

NCR CORP
Form 10-Q
May 09, 2013
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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
x 1934

For the quarterly period ended March 31, 2013
Commission File Number 001-00395

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

Maryland 31-0387920
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)
3097 Satellite Boulevard
Duluth, GA 30096
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: (937) 445-5000

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 x No o

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 x No o

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 | <input checked="" type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input type="checkbox"/> | Smaller reporting company | <input type="checkbox"/> |

(Do not check if a 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 o No x

As of April 15, 2013, there were approximately 164.4 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 | 2012 |
| Product revenue | \$667 | \$570 |
| Service revenue | 743 | 674 |
| Total revenue | 1,410 | 1,244 |
| Cost of products | 503 | 445 |
| Cost of services | 538 | 484 |
| Selling, general and administrative expenses | 229 | 191 |
| Research and development expenses | 55 | 46 |
| Total operating expenses | 1,325 | 1,166 |
| Income from operations | 85 | 78 |
| Interest expense | (21) | (9) |
| Other income (expense), net | 2 | (2) |
| Income from continuing operations before income taxes | 66 | 67 |
| Income tax expense | 2 | 7 |
| Income from continuing operations | 64 | 60 |
| Loss from discontinued operations, net of tax | (1) | (9) |
| Net income | 63 | 51 |
| Net income attributable to noncontrolling interests | 2 | 1 |
| Net income attributable to NCR | \$61 | \$50 |
| Amounts attributable to NCR common stockholders: | | |
| Income from continuing operations | \$62 | \$59 |
| Loss from discontinued operations, net of tax | (1) | (9) |
| Net income | \$61 | \$50 |
| Income per share attributable to NCR common stockholders: | | |
| Income per common share from continuing operations | | |
| Basic | \$0.38 | \$0.37 |
| Diluted | \$0.37 | \$0.36 |
| Net income per common share | | |
| Basic | \$0.37 | \$0.32 |
| Diluted | \$0.36 | \$0.31 |
| Weighted average common shares outstanding | | |
| Basic | 163.7 | 158.2 |
| Diluted | 167.5 | 162.3 |
| 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 | |
|---|-----------------------------|------|
| | 2013 | 2012 |
| Net income | \$63 | \$51 |
| Other comprehensive income (loss): | | |
| Currency translation adjustments | (22) | (1) |
| Unrealized gain (loss) on derivatives | 4 | (5) |
| Less income tax expense | (1) | — |
| Unrealized gain on securities | 3 | 1 |
| Employee benefit plans | | |
| Amortization of prior service benefit | (18) | (5) |
| Net gain arising during the year | 48 | — |
| Actuarial loss included in benefits expense | 2 | 4 |
| Less income tax (expense) benefit | (12) | 1 |
| Total comprehensive income | 67 | 46 |
| Less comprehensive income attributable to noncontrolling interests: | | |
| Net income | 2 | 1 |
| Currency translation adjustments | (1) | (2) |
| Amounts attributable to noncontrolling interests | 1 | (1) |
| Comprehensive income attributable to NCR common stockholders | \$66 | \$47 |

See Notes to Condensed Consolidated Financial Statements.

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Condensed Consolidated Balance Sheets (Unaudited)

| In millions, except per share amounts | March 31, 2013 | December 31, 2012 |
|---------------------------------------|-------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$483 | \$ 1,069 |
| Accounts receivable, net | 1,193 | 1,086 |
| Inventories, net | | |