

# Second Quarter 2024 Earnings Call

Wednesday, August 14<sup>th</sup>, 2024

**Tim Oliver**, President & Chief Executive Officer

**Paul Campbell**, Chief Financial Officer

**Stuart Mackinnon**, Chief Operating Officer



# FORWARD-LOOKING STATEMENTS

NCR Atleos Corporation (“NCR Atleos,” “Atleos” or the “Company”) cautions that comments made during this presentation 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 “estimate,” “expect,” “target,” “anticipate,” “outlook,” “intend,” “plan,” “confident,” “believe,” “will,” “would,” “potential,” “positioned,” “may,” and words of similar meaning, as well as other words or expressions referencing future events, conditions or circumstances. We intend for 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 the Company's plans, targets, 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 the future commercial or financial performance of the Company following the separation from NCR Voyix Corporation (“Voyix” or “NCR Voyix”), and value creation and ability to innovate and drive growth generally as a result of such transaction; the expected financial performance of the Company for 2024; the Company's net leverage ratio targets for year-end 2024 and long-term; our expected areas of focus and strategy to drive growth and profitability and create long-term stockholder value, including key performance indicator targets and expectations for 2024; the Company's focus on advancing strategic growth initiatives and transforming the Company into a software-led ATM as a service company with a higher mix of recurring revenue streams, including the Company's focus on driving efficiencies and standardizing cloud-native service offerings; statements regarding redeployment priorities, and future capital allocation priorities and our expected free cash flow for 2024; and our expectations of NCR Atleos' ability to deliver increased value to customers and stockholders.

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 the Company's control, including the failure of NCR Atleos to achieve some or all of the expected strategic benefits or opportunities expected from the spin-off, that NCR Atleos may incur material costs and expenses as a result of the spin-off, that NCR Atleos has no pre-spin operating history as an independent, publicly traded company, and NCR Atleos' historical and pro forma financial information is not necessarily representative of the results that it would have achieved as a separate, publicly traded company and therefore may not be a reliable indicator of its future results, NCR Atleos' obligation to indemnify NCR Voyix pursuant to the agreements entered into connection with the spin-off (including with respect to material taxes) and the risk NCR Voyix may not fulfill any obligations to indemnify NCR Atleos under such agreements, that under applicable tax law, NCR Atleos may be liable for certain tax liabilities of NCR Voyix following the spin-off if NCR Voyix were to fail to pay such taxes, that agreements binding on NCR Atleos restrict it from taking certain actions after the distribution that could adversely impact the intended U.S. federal income tax treatment of the distribution and related transactions, potential liabilities arising out of state and federal fraudulent conveyance laws, the fact that NCR Atleos may receive worse commercial terms from third-parties for services it presently receives from NCR Voyix, that after the spin-off, certain of NCR Atleos' executive officers and directors may have actual or potential conflicts of interest because of their previous positions at NCR Voyix, potential difficulties in maintaining relationships with key personnel, NCR Atleos will not be able to rely on the earnings, assets or cash flow of NCR Voyix and NCR Voyix will not provide funds to finance NCR Atleos' working capital or other cash requirements. 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. As you read and consider this presentation, you should understand that these statements are not guarantees of performance or results. Although the Company believes that assumptions underlying the forward-looking statements contained herein are reasonable, should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, any of these statements included herein may prove to be inaccurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by us or any other person that the results or conditions described in such statements or our objectives and plans will be achieved. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties. Additional information concerning these and other factors can be found in the Company's filings with the U.S. Securities and Exchange Commission (“SEC”), including the Company's registration statement on Form 10 and amendments thereto, the final information statement, included as an exhibit to the Company's current report on Form 8-K filed with the SEC on August 15, 2023, the Company's annual report on Form 10-K filed with the SEC on March 26, 2024, quarterly reports on Form 10-Q and current reports on Form 8-K. These materials are dated August 13, 2024, and Atleos 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 Atleos 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: adjusted gross margin rate (non-GAAP); diluted earnings per share (non-GAAP); adjusted free cash flow-unrestricted; adjusted gross margin (non-GAAP); net debt; adjusted EBITDA; adjusted EBITDA growth; adjusted EBITDA margin; the ratio of net debt to adjusted EBITDA or Net Leverage Ratio; adjusted income from operations (non-GAAP); adjusted interest and other expense (non-GAAP); adjusted income tax expense (non-GAAP); effective income tax rate (non-GAAP); and adjusted net income attributable to Atleos (non-GAAP). These measures are included to provide additional useful information regarding Atleos' 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 Atleos' website at [www.ncratleos.com](http://www.ncratleos.com). Descriptions of many of these non-GAAP measures are also included in Atleos' SEC reports.

**TRADEMARKS.** All trademarks, service marks and trade names appearing in this presentation are, to our knowledge, the property of their respective owners. We do not intend our use or display of other companies' trademarks, service marks, copyrights or trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

**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, processing revenue, interchange and network revenue, Bitcoin-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 "LTM" means last twelve months.
- (iv) the term "ARPU" means average revenue per unit.
- (v) the term "ATMaaS" means ATM as a Service, our turnkey, end-to-end ATM platform solution.

These presentation materials and the associated remarks made during this conference call are integrally related and are intended to be presented and understood together. Websites referenced in this presentation are not incorporated by reference into the presentation.

# Business Update

**Tim Oliver**

President and Chief Executive Officer

# Strong Performance and Momentum

## Good Q2



Strong interest from customers with growing sales pipeline and customer orders



Gained commercial momentum with milestones in significant product and service offerings



Q2 financial results were at or above the high-end of guidance ranges



Recurring revenue grew 9% y/y and represented 73% of consolidated revenue



Sequential margin expansion and positive free cash flow generation

## Solid First Half



Building a track record of consistency with strong financial performance in the first two quarters as a separate company



Strategic and operating initiatives progressed well and achieved objectives



Network Utility Banking continued to grow, secured vital renewals, and expanded with new tenants, transaction types, and geographies



Established foundation as independent company & accelerated separation from Voyix

## On Track for a Successful 2024



Banks are investing in branches and better consumer experiences, and seeking efficiency



Sales funnel is developing well in all markets, reinforcing our key strategy pillars led by ATMaaS



Continuous improvement is progressing and achieving efficiency gains



Updated & reaffirmed 2024 financial targets

# Segment Highlights

## Self-Service Banking

- Recurring revenue grew 12% y/y to 63% of segment revenue, led by software and services growth
- Operational execution drove continued improvement in key service and efficiency metrics
- Order volume increased sequentially and was up high single digits y/y for the first half of the year
- ATMaas revenue increased 31% to \$47 million y/y; growing customer interest added incremental opportunity to a robust sales pipeline



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Bank of Abyssinia






## Network

- Transaction growth, more profitable mix, and operating leverage drove double digit adjusted EBITDA growth
- Utility banking continues to gain traction with 15% growth for Allpoint surcharge free withdrawals to a new record high
- Progress on new transaction sets, including deposit acceptance with financial institution partners, cash payout for gig workers, and commercial deposit acceptance
- Renewed flagship financial institution partners to the Allpoint network, including expanded Branded ATMs in approximately 4,000 Walgreens locations



# Key Objectives for 2024

2024 Objectives	2024 Initiatives	Q2 2024 Progress Update
 <p><b>Differentiate &amp; Grow</b></p>	<ul style="list-style-type: none"> <li>■ Offer best-in-class solutions and service</li> <li>■ Leverage existing operations</li> <li>■ Expand markets and transaction sets</li> <li>■ Advance ATMaas model</li> </ul>	<ul style="list-style-type: none"> <li>✓ Achieved critical milestones in product development and service delivery</li> <li>✓ Grew ATMaas revenue 31% to \$47 million with the backlog and pipeline up sequentially, and identified opportunities to broaden adoption</li> <li>✓ Significant progress in building new transaction sets for the Network business</li> </ul>
 <p><b>Optimize Resource Allocation</b></p>	<ul style="list-style-type: none"> <li>■ Establish a culture of continuous improvement</li> <li>■ Identify and realize efficiency opportunities</li> <li>■ Apply disciplined approach to investment</li> <li>■ Allocate capital to enhance shareholder value</li> </ul>	<ul style="list-style-type: none"> <li>✓ Completed reorganization of customer service and business operations</li> <li>✓ Launched additional productivity initiatives that are part of our project plan that is expected to generate over \$100 million in annualized savings</li> </ul>
 <p><b>Complete Separation</b></p>	<ul style="list-style-type: none"> <li>■ Complete the transfer of operations in certain markets that remained after transaction close</li> <li>■ Wind down TSA agreements</li> </ul>	<ul style="list-style-type: none"> <li>✓ 69% of total TSA's have been wound down</li> <li>✓ Transferred 2 stranded markets from Voyix in Q2; 2 left and expected to transfer by Q3</li> </ul>

# Financial Review

**Paul Campbell**

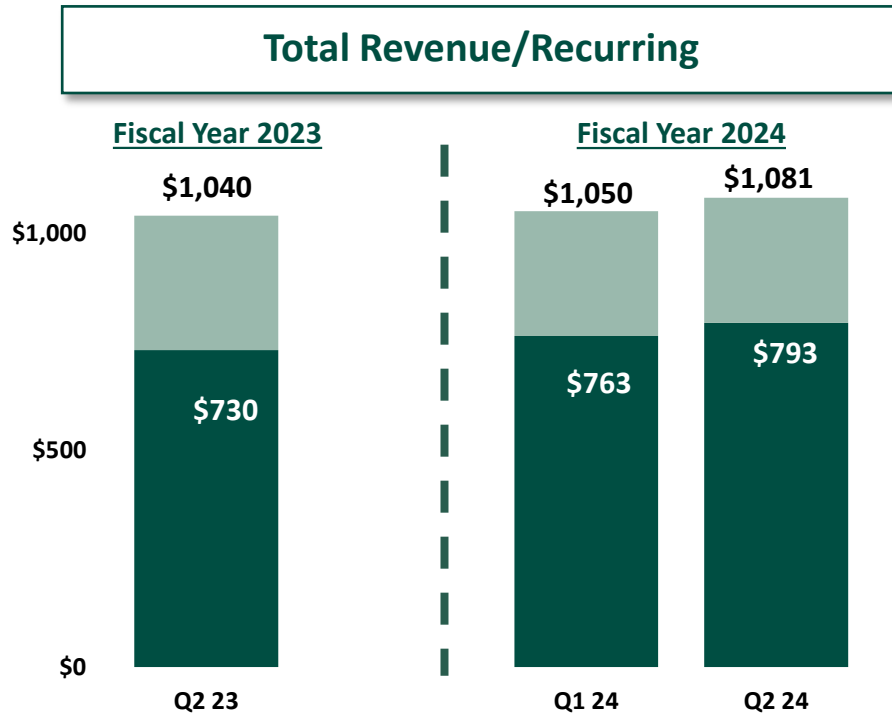
Chief Financial Officer



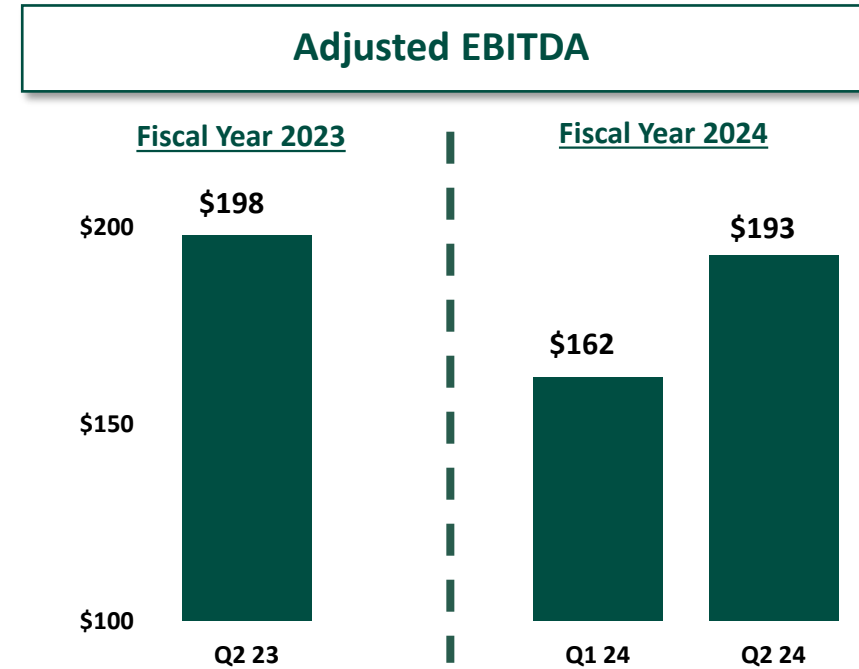
# Q2 2024 CONSOLIDATED FINANCIAL RESULTS

\$ in millions, except percentages and per share amounts

## ■ Second Quarter Non-GAAP Diluted EPS of \$0.81



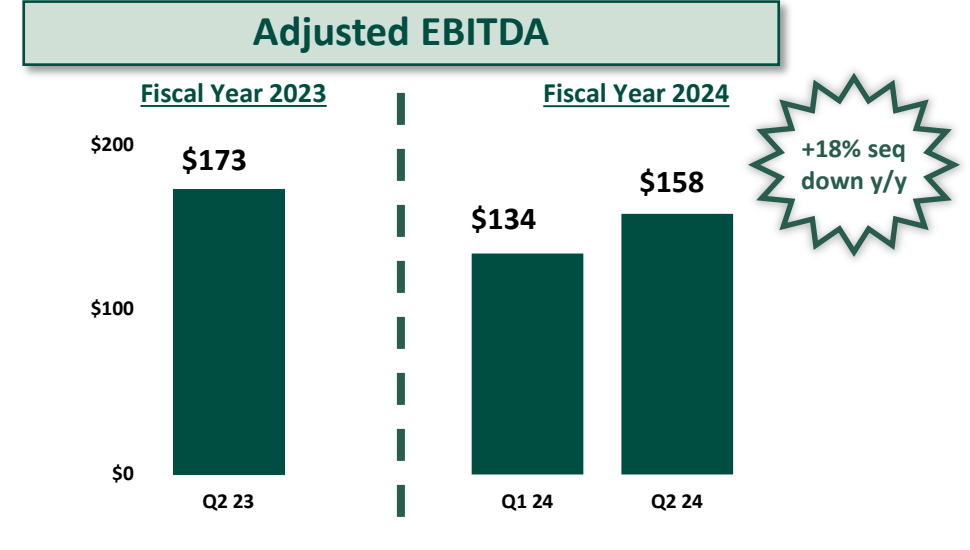
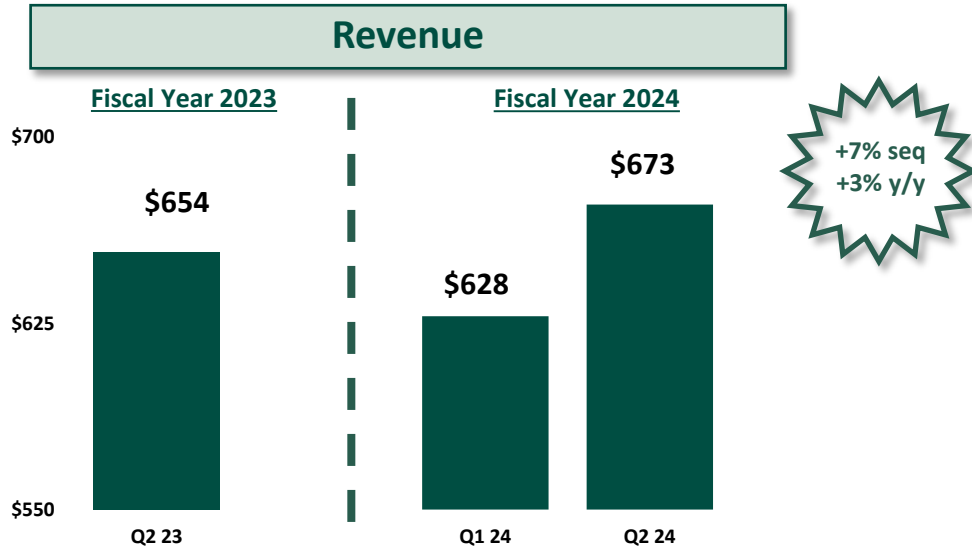
- Q2 '24 Revenue of \$1,081M, +4% y/y
- Q2 '24 Recurring Revenue of \$793M, +9% y/y



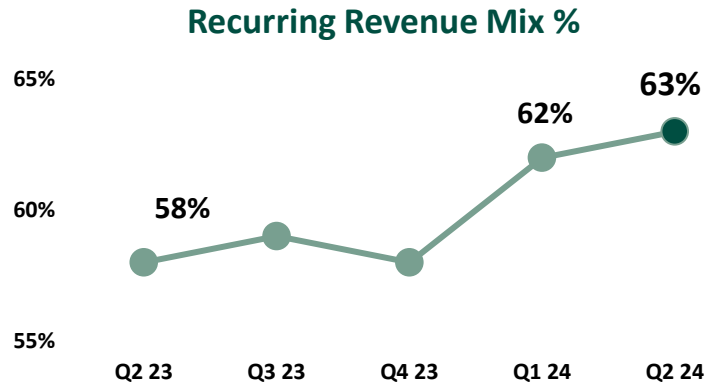
- Q2 '24 Adjusted EBITDA of \$193M, -3% y/y; Adjusted EBITDA margin of 17.9%
- Decrease in Adjusted EBITDA due to anticipated dis-synergies and external macro headwinds
- Q2 Adjusted Free Cash Flow of \$16M

# SELF-SERVICE BANKING

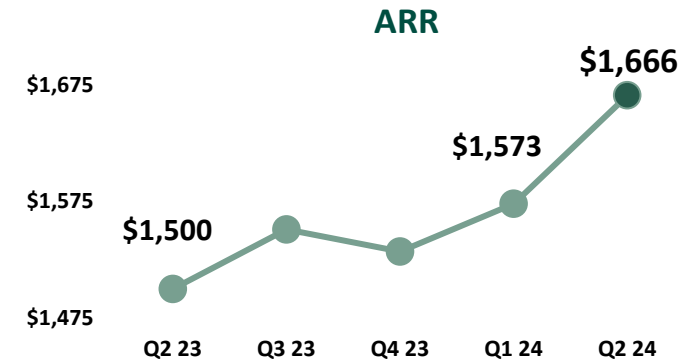
\$ in millions, except percentages



## Key Strategic Metrics



- Up 500 bps y/y**
- Growth in Software and Services
  - ATMaas gaining traction

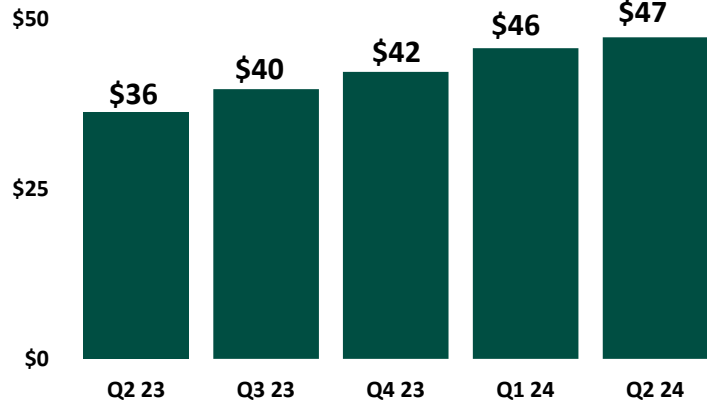


- Up 11% y/y**
- Growth in Software and Services

# ATM as a Service

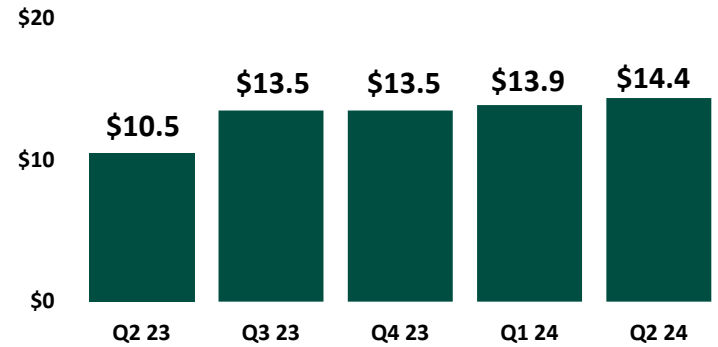
\$ in millions, except units, ARPU, and percentages

## Revenue



+2% seq  
+31% y/y

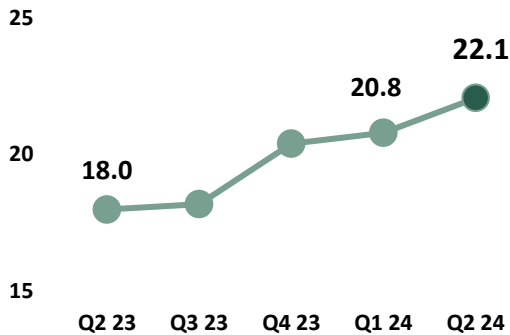
## Gross Profit<sup>1</sup>



+4% seq  
+37% y/y

## Key Strategic Metrics

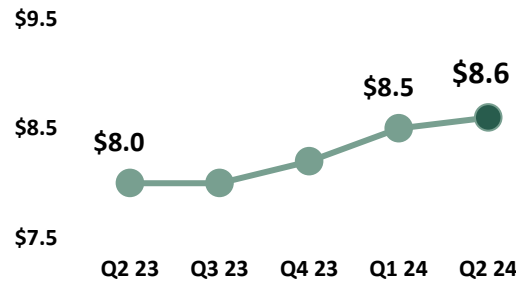
### ATMaaS Units (in thousands)



**Up 23% y/y**

- ATMaaS gaining traction
- ATMaaS backlog up to 4,000+ units

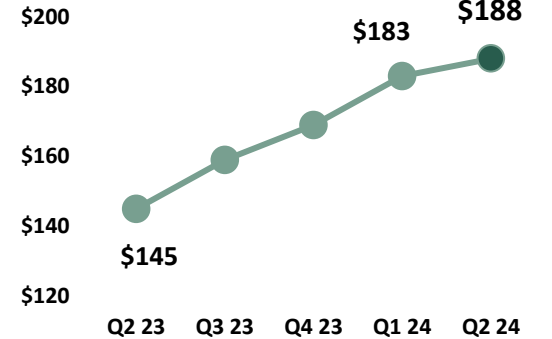
### LTM ARPU (in thousands)



**Up 8% y/y**

- Growth in higher yield regions

### ARR (in millions)

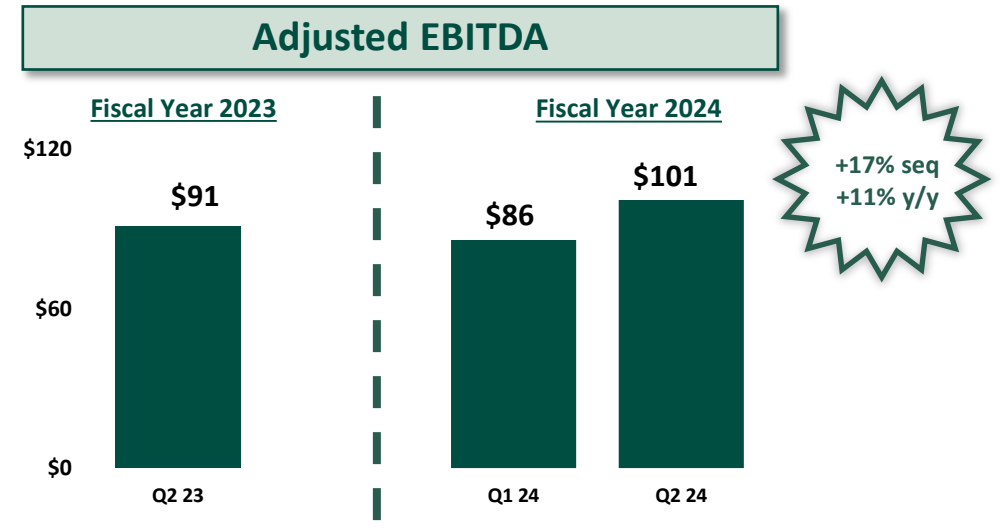
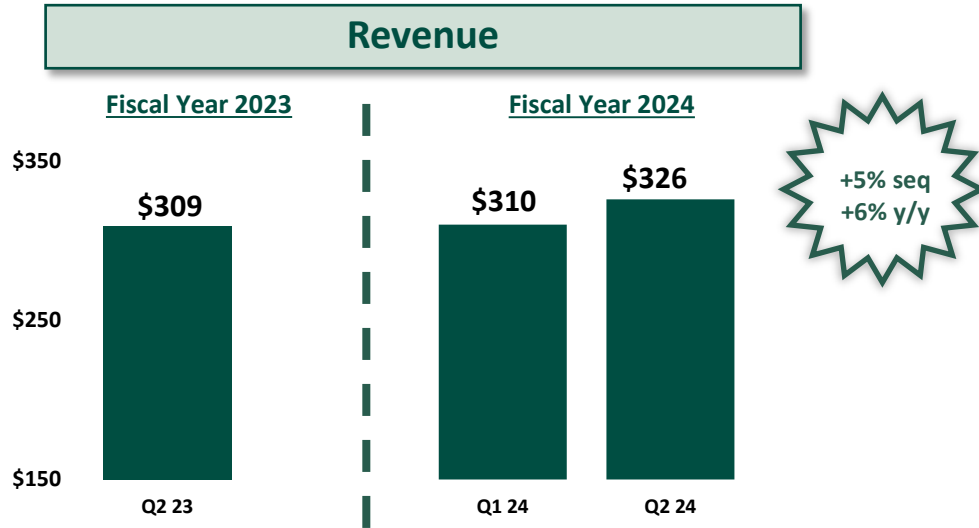


**Up 30% y/y**

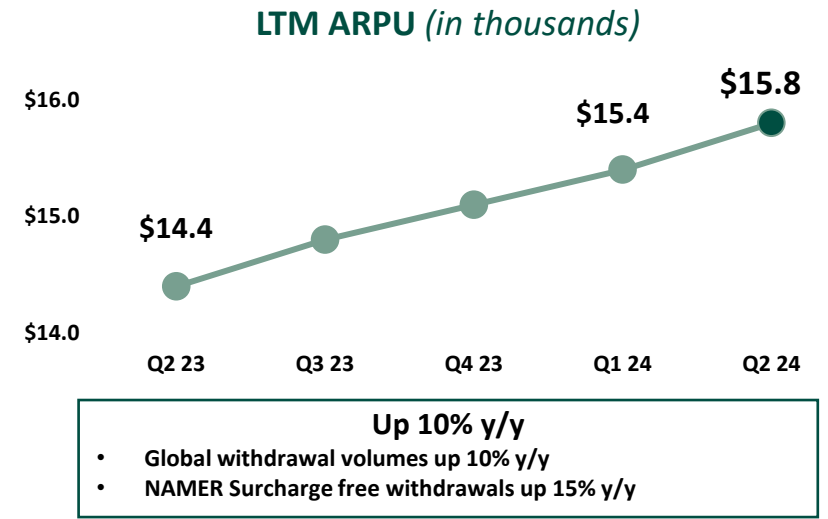
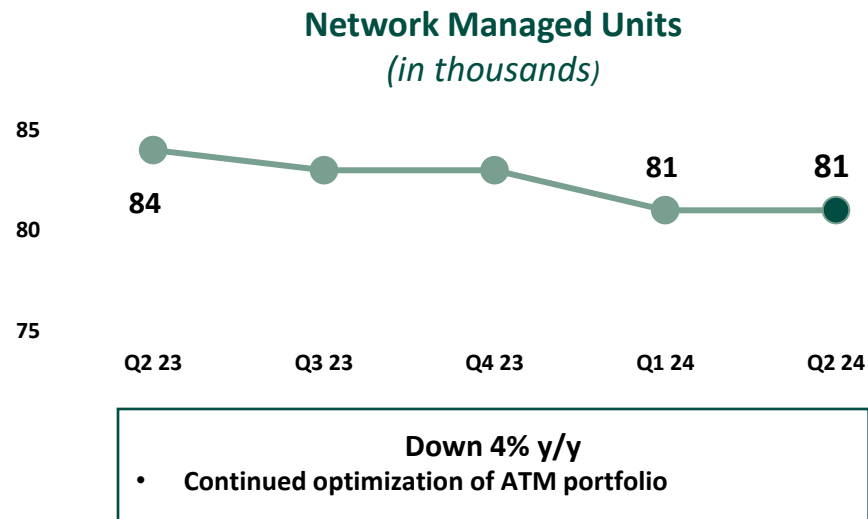
- Increase in ATMaaS Units

# NETWORK

\$ in millions, except units, ARPU, and percentages



## Key Strategic Metrics



# Segment Results Summary

\$ in millions

Revenue	Q2 2024	Q2 2023	% Change
Self-Service Banking	\$673	\$654	3%
Network	326	309	6%
Technology & Telecommunications	51	49	4%
<b>Total Core Revenues</b>	<b>\$1,050</b>	<b>\$1,012</b>	<b>4%</b>
Other	31	28	11%
<b>Total Atleos</b>	<b>\$1,081</b>	<b>\$1,040</b>	<b>4%</b>
Adjusted EBITDA	Q2 2024	Q2 2023	% Change
Self-Service Banking	\$158	\$173	(9%)
Network	101	91	11%
Technology & Telecommunications	8	6	33%
Corporate	(77)	(81)	5%
<b>Total Core Adj. EBITDA</b>	<b>\$190</b>	<b>\$189</b>	<b>1%</b>
Other	3	9	(67%)
<b>Total Atleos</b>	<b>\$193</b>	<b>\$198</b>	<b>(3%)</b>
Adjusted EBITDA Margin	Q2 2024	Q2 2023	bps Change
Self-Service Banking	23.5%	26.5%	-300 bps
Network	31.0%	29.4%	+160 bps
Technology & Telecommunications	15.7%	12.2%	+ 350 bps
Corporate	n/m	n/m	n/m
<b>Total Core Adj. EBITDA Margin</b>	<b>18.1%</b>	<b>18.7%</b>	<b>-60 bps</b>
Other	9.7%	32.1%	n/m
<b>Total Atleos</b>	<b>17.9%</b>	<b>19.0%</b>	<b>-110 bps</b>

# Product Results Summary

\$ in millions

- Our strategy is focused on generating incremental revenue and profit by facilitating efficient and convenient automated banking services
- We achieve this by growing recurring, higher margin revenue streams in services, transactions, and software that can be scaled up across our installed base of hardware
- In the big picture we are agonistic about where & how we capture incremental revenue and profit – ATM as a Service or through Utility Banking
- Note: For this graphic Q1 2024 is a base level from which the Company plans to build out a trailing five quarter view

Revenue	Q2 2024	Q1 2024
Services & Software	\$540	\$514
Transactional (Network segment)	319	303
Hardware	191	172
<b>Total Core Revenues</b>	<b>\$1,050</b>	<b>\$989</b>
Other – Voyix	31	61
<b>Total Atleos Revenue</b>	<b>\$1,081</b>	<b>\$1,050</b>

Gross Profit (Non-GAAP) <sup>1</sup>	Q2 2024	Q1 2024
Services & Software	\$169	\$163
Transactional (Network Segment)	96	83
Hardware	37	29
Corporate unallocated	(30)	(37)
<b>Total Core Gross Profit</b>	<b>\$272</b>	<b>\$238</b>
Other – Voyix	4	6
<b>Total Atleos Gross Profit</b>	<b>\$276</b>	<b>\$244</b>

# Cash Flow and Financial Position

\$ in millions

Free Cash Flow	Q2 2024	Q2 2023
Adjusted EBITDA	\$193	\$198
Less Maintenance capital expenditures <sup>(3)</sup>	(\$13)	(\$14)
Less Growth capital expenditures <sup>(3)</sup>	(\$11)	n/m
Less ATMaas capital expenditures <sup>(3)</sup>	(\$8)	n/m
Cash paid for Taxes	(\$11)	(\$13)
Cash paid for Interest	(\$108)	n/m
Change in Working Capital	(\$8)	(\$99)
Other items	(\$18)	n/m
<b>Adj. Free Cash Flow – Unrestricted</b>	<b>\$16</b>	<b>\$72</b>

Balance Sheet & Liquidity	June 30, 2024	December 31, 2023
Liquidity	\$672	\$676
Revolving Credit Availability	\$298	\$337
Cash (unrestricted) <sup>1</sup>	\$374	\$339
Total Debt	\$3,005	\$3,014
Net Debt <sup>2</sup>	\$2,631	\$2,675
<b>Net Leverage Ratio<sup>2</sup></b>	<b>3.5X</b>	<b>3.7X</b>

(1) Cash and cash equivalents as presented in our Condensed Consolidated Balance Sheets.

(2) Refer to the definitions in the supplementary section of the presentation.

(3) Reflects management's assessment for Q2 2024 and Q2 2023 capital expenditures.

# 2024 Financial Outlook

\$ in millions, except per share amounts and percentages

Consolidated	Q3 2024 Targets	Prior FY 2024 Targets	Updated FY 2024 Targets
	Range	Range	Range
Revenue	\$1,045 - \$1,075	\$4,200 - \$4,400	\$4,260 - \$4,340
Adjusted EBITDA	\$195 - \$205	\$770 - \$800	\$770 - \$800
Fully Diluted EPS (non-GAAP)	\$0.71 - \$0.81	\$2.90 - \$3.20	\$2.90 - \$3.20
Adj. Free Cash Flow – Unrestricted	\$40 - \$60	\$170 - \$230	\$190 - \$220
Interest Expense	\$75 - \$80	~\$290	\$295-\$305
Effective Tax Rate (non-GAAP)	~28%	~26%	~26%
Fully Diluted Share Count (non-GAAP)	~74.8	~75.3	~75



# 2024 Segment Financial Outlook

\$ In millions	Q3 2024 Targets		FY 2024 Targets (Updated)	
Segments	Range		Range	
<b>Revenue</b>				
Self Service Banking	\$655 - \$670		\$2,655 - \$2,690	
Network	\$325 - \$335		\$1,280 - \$1,310	
Technology & Telecommunications	\$43 - \$45		\$188 - \$197	
Other – Voyix Related	\$22 - \$25		\$137 - \$143	
<b>Total Consolidated Revenue</b>	<b>\$1,045 - \$1,075</b>		<b>\$4,260 - \$4,340</b>	
<b>Adjusted EBITDA</b>				
Self Service Banking	\$160 - \$165		\$625 - \$645	
Network	\$100 - \$105		\$385 - \$400	
Technology & Telecommunications	\$8 - \$9		\$35 - \$40	
Other – Voyix Related	\$1 - \$3		\$12 - \$16	
Corporate – Overhead & OIE	(\$74) - (\$77)		(\$287) - (\$301)	
<b>Total Consolidated Adj EBITDA</b>	<b>\$195 - \$205</b>		<b>\$770 - \$800</b>	

# Takeaways



Good Second Quarter Results at high-end of Guidance



Solid Revenue growth in all Atleos Core businesses



Implemented Strategic actions for a strong 2024



Full Year 2024 Guidance Ranges Reaffirmed & Narrowed

# SUPPLEMENTARY MATERIALS

# Certain Terms & Key Performance Indicators (KPIs)

Recurring revenue - 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, processing revenue, interchange and network revenue, Bitcoin-related revenue, and certain professional services arrangements, as well as term-based software license arrangements that include customer termination rights.

Annual recurring revenue or "ARR"- recurring revenue, excluding software licenses 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.

LTM - Last twelve months

*ARPU - average revenue per unit*

*ATM - Automated teller machine*

*ATM as a Service ("ATMaaS") - our turnkey, end-to-end ATM platform solution, whereby we own the ATM and provide comprehensive managed services solutions to financial institutions*

*Liquidity - Borrowing capacity under our senior secured Revolving Credit Facility plus unrestricted cash and cash equivalents*

*Hardware revenue - revenue related to ATM and other hardware sales*

*Services revenue - revenue related to hardware and software maintenance, professional services, and ATMaaS*

*Software revenue - revenue related to software license, software maintenance and professional installation services*

*Transactional revenue - revenue related to payment transaction processing services, interchange and other network revenue as well as Bitcoin-related revenue*

# NON-GAAP MEASURES

While Atleos 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 Atleos' financial results, and are not a substitute for their comparable GAAP measures.

***Non-GAAP Diluted Earnings Per Share (EPS), Adjusted Gross Margin (non-GAAP), Adjusted Gross Margin Rate (non-GAAP), Adjusted Operating Expenses (non-GAAP), Adjusted Income from Operations (non-GAAP), Adjusted Operating Margin Rate (non-GAAP), Adjusted Interest and Other (Expense) (non-GAAP), Adjusted Income Tax Expense (non-GAAP), Adjusted Effective Income Tax Rate (non-GAAP), and Adjusted Net Income from Continuing Operations Attributable to Atleos (non-GAAP).*** Atleos' non-GAAP diluted EPS, adjusted gross margin (non-GAAP), adjusted gross margin rate (non-GAAP), adjusted operating expenses (non-GAAP), operating income (non-GAAP), operating margin rate (non-GAAP), interest and other (expense) (non-GAAP), income tax expense (non-GAAP), adjusted effective income tax rate (non-GAAP), and adjusted net income from continuing operations attributable to Atleos (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 separation-related costs, amortization of acquisition related intangibles, stock-based compensation expense, and transformation and restructuring activities, from Atleos' GAAP earnings per share, gross margin, gross margin rate, expenses, income from operations, operating margin rate, interest and other income (expense), income tax expense, effective income tax rate and net income from continuing operations attributable to Atleos, respectively. Due to the nature of these special items, Atleos' management uses these non-GAAP measures to evaluate year-over-year operating performance. Atleos believes these measures are useful for investors because they provide a more complete understanding of Atleos' underlying operational performance, as well as consistency and comparability with Atleos' past reports of financial results.

***Adjusted Free Cash Flow-Unrestricted (FCF).*** Atleos defines adjusted free cash flow-unrestricted as net cash provided by (used in) operating activities less capital expenditures for property, plant and equipment, less additions to capitalized software, plus/minus the change in restricted cash settlement activity, plus/minus net reductions or reinvestment in the trade receivables facility established in the fourth quarter of 2023 due to fluctuations in the outstanding balance of receivables sold, plus/minus financing payments/receipts of owned ATM capital expenditures, and plus pension contributions and pension settlements. Restricted cash settlement activity represents the net change in amounts collected on behalf of, but not yet remitted to, certain of the Company's merchant customers or third-party service providers that are pledged for a particular use or restricted to support these obligations. These amounts can fluctuate significantly period to period based on the number of days for which settlement to the merchant has not yet occurred or day of the week on which a reporting period ends. Atleos' management uses adjusted free cash flow-unrestricted 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, adjusted free cash flow-unrestricted 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. Adjusted free cash flow-unrestricted does not represent the residual cash flow available for discretionary expenditures since there may be other non-discretionary expenditures that are not deducted from the measure. Adjusted free cash flow-unrestricted does not have uniform definitions under GAAP and, therefore, Atleos' definitions may differ from other companies' definitions of these measures.

# NON-GAAP MEASURES

**Net Debt.** Atleos 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 as presented on the face of the Condensed Consolidated Balance Sheets. Atleos believes that Net Debt provides useful information to investors because Atleos' 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 Atleos' Net Debt as part of their assessments of Atleos' business.

**Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA).** Atleos determines Adjusted EBITDA based on GAAP Net income attributable to Atleos plus interest expense, net; plus income tax expense (benefit); plus depreciation and amortization; plus acquisition-related costs; plus pension mark-to-market adjustments, pension settlements, pension curtailments and pension special termination benefits; plus separation-related costs; plus transformation and restructuring charges (which includes integration, severance and other exit and disposal costs); plus stock-based compensation expense; plus other special (expense) income items. These adjustments are considered non-operational or non-recurring in nature and are excluded from the Adjusted EBITDA metric utilized by our chief operating decision maker ("CODM") in evaluating segment performance and are separately delineated to reconcile back to total reported income attributable to Atleos. Atleos uses Adjusted EBITDA to manage and measure the performance of its business segments. Atleos also uses Adjusted EBITDA to manage and determine the effectiveness of its business managers and as a basis for incentive compensation. Atleos 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.

**Net Leverage Ratio.** Atleos believes that its ratio of Net Debt to Adjusted EBITDA, or Net Leverage Ratio, 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.

# NON-GAAP MEASURES

With respect to our Adjusted EBITDA, adjusted free cash flow-unrestricted and non-GAAP diluted earnings per share forward-looking guidance, we do not provide a reconciliation of the respective GAAP measures because we are not able to predict with reasonable certainty the reconciling items that may affect the GAAP net income, GAAP cash flow from operating activities and GAAP diluted earnings per share without unreasonable effort. The reconciling items are primarily the future impact of special tax items, capital structure transactions, restructuring, pension mark-to-market transactions, acquisitions or divestitures, or other events. These reconciling items are uncertain, depend on various factors and could significantly impact, either individually or in the aggregate, the GAAP measures.

Atleos 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 Atleos' website at [www.ncratleos.com](http://www.ncratleos.com).

# Q2 2024 GAAP RESULTS

\$ in millions, except percentages and per share amounts

	Q2 2024	Q2 2023	% Change
Revenue	\$1,081	\$1,040	4%
Gross Margin	253	247	2%
Gross Margin Rate	23.4%	23.8%	
Operating Expenses	146	168	(13)%
% of Revenue	13.5%	16.2%	
Operating Income	107	79	35%
% of Revenue	9.9%	7.6%	
Interest and other expense, net	(75)	(4)	1,775%
Income Tax Expense	4	23	
Effective Income Tax Rate	12.5%	30.7%	
Net Income attributable to Atleos	\$29	\$53	(45)%
Diluted EPS attributable to Atleos	\$0.39	\$0.75	(48)%



# Q2 2024 OPERATIONAL RESULTS (Non-GAAP)

\$ in millions, except per share amounts

	Q2 2024	Q2 2023	% Change
<b>Revenue</b>	\$1,081	\$1,040	4%
<b>Adjusted Gross Margin (non-GAAP)</b>	276	270	2%
<b>Adjusted Gross Margin Rate (non-GAAP)</b>	25.5%	26.0%	
<b>Adjusted Operating Expenses (non-GAAP)</b>	124	109	14%
<b>% of Revenue</b>	11.5%	10.5%	
<b>Adjusted Income from Operations (non-GAAP)</b>	152	161	(6)%
<b>% of Revenue (Adjusted Operating Margin Rate)</b>	14.1%	15.5%	
<b>Adjusted Interest and other expense (non-GAAP)</b>	(80)	(4)	1,900%
<b>Adjusted Income Tax Expense (non-GAAP)</b>	13	40	(68)%
<b>Adjusted Effective Income Tax Rate (non-GAAP)</b>	18.1%	25.5%	
<b>Adjusted Net Income attributable to Atleos (non-GAAP)</b>	\$60	\$118	(49)%
<b>Diluted EPS attributable to Atleos (non-GAAP)</b>	\$0.81	\$1.67	(51)%

# GAAP TO NON-GAAP RECONCILIATION

\$ in millions

	Q2 2024	Q2 2023
<b>Net Income Attributable to Atleos (GAAP)</b>	<b>\$29</b>	<b>\$53</b>
<b>Transformation &amp; Restructuring Costs</b>	<b>6</b>	<b>5</b>
<b>Acquisition-Related Amortization of Intangibles</b>	<b>23</b>	<b>25</b>
<b>Acquisition-Related Costs</b>	<b>(4)</b>	<b>—</b>
<b>Separation Costs</b>	<b>6</b>	<b>33</b>
<b>Interest Expense</b>	<b>79</b>	<b>5</b>
<b>Interest Income</b>	<b>(2)</b>	<b>—</b>
<b>Depreciation and Amortization</b>	<b>43</b>	<b>35</b>
<b>Income Taxes</b>	<b>4</b>	<b>23</b>
<b>Stock-Based Compensation Expense</b>	<b>9</b>	<b>19</b>
<b>Adjusted EBITDA (non-GAAP)</b>	<b>\$193</b>	<b>\$198</b>

# GAAP TO NON-GAAP RECONCILIATION

\$ in millions

	Q2 2024	Q2 2023
<b>Income from Operations (GAAP)</b>	<b>\$107</b>	<b>\$79</b>
Transformation and restructuring costs	6	5
Stock-based compensation expense	9	19
Acquisition-related amortization of intangibles	23	25
Acquisition-related costs	1	—
Separation costs	6	33
Depreciation and Amortization	43	35
Other income (expense), net	(3)	1
Non-controlling interest	1	1
<b>Adjusted EBITDA (non-GAAP)</b>	<b>\$193</b>	<b>\$198</b>

# GAAP TO NON-GAAP RECONCILIATION

## Q2 2024

\$ in millions, except per share amounts

	Gross Margin	Gross Margin rate	Operating Expenses	Income from operations	Interest & Other Expenses, Net	Income Tax Expense (Benefit)	Effective Income Tax Rate	Net Income attributable to Atleos	Diluted Earnings per Share
<b>GAAP Results</b>	<b>\$253</b>	<b>23.4%</b>	<b>\$146</b>	<b>\$107</b>	<b>\$(75)</b>	<b>\$4</b>	<b>12.5%</b>	<b>\$29</b>	<b>\$0.39</b>
Plus: Special Items									
Transformation and restructuring costs	3	0.3%	(3)	6	—	1		5	0.07
Stock-based compensation expense	1	0.1%	(8)	9	—	1		8	0.11
Acquisition-related amortization of intangibles	19	1.7%	(4)	23	—	6		17	0.23
Acquisition-related costs	—	—%	(1)	1	(5)	(1)		(3)	(0.04)
Separation costs	—	—%	(6)	6	—	2		4	0.05
<b>Non-GAAP Adjusted Results</b>	<b>\$276</b>	<b>25.5%</b>	<b>\$124</b>	<b>\$152</b>	<b>\$(80)</b>	<b>\$13</b>	<b>18.1%</b>	<b>\$60</b>	<b>\$0.81</b>

# GAAP TO NON-GAAP RECONCILIATION

## Q2 2023

\$ in millions, except per share amounts

	Gross Margin	Gross Margin rate	Operating Expenses	Income from operations	Interest & Other Expenses, Net	Income Tax Expense (Benefit)	Effective Income Tax Rate	Net Income attributable to Atleos	Earnings per Share <sup>(1)</sup>
<b>GAAP Results</b>	<b>\$247</b>	<b>23.8%</b>	<b>\$168</b>	<b>\$79</b>	<b>\$(4)</b>	<b>\$23</b>	<b>30.7%</b>	<b>\$53</b>	<b>\$0.75</b>
Plus: Special Items									
Transformation and restructuring costs	—	—%	(5)	5	—	1		4	0.06
Stock-based compensation expense	8	0.8%	(11)	19	—	1		18	0.25
Acquisition-related amortization of intangibles	15	1.4%	(10)	25	—	7		18	0.25
Separation costs	—	—%	(33)	33	—	8		25	0.36
<b>Non-GAAP Adjusted Results</b>	<b>\$270</b>	<b>26.0%</b>	<b>\$109</b>	<b>\$161</b>	<b>\$(4)</b>	<b>\$40</b>	<b>25.5%</b>	<b>\$118</b>	<b>\$1.67</b>

- On October 16, 2023, the date of Separation, 70.6 million shares of Atleos' Common Stock, par value \$0.01 per share, were distributed to Voyix shareholders of record as of October 2, 2023, the Record Date. This share amount is utilized for the calculation of basic and diluted earnings per share for all periods presented prior to the Separation. For the three months ended June 30, 2023, these shares are treated as issued and outstanding for purposes of calculating historical earnings per share. For periods prior to the Separation, it is assumed that there are no dilutive equity instruments as there were no equity awards of Atleos outstanding prior to the Separation.

# Q2 2024 SEGMENT RESULTS - GAAP\*

\$ in millions

	Self-Service Banking	Network	T&T	Other <sup>(1)</sup>	Corporate <sup>(2)</sup> Unallocated	Total
Product Revenue	\$212	\$14	\$6	\$15	\$—	\$247
Service Revenue	\$461	\$312	\$45	\$16	\$—	\$834
Total Revenue	\$673	\$326	\$51	\$31	\$—	\$1,081
Cost of Products	\$160	\$13	\$4	\$14	\$19	\$210
Cost of Services	\$324	\$233	\$33	\$13	\$15	\$618
SG&A and R&D Expenses <sup>(3)</sup>	\$44	\$27	\$7	\$2	\$66	\$146
Income from Operations	\$145	\$53	\$7	\$2	\$(100)	\$107

\* Figures presented in this table are calculated in accordance with U.S. GAAP. In accordance with ASC 280, Segment Reporting, the Company uses Adjusted EBITDA to assess segment performance and allocate the Company resources. No other measures, including income from operations, are considered by management in assessing performance nor does the chief operating decision maker use income from operations when assessing performance. Therefore, Adjusted EBITDA is considered the Company's GAAP measure of segment profit or loss. The supplementary segment-level information included on this slide is provided for modeling purposes only.

1. Other represents certain other immaterial business operations, including commerce-related operations in countries that Voyix exited that are aligned to Atleos, that do not represent a reportable segment. For periods after the separation from Voyix, Other also includes revenues from commercial agreements with Voyix.
2. Corporate includes income and expenses related to corporate functions that are not specifically attributable to an individual reportable segment.
3. Selling, general and administrative expenses is presented as "SG&A" and research and development expenses is presented as "R&D" above.

# Q2 2024 SEGMENT RESULTS - NON-GAAP

\$ in millions

	Self-Service Banking	Network	T&T	Other <sup>(1) (4)</sup>	Corporate <sup>(2) (4)</sup> Unallocated	Total <sup>(4)</sup>
<b>Product Revenue</b>	\$212	\$14	\$6	\$15	\$—	<b>\$247</b>
<b>Service Revenue</b>	\$461	\$312	\$45	\$16	\$—	<b>\$834</b>
<b>Total Revenue</b>	\$673	\$326	\$51	\$31	\$—	<b>\$1,081</b>
<b>Adjusted Cost of Products (non-GAAP)</b>	\$160	\$13	\$4	\$14	\$18	<b>\$209</b>
<b>Adjusted Cost of Services (non-GAAP)</b>	\$325	\$213	\$33	\$13	\$12	<b>\$596</b>
<b>Adjusted SG&amp;A and R&amp;D Expenses<sup>(3)</sup> (non-GAAP)</b>	\$43	\$24	\$7	\$2	\$48	<b>\$124</b>
<b>Adjusted Income from Operations (non-GAAP)</b>	\$145	\$76	\$7	\$2	\$(78)	<b>\$152</b>
<b>Adjusted EBITDA<sup>(4)</sup></b>	\$158	\$101	\$8	\$3	\$(77)	<b>\$193</b>

(1) Other represents certain other immaterial business operations, including commerce-related operations in countries that Voyix exited that are aligned to Atleos, that do not represent a reportable segment. For periods after the separation from Voyix, Other also includes revenues from commercial agreements with Voyix.

(2) Corporate includes income and expenses related to corporate functions that are not specifically attributable to an individual reportable segment.

(3) Selling, general and administrative expenses is presented as "SG&A" and research and development expenses is presented as "R&D" above.

(4) In accordance with ASC 280, Segment Reporting, the Company uses Adjusted EBITDA to measure segment performance. Therefore, Adjusted EBITDA for the reportable segments is considered its GAAP measure of segment profit or loss. We have provided Adjusted EBITDA for Other, Corporate and Total Company on a supplementary basis in order to facilitate a reconciliation of total Adjusted EBITDA to consolidated net income. Supplementary segment-level information provided on this slide is for modeling purposes only and is not considered by Company management in assessing segment performance.

# Q2 2024 GAAP\* TO NON-GAAP Segment Reconciliation

\$ in millions

	GAAP*	Transformation Costs	Stock Based Compensation	Acquisition Related Amortization of Intangibles	Corporate Acquisition- Related Costs	Separation Costs	Non-GAAP
Self Service Banking	\$160	\$—	\$—	\$—	\$—	\$—	\$160
Network	13	—	—	—	—	—	13
T&T	4	—	—	—	—	—	4
Other	14	—	—	—	—	—	14
Corporate Unallocated	19	(1)	—	—	—	—	18
<b>Total Cost of Products</b>	<b>\$210</b>	<b>\$(1)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$209</b>
Self Service Banking	\$324	\$—	\$—	\$1	\$—	\$—	\$325
Network	233	—	—	(20)	—	—	213
T&T	33	—	—	—	—	—	33
Other	13	—	—	—	—	—	13
Corporate Unallocated	15	(2)	(1)	—	—	—	12
<b>Total Cost of Services</b>	<b>\$618</b>	<b>\$(2)</b>	<b>\$(1)</b>	<b>\$(19)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$596</b>
Self Service Banking	\$44	\$—	\$—	(\$1)	\$—	\$—	\$43
Network	27	—	—	(3)	—	—	24
T&T	7	—	—	—	—	—	7
Other	2	—	—	—	—	—	2
Corporate Unallocated	66	(3)	(8)	—	(1)	(6)	48
<b>Total SG&amp;A and R&amp;D Expenses</b>	<b>\$146</b>	<b>\$(3)</b>	<b>\$(8)</b>	<b>\$(4)</b>	<b>\$—</b>	<b>\$(6)</b>	<b>\$124</b>
Self Service Banking	\$145	\$—	\$—	\$—	\$—	\$—	\$145
Network	53	—	—	23	—	—	76
T&T	7	—	—	—	—	—	7
Other	2	—	—	—	—	—	2
Corporate Unallocated	(100)	6	9	—	1	6	(78)
<b>Total Income from Operations</b>	<b>\$107</b>	<b>\$6</b>	<b>\$9</b>	<b>\$23</b>	<b>\$1</b>	<b>\$6</b>	<b>\$152</b>

\*Figures presented in this column are calculated in accordance with U.S. GAAP. This reconciliation is provided to facilitate an understanding of the supplementary segment-level information provided on the preceding slides and the adjustments to arrive at the non-GAAP amounts.



# Q2 2024 GAAP\* TO NON-GAAP Product Reconciliation

\$ in millions

	GAAP*	Transformation Costs	Stock Based Compensation	Acquisition Related Amortization of Intangibles	Non-GAAP
<b>GROSS PROFIT<sup>(1)</sup></b>					
Software and Services	\$170	\$—	\$—	\$(1)	\$169
Transactional	76	—	—	20	96
Hardware	37	—	—	—	37
Corporate unallocated	(34)	3	1	—	(30)
<b>Total Core Gross Profit<sup>(1)</sup></b>	<b>249</b>	<b>3</b>	<b>1</b>	<b>19</b>	<b>272</b>
Other - Voyix	4	—	—	—	4
<b>Total Atleos Gross Profit<sup>(1)</sup></b>	<b>\$253</b>	<b>\$3</b>	<b>\$1</b>	<b>\$19</b>	<b>\$276</b>

\*Figures presented in this column are calculated in accordance with U.S. GAAP. This reconciliation is provided to facilitate an understanding of the supplementary product-level information provided in this presentation and the adjustments to arrive at the non-GAAP amounts. Supplementary product-level information provided on this slide is for modeling purposes only and is not considered by Company management, including the chief operating decision maker, in assessing segment performance.

1. Product level adjusted gross profit (non-GAAP) includes management's estimates of certain cost allocations among the product categories.

# Q1 2024 GAAP\* TO NON-GAAP Product Reconciliation

\$ in millions

	GAAP*	Stock Based Compensation	Acquisition Related Amortization of Intangibles	Non-GAAP
<b>GROSS PROFIT<sup>(1)</sup></b>				
Software and Services	\$162	\$—	\$1	\$163
Transactional	62	—	21	83
Hardware	29	—	—	29
Corporate unallocated	(38)	1	—	(37)
<b>Total Core Gross Profit<sup>(1)</sup></b>	<b>215</b>	<b>1</b>	<b>22</b>	<b>238</b>
Other	6	—	—	6
<b>Total Atleos Gross Profit<sup>(1)</sup></b>	<b>\$221</b>	<b>\$1</b>	<b>\$22</b>	<b>\$244</b>

\*Figures presented in this column are calculated in accordance with U.S. GAAP. This reconciliation is provided to facilitate an understanding of the supplementary product-level information provided in this presentation and the adjustments to arrive at the non-GAAP amounts. Supplementary product-level information provided on this slide is for modeling purposes only and is not considered by Company management, including the chief operating decision maker, in assessing segment performance.

1. Product level adjusted gross profit (non-GAAP) includes management's estimates of certain cost allocations among the product categories.

# GAAP TO NON-GAAP RECONCILIATION

\$ in millions

	Q2 2024	Q2 2023
Cash provided by operating activities	\$9	\$80
Total capital expenditures	\$(32)	\$(14)
Pension contributions	\$—	\$1
Restricted cash settlement activity	\$7	\$5
Transfer of temporary funds back to Voyix <sup>(1)</sup>	\$32	\$—
<b>Adjusted Free Cash Flow-Unrestricted</b>	<b>\$16</b>	<b>\$72</b>

<sup>(1)</sup> As of March 31, 2024, cash provided by operating activities included approximately \$32 million of cash related to a temporary transfer of funds from Voyix in March, which was remitted back to Voyix in April.

THANK YOU