
Q3 2020 EARNINGS CONFERENCE CALL

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OWEN SULLIVAN, COO
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October 27, 2020



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”), including statements containing the words “expect,” “intend,” “plan,” “believe,” “will,” “should,” “would,” “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 plans to manage its business through the novel strain of the coronavirus identified in late 2019 (“COVID-19”) pandemic and the health and safety of our customers and employees; the expected impact of the COVID-19 pandemic on NCR’s Banking, Retail and Hospitality segments including the impact on our customers’ businesses and their ability to pay; expectations regarding our operating goals and actions to manage these goals; expectations regarding our cash flow generation, cash reserve, liquidity, financial flexibility and impact of the COVID-19 pandemic on our employee base; expectations regarding our ability to capitalize on market opportunities; expectations regarding long-term strategy and our ability to create stockholder value; NCR’s financial outlook; expectations regarding our continued focus on our long-term fundamentals, including, but, not limited to, execution of NCR’s recurring revenue strategy and accelerated growth including its transformation to an as-a-Service company; and NCR’s expected areas of focus to drive growth and create long-term stockholder value. 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 28, 2020, 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 27, 2020, and NCR does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as otherwise required by law.

NOTES TO INVESTORS

NON-GAAP MEASURES. While NCR reports its results in accordance with generally accepted accounting principles in the United States (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, expressed on a constant currency (CC) basis; 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.

USE OF CERTAIN TERMS. As used in these materials:

- (i) the term "CC" means constant currency, and;
- (ii) 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, certain professional services arrangements as well as term-based software license arrangements that include customer termination rights.

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

Q3 2020 OVERVIEW

FREE CASH FLOW of \$150M in Q3 and \$299M YTD

EBITDA margin rate **EXPANSION** to 15.7%

RECURRING REVENUE up 6% CC

REDUCED LEVERAGE while maintaining **STRONG LIQUIDITY** Position

ADJUSTING to COVID-19 environment; Hardware Challenged

STRATEGIC UPDATE

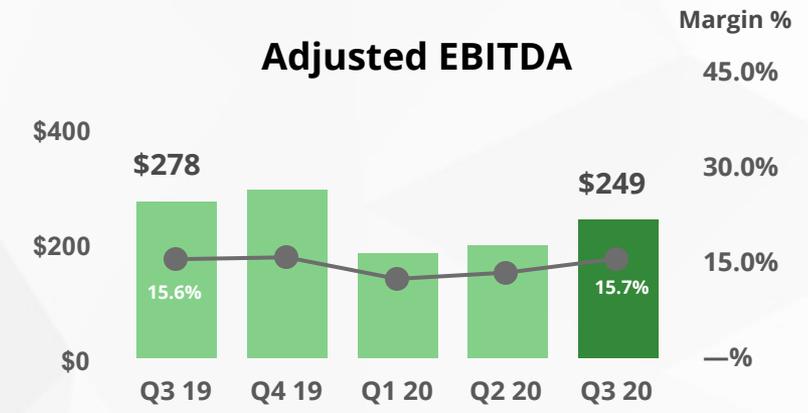
- Successful progress on 80/60/20 goals
- Banking - Accelerating shift to recurring software revenue
- Retail - Gaining traction on self-checkout solutions
- Hospitality - Momentum in Aloha Essentials continues
- Accelerating NCR as a Service transformation
- Continue to invest in strategic platforms

Q3 2020 FINANCIAL RESULTS

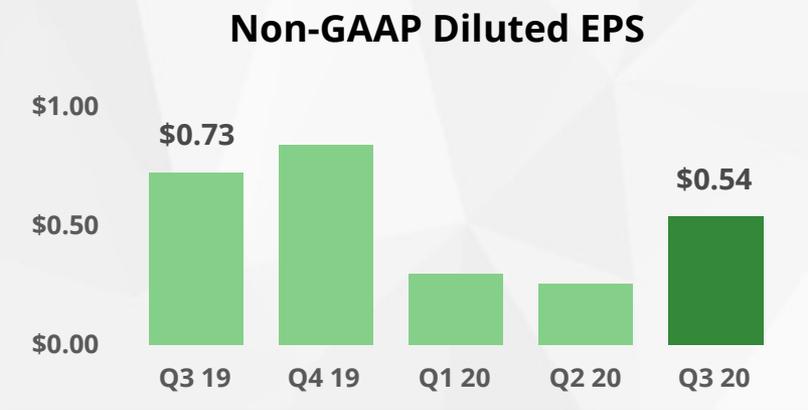
\$ in millions, except for EPS



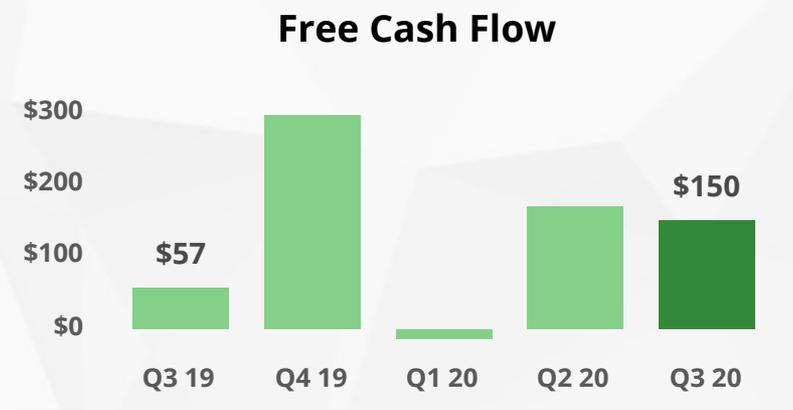
Revenue down 11% as reported and CC Decline due to COVID-19 and shift to recurring



Adjusted EBITDA down 10% Decline due to COVID-19 and shift to recurring



Non-GAAP EPS down due to decline in operating earnings

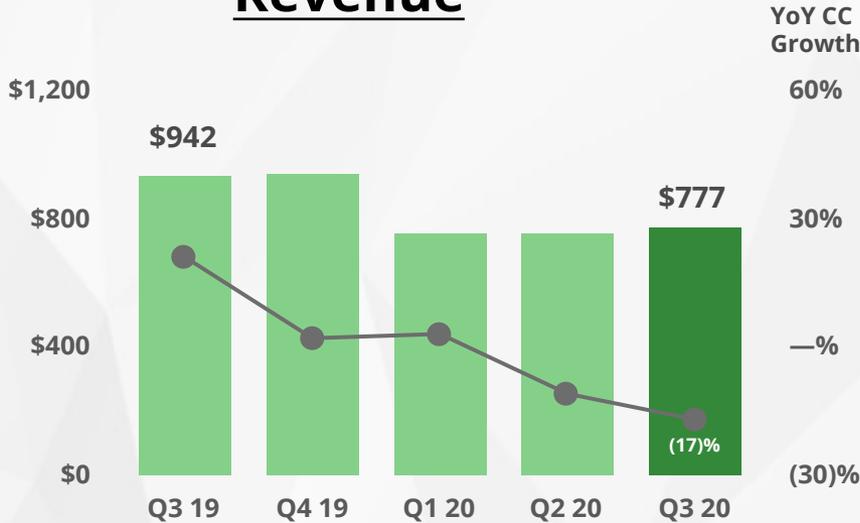


Free cash flow up due to working capital improvements

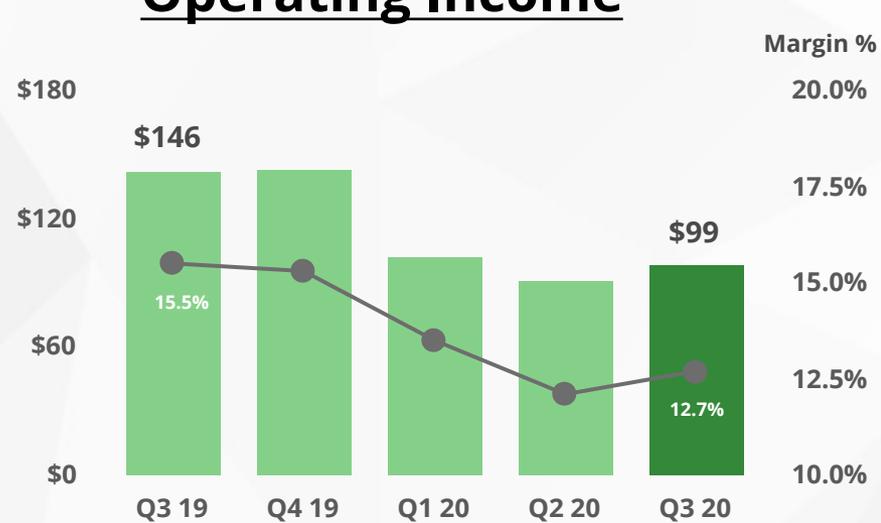
BANKING

\$ in millions

Revenue



Operating Income



Key Highlights

- Revenue down 17% CC due to a 40% decline in ATM hardware revenue. An accelerated shift from selling perpetual software licenses to recurring revenue also impacted the year-over-year revenue comparison.
- Operating Income down driven by the decline in revenue partially offset by a reduction in operating expenses.

RETAIL

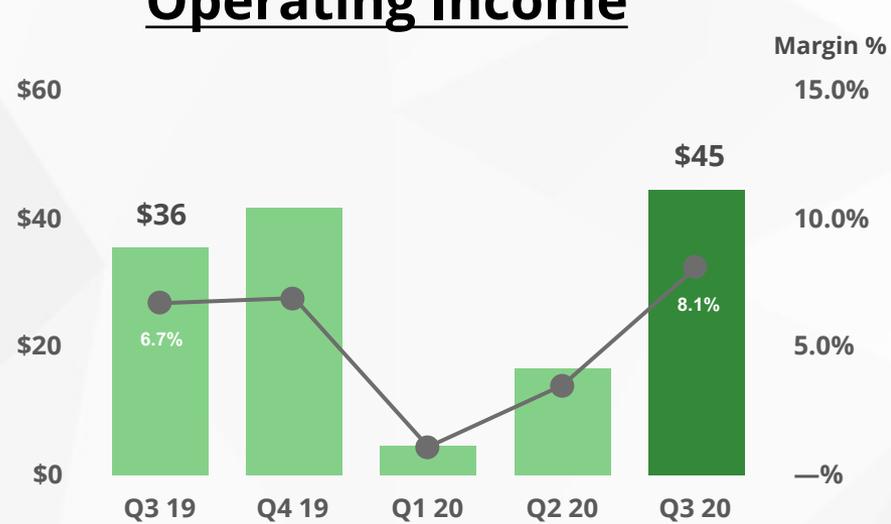


\$ in millions

Revenue



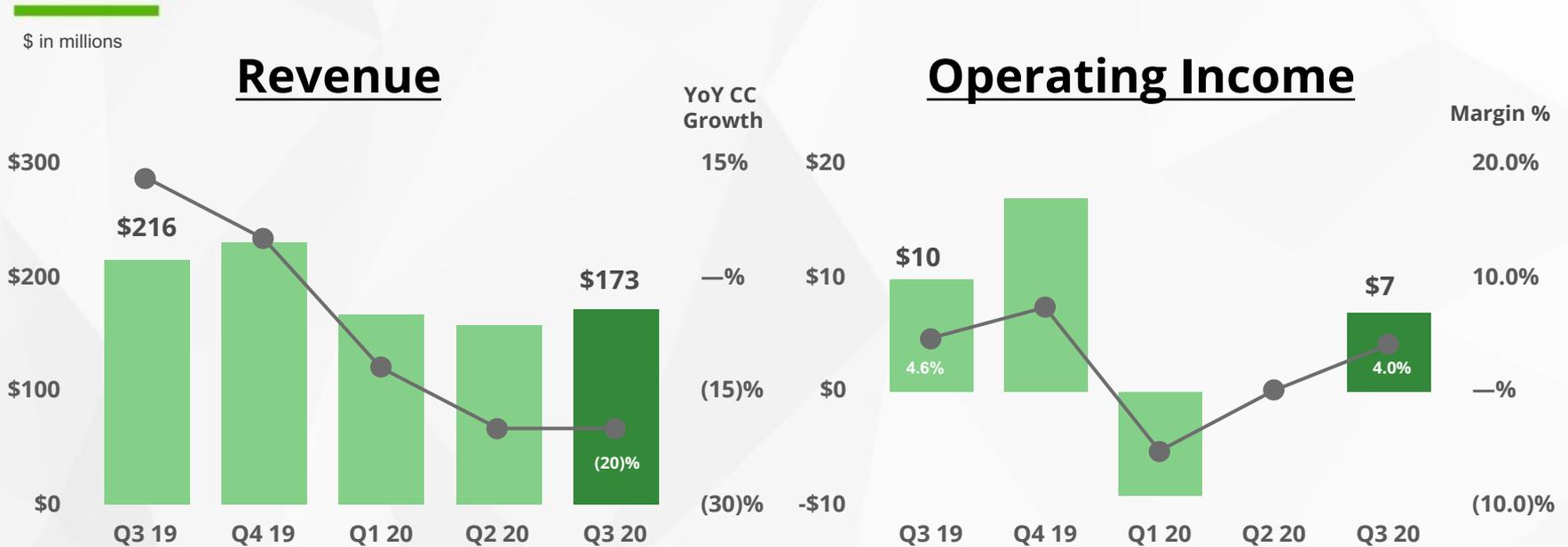
Operating Income



Key Highlights

- Revenue up 2% CC due to increase in self-checkout revenue and services revenue partially offset by lower point-of-sale revenue.
- Operating Income up driven by higher revenue and reduction in operating expenses.

HOSPITALITY



Key Highlights

- Revenue down 20% CC driven primarily by a decline in hardware revenue.
- Operating Income down driven by the reduction in revenue partially offset by a reduction in operating expenses.

SUPPLEMENTAL REVENUE

\$ in millions

	Q3 2020	Q3 2019	% Change	% Change CC
Software	\$468	\$512	(9%)	(9%)
Services	\$655	\$640	2%	3%
Hardware	\$466	\$631	(26%)	(26%)
<i>ATM</i>	\$219	\$368	(40%)	(40%)
<i>SCO/POS</i>	\$247	\$263	(6%)	(7%)
Total Revenue	\$1,589	\$1,783	(11%)	(11%)
Software & Services %	71%	65%		
Recurring Revenue	\$848	\$806	5%	6%
Recurring Revenue %	53%	45%		

Key Highlights

- Software decline driven by the shift from perpetual to recurring revenue
- Services growth driven by an increase in hardware maintenance and managed services revenue
- Hardware decline driven by lower ATM and point-of-sale revenue partially offset by higher self-checkout revenue
- Recurring Revenue growth driven by success shifting from perpetual to recurring model as well as continued growth in recurring services revenue

FREE CASH FLOW, NET DEBT & EBITDA

\$ in millions

Free Cash Flow	QTD		YTD	
	Q3 2020	Q3 2019	Q3 2020	Q3 2019
Cash provided by Operating Activities	\$212	\$155	\$495	\$226
Total capital expenditures	(\$60)	(\$82)	(\$200)	(\$220)
Cash used in Discontinued Operations	(\$2)	(\$16)	\$4	(\$27)
Free Cash Flow	\$150	\$57	\$299	(\$21)

Net Debt & EBITDA	Q3 2020	Q2 2020	Q3 2019
Debt	\$4,488	\$4,690	\$3,630
Cash	(\$1,605)	(\$1,681)	(\$388)
Net Debt	\$2,883	\$3,009	\$3,242
Adjusted EBITDA LTM	\$937	\$966	\$1,045
Net Debt / Adjusted EBITDA	3.1x	3.1x	3.1x

CAPITAL STRUCTURE UPDATE

SUMMARY OF TRANSACTIONS

- Redeemed notes due in 2022 and 2023 for \$1.3B
- New bond offering for 8-yr and 10-yr notes for \$1.1B

- Retired 132,000 Series A Convertible Preferred Stock for \$144M in Q4 2020

- Paid down \$470M of revolver in Q4 2020

BENEFITS

- Extended weighted average debt maturity
- Reduced refinancing risk
- Reduces interest expense \$19M annually

- Eliminates \$7M annual dividends in 2021
- Reduces dilutive share count by 4.4M

- Reduces interest expense by \$8M annually

**~\$800M deployed in capital transactions
Expected to reduce annual interest by \$27M
plus annual dividends by \$7M for \$34M total savings**

LOOKING FORWARD

- Execute NCR As-A-Service 80/60/20 Strategy
- Maintain strong cash reserve and financial flexibility
- Drive cash flow generation
- Building momentum for 2021 execution
- Virtual Investor Day December 3, 2020



SUPPLEMENTARY MATERIALS

Q3 2020 GAAP RESULTS

\$ in millions, except per share amounts

	Q3 2020	Q3 2019	% Change As Reported
Revenue	\$1,589	\$1,783	(11%)
Gross Margin	427	507	(16)%
Gross Margin Rate	26.9%	28.4%	
Operating Expenses	309	335	(8)%
% of Revenue	19.4%	18.8%	
Operating Income	118	172	(31)%
% of Revenue	7.4%	9.6%	
Interest and other expense	(86)	(64)	34%
Income Tax Expense (Benefit)	—	4	(100)%
Effective Income Tax Rate	—%	3.7%	
Net Income from Continuing Operations (attributable to NCR)	\$31	\$105	(70)%
Diluted EPS	\$0.19	\$0.21	(10)%

Q3 2020 OPERATIONAL RESULTS

\$ in millions, except per share amounts

	Q3 2020	Q3 2019	% Change As Reported	% Change Constant Currency
Revenue	\$1,589	\$1,783	(11%)	(11%)
Gross Margin (non-GAAP)	446	513	(13)%	(13)%
Gross Margin Rate (non-GAAP)	28.1%	28.8%	(70 bps)	(70 bps)
Operating Expenses (non-GAAP)	288	311	(7%)	(8%)
% of Revenue	18.1%	17.4%	70bps	60bps
Operating Income (non-GAAP)	158	202	(22%)	(21%)
% of Revenue	9.9%	11.3%	(140)bps	(130)bps
Interest and other expense (non-GAAP)	(66)	(58)	14%	10%
Income Tax Expense (non-GAAP)	14	34	(59)%	(59)%
Effective Income Tax Rate (non-GAAP)	15.2%	23.6%		
Net Income (Loss) From Continuing Operations (attributable to NCR) (non-GAAP)	77	111	(31)%	(27)%
Diluted EPS (non-GAAP)	\$0.54	\$0.73	(26%)	(25%)

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.

Operating Income (non-GAAP), Diluted EPS (non-GAAP), Gross Margin (non-GAAP), Gross Margin Rate (non-GAAP), Interest and Other expense (non-GAAP), Effective Income Tax Rate (non-GAAP), Net Income (non-GAAP), Operating Expenses (non-GAAP) and Income Tax Expense (non-GAAP). NCR's operating income (non-GAAP), diluted earnings per share (non-GAAP), gross margin (non-GAAP), gross margin rate (non-GAAP), interest and other expense (non-GAAP), effective income tax rate (non-GAAP), and net income (non-GAAP), operating expenses (non-GAAP) and income tax expense (non-GAAP) are determined by excluding pension mark-to-market adjustments, pension settlements, pension curtailments and pension special termination benefits, and other special items, including amortization of acquisition related intangibles as well as transformation and restructuring charges, from NCR's GAAP income (loss) from operations, earnings per share, gross margin, gross margin rate, interest and other expense, effective income tax rate, net income, operating expenses and income tax expense, 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 also uses operating income (non-GAAP) and non-GAAP diluted EPS, to manage and determine the effectiveness of its business managers and as a basis for incentive compensation. 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 and cash flow provided by/used in discontinued operations less capital expenditures for property, plant and equipment, additions to capitalized software, discretionary 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 a uniform definition under GAAP and, therefore, NCR's definition may differ from other companies' definition of this measure.

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 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.

Net Debt and Adjusted EBITDA. 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 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 Adjusted EBITDA (adjusted earnings before interest, taxes, depreciation and amortization) 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 determines Adjusted EBITDA for a given period based on its GAAP net income from continuing operations attributable to NCR plus interest expense, net; plus income tax expense (benefit); plus depreciation and amortization; plus other income (expense); plus pension mark-to-market adjustments, pension settlements, pension curtailments and pension special termination benefits, and other special items, including amortization of acquisition related intangibles as well as transformation and restructuring charges. 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.

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.

NON-GAAP MEASURES

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

Net Income from Continuing Operations (GAAP) to Adjusted EBITDA (non-GAAP)

	Q3 2020 LTM	Q2 2020 LTM	Q3 2019 LTM	Q3 2020	Q3 2019
Net (Loss) Income from Continuing Operations Attributable to NCR (GAAP)	\$ 502	\$ 576	\$ 197	\$ 31	\$ 105
Pension Mark-to-Market Adjustments	75	75	(45)	—	—
Transformation & Restructuring Costs	43	31	172	19	7
Acquisition-Related Amortization of Intangibles	84	85	85	21	22
Acquisition-Related Costs	2	3	6	—	1
Internal reorganization & IP Transfer	(37)	(37)	—	—	—
Loss on Debt Extinguishment	20	—	—	20	—
Interest Expense	221	214	186	60	53
Interest Income	(6)	(4)	(5)	(3)	(1)
Depreciation and Amortization	260	249	235	70	59
Income Taxes	(334)	(330)	121	—	4
Stock Compensation Expense	107	104	93	31	28
Adjusted EBITDA (non-GAAP)	\$ 937	\$ 966	\$ 1,045	\$ 249	\$ 278

GAAP TO NON-GAAP RECONCILIATION

Q3 2020

\$ in millions, except per share amounts

	Q3 QTD 2020 GAAP	Transformation Costs	Acquisition- related amortization of intangibles	Debt Refinancing	Q3 QTD 2020 non-GAAP
Product revenue	\$521	\$—	\$—	\$—	\$521
Service revenue	1,068	—	—	—	1,068
Total revenue	1,589	—	—	—	1,589
Cost of products	452	(10)	(2)	—	440
Cost of services	710	(4)	(3)	—	703
Gross margin	427	14	5	—	446
<i>Gross margin rate</i>	<i>26.9%</i>	<i>0.9%</i>	<i>0.3%</i>	<i>—%</i>	<i>28.1%</i>
Selling, general and administrative expenses	254	(2)	(16)	—	236
Research and development expenses	55	(3)	—	—	52
Total operating expenses	309	(5)	(16)	—	288
<i>Total operating expense as a % of revenue</i>	<i>19.4%</i>	<i>(0.3)%</i>	<i>(1.0)%</i>	<i>—%</i>	<i>18.1%</i>
Income from operations	118	19	21	—	158
<i>Income from operations as a % of revenue</i>	<i>7.4%</i>	<i>1.2%</i>	<i>1.3%</i>	<i>—%</i>	<i>9.9%</i>
Interest and Other (expense) income, net	(86)	—	—	20	(66)
Income from continuing operations before income taxes	32	19	21	20	92
Income tax (benefit) expense	—	5	4	5	14
<i>Effective income tax rate</i>	<i>—%</i>				<i>15.2%</i>
Income from continuing operations	32	14	17	15	78
Net income (loss) attributable to noncontrolling interests	1	—	—	—	1
Income from continuing operations (attributable to NCR)	\$31	\$14	\$17	\$15	\$77
Diluted earnings per share	\$0.19	\$0.10	\$0.12	\$0.10	\$0.54
Diluted shares outstanding	129.7				143.3

GAAP TO NON-GAAP RECONCILIATION

Q3 2020

\$ in millions, except per share amounts

	Q3 QTD 2020 GAAP	Q3 QTD 2020 non- GAAP
<i>Income from continuing operations attributable to NCR common stockholders:</i>		
Income from continuing operations (attributable to NCR)	\$31	\$77
Dividends on convertible preferred shares	(6)	—
Income from continuing operations attributable to NCR common stockholders	\$25	\$77
<i>Weighted average outstanding shares:</i>		
Weighted average diluted shares outstanding	129.7	129.7
Weighted as-if converted preferred shares	—	13.6
Total shares used in diluted earnings per share	129.7	143.3
Diluted earnings per share ⁽¹⁾	\$0.19	\$0.54

⁽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 2019

\$ in millions, except per share amounts

	Q3 QTD 2019 GAAP	Transformati on & Restructuring Costs	Acquisition- related amortization of intangibles	Acquisition- related costs	Debt Refinancing	Valuation Allowance Release	Q3 QTD 2019 non-GAAP
Product revenue	\$712	\$—	\$—	\$—	\$—	\$—	\$712
Service revenue	1,071	—	—	—	—	—	1,071
Total revenue	1,783	—	—	—	—	—	1,783
Cost of products	555	—	(2)	—	—	—	553
Cost of services	721	(1)	(3)	—	—	—	717
Gross margin	507	1	5	—	—	—	513
<i>Gross margin rate</i>	28.4%	<i>0.1%</i>	<i>0.3%</i>	<i>—%</i>	<i>—%</i>	<i>—%</i>	28.8%
Selling, general and administrative expenses	271	(6)	(17)	(1)	—	—	247
Research and development expenses	64	—	—	—	—	—	64
Total expenses	335	(6)	(17)	(1)	—	—	311
<i>Total expense as a % of revenue</i>	18.8%	<i>(0.3)%</i>	<i>(1.0)%</i>	<i>(0.1)%</i>	<i>—%</i>	<i>—%</i>	17.4%
Income from operations	172	7	22	1	—	—	202
Income from operations as a % of revenue	9.6%	0.4%	1.2%	0.1%	—%	—%	11.3%
Interest and Other (expense) income, net	(64)	—	—	—	6	—	(58)
Income from continuing operations before income taxes	108	7	22	1	6	—	144
Income tax expense	4	2	4	(2)	1	25	34
<i>Effective income tax rate</i>	3.7%						23.6%
Income from continuing operations	104	5	18	3	5	(25)	110
Net income attributable to noncontrolling interests	(1)	—	—	—	—	—	(1)
Income from continuing operations (attributable to NCR)	\$105	\$5	\$18	\$3	\$5	(\$25)	\$111
Diluted (loss) earnings per share	\$0.21	\$0.03	\$0.12	\$0.02	\$0.03	(\$0.17)	\$0.73
Diluted shares outstanding	123.4						151.2

GAAP TO NON-GAAP RECONCILIATION

Q3 2019

\$ in millions, except per share amounts

	Q3 QTD 2019 GAAP	Q3 QTD 2019 non-GAAP
<i>Income from continuing operations attributable to NCR common stockholders:</i>		
Income from continuing operations (attributable to NCR)	\$105	\$111
Dividends on convertible preferred shares	(\$79)	\$—
Income from continuing operations attributable to NCR common stockholders	\$26	\$111
<i>Weighted average outstanding shares:</i>		
Weighted average diluted shares outstanding	123.4	123.4
Weighted as-if converted preferred shares	—	27.8
Total shares used in diluted earnings per share	123.4	151.2
Diluted earnings per share ⁽¹⁾	\$0.21	\$0.73

⁽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 2020

\$ in millions

	Q3 2020	Q3 2019
	Operating Income	Operating Income
Banking	\$99	\$146
Retail	45	36
Hospitality	7	10
Other	7	10
Total Operating Income (non-GAAP)	158	202
Less:		
Transformation and restructuring costs	19	7
Acquisition-related amortization of intangibles	21	22
Acquisition-related costs	—	1
Total Operating Income (GAAP)	\$118	\$172

GAAP TO NON-GAAP RECONCILIATION

Q3 2020

		Q3 2020	
	Revenue Growth % Reported	Favorable (unfavorable) FX impact	Constant Currency Revenue Growth % (non-GAAP)
Banking	(18%)	(1%)	(17%)
Retail	3%	1%	2%
Hospitality	(20%)	—%	(20%)
Other	(3%)	2%	(5%)
Total Revenue	(11%)	—%	(11%)

GAAP TO NON-GAAP RECONCILIATION

Q3 2020

		Q3 2020	
	Revenue Growth % Reported	Favorable (unfavorable) FX impact	Constant Currency Revenue Growth % (non-GAAP)
Software	(9%)	—%	(9%)
Services	2%	(1%)	3%
Hardware	(26%)	—%	(26%)
ATM	(40%)	—%	(40%)
SCO/POS	(6%)	1%	(7%)
Total Revenue	(11)%	—%	(11)%
Recurring Revenue	5%	(1%)	6%

GAAP TO NON-GAAP RECONCILIATION

Q3 2020

Q2 2020 Operational Results	% Change As Reported	Favorable (unfavorable) FX impact	% Change Constant Currency
Revenue	(11%)	—%	(11%)
Gross Margin (non-GAAP)	(13%)	—%	(13%)
Gross Margin Rate (non-GAAP)	(70 bps)	— bps	(70 bps)
Operating Expenses (non-GAAP)	(7%)	1%	(8%)
% of Revenue	70 bps	10 bps	60 bps
Operating Income (non-GAAP)	(22%)	(1%)	(21%)
% of Revenue	(140 bps)	(10 bps)	(130 bps)
Interest and other expense (non-GAAP)	14%	4%	10%
Income Tax Expense (non-GAAP)	(59%)	—%	(59%)
Net Income (Loss) From Continuing Operations (attributable to NCR) (non-GAAP)	(31%)	(4%)	(27%)
Diluted EPS (non-GAAP)	(26%)	(1%)	(25%)



THANK YOU

