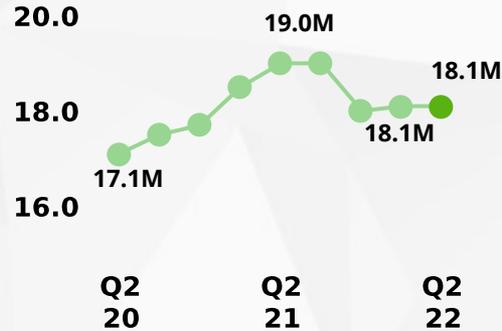
Key Metrics

Registered Users



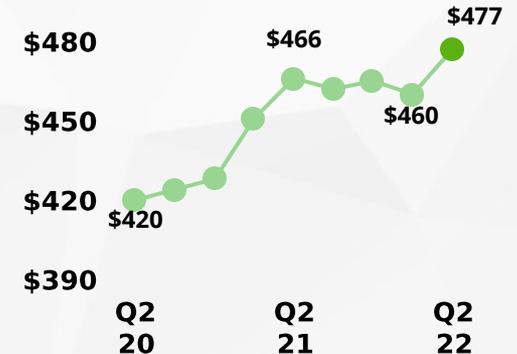
Down 2% y/y

Active Users



Down 5% y/y

ARR

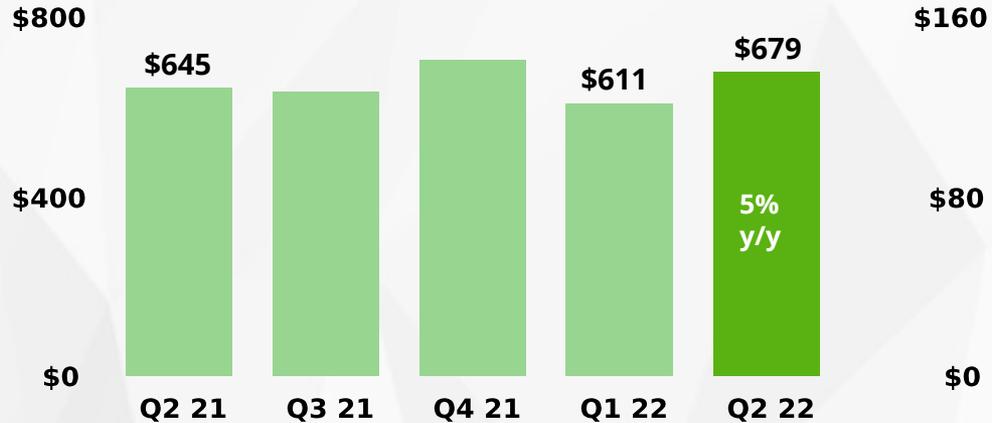


Up 2% y/y

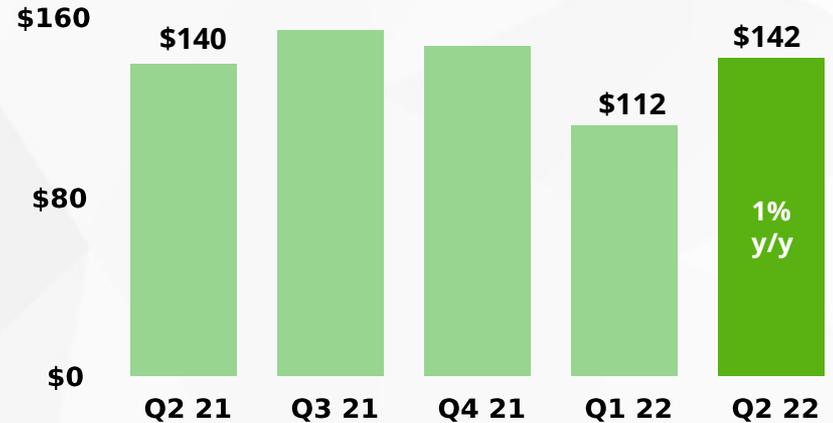
SELF-SERVICE BANKING

\$ in millions, except units and percentages

Revenue

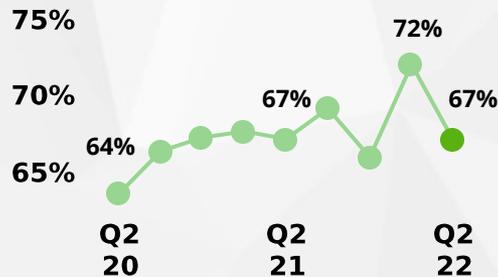


Adjusted EBITDA



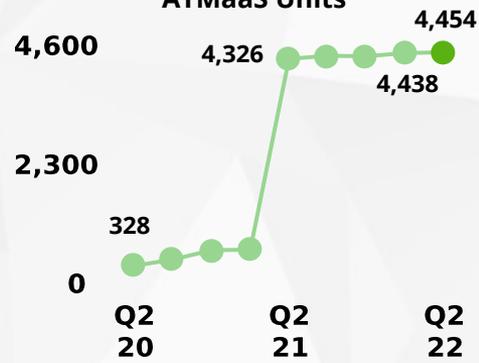
Key Metrics

Software & Services Revenue Mix



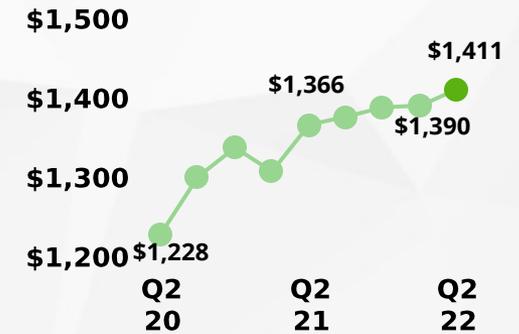
Flat y/y

ATMaaS Units



Up 3% y/y

ARR

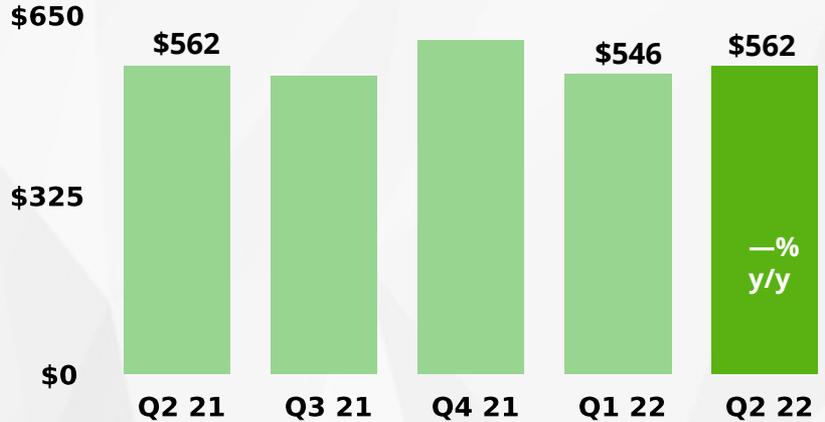


Up 3% y/y

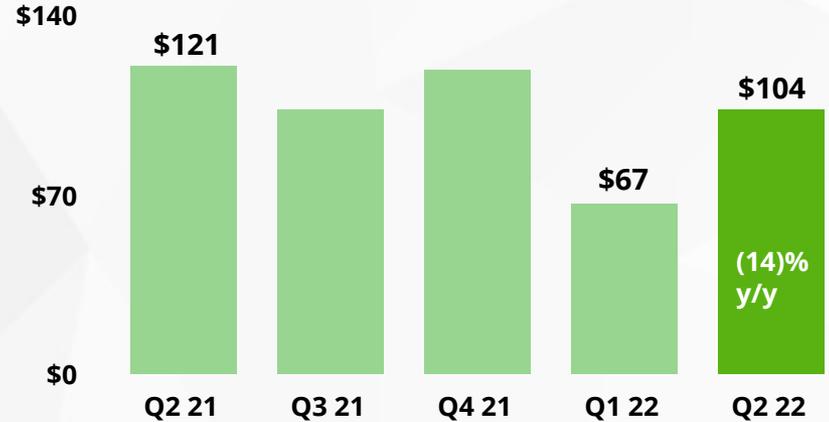
RETAIL

\$ in millions, except platform lanes

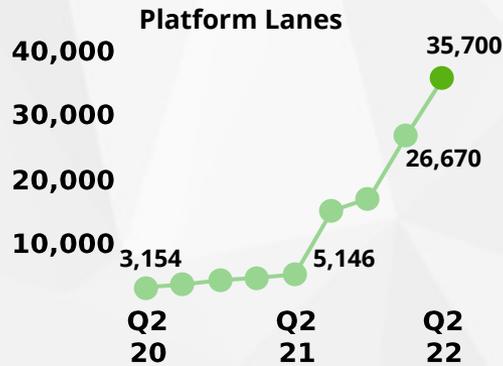
Revenue



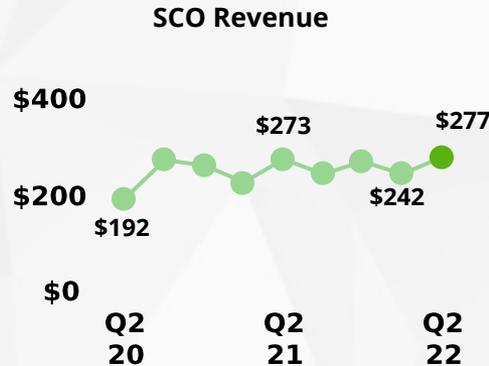
Adjusted EBITDA



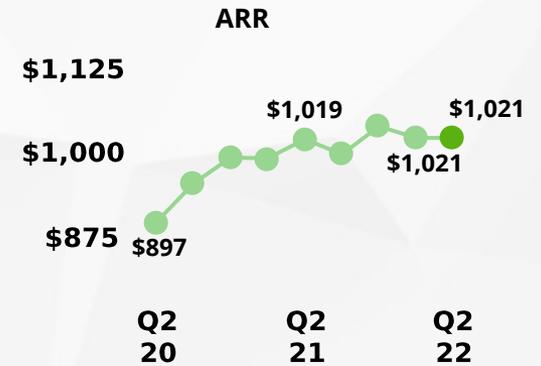
Key Metrics



Up 594% y/y



Up 1% y/y



Flat y/y

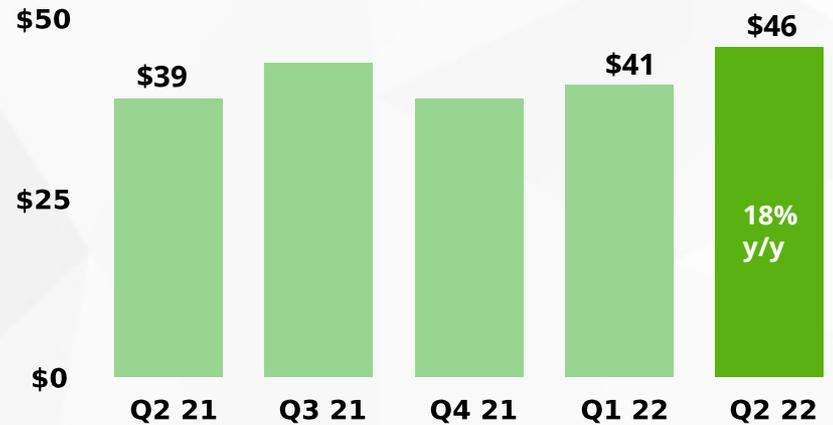
HOSPITALITY

\$ in millions, except site counts

Revenue

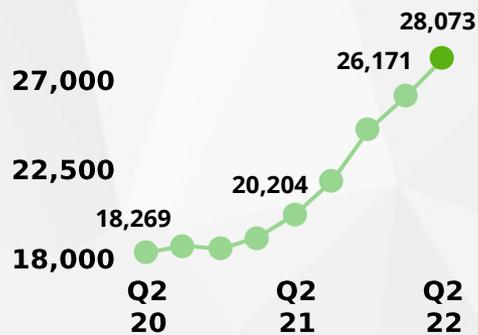


Adjusted EBITDA



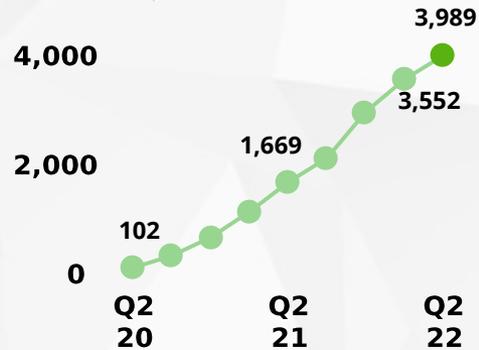
Key Metrics

Platform Sites



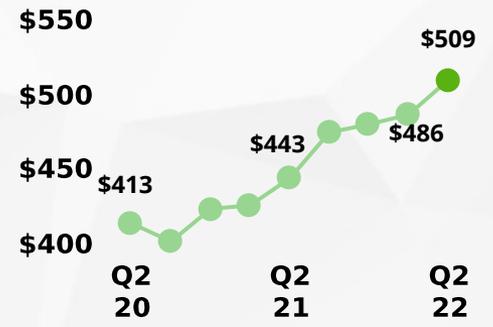
Up 39% y/y

Payments Sites



Up 139% y/y

ARR



Up 15% y/y

FREE CASH FLOW, NET DEBT & EBITDA

\$ in millions

Free Cash Flow	Q2 2022	Q2 2021
Cash provided by operating activities	\$80	\$155
Less: Total capital expenditures	(\$94)	(\$79)
Plus: Restricted cash settlement activity	\$9	\$6
Plus: Pension contributions	\$5	\$5
Plus: Acquisition related items	\$—	\$55
Free Cash Flow	\$—	\$142

Net Debt & EBITDA	Q2 2022	Q1 2022
Debt	\$5,605	\$5,599
Cash	(\$398)	(\$412)
Net Debt	\$5,207	\$5,187
Adjusted EBITDA LTM	\$1,315	\$1,257
Net Debt / Adjusted EBITDA	4.0x	4.1x

LOOKING FORWARD

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

Leverage software and payments platform to increase share of wallet

Drive operational excellence

Continue board-led strategic review process to unlock shareholder value



SUPPLEMENTARY MATERIALS

Q2 2022 GAAP RESULTS

\$ in millions, except per share amounts

	Q2 2022	Q2 2021	% Change
Revenue	\$1,997	\$1,677	19%
Gross Margin	471	456	3%
Gross Margin Rate	23.6%	27.2%	
Operating Expenses	368	372	(1)%
% of Revenue	18.4%	22.2%	
Operating Income	103	84	23%
% of Revenue	5.2%	5.0%	
Interest and other expense, net	(66)	(62)	6%
Income Tax Expense (Benefit)	—	31	
Effective Income Tax Rate	—%	140.9%	
Net Income (Loss) from Continuing Operations (attributable to NCR)	\$35	\$(9)	489%
Diluted EPS from Continuing Operations	\$0.22	\$(0.10)	320%

Q2 2022 OPERATIONAL RESULTS

\$ in millions, except per share amounts

	Q2 2022	Q2 2021	% Change as Reported	% Change Adjusted Constant Currency
Revenue (non-GAAP)	\$1,991	\$1,677	19%	22%
Gross Margin (non-GAAP)	511	472	8%	12%
Gross Margin Rate (non-GAAP)	25.7%	28.1%		
Operating Expenses (non-GAAP)	313	299	5%	6%
% of Revenue	15.7%	17.8%		
Operating Income (non-GAAP)	198	173	14%	23%
% of Revenue	9.9%	10.3%		
Interest and other expense (non-GAAP)	(61)	(49)	24%	24%
Income Tax Expense (non-GAAP)	29	33	(12)%	(12)%
Effective Income Tax Rate (non-GAAP)	21.2%	26.6%		
Net Income (Loss) From Continuing Operations (attributable to NCR) (non-GAAP)	\$106	\$91	16%	34%
Diluted EPS (non-GAAP)	\$0.71	\$0.62	15%	29%

NON-GAAP MEASURES

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

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

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

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 these results is more representative 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.

NON-GAAP MEASURES

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

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

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

Special Item Related to Russia The war in Eastern Europe and related sanctions imposed on Russia and related actors by the United States and other jurisdictions required us to commence the orderly wind down of our operations in Russia beginning in the first quarter of 2022. As of June 30, 2022, we have substantially ceased operations in Russia and are in process of dissolving our only subsidiary in Russia. As a result, for the three months ending June 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 months ended June 30, 2021.

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

GAAP TO NON-GAAP RECONCILIATION

\$ in millions

	Q2 2022	Q1 2022	Q2 2021
Net (Loss) Income from Continuing Operations Attributable to NCR (GAAP)	\$ 35	\$ (33)	(9)
Transformation & Restructuring Costs	49	27	7
Acquisition-Related Amortization of Intangibles	45	41	23
Acquisition-Related Costs	3	5	56
Interest Expense	67	63	61
Interest Income	(2)	(1)	(1)
Depreciation and Amortization	104	103	76
Income Taxes	—	13	31
Stock Compensation Expense	35	34	37
Russia	3	19	—
Adjusted EBITDA (non-GAAP)	\$ 339	\$ 271	281

GAAP TO NON-GAAP RECONCILIATION

\$ in millions

	Q2 2022 LTM	Q1 2022 LTM	Q2 2021 LTM
Net (Loss) Income from Continuing Operations Attributable to NCR (GAAP)	\$ 78	\$ 34	\$ (73)
Pension Mark-to-Market Adjustments	(118)	(118)	34
Transformation & Restructuring Costs	127	85	236
Acquisition-Related Amortization of Intangibles	175	153	83
Acquisition-Related Costs	23	76	77
Loss on Debt Extinguishment	42	42	20
Interest Expense	262	256	217
Interest Income	(7)	(6)	(10)
Depreciation and Amortization	418	390	290
Income Taxes	151	182	28
Stock Compensation Expense	142	144	144
Russia	22	19	—
Adjusted EBITDA (non-GAAP)	\$ 1,315	\$ 1,257	\$ 1,046

ADJUSTED EBITDA BY SEGMENT

\$ in millions

	Q2 2022	Q1 2022	Q2 2021
Payments & Network	\$ 97	\$ 98	\$ 19
Digital Banking	56	56	55
Self-Service Banking	142	112	140
Retail	104	67	121
Hospitality	46	41	39
Corporate and Other	(98)	(97)	(89)
Eliminations	(8)	(6)	(4)
Adjusted EBITDA	\$ 339	\$ 271	\$ 281

GAAP TO NON-GAAP RECONCILIATION

Q2 2022

\$ in millions, except per share amounts

	Q2 QTD 2022 GAAP	Transform ation Costs	Acquisition- related amortization of intangibles	Acquisition- related costs	Russia	Q2 QTD 2022 non-GAAP
Product revenue	\$614	\$—	\$—	\$—	\$(5)	\$609
Service revenue	1,383	—	—	—	(1)	1,382
Total revenue	1,997	—	—	—	(6)	1,991
Cost of products	544	(5)	(2)	—	(2)	535
Cost of services	982	(11)	(25)	(1)	—	945
Gross margin	471	16	27	1	(4)	511
<i>Gross margin rate</i>	23.6%	<i>0.8%</i>	<i>1.4%</i>	<i>0.1%</i>	<i>(0.2)%</i>	25.7%
Selling, general and administrative expenses	309	(25)	(18)	(2)	(2)	262
Research and development expenses	59	(8)	—	—	—	51
Total operating expenses	368	(33)	(18)	(2)	(2)	313
<i>Total operating expense as a % of revenue</i>	<i>18.4%</i>	<i>(1.6)%</i>	<i>(0.9)%</i>	<i>(0.1)%</i>	<i>(0.1)%</i>	15.7%
Income from operations	103	49	45	3	(2)	198
<i>Income from operations as a % of revenue</i>	<i>5.2%</i>	<i>2.4%</i>	<i>2.2%</i>	<i>0.2%</i>	<i>(0.1)%</i>	9.9%
Interest and Other (expense) income, net	(66)	—	—	—	5	(61)
Income from continuing operations before income taxes	37	49	45	3	3	137
Income tax (benefit) expense	—	11	14	1	3	29
<i>Effective income tax rate</i>	—%					21.2%
Income from continuing operations	37	38	31	2	—	108
Net income (loss) attributable to noncontrolling interests	2	—	—	—	—	2
Income from continuing operations (attributable to NCR)	\$35	\$38	\$31	\$2	\$—	\$106
Diluted earnings per share	\$0.22	\$0.25	\$0.21	\$0.01	\$—	\$0.71
Diluted shares outstanding	140.8					150.0

GAAP TO NON-GAAP RECONCILIATION

Q2 2022

\$ in millions, except per share amounts

	Q2 QTD 2022 GAAP	Q2 QTD 2022 non-GAAP
<i>Income from continuing operations attributable to NCR common stockholders:</i>		
Income from continuing operations (attributable to NCR)	\$35	\$106
Dividends on convertible preferred shares	\$(4)	\$—
Income from continuing operations attributable to NCR common stockholders	\$31	\$106
<i>Weighted average outstanding shares:</i>		
Weighted average diluted shares outstanding	140.8	140.8
Weighted as-if converted preferred shares	—	9.2
Total shares used in diluted earnings per share	140.8	150.0
Diluted earnings per share from continuing operations ⁽¹⁾	\$0.22	\$0.71

⁽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

Q2 2021

\$ in millions, except per share amounts

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

GAAP TO NON-GAAP RECONCILIATION

Q2 2021

\$ in millions, except per share amounts

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

⁽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

\$ in millions

	Q2 2022	Q1 2022	Q2 2021
Cash provided by operating activities	\$80	\$38	\$155
Less: Total capital expenditures	\$(94)	\$(80)	\$(79)
Plus: Pension contributions	\$5	\$4	\$5
Plus: Restricted Cash Settlement Activity	\$9	\$28	\$6
Plus: Acquisition Related Items	\$—	\$—	\$55
Free Cash Flow	\$—	\$(10)	\$142

GAAP TO NON-GAAP RECONCILIATION

\$ in millions, except per share amounts

Q2 2022 Operational Results	% Change as Reported	Favorable (Unfavorable) FX Impact	% Change Adjusted Constant Currency
Revenue (non-GAAP)	19%	(3)%	22%
Gross Margin (non-GAAP)	8%	(4)%	12%
Operating Expenses (non-GAAP)	5%	(1)%	6%
Operating Income (non-GAAP)	14%	(9)%	23%
Interest and other expense (non-GAAP)	24%	—%	24%
Income Tax Expense (non-GAAP)	(12)%	—%	(12)%
Net Income (Loss) From Continuing Operations (attributable to NCR) (non-GAAP)	16%	(18)%	34%
Diluted EPS (non-GAAP)	15%	(14)%	29%
Recurring Revenue	31%	(4)%	35%
Adjusted EBITDA	21%	(5)%	26%



THANK YOU

