

NCR CORP
Form 10-Q
May 02, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2014
Commission File Number 001-00395

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

Maryland
(State or other jurisdiction of
incorporation or organization)
3097 Satellite Boulevard
Duluth, GA 30096
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: (937) 445-5000

31-0387920
(I.R.S. Employer
Identification 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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting 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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

As of April 15, 2014, there were approximately 167.9 million shares of common stock issued and outstanding.

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Part I. Financial Information

Item 1. FINANCIAL STATEMENTS

NCR Corporation

Condensed Consolidated Statements of Operations (Unaudited)

In millions, except per share amounts	Three months ended March		
	31	2013	
	2014	2013	
Product revenue	\$634	\$667	
Service revenue	884	743	
Total revenue	1,518	1,410	
Cost of products	476	503	
Cost of services	626	538	
Selling, general and administrative expenses	245	229	
Research and development expenses	63	55	
Total operating expenses	1,410	1,325	
Income from operations	108	85	
Interest expense	(43) (21)
Other (expense) income, net	(7) 2	
Income from continuing operations before income taxes	58	66	
Income tax expense	4	2	
Income from continuing operations	54	64	
Loss from discontinued operations, net of tax	—	(1)	
Net income	54	63	
Net income attributable to noncontrolling interests	1	2	
Net income attributable to NCR	\$53	\$61	
Amounts attributable to NCR common stockholders:			
Income from continuing operations	\$53	\$62	
Loss from discontinued operations, net of tax	—	(1)	
Net income	\$53	\$61	
Income per share attributable to NCR common stockholders:			
Income per common share from continuing operations			
Basic	\$0.32	\$0.38	
Diluted	\$0.31	\$0.37	
Net income per common share			
Basic	\$0.32	\$0.37	
Diluted	\$0.31	\$0.36	
Weighted average common shares outstanding			
Basic	167.1	163.7	
Diluted	171.0	167.5	

See Notes to Condensed Consolidated Financial Statements.

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Condensed Consolidated Statements of Comprehensive Income (Unaudited)

In millions	Three months ended March	
	31 2014	2013
Net income	\$54	\$63
Other comprehensive income (loss):		
Currency translation adjustments		
Currency translation adjustments	7	(23)
Derivatives		
Unrealized (loss) gain on derivatives	(1)	2
Losses on derivatives arising during the period	1	2
Less income tax benefit (expense)	—	(1)
Securities		
Unrealized gain on securities	—	3
Employee benefit plans		
Amortization of prior service benefit	(6)	(18)
Net gain arising during the period	—	48
Amortization of actuarial loss	1	2
Less income tax benefit (expense)	2	(12)
Other comprehensive income	4	3
Total comprehensive income	58	66
Less comprehensive income attributable to noncontrolling interests:		
Net income	1	2
Currency translation adjustments	(1)	(1)
Amounts attributable to noncontrolling interests	—	1
Comprehensive income attributable to NCR common stockholders	\$58	\$65

See Notes to Condensed Consolidated Financial Statements.

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NCR Corporation
Condensed Consolidated Balance Sheets (Unaudited)

In millions, except per share amounts

March 31,
2014

December
31, 2013

Assets