



## Cardtronics Announces Second Quarter 2018 Results

August 2, 2018

*Same-store Transaction Growth in the U.S. and Strong Operational Execution Worldwide  
Company Raises Full Year Outlook*

HOUSTON, Aug. 02, 2018 (GLOBE NEWSWIRE) -- Cardtronics plc (Nasdaq:CATM) ("Cardtronics" or the "Company"), the world's largest ATM owner/operator, announced today its financial and operational results for the quarter ended June 30, 2018.

### Second Quarter 2018 Highlights:

- Total revenues of \$341.0 million, down 12% from \$385.1 million in the prior year and up 3% after excluding the impact from the removal of ATMs at 7-Eleven locations in the U.S.
- ATM operating revenues of \$329.2 million, down 12% from \$373.3 million in the prior year and up 3% after excluding the impact from the removal of ATMs at 7-Eleven locations in the U.S.
- Adjusted gross margin of 33.9%, up 80 basis points compared to the prior year.
- GAAP Net Income of \$3.8 million, or \$0.08 per diluted share, compared to \$15.2 million, or \$0.33 per diluted share in the prior year, driven by the removal of ATMs at 7-Eleven locations in the U.S. and an asset write-down in the second quarter of 2018.
- Adjusted EBITDA of \$78.1 million, down 11% from \$87.7 million in the prior year, impacted by the removal of ATMs at 7-Eleven locations in the U.S.
- Adjusted Net Income per diluted share of \$0.61 compared to \$0.76 in the prior year, impacted by the removal of ATMs at 7-Eleven locations in the U.S.
- Same-store withdrawal transactions in the U.S. were up 8% in the second quarter; adjusted for estimated 7-Eleven Allpoint volume retention, same-store transactions were up approximately 4%.
- Recent favorable announcement by LINK in the U.K. regarding previously scheduled future interchange rate reductions on surcharge-free withdrawal transactions.

"The second quarter was solid and marked by focused operational execution and continued consumer demand for our convenient services, resulting in strong adjusted free cash flow and an increase in our adjusted gross margin. Another highlight for the quarter was the growth in our same-store withdrawal transactions in the U.S., which were at their highest quarterly level in over six years. This transaction growth was driven by the power of our network of conveniently located ATMs, including our surcharge-free Allpoint network, and reflects the value that we provide to retailers, financial institutions, and consumers. We also saw positive signs in the U.K. in recent months, with improving transactions and more clarity and improvement on future pricing on the majority of our revenues in that region," commented Edward H. West, Cardtronics' chief executive officer.

Mr. West continued, "Looking ahead, we are encouraged by recent developments across our markets and our ability to further leverage our unmatched platform of conveniently located ATM assets."

### Note Regarding Second Quarter 2018 Results Compared to Prior Year:

The Company had a long-standing relationship with 7-Eleven in the U.S. that ended during the quarter ended March 31, 2018. In previous periods, this relationship accounted for a material portion of the Company's consolidated revenues and profits. The Company began a transition to 7-Eleven's new service provider during the third quarter of 2017 and that transition was completed in February 2018. As a result, the Company's relationship with 7-Eleven in the U.S. did not account for any of its reported revenues during the second quarter of 2018. The Company estimates that 7-Eleven in the U.S. accounted for approximately 14% of the Company's consolidated revenues during the second quarter of 2017 and had an incremental adjusted gross margin of approximately 40%. 7-Eleven in the U.S. accounted for approximately 12.5% of the Company's consolidated revenues for the year ended 2017 and the Company expects that 7-Eleven in the U.S. will account for less than 1% of its consolidated revenues in 2018.

See *Disclosure of Non-GAAP Financial Information* in this earnings release for definitions of Adjusted Gross Profit, Adjusted Gross Margin, EBITDA, Adjusted EBITDA, Adjusted Net Income, Adjusted Net Income per diluted share, Adjusted Free Cash Flow, and certain other GAAP and non-GAAP measures on a constant-currency basis. For additional information, including reconciliations to the most directly comparable financial measure recognized under generally accepted accounting principles in the U.S. ("U.S. GAAP" or "GAAP"), see the supplemental schedules of selected financial information in this earnings release.

The Company may also refer to revenue or profit growth as being organic. When providing growth measures on an organic basis, the Company aims to exclude the estimated impact from any acquired or divested businesses that may be included or partially included in one period but not another. The Company may further adjust organic performance measures for the impacts of currency movements, in order to have a consistent performance comparison across periods for the business, excluding movements in exchange rates. Due to the significance of the Company's 7-Eleven relationship in the U.S., which accounted for 12.5% of consolidated revenues in 2017 and is expected to account for less than 1% of consolidated revenues in 2018, the Company may also report certain performance measures excluding the estimated contribution of this relationship to enable more comparable analysis of the business across periods excluding this relationship.

### 2018 UPDATED OUTLOOK

Below is the Company's updated financial outlook for the full year 2018:

- Revenues of \$1.28 billion to \$1.32 billion;
- GAAP Net Income of \$1.2 million to \$5.0 million;
- Adjusted EBITDA of \$270 million to \$280 million;
- Depreciation and accretion expense of \$126.5 million to \$127.5 million;
- Cash interest expense of \$36.5 million;
- Adjusted Net Income of \$79 million to \$86 million;
- Adjusted Net Income per diluted share of \$1.70 to \$1.85, based on approximately 46.5 million average diluted shares outstanding; and
- Capital expenditures of approximately \$115 million.

The Adjusted EBITDA and Adjusted Net Income outlook excludes the impact of certain expenses, as outlined in the reconciliation provided at the end of this earnings release. See *Disclosure of Non-GAAP Financial Information* in this earnings release for definitions of these Non-GAAP measures. This outlook is based on average foreign currency exchange rates for the remainder of the year of £1.00 U.K. to \$1.30 U.S., \$20.00 Mexican pesos to \$1.00 U.S., \$1.00 Canadian dollar to \$0.78 U.S., €1.00 Euros to \$1.15 U.S., \$1.00 Australian dollar to \$0.77 U.S., and R13 South African Rand to \$1.00 U.S.

## CONFERENCE CALL INFORMATION

The Company will host a conference call today, Thursday, August 2, 2018, at 4:00 p.m. Central Time (5:00 p.m. Eastern Time) to discuss its financial results for the quarter ended June 30, 2018. To access the call, please call the conference call operator at:

Dial in: (877) 303-9205  
 Alternate dial-in: (760) 536-5226

Please call in 15 minutes prior to the scheduled start time and request to be connected to the "Cardtronics Second Quarter 2018 Earnings Conference Call." Additionally, a live audio webcast of the conference call will be available online through the investor relations section of the Company's website at [www.cardtronics.com](http://www.cardtronics.com).

A digital replay of the conference call will be available through Thursday, August 9, 2018, and can be accessed by calling (855) 859-2056 or (404) 537-3406 and entering 1946179 for the conference ID. A replay of the conference call will also be available online through the Company's website subsequent to the call through August 31, 2018. Prior to the conference call, the Company will post supplemental financial information to its website at [www.cardtronics.com](http://www.cardtronics.com).

## ABOUT CARDTRONICS(Nasdaq:CATM)

Making ATM cash access convenient where people shop, work, and live, Cardtronics is at the convergence of retailers, financial institutions, prepaid card programs, and the customers they share. Cardtronics provides services to approximately 230,000 ATMs in North America, Europe, Asia-Pacific, and Africa. Whether Cardtronics is driving foot traffic for top retailers, enhancing ATM brand presence for card issuers or expanding cardholders' surcharge-free cash access, Cardtronics is convenient access to cash, when and where consumers need it. Cardtronics is where cash meets commerce.

## CONTACT INFORMATION

**EVP - Treasurer**  
 Brad Conrad  
 832-308-4000  
[ir@cardtronics.com](mailto:ir@cardtronics.com)

**Corporate Communications Manager**  
 Susannah Moore Griffin  
 832-308-4392  
[sgriffin@cardtronics.com](mailto:sgriffin@cardtronics.com)

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This earnings release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended and are intended to be covered by the safe harbor provisions thereof. These forward-looking statements are based on management's current expectations and beliefs concerning future developments and their potential effect on the Company and there can be no assurance that future developments affecting the Company will be those that are anticipated. All comments concerning the Company's expectations for future revenues and operating results are based on its estimates for its existing operations and do not include the potential impact of any future acquisitions. The Company's forward-looking statements involve significant risks and uncertainties (some of which are beyond its control) and assumptions that could cause actual results to differ materially from its historical experience and present expectations or projections. Risk factors are described in the Company's 2017 Form 10-K, and those set forth from time-to-time in other filings with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on forward-looking statements contained in this earnings release, which speak only as of the date of this earnings release. Except as required by applicable law, the Company undertakes no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events, or otherwise.

## DISCLOSURE OF NON-GAAP FINANCIAL INFORMATION

Adjusted Gross Profit, Adjusted Gross Margin, EBITDA, Adjusted EBITDA, Adjusted Net Income, Adjusted Net Income per diluted share, Adjusted Free Cash Flow, and certain GAAP and non-GAAP measures on a constant-currency basis represent non-GAAP financial measures provided as a complement to financial results prepared in accordance with GAAP and may not be comparable to similarly-titled measures reported by other companies. The Company uses these non-GAAP financial measures in managing and measuring the performance of its business, including setting and measuring incentive based compensation for management. Management believes that the presentation of these measures and the identification of notable, non-cash, and/or (if applicable in a particular period) certain costs not anticipated to occur in future periods enhance an investor's understanding of the underlying trends in the Company's business and provide for better comparability between periods in different years.

Adjusted Gross Profit represents total revenues less the total cost of revenues, excluding depreciation, accretion, and amortization of intangible

assets. Adjusted Gross Margin is calculated by dividing Adjusted Gross Profit by total revenues. Adjusted EBITDA excludes depreciation, accretion, and amortization of intangible assets as these amounts can vary substantially from company to company within the Company's industry depending upon accounting methods and book values of assets, capital structures, and the methods by which the assets were acquired. Adjusted EBITDA also excludes share-based compensation expense, acquisition and divestiture-related expenses, certain non-operating expenses, (if applicable in a particular period) certain costs not anticipated to occur in future periods, gains or losses on disposal and impairment of assets, the Company's obligations for the payment of income taxes, interest expense, and other obligations such as capital expenditures, and includes an adjustment for noncontrolling interests. Adjusted Net Income represents net income computed in accordance with GAAP, before amortization of intangible assets, gains or losses on disposal and impairment of assets, share-based compensation expense, certain other expense amounts, acquisition and divestiture-related expenses, certain non-operating expenses, and (if applicable in a particular period) certain costs not anticipated to occur in future periods (together, the "Adjustments"). The non-GAAP tax rate used to calculate Adjusted Net Income was approximately 24.5% and 25.1% for the three and six months ended June 30, 2018, respectively, and 27.7% and 27.9% for the three and six months ended June 30, 2017, respectively. The non-GAAP tax rates represent the GAAP tax rate for the period as adjusted by the estimated tax impact of the items adjusted from the measure. Adjusted Net Income per diluted share is calculated by dividing Adjusted Net Income by weighted average diluted shares outstanding. Adjusted Free Cash Flow is defined as cash provided by operating activities less the impact of changes in restricted cash due to the timing of settlements and less payments for capital expenditures, including those financed through direct debt, but excluding acquisitions. The Adjusted Free Cash Flow measure does not take into consideration certain other non-discretionary cash requirements such as mandatory principal payments on portions of the Company's long-term debt. Management calculates certain GAAP as well as non-GAAP measures on a constant-currency basis using the average foreign currency exchange rates applicable in the corresponding period of the previous year and applying these rates to the measures in the current reporting period. Management uses GAAP as well as non-GAAP measures on a constant-currency basis to assess performance and eliminate the effect foreign currency exchange rates have on comparability between periods.

The non-GAAP financial measures presented herein should not be considered in isolation or as a substitute for operating income, net income, cash flows from operating, investing, or financing activities, or other income or cash flow measures prepared in accordance with GAAP. Reconciliations of the non-GAAP financial measures used herein to the most directly comparable GAAP financial measures are presented in tabular form at the end of this earnings release.

**Consolidated Statements of Operations**  
**For the Three and Six Months Ended June 30, 2018 and 2017**  
(In thousands, excluding share, per share amounts, and percentages)  
(Unaudited)

|   | Three Months Ended<br>June 30, |             |            | Six Months Ended<br>June 30, |             |            |
|---|--------------------------------|-------------|------------|------------------------------|-------------|------------|
|   | 2018                           | %<br>Change | 2017       | 2018                         | %<br>Change | 2017       |
| Revenues:   |                                |             |            |                              |             |            |
| ATM operating revenues  | \$ 329,221                     | (11.8 ) %   | \$ 373,260 | \$ 648,952                   | (9.2 ) %    | \$ 715,048 |
| ATM product sales and other revenues  | 11,766                         | (0.7 )      | 11,852     | 28,219                       | 2.1         | 27,636     |
| Total revenues  | 340,987                        | (11.5 )     | 385,112    | 677,171                      | (8.8 )      | 742,684    |
| Cost of revenues:   |                                |             |            |                              |             |            |
| Cost of ATM operating revenues (excludes depreciation, accretion, and amortization of intangible assets reported separately below.) | 215,353                        | (12.6 )     | 246,484    | 430,843                      | (9.9 )      | 478,411    |
| Cost of ATM product sales and other revenues  | 10,086                         | (9.3 )      | 11,116     | 22,848                       | (11.3 )     | 25,751     |
| Total cost of revenues  | 225,439                        | (12.5 )     | 257,600    | 453,691                      | (10.0 )     | 504,162    |
| Operating expenses:   |                                |             |            |                              |             |            |
| Selling, general, and administrative expenses   | 40,928                         | (5.8 )      | 43,470     | 82,668                       | (3.2 )      | 85,419     |
| Redomicile-related expenses   | —                              | n/m         | —          | —                            | n/m         | 760        |
| Restructuring expenses  | 2,063                          | n/m         | —          | 4,476                        | (45.7 )     | 8,243      |
| Acquisition and divestiture-related expenses  | 913                            | (77.1 )     | 3,993      | 2,633                        | (78.8 )     | 12,449     |
| Depreciation and accretion expense  | 31,764                         | 6.8         | 29,755     | 62,806                       | 6.7         | 58,876     |
| Amortization of intangible assets   | 13,498                         | (11.5 )     | 15,247     | 27,269                       | (10.4 )     | 30,427     |
| Loss on disposal and impairment of assets   | 9,697                          | n/m         | 669        | 15,117                       | n/m         | 3,863      |
| Total operating expenses  | 98,863                         | 6.2         | 93,134     | 194,969                      | (2.5 )      | 200,037    |
| Income from operations  | 16,685                         | (51.5 )     | 34,378     | 28,511                       | (25.9 )     | 38,485     |
| Other expense:  |                                |             |            |                              |             |            |
| Interest expense, net   | 9,159                          | (3.2 )      | 9,460      | 18,333                       | 14.5        | 16,017     |
| Amortization of deferred financing costs and note discount  | 3,355                          | 6.6         | 3,146      | 6,663                        | 8.8         | 6,122      |
| Other (income) expense  | (2,187 )                       | n/m         | 1,945      | (27 )                        | n/m         | 365        |
| Total other expense   | 10,327                         | (29.0 )     | 14,551     | 24,969                       | 11.0        | 22,504     |
| Income before income taxes  | 6,358                          | (67.9 )     | 19,827     | 3,542                        | (77.8 )     | 15,981     |
| Income tax expense  | 2,586                          | (44.6 )     | 4,670      | 2,555                        | 48.7        | 1,718      |
| Effective tax rate  | 40.7 %                         |             | 23.6 %     | 72.1 %                       |             | 10.8 %     |
| Net income  | 3,772                          | (75.1 )     | 15,157     | 987                          | (93.1 )     | 14,263     |
| Net income (loss) attributable to noncontrolling interests  | 5                              | n/m         | (1 )       | (12 )                        | n/m         | 6          |

|   |            |           |            |            |           |            |
|---|------------|-----------|------------|------------|-----------|------------|
| Net income attributable to controlling interests and available to common shareholders | \$ 3,767   | (75.1 ) % | \$ 15,158  | \$ 999     | (93.0 ) % | \$ 14,257  |
| Net income per common share – basic   | \$ 0.08    |           | \$ 0.33    | \$ 0.02    |           | \$ 0.31    |
| Net income per common share – diluted   | \$ 0.08    |           | \$ 0.33    | \$ 0.02    |           | \$ 0.31    |
| Weighted average shares outstanding – basic   | 45,927,732 |           | 45,637,778 | 45,880,661 |           | 45,564,527 |
| Weighted average shares outstanding – diluted   | 46,378,813 |           | 46,222,112 | 46,357,776 |           | 46,272,191 |

**Condensed Consolidated Balance Sheets**  
**As of June 30, 2018 and December 31, 2017**  
(In thousands)

|   | June 30, 2018<br>(Unaudited) | December 31, 2017 |
|---|------------------------------|-------------------|
| <b>ASSETS</b>   |                              |                   |
| Current assets:   |                              |                   |
| Cash and cash equivalents                                     | \$ 40,252                    | \$ 51,370         |
| Accounts and notes receivable, net                            | 88,355                       | 105,245           |
| Inventory, net  | 14,516                       | 14,283            |
| Restricted cash   | 72,997                       | 48,328            |
| Prepaid expenses, deferred costs, and other current assets    | 106,484                      | 96,106            |
| Total current assets  | 322,604                      | 315,332           |
| Property and equipment, net                                   | 461,210                      | 497,902           |
| Intangible assets, net  | 177,553                      | 209,862           |
| Goodwill  | 760,780                      | 774,939           |
| Deferred tax asset, net                                       | 6,708                        | 6,925             |
| Prepaid expenses, deferred costs, and other noncurrent assets | 71,481                       | 57,756            |
| Total assets  | \$ 1,800,336                 | \$ 1,862,716      |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>                   |                              |                   |
| Current liabilities:  |                              |                   |
| Current portion of other long-term liabilities                | \$ 22,039                    | \$ 31,370         |
| Accounts payable and other accrued and current liabilities    | 339,458                      | 351,180           |
| Total current liabilities                                     | 361,497                      | 382,550           |
| Long-term liabilities:  |                              |                   |
| Long-term debt  | 878,423                      | 917,721           |
| Asset retirement obligations                                  | 56,715                       | 59,920            |
| Deferred tax liability, net                                   | 42,250                       | 37,130            |
| Other long-term liabilities                                   | 64,480                       | 75,002            |
| Total liabilities   | 1,403,365                    | 1,472,323         |
| Shareholders' equity  | 396,971                      | 390,393           |
| Total liabilities and shareholders' equity                    | \$ 1,800,336                 | \$ 1,862,716      |

**SELECTED BALANCE SHEET DETAIL:**

| Long-term debt:                               | June 30, 2018<br>(In thousands)<br>(Unaudited) | December 31, 2017 |
|---|--|-------------------|
| Revolving credit facility                     | \$ 76,805                                      | \$ 122,461        |
| 1.00% Convertible senior notes <sup>(1)</sup> | 257,659  | 251,973           |
| 5.125% Senior notes <sup>(1)</sup>            | 248,385  | 248,038           |
| 5.50% Senior notes <sup>(1)</sup>             | 295,574  | 295,249           |
| Total long-term debt                          | \$ 878,423                                     | \$ 917,721        |

The 1.00% Convertible Senior Notes due 2020 with a face value of \$287.5 million are presented net of the unamortized discount and capitalized debt issuance costs of \$29.8 million and \$35.5 million as of June 30, 2018 and December 31, 2017, respectively. In accordance with GAAP, the <sup>(1)</sup> estimated fair value of the conversion feature within the Convertible Senior Notes was recorded as additional paid-in capital within equity at issuance. The Convertible Senior Notes are being accreted over the term of the notes to the full principal amount (\$287.5 million). The 5.125%

Senior Notes due 2022 with a face value of \$250.0 million are presented net of capitalized debt issuance costs of \$1.6 million and \$2.0 million as of June 30, 2018 and December 31, 2017, respectively. The 5.50% Senior Notes due 2025 with a face value of \$300.0 million are presented net of capitalized debt issuance costs of \$4.4 million and \$4.8 million as of June 30, 2018 and December 31, 2017, respectively.

#### SELECTED CASH FLOW DETAIL (Unaudited):

| Selected cash flow statement amounts:  | Three Months Ended    |            | Six Months Ended |            |
|--|-----------------------|------------|------------------|------------|
|  | June 30,              |            | June 30,         |            |
|  | 2018                  | 2017       | 2018             | 2017       |
|  | <i>(In thousands)</i> |            |                  |            |
| Net cash provided by operating activities                                      | \$ 60,342             | \$ 73,621  | \$ 109,775       | \$ 96,329  |
| Net cash used in investing activities  | (25,943 )             | (31,307 )  | (46,682 )        | (554,470 ) |
| Net cash (used in) provided by financing activities                            | (38,591 )             | (26,864 )  | (47,986 )        | 456,337    |
| Effect of exchange rate changes on cash, cash equivalents, and restricted cash | (2,242 )              | (2,580 )   | (1,558 )         | (3,743 )   |
| Net (decrease) increase in cash, cash equivalents, and restricted cash         | (6,434 )              | 12,870     | 13,549           | (5,547 )   |
| Cash, cash equivalents, and restricted cash as of beginning of period          | 119,800               | 87,330     | 99,817           | 105,747    |
| Cash, cash equivalents, and restricted cash as of end of period                | \$ 113,366            | \$ 100,200 | \$ 113,366       | \$ 100,200 |

#### Reconciliation of Net Income Attributable to Controlling Interests and Available to Common Shareholders to EBITDA, Adjusted EBITDA, and Adjusted Net Income For the Three and Six Months Ended June 30, 2018 and 2017 (In thousands, excluding share and per share amounts) (Unaudited)

|  | Three Months Ended |                  | Six Months Ended  |                   |
|--|--------------------|------------------|-------------------|-------------------|
|  | June 30,           |                  | June 30,          |                   |
|  | 2018               | 2017             | 2018              | 2017              |
| <b>Net income attributable to controlling interests and available to common shareholders</b> | <b>\$ 3,767</b>    | <b>\$ 15,158</b> | <b>\$ 999</b>     | <b>\$ 14,257</b>  |
| Adjustments:   |                    |                  |                   |                   |
| Interest expense, net  | 9,159              | 9,460            | 18,333            | 16,017            |
| Amortization of deferred financing costs and note discount                                   | 3,355              | 3,146            | 6,663             | 6,122             |
| Income tax expense   | 2,586              | 4,670            | 2,555             | 1,718             |
| Depreciation and accretion expense   | 31,764             | 29,755           | 62,806            | 58,876            |
| Amortization of intangible assets  | 13,498             | 15,247           | 27,269            | 30,427            |
| <b>EBITDA</b>  | <b>\$ 64,129</b>   | <b>\$ 77,436</b> | <b>\$ 118,625</b> | <b>\$ 127,417</b> |
| Add back:  |                    |                  |                   |                   |
| Loss on disposal and impairment of assets  | 9,697              | 669              | 15,117            | 3,863             |
| Other (income) expense <sup>(1)</sup>  | (2,187 )           | 1,945            | (27 )             | 365               |
| Noncontrolling interests <sup>(2)</sup>  | 18                 | (6 )             | 19                | (10 )             |
| Share-based compensation expense   | 3,513              | 3,623            | 5,958             | 5,820             |
| Restructuring expenses <sup>(3)</sup>  | 2,063              | —                | 4,476             | 9,003             |
| Acquisition and divestiture-related expenses <sup>(4)</sup>                                  | 913                | 3,993            | 2,633             | 12,449            |
| <b>Adjusted EBITDA</b>   | <b>\$ 78,146</b>   | <b>\$ 87,660</b> | <b>\$ 146,801</b> | <b>\$ 158,907</b> |
| Less:  |                    |                  |                   |                   |
| Interest expense, net  | 9,159              | 9,460            | 18,333            | 16,017            |
| Depreciation and accretion expense <sup>(5)</sup>  | 31,764             | 29,754           | 62,805            | 58,872            |
| Adjusted pre-tax income  | \$ 37,223          | \$ 48,446        | \$ 65,663         | \$ 84,018         |
| Income tax expense <sup>(6)</sup>  | 9,120              | 13,418           | 16,481            | 23,449            |
| <b>Adjusted Net Income</b>   | <b>\$ 28,103</b>   | <b>\$ 35,028</b> | <b>\$ 49,182</b>  | <b>\$ 60,569</b>  |
| <b>Adjusted Net Income per share – basic</b>   | <b>\$ 0.61</b>     | <b>\$ 0.77</b>   | <b>\$ 1.07</b>    | <b>\$ 1.33</b>    |
| <b>Adjusted Net Income per share – diluted</b>   | <b>\$ 0.61</b>     | <b>\$ 0.76</b>   | <b>\$ 1.06</b>    | <b>\$ 1.31</b>    |
| Weighted average shares outstanding – basic  | 45,927,732         | 45,637,778       | 45,880,661        | 45,564,527        |
| Weighted average shares outstanding – diluted  | 46,378,813         | 46,222,112       | 46,357,776        | 46,272,191        |

(1) Includes foreign currency translation gains/losses, the revaluation of the estimated acquisition-related contingent consideration, and other non-operating costs.

(2) Noncontrolling interests adjustment made such that Adjusted EBITDA includes only the Company's ownership interest in the Adjusted EBITDA of one of its Mexican subsidiaries.

(3) Includes employee severance and other costs incurred in conjunction with a corporate reorganization and cost reduction initiative, and in the six months ended June 30, 2017, expenses associated with the Company's redomicile of its parent company to the U.K., which was completed on July 1, 2016.

(4) Acquisition and divestiture-related expenses include costs incurred for professional and legal fees and certain other transition and integration-related costs. Expenses include employee severance and lease termination costs related to DCPayments acquisition integration in the six months ended June 30, 2018.

(5) Amounts exclude a portion of the expenses incurred by one of its Mexican subsidiaries to account for the amounts allocable to the noncontrolling interest shareholders.

(6) For the three and six months ended June 30, 2018, the non-GAAP tax rate used to calculate Adjusted Net Income was approximately 24.5% and 25.1%, respectively, and 27.7% and 27.9% for the three and six months ended June 30, 2017, which represents the Company's GAAP tax rate as adjusted for the net tax effects related to the items excluded from Adjusted Net Income.

**Reconciliation of GAAP Revenue to Constant-Currency Revenue  
For the Three and Six Months Ended June 30, 2018 and 2017  
(In thousands, excluding percentages)  
(Unaudited)**

| Consolidated revenue:                | Three Months Ended<br>June 30,<br>2018 |                         |   | Constant - Currency | 2017         |              |                     | % Change |     |
|--------------------------------------|--|-------------------------|---|---------------------|--------------|--------------|---------------------|----------|-----|
|                                      | U.S.<br>GAAP                           | Foreign Currency Impact |   |                     | U.S.<br>GAAP | U.S.<br>GAAP | Constant - Currency |          |     |
|                                      |  |                         |   |                     |              |              |                     |          |     |
| ATM operating revenues               | \$ 329,221                             | \$ (7,977)              | ) | \$ 321,244          | \$ 373,260   | (11.8)       | %                   | (13.9)   | ) % |
| ATM product sales and other revenues | 11,766                                 | (175)                   | ) | 11,591              | 11,852       | (0.7)        | )                   | (2.2)    | )   |
| Total revenues                       | \$ 340,987                             | \$ (8,152)              | ) | \$ 332,835          | \$ 385,112   | (11.5)       | %                   | (13.6)   | ) % |

|                                      | Six Months Ended<br>June 30,<br>2018 |                         |   | Constant - Currency | 2017         |              |                     | % Change |     |
|--------------------------------------|--------------------------------------|-------------------------|---|---------------------|--------------|--------------|---------------------|----------|-----|
|                                      | U.S.<br>GAAP                         | Foreign Currency Impact |   |                     | U.S.<br>GAAP | U.S.<br>GAAP | Constant - Currency |          |     |
|                                      |                                      |                         |   |                     |              |              |                     |          |     |
| ATM operating revenues               | \$ 648,952                           | \$ (21,527)             | ) | \$ 627,425          | \$ 715,048   | (9.2)        | %                   | (12.3)   | ) % |
| ATM product sales and other revenues | 28,219                               | (498)                   | ) | 27,721              | 27,636       | 2.1          | 0.3                 |          |     |
| Total revenues                       | \$ 677,171                           | \$ (22,025)             | ) | \$ 655,146          | \$ 742,684   | (8.8)        | %                   | (11.8)   | ) % |

| Europe & Africa revenue:             | Three Months Ended<br>June 30,<br>2018 |                         |   | Constant - Currency | 2017         |              |                     | % Change |     |
|--------------------------------------|--|-------------------------|---|---------------------|--------------|--------------|---------------------|----------|-----|
|                                      | U.S.<br>GAAP                           | Foreign Currency Impact |   |                     | U.S.<br>GAAP | U.S.<br>GAAP | Constant - Currency |          |     |
|                                      |  |                         |   |                     |              |              |                     |          |     |
| ATM operating revenues               | \$ 105,809                             | \$ (6,444)              | ) | \$ 99,365           | \$ 100,946   | 4.8          | %                   | (1.6)    | ) % |
| ATM product sales and other revenues | 2,041                                  | (116)                   | ) | 1,925               | 2,208        | (7.6)        | (12.8)              | )        |     |
| Total revenues                       | \$ 107,850                             | \$ (6,560)              | ) | \$ 101,290          | \$ 103,154   | 4.6          | %                   | (1.8)    | ) % |

|                                      | Six Months Ended<br>June 30,<br>2018 |                         |   | Constant - Currency | 2017         |              |                     | % Change |     |
|--------------------------------------|--------------------------------------|-------------------------|---|---------------------|--------------|--------------|---------------------|----------|-----|
|                                      | U.S.<br>GAAP                         | Foreign Currency Impact |   |                     | U.S.<br>GAAP | U.S.<br>GAAP | Constant - Currency |          |     |
|                                      |                                      |                         |   |                     |              |              |                     |          |     |
| ATM operating revenues               | \$ 201,990                           | \$ (17,354)             | ) | \$ 184,636          | \$ 186,330   | 8.4          | %                   | (0.9)    | ) % |
| ATM product sales and other revenues | 4,304                                | (359)                   | ) | 3,945               | 4,071        | 5.7          | (3.1)               | )        |     |
| Total revenues                       | \$ 206,294                           | \$ (17,713)             | ) | \$ 188,581          | \$ 190,401   | 8.3          | %                   | (1.0)    | ) % |

| Australia & New Zealand revenue:     | Three Months Ended |                         |                     | 2017      | % Change  |                     |
|--------------------------------------|--------------------|-------------------------|---------------------|-----------|-----------|---------------------|
|                                      | June 30,           |                         |                     |           |           |                     |
|                                      | 2018               |                         |                     |           |           |                     |
|                                      | U.S. GAAP          | Foreign Currency Impact | Constant - Currency | U.S. GAAP | U.S. GAAP | Constant - Currency |
| ATM operating revenues               | \$ 29,024          | \$ (235)                | ) \$ 28,789         | \$ 32,891 | (11.8 ) % | (12.5 ) %           |
| ATM product sales and other revenues | 97                 | (1)                     | ) 96                | 74        | 31.1      | 29.7                |
| Total revenues                       | \$ 29,121          | \$ (236)                | ) \$ 28,885         | \$ 32,965 | (11.7 ) % | (12.4 ) %           |

|                                      | Six Months Ended |                         |                     | 2017      | % Change  |                     |
|--------------------------------------|------------------|-------------------------|---------------------|-----------|-----------|---------------------|
|                                      | June 30,         |                         |                     |           |           |                     |
|                                      | 2018             |                         |                     |           |           |                     |
|                                      | U.S. GAAP        | Foreign Currency Impact | Constant - Currency | U.S. GAAP | U.S. GAAP | Constant - Currency |
| ATM operating revenues               | \$ 59,661        | \$ (1,325)              | ) \$ 58,336         | \$ 64,384 | (7.3 ) %  | (9.4 ) %            |
| ATM product sales and other revenues | 155              | (3)                     | ) 152               | 159       | (2.5 )    | (4.4 )              |
| Total revenues                       | \$ 59,816        | \$ (1,328)              | ) \$ 58,488         | \$ 64,543 | (7.3 ) %  | (9.4 ) %            |

**Reconciliation of Gross Profit Inclusive of Depreciation, Accretion, and Amortization of Intangible Assets to Adjusted Gross Profit**  
**For the Three and Six Months Ended June 30, 2018 and 2017**  
(In thousands, excluding percentages)  
(Unaudited)

|   | Three Months Ended |            | Six Months Ended |            |
|---|--------------------|------------|------------------|------------|
|   | June 30, 2018      | 2017       | June 30, 2018    | 2017       |
| Total revenues  | \$ 340,987         | \$ 385,112 | \$ 677,171       | \$ 742,684 |
| Total cost of revenues <sup>(1)</sup>   | 225,439            | 257,600    | 453,691          | 504,162    |
| Total depreciation, accretion, and amortization of intangible assets excluded from total cost of revenues | 36,535             | 37,571     | 73,681           | 74,735     |
| Gross profit inclusive of depreciation, accretion, and amortization of intangible assets                  | \$ 79,013          | \$ 89,941  | \$ 149,799       | \$ 163,787 |
| Gross Margin (inclusive of depreciation, accretion, and amortization of intangible assets)                | 23.2 %             | 23.4 %     | 22.1 %           | 22.1 %     |
| Total depreciation, accretion, and amortization of intangible assets excluded from gross profit           | \$ 36,535          | \$ 37,571  | \$ 73,681        | \$ 74,735  |
| Adjusted Gross Profit exclusive of depreciation, accretion, and amortization of intangible assets         | \$ 115,548         | \$ 127,512 | \$ 223,480       | \$ 238,522 |
| Adjusted Gross Margin (exclusive of depreciation, accretion, and amortization of intangible assets)       | 33.9 %             | 33.1 %     | 33.0 %           | 32.1 %     |

<sup>(1)</sup> The Company presents the Total cost of revenues in the Company's Consolidated Statements of Operations exclusive of depreciation, accretion, and amortization of intangible assets.

**Reconciliation of Adjusted EBITDA, Adjusted Net Income, and Adjusted Net Income per diluted share on a Non-GAAP basis to Constant-Currency**  
**For the Three and Six Months Ended June 30, 2018 and 2017**  
(In thousands, excluding per share amounts and percentages)  
(Unaudited)

|                 | Three Months Ended        |                         |                     | 2017                      | % Change                  |                     |
|-----------------|---------------------------|-------------------------|---------------------|---------------------------|---------------------------|---------------------|
|                 | June 30,                  |                         |                     |                           |                           |                     |
|                 | 2018                      |                         |                     |                           |                           |                     |
|                 | Non - GAAP <sup>(1)</sup> | Foreign Currency Impact | Constant - Currency | Non - GAAP <sup>(1)</sup> | Non - GAAP <sup>(1)</sup> | Constant - Currency |
| Adjusted EBITDA | \$ 78,146                 | \$ (2,263)              | ) \$ 75,883         | \$ 87,660                 | (10.9 ) %                 | (13.4 ) %           |

|  |           |           |   |           |           |         |        |   |   |
|--|-----------|-----------|---|-----------|-----------|---------|--------|---|---|
| Adjusted Net Income                            | \$ 28,103 | \$ (944)  | ) | \$ 27,159 | \$ 35,028 | (19.8)% | (22.5) | ) | % |
| Adjusted Net Income per share – diluted<br>(2) | \$ 0.61   | \$ (0.02) | ) | \$ 0.59   | \$ 0.76   | (19.7)% | (22.4) | ) | % |

|  | Six Months Ended<br>June 30,<br>2018 |                            |                        | 2017       | % Change          |                      |                        |   |   |
|--|--------------------------------------|----------------------------|------------------------|------------|-------------------|----------------------|------------------------|---|---|
|  | Non -<br>GAAP (1)                    | Foreign Currency<br>Impact | Constant -<br>Currency |            | Non -<br>GAAP (1) | Non -<br>GAAP<br>(1) | Constant -<br>Currency |   |   |
| Adjusted EBITDA                                | \$ 146,801                           | \$ (5,895)                 | )                      | \$ 140,906 | \$ 158,907        | (7.6 )%              | (11.3)                 | ) | % |
| Adjusted Net Income                            | \$ 49,182                            | \$ (2,333)                 | )                      | \$ 46,849  | \$ 60,569         | (18.8)%              | (22.7)                 | ) | % |
| Adjusted Net Income per share – diluted<br>(2) | \$ 1.06                              | \$ (0.05)                  | )                      | \$ 1.01    | \$ 1.31           | (19.1)%              | (22.9)                 | ) | % |

As reported on the Company's *Reconciliation of Net Income Attributable to Controlling Interests and Available to Common Shareholders to (1) EBITDA, Adjusted EBITDA, and Adjusted Net Income*, see *Disclosure of Non-GAAP Financial Information* in this earnings release for further discussion.

Adjusted Net Income per diluted share is calculated by dividing Adjusted Net Income by the weighted average diluted shares outstanding of (2) 46,378,813 and 46,222,112 for the three months ended June 30, 2018 and 2017, respectively, and 46,357,776 and 46,272,191 for the six months ended June 30, 2018 and 2017, respectively.

**Reconciliation of Adjusted Free Cash Flow  
For the Three and Six Months Ended June 30, 2018 and 2017  
(In thousands)  
(Unaudited)**

|  | Three Months Ended<br>June 30, |           | Six Months Ended<br>June 30, |           |
|--|--------------------------------|-----------|------------------------------|-----------|
|  | 2018                           | 2017      | 2018                         | 2017      |
| Net cash provided by operating activities                                      | \$ 60,342                      | \$ 73,621 | \$ 109,775                   | \$ 96,329 |
| Restricted cash settlement activity  | (1,111 )                       | 510       | (25,349 )                    | (11,749 ) |
| Adjusted net cash provided by operating activities                             | 59,231                         | 74,131    | 84,426                       | 84,580    |
| Net cash used in investing activities, excluding acquisitions and divestitures | (25,943 )                      | (31,307 ) | (46,682 )                    | (69,868 ) |
| Adjusted free cash flow  | \$ 33,288                      | \$ 42,824 | \$ 37,744                    | \$ 14,712 |

**Reconciliation of Estimated Net Income to EBITDA, Adjusted EBITDA, and Adjusted Net Income  
For the Year Ending December 31, 2018  
(In millions, excluding per share amounts)  
(Unaudited)**

|  | Estimated Range<br>Full Year 2018 (1) |          |
|--|---------------------------------------|----------|
| Net Income   | \$ 1.2                                | \$ 5.0   |
| Adjustments:   |                                       |          |
| Interest expense, net                                      | 36.5                                  | 36.5     |
| Amortization of deferred financing costs and note discount | 13.4                                  | 13.4     |
| Income tax expense   | 1.2                                   | 5.2      |
| Depreciation and accretion expense                         | 126.5                                 | 127.5    |
| Amortization of intangible assets                          | 53.6                                  | 54.0     |
| EBITDA   | \$ 232.4                              | \$ 241.6 |
| Add Back:  |                                       |          |
| Loss on disposal and impairment of assets                  | 15.1                                  | 15.1     |



|   |          |          |
|---|----------|----------|
| Share-based compensation expense              | 14.4     | 15.2     |
| Acquisition-related expenses                  | 2.6      | 2.6      |
| Restructuring expenses                        | 5.5      | 5.5      |
| Adjusted EBITDA                               | \$ 270.0 | \$ 280.0 |
| Less:   |          |          |
| Interest expense, net                         | 36.5     | 36.5     |
| Depreciation and accretion expense            | 126.5    | 127.5    |
| Income tax expense <sup>(2)</sup>             | 27.8     | 30.2     |
| Adjusted Net Income                           | \$ 79.2  | \$ 85.8  |
| Adjusted Net Income per share – diluted       | \$ 1.70  | \$ 1.85  |
| Weighted average shares outstanding – diluted | 46.5     | 46.5     |

(1) See *Disclosure of Non-GAAP Financial Information* in this earnings release for definitions of the non-GAAP measures included in this table.

(2) Calculated using the Company's estimated non-GAAP tax rate of approximately 26%, as adjusted for items excluded from Adjusted Net Income, see *Disclosure of Non-GAAP Financial Information* in this earnings release for further discussion.

*Cardtronics is a registered trademark of Cardtronics plc and its subsidiaries.  
All other trademarks are the property of their respective owners.*

 [Primary Logo](#)

Source: Cardtronics USA, Inc.