

NCR CORP  
Form 10-K  
February 26, 2018  
Table of Contents

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

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FORM 10-K

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ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2017  
Commission File Number 001-00395

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

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Maryland 31-0387920  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)  
864 Spring Street NW  
Atlanta, GA 30308  
(Address of principal executive offices) (Zip Code)  
Registrant's telephone number, including area code: (937) 445-5000  
Securities registered pursuant to Section 12(b) of the Act:  
Title of each class Name of each exchange on which registered  
Common Stock, par value \$0.01 per share New York Stock Exchange  
Securities registered pursuant to Section 12(g) of the Act: None

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Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  
Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," or "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company   
Emerging growth company

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

The aggregate market value of voting stock held by non-affiliates of the registrant as of June 30, 2017, was approximately \$5.0 billion. As of February 14, 2018, there were approximately 118.4 million shares of common stock issued and outstanding.

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Table of Contents

## DOCUMENTS INCORPORATED BY REFERENCE

Part III: Portions of the Registrant's Definitive Proxy Statement for its Annual Meeting of Stockholders to be filed pursuant to Regulation 14A within 120 days after the Registrant's fiscal year end of December 31, 2017 are incorporated by reference into Part III of this Report.

## TABLE OF CONTENTS

Item Description	Page
<u>Forward-Looking Statements</u>	<u>i</u>
PART I	
1. <u>Business</u>	<u>1</u>
1A. <u>Risk Factors</u>	<u>8</u>
1B. <u>Unresolved Staff Comments</u>	<u>20</u>
2. <u>Properties</u>	<u>21</u>
3. <u>Legal Proceedings</u>	<u>21</u>
4. <u>Mine Safety Disclosures</u>	<u>21</u>
PART II	
5. <u>Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u>	<u>22</u>
6. <u>Selected Financial Data</u>	<u>24</u>
7. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>25</u>
7A. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	<u>44</u>
8. <u>Financial Statements and Supplementary Data</u>	<u>45</u>
9. <u>Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u>	<u>110</u>
9A. <u>Controls and Procedures</u>	<u>110</u>
9B. <u>Other Information</u>	<u>111</u>
PART III	
10. <u>Directors, Executive Officers and Corporate Governance</u>	<u>111</u>
11. <u>Executive Compensation</u>	<u>111</u>
12. <u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	<u>111</u>
13. <u>Certain Relationships and Related Transactions and Director Independence</u>	<u>111</u>
14. <u>Principal Accountant Fees and Services</u>	<u>111</u>
PART IV	
15. <u>Exhibits and Financial Statement Schedule</u>	<u>112</u>
16. <u>Form 10-K Summary</u>	<u>119</u>

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This Report contains trademarks, service marks and registered marks of NCR Corporation and its subsidiaries, and of other companies, as indicated. Unless otherwise indicated, the terms “NCR,” the “Company,” “we,” “us,” and “our” refer to NCR Corporation and its subsidiaries.

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Table of Contents

**FORWARD-LOOKING STATEMENTS**

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements use words such as “expect,” “anticipate,” “outlook,” “intend,” “plan,” “believe,” “will,” “should,” “would,” “could,” “provisional” and words of similar meaning. Statements that describe our plans, goals, intentions, strategies or financial outlook, and statements that do not relate to historical or current fact, are examples of forward-looking statements. 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 our 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,” and Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” of this Annual Report on Form 10-K. Any forward-looking statement speaks only as of the date on which it is made. We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Table of Contents

PART I

Item 1. BUSINESS

General

Businesses

NCR is a leading global provider of omni-channel technology solutions that enrich the interactions of businesses with their customers. Our solutions are designed to allow businesses in the financial services, retail, hospitality, travel and telecommunications and technology industries to deliver a rich, integrated and personalized experience to consumers across physical and digital commerce channels. Our offerings include a portfolio of omni-channel platform software and other software applications, industry-focused hardware and smart-edge devices including automated teller machines (ATMs), point of sale (POS) terminals and devices and self-service kiosks, and a complete suite of consulting, implementation, maintenance, support and managed services. We also resell third-party networking products and provide related service offerings in the telecommunications and technology sectors. Our solutions create value for our customers by increasing productivity and allowing them to address consumer demand for convenience, value and individual service across different commerce channels.

Industries Served

NCR provides specific solutions for customers of varying sizes in a range of industries such as financial services, retail, hospitality, travel and telecommunications and technology. NCR's solutions are built on a foundation of long-established industry knowledge and expertise, omni-channel platform and other software, industry-focused hardware and smart-edge devices, and global implementation, consulting, maintenance, support and managed services.

Company History

NCR was originally incorporated in 1884 and was a publicly traded company on the New York Stock Exchange prior to its merger with a wholly-owned subsidiary of AT&T Corp. (AT&T) on September 19, 1991. On December 31, 1996, AT&T distributed all of its interest in NCR to its stockholders. NCR common stock is listed on the New York Stock Exchange and trades under the symbol "NCR".

On September 30, 2007, NCR completed the spin-off of its Teradata Data Warehousing business through the distribution of a tax-free stock dividend to NCR stockholders. NCR distributed one share of common stock of Teradata Corporation for each share of NCR common stock to NCR stockholders of record as of the close of business on September 14, 2007.

On August 24, 2011, NCR completed the acquisition of Radiant Systems, Inc. (Radiant). The acquisition was completed through a tender offer and subsequent merger. Radiant was a leading provider of technology solutions for managing site operations in the hospitality and specialty retail industries.

On February 6, 2013, NCR completed the acquisition of Retailix Ltd. (Retailix). Retailix was a leading global provider of innovative retail software and was subsequently integrated into NCR's omni-channel solution offerings for the retail industry.

On January 10, 2014, NCR completed its acquisition of Digital Insight Corporation (Digital Insight). The Digital Insight acquisition and subsequent integration extended NCR's existing capabilities in the financial services industry to form a complete enterprise software platform across both physical and digital channels.

### Operating Segments

We categorize our operations into three reportable segments: Software, Services and Hardware.

The information required by Item 1 with respect to our reportable segments and financial information regarding our geographic areas and those reportable segments can be found in Item 7 of Part II of this Report under “Revenue and Operating Income by Segment” as well as in Item 8 of Part II of this Report as part of Note 12, “Segment Information and Concentrations” of the Notes to Consolidated Financial Statements and in Item 1A of this Report under "Multinational Operations," and is incorporated herein by reference.

### Products and Services

We sell a portfolio of software, services, and hardware that combine to provide businesses with solutions to connect, interact and transact with their customers. Our offerings fall into the following categories:

## Table of Contents

### Software Solutions

Our software offerings include industry-based software platforms such as our Cx Banking self-service ATM software application suite (providing ATM management systems) for financial services, our Retail ONE and Aloha Enterprise software application suites for the retail and hospitality industries, and NCR Silver, a cloud-based POS system for small businesses. We also provide a portfolio of other industry-oriented software applications, which include cash management software, video banking software, fraud and loss prevention applications, check and document imaging, remote-deposit capture, and customer-facing mobile and digital banking applications, such as web-enablement and bill payment (including mobile bill payment), for the financial services industry; and secure electronic and mobile payment solutions, sector-specific point of sale software applications for quick-service restaurants, gas stations and other businesses, and back-office inventory and store and restaurant management applications, for the retail and hospitality industries. We also provide in-depth industry and solution based consulting and professional services focused on solution implementation, integration, customization and optimization, and cloud hosting services. Our software platforms and applications, which are delivered on software as a service (SaaS), enterprise license and other bases, are designed to work seamlessly together, with our hardware products, or as stand-alone solutions. Our software solutions deliver a consistent and rich consumer experience across channels, while enabling businesses to digitize and automate labor-intensive processes, reduce costs and increase productivity.

### Services

Services are an essential and integrated component of NCR's complete solution offerings to help companies increase availability and security of consumer touchpoints, improve operational efficiency and enhance the customer experience. We provide global end-to-end services from assessment and preparation, to staging, installation and implementation, and maintenance and support. We also provide systems management and complete managed services for our product offerings. We also provide Predictive Services, a managed services offering, which is designed to predict and address information technology issues quickly before they happen. In addition, we provide installation, maintenance and managed services for third party networking products to a broad base of customers in the telecommunications and technology sectors, and we service third party computer hardware from select manufacturers who value and leverage our global service capability.

### Hardware Products

We provide financial institutions, retailers and independent deployers with a suite of financial-oriented self-service hardware products. Our financial services hardware products include multi-function ATMs, interactive teller machines (ITMs), thin-client ATMs, cash dispensers, cash recycling ATMs and hardware for check and image processing. Our financial services hardware products are designed to quickly, reliably and securely process consumer banking transactions while providing low cost of ownership, efficiency and a modernized consumer experience. We also provide retail- and hospitality-oriented hardware products such as point of sale terminals, self-checkout kiosks, order and payment kiosks, bar code scanners, printers and peripherals, to retailers, restaurants, food service companies and entertainment and sports venues worldwide. Our retail and hospitality hardware products are designed to improve operational efficiency, increase customer satisfaction, streamline order and transaction processing and reduce operating costs. We also provide other self-service kiosks, such as self-check in/out kiosk solutions for airlines, hotels and casinos that allow guests to check in/out without assistance, wayfinding solutions (locating products or navigating through large, complex buildings and campuses), digital signage, bill payment kiosks and gift registries. These solutions create pleasant and convenient experiences for consumers and enable our customers to reduce costs. In addition, we resell third party networking products to a broad base of customers in the telecommunications and technology sectors.

### Target Markets and Distribution Channels



NCR provides its software, services and hardware solutions to customers of varying sizes in the financial services, retail, hospitality, travel and telecommunications and technology industries.

Our financial solutions primarily serve the financial services industry with particular focus on retail banking, which includes traditional providers of consumer banking and financial services. These solutions also serve the retail markets through convenience banking products for retailers designed to complement their core businesses. Our financial solutions customers are located throughout the world in both developed and emerging markets. We have historically sold most of our financial solutions through a direct sales channel, although a portion of revenue is derived through distributors and value-added resellers.

We provide POS and self-service kiosk solutions to the retail and hospitality industries. Retail customers include department stores, specialty retailers, mass merchandisers, catalog stores, supermarkets, hypermarkets, grocery stores, drug stores, wholesalers, convenience stores, petroleum outlets and small businesses. Hospitality customers include retailers, restaurants and food service providers, and sports and entertainment venues (including stadiums, arenas and cinemas) and small businesses. We also provide our self-service solutions to customers in the travel industry, including airlines, airports, car rental companies, and hotel/lodging operators. POS and self-service kiosk solutions are sold through a direct sales force and through relationships with value-added resellers, distributors, dealers and other indirect sales channels.

## Table of Contents

We provide service and support for our products and solutions through services contracts with our customers. We have also established managed services contracts with key customers and continue to pursue additional managed services relationships. Longer term managed services arrangements can help improve the efficiency and performance of a customer's business, and also increase the strategic and financial importance of its relationship with NCR. We also service competing technologies—for example, ToshibaTec retail technologies and Diebold Nixdorf ATMs. The primary sales channel for our services is our direct sales teams, which exist across all geographies where we operate around the world. Our services professionals provide these services directly to end customers.

### Competition

We face a diverse group of competitors in the industries in which we sell our software, services, and hardware solutions. The primary factors of competition can vary by geographic area where we operate around the world, but typically include: value and quality of the solutions or products; total cost of ownership; industry knowledge of the vendor; the vendor's ability to provide and support a total end-to-end solution; the vendor's ability to integrate new and existing systems; fit of the vendor's strategic vision with the customer's strategic direction; and quality of the vendor's consulting, deployment and support services.

In the financial services industry, we face a variety of competitors, including ATM manufacturers such as Diebold Nixdorf Incorporated and Nautilus Hyosung, and ATM network operators such as Cardtronics plc, as well as many other regional firms, across all geographies where we operate around the world. Other competitors vary by product, service offering and geographic area, and include, among others, Fidelity National Information Services, First Data Corporation, Euronet Worldwide, Inc., Q2 Holdings and ACI Worldwide.

We also face a variety of competitors in the retail and hospitality industries across all geographies where we operate around the world. Our competitors vary by market segment, product, service offering and geographic area, and include ToshibaTec, Diebold Nixdorf, Fujitsu, Hewlett-Packard Inc., Honeywell, Oracle, Manhattan Associates and Datalogic, among others.

We face a diverse group of competitors in the travel industry. Competitors in the travel industry include Embross, SITA and IER, among others.

We face competition for services from other technology and service providers, as well as from independent service operators, in all geographies where we operate around the world. The primary services competitors are the companies identified above, as global technology providers continue to focus on services as a core business strategy. We also compete with a range of regional and local independent service operators across our various geographies.

### Research and Development

We remain focused on designing and developing solutions that anticipate our customers' changing technological needs as well as consumer preferences. Our expenses for research and development were \$256 million in 2017, \$242 million in 2016, and \$230 million in 2015. We anticipate that we will continue to have significant research and development expenditures in the future in order to provide a continuing flow of innovative, high-quality products and services and to help maintain and enhance our competitive position. Information regarding the accounting and costs included in research and development activities is included in Note 1, "Basis of Presentation and Significant Accounting Policies" of the Notes to Consolidated Financial Statements in Item 8 of Part II of this Report under "Research and Development Costs," and is incorporated herein by reference.

## Patents and Trademarks

NCR seeks patent protection for its innovations, including improvements, associated with its software, hardware, services, solutions, and developments, where such protection is likely to provide value to NCR. NCR owns approximately 1,275 patents in the U.S. and numerous other patents in foreign countries. The foreign patents are generally counterparts of NCR's U.S. patents. Many of the patents owned by NCR are licensed to others, and NCR is licensed under certain patents owned by others. NCR looks to monetize its patents to drive additional value from its patent portfolio. NCR also has numerous patent applications pending in the U.S. and in foreign countries. NCR's portfolio of patents and patent applications is of significant value to NCR.

NCR has registered certain trademarks and service marks in the U.S. and in a number of foreign countries. NCR considers the "NCR" and NCR logo marks and many of its other trademarks and service marks to have significant value to NCR.

## Table of Contents

### Seasonality

Our sales are historically seasonal, with lower revenue in the first quarter and higher revenue in the fourth quarter of each year. Such seasonality also causes our working capital cash flow requirements to vary from quarter to quarter depending on variability in the volume, timing and mix of sales. In addition, revenue in the third month of each quarter is typically higher than in the first and second months. Information regarding seasonality and its potential impact on our business is included in Item 1A of this Report under the caption, “Operating Results Fluctuations,” and is incorporated herein by reference.

### Manufacturing and Raw Materials

In most cases, there are a number of vendors providing the services and producing the parts and components that we utilize. However, there are some services and components that are purchased from single sources due to price, quality, technology or other reasons. For example, we depend on computer chips and microprocessors from Intel and operating systems from Microsoft. Certain parts and components used in the manufacturing of our ATMs and the delivery of many of our retail solutions are also supplied by single sources. In addition, there are a number of key suppliers for our businesses who provide us with critical products for our solutions.

At December 31, 2017, we manufactured our ATMs in facilities located in Columbus, Georgia, USA; Manaus, Brazil; Budapest, Hungary; Beijing, China; and Chengalpattu, India. Our self-checkout solutions are manufactured in facilities located in Columbus, Georgia, USA and Budapest, Hungary. Our financial kiosk solutions are manufactured in facilities located in Beijing, China; Budapest, Hungary; Manaus, Brazil; and Chengalpattu, India. Our POS/Display terminals are manufactured in facilities located in Columbus, Georgia, USA; and Budapest, Hungary, and certain hand-held solutions are manufactured in Salzburg, Austria. NCR outsources the manufacturing in all geographic regions of its payment solutions, some POS/Display terminals, printers, bar code scanners and various other kiosks.

Further information regarding the potential impact of these relationships on our business operations, and regarding sources and availability of raw materials, is also included in Item 1A of this Report under the caption “Reliance on Third Parties,” and is incorporated herein by reference.

### Product Backlog

Our backlog was approximately \$1.37 billion and \$1.38 billion at December 31, 2017 and 2016, respectively. The backlog includes orders confirmed for products scheduled to be shipped as well as certain professional and transaction services to be provided. Although we believe that the orders included in the backlog are firm, some orders may be canceled by the customer without penalty. Even when penalties for cancellation are provided for in a customer contract, we may elect to permit cancellation of orders without penalty where management believes it is in our best interests to do so. Further, we have a significant portion of revenue derived from our growing service-based business (including our cloud and hosted businesses), for which backlog information has not historically been measured. Therefore, we do not believe that our backlog, as of any particular date, is necessarily indicative of revenue for any future period.

### Employees

On December 31, 2017, NCR had approximately 34,000 employees and contractors worldwide.

### Environmental Matters

Compliance with federal, state, and local environmental regulations relating to the protection of the environment could have a material adverse impact on our capital expenditures, earnings or competitive position. While NCR does not currently expect to incur material capital expenditures related to compliance with such laws and regulations, and while we believe the amounts provided in our Consolidated Financial Statements are adequate in light of the probable and estimable liabilities in this area, there can be no assurances that environmental matters will not lead to a material adverse impact on our capital expenditures, earnings or competitive position. A detailed discussion of the current estimated impacts of compliance issues relating to environmental regulations, particularly the Fox River and Kalamazoo River matters, is reported in Item 8 of Part II of this Report as part of Note 9, "Commitments and Contingencies" of the Notes to Consolidated Financial Statements and is incorporated herein by reference. Further information regarding the potential impact of compliance with federal, state, and local environmental regulations is also included in Item 1A of this Report under the caption "Environmental," and is incorporated herein by reference.

Table of Contents

## Executive Officers of the Registrant

The Executive Officers of NCR (as of February 26, 2018) are as follows:

Name	Age	Position and Offices Held
William R. Nuti	54	Chairman of the Board and Chief Executive Officer
Mark D. Benjamin	47	President and Chief Operating Officer
Adrian Button	45	Senior Vice President, Global Hardware Product Operations
Daniel W. Campbell	57	Executive Vice President, Global Sales
J. Robert Ciminera	60	Executive Vice President, Global Customer Services
Robert P. Fishman	54	Executive Vice President and Chief Financial Officer
Edward R. Gallagher	64	Senior Vice President, General Counsel and Corporate Secretary
Paul Langenbahn	49	Executive Vice President, Global Software
Andrea L. Ledford	52	Executive Vice President, Chief Administration Office, and Chief Human Resources Officer

Set forth below is a description of the background of each of the Executive Officers.

William R. Nuti is NCR's Chairman of the Board and Chief Executive Officer, and prior to October 2016 Mr. Nuti also served as NCR's President. Mr. Nuti became a director of NCR on August 7, 2005 and became Chairman of the Board on October 1, 2007. Before joining NCR in August 2005, Mr. Nuti served as President and Chief Executive Officer of Symbol Technologies, Inc., an information technology company. Prior to that, he was Chief Operating Officer of Symbol Technologies. Mr. Nuti joined Symbol Technologies in 2002 following a 10 plus year career at Cisco Systems, Inc. where he advanced to the dual role of Senior Vice President of the company's Worldwide Service Provider Operations and U.S. Theater Operations. Prior to his Cisco experience, Mr. Nuti held sales and management positions at IBM, Netrix Corporation and Network Equipment Technologies. Mr. Nuti is also a director of Coach, Inc., where he is a member of its Human Resources Committee, and United Continental Holdings, Inc. where he is a member of its Finance, Compensation and Public Responsibility Committees. Mr. Nuti previously served as a director of Sprint Nextel Corporation. He is also a member of the Georgia Institute of Technology advisory board and a trustee of Long Island University.

Mark D. Benjamin joined NCR as its President and Chief Operating Officer in October 2016. Prior to joining NCR, Mr. Benjamin spent 24 years in a series of global assignments with Automatic Data Processing, Inc. (ADP), which he joined in 1992. At ADP, Mr. Benjamin served from July 2013 to September 2016 as President of ADP's Global Enterprise Solutions division, leading a team of 20,000 employees, and managing a multi-billion dollar portfolio of businesses serving clients in over 100 countries. Before that, Mr. Benjamin served as President, Employer Services International, from July 2011 to July 2013, as Senior Vice President, Services and Operations - Small Business Services and Total Source, from April 2008 to June 2011, and in various other operations-focused roles. Mr. Benjamin holds a bachelor's degree in international finance and marketing from the University of Miami.

Adrian Button became NCR's Senior Vice President, Global Hardware Product Operations, in February 2018, and from July 2017, when he joined NCR, to February 2018, Mr. Button acted as Senior Vice President Global Operations. Before he joined NCR, Mr. Button spent 19 years in various management roles with different divisions of the General Electric Company (GE). Most recently, Mr. Button served from January 2016 to July 2017 as Vice President, Supply Chain, for GE Industrial Solutions, with oversight of the division's supply chain and service operations across 41 global factories. Prior to that, Mr. Button served as Vice President, Turbomachinery, for GE's Oil & Gas division from January 2014 to December 2016, as General Manager of Global Operations Leader for GE's Oil & Gas division from March 2011 to December 2013, and in other operations and supply chain roles with GE Aviation. Mr. Button holds a bachelor's degree in engineering from the University of Glamorgan, Wales, United Kingdom.

Daniel W. Campbell became NCR's Executive Vice President, Global Sales, in February 2018. Previously, from July 2015 to February 2018, Mr. Campbell served as a Senior Vice President and General Manager at Virtustream, Inc., which he joined after it was acquired by EMC Corporation (EMC) in July 2015. With Virtustream, Mr. Campbell led the global sales integration with EMC's sales organization, built a global strategic alliances and channels organization, and co-launched the Virtustream Storage Cloud, an enterprise-class cloud storage platform. Before joining Virtustream, from April 1998 through July 2015, Mr. Campbell served in a series of sales and management roles of increasing responsibility at EMC, including most recently as Senior Vice President, Global Specialty Sales from October 2013 to July 2015, and Chief Operating Officer and Senior Vice President, World Wide Sales, Backup Recovery Systems Division from January 2011 to December 2013. Before joining EMC, Mr. Campbell served in various sales and management roles with Sperry, Unisys, Motorola and Wang.

Table of Contents

J. Robert Ciminera became NCR's Executive Vice President, Global Customer Services in February 2018. Previously, Mr. Ciminera served as NCR's Executive Vice President, Hardware Product Operations, from January 2017 to February 2018, where he was responsible for NCR's hardware product portfolio. Before that, Mr. Ciminera served as NCR's Senior Vice President, Hardware Solutions and Global Operations from October 2015 to January 2017, as NCR's Senior Vice President, Integrated Supply Chain Operations from May 2014 to October 2015, and as NCR's Vice President, Strategic Sourcing and Chief Procurement Officer from February 2009, when he joined NCR, through May 2014. Before joining NCR, Mr. Ciminera served in various sourcing, supply chain and product management roles with Avaya, Motorola, Symbol Technologies and other technology companies.

Robert P. Fishman became Executive Vice President and Chief Financial Officer in April 2016, and served as Senior Vice President and Chief Financial Officer from March 2010 to April 2016. Prior to becoming Chief Financial Officer, he was Interim Chief Financial Officer from October 2009 to March 2010, and Vice President and Corporate Controller from January 2007 to October 2009. From September 2005 to January 2007, Mr. Fishman was Assistant Controller and from January 2005 to September 2005, he was Director, Corporate Planning. Mr. Fishman joined NCR in 1993.

Edward R. Gallagher was named Senior Vice President, General Counsel and Secretary of NCR in October 2015, having served as Acting General Counsel since October 2014. His prior position with NCR was Law Vice President, Litigation & Employment Law, commencing in 2003; he has also served in other positions within the NCR Law Department, including Chief Counsel of the former Systemedia Division. Mr. Gallagher joined NCR in 1992. Prior to that, Mr. Gallagher was an attorney in private practice in San Francisco and in Boston. Mr. Gallagher holds a law degree from Yale Law School, as well as a master's degree from Yale University in political science and international relations. He has an undergraduate degree from the University of South Dakota.

Paul Langenbahn became NCR's Executive Vice President, Global Software, in January 2017. From April 2014 to December 2016, Mr. Langenbahn served as Senior Vice President and President, Hospitality, and before that, following NCR's acquisition of Radiant Systems, Inc. in 2011, he served as Vice President, Global Sales, Marketing and Services for NCR's Hospitality division. Prior to joining NCR in 2011, Mr. Langenbahn was President of Radiant Systems' Hospitality division, and he held various other leadership roles in sales, professional services, solution management and general management at Radiant Systems, where he was instrumental in the company's development and growth.

Andrea L. Ledford became Executive Vice President, Chief Administration Office, and Chief Human Resources Officer in February 2016. Previously, Ms. Ledford was Senior Vice President, Corporate Services and Chief Human Resources Officer from November 2013 to January 2016, Senior Vice President and Chief Human Resources Officer, from June 2012 to November 2013, Senior Vice President, Human Resources, from June 2007 to June 2012, and Interim Senior Vice President, Human Resources from February 2007 to June 2007. Prior to assuming this position, she was Vice President, Human Resources, Asia/Pacific, and Europe, Middle East and Africa, from February 2006 to February 2007. Before joining NCR in February 2006, Ms. Ledford was EMEA Leader, Human Resources, at Symbol Technologies, Inc. from 2002 to February 2006 and held a variety of leadership roles at Cisco Systems, Inc. in EMEA, Asia/Pacific and Latin America.

Available Information

NCR makes available through its website at <http://investor.ncr.com>, free of charge, its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, definitive proxy statements on Schedule 14A and Current Reports on Form 8-K, and all amendments to such reports and schedules, as soon as reasonably practicable after these reports are electronically filed or furnished to the U.S. Securities and Exchange Commission (SEC) pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the Exchange Act). The SEC website ([www.sec.gov](http://www.sec.gov)) contains the reports, proxy



statements and information statements, and other information regarding issuers that file or furnish electronically with the SEC. Also, the public may read and copy any materials that NCR files or furnishes with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. NCR will furnish, without charge to a security holder upon written request, the Notice of Meeting and Proxy Statement for the 2018 Annual Meeting of Stockholders (the 2018 Proxy Statement), portions of which are incorporated herein by reference. NCR also will furnish its Code of Conduct at no cost and any other exhibit at cost. Document requests are available by calling or writing to:

NCR—Investor Relations  
864 Spring Street NW  
Atlanta, GA 30308  
Phone: 800-255-5627  
E-Mail: [investor.relations@ncr.com](mailto:investor.relations@ncr.com)  
Website: <http://investor.ncr.com>

Table of Contents

NCR's website, [www.ncr.com](http://www.ncr.com), contains a significant amount of information about NCR, including financial and other information for investors. NCR encourages investors to visit its website regularly, as information may be updated and new information may be posted at any time. The contents of NCR's website are not incorporated by reference into this Form 10-K and shall not be deemed "filed" under the Exchange Act.

7

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Table of Contents

Item 1A. RISK FACTORS

The risks and uncertainties described below could materially and adversely affect our business, financial condition, results of operations, could cause actual results to differ materially from our expectations and projections, and could cause the market value of our stock to decline. You should consider these risk factors when reading the rest of this Annual Report on Form 10-K, including “Management's Discussion and Analysis of Financial Condition and Results of Operations” and our financial statements and related notes included elsewhere in this document. These risk factors may not include all of the important factors that could affect our business or our industry or that could cause our future financial results to differ materially from historic or expected results or cause the market price of our common stock to fluctuate or decline.

**Economic Pressures.** Our business may be negatively affected by domestic and global economic and credit conditions. Our business is sensitive to the strength of domestic and global economic and credit conditions, particularly as they affect, either directly or indirectly, the financial services, retail and hospitality sectors of the economy. Economic and credit conditions are influenced by a number of factors, including political conditions, consumer confidence, unemployment levels, interest rates, tax rates, commodity prices and government actions to stimulate economic growth. The imposition or threat of protectionist trade policies or import or export tariffs, global and regional market conditions and spending trends in the financial services and retail industries, new comprehensive U.S. tax legislation, modified or new global or regional trade agreements, the determination by the United Kingdom to exit the European Union

(EU), uncertainty over further potential changes in Eurozone participation and fluctuations in oil and commodity prices, among other things, have created a challenging and unpredictable environment in which to market the products and services of our various businesses across our different geographies and industries. A negative or unpredictable economic climate could create uncertainty or financial pressures that impact the ability or willingness of our customers to make capital expenditures, thereby affecting their decision to purchase or roll out our products or services or, especially with respect to smaller customers, to pay accounts receivable owed to NCR. Additionally, if customers respond to a negative or unpredictable economic climate by consolidation, it could reduce our base of potential customers. Negative or unpredictable global economic conditions also may have a material effect on our customers' ability to obtain financing for the purchase of our products and services from third party financing companies, which could adversely affect our operating results.

**Business Model.** If we are unsuccessful in transforming our business model,