



# **CARDTRONICS**

---

**Second Quarter 2019 Results**

# Forward Looking Statements and Non-GAAP Measures



This earnings supplement includes forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements often address our expected future business and financial performance, and often contain words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” or “will.”

The information in this earnings supplement is based upon our current expectations as of the date hereof unless otherwise noted. Our actual future business and financial performance may differ materially and adversely from our expectations expressed in any forward-looking statements. We undertake no obligation to revise or publicly update our forward-looking statements or this presentation for any reason unless required by law. Although our expectations and beliefs are based on reasonable assumptions, actual results may differ materially. The factors that may affect our results are listed in certain of our press releases and disclosed in the Company’s most recent Form 10-K and 10-Q along with other public filings with the SEC.

In addition, this earnings supplement includes certain non-GAAP financial measures as defined under SEC Regulation G. The reasons we believe such measures are useful together with a reconciliation of those measures to the most directly comparable U.S. GAAP measures have been included in the appendix to the presentation.

## Return to organic growth on both top and bottom-line (constant-currency)

- Revenues of \$341 million, flat to prior year (up 3% on a constant-currency basis)
  - North America constant-currency revenue growth of 4%
  - Double-digit growth in Germany, Spain and South Africa
- Adjusted EBITDA of \$82 million, up 5% (up 8% constant-currency)
  - Adjusted EBITDA Margin of 24.0%, up 110 bps over Q2 2018
- Adjusted free cash flow of \$50 million, up from \$33 million in Q2 2018
- U.S. same-store withdrawal transaction growth of 3%
- Raising 2019 Outlook
- Continued growth with financial institutions with broad product solutions
- Repurchased over one million shares from May through July representing ~2% of outstanding share count

# Business Segment Results: Financial Highlights – As Reported



## Consolidated Adjusted EBITDA Growth and Margin Expansion

	Total Revenue			Adj. EBITDA		
	Q2 '18	Q2 '19	%	Q2 '18	Q2 '19	%
<i>(Figures in \$ millions)</i>						
North America	\$207	\$215	4%	\$52	\$56	8%
<i>% Margin</i>				25%	26%	
Europe & Africa	\$108	\$103	(4%)	\$32	\$29	(8%)
<i>% Margin</i>				30%	28%	
Australia & New Zealand	\$29	\$25	(15%)	\$4	\$5	5%
<i>% Margin</i>				15%	19%	
<b>Region Subtotal</b>	<b>\$344</b>	<b>\$344</b>	<b>0%</b>	<b>\$88</b>	<b>\$90</b>	<b>2%</b>
Corporate, Eliminations & Other	(\$3)	(\$3)	n/m	(\$10)	(\$8)	n/m
<i>% Margin</i>				n/m	n/m	
<b>Consolidated Total</b>	<b>\$341</b>	<b>\$341</b>	<b>0%</b>	<b>\$78</b>	<b>\$82</b>	<b>5%</b>
<i>% Margin</i>				23%	24%	

# Business Segment Results: Financial Highlights – Constant Currency



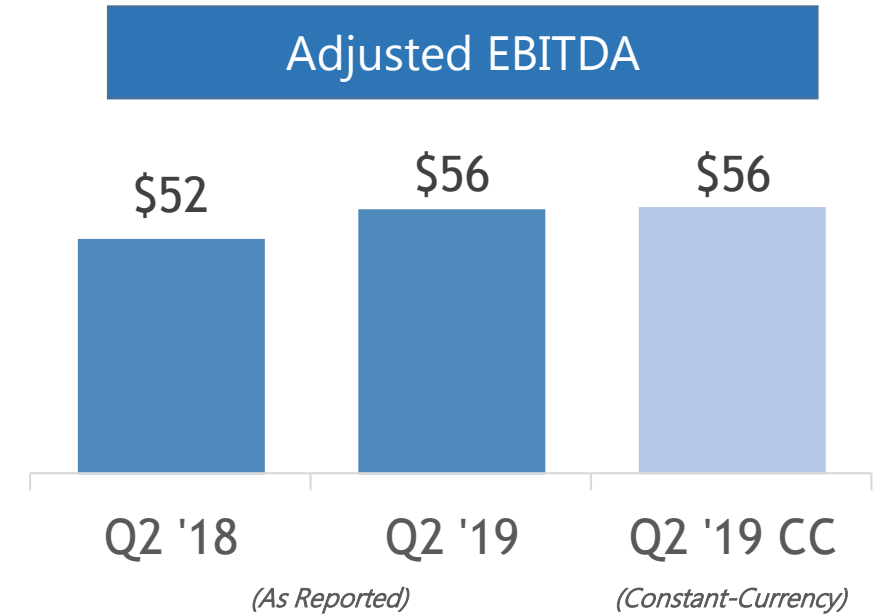
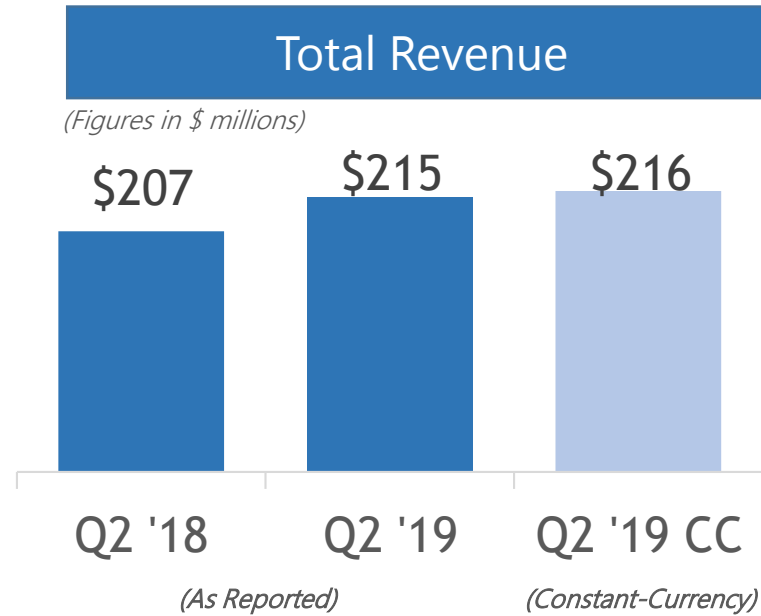
## Growth in Consolidated Revenue and Adjusted EBITDA

	Total Revenue			Adj. EBITDA		
	Q2 '18	Q2 '19	%	Q2 '18	Q2 '19	%
<i>(Figures in \$ millions)</i>						
North America	\$207	\$216	4%	\$52	\$56	8%
<i>% Margin</i>				25%	26%	
Europe & Africa	\$108	\$110	2%	\$32	\$31	(3%)
<i>% Margin</i>				30%	28%	
Australia & New Zealand	\$29	\$27	(8%)	\$4	\$5	14%
<i>% Margin</i>				15%	19%	
<b>Region Subtotal</b>	<b>\$344</b>	<b>\$353</b>	<b>3%</b>	<b>\$88</b>	<b>\$92</b>	<b>4%</b>
Corporate, Eliminations & Other	(\$3)	(\$3)	n/m	(\$10)	(\$8)	n/m
<i>% Margin</i>				n/m	n/m	
<b>Consolidated Total</b>	<b>\$341</b>	<b>\$351</b>	<b>3%</b>	<b>\$78</b>	<b>\$84</b>	<b>8%</b>
<i>% Margin</i>				23%	24%	

# Q2 2019 North America Highlights



Revenue growth and margin expansion driven by surcharge-free transaction growth

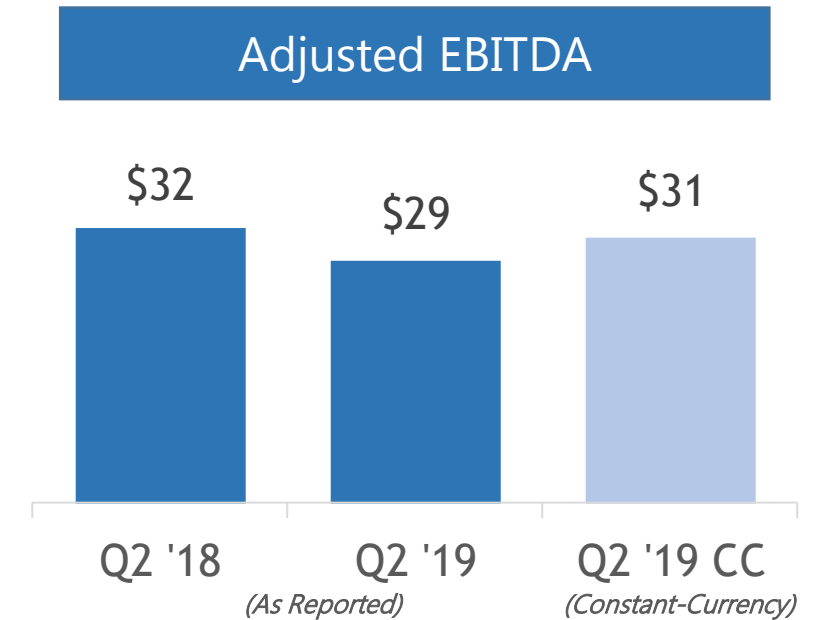
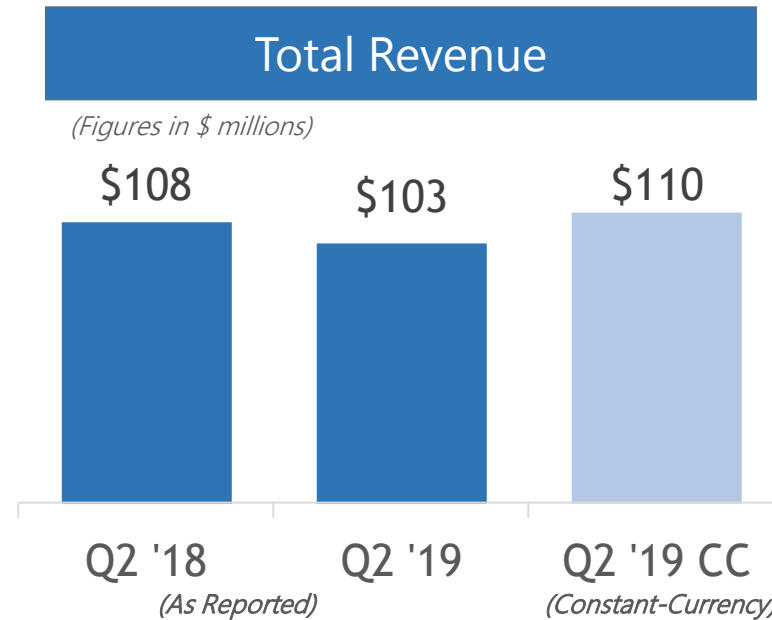


- 4% revenue growth, constant-currency
  - Same-store withdrawal transactions up 3% in U.S., led by surcharge-free transactions
  - Strong equipment sales
- Adjusted EBITDA growth of 8%, constant-currency, with 90 bps in margin expansion
- Agreements to place over 700 ATMs with new and existing retailers, mostly during the latter part of 2019

# Q2 2019 Europe & Africa Highlights



Top-line growth<sub>(constant-currency)</sub> led by Germany, Spain and South Africa

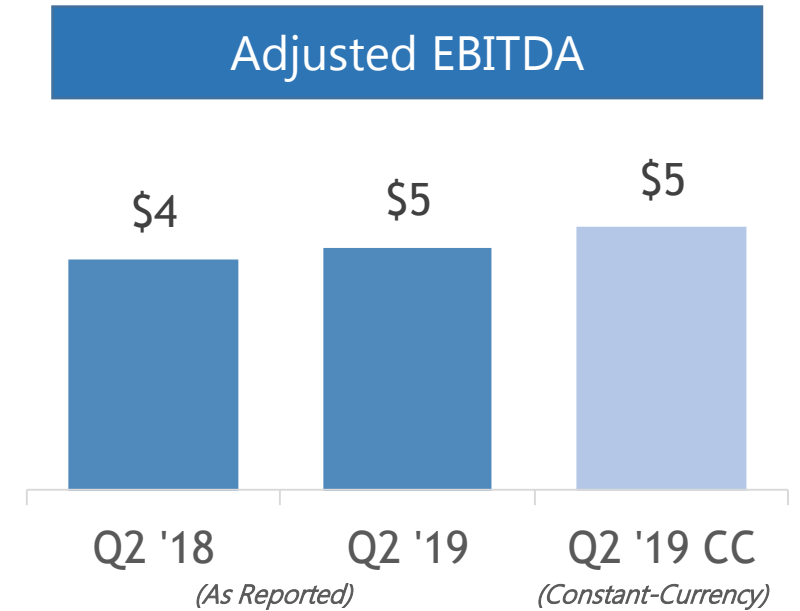
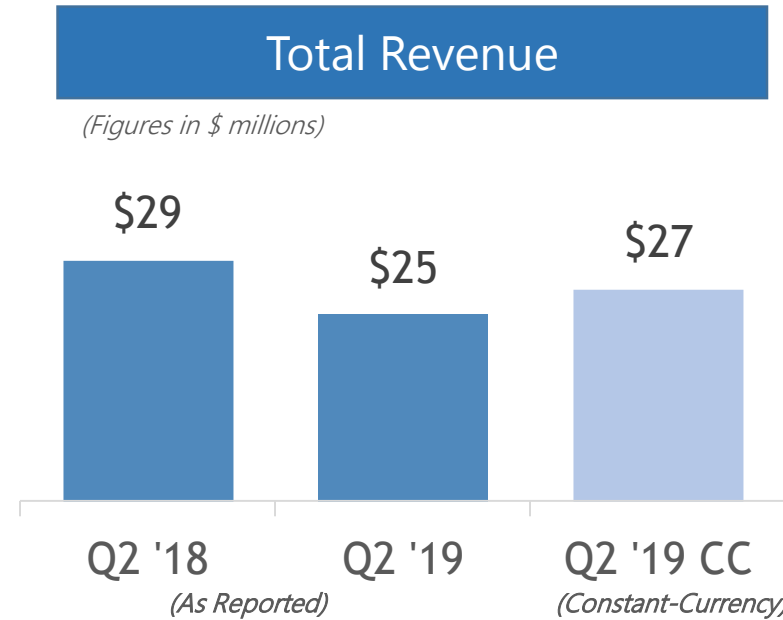


- Revenues up 2%, constant-currency
  - Continued double-digit growth across Germany, Spain and South Africa
  - Transaction volumes in the UK continued to exceed expectations
- Adjusted EBITDA down 3%, constant-currency
  - Impacted by 10% reduction in interchange rates in the U.K.
  - Growth in Adjusted EBITDA (constant-currency) excluding a \$2 million non-recurring property tax benefit in Q2 2018
- Agreements to place approximately 600 ATMs, mostly during the latter part of 2019

# Q2 2019 Australia & New Zealand Highlights



Focused on operational actions to improve profitability and cash flows



- Total revenue down 8%, constant-currency
- Adjusted EBITDA up 14%, constant-currency
  - Impacted by elevated expenses in the prior year
  - Continued focus on operational improvements and cost reductions



# Total ATM Operating Revenues



(Figures in \$ millions)

	Q2 '18	% of Total	Q2 '19	% of Total
Surcharge	\$144.3	43.8%	\$152.4	47.2%
Interchange	109.3	33.2%	89.9	27.8%
Bank Branding and surcharge free networks	44.0	13.4%	49.0	15.2%
Managed Services and Processing	31.7	9.6%	31.7	9.8%
<b>Total ATM Operating Revenues</b>	<b>\$329.2</b>	<b>100.0%</b>	<b>\$323.1</b>	<b>100.0%</b>

*\*Q2 2019 Total ATM Operating Revenues adversely impacted by \$10 million due to currency movements*

- Mix shift occurred between “Surcharge’ and ‘Interchange’ revenues, primarily from converting certain ATMs from free-to-use to pay-to-use in the UK after the interchange rate cuts implemented by LINK
- ‘Managed Services and Processing’ category impacted by converting customer relationship in Australia from Managed Services to Surcharge

# Total Cost of ATM Operating Revenues



(Figures in \$ millions)

	Q2 '18	% of Rev	Q2 '19	% of Rev
Merchant Fees	\$105.9	31.1%	\$97.1	28.5%
Vault Cash rental	17.7	5.2%	18.1	5.3%
Other Costs of Cash	21.9	6.4%	23.4	6.9%
Repairs & Maintenance	17.2	5.0%	18.4	5.4%
Communications	8.1	2.4%	6.3	1.8%
Transaction Processing	5.2	1.5%	6.0	1.8%
Employee Expense	22.0	6.5%	19.8	5.8%
Other Expense	17.2	5.0%	19.1	5.6%
<b>Total Cost of ATM Operating Revenues</b>	<b>\$215.4</b>	<b>63.2%</b>	<b>\$208.1</b>	<b>61.1%</b>

*\*Q2 2019 Cost of ATM Operating Revenues positively impacted by \$6 million due to currency movements*

- Majority of 'Merchant Fees' reduction driven by changes in the UK and Australia
- 'Other Expense' in Q2 2018 includes non-recurring, \$2 million property tax benefit in the UK

# Selling, General & Administrative Expenses



(Figures in \$ millions)

	Q2 '18	% of Rev	Q2 '19	% of Rev
Share Based Compensation	\$3.4	1.0%	\$4.9	1.4%
Employee Costs	22.8	6.7%	23.7	6.9%
Professional Fees	6.6	1.9%	6.3	1.8%
Other	8.1	2.4%	7.2	2.1%
<b>Total Selling, General &amp; Administrative Expense</b>	<b>\$40.9</b>	<b>12.0%</b>	<b>\$42.0</b>	<b>12.3%</b>

*\*Q2 2019 S,G&A Expense positively impacted by \$1 million due to currency movements*

- Year-over-year increase in S,G&A principally from increase in non-cash, Share Based Compensation

## Increasing 2019 Outlook

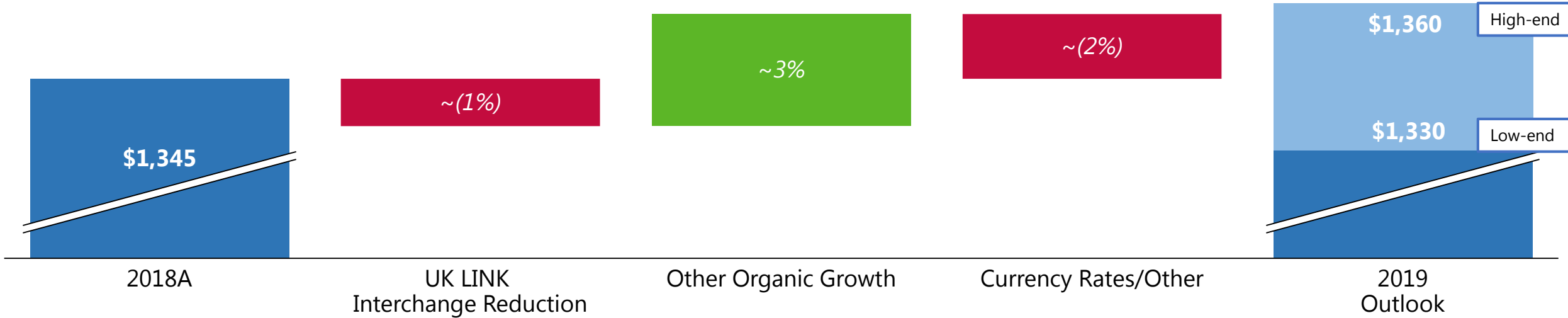
Key Metric	Outlook
Revenues	\$1.33 billion - \$1.36 billion
GAAP Net Income	\$41 million - \$44 million
Adjusted EBITDA	\$300 million - \$310 million
Adjusted Net Income per diluted share	\$2.24 - \$2.36
Capital Expenditures	~\$135 million

*\*Outlook is based on assumed exchange rates during the last six months of 2019 of: £1.00 U.K to \$1.25 U.S.; \$19.50 Mexican pesos to \$1.00 U.S.; \$1.00 Canadian dollar to \$0.75 U.S.; €1.00 Euros to \$1.13 U.S.; \$1.00 Australian dollar to \$0.69 U.S. and R15.00 South African Rand to \$1.00 U.S.*

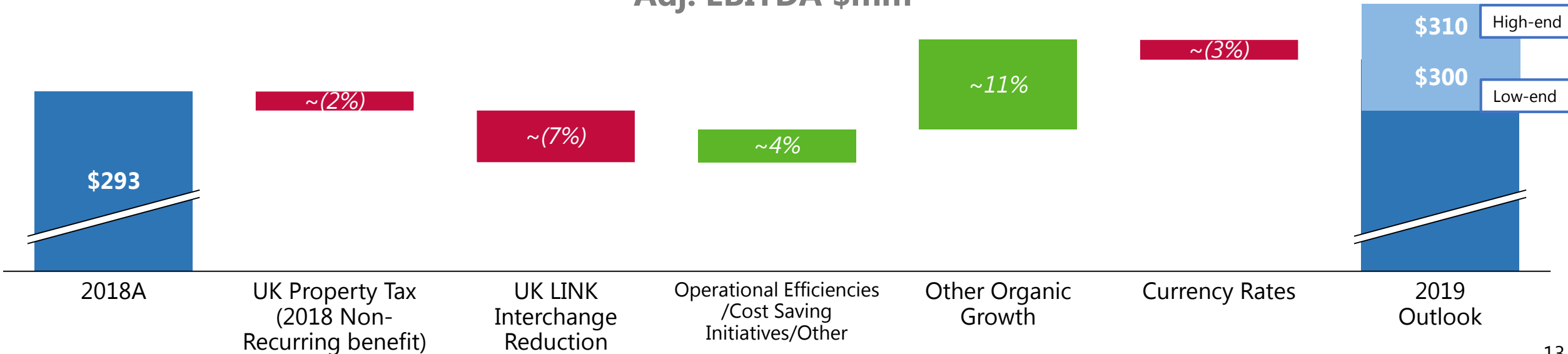
# 2018 to 2019 Outlook Bridges



## Revenue \$mm



## Adj. EBITDA \$mm



## Debt Profile

(\$ in mm)	Maturity	Rate	Q2 '19
Revolver (\$600 mm)	Nov 2023	L <sup>(1)</sup> + 150	\$213
1.00% Convertible Senior Notes <sup>(2)</sup>	Dec 2020	1.00%	288
5.50% Senior Notes <sup>(2)</sup>	May 2025	5.50%	300
<b>Total Debt</b>			<b>\$800</b>
Cash <sup>(3)</sup>			(33)
<b>Net Debt</b>			<b>\$767</b>

## Summary Statistics

Average Maturity of Debt **3.9 Years**

Leverage Ratio<sup>(4)</sup> **2.7x**

Available Borrowing Capacity on  
Revolving Credit Facility<sup>(5)</sup> **\$376mm**

Total Debt Pay Down over the  
Last 12 Months **~\$113mm**

1) Interest Rates primarily tied to U.S. or U.K. 1 month LIBOR

2) Displayed value reflects the face value of the Notes

3) Cash and cash equivalents excluding restricted cash

4) Net debt / trailing twelve months consolidated adjusted EBITDA

5) Estimated amount available as at June 30, 2019; includes outstanding revolver borrowings (~\$213 million) and letters of credit (~\$11 million)

# Appendix

# Forward Looking Statements



Certain statements and information in this presentation contain “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. Forward-looking statements can be identified by words such as “project,” “believe,” “estimate,” “expect,” “future,” “anticipate,” “intend,” “contemplate,” “foresee,” “would,” “could,” “plan,” and similar expressions that are intended to identify forward-looking statements, which are generally not historical in nature. These forward-looking statements are based on management’s current expectations and beliefs concerning future developments and their potential effect on the Company. While management believes that these forward-looking statements are reasonable as and when made, 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. Known material factors that could cause actual results to differ materially from those in the forward-looking statements include:

- the Company’s financial outlook and the financial outlook of the automated teller machines and multi-function financial services kiosks (collectively, “ATMs”) industry and the continued usage of cash by consumers at rates near historical patterns;
- the Company’s ability to respond to recent and future network and regulatory changes;
- the Company’s ability to renew its existing merchant relationships on comparable or improved economic terms and add new merchants;
- changes in interest rates and foreign currency rates;
- the Company’s ability to successfully manage its existing international operations and to continue to expand internationally;
- the Company’s ability to manage concentration risks with and changes in the mix of key customers, merchants, vendors, and service providers;
- the Company’s ability to prevent thefts of cash and maintain adequate insurance;
- the Company’s ability to manage cybersecurity risks and protect against cyber-attacks and manage and prevent cyber incidents, data breaches or losses, or other business disruptions;
- the Company’s ability to respond to changes implemented by networks and how they determine interchange, scheduled and potential reductions in the amount of net interchange fees that it receives from global and regional debit networks for transactions conducted on its ATMs due to pricing changes implemented by those networks as well as changes in how issuers route their ATM transactions over those networks;
- the Company’s ability to provide new ATM solutions to retailers and financial institutions including the demand for any such new ATM solutions as well as its ability to place additional banks’ brands on ATMs currently deployed;
- the Company’s ATM vault cash rental needs, including potential liquidity issues with its vault cash providers and its ability to continue to secure vault cash rental agreements in the future on reasonable economic terms;
- the Company’s ability to manage the risks associated with its third-party service providers failing to perform their contractual obligations;
- the Company’s ability to renew its existing third-party service provider relationships on comparable or improved economic terms;
- the Company’s ability to successfully implement and evolve its corporate strategy;
- the Company’s ability to compete successfully with new and existing competitors;
- the Company’s ability to meet the service levels required by its service level agreements with its customers;
- the additional risks the Company is exposed to in its United Kingdom (“U.K.”) armored transport business;
- the Company’s ability to pursue, complete, and successfully integrate acquisitions, strategic alliances, or joint ventures;
- the impact of changes in laws, including tax laws, that could adversely affect the Company’s business and profitability;
- the impact of, or uncertainty related to, the U.K.’s planned exit from the European Union, including any material adverse effect on the tax, tax treaty, currency, operational, legal, human, and regulatory regime and macro-economic environment to which it will be subject to as a U.K. company;
- the Company’s ability to adequately maintain and upgrade its ATM fleet to address changes in industry standards, regulations and consumer behavior patterns;
- the Company’s ability to retain its key employees and maintain good relations with its employees; and
- the Company’s ability to manage the fluctuation of its operating results, including as a result of the foregoing and other risk factors included in the 2018 Form 10-K.

Additional information regarding known material factors that could cause the Company’s actual results to differ from its projected results are described in its filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K. You should not read forward-looking statements as a guarantee of future performance or results. They will not necessarily be accurate indications of the times at or by which such performance or results will be achieved. Forward-looking statements speak only as of the date the statements are made and are based on information available at the time those statements are made and/or management’s good faith belief as of that time with respect to future events. Unless required by 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.

In addition, today’s presentation includes certain non-GAAP financial measures as defined under SEC Regulation G. The reasons we believe such measures are useful together with a reconciliation of those measures to the most directly comparable U.S. GAAP measures have been included in the appendix to the presentation.



# Disclosure of Non-GAAP Financial Information



Adjusted Gross Profit, Adjusted Gross Margin, EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income, Adjusted Tax Rate, Adjusted Net Income per diluted share (or as it may be referred to as Adjusted EPS), 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.
- EBITDA is calculated by adding interest expense, income tax expense, depreciation and accretion and amortization to net income.
- 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 EBITDA margin is calculated by dividing Adjusted EBITDA by total revenues.
- 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 22.7% and 23.2% for the three and six months ended June 30, 2019, respectively, and 24.5% and 25.1% for three and six months ended June 30, 2018, 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 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 Results: Reconciliation of Non-GAAP Items



	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2019	2018	2019	2018
<b>Net income attributable to controlling interests and available to common shareholders</b>	<b>\$10,471</b>	<b>\$3,767</b>	<b>\$14,790</b>	<b>\$999</b>
Adjustments:				
Interest expense, net	6,871	9,159	13,514	18,333
Amortization of deferred financing costs and note discount	3,330	3,355	6,622	6,663
Income tax expense	3,565	2,586	6,694	2,555
Depreciation and accretion expense	33,205	31,764	66,178	62,806
Amortization of intangible assets	12,591	13,498	25,003	27,269
<b>EBITDA</b>	<b>\$70,033</b>	<b>\$64,129</b>	<b>\$132,801</b>	<b>\$118,625</b>
Add back:				
Loss on disposal and impairment of assets	1,496	9,697	2,464	15,117
Other (income) expense <sup>(1)</sup>	1,456	(2,187)	(5,751)	(27)
Noncontrolling interests <sup>(2)</sup>	16	18	31	19
Share-based compensation expense	5,250	3,513	9,734	5,958
Restructuring expenses <sup>(3)</sup>	3,463	2,063	3,463	4,476
Acquisition related expenses <sup>(4)</sup>	—	913	—	2,633
<b>Adjusted EBITDA</b>	<b>\$81,714</b>	<b>\$78,146</b>	<b>\$142,742</b>	<b>\$146,801</b>
Depreciation and accretion expense <sup>(5)</sup>	33,205	31,764	66,178	62,805
Interest expense, net	6,871	9,159	13,514	18,333
Income tax expense <sup>(6)</sup>	9,452	9,120	14,634	16,481
<b>Adjusted Net Income</b>	<b>\$32,186</b>	<b>\$28,103</b>	<b>\$48,416</b>	<b>\$49,182</b>
<b>Adjusted Net Income per share – basic</b>	<b>\$0.70</b>	<b>\$0.61</b>	<b>\$1.05</b>	<b>\$1.07</b>
<b>Adjusted Net Income per share – diluted</b>	<b>\$0.69</b>	<b>\$0.61</b>	<b>\$1.04</b>	<b>\$1.06</b>
Weighted average shares outstanding – basic	46,180,161	45,927,732	46,201,842	45,880,661
Weighted average shares outstanding – diluted	46,601,488	46,378,813	46,620,147	46,357,776

## Notes:

- 1) Includes foreign currency translation gains/losses, the revaluation of the estimated acquisition related contingent consideration, and other non-operating costs.
- 2) Noncontrolling interest adjustment made such that Adjusted EBITDA includes only the Company's ownership interest in the Adjusted EBITDA of one of its Mexican subsidiaries.
- 3) For the three and six months ended June 30, 2019, expenses include professional fees, employee severance costs, and facility costs related to a planned reorganization. For the three and six months ended June 30, 2018, expenses include employee severance and other costs incurred in conjunction with a corporate reorganization and cost reduction initiative.
- 4) For the three and six months ended June 30, 2018, expenses primarily include employee severance cost and lease termination costs related to the DCPayments acquisition.
- 5) Amounts exclude a portion of the expenses incurred by one of the Company's Mexican subsidiaries to account for the amounts allocable to the noncontrolling interest shareholders.
- 6) For the three and six months ended June 30, 2019, the non-GAAP tax rate used to calculate Adjusted Net Income was 22.7% and 23.2%, respectively, and 24.5% and 25.1% for the three and six months ended June 30, 2018, respectively, which represents the Company's GAAP tax rate as adjusted for the net tax effects related to the items excluded from Adjusted Net Income.

# Business Segment Results: Reconciliation of Constant-Currency Items



## CONSOLIDATED

	Three Months Ended					
	June 30,					
	2019		2018		% Change	
U.S. GAAP	Foreign Currency Impact	Constant - Currency	U.S. GAAP	U.S. GAAP	Constant - Currency	
ATM operating revenues	\$323,081	\$9,528	\$332,609	\$329,221	(1.9)%	1.0%
ATM product sales and other revenues	17,740	226	17,966	11,766	50.8%	52.7%
Total revenues	\$340,821	\$9,754	\$350,575	\$340,987	(0.0)%	2.8%

## CONSOLIDATED

	Six Months Ended					
	June 30,					
	2019		2018		% Change	
U.S. GAAP	Foreign Currency Impact	Constant - Currency	U.S. GAAP	U.S. GAAP	Constant - Currency	
ATM operating revenues	\$625,683	\$20,655	\$646,338	\$648,952	(3.6)%	(0.4)%
ATM product sales and other revenues	33,408	517	33,925	28,219	18.4%	20.2%
Total revenues	\$659,091	\$21,172	\$680,263	\$677,171	(2.7)%	0.5%

## NORTH AMERICA

	Three Months Ended					
	June 30,					
	2019		2018		% Change	
U.S. GAAP	Foreign Currency Impact	Constant - Currency	U.S. GAAP	U.S. GAAP	Constant - Currency	
ATM operating revenues	\$199,536	\$1,150	\$200,686	\$197,478	1.0%	1.6%
ATM product sales and other revenues	15,679	55	15,734	9,628	62.8%	63.4%
Total revenues	\$215,215	\$1,205	\$216,420	\$207,106	3.9%	4.5%

## NORTH AMERICA

	Six Months Ended					
	June 30,					
	2019		2018		% Change	
U.S. GAAP	Foreign Currency Impact	Constant - Currency	U.S. GAAP	U.S. GAAP	Constant - Currency	
ATM operating revenues	\$390,582	\$2,823	\$393,405	\$393,227	(0.7)%	0.0%
ATM product sales and other revenues	28,881	113	28,994	23,760	21.6%	22.0%
Total revenues	\$419,463	\$2,936	\$422,399	\$416,987	0.6%	1.3%

# Business Segment Results: Reconciliation of Constant-Currency Items



## EUROPE AND AFRICA

	Three Months Ended					
	June 30,					
	2019		2018		% Change	
U.S. GAAP	Foreign Currency Impact	Constant - Currency	U.S. GAAP	U.S. GAAP	Constant - Currency	
ATM operating revenues	\$101,501	\$6,386	\$107,887	\$105,809	(4.1)%	2.0%
ATM product sales and other revenues	1,969	164	2,133	2,041	(3.5)%	4.5%
Total revenues	\$103,470	\$6,550	\$110,020	\$107,850	(4.1)%	2.0%

## EUROPE AND AFRICA

	Six Months Ended					
	June 30,					
	2019		2018		% Change	
U.S. GAAP	Foreign Currency Impact	Constant - Currency	U.S. GAAP	U.S. GAAP	Constant - Currency	
ATM operating revenues	\$190,179	\$13,184	\$203,363	\$201,990	(5.8)%	0.7%
ATM product sales and other revenues	4,216	378	4,594	4,304	(2.0)%	6.7%
Total revenues	\$194,395	\$13,562	\$207,957	\$206,294	(5.8)%	0.8%

## AUSTRALIA AND NEW ZEALAND

	Three Months Ended					
	June 30,					
	2019		2018		% Change	
U.S. GAAP	Foreign Currency Impact	Constant - Currency	U.S. GAAP	U.S. GAAP	Constant - Currency	
ATM operating revenues	\$24,726	\$1,993	\$26,719	\$29,024	(14.8)%	(7.9)%
ATM product sales and other revenues	92	7	99	97	(5.2)%	2.1%
Total revenues	\$24,818	\$2,000	\$26,818	\$29,121	(14.8)%	(7.9)%

## AUSTRALIA AND NEW ZEALAND

	Six Months Ended					
	June 30,					
	2019		2018		% Change	
U.S. GAAP	Foreign Currency Impact	Constant - Currency	U.S. GAAP	U.S. GAAP	Constant - Currency	
ATM operating revenues	\$50,517	\$4,648	\$55,165	\$59,661	(15.3)%	(7.5)%
ATM product sales and other revenues	311	27	338	155	100.6%	118.1%
Total revenues	\$50,828	\$4,675	\$55,503	\$59,816	(15.0)%	(7.2)%

# Consolidated Results: Reconciliation of Non-GAAP Items



## Adjusted Gross Margin

	Three Months Ended June 30,		Six Months Ended June 30,	
	(In thousands)		(In thousands)	
	2019	2018	2019	2018
Total revenues	\$340,821	\$340,987	\$659,091	\$677,171
Total cost of revenues <sup>(1)</sup>	222,382	225,439	440,465	453,691
Total depreciation, accretion, and amortization of intangible assets excluded from total cost of revenues	37,975	36,535	74,994	73,681
Gross profit inclusive of depreciation, accretion, and amortization of intangible assets	\$80,464	\$79,013	\$143,632	\$149,799
<i>Gross Margin (inclusive of depreciation, accretion, and amortization of intangible assets)</i>	23.6%	23.2%	21.8%	22.1%
Total depreciation, accretion, and amortization of intangible assets excluded from gross profit	\$37,975	\$36,535	\$74,994	\$73,681
Adjusted Gross Profit exclusive of depreciation, accretion, and amortization of intangible assets	\$118,439	\$115,548	\$218,626	\$223,480
<i>Adjusted Gross Margin (exclusive of depreciation, accretion, and amortization of intangible assets)</i>	34.8%	33.9%	33.2%	33.0%

Notes:

- 1) 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.

## Adjusted free cash flow

	Three Months Ended June 30,		Six Months Ended June 30,	
	(In thousands)		(In thousands)	
	2019	2018	2019	2018
Net cash (used in) provided by operating activities	\$77,035	\$60,342	\$55,230	\$109,775
Restricted cash settlement activity (1)	(1,167)	(1,111)	70,354	(25,349)
Adjusted net cash provided by operating activities	75,868	59,231	125,584	84,426
Net cash used in investing activities, excluding acquisitions (2)	(25,746)	(25,943)	(55,053)	(46,682)
Adjusted free cash flow	\$50,122	\$33,288	\$70,531	\$37,744

Notes:

- 1) Restricted cash settlement activity represents the change in our restricted cash excluding the portion of the change that is attributable to foreign exchange and disclosed as part of the effect of exchange rates on cash, cash equivalents, and restricted cash in our Consolidated Statement of Cash Flows. Restricted cash primarily consists of amounts collected on behalf of, but not yet remitted to, certain of the Company's merchant customers or third-party service providers that are pledged for a particular use or restricted to support these obligations.
- 2) Capital expenditure amounts include payments made for exclusive license agreements, site acquisition costs, and other assets. Additionally, capital expenditure amounts for one of our Mexican subsidiaries are reflected gross of any noncontrolling interest amounts.

# 2019 Outlook: Reconciliation of Non-GAAP Items



**Reconciliation of Estimated Net Income to EBITDA, Adjusted EBITDA, and Adjusted Net Income  
For the Year Ending December 31, 2019  
(In millions, excluding per share amounts)  
(Unaudited)**

	<b>Estimated Range Full Year 2019 <sup>(1)</sup></b>	
	\$41.1	\$44.4
<b>Net Income</b>		
Adjustments:		
Interest expense, net	26.5	27.5
Amortization of deferred financing costs and note discount	13.0	13.0
Income tax expense	13.7	16.4
Depreciation and accretion expense	137.0	139.0
Amortization of intangible assets	49.0	49.5
<b>EBITDA</b>	<b>\$280.3</b>	<b>\$289.8</b>
Add Back:		
Loss on disposal of assets and other, net	2.5	2.5
Other income	(5.8)	(5.8)
Share-based compensation expense	19.5	20.0
Restructuring Expenses	3.5	3.5
<b>Adjusted EBITDA</b>	<b>\$300.0</b>	<b>\$310.0</b>
Less:		
Interest expense, net	26.5	27.5
Depreciation and accretion expense	137.0	139.0
Income tax expense <sup>(2)</sup>	32.8	34.4
<b>Adjusted Net Income</b>	<b>\$103.7</b>	<b>\$109.1</b>
Adjusted Net Income per share – diluted	\$2.24	\$2.36
Weighted average shares outstanding – diluted	46.3	46.3

Notes:

- 1) See Disclosure of Non-GAAP Financial Information in the Q2 2019 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 24% as adjusted for items excluded from Adjusted Net Income, see Disclosure of Non-GAAP Financial Information in the Q2 2019 earnings release for further discussion

# Key Operating Metrics



	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	% Change	2019	2018	% Change
<b>Average number of transacting ATMs:</b>						
North America	43,286	44,364	(2.4)%	43,124	45,136	(4.5)%
Europe & Africa	23,884	24,464	(2.4)%	23,823	24,919	(4.4)%
Australia & New Zealand	7,822	8,091	(3.3)%	7,862	8,163	(3.7)%
Total Company-owned	74,992	76,919	(2.5)%	74,809	78,218	(4.4)%
North America	14,215	14,220	(0.0)%	14,094	14,235	(1.0)%
Europe & Africa	244	179	36.3%	236	250	(5.6)%
Australia & New Zealand	103	103	—	103	103	—
Total Merchant-owned	14,562	14,502	0.4%	14,433	14,588	(1.1)%
Average number of transacting ATMs – ATM operations	89,554	91,421	(2.0)%	89,242	92,806	(3.8)%
<b>Managed Services and Processing:</b>						
North America <sup>(1)</sup>	170,600	136,071	25.4%	155,910	134,406	16.0%
Australia & New Zealand	1,312	2,008	(34.7)%	1,409	2,010	(29.9)%
Average number of transacting ATMs – Managed services and processing	171,912	138,079	24.5%	157,319	136,416	15.3%
Total average number of transacting ATMs	261,466	229,500	13.9%	246,561	229,222	7.6%
<b>Total transactions (in thousands):</b>						
ATM operations	312,812	339,911	(8.0)%	617,671	660,866	(6.5)%
Managed services and processing, net	339,758	288,812	17.6%	617,816	561,282	10.1%
Total transactions	652,570	628,723	3.8%	1,235,487	1,222,148	1.1%
<b>Total cash withdrawal transactions (in thousands):</b>						
ATM operations	207,621	220,977	(6.0)%	408,634	426,809	(4.3)%
<b>Per ATM per month amounts (excludes managed services and processing):</b>						
Cash withdrawal transactions	773	806	(4.1)%	763	766	(0.4)%
ATM operating revenues <sup>(2) (4)</sup>	\$1,106	\$1,105	0.1%	\$1,076	\$1,073	0.3%
Cost of ATM operating revenues <sup>(2) (3) (4)</sup>	724	746	(2.9)%	726	734	(1.1)%
ATM adjusted operating gross profit <sup>(2) (3) (4)</sup>	\$382	\$359	6.4%	\$350	\$339	3.2%
ATM adjusted operating gross profit margin	34.5%	32.5%		32.5%	31.6%	

## Notes:

- 1) During the three months ended June 30, 2019, the Company completed the acquisition of a transaction processing business that will provide transaction processing services to approximately 62,000 additional ATMs. This transaction added approximately 41,000 and 21,000 ATMs to the average number of transacting ATMs for the three and six months ended June 30<sup>th</sup>, 2019, respectively.
- 2) ATM operating revenues and Cost of ATM operating revenues relating to managed services, processing, ATM equipment sales, and other ATM-related services are not included in this calculation.
- 3) Amounts presented exclude the effect of depreciation, accretion, and amortization of intangible assets, which is reported separately in the accompanying Consolidated Statements of Operations. For additional information, see Item 1. Financial Statements, Note 1. General and Basis of Presentation – (c) Cost of ATM Operating Revenues Presentation.
- 4) Amounts are as reported in the periods shown (not constant-currency)

# Key Operating Metrics



	Three Months Ended June 30,		
	2019	2018	% Change
<b>Ending Number of ATMs</b>			
North America	43,381	44,393	(2.3)%
Europe & Africa	23,965	24,369	(1.7)%
Australia & New Zealand	7,585	8,010	(5.3)%
Total Company-owned	74,931	76,772	(2.4)%
North America	14,197	14,177	0.1%
Europe & Africa	285	218	30.7%
Australia & New Zealand	103	103	-
Total Merchant-owned	14,585	14,498	0.6%
Ending ATM Count – ATM operations	89,516	91,270	(1.9)%
<b>Managed Services and Processing:</b>			
North America	203,146	137,932	47.3%
Australia & New Zealand	1,308	1,994	(34.4)%
Ending ATM Count – Managed services and processing	204,454	139,926	46.1%
<b>Ending Number of Transacting ATMs</b>	<b>293,970</b>	<b>231,196</b>	<b>27.2%</b>