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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2017

or

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

For the transition period from__to

Commission File Number: 001-37820

Cardtronics plc

(Exact name of registrant as specified in its charter)

England and Wales (State or other jurisdiction of incorporation or organization)	**98-1304627** (I.R.S. Employer Identification No.)
3250 Briarpark Drive, Suite 400 **Houston, Texas** (Address of principal executive offices)	**77042** (Zip Code)

Registrant's telephone number, including area code: **(832) 308-4000**

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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

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

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

Shares outstanding as of October 31, 2017: 45,681,451 Ordinary shares, nominal value $0.01 per share.

CARDTRONICS PLC

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When we refer to "us," "we," "our," "ours," "the Company," or "Cardtronics" we are describing Cardtronics plc and/or our subsidiaries, unless the context indicates otherwise.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

CARDTRONICS PLC
CONSOLIDATED BALANCE SHEETS
(In thousands, excluding share and per share amounts)

	September 30, 2017	December 31, 2016
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 61,498	$ 73,534
Accounts and notes receivable, net of allowance for doubtful accounts of $2,384 and $1,931 as of September 30, 2017 and December 31, 2016, respectively	112,392	84,156
Inventory, net	16,387	12,527
Restricted cash	43,646	32,213
Prepaid expenses, deferred costs, and other current assets	100,450	67,107
Total current assets	334,373	269,537
Property and equipment, net of accumulated depreciation of $410,775 and $397,972 as of September 30, 2017 and December 31, 2016, respectively	504,395	392,735
Intangible assets, net	220,233	121,230
Goodwill	771,152	533,075
Deferred tax asset, net	7,260	13,004
Prepaid expenses, deferred costs, and other noncurrent assets	51,868	35,115
Total assets	$ 1,889,281	$ 1,364,696
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of other long-term liabilities	$ 31,540	$ 28,237
Accounts payable	49,926	44,965
Accrued liabilities	325,394	240,618
Total current liabilities	406,860	313,820
Long-term liabilities:		
Long-term debt	949,775	502,539
Asset retirement obligations	58,425	45,086
Deferred tax liability, net	43,287	27,625
Other long-term liabilities	71,761	18,691
Total liabilities	1,530,108	907,761
Commitments and contingencies (See *Note 13*)		
Shareholders' equity:		
Ordinary shares, $0.01 nominal value; 45,680,321 and 45,326,430 issued and outstanding as of September 30, 2017 and December 31, 2016, respectively	457	453
Additional paid-in capital	312,661	311,041
Accumulated other comprehensive loss, net	(45,214)	(107,135)
Retained earnings	91,352	252,656
Total parent shareholders' equity	359,256	457,015
Noncontrolling interests	(83)	(80)
Total shareholders' equity	359,173	456,935
Total liabilities and shareholders' equity	$ 1,889,281	$ 1,364,696

The accompanying notes are an integral part of these consolidated financial statements.

CARDTRONICS PLC
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, excluding share and per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	**2016**	**2017**	**2016**
Revenues:				
ATM operating revenues	$ 390,143	$ 314,788	$ 1,105,191	$ 918,207
ATM product sales and other revenues	11,807	13,546	39,443	37,335
Total revenues	401,950	328,334	1,144,634	955,542
Cost of revenues:				
Cost of ATM operating revenues (excludes depreciation, accretion, and amortization of intangible assets reported separately below. See *Note 1(c)*)	251,136	195,737	729,547	580,520
Cost of ATM product sales and other revenues	8,920	12,453	34,671	33,873
Total cost of revenues	260,056	208,190	764,218	614,393
Operating expenses:				
Selling, general, and administrative expenses	46,132	40,194	131,551	115,505
Redomicile-related expenses	22	951	782	12,201
Restructuring expenses	—	—	8,243	—
Acquisition and divestiture-related expenses	2,889	2,680	15,338	4,938
Goodwill and intangible asset impairment	194,521	—	194,521	—
Depreciation and accretion expense	29,807	23,308	88,683	69,085
Amortization of intangible assets	14,996	9,175	45,423	28,129
Loss (gain) on disposal and impairment of assets	22,307	469	26,170	(475)
Total operating expenses	310,674	76,777	510,711	229,383
(Loss) income from operations	(168,780)	43,367	(130,295)	111,766
Other expense:				
Interest expense, net	9,743	4,269	25,760	13,227
Amortization of deferred financing costs and note discount	3,195	2,872	9,317	8,636
Other (income) expense	(2,095)	360	(1,730)	748
Total other expense	10,843	7,501	33,347	22,611
(Loss) income before income taxes	(179,623)	35,866	(163,642)	89,155
Income tax (benefit) expense	(4,053)	8,388	(2,335)	26,204
Net (loss) income	(175,570)	27,478	(161,307)	62,951
Net (loss) income attributable to noncontrolling interests	(9)	(12)	(3)	(71)
Net (loss) income attributable to controlling interests and available to common shareholders	$ (175,561)	$ 27,490	$ (161,304)	$ 63,022
Net (loss) income per common share – basic	$ (3.84)	$ 0.61	$ (3.54)	$ 1.39
Net (loss) income per common share – diluted	$ (3.84)	$ 0.60	$ (3.54)	$ 1.38
Weighted average shares outstanding – basic	45,662,543	45,252,869	45,597,558	45,175,604
Weighted average shares outstanding – diluted	45,662,543	45,850,061	45,597,558	45,765,235

The accompanying notes are an integral part of these consolidated financial statements.

CARDTRONICS PLC
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(In thousands)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	**2016**	**2017**	**2016**
Net (loss) income	$ (175,570)	$ 27,478	$ (161,307)	$ 62,951
Unrealized gain (loss) on interest rate swap contracts, net of deferred income tax expense (benefit) of $1,744 and $4,590 for the three months ended September 30, 2017 and 2016, respectively, and $3,639 and $(3,522) for the nine months ended September 30, 2017 and 2016, respectively.	5,190	8,452	10,779	(11,571)
Foreign currency translation adjustments, net of deferred income tax expense (benefit) of $55 and $(564) for the three months ended September 30, 2017 and 2016, respectively, and $1,256 and $(2,555) for the nine months ended September 30, 2017 and 2016, respectively.	17,871	(6,745)	51,142	(26,686)
Other comprehensive income (loss)	23,061	1,707	61,921	(38,257)
Total comprehensive (loss) income	(152,509)	29,185	(99,386)	24,694
Less: comprehensive (loss) income attributable to noncontrolling interests	(9)	198	(4)	97
Comprehensive (loss) income attributable to controlling interests	$ (152,500)	$ 28,987	$ (99,382)	$ 24,597

The accompanying notes are an integral part of these consolidated financial statements.

CARDTRONICS PLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Cash flows from operating activities:		
Net (loss) income	$ (161,307)	$ 62,951
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation, accretion, and amortization of intangible assets	134,106	97,214
Amortization of deferred financing costs and note discount	9,317	8,636
Share-based compensation expense	9,971	15,780
Deferred income tax (benefit) expense	(6,198)	15,731
Loss (gain) on disposal and impairment of assets	26,170	(475)
Other reserves and non-cash items	(1,182)	686
Goodwill and intangible asset impairment	194,521	—
Changes in assets and liabilities:		
Increase in accounts and notes receivable, net	(122)	(4,122)
Increase in prepaid expenses, deferred costs, and other current assets	(23,567)	(7,142)
Increase in inventory, net	(3,619)	(360)
Increase in other assets	(12,488)	(6,585)
(Decrease) increase in accounts payable	(20,951)	5,126
Increase in accrued liabilities	21,364	24,151
(Decrease) increase in other liabilities	(1,731)	2,340
Net cash provided by operating activities	164,284	213,931
Cash flows from investing activities:		
Additions to property and equipment	(111,424)	(76,050)
Acquisitions, net of cash acquired	(487,077)	(19,701)
Proceeds from sale of assets and businesses	—	9,348
Net cash used in investing activities	(598,501)	(86,403)
Cash flows from financing activities:		
Proceeds from borrowings under revolving credit facility	968,365	221,268
Repayments of borrowings under revolving credit facility	(827,351)	(311,361)
Proceeds from borrowings of long-term debt	300,000	—
Debt issuance costs	(5,476)	—
Tax payments related to share-based compensation	(8,359)	—
Proceeds from exercises of stock options	105	579
Additional tax benefit related to share-based compensation	—	338
Repurchase of common shares	—	(3,959)
Net cash provided by (used in) financing activities	427,284	(93,135)
Effect of exchange rate changes on cash	(5,103)	(1,169)
Net (decrease) increase in cash and cash equivalents	(12,036)	33,224
Cash and cash equivalents as of beginning of period	73,534	26,297
Cash and cash equivalents as of end of period	$ 61,498	$ 59,521
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 19,284	$ 13,832
Cash paid for income taxes	$ 3,567	$ 9,499

The accompanying notes are an integral part of these consolidated financial statements.

CARDTRONICS PLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(1) General and Basis of Presentation

(a) General

Cardtronics plc, together with its wholly and majority-owned subsidiaries (collectively, the "Company"), provides convenient automated financial related services to consumers through its network of automated teller machines and multi-function financial services kiosks (collectively referred to as "ATMs"). As of September 30, 2017, the Company provided services to approximately 238,000 ATMs across its portfolio, which included approximately 187,000 ATMs located in all 50 states of the United States (the "U.S.") (including the U.S. territory of Puerto Rico), approximately 22,400 ATMs throughout the United Kingdom ("U.K.") and Ireland, approximately 12,500 ATMs throughout Canada, approximately 10,700 ATMs throughout Australia and New Zealand, approximately 2,800 ATMs in South Africa, approximately 1,600 ATMs throughout Germany, Poland, and Spain, and approximately 1,000 ATMs throughout Mexico. In the U.S., in addition to providing traditional ATM functions such as cash dispensing and bank account balance inquiries, certain of the Company's ATMs perform other automated consumer financial services, including remote deposit capture (which is deposit-taking at ATMs using electronic imaging). The total count of approximately 238,000 ATMs also includes ATMs for which the Company provides processing only services and various forms of managed services solutions, which may include transaction processing, monitoring, maintenance, cash management, communications, and customer service.

Through its network, the Company delivers financial related services to cardholders and provides ATM management or ATM equipment-related services (typically under multi-year contracts) to large retail merchants, smaller retailers, and operators of facilities such as shopping malls, airports, and train stations. In doing so, the Company provides its retail partners with a compelling automated solution that helps attract and retain customers, and in turn, increases the likelihood that the ATMs placed at their facilities will be utilized.

In addition to its retail merchant relationships, the Company also partners with leading financial institutions to brand selected ATMs within its network, including BBVA Compass Bancshares, Inc. ("BBVA"), Citibank, N.A. ("Citibank"), Citizens Financial Group, Inc. ("Citizens"), Cullen/Frost Bankers, Inc. ("Cullen/Frost"), Discover Bank ("Discover"), PNC Bank, N.A. ("PNC Bank"), Santander Bank, N.A. ("Santander"), and TD Bank, N.A. ("TD Bank") in the U.S.; the Bank of Nova Scotia ("Scotiabank") and Santander in Puerto Rico; Scotiabank, TD Bank, Canadian Imperial Bank Commerce ("CIBC"), and DirectCash Bank in Canada; and Bank of Queensland Limited ("BOQ") and HSBC Holdings plc ("HSBC") in Australia. In Mexico, the Company partners with Scotiabank to place their brands on its ATMs in exchange for certain services provided by them. As of September 30, 2017, over 20,000 of the Company's ATMs were under contract with approximately 500 financial institutions to place their logos on the ATMs, and to provide convenient surcharge-free access for their banking customers.

The Company owns and operates the Allpoint network ("Allpoint"), the largest surcharge-free ATM network (based on the number of participating ATMs). Allpoint, which has approximately 55,000 participating ATMs, provides surcharge-free ATM access to over 1,300 participating banks, credit unions, and stored-value debit card issuers. For participants, Allpoint provides scale, density, and convenience of surcharge-free ATMs that surpasses the largest banks in the U.S. Allpoint earns either a fixed monthly fee per cardholder or a fixed fee per transaction that is paid by the participants. The Allpoint network includes a majority of the Company's ATMs in the U.S. and certain ATMs in the U.K., Canada, Mexico, Puerto Rico, and Australia. Allpoint also works with financial institutions that manage stored-value debit card programs on behalf of corporate entities and governmental agencies, including general purpose, payroll, and electronic benefits transfer ("EBT") cards. Under these programs, the issuing financial institutions pay Allpoint a fee per issued stored-value debit card or per transaction in return for allowing the users of those cards surcharge-free access to Allpoint's participating ATM network.

In Canada, through the Company's acquisition of DirectCash Payments Inc. ("DCPayments"), the Company also provides processing services for issuers of debit cards. Also, the Company owns and operates electronic funds transfer ("EFT") transaction processing platforms that provide transaction processing services to its network of ATMs, as well as other ATMs under managed services arrangements. Additionally, through the acquisition of Columbus Data Services, L.L.C. in 2015, the Company provides leading-edge ATM processing solutions to ATM sales and service organizations and financial institutions.

(b) Basis of Presentation

This Quarterly Report on Form 10-Q (this "Form 10-Q") has been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") applicable to interim financial information. Because this is an interim period filing presented using a condensed format, it does not include all of the disclosures required by accounting principles generally accepted in the U.S. ("U.S. GAAP"), although the Company believes that the disclosures are adequate to make the information not misleading. You should read this Form 10-Q along with the Company's Annual Report on Form 10-K for the year ended December 31, 2016 (the "2016 Form 10-K"), which includes a summary of the Company's significant accounting policies and other disclosures.

The consolidated financial statements as of September 30, 2017 and for the three and nine months ended September 30, 2017 and 2016 are unaudited. The Consolidated Balance Sheet as of December 31, 2016 was derived from the audited balance sheet filed in the 2016 Form 10-K. The Company has adopted the provisions of the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") No. 2016-09, *Improvements to Employee Stock-Based Payment Accounting* ("ASU 2016-09"), which simplifies several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The Company has utilized the prospective transition method in adopting this new standard and beginning January 1, 2017, the Company recognized all excess tax charges or benefits as income tax expense or benefit in the accompanying Consolidated Statements of Operations and in the accompanying Consolidated Statements of Cash Flows as operating activities. The Company also adopted ASU No. 2015-11, *Inventory (Topic 330): Simplifying the Measurement of Inventory* ("ASU 2015-11"), for additional information, see *(g) Inventory, net* below.

In management's opinion, all normal recurring adjustments necessary for a fair presentation of the Company's interim and prior period results have been made. The results of operations for the three and nine months ended September 30, 2017 and 2016 are not necessarily indicative of results of operations that may be expected for any other interim period or for the full fiscal year.

The unaudited interim financial statements include the accounts of the Company. All material intercompany accounts and transactions have been eliminated in consolidation. The Company owns a majority (95.7%) interest in, and realizes a majority of the earnings and/or losses of, Cardtronics Mexico, S.A. de C.V., thus this entity is reflected as a consolidated subsidiary in the financial statements, with the remaining ownership interests not held by the Company being reflected as noncontrolling interests.

The preparation of the unaudited interim financial statements to conform with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of this Form 10-Q and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates, and these differences could be material to the financial statements.

(c) Cost of ATM Operating Revenues Presentation

The Company presents the Cost of ATM operating revenues in the accompanying Consolidated Statements of Operations exclusive of depreciation, accretion, and amortization of intangible assets related to ATMs and ATM-related assets.

The following table reflects the amounts excluded from the Cost of ATM operating revenues line item in the accompanying Consolidated Statement of Operations for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	**2016**	**2017**	**2016**
	(In thousands)			
Depreciation and accretion expenses related to ATMs and ATM-related assets	$ 22,180	$ 17,933	$ 66,488	$ 54,290
Amortization of intangible assets	14,996	9,175	45,423	28,129
Total depreciation, accretion, and amortization of intangible assets excluded from Cost of ATM operating revenues	$ 37,176	$ 27,108	$ 111,911	$ 82,419

The Company previously reported a Gross profit subtotal line item in its Consolidated Statements of Operations. Starting with this Form 10-Q, and pursuant to interpretations of SEC guidance, regarding the calculation and display of this and similarly titled measures, the Company has removed this subtotal line item from its Consolidated Statements of Operations.

(d) Redomicile to the U.K.

On July 1, 2016, the Cardtronics group of companies changed the location of incorporation of the parent company from Delaware to the U.K. Cardtronics plc, a public limited company organized under English law ("Cardtronics plc"), became the new publicly traded corporate parent of the Cardtronics group of companies following the completion of the merger between Cardtronics, Inc., a Delaware corporation ("Cardtronics Delaware"), and one of its subsidiaries (the "Merger"). The Merger was completed pursuant to the Agreement and Plan of Merger, dated April 27, 2016, the adoption of which was approved by Cardtronics Delaware's Shareholders on June 28, 2016 (collectively, the "Redomicile Transaction"). Pursuant to the Redomicile Transaction, each issued and outstanding common share of Cardtronics Delaware held immediately prior to the Merger was effectively converted into one Class A Ordinary Share, nominal value $0.01 per share, of Cardtronics plc (collectively "common shares"). Upon completion, the common shares were listed and began trading on The NASDAQ Stock Market LLC under the symbol "CATM," the same symbol under which common shares of Cardtronics Delaware were formerly listed and traded.

Any references to "the Company" (as defined above) or any similar references relating to periods before the Redomicile Transaction shall be construed as references to Cardtronics Delaware being the previous parent company of the Cardtronics group of companies, and/or its subsidiaries depending on the context. The Redomicile Transaction was accounted for as an internal reorganization of entities under common control and, therefore, the Cardtronics Delaware assets and liabilities have been accounted for at their historical cost basis and not revalued in the transaction.

(e) Restructuring Expenses

During the three months ended March 31, 2017, the Company initiated a global corporate reorganization and cost reduction initiative (the "Restructuring Plan"), intended to improve its cost structure and operating efficiency. The Restructuring Plan included workforce reductions, facilities closures, and other cost reduction measures.

During the three months ended March 31, 2017, the Company incurred $8.2 million of pre-tax expenses related to the Restructuring Plan, reflected in the Restructuring expenses line item in the accompanying Consolidated Statements of Operations. These expenses included employee severance costs of $8.0 million and lease termination costs of $0.2 million. The Company did not incur significant additional restructuring expenses during the subsequent six month period ended September 30, 2017.

The following table reflects the amounts by segment (for additional information related to the Company's segments, see *Note 15. Segment Information)* recorded in the Restructuring expenses line item in the accompanying Consolidated Statements of Operations for September 30, 2017:

	Nine Months Ended September 30, 2017			
	North America	Europe & Africa	Corporate	Total
	(In thousands)			
Restructuring expenses	$ 3,668	$ 831	$ 3,744	$ 8,243

During the three months ended March 31, 2017, the Company also identified certain assets that will likely be abandoned or are no longer capable of recovering their carrying values. As a result, the Company recognized $3.2 million in asset impairment charges included in the Loss (gain) on disposal and impairment of assets line item in the accompanying Consolidated Statements of Operations.

As of September 30, 2017, $4.3 million of the employee severance costs and lease termination costs recognized during the three months ended March 31, 2017, were unpaid and are presented within the Current portion of other long-term liabilities, Accrued liabilities, and Other long-term liabilities line items in the accompanying Consolidated Balance Sheets.

	As of September 30, 2017			
	North America	Europe & Africa	Corporate	Total
	(In thousands)			
Current portion of other long-term liabilities	$ —	$ —	$ —	$ —
Accrued liabilities	—	510	2,431	2,941
Other long-term liabilities	—	—	1,364	1,364
Total restructuring liabilities	$ —	$ 510	$ 3,795	$ 4,305

The changes in the Company's restructuring liabilities consisted of the following:

	(In thousands)
Restructuring liabilities as of January 1, 2017	$ —
Restructuring expenses	8,243
Payments	(3,938)
Restructuring liabilities as of September 30, 2017	$ 4,305

(f) Goodwill and Intangible Assets

Included within the Company's assets are goodwill balances that have been recognized in conjunction with its purchase accounting for completed business combinations. Under U.S. GAAP, goodwill is not amortized but is evaluated periodically for impairment. The Company performs this evaluation annually as of December 31 or more frequently if there are indicators that suggest the fair value of a reporting unit may be below its carrying value. The Company initially assesses qualitative factors to determine whether it is necessary to perform a quantitative goodwill impairment analysis. The qualitative and quantitative evaluations are performed at a reporting unit level, which have been determined based on a number of factors, including: (i) whether or not the group has any recorded goodwill, (ii) the availability of discrete financial information, and (iii) how business unit performance is measured and reported. The Company has identified seven separate reporting units for its goodwill assessments: (i) the U.S. operations, (ii) the U.K. operations, (iii) the Australia & New Zealand operations, (iv) the Canada operations, (v) the South African operations, (vi) the German operations, and (vii) the Mexico operations. Based on a qualitative assessment, if it is more-likely-than-not that the fair value of a reporting unit is less than its carrying value, the Company performs a quantitative goodwill impairment analysis, and uses the two-step approach to test goodwill for potential impairment. Step One of the quantitative approach compares the estimated fair value of a reporting unit to its carrying value. If the carrying value exceeds the estimated fair value, then a Step Two impairment calculation is performed. Step Two compares the carrying value of the reporting unit to the fair value of all of the assets and liabilities of the reporting unit, as if the reporting unit was newly acquired in a business combination. If the carrying value of a reporting unit's goodwill exceeds the implied fair value of its goodwill, an impairment loss is recognized. In connection with the determination of potential impairment triggering events, the long-lived assets held by the reporting units may, on the basis of a qualitative and quantitative analysis, be determined to have carrying values that are not recoverable and in excess of their associated fair values, in which case an impairment would also be recognized related to these intangible and fixed assets.

In late September 2017, Australia's four largest banks, the Commonwealth Bank of Australia ("CBA"), Australia and New Zealand Banking Group Limited ("ANZ"), Westpac Banking Corporation ("Westpac"), and National Australia Bank Limited ("NAB"), each independently announced decisions to remove all direct charges to users on domestic transactions completed at their respective ATM networks. Collectively, these four banks account for approximately one third of the total ATMs in Australia. This unexpected market shift appears to have been instigated by a decision and announcement by CBA, the largest Australian bank, to immediately remove direct charges to all users of its ATMs, regardless of whether or not the ATM user is a customer of the bank. During the first part of October 2017, ANZ, Westpac, and NAB followed by removing direct charges on their ATM networks. Australia has historically been a direct charge ATM market, where cardholders pay a fee (or "direct charge") to the operator of an ATM for each transaction, unless the ATM where the transaction was completed is part of the cardholder's issuing bank ATM network. There currently is no broad interchange arrangement in Australia between card issuers and ATM operators to compensate the ATM operator for its service to a financial institution's cardholder. During the nine months ended September 30, 2017, more than 80% of the Company's revenues in Australia were sourced from direct charges paid by cardholders. As a result of this introduction of free-to-use ATMs in Australia and the resulting significant increase in availability of free-to-use ATMs to users, the Company determined that its future surcharge revenues in Australia have likely been materially adversely impacted. These developments were identified as an indicator of impairment, and the Company determined that in the presence of this indicator that it was more-likely-than-not that the fair value of the Australia & New Zealand reporting unit had fallen below its carrying value.

As a result of the qualitative assessment, the Company performed a quantitative Step One analysis to assess the fair value of its reporting units. In the quantitative analysis, the fair value of all of the Company's reporting units was determined using a combination of the income approach and the market approach. The income approach estimates the fair value of the reporting units based on estimates of the present value of future cash flows. The Company uses significant estimates in developing its forecasts used in the income approach, including growth rates in revenues and costs, capital expenditure requirements, and operating margins and tax rates. The income approach also involves many additional significant estimates and judgments, including valuation multiples assigned to projected earnings before interest expense, income taxes, depreciation and amortization expense ("EBITDA") to estimate the terminal values of reporting units. The financial forecasts take into consideration many factors, including historical results and operating performance, related industry trends, pricing strategies, customer analysis, operational issues, competitor analysis, and marketplace data, among others. The assumptions used in the discounted cash flow analysis are inherently uncertain and require significant judgment on the part of management.

The discount rates used in the Step One income approach are determined using a weighted average cost of capital that reflects the risks and uncertainties in each reporting unit's cash flow estimates. The weighted average cost of capital includes an estimated cost of debt and equity. The cost of equity is estimated using the capital asset pricing model, which includes inputs for a long-term risk-free rate, equity risk premium, country risk premium, and a beta volatility factor estimate. The discount rates utilized in Step One ranged from 9.3% to 16.9% across our seven reporting units. The market approach provides an estimated fair value based on the Company's market capitalization that is computed using the market price of its common stock and the number of shares outstanding as of the impairment test date. The sum of the estimated fair values for each reporting unit, as computed using the income approach, was then compared to the fair value of the Company as a whole, as determined based on the market approach plus an estimated control premium. All of the assumptions utilized in estimating the fair value of the Company's reporting units and performing the goodwill impairment test are inherently uncertain and require significant judgment on the part of management.

Our Step One analysis indicated that the fair value of our Australia & New Zealand reporting unit was significantly below its carrying value. Therefore, the Company engaged a third party valuation expert and proceeded with its Step Two analysis utilizing an income approach consistent with the approach taken to perform the purchase accounting for its recent business combinations. With respect to the Company's forecasted future financial projections for its Australia & New Zealand reporting unit, management made certain assumptions regarding the potential impact this triggering event may have on the Company's future revenues based on inherently uncertain information as a result of the recent market shift. With only very preliminary information available regarding the impact of the recent changes implemented by Australia's four largest banks, the Company evaluated a range of possible impacts and ultimately determined that there would likely be a significant and prolonged adverse impact on the Company's ATMs as a result of the banks' actions described above, and the Company incorporated assumptions related to these potential impacts in its financial forecasts. Management has prepared these forecasts based on the best information currently available, including assumptions related to future transaction volumes and consumer habits. While management has attempted to make reasonable and conservative assessments of future activities, those assumptions, and future impairment assessments, are subject to change in the future as actual patterns and transaction volumes develop.

Upon completion of the goodwill impairment analysis, the Company determined that the implied fair value of its goodwill associated with its Australia & New Zealand reporting unit was below its carrying value. Accordingly, the Company recorded a goodwill impairment charge of $140.0 million to reduce the goodwill balance of its Australia & New Zealand reporting unit to its implied fair value. The Company also recognized a $54.5 million impairment of the customer relationships and trade name intangible assets in the Australia & New Zealand reporting unit. The carrying value of these assets were not deemed recoverable via their undiscounted cash flows; therefore, the fair values of these assets were re-evaluated using the income approach as of September 30, 2017, consistent with the approach used to value these assets in conjunction with the acquisition of DCPayments that was completed on January 6, 2017. The goodwill and intangible asset impairment charges are recognized within the Goodwill and intangible asset impairment line item in the accompanying Consolidated Statement of Operations. In addition, the Company recognized an impairment charge of $19.0 million related to the other long-lived assets in the Australia & New Zealand reporting unit, and a charge of $2.5 million to adjust the Australia & New Zealand reporting unit inventory to its estimated net realizable value. The other long-lived assets and inventory charges are recognized within the Loss (gain) on disposal and impairment of assets line item in the accompanying Consolidated Statement of Operations. The Company also recognized a non-cash income tax benefit of $22.5 million, to remove the deferred tax balances associated with the intangible and fixed assets that were impaired.

The majority of the Company's other reporting units were determined to be significantly in excess of their carrying value as of September 30, 2017. The fair value of the Company's Canada reporting unit was not significantly in excess of its carrying value as of September 30, 2017, due to the recent acquisition of the Canada operations of DCPayments in January 2017 at fair value. While it would be expected that the fair value and carrying value would be relatively close in the periods immediately following the acquisition, management will continue to monitor the transaction volumes, operating performance, and future projections for this reporting unit to determine if there are any impairment indicators in future periods. The estimated combined fair value of all reporting units as of September 30, 2017 resulted in an implied control premium for the enterprise comparable to recent transactions. Subsequent to the recorded impairments, the fair value of the Australia & New Zealand reporting unit approximates its carrying value.

(g) Inventory, net

The Company has adopted the provisions of ASU 2015-11, which requires entities to measure their inventory at the lower of cost and net realizable value. The adoption of ASU 2015-11 did not have an impact on the Company's consolidated financial statements. The Company's inventory is determined using the average cost method. The Company periodically assesses its inventory, and as necessary, adjusts the carrying values to the lower of cost and net realizable value.

The following table reflects the Company's primary inventory components:

	September 30, 2017	December 31, 2016
	(In thousands)	
ATMs	$ 3,605	$ 1,915
ATM spare parts and supplies	15,272	12,556
Total inventory	18,877	14,471
Less: Inventory reserves	(2,490)	(1,944)
Inventory, net	$ 16,387	$ 12,527

(h) Restricted Cash

Restricted cash consists of amounts collected on behalf of, but not yet remitted to, certain of the Company's merchants or third-party service providers. The amounts include deposits held by the Company for transactions processed, as well as surcharge and interchange fees earned by the Company's merchants on transactions. These balances are classified as Restricted cash in the Current assets or Noncurrent assets line item in the accompanying Consolidated Balance Sheets based on when the Company expects this cash to be paid. The Company held $43.6 million and $32.2 million of Restricted cash in the Current assets line item in the accompanying Consolidated Balance Sheets as of September 30, 2017 and December 31, 2016, respectively. These assets are offset by accrued liability balances in the Current liability line item in the accompanying Consolidated Balance Sheets.

(2) Acquisitions

DirectCash Payments Inc. Acquisition

On January 6, 2017, the Company completed the acquisition of DCPayments, whereby DCPayments became a wholly-owned indirect subsidiary of the Company. In connection with the closing of the acquisition, each DCPayments common share was acquired for Canadian Dollars $19.00 in cash per common share, and the Company also repaid the outstanding third-party indebtedness of DCPayments, the combined aggregate of which represented a total transaction value of approximately $658 million Canadian Dollars (approximately $495 million U.S. dollars). The total amount paid for the acquisition at closing was financed with cash on hand and borrowings under the Company's revolving credit facility. The purchase price has been preliminarily allocated as disclosed below.

As a result of the DCPayments acquisition, the Company significantly increased the size of its Canada, Mexico, and U.K. operations and entered into the Australia and New Zealand markets. With this acquisition, the Company added approximately 25,000 ATMs to its global ATM count.

On September 22, 2017, the U.K. Competition and Markets Authority (the "CMA") completed its regulatory review and approved the merger of the DCPayments U.K. business with the Company's existing U.K. operations. Prior to the CMA approval, the DCPayments U.K. business operated separately from the Company's existing U.K. operations with the DCPayments pre-acquisition management running the business independently from the Company's management. The Company has begun the process of integrating its existing U.K. operations with the DCPayments U.K. operations.

The results of DCPayments operations have been included in the accompanying Consolidated Statements of Operations subsequent to the January 6, 2017 acquisition date. DCPayments contributed $72.0 million and $201.9 million to revenues and $3.3 million and $4.1 million to income from operations during the three and nine months ended September 30, 2017, respectively. The income from operations includes an immaterial amount of acquisition-related expenses in the three month period ended September 30, 2017 and approximately $2.8 million of acquisition-related expenses in the nine month period ended September 30, 2017. These amounts exclude the impairment-related charges discussed in *Note 1. General and Basis of Presentation – (f) Goodwill and Intangible Assets* above.

The DCPayments acquisition was accounted for as a business combination using the purchase method of accounting under the provisions of Accounting Standards Codification ("ASC") Topic 805, Business Combinations ("ASC 805"), with Cardtronics as the acquirer of DCPayments. In accordance with ASC 805, all assets acquired and liabilities assumed have been recorded at their estimated fair value as of the acquisition date and any excess of the purchase consideration over the fair value of the identifiable assets acquired and liabilities assumed has been recognized as goodwill. This preliminary fair value purchase allocation process resulted in a preliminary goodwill allocation of approximately $296.6 million, of which $109.0 million, $45.5 million, and $142.1 million has been assigned to the Company's North America, Europe & Africa, and Australia & New Zealand reporting segments, respectively. The recognized goodwill is primarily attributable to expected revenue and cost synergies from the acquisition. None of the goodwill or intangible asset amounts are expected to be deductible for income tax purposes; however, the Company acquired certain tax assets in the form of accumulated net operating loss carryforwards and capital allowances, which at the date of acquisition the Company expected to utilize. The Company made various revisions to its preliminary purchase price allocation during the three months ended September 30, 2017 and several components of the preliminary purchase price allocation are presently under review, including the tangible and intangible asset valuations and the attribution of the purchase price to the Company's reporting segments. The Company expects to finalize its purchase accounting for this acquisition in the fourth quarter of 2017.

The following table summarizes the preliminary estimated fair values of the assets acquired and liabilities assumed as of the acquisition date:

		(In thousands)
Cash and cash equivalents	$	28,227
Accounts and notes receivable		14,841
Inventory		977
Restricted cash		2,475
Prepaid expenses, deferred costs, and other current assets		3,157
Property and equipment		69,458
Intangible assets		180,042
Goodwill		296,616
Prepaid expenses, deferred costs, and other noncurrent assets		674
Total assets acquired	$	596,467
Current portion of other long-term liabilities	$	10,852
Accounts payable and other current liabilities		49,405
Asset retirement obligations		6,973
Deferred tax liability		22,307
Other long-term liabilities		11,451
Total liabilities assumed	$	100,988
Net assets acquired	$	495,479

The fair values of intangible assets acquired have been estimated utilizing an income approach, with the assistance of an independent appraisal firm. The acquired intangible assets are being amortized on a straight-line basis, over the estimated lives. At the date of the acquisition the estimated fair values consisted of the following:

	Fair Values	Estimated Useful Lives
	(In thousands)	
Merchant contracts/relationships	$ 171,133	8 years
Trade names: definite-lived	8,909	3 years
Total intangible assets acquired	$ 180,042	

Pro Forma Results of Operations

The following table presents certain unaudited pro forma combined results of operations of the Company and the acquired DCPayments operations for the three and nine months ended September 30, 2016, after giving effect to certain pro forma and conforming accounting adjustments including: (i) amortization of acquired intangible assets, (ii) the impact of certain fair value adjustments such as depreciation on the acquired property and equipment, (iii) an interest expense adjustment for the net impact of the removal of the interest expense on the historical long-term debt of DCPayments that was repaid and the new interest expense on additional borrowings incurred by the Company to fund the acquisition, and (iv) a conforming adjustment to recognize certain DCPayments surcharge revenues on a gross basis (not reduced by merchant commission payments), consistent with the Company policy and practice, and other less significant conforming accounting adjustments.

	Three Months Ended September 30, 2016		Nine Months Ended September 30, 2016	
	As Reported	Pro Forma	As Reported	Pro Forma
	(In thousands, excluding per share amounts)			
Total revenues	$ 328,334	$ 393,146	$ 955,542	$ 1,140,271
Net income attributable to controlling interests and available to common shareholders	27,490	26,235	63,022	64,795
Net income per common share – basic	$ 0.61	$ 0.58	$ 1.39	$ 1.43
Net income per common share – diluted	$ 0.60	$ 0.57	$ 1.38	$ 1.42

The unaudited pro forma combined results of operations for the three and nine months ended September 30, 2016, reflected in the table above, do not include the impact of other acquisitions completed since September 30, 2016, as these transactions did not have a material impact on the overall consolidated financial statements. These unaudited pro forma combined results of operations do not reflect the impact of any potential operating efficiencies, savings from expected synergies, or costs to integrate the operations. The unaudited pro forma combined results of operations are not necessarily indicative of the future results to be expected for the Company's consolidated results of operations. As discussed in *Note 1. General and Basis of Presentation — (f) Goodwill and Intangible Assets* above, the Company recognized significant impairment charges related to the acquired Australia operations during the three months ended September 30, 2017.

Other Acquisitions

On January 31, 2017, the Company completed the acquisition of Spark ATM Systems Pty Ltd. ("Spark"), an independent ATM deployer in South Africa, with a growing network of approximately 2,300 ATMs. The initial purchase consideration of 260.7 million South African Rand ("Rand") (approximately $19.5 million U.S. dollars, at the January 31, 2017 foreign currency exchange rate), was paid in cash and included approximately 64.0 million Rand to pay off third-party debt of Spark. The total purchase consideration also includes potential additional contingent consideration of up to approximately 805 million Rand (approximately $59.6 million U.S. dollars, at the January 31, 2017 foreign currency exchange rate). The contingent consideration will vary based upon Spark achieving certain agreed upon earnings targets in 2019 and 2020 and would be payable to the previous investors in the Spark business. The preliminary estimated acquisition date fair value of the contingent consideration is approximately 544 million Rand (approximately $40.2 million

U.S. dollars, at the January 31, 2017 foreign currency exchange rate), as determined with the assistance of an independent appraisal firm using forecasted future financial projections and other Level 3 inputs (for additional information related to the Company's fair value estimates see *Note 12. Fair Value Measurements*). During the three and nine months ended September 30, 2017, the Company recorded expenses of $0.9 million and $2.5 million, respectively, in the Other expense line item in the accompanying Consolidated Statements of Operations related to changes in the estimated fair value of the contingent consideration arrangement. In future periods, the Company may record additional expense or may reduce its expense to account for revisions to the amount expected to be paid related to the contingent payment element, which will vary based on actual and expected performance. In conjunction with the transaction, the Company preliminarily recognized property and equipment of approximately $5.3 million, intangible assets of $2.8 million, Asset Retirement Obligations ("ARO") of approximately $0.4 million, other net liabilities of approximately $1.3 million, and goodwill of approximately $53.4 million. The purchase accounting for this transaction remains preliminary, pending finalization of the related asset appraisals.

On April 13, 2016, the Company completed the acquisition of a 2,600 location ATM portfolio in the U.S. from a major financial institution. This acquisition was affected through multiple closings taking place primarily in April 2016. The total purchase consideration of approximately $13.8 million was paid in installments corresponding to each close. In conjunction with the transaction, the Company recognized property and equipment of $8.3 million, contract intangibles and prepaid merchant commissions of $7.1 million, and ARO of $1.6 million. The Company completed the purchase accounting for this acquisition during the fourth quarter of 2016.

(3) Share-based Compensation

The Company accounts for its share-based compensation by recognizing the grant date fair value of share-based awards, net of estimated forfeitures, as share-based compensation expense over the underlying requisite service periods of the related awards. The grant date fair value is based upon the Company's share price on the date of grant.

The following table reflects the total share-based compensation expense amounts reported in the accompanying Consolidated Statements of Operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	(In thousands)			
Cost of ATM operating revenues	$ 196	$ 249	$ 336	$ 636
Selling, general, and administrative expenses	3,955	6,393	9,635	15,144
Total share-based compensation expense	$ 4,151	$ 6,642	$ 9,971	$ 15,780

The decreases in total share-based compensation expense for the three and nine months ended September 30, 2017, are partially attributable to a higher level of forfeitures during the period as a result of the Company's Restructuring Plan and the associated employee terminations. The employee terminations resulted in the net reversal of $1.5 million in share-based compensation expense during the three months ended March 31, 2017. Additionally, the amount of share-based compensation expense recorded was lower during the three months ended September 30, 2017 compared to same period of 2016, as expected payouts under the annual Long-term Incentive Plan ("LTIP") (discussed further below) were lower than the prior year.

Restricted Stock Units. The Company grants restricted stock units ("RSUs") under its LTIP, which is an annual equity award program under the Third Amended and Restated 2007 Stock Incentive Plan. The ultimate number of RSUs that are determined to be earned under the LTIP are approved by the Compensation Committee of the Company's Board of Directors on an annual basis, based on the Company's achievement of certain performance levels during the calendar year of its grant. The majority of these grants have both a performance-based and a service-based vesting schedule ("Performance-RSUs"), and the Company recognizes the related compensation expense based on the estimated performance levels that management believes will ultimately be met. A portion of the awards have only a service-based vesting schedule ("Time-RSUs"), for which the associated expense is recognized ratably over four years. Performance-

RSUs and Time-RSUs are convertible into the Company's common shares after the passage of the vesting periods, which are generally 24, 36, and 48 months from January 31 of the grant year, at the rate of 50%, 25%, and 25%, respectively. Performance-RSUs will be earned only if the Company achieves certain performance levels. Although the Performance-RSUs are not considered to be earned and outstanding until at least the minimum performance metrics are met, the Company recognizes the related compensation expense over the requisite service period (or to an employee's qualified retirement date, if earlier) using a graded vesting methodology. RSUs are also granted outside of LTIPs, with or without performance-based vesting requirements.

The number of the Company's non-vested RSUs as of September 30, 2017, and changes during the nine months ended September 30, 2017, are presented below:

	Number of Shares	Weighted Average Grant Date Fair Value
Non-vested RSUs as of January 1, 2017	971,751	$ 37.08
Granted	685,808	$ 38.94
Vested	(508,997)	$ 36.60
Forfeited	(155,164)	$ 36.99
Non-vested RSUs as of September 30, 2017	993,398	$ 38.63

The above table only includes earned RSUs; therefore, the Performance-RSUs granted in 2017 but not yet earned are not included. The number of Performance-RSUs granted at target in 2017, net of estimated forfeitures, was 216,799 units with a grant date fair value of $40.57 per unit. Time-RSUs are included as granted.

As of September 30, 2017, the unrecognized compensation expense associated with earned RSUs was $13.8 million, which will be recognized using a graded vesting schedule for Performance-RSUs and a straight-line vesting schedule for Time-RSUs, over a remaining weighted average vesting period of approximately 2.4 years.

Restricted Stock Awards. As of September 30, 2017, all Restricted Stock Awards ("RSAs") have fully vested and the Company has no unrecognized compensation expense. The Company ceased granting RSAs in 2013.

Options. As of September 30, 2017, there were 1,250 outstanding and exercisable options with a weighted average grant date fair value of $9.69. The Company has not granted any options since 2010. As of September 30, 2017, the Company had no unrecognized compensation expense associated with outstanding options as all the remaining outstanding options became fully vested during 2014.

(4) (Loss) Earnings per Share

The Company reports its (loss) earnings per share under the two-class method. Under this method, potentially dilutive securities are excluded from the calculation of diluted earnings per share (as well as their related impact on the net income available to common shareholders) when their impact on net income available to common shareholders is anti-dilutive. During the three and nine months ended September 30, 2017, the Company incurred a net loss, and accordingly, excluded all potentially dilutive securities from the calculation of diluted (loss) earnings per share as their impact on the net loss available to common shareholders was anti-dilutive.

Potentially dilutive securities for the three and nine months ended September 30, 2017 included all outstanding stock options, RSAs, and RSUs, which were included in the calculation of diluted earnings per share for these periods. The potentially dilutive effect of outstanding warrants and the underlying shares exercisable under the Company's $287.5 million of 1.00% Convertible Senior Notes due 2020 (the "Convertible Notes") were excluded from diluted shares outstanding because the exercise price exceeded the average market price of the Company's common shares. The effect of the note hedge the Company purchased to offset the underlying conversion option embedded in the Convertible Notes was also excluded, as the effect is anti-dilutive. Additionally, the restricted shares issued by the Company under RSAs have a non-forfeitable right to cash dividends, if and when declared by the Company. Accordingly, restricted shares issued under RSAs are considered to be participating securities and, as such, the Company has allocated the undistributed earnings for the nine months ended September 30, 2016. The undistributed losses for the three and nine months ended September 30, 2017 have not been allocated to the unvested restricted shares as they do not carry an obligation to share in losses. The allocated details are as follows:

(Loss) Earnings per Share (in thousands, excluding share and per share amounts)

	Three Months Ended September 30, 2017			Three Months Ended September 30, 2016		
	Loss	Weighted Average Shares Outstanding	Earnings per Share	Income	Weighted Average Shares Outstanding	Earnings per Share
Basic:						
Net (loss) income attributable to controlling interests and available to common shareholders	$ (175,561)			$ 27,490		
Less: Undistributed earnings allocated to unvested RSAs	—			(9)		
Net (loss) income available to common shareholders	$ (175,561)	45,662,543	$ (3.84)	$ 27,481	45,252,869	$ 0.61
Diluted:						
Effect of dilutive securities:						
Add: Undistributed earnings allocated to restricted shares	$ —			$ 9		
Stock options added to the denominator under the treasury stock method		—			20,557	
RSUs added to the denominator under the treasury stock method		—			576,635	
Less: Undistributed earnings reallocated to RSAs	—			(9)		
Net (loss) income available to common shareholders and assumed conversions	$ (175,561)	45,662,543	$ (3.84)	$ 27,481	45,850,061	$ 0.60

	Nine Months Ended September 30, 2017			Nine Months Ended September 30, 2016		
	Loss	Weighted Average Shares Outstanding	Earnings per Share	Income	Weighted Average Shares Outstanding	Earnings per Share
Basic:						
Net (loss) income attributable to controlling interests and available to common shareholders	$ (161,304)			$ 63,022		
Less: Undistributed earnings allocated to unvested RSAs	—			(34)		
Net (loss) income available to common shareholders	$ (161,304)	45,597,558	$ (3.54)	$ 62,988	45,175,604	$ 1.39
Diluted:						
Effect of dilutive securities:						
Add: Undistributed earnings allocated to restricted shares	$ —			$ 34		
Stock options added to the denominator under the treasury stock method		—			29,451	
RSUs added to the denominator under the treasury stock method		—			560,180	
Less: Undistributed earnings reallocated to RSAs	—			(33)		
Net (loss) income available to common shareholders and assumed conversions	$ (161,304)	45,597,558	$ (3.54)	$ 62,989	45,765,235	$ 1.38

The computation of diluted earnings per share excluded potentially dilutive common shares related to restricted shares issued by the Company under RSAs of 7,217 and 12,920 for the three and nine months ended September 30, 2016, respectively, because the effect of including these shares in the computation would have been anti-dilutive.

(5) Accumulated Other Comprehensive Loss, Net

Accumulated other comprehensive loss, net is a separate component of the Shareholders' equity section in the accompanying Consolidated Balance Sheets. The following tables present the changes in the balances of each component of Accumulated other comprehensive loss, net for the three and nine months ended September 30, 2017:

	Foreign Currency Translation Adjustments	Unrealized (Losses) Gains on Interest Rate Swap Contracts	Total
	(In thousands)		
Total accumulated other comprehensive loss, net as of July 1, 2017	$ (48,331)(1)	$ (19,944)(2)	$ (68,275)
Other comprehensive income before reclassification	17,871 (3)	588 (4)	18,459
Amounts reclassified from accumulated other comprehensive loss, net	—	4,602 (4)	4,602
Net current period other comprehensive income	17,871	5,190	23,061
Total accumulated other comprehensive loss, net as of September 30, 2017	$ (30,460)(1)	$ (14,754)(2)	$ (45,214)

(1) Net of deferred income tax (benefit) of $(5,369) and $(5,424) as of September 30, 2017 and July 1, 2017, respectively.

(2) Net of deferred income tax expense of $12,908 and $11,164 as of September 30, 2017 and July 1, 2017, respectively.

(3) Net of deferred income tax expense of $55 for the three months ended September 30, 2017.

(4) Net of deferred income tax expense of $198 and $1,546 for Other comprehensive income (loss) before reclassification and Amounts reclassified from accumulated other comprehensive loss, net, respectively, for the three months ended September 30, 2017. See *Note 11. Derivative Financial Instruments.*

	Foreign Currency Translation Adjustments	Unrealized (Losses) Gains on Interest Rate Swap Contracts	Total
	(In thousands)		
Total accumulated other comprehensive loss, net as of January 1, 2017	$ (81,602)(1)	$ (25,533)(2)	$ (107,135)
Other comprehensive income (loss) before reclassification	51,142 (3)	(3,966)(4)	47,176
Amounts reclassified from accumulated other comprehensive loss, net	—	14,745 (4)	14,745
Net current period other comprehensive income	51,142	10,779	61,921
Total accumulated other comprehensive loss, net as of September 30, 2017	$ (30,460)(1)	$ (14,754)(2)	$ (45,214)

(1) Net of deferred income tax (benefit) of $(5,369) and $(4,113) as of September 30, 2017 and January 1, 2017, respectively.

(2) Net of deferred income tax expense of $12,908 and $9,269 as of September 30, 2017 and January 1, 2017, respectively.

(3) Net of deferred income tax expense of $1,256 for the nine months ended September 30, 2017.

(4) Net of deferred income tax (benefit) expense of $(1,339) and $4,978 for Other comprehensive income (loss) before reclassification and Amounts reclassified from accumulated other comprehensive loss, net, respectively, for the nine months ended September 30, 2017. See *Note 11. Derivative Financial Instruments.*

The Company records unrealized gains and losses related to its interest rate swap contracts net of estimated taxes in the Accumulated other comprehensive loss, net line item in the accompanying Consolidated Balance Sheets since it is more likely than not that the Company will be able to realize the benefits associated with its net deferred tax asset positions in the future. The amounts reclassified from Accumulated other comprehensive loss, net are recognized in the Cost of ATM operating revenues line item in the accompanying Consolidated Statements of Operations.

The Company has elected the portfolio approach for the deferred tax asset of the unrealized gains and losses related to the interest rate swap contracts in the Accumulated other comprehensive loss, net line item in the accompanying Consolidated Balance Sheets. Under the portfolio approach, the disproportionate tax effect created when the valuation allowance was appropriately released as a tax benefit into continuing operations in 2010, will reverse out of the Accumulated other comprehensive loss, net line item in the accompanying Consolidated Balance Sheets and into continuing operations as a tax expense when the Company ceases to hold any interest rate swap contracts. As of September 30, 2017, the disproportionate tax effect is $14.7 million.

The Company currently believes that the unremitted earnings of its foreign subsidiaries under its former U.S. parent company will be reinvested for an indefinite period of time. Accordingly, no deferred taxes have been provided for the differences between the Company's book basis and underlying tax basis in these subsidiaries or on the foreign currency translation adjustment amounts.

(6) Intangible Assets

Intangible Assets with Indefinite Lives

The following tables present the net carrying amounts of the Company's intangible assets with indefinite lives as of January 1, 2017 and September 30, 2017, as well as the changes in the net carrying amounts for the nine months ended September 30, 2017 by segment (for additional information related to the Company's segments, see *Note 15. Segment Information*). See *Note 1. General and Basis of Presentation – (f) Goodwill and Intangible Assets* for additional information regarding the goodwill and intangible asset impairment recognized related to the Company's Australia & New Zealand segment.

	North America	Europe & Africa	Australia & New Zealand	Total
	(In thousands)			
Goodwill, gross as of January 1, 2017	$ 452,232	$ 130,846	$ —	$ 583,078
Accumulated impairment loss	—	(50,003)	—	(50,003)
Goodwill, net as of January 1, 2017	$ 452,232	$ 80,843	$ —	$ 533,075
Acquisitions	108,997	98,844	142,133	349,974
Foreign currency translation adjustments	6,869	10,030	11,242	28,141
Impairment loss	—	—	(140,038)	(140,038)
Goodwill, gross as of September 30, 2017	$ 568,098	$ 239,720	$ 153,375	$ 961,193
Accumulated impairment loss	—	(50,003)	(140,038)	(190,041)
Goodwill, net as of September 30, 2017	$ 568,098	$ 189,717	$ 13,337	$ 771,152

	North America	Europe & Africa	Total
	(In thousands)		
Trade names: indefinite-lived as of January 1, 2017	$ 200	$ 419	$ 619
Foreign currency translation adjustments	—	37	37
Trade names: indefinite-lived as of September 30, 2017	$ 200	$ 456	$ 656

Intangible Assets with Definite Lives

The following table presents the Company's intangible assets that were subject to amortization:

	September 30, 2017			December 31, 2016		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(In thousands)					
Merchant and bank-branding contracts/relationships	$ 487,509	$ (288,094)	$ 199,415	$ 353,334	$ (248,428)	$ 104,906
Trade names: definite-lived	18,487	(5,855)	12,632	11,618	(3,674)	7,944
Technology	10,885	(4,985)	5,900	10,718	(4,781)	5,937
Non-compete agreements	4,439	(4,270)	169	4,351	(4,057)	294
Revolving credit facility deferred financing costs	2,568	(1,107)	1,461	3,770	(2,240)	1,530
Total intangible assets with definite lives	$ 523,888	$ (304,311)	$ 219,577	$ 383,791	$ (263,180)	$ 120,611

(7) Accrued Liabilities

The Company's accrued liabilities consisted of the following:

	September 30, 2017	December 31, 2016
	(In thousands)	
Accrued merchant settlement	$ 100,580	$ 77,142
Accrued merchant fees	60,143	40,369
Accrued taxes	50,689	32,982
Accrued compensation	18,639	19,150
Accrued cash management fees	12,901	9,894
Accrued interest	11,804	6,174
Accrued processing costs	8,729	5,918
Accrued maintenance	7,756	8,473
Accrued armored	7,726	6,354
Accrued purchases	5,293	6,249
Accrued telecommunications costs	2,146	1,841
Accrued interest on interest rate swap contracts	1,414	2,152
Other accrued expenses	37,574	23,920
Total accrued liabilities	$ 325,394	$ 240,618

As of September 30, 2017, the Accrued compensation line item included $2.9 million of employee severance costs associated with the Company's Restructuring Plan. The increase in the Other accrued expenses line item is primarily attributed to additional liabilities assumed with the DCPayments acquisition.

(8) Long-Term Debt

The Company's carrying value of long-term debt consisted of the following:

	September 30, 2017	December 31, 2016
	(In thousands)	
Revolving credit facility, including swingline credit facility (weighted average combined interest rate of 2.9% and 4.0% as of September 30, 2017 and December 31, 2016, respectively)	$ 157,630	$ 14,100
1.00% Convertible Senior Notes due 2020, net of unamortized discount and capitalized debt issuance costs	249,189	241,068
5.125% Senior Notes due 2022, net of capitalized debt issuance costs	247,869	247,371
5.50% Senior Notes due 2025, net of capitalized debt issuance costs	295,087	—
Total long-term debt	$ 949,775	$ 502,539

The Convertible Notes with a face value of $287.5 million are presented net of unamortized discount and capitalized debt issuance costs of $38.3 million and $46.4 million as of September 30, 2017 and December 31, 2016, respectively. The 5.125% Senior Notes due 2022 (the "2022 Notes") with a face value of $250.0 million are presented net of capitalized debt issuance costs of $2.1 million and $2.6 million as of September 30, 2017 and December 31, 2016, respectively. The 5.50% Senior Notes due 2025 (the "2025 Notes") with a face value of $300.0 million are presented net of capitalized debt issuance costs of $4.9 million as of September 30, 2017.

Revolving Credit Facility

As of September 30, 2017, the Company had a $400.0 million revolving credit facility, which matures on July 1, 2021, led by a syndicate of banks with JPMorgan Chase, N.A. serving as the administrative agent. The revolving credit facility provides the Company with $400.0 million in available borrowings and letters of credit (subject to the covenants contained within the amended and restated credit agreement (the "Credit Agreement") governing the revolving credit facility) and can be increased by the exercise of an accordion feature to $500.0 million, under certain conditions.

On October 3, 2017, the Company entered into a Sixth Amendment (the "Sixth Amendment") to the Credit Agreement. Pursuant to the Sixth Amendment, certain administrative changes were made to the Credit Agreement, primarily to expand the currencies under which the Company and the other borrowers can borrow funds.

The total commitments under the credit facility can be borrowed in U.S. dollars, alternative currencies (including Euros, U.K. pounds sterling, Canadian dollars, Australian dollars and South African rand), or a combination thereof. The Credit Agreement provides for sub-limits under the commitment of $50.0 million for swingline loans and $30.0 million for letters of credit. Borrowings (not including swingline loans) accrue interest, at the Company's option and based on the type of currency borrowed, at the Alternate Base Rate, the Canadian Prime Rate, the Adjusted LIBO Rate, the Canadian Dealer Offered Rate, the Bank Bill Swap Reference Rate or the Johannesburg Interbank Agreed Rate (each, as defined in the Credit Agreement) plus a margin depending on the Company's most recent Total Net Leverage Ratio (as defined in the Credit Agreement). The margin for Alternative Base Rate loans and Canadian Prime Rate loans varies between 0% and 1.25%, the margin for Adjusted LIBO Rate loans, Canadian Dealer Offered Rate loans and Bank Bill Swap Reference Rate loans varies between 1.00% and 2.25% and the margin for Johannesburg Interbank Agreed Rate loans varies between 1.25% and 2.50%. Swingline loans denominated in U.S. dollars bear interest at the Alternate Base Rate plus a margin as described above, swingline loans denominated in Canadian dollars bear interest at the Canadian Prime Rate plus a margin as described above and swingline loans denominated in other alternative currencies bear interest at the Overnight Foreign Currency Rate (as defined in the Credit Agreement) plus the applicable margin for the Adjusted LIBO Rate, the Bank Bill Swap Reference Rate or the Johannesburg Interbank Agreed Rate, as applicable.

Substantially all of the Company's U.S. assets, including the stock of certain of its subsidiaries are pledged as collateral to secure borrowings made under the revolving credit facility. Furthermore, each of the Credit Facility Guarantors (as defined in the Credit Agreement) has guaranteed the full and punctual payment of the obligations under the revolving credit facility. The obligations of the CFC Borrowers (as defined in the Credit Agreement) are secured by the assets of the CFC Guarantors (as defined in the Credit Agreement), which do not guarantee the obligations of the Credit Facility Guarantors. There are currently no restrictions on the ability of the Company's subsidiaries to declare and pay dividends to it.

The Credit Agreement contains representations, warranties and covenants that are customary for similar credit arrangements, including, among other things, covenants relating to: (i) financial reporting and notification, (ii) payment of obligations, (iii) compliance with applicable laws, and (iv) notification of certain events. Financial covenants in the Credit Agreement require the Company to maintain: (i) as of the last day of any fiscal quarter, a Senior Secured Net Leverage Ratio (as defined in the Credit Agreement) of no more than 2.25 to 1.00, (ii) as of the last day of any fiscal quarter, a Total Net Leverage Ratio of no more than 4.00 to 1.00, and (iii) as of the last day of any fiscal quarter, a Fixed Charge Coverage Ratio (as defined in the Credit Agreement) of no less than 1.50 to 1.00. Additionally, the Company is limited on the amount of restricted payments, including dividends, which it can make pursuant to the terms of the Credit Agreement; however, the Company may generally make restricted payments so long as no event of default exists at the time of such payment and the Total Net Leverage Ratio is less than 3.00 to 1.00 at the time such restricted payment is made.

As of September 30, 2017, the Company had $157.6 million of outstanding borrowings under its $400.0 million revolving credit facility and was in compliance with all applicable covenants and ratios under the Credit Agreement. As of September 30, 2017 and December 31, 2016, the weighted average interest rates on the Company's outstanding borrowings under its revolving credit facility were 2.9% and 4.0%, respectively.

$287.5 Million 1.00% Convertible Senior Notes Due 2020 and Related Equity Instruments

On November 19, 2013, Cardtronics Delaware issued the Convertible Notes at par value. Cardtronics Delaware received $254.2 million in net proceeds from the offering after deducting underwriting fees paid to the initial purchasers and a repurchase of 665,994 of its outstanding common shares concurrent with the offering. Cardtronics Delaware used a portion of the net proceeds from the offering to fund the net cost of the convertible note hedge transaction, as described below. The convertible note hedge and warrant transactions were entered into concurrent with the pricing of the

Convertible Notes. Interest on the Convertible Notes is payable semi-annually in cash in arrears on June 1st and December 1st of each year. Under U.S. GAAP, certain convertible debt instruments that may be settled in cash (or other assets) upon conversion are required to be separately accounted for as liability (debt) and equity (conversion option) components of the instrument in a manner that reflects the issuer's non-convertible debt borrowing rate. The Company, with assistance from a valuation professional, determined that the fair value of the debt component was $215.8 million and the fair value of the embedded option was $71.7 million as of the issuance date. The Company recognizes effective interest expense on the debt component and that interest expense effectively accretes the debt component to the total principal amount due at maturity of $287.5 million. The effective rate of interest to accrete the debt balance is approximately 5.26%, which corresponded to the Company's estimated conventional debt instrument borrowing rate at the date of issuance.

On July 1, 2016, Cardtronics plc, Cardtronics Delaware, and Wells Fargo Bank, National Association, as trustee, entered into a supplemental indenture (the "Convertible Notes Supplemental Indenture") with respect to the Convertible Notes. The Convertible Notes Supplemental Indenture provides for the unconditional and irrevocable guarantee by Cardtronics plc of the prompt payment, when due, of any amount owed to the holders of the Convertible Notes. The Convertible Notes Supplemental Indenture also provides that, from and after the effective date of the Redomicile Transaction, the Convertible Notes will be convertible into shares of Cardtronics plc in lieu of common share of Cardtronics Delaware.

The Convertible Notes currently have a conversion price of $52.35 per share, which equals a conversion rate of 19.1022 shares per $1,000 principal amount of Convertible Notes, for a total of approximately 5.5 million shares underlying the debt. The conversion rate, however, is subject to adjustment under certain circumstances. Conversion can occur: (i) any time on or after September 1, 2020, (ii) after March 31, 2014, during any calendar quarter that follows a calendar quarter in which the price of the shares exceeds 135% of the conversion price for at least 20 days during the 30 consecutive trading-day period ending on the last trading day of the quarter, (iii) during the ten consecutive trading-day period following any five consecutive trading-day period in which the trading price of the Convertible Notes is less than 98% of the closing price of the shares multiplied by the applicable conversion rate on each such trading day, (iv) upon specified distributions to Cardtronics plc's shareholders upon recapitalizations, reclassifications, or changes in shares, and (v) upon a make-whole fundamental change. A fundamental change is defined as any one of the following: (i) any person or group that acquires 50.0% or more of the total voting power of all classes of common equity that is entitled to vote generally in the election of Cardtronics plc's directors, (ii) Cardtronics plc engages in any recapitalization, reclassification, or changes of common shares as a result of which the shares would be converted into or exchanged for, shares, other securities, or other assets or property, (iii) Cardtronics plc engages in any share exchange, consolidation, or merger where the shares converted into cash, securities, or other property, (iv) the Company engages in certain sales, leases, or other transfers of all or substantially all of the consolidated assets, or (v) Cardtronics plc's shares are not listed for trading on any U.S. national securities exchange.

None of the Convertible Notes were convertible as of September 30, 2017 and, therefore, remain classified in the Long-term debt line item in the accompanying Consolidated Balance Sheets at September 30, 2017. In future financial reporting periods, the classification of the Convertible Notes may change depending on whether any of the above contingent criteria have been subsequently satisfied.

Upon conversion, holders of the Convertible Notes are entitled to receive cash, shares, or a combination of cash and shares, at the Company's election. In the event of a change in control, as defined in the indenture under which the Convertible Notes have been issued, holders can require Cardtronics Delaware to purchase all or a portion of their Convertible Notes for 100% of the notes' par value plus any accrued and unpaid interest.

The Company's interest expense related to the Convertible Notes consisted of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	(In thousands)			
Cash interest per contractual coupon rate	$ 719	$ 719	$ 2,157	$ 2,157
Amortization of note discount	2,569	2,439	7,608	7,219
Amortization of debt issuance costs	176	159	513	463
Total interest expense related to Convertible Notes	$ 3,464	$ 3,317	$ 10,278	$ 9,839

The Company's carrying value of the Convertible Notes consisted of the following:

	September 30, 2017	December 31, 2016
	(In thousands)	
Principal balance	$ 287,500	$ 287,500
Unamortized discount and capitalized debt issuance costs	(38,311)	(46,432)
Net carrying amount of Convertible Notes	$ 249,189	$ 241,068

In connection with the issuance of the Convertible Notes, Cardtronics Delaware entered into separate convertible note hedge and warrant transactions to reduce the potential dilutive impact upon the conversion of the Convertible Notes. The net effect of these transactions effectively raised the price at which dilution would occur from the $52.35 initial conversion price of the Convertible Notes to $73.29. Pursuant to the convertible note hedge, Cardtronics Delaware purchased call options granting Cardtronics Delaware the right to acquire up to approximately 5.5 million common shares with an initial strike price of $52.35. The call options automatically become exercisable upon conversion of the Convertible Notes, and will terminate on the second scheduled trading day immediately preceding December 1, 2020. Cardtronics Delaware also sold to the initial purchasers warrants to acquire up to approximately 5.5 million common shares with a strike price of $73.29. The warrants will expire incrementally on a series of expiration dates subsequent to the maturity date of the Convertible Notes through August 30, 2021. If the conversion price of the Convertible Notes remains between the strike prices of the call options and warrants, Cardtronics plc's shareholders will not experience any dilution in connection with the conversion of the Convertible Notes; however, to the extent that the price of the shares exceeds the strike price of the warrants on any or all of the series of related expiration dates of the warrants, Cardtronics plc would be required to issue additional shares to the warrant holders. The amounts allocated to both the note hedge and warrants were recorded in the Shareholders' equity section in the accompanying Consolidated Balance Sheets.

$250.0 Million 5.125% Senior Notes Due 2022

On July 28, 2014, in a private placement offering, Cardtronics Delaware issued $250.0 million in aggregate principal amount of the 2022 Notes pursuant to an indenture dated July 28, 2014 (the "2022 Notes Indenture") among Cardtronics Delaware, certain subsidiary guarantors (each, a "2022 Notes Guarantor"), and Wells Fargo Bank, National Association, as trustee. Interest on the 2022 Notes is payable semi-annually in cash in arrears on February 1st and August 1st of each year.

On July 1, 2016, Cardtronics plc, Cardtronics Delaware, certain 2022 Notes Guarantors, and Wells Fargo Bank, National Association, as trustee, entered into a supplemental indenture (the "2022 Notes Supplemental Indenture") with respect to the 2022 Notes. The 2022 Notes Supplemental Indenture provides for the unconditional and irrevocable guarantee by Cardtronics plc of the prompt payment, when due, of any amount owed to the holders of the 2022 Notes. Furthermore, certain additional subsidiary guarantors were also added as 2022 Notes Guarantors to the 2022 Notes. On April 28, 2017, additional subsidiaries of Cardtronics plc were added as 2022 Notes Guarantors pursuant to a second supplemental indenture to the 2022 Notes Indenture (the "2022 Notes Second Supplemental Indenture").

The 2022 Notes and the related guarantees (the "2022 Notes Guarantees") rank: (i) equally in right of payment with all o f Cardtronics Delaware's and the 2022 Notes Guarantors (including Cardtronics plc) existing and future senior indebtedness, (ii) effectively junior to secured debt to the extent of the collateral securing such debt, including borrowings under the Company's revolving credit facility, and (iii) structurally junior to existing and future indebtedness of Cardtronics plc's non-guarantor subsidiaries. The 2022 Notes and 2022 Notes Guarantees rank senior in right of payment to any of Cardtronics Delaware's and the 2022 Notes Guarantors' (including Cardtronics plc) existing and future subordinated indebtedness.

The 2022 Notes contain covenants that, among other things, limit Cardtronics plc's ability and the ability of certain of its restricted subsidiaries (including Cardtronics Delaware) to incur or guarantee additional indebtedness, make certain investments, or pay dividends or distributions on Cardtronics plc's common shares or repurchase common shares or make certain other restricted payments, consolidate or merge with or into other companies, conduct asset sales, restrict dividends or other payments by restricted subsidiaries, engage in transactions with affiliates or related persons, and create liens.

Obligations under its 2022 Notes are fully and unconditionally and jointly and severally guaranteed on a senior unsecured basis by Cardtronics plc and certain of its subsidiaries and certain of its future subsidiaries, with the exception of Cardtronics plc's immaterial subsidiaries and CFC Guarantors (as defined in the Credit Agreement). There are no significant restrictions on the ability of Cardtronics plc to obtain funds from Cardtronics Delaware or the other 2022 Notes Guarantors by dividend or loan. None of the 2022 Notes Guarantors' assets represent restricted assets pursuant to Rule 4-08(e)(3) of Regulation S-X. The 2022 Notes include registration rights, and as required under the terms of the 2022 Notes, Cardtronics Delaware completed an exchange offer for these 2022 Notes in June 2015 whereby participating holders received registered notes.

The 2022 Notes are subject to certain automatic customary releases with respect to the 2022 Notes Guarantors (other than Cardtronics plc), including the sale, disposition, or transfer of the common shares or substantially all of the assets of such 2022 Notes Guarantor, designation of such 2022 Notes Guarantor as unrestricted in accordance with the 2022 Notes Indenture, exercise of the legal defeasance option or the covenant defeasance option, liquidation, or dissolution of such 2022 Notes Guarantor and, in the case of a 2022 Notes Guarantor that is not wholly-owned by Cardtronics plc, such 2022 Notes Guarantor ceasing to guarantee other indebtedness of Cardtronics plc, Cardtronics Delaware, or another 2022 Notes Guarantor. The 2022 Notes Guarantors, including Cardtronics plc, may not sell or otherwise dispose of all or substantially all of their properties or assets to, or consolidate with or merge into, another company if such a sale would cause a default under the 2022 Notes Indenture and certain other specified requirements under the 2022 Notes Indenture are not satisfied.

$300.0 Million 5.50% Senior Notes Due 2025

On April 4, 2017, in a private placement offering, Cardtronics Delaware and Cardtronics USA, Inc. (the "2025 Notes Issuers") issued $300.0 million in aggregate principal amount of the 2025 Notes pursuant to an indenture dated April 4, 2017 (the "2025 Notes Indenture") among the 2025 Notes Issuers, Cardtronics plc, and certain of its subsidiaries, as guarantors (each, a "2025 Notes Guarantor"), and Wells Fargo Bank, National Association, as trustee.

Interest on the 2025 Notes accrues from April 4, 2017, the date of issuance, at the rate of 5.50% per annum. Interest on the 2025 Notes is payable semi-annually in cash in arrears on May 1st and November 1st of each year, commencing on November 1, 2017.

The 2025 Notes and the related guarantees (the "2025 Guarantees") are the general unsecured senior obligations of each of the 2025 Notes Issuers and the 2025 Notes Guarantors, respectively, and rank: (i) equally in right of payment with all of the 2025 Notes Issuers' and the 2025 Notes Guarantors' existing and future senior indebtedness and (ii) senior in right of payment to all of the 2025 Notes Issuers' and the 2025 Notes Guarantors' future subordinated indebtedness. The 2025 Notes and the 2025 Guarantees are effectively subordinated to any of the 2025 Notes Issuers' and the 2025 Notes Guarantors' existing and future secured debt to the extent of the collateral securing such debt, including all borrowings under the Company's revolving credit facility. The 2025 Notes are structurally subordinated to all liabilities of any of Cardtronics plc's subsidiaries (excluding the 2025 Notes Issuers) that do not guarantee the 2025 Notes.

The 2025 Notes contain covenants that, among other things, limit the 2025 Notes Issuers' ability and the ability of Cardtronics plc and certain of its restricted subsidiaries to incur or guarantee additional indebtedness, make certain investments, or pay dividends or distributions on Cardtronics plc's common shares or repurchase common shares or make certain other restricted payments, consolidate or merge with or into other companies, conduct asset sales, restrict dividends or other payments by restricted subsidiaries, engage in transactions with affiliates or related persons, and create liens.

Obligations under the 2025 Notes are fully and unconditionally and jointly and severally guaranteed on a senior unsecured basis by Cardtronics plc and certain of its subsidiaries and certain of its future subsidiaries, with the exception of Cardtronics plc's immaterial subsidiaries and CFC Guarantors (as defined in the Credit Agreement). There are no significant restrictions on the ability of Cardtronics plc to obtain funds from Cardtronics Delaware, Cardtronics USA, Inc., or the other 2025 Notes Guarantors by dividend or loan. None of the 2025 Notes Guarantors' assets represent restricted assets pursuant to Rule 4-08(e)(3) of Regulation S-X.

The 2025 Notes are subject to certain automatic customary releases with respect to the 2025 Notes Guarantors (other than Cardtronics plc, Cardtronics Holdings Limited, and CATM Holdings LLC), including the sale, disposition, or transfer of the common shares or substantially all of the assets of such 2025 Notes Guarantor, designation of such 2025 Notes Guarantor as unrestricted in accordance with the 2025 Notes Indenture, exercise of the legal defeasance option or the covenant defeasance option, liquidation, or dissolution of such 2025 Notes Guarantor. The 2025 Notes Guarantors, including Cardtronics plc, may not sell or otherwise dispose of all or substantially all of their properties or assets to, or consolidate with or merge into, another company if such a sale would cause a default under the 2025 Notes Indenture and certain other specified requirements under the 2025 Notes Indenture are not satisfied.

(9) Asset Retirement Obligations

Asset retirement obligations ("ARO") consist primarily of costs to deinstall the Company's ATMs and restore the ATM sites to their original condition, which are estimated based on current market rates. In most cases, the Company is contractually required to perform this deinstallation of its owned ATMs and in some cases, site restoration work. For each group of similar ATM type, the Company has recognized the estimated fair value of the ARO as a liability in the accompanying Consolidated Balance Sheets and capitalized that cost as part of the cost basis of the related asset. The related assets are depreciated on a straight-line basis over five years, which is the estimated average time period that an ATM is installed in a location before being deinstalled, and the related liabilities are accreted to their full value over the same period of time.

The changes in the Company's ARO liability consisted of the following:

	(In thousands)
Asset retirement obligations as of January 1, 2017	$ 54,907
Additional obligations	9,379
Estimated obligations assumed in acquisitions	7,409
Accretion expense	1,396
Change in estimates	(108)
Payments	(5,931)
Foreign currency translation adjustments	1,908
Asset retirement obligations as of September 30, 2017	68,960
Less: current portion of asset retirement obligations	10,535
Asset retirement obligations, excluding current portion, as of September 30, 2017	$ 58,425

For additional information related to the Company's ARO with respect to its fair value measurements, see *Note 12. Fair Value Measurements*.

(10) Other Liabilities

The Company's other liabilities consisted of the following:

	September 30, 2017	December 31, 2016
	(In thousands)	
Current portion of other long-term liabilities		
Interest rate swap contracts	$ 9,252	$ 16,533
Asset retirement obligations	10,535	9,821
Deferred revenue	144	249
Other	11,609	1,634
Total current portion of other long-term liabilities	$ 31,540	$ 28,237
Other long-term liabilities		
Acquisition-related contingent consideration	$ 42,434	$ —
Interest rate swap contracts	9,449	14,456
Deferred revenue	1,839	1,698
Other	18,039	2,537
Total other long-term liabilities	$ 71,761	$ 18,691

As of September 30, 2017, the Acquisition-related contingent consideration line item consisted of the preliminary estimated fair value of the contingent consideration associated with the Spark acquisition. For additional information related to the Spark acquisition contingent consideration, see *Note 2. Acquisitions*.

(11) Derivative Financial Instruments

Risk Management Objectives of Using Derivatives

The Company is exposed to interest rate risk associated with its vault cash rental obligations and, to a lesser extent, borrowings under its revolving credit facility. The Company utilizes varying notional amount interest rate swap contracts to manage the interest rate risk associated with its vault cash rental obligations in the U.S., the U.K., and Australia. The Company does not currently utilize derivative instruments to manage the interest rate risk associated with its borrowings. The Company is also exposed to foreign currency exchange rate risk with respect to its operations outside the U.S. The Company has not historically utilized derivative instruments to hedge its foreign currency exchange rate risk, however, subsequent to September 30, 2017 the Company entered into derivatives with an aggregate notional amount of approximately $9.5 million Canadian dollars to hedge its foreign exchange rate risk associated with certain anticipated transactions.

The Company's interest rate swap contracts serve to mitigate interest rate risk exposure by converting a portion of the Company's monthly floating-rate vault cash rental payments to monthly fixed-rate vault cash rental payments. Typically, the Company receives monthly floating-rate payments from its interest rate swap contract counterparties that correspond to, in all material respects, the monthly floating-rate payments required by the Company to its vault cash rental providers for the portion of the average outstanding vault cash balances that have been hedged. In return, the Company pays its counterparties a monthly fixed-rate amount based on the same notional amounts outstanding. By converting the vault cash rental obligation interest rate from a floating-rate to a fixed-rate, the impact of favorable and unfavorable changes in future interest rates on the monthly vault cash rental payments, and therefore, the Vault cash rental expense line item in the accompanying Consolidated Statement of Operations, has been reduced.

There is never an exchange of the underlying principal or notional amounts associated with the interest rate swap contracts described above. Additionally, none of the Company's existing interest rate swap contracts contain credit-risk-related contingent features.

Accounting Policy

The interest rate swap contracts discussed above are derivative instruments used by the Company to hedge exposure to variability in expected future cash flows attributable to a particular risk; therefore, they are designated and qualify as cash flow hedging instruments. The Company does not currently hold any derivative instruments not designated as hedging instruments, fair value hedges, or hedges of a net investment in a foreign operation.

The Company reports the effective portion of a gain or loss related to the cash flow hedging instrument as a component of the Accumulated other comprehensive loss, net line item in the accompanying Consolidated Balance Sheets and reclassifies the gain or loss into earnings in the Vault cash rental expense line item in the accompanying Consolidated Statement of Operations in the same period or periods during which the hedged transaction affects and has been forecasted in earnings.

Gains and losses related to the cash flow hedging instrument that represent either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in the Other expense line item in the accompanying Consolidated Statement of Operations. As discussed above, the Company generally utilizes fixed-for-floating interest rate swap contracts in which the underlying pricing terms of the cash flow hedging instrument agree, in all material respects, with the pricing terms of the vault cash rental obligations to the Company's vault cash providers. Therefore, the amount of ineffectiveness associated with the interest rate swap contracts has historically been immaterial. If the Company concludes that it is no longer probable the expected vault cash obligations that have been hedged will occur, or if changes are made to the underlying contract terms of the vault cash rental agreements, the interest rate swap contract would be deemed ineffective. The Company does not currently anticipate terminating or modifying terms of its existing derivative instruments prior to their expiration dates.

Accordingly, the Company recognizes all of its interest rate swap contracts derivative instruments as assets or liabilities in the accompanying Consolidated Balance Sheets at fair value and any changes in the fair values of the related interest rate swap contracts have been reported in the Accumulated other comprehensive loss, net line item in the accompanying Consolidated Balance Sheets. The Company believes that it is more likely than not that it will be able to realize the benefits associated with its net deferred tax asset positions in the future, therefore, the unrealized gains and losses to the fair value related to the interest rate swap contracts have been reported net of estimated taxes in the Accumulated other comprehensive loss, net line item in the accompanying Consolidated Balance Sheets. For additional information related to the Company's interest rate swap contracts with respect to its fair value measurements, see *Note 12. Fair Value Measurements*.

Cash Flow Hedges of Interest Rate Risk

The Company is party to varying notional amount interest rate swap contracts in the U.S. and the U.K. The notional amounts, weighted average fixed rates, and terms associated with the Company's interest rate swap contracts accounted for as cash flow hedges that are currently in place for the U.S. and U.K. (as of the date of the issuance of this Form 10-Q) are as follows:

Notional Amounts U.S. $ *(In millions)*	Weighted Average Fixed Rate U.S.	Notional Amounts U.K. £ *(In millions)*	Weighted Average Fixed Rate U.K.	Term
$ 1,000	2.53 %	£ 550	0.82 %	November 1, 2017 – December 31, 2017
$ 1,150	2.17 %	£ 550	0.82 %	January 1, 2018 – December 31, 2018
$ 1,000	2.06 %	£ 550	0.90 %	January 1, 2019 – December 31, 2019
$ 1,000	2.06 %	£ 500	0.94 %	January 1, 2020 – December 31, 2020
$ 400	1.46 %	£ 500	0.94 %	January 1, 2021 – December 31, 2021
$ 400	1.46 %	£ 500	0.94 %	January 1, 2022 – December 31, 2022

In addition, in conjunction with the DCPayments acquisition, completed on January 6, 2017, the Company became party to a $50.0 million Australian dollar notional amount, 2.75% fixed rate interest rate swap contract, which terminates on February 27, 2018, a $50.0 million Australian dollar notional amount, 3.2% fixed rate interest rate swap contract, which terminates on September 28, 2018, and a $35.0 million Australian dollar notional amount, 2.98% fixed rate interest rate swap contract, which terminates on February 28, 2019. Effective January 6, 2017, these interest rate swap contracts were designated as cash flow hedging instruments.

The notional amounts, weighted average fixed rates, and terms associated with the Company's interest rate swap contracts accounted for as cash flow hedges that are currently in place for Australia (as of the date of the issuance of this Form 10-Q) are as follows:

Notional Amounts AUS $ *(In millions)*	Weighted Average Fixed Rate	Term
$ 135	2.98 %	November 1, 2017 – February 27, 2018
$ 85	3.11 %	February 28, 2018 – September 28, 2018
$ 35	2.98 %	September 29, 2018 – February 28, 2019

The following tables depict the effects of the use of the Company's derivative interest rate swap contracts in the accompanying Consolidated Balance Sheets and Consolidated Statements of Operations.

Balance Sheet Data

	September 30, 2017		December 31, 2016	
Asset (Liability) Derivative Instruments	Balance Sheet Location	Fair Value *(In thousands)*	Balance Sheet Location	Fair Value *(In thousands)*
Derivatives designated as hedging instruments:				
Interest rate swap contracts	Prepaid expenses, deferred costs, and other current assets	$ 260	Prepaid expenses, deferred costs, and other current assets	$ —
Interest rate swap contracts	Prepaid expenses, deferred costs, and other noncurrent assets	14,315	Prepaid expenses, deferred costs, and other noncurrent assets	14,137
Interest rate swap contracts	Current portion of other long-term liabilities	(9,252)	Current portion of other long-term liabilities	(16,533)
Interest rate swap contracts	Other long-term liabilities	(9,449)	Other long-term liabilities	(14,456)
Total derivative instruments, net		$ (4,126)		$ (16,852)

Statements of Operations Data

Derivatives in Cash Flow Hedging Relationship	Three Months Ended September 30, Amount of Gain Recognized in Accumulated Other Comprehensive Loss on Derivative Instruments (Effective Portion)		Location of Loss Reclassified from Accumulated Other Comprehensive Loss into Income (Effective Portion)	Amount of Loss Reclassified from Accumulated Other Comprehensive Loss into Income (Effective Portion)	
	2017	2016		2017	2016
	(In thousands)			*(In thousands)*	
Interest rate swap contracts	$ 588	$ 1,171	Cost of ATM operating revenues	$ (4,602)	$ (7,281)

Derivatives in Cash Flow Hedging Relationship	Nine Months Ended September 30, Amount of Loss Recognized in Accumulated Other Comprehensive Loss on Derivative Instruments (Effective Portion)		Location of Loss Reclassified from Accumulated Other Comprehensive Loss into Income (Effective Portion)	Amount of Loss Reclassified from Accumulated Other Comprehensive Loss into Income (Effective Portion)	
	2017	2016		2017	2016
	(In thousands)			*(In thousands)*	
Interest rate swap contracts	$ (3,966)	$ (33,460)	Cost of ATM operating revenues	$ (14,745)	$ (21,889)

As of September 30, 2017, the Company expects to reclassify $9.3 million of net derivative-related losses contained within the Accumulated other comprehensive loss, net line item in the accompanying Consolidated Balance Sheets into earnings during the next twelve months concurrent with the recording of the related vault cash rental expense amounts.

(12) Fair Value Measurements

The following table provides the financial assets and liabilities carried at fair value measured on a recurring basis as of September 30, 2017 and December 31, 2016 using the fair value hierarchy prescribed by U.S. GAAP. The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value. Level 1 refers to fair values determined based on quoted prices in active markets for identical assets. Level 2 refers to fair values estimated using significant other observable inputs, and Level 3 includes fair values estimated using significant non-observable inputs. An asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

	Fair Value Measurements at September 30, 2017 Total	Level 1	Level 2	Level 3
	(In thousands)			
Assets				
Assets associated with interest rate swap contracts	$ 14,575	$ —	$ 14,575	$ —
Liabilities				
Liabilities associated with interest rate swap contracts	$ (18,701)	$ —	$ (18,701)	$ —
Liabilities associated with acquisition-related contingent consideration	$ (42,434)	$ —	$ —	$ (42,434)

	Fair Value Measurements at December 31, 2016 Total	Level 1	Level 2	Level 3
	(In thousands)			
Assets				
Assets associated with interest rate swap contracts	$ 14,137	$ —	$ 14,137	$ —
Liabilities				
Liabilities associated with interest rate swap contracts	$ (30,989)	$ —	$ (30,989)	$ —

Below are descriptions of the Company's valuation methodologies for assets and liabilities measured at fair value. The methods described below may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Cash and cash equivalents, accounts and notes receivable, net of allowance for doubtful accounts, prepaid expenses, deferred costs, and other current assets, accounts payable, accrued liabilities, and other current liabilities. These financial instruments are not carried at fair value, but are carried at amounts that approximate fair value due to their short-term nature and generally negligible credit risk.

Acquisition-related intangible assets. The estimated fair values of acquisition-related intangible assets are valued based on a discounted cash flows analysis using significant non-observable (Level 3) inputs. Intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. An assessment of non-amortized intangible assets is performed on an annual basis, or more frequently based on the occurrence of events that might indicate a potential impairment.

Acquisition-related contingent consideration. Liabilities from acquisition-related contingent consideration are estimated by using a Monte Carlo simulation and market observable, as well as internal projections, and other significant non-observable (Level 3) inputs based on the Company's best estimate of future operational results upon which the payment of these obligations are contingent. As of September 30, 2017, the preliminary estimated fair value of the Company's acquisition-related contingent consideration liability was approximately $42.4 million. For additional information related to the Spark acquisition contingent consideration, see *Note 2. Acquisitions*.

Long-term debt. The carrying amount of the long-term debt balance related to borrowings under the Company's revolving credit facility approximates fair value due to the fact that any outstanding borrowings are subject to short-term floating interest rates. As of September 30, 2017, the fair value of the Convertible Notes, the 2022 Notes, and the 2025 Notes (see *Note 8. Long-Term Debt*) totaled $265.7 million, $258.4 million, and $307.7 million, respectively, based on the quoted prices in markets that are not active (Level 2) inputs for these notes as of that date.

Additions to asset retirement obligations liability. The Company estimates the fair value of additions to its ARO liability using expected future cash outflows discounted at the Company's credit-adjusted risk-free interest rate. Liabilities added to the ARO are measured at fair value at the time of the asset installations using significant non-observable (Level 3) inputs. These liabilities are evaluated periodically based on estimated current fair value. Amounts added to the ARO liability during the nine months ended September 30, 2017 and 2016 totaled $9.4 million and $6.0 million, respectively.

Interest rate swap contracts. As of September 30, 2017, the fair value of the Company's interest rate swap contracts was an asset of $14.6 million and a liability of $18.7 million. These financial instruments are carried at fair value and calculated as the present value of amounts estimated to be received or paid to a marketplace participant in a selling transaction. These derivatives are valued using pricing models based on significant other observable (Level 2) inputs, while taking into account the creditworthiness of the party that is in the liability position with respect to each trade. For additional information related to the valuation process of this asset or liability, see *Note 11. Derivative Financial Instruments*.

(13) Commitments and Contingencies

Legal Matters

The Company is subject to various legal proceedings and claims arising in the ordinary course of its business. The Company has provided reserves where necessary for all claims and the Company's management does not expect the outcome in any legal proceedings, individually or collectively, to have a material adverse financial or operational impact on the Company. Additionally, the Company currently expenses all legal costs as they are incurred.

Other Commitments and Contingencies

Asset retirement obligations. The Company's ARO consist primarily of deinstallation costs of the Company's ATMs and costs to restore the ATM sites to their original condition. In most cases, the Company is legally required to perform this deinstallation, and in some cases, the site restoration work. As of September 30, 2017, the Company had $69.0 million accrued for these liabilities. For additional information, see *Note 9. Asset Retirement Obligations*.

Acquisition-related contingent consideration. As a result of the Spark acquisition, the Company has recorded an acquisition-related contingent consideration liability of $42.4 million as of September 30, 2017. For additional information related to the Spark acquisition contingent consideration, see *Note 2. Acquisitions*.

(14) Income Taxes

The Company's income tax expense based on income before income taxes for the periods presented was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	(In thousands, excluding percentages)			
Income tax (benefit) expense	$ (4,053)	$ 8,388	$ (2,335)	$ 26,204
Effective tax rate	2.3 %	23.4 %	1.4 %	29.4 %

The Company's income tax benefit for the three months ended September 30, 2017 totaled $4.1 million, or an effective tax rate of 2.3%, compared to an expense of $8.4 million, or an effective tax rate of 23.4%, for the same period of 2016. The Company's income tax benefit for the nine months ended September 30, 2017 totaled $2.3 million, or an effective tax rate of 1.4%, compared to an expense of $26.2 million, or an effective tax rate of 29.4%, for the same period of 2016. The decrease in income tax expense compared to the same periods of 2016 was largely attributable to the impairments recognized in the three months ended September 30, 2017 as well as the mix of earnings across jurisdictions, and the excess tax benefits realized in the first quarter of 2017 related to share-based compensation in accordance with ASU 2016-09. The goodwill impairment recognized during the three and nine months ended September 30, 2017, was not deductible for income tax purposes, and as a result, there was no tax benefit recognized during these periods. For additional information, see *Note 1. General and Basis of Presentation – (b) Basis of Presentation*.

The Company assesses the need for any deferred tax asset valuation allowances at the end of each reporting period. The determination of whether a valuation allowance for deferred tax assets is needed is subject to considerable judgment and requires an evaluation of all available positive and negative evidence. Responsive to the factors resulting in the goodwill and long-lived asset impairments in Australia, as discussed in *Note 1. General and Basis of Presentation – (f) Goodwill and Intangible Assets* above, the Company concluded it is more likely than not that an associated net deferred tax asset of $7.9 million will not be realized and therefore a valuation allowance was recorded against these assets as of September 30, 2017. The Company's assessment concluded that maintaining the valuation allowance in Mexico and new markets was appropriate, as the Company currently believes that it is more likely than not that the related deferred tax assets will not be realized.

The deferred tax expenses and benefits associated with the Company's net unrealized gains and losses on derivative instruments and foreign currency translation adjustments have been recorded in the Accumulated other comprehensive loss, net line item in the accompanying Consolidated Balance Sheets.

(15) Segment Information

As of September 30, 2017, the Company's operations consisted of its North America, Europe & Africa, and Australia & New Zealand segments. As the integration of DCPayments (acquired in January 2017) progressed throughout the second quarter of 2017, the Company separated the DCPayments operations into their respective geographical components, including them within the Company's geographical segments and created a new Australia & New Zealand segment, which includes the DCPayments operations in Australia and New Zealand. The Company's ATM operations in the U.S., Canada, Mexico, and Puerto Rico are included in its North America segment. The North America segment also includes the Company's transaction processing operations, which service its internal ATM operations, along with external customers. The transaction processing operations were previously reported in the Company's Corporate & Other segment. The Corporate segment solely includes the Company's corporate general and administrative expenses. The Company's operations in the U.K., Ireland, Germany, Poland, Spain, and South Africa are included in its Europe & Africa segment, along with i-design (the Company's ATM advertising business based in the U.K.). While each of the reporting segments provides similar kiosk-based and/or ATM-related services, each segment is managed separately and requires different marketing and business strategies. Segment information presented for prior periods have been revised to reflect the changes in the Company's segments.

Management uses Adjusted EBITDA and Adjusted EBITA, together with U.S. GAAP measures, to manage and measure the performance of its segments. Management believes Adjusted EBITDA and Adjusted EBITA are useful measures because they allow management to more effectively evaluate the performance of the business and compare its results of operations from period to period without regard to financing methods, capital structure or non-recurring costs, as defined by the Company. Adjusted EBITDA and Adjusted EBITA exclude amortization of intangible assets, 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. Additionally, Adjusted EBITDA excludes depreciation and accretion expense. Depreciation and accretion expense and amortization of intangible assets are excluded 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 and Adjusted EBITA, as defined by the Company, are non-GAAP financial measures provided as a complement to financial results prepared in accordance with U.S. GAAP and may not be comparable to similarly-titled measures reported by other companies. In evaluating the Company's performance as measured by Adjusted EBITDA and Adjusted EBITA, management recognizes and considers the limitations of these measurements. Accordingly, Adjusted EBITDA and Adjusted EBITA are only two of the measurements that management utilizes. Therefore, Adjusted EBITDA and Adjusted EBITA 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 U.S. GAAP.

Below is a reconciliation of Net income attributable to controlling interests and available to common shareholders to EBITDA, Adjusted EBITDA, and Adjusted EBITA:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	(In thousands)			
Net (loss) income attributable to controlling interests and available to common shareholders	$ (175,561)	$ 27,490	$ (161,304)	$ 63,022
Adjustments:				
Interest expense, net	9,743	4,269	25,760	13,227
Amortization of deferred financing costs and note discount	3,195	2,872	9,317	8,636
Income tax (benefit) expense	(4,053)	8,388	(2,335)	26,204
Depreciation and accretion expense	29,807	23,308	88,683	69,085
Amortization of intangible assets	14,996	9,175	45,423	28,129
EBITDA	$ (121,873)	$ 75,502	$ 5,544	$ 208,303
Add back:				
Loss (gain) on disposal and impairment of assets	22,307	469	26,170	(475)
Other (income) expense (1)	(2,095)	360	(1,730)	748
Noncontrolling interests (2)	(9)	(15)	(19)	(50)
Share-based compensation expense	4,151	6,642	9,971	15,780
Acquisition and divestiture-related expenses (3)	2,889	2,680	15,338	4,938
Goodwill and intangible asset impairment(4)	194,521	—	194,521	—
Redomicile-related expenses (5)	22	951	782	12,201
Restructuring expenses (6)	—	—	8,243	—
Adjusted EBITDA	$ 99,913	$ 86,589	$ 258,820	$ 241,445
Less:				
Depreciation and accretion expense (7)	29,805	23,301	88,677	69,063
Adjusted EBITA	$ 70,108	$ 63,288	$ 170,143	$ 172,382

(1) Includes foreign currency translation gains/losses, the revaluation of the estimated acquisition-related contingent consideration payable, 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) Acquisition and divestiture-related expenses include costs incurred for professional and legal fees and certain other transition and integration-related costs.
(4) Goodwill and intangible asset impairments related to the Company's Australia & New Zealand segment.
(5) Expenses associated with the Company's redomicile of its parent company to the U.K., which was completed on July 1, 2016.
(6) Expenses primarily related to employee severance costs associated with the Company's Restructuring Plan implemented in the first quarter of 2017.
(7) 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.

The following tables reflect certain financial information for each of the Company's reporting segments for the periods presented:

	Three Months Ended September 30, 2017					
	North America	Europe & Africa [1]	Australia & New Zealand [2]	Corporate	Eliminations	Total
	(In thousands)					
Revenue from external customers	$257,258	$109,259	$ 35,433	$ —	$ —	$401,950
Intersegment revenues	2,360	326	—	—	(2,686)	—
Cost of revenues	170,948	65,189	24,907	797	(1,785)	260,056
Selling, general, and administrative expenses	17,273	9,799	2,282	16,778	—	46,132
Redomicile-related expenses	—	13	—	9	—	22
Acquisition and divestiture-related expenses	95	(245)	442	2,597	—	2,889
Goodwill and intangible asset impairment	—	—	194,521	—	—	194,521
Loss on disposal and impairment of assets	479	160	21,668	—	—	22,307
Adjusted EBITDA	71,397	34,596	8,237	(13,423)	(894)	99,913
Depreciation and accretion expense	16,415	11,476	1,916	—	—	29,807
Adjusted EBITA	54,984	23,120	6,321	(13,423)	(894)	70,108
Capital expenditures [3]	$ 20,658	$ 19,604	$ 1,294	$ —	$ —	$ 41,556

	Three Months Ended September 30, 2016				
	North America	Europe & Africa [1]	Corporate	Eliminations	Total
	(In thousands)				
Revenue from external customers	$ 233,149	$ 95,185	$ —	$ —	$ 328,334
Intersegment revenues	2,273	378	—	(2,651)	—
Cost of revenues	151,685	58,907	249	(2,651)	208,190
Selling, general, and administrative expenses	15,590	8,437	16,167	—	40,194
Redomicile-related expenses	—	77	874	—	951
Acquisition and divestiture-related expenses	590	378	1,712	—	2,680
Loss (gain) on disposal and impairment of assets	510	(41)	—	—	469
Adjusted EBITDA	68,131	28,219	(9,774)	13	86,589
Depreciation and accretion expense	14,160	9,148	—	—	23,308
Adjusted EBITA	53,978	19,071	(9,774)	13	63,288
Capital expenditures [3]	$ 17,619	$ 18,860	$ —	$ —	$ 36,479

	Nine Months Ended September 30, 2017					
	North America	Europe & Africa [1]	Australia & New Zealand [2]	Corporate	Eliminations	Total
	(In thousands)					
Revenue from external customers	$ 745,801	$ 298,857	$ 99,976	$ —	$ —	$ 1,144,634
Intersegment revenues	6,731	1,129	—	—	(7,860)	—
Cost of revenues	506,956	188,889	72,400	937	(4,964)	764,218
Selling, general, and administrative expenses	53,300	29,516	6,633	42,102	—	131,551
Redomicile-related expenses	—	36	—	746	—	782
Restructuring expenses	3,668	831	—	3,744	—	8,243
Acquisition and divestiture-related expenses	2,243	1,748	2,153	9,194	—	15,338
Goodwill and intangible asset impairment	—	—	194,521	—	—	194,521
Loss on disposal and impairment of assets	4,275	369	21,478	48	—	26,170
Adjusted EBITDA	192,273	81,581	20,924	(33,069)	(2,889)	258,820
Depreciation and accretion expense	50,973	32,093	5,617	—	—	88,683
Adjusted EBITA	141,300	49,489	15,312	(33,069)	(2,889)	170,143
Capital expenditures [3]	$ 60,161	$ 45,814	$ 5,449	$ —	$ —	$ 111,424

	Nine Months Ended September 30, 2016				
	North America	Europe & Africa [1]	Corporate	Eliminations	Total
	(In thousands)				
Revenue from external customers	$ 675,926	$ 279,616	$ —	$ —	$ 955,542
Intersegment revenues	6,942	1,042	—	(7,984)	—
Cost of revenues	443,185	178,556	636	(7,984)	614,393
Selling, general, and administrative expenses	48,073	26,542	40,890	—	115,505
Redomicile-related expenses	—	89	12,112	—	12,201
Acquisition and divestiture-related expenses	1,897	1,299	1,742	—	4,938
Loss (gain) on disposal and impairment of assets	1,266	(1,741)	—	—	(475)
Adjusted EBITDA	191,558	75,565	(25,746)	68	241,445
Depreciation and accretion expense	41,480	27,605	—	—	69,085
Adjusted EBITA	150,100	47,960	(25,746)	68	172,382
Capital expenditures [3]	$ 38,518	$ 37,532	$ —	$ —	$ 76,050

(1) The Europe & Africa segment includes operations in South Africa, which were acquired on January 31, 2017 with the Spark acquisition.

(2) The Australia & New Zealand segment includes operations in Australia and New Zealand, which were acquired on January 6, 2017 with the DCPayments acquisition.

(3) Capital expenditure amounts include payments made for exclusive license agreements, site acquisition costs, and other intangible assets. Additionally, capital expenditure amounts for one of the Company's Mexican subsidiaries, included in the North America segment, are reflected gross of any noncontrolling interest amounts.

Identifiable Assets

	September 30, 2017	December 31, 2016
	(In thousands)	
North America	$ 1,214,336	$ 956,807
Europe & Africa	574,427	363,857
Australia & New Zealand	79,492	—
Corporate	21,026	44,032
Total	$ 1,889,281	$ 1,364,696

(16) Supplemental Guarantor Financial Information

Prior to the Redomicile Transaction, the 2022 Notes were fully and unconditionally guaranteed, subject to certain customary release provisions, on a joint and several basis by certain wholly-owned subsidiaries of Cardtronics Delaware. On July 1, 2016, Cardtronics plc and certain of its subsidiaries became 2022 Notes Guarantors pursuant to the 2022 Notes Supplemental Indenture entered into in conjunction with the Redomicile Transaction. As of September 30, 2017, the 2022 Notes were fully and unconditionally guaranteed, subject to certain customary release provisions, on a joint and several basis by Cardtronics plc and these subsidiaries (including the original Cardtronics Delaware subsidiary 2022 Notes Guarantors). Cardtronics Delaware, the subsidiary issuer of the 2022 Notes is 100% owned by Cardtronics plc, the parent 2022 Notes Guarantor. In addition, on April 28, 2017, additional subsidiaries of Cardtronics plc were added as 2022 Notes Guarantors pursuant to the 2022 Notes Second Supplemental Indenture.

The guarantees of the 2022 Notes by any 2022 Notes Guarantor (other than Cardtronics plc) are subject to automatic and customary releases upon: (i) the sale or disposition of all or substantially all of the assets of the 2022 Notes Guarantor, (ii) the disposition of sufficient common shares of the 2022 Notes Guarantor so that it no longer qualifies under the 2022 Notes Indenture as a restricted subsidiary of Cardtronics plc, (iii) the designation of the 2022 Notes Guarantor as unrestricted in accordance with the 2022 Notes Indenture, (iv) the legal or covenant defeasance of the 2022 Notes or the satisfaction and discharge of the 2022 Notes Indenture, (v) the liquidation or dissolution of the 2022 Notes Guarantor, or (vi) provided the 2022 Notes Guarantor is not wholly-owned by Cardtronics plc, its ceasing to guarantee other indebtedness the Cardtronics plc, Cardtronics Delaware, or another 2022 Notes Guarantor. A 2022 Notes Guarantor (other than Cardtronics plc) may not sell or otherwise dispose of all or substantially all of its properties or assets to, or consolidate with or merge with or into, another company (other than Cardtronics plc, Cardtronics Delaware, or another 2022 Notes Guarantor), unless no default under the 2022 Notes Indenture exists and either the successor to the 2022 Notes Guarantor assumes its guarantee of the 2022 Notes or the disposition, consolidation, or merger complies with the “Asset Sales” covenant in the 2022 Notes Indenture. In addition, Cardtronics plc may not sell or otherwise dispose of all or substantially all of its properties or assets to, or consolidate with or merge with or into, another company (other than Cardtronics Delaware or another 2022 Notes Guarantor), unless, among other things, no default under the 2022 Notes Indenture exists, the successor to Cardtronics plc is a domestic entity and assumes Cardtronics plc’s guarantee of the 2022 Notes and transaction (on a pro forma basis) satisfies certain criteria related to the Fixed Charge Coverage Ratio (as defined in the 2022 Notes Indenture).

The following information reflects the Condensed Consolidated Statements of Comprehensive Income (Loss) for the three and nine months ended September 30, 2017 and 2016, the Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2017 and 2016, and the Condensed Consolidated Balance Sheets as of September 30, 2017 and December 31, 2016 for: (i) Cardtronics plc, the parent 2022 Notes Guarantor (“Parent”), (ii) Cardtronics Delaware (“Issuer”), (iii) the 2022 Notes Guarantors (including those 2022 Notes Guarantors added pursuant to the 2022 Notes Second Supplemental Indenture) (the “Guarantors”), and (iv) the 2022 Notes Non-Guarantors. The statements for the 2016 periods have been revised to present the financial results of these entities in a manner that is consistent with the Company’s organizational structure as of September 30, 2017.

Condensed Consolidated Statements of Comprehensive (Loss) Income

	Three Months Ended September 30, 2017					
	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total
	(In thousands)					
Revenues	$ —	$ —	$ 278,863	$ 125,679	$ (2,592)	$ 401,950
Operating costs and expenses	8,547	12,844	244,123	112,384	(1,689)	376,209
Goodwill and intangible impairment	—	—	194,521	—	—	194,521
(Loss) income from operations	(8,547)	(12,844)	(159,781)	13,295	(903)	(168,780)
Interest expense (income), net, including amortization of deferred financing costs and note discount	—	6,410	10,468	(3,940)	—	12,938
Equity in losses (earnings) of subsidiaries	166,944	(32,956)	(4,094)	—	(129,894)	—
Other expense (income)	95	(236)	5,804	(2,714)	(5,044)	(2,095)
(Loss) income before income taxes	(175,586)	13,938	(171,959)	19,949	134,035	(179,623)
Income tax (benefit) expense	(16)	(7,417)	(873)	4,253	—	(4,053)
Net (loss) income	(175,570)	21,355	(171,086)	15,696	134,035	(175,570)
Net loss attributable to noncontrolling interests	—	—	—	—	(9)	(9)
Net (loss) income attributable to controlling interests and available to common shareholders	(175,570)	21,355	(171,086)	15,696	134,044	(175,561)
Comprehensive (loss) income attributable to controlling interests	$ (152,509)	$ 22,599	$ (169,367)	$ 37,104	$ 109,673	$ (152,500)

	Three Months Ended September 30, 2016					
	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total
	(In thousands)					
Revenues	$ —	$ —	$ 239,983	$ 91,355	$ (3,004)	$ 328,334
Operating costs and expenses	9,085	336	201,341	77,176	(2,971)	284,967
(Loss) income from operations	(9,085)	(336)	38,642	14,179	(33)	43,367
Interest expense (income), net, including amortization of deferred financing costs and note discount	—	6,305	14,599	(13,763)	—	7,141
Equity in (earnings) losses of subsidiaries	(35,950)	(21,552)	(10,935)	—	68,437	—
Other expense (income)	(4)	69	(547)	874	(32)	360
Income before income taxes	26,869	14,842	35,525	27,068	(68,438)	35,866
Income tax (benefit) expense	(609)	(6,686)	12,658	3,025	—	8,388
Net income	27,478	21,528	22,867	24,043	(68,438)	27,478
Net loss attributable to noncontrolling interests	—	—	—	—	(12)	(12)
Net income attributable to controlling interests and available to common shareholders	27,478	21,528	22,867	24,043	(68,426)	27,490
Comprehensive (loss) income attributable to controlling interests	$ 28,975	$ 20,273	$ 29,871	$ 20,002	$ (70,134)	$ 28,987

	Nine Months Ended September 30, 2017					
	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total
	(In thousands)					
Revenues	$ —	$ —	$ 805,467	$ 347,683	$ (8,516)	$ 1,144,634
Operating costs and expenses	21,244	25,295	711,231	328,263	(5,625)	1,080,408
Goodwill and intangible impairment	—	—	194,521	—	—	194,521
(Loss) income from operations	(21,244)	(25,295)	(100,285)	19,420	(2,891)	(130,295)
Interest expense (income), net, including amortization of deferred financing costs and note discount	—	18,821	29,029	(12,773)	—	35,077
Equity in losses (earnings) of subsidiaries	140,268	(58,284)	(8,774)	—	(73,210)	—
Other (income) expense	(138)	(416)	27,064	(7,805)	(20,435)	(1,730)
(Loss) income before income taxes	(161,374)	14,584	(147,604)	39,998	90,754	(163,642)
Income tax (benefit) expense	(67)	(17,043)	10,207	4,568	—	(2,335)
Net (loss) income	(161,307)	31,627	(157,811)	35,430	90,754	(161,307)
Net loss attributable to noncontrolling interests	—	—	—	—	(3)	(3)
Net (loss) income attributable to controlling interests and available to common shareholders	(161,307)	31,627	(157,811)	35,430	90,757	(161,304)
Comprehensive (loss) income attributable to controlling interests	$ (99,384)	$ 34,315	$ (154,547)	$ 92,711	$ 27,523	$ (99,382)

	Nine Months Ended September 30, 2016					
	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total
	(In thousands)					
Revenues	$ —	$ —	$ 687,651	$ 277,332	$ (9,441)	$ 955,542
Operating costs and expenses	9,085	14,394	588,225	240,999	(8,927)	843,776
(Loss) income from operations	(9,085)	(14,394)	99,426	36,333	(514)	111,766
Interest expense (income), net, including amortization of deferred financing costs and note discount	—	19,153	14,917	(12,207)	—	21,863
Equity in (earnings) losses of subsidiaries	(71,423)	(65,854)	(7,958)	—	145,235	—
Other income	(4)	(5)	(2,620)	3,426	(49)	748
Income before income taxes	62,342	32,312	95,087	45,114	(145,700)	89,155
Income tax (benefit) expense	(609)	(17,151)	36,761	7,203	—	26,204
Net income	62,951	49,463	58,326	37,911	(145,700)	62,951
Net loss attributable to noncontrolling interests	—	—	—	—	(71)	(71)
Net income attributable to controlling interests and available to common shareholders	62,951	49,463	58,326	37,911	(145,629)	63,022
Comprehensive (loss) income attributable to controlling interests	$ 24,526	$ 43,607	$ 55,961	$ 7,876	$ (107,373)	$ 24,597

Condensed Consolidated Balance Sheets

	As of September 30, 2017					
	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total
	(In thousands)					
Assets						
Cash and cash equivalents	$ 383	$ 7	$ 16,204	$ 44,904	$ —	$ 61,498
Accounts and notes receivable, net	—	—	60,569	51,890	(67)	112,392
Deferred tax asset, net	—	—	(1,419)	1,419	—	—
Other current assets	106	199	74,163	86,015	—	160,483
Total current assets	489	206	149,517	184,228	(67)	334,373
Property and equipment, net	—	—	326,021	178,543	(169)	504,395
Intangible assets, net	—	—	168,724	51,509	—	220,233
Goodwill	—	—	575,271	195,881	—	771,152
Investments in and advances to subsidiaries	354,223	443,714	475,724	—	(1,273,661)	—
Intercompany receivable	10,849	180,901	222,304	449,586	(863,640)	—
Deferred tax asset, net	602	—	1,525	5,133	—	7,260
Prepaid expenses, deferred costs, and other noncurrent assets	—	306	34,832	16,730	—	51,868
Total assets	$ 366,163	$ 625,127	$ 1,953,918	$ 1,081,610	$ (2,137,537)	$ 1,889,281
Liabilities and Shareholders' Equity						
Current portion of other long-term liabilities	—	—	26,585	4,967	(12)	31,540
Accounts payable and accrued liabilities	532	6,122	220,902	147,830	(66)	375,320
Total current liabilities	532	6,122	247,487	152,797	(78)	406,860
Long-term debt	—	498,358	441,239	10,178	—	949,775
Intercompany payable	6,459	6,949	649,569	200,663	(863,640)	—
Asset retirement obligations	—	—	27,124	31,301	—	58,425
Deferred tax liability, net	—	—	41,175	2,112	—	43,287
Other long-term liabilities	—	1,671	27,131	42,959	—	71,761
Total liabilities	6,991	513,100	1,433,725	440,010	(863,718)	1,530,108
Shareholders' equity	359,172	112,027	520,193	641,600	(1,273,819)	359,173
Total liabilities and shareholders' equity	$ 366,163	$ 625,127	$ 1,953,918	$ 1,081,610	$ (2,137,537)	$ 1,889,281

	As of December 31, 2016					
	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total
	(In thousands)					
Assets						
Cash and cash equivalents	$ 101	$ 7	$ 6,995	$ 66,431	$ —	$ 73,534
Accounts and notes receivable, net	—	—	59,375	24,781	—	84,156
Other current assets	—	1,468	52,087	58,292	—	111,847
Total current assets	101	1,475	118,457	149,504	—	269,537
Property and equipment, net	—	—	271,142	121,593	—	392,735
Intangible assets, net	—	—	89,028	32,202	—	121,230
Goodwill	—	—	450,229	82,846	—	533,075
Investments in and advances to subsidiaries	452,014	748,278	872,795	—	(2,073,087)	—
Intercompany receivable	12,962	297,790	251,754	1,615,808	(2,178,314)	—
Deferred tax asset, net	537	—	1,462	11,005	—	13,004
Prepaid expenses, deferred costs, and other noncurrent assets	—	504	22,098	12,513	—	35,115
Total assets	$ 465,614	$ 1,048,047	$ 2,076,965	$ 2,025,471	$ (4,251,401)	$ 1,364,696
Liabilities and Shareholders' Equity						
Current portion of other long-term liabilities	—	—	22,662	5,591	(16)	28,237
Accounts payable and accrued liabilities	(15)	17,152	179,489	89,024	(67)	285,583
Total current liabilities	(15)	17,152	202,151	94,615	(83)	313,820
Long-term debt	—	502,539	—	—	—	502,539
Intercompany payable	8,694	82,660	1,248,493	838,467	(2,178,314)	—
Asset retirement obligations	—	—	21,746	23,340	—	45,086
Deferred tax liability, net	—	—	24,953	2,672	—	27,625
Other long-term liabilities	—	504	14,305	3,882	—	18,691
Total liabilities	8,679	602,855	1,511,648	962,976	(2,178,397)	907,761
Shareholders' equity	456,935	445,192	565,317	1,062,495	(2,073,004)	456,935
Total liabilities and shareholders' equity	$ 465,614	$ 1,048,047	$ 2,076,965	$ 2,025,471	$ (4,251,401)	$ 1,364,696

Condensed Consolidated Statements of Cash Flows

	Nine Months Ended September 30, 2017					
	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total
	(In thousands)					
Net cash provided by operating activities	$ 8,536	$ 23,800	$ 117,631	$ 14,317	$ —	$ 164,284
Additions to property and equipment	—	—	(66,200)	(45,224)	—	(111,424)
Acquisitions, net of cash acquired	—	—	(467,598)	(19,479)	—	(487,077)
Net cash used in investing activities	—	—	(533,798)	(64,703)	—	(598,501)
Proceeds from borrowings under revolving credit facility	—	295,400	601,673	71,292	—	968,365
Repayments of borrowings under revolving credit facility	—	(319,200)	(446,533)	(61,618)	—	(827,351)
Proceeds from borrowings of long-term debt	—	—	300,000	—	—	300,000
Debt issuance costs	—	—	(5,476)	—	—	(5,476)
Intercompany financing	—	—	(7,642)	7,642	—	—
Tax payments related to share-based compensation	(8,359)	—	—	—	—	(8,359)
Proceeds from exercises of stock options	105	—	—	—	—	105
Net cash (used in) provided by financing activities	(8,254)	(23,800)	442,022	17,316	—	427,284
Effect of exchange rate changes on cash	—	—	(16,646)	11,543	—	(5,103)
Net increase (decrease) in cash and cash equivalents	282	—	9,209	(21,527)	—	(12,036)
Cash and cash equivalents as of beginning of period	101	7	6,995	66,431	—	73,534
Cash and cash equivalents as of end of period	$ 383	$ 7	$ 16,204	$ 44,904	$ —	$ 61,498

	Nine Months Ended September 30, 2016					
	Parent	Issuer	Guarantors	Non-Guarantors	Eliminations	Total
	(In thousands)					
Net cash provided by operating activities	$ (1,114)	$ 75,563	$ 67,112	$ 72,370	$ —	$ 213,931
Additions to property and equipment	—	—	(38,022)	(38,028)	—	(76,050)
Acquisitions, net of cash acquired	—	—	(14,544)	(5,157)	—	(19,701)
Proceeds from sale of assets and businesses	—	—	9,348	—	—	9,348
Net cash used in investing activities	—	—	(43,218)	(43,185)	—	(86,403)
Proceeds from borrowings under revolving credit facility	—	221,268	—	—	—	221,268
Repayments of borrowings under revolving credit facility	—	(311,361)	—	—	—	(311,361)
Intercompany financing	—	17,911	(730)	(17,181)	—	—
Proceeds from exercises of stock options	433	146	—	—	—	579
Additional tax (expense) related to share-based compensation	681	(343)	—	—	—	338
Repurchase of common shares	—	(3,959)	—	—	—	(3,959)
Net cash used in financing activities	1,114	(76,338)	(730)	(17,181)	—	(93,135)
Effect of exchange rate changes on cash	—	—	(860)	(309)	—	(1,169)
Net increase (decrease) in cash and cash equivalents	—	(775)	22,304	11,695	—	33,224
Cash and cash equivalents as of beginning of period	—	782	6,200	19,315	—	26,297
Cash and cash equivalents as of end of period	$ —	$ 7	$ 28,504	$ 31,010	$ —	$ 59,521

(17) Concentration Risk

Significant merchants. 7-Eleven, Inc. ("7-Eleven") in the U.S. was the largest merchant in the Company's portfolio, representing approximately 18% of the Company's total revenues for the year ended December 31, 2016. 7-Eleven did not renew its ATM placement agreement with the Company, which expired in July 2017, but instead entered into a new ATM placement agreement with a related entity of 7-Eleven's parent company. The Company is currently in the process of transitioning the ATM operations at 7-Eleven locations in the U.S. to the new service provider. The Company expects the transition to continue over the remainder of 2017, with a small percentage of ATMs expected to be removed during the first quarter of 2018. As a result, revenues and operating profits associated with this relationship have begun to decline during the third quarter of 2017. The loss of 7-Eleven has had, and is expected to continue to have, a higher negative impact (in percentage terms) on the Company's income from operations relative to the revenue impact, particularly as the Company continues to transition to the new service provider and adjusts the infrastructure required to support the relationship during the transition period. As a result, the Company expects the loss of 7-Eleven to have a significant negative impact on its income from operations and cash flows for the remainder of 2017 and into the first quarter of 2018.

The deinstallation of the 7-Eleven ATMs in the U.S., which the Company commenced during the third quarter of 2017, has had a significant impact on many elements of the Company's business operations. Prior to the third quarter of 2017, the Company had taken measures to manage the business to partially offset the anticipated loss of revenues and profits associated with this relationship. For additional information, see *Note 1. General and Basis of Presentation – (e) Restructuring Expenses*.

(18) New Accounting Pronouncements

For information related to the ASUs adopted during the nine months ended September 30, 2017, see *Note 1. General and Basis of Presentation – (b) Basis of Presentation.* The new ASUs relevant to the Company are as follows:

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09"), which supersedes the revenue recognition requirements in ASC 605, Revenue Recognition. ASU 2014-09 was later amended by ASU No. 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*, ASU No. 2016-10 *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing*, and ASU No. 2016-12, *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients*. ASU 2014-09, as amended, (the "Revenue Standard") supersedes most industry specific guidance and intends to enhance comparability of revenue recognition practices across entities and industries by providing a principle-based, comprehensive framework for addressing revenue recognition issues. The Revenue Standard is effective for fiscal years beginning after December 15, 2017, and interim reporting periods within those years, although early adoption is permitted.

The Company will adopt the Revenue Standard in the first quarter of fiscal 2018. The Company has completed an analysis of its most significant revenue streams including those most likely to be impacted by the Revenue Standard and anticipates that the adoption of the Revenue Standard will result in relatively minor impacts to the recognition of revenues to be reported in its consolidated financial statements. The Company believes that the most significant impact will be from the deferral of contract acquisition costs. These costs primarily consist of sales commissions provided to the Company's sales force that have not been deferred historically. It has been the Company's practice to recognize sales commissions when paid and now they will be deferred and recognized over time. The Company plans to use the modified retrospective method to adopt the Revenue Standard.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* (the "Lease Standard") in order to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet for those leases classified as operating leases under previous U.S. GAAP. The Lease Standard requires that a lessee should recognize a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term on the balance sheet. The Lease Standard is effective for fiscal years beginning after December 15, 2018, and interim periods within those years, using a modified retrospective approach and early adoption is permitted. The Company is required to adopt the Lease Standard during the first quarter of fiscal 2019. The Company is currently reviewing its operating leases and ATM placement agreements to assess the impact the Lease Standard will have on its consolidated financial statements. The Company currently anticipates that its adoption of the Lease Standard will result in the recognition of significant right-to-use assets and lease liabilities related to its operating leases as well as certain of its ATM placement agreements that contain fixed payments and are deemed to contain a lease under the Lease Standard.

In August and November 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* ("ASU 2016-15") and ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash* ("ASU 2016-18"). ASU 2016-15 and ASU 2016-18 update the following specific cash flow issues: debt prepayment or debt extinguishment costs; settlement of zero-coupon or insignificant rate debt instruments; contingent consideration payments made after a business combination; proceeds from the settlement of insurance claims; proceeds from the settlement of corporate-owned life insurance policies; distributions received from equity method investees; beneficial interests in securitization transactions; separately identifiable cash flows and application of the predominance principle, and classification of restricted cash. ASU 2016-15 and ASU 2016-18 are effective for fiscal years beginning after December 15, 2017, and interim periods within those years, and early adoption is permitted. The Company is required to adopt this guidance during the first quarter of fiscal 2018 and plans to adopt both ASU 2016-15 and ASU 2016-18 at that time. Responsive to this guidance, the Company will include the balance of restricted cash together with cash and cash equivalents when presenting the Consolidated Statements of Cash Flows, commencing with its first quarter reporting in 2018. The Company will also recognize contingent consideration payments up to the amount of the liability recognized at the acquisition date in financing activities and any excess in operating activities. The Company does not anticipate that this classification will result in a change to the operating, financing, or investing cash flows that would otherwise be reported.

In October 2016, the FASB issued ASU No. 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other than Inventory* ("ASU 2016-16"). ASU 2016-16 requires an entity to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. The amendments eliminate the exception for an intra-entity transfer of an asset other than inventory. ASU 2016-16 is effective for fiscal years beginning after December 15, 2018, and interim periods within those years, and early adoption is permitted. The Company is currently evaluating the impact the standard will have on its consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business* ("ASU 2017-01"). ASU 2017-01 clarifies the definition of a business when determining an acquisition, divestiture, disposal, goodwill, or consolidation. ASU 2017-01 is effective for fiscal years beginning after December 15, 2017, and interim periods within those years, and early adoption is permitted.

In addition, in January 2017, the FASB issued ASU No. 2017-04, *Intangibles – Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* ("ASU 2017-04"). ASU 2017-04 eliminates Step 2 from the goodwill impairment test and the requirements for any reporting unit with a zero or negative carrying amount to perform a qualitative assessment and, if it fails that qualitative test, to perform Step 2 of the goodwill impairment test. An entity still has the option to perform the qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. ASU 2017-04 is effective for fiscal years beginning after December 15, 2019, and interim periods within those years, and early adoption is permitted.

In May 2017, the FASB issued ASU No. 2017-09, *Compensation – Stock Compensation (Topic 718): Scope of Modification Accounting* ("ASU 2017-09"). ASU 2017-09 clarifies what constitutes a modification of a share-based payments award. ASU 2017-09 is effective for fiscal years beginning after December 15, 2017, and interim periods within those years, and early adoption is permitted. The Company is currently evaluating the impact these standards will have on its consolidated financial statements.

In August 2017, the FASB issued *ASU No. 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities ("ASU 2017-12")*. ASU 2017-12 provides targeted improvements to the accounting for hedging activities to better align an entity's risk management activities and financial reporting for hedging relationships through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results. ASU 2017-12 is effective for fiscal years beginning after December 15, 2018 and early adoption is permitted. The Company is currently evaluating the impact these standards will have on its consolidated financial statements.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 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. 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, including requirements surrounding Europay, MasterCard, and Visa ("EMV") security standards;
- the Company's ability to renew its existing merchant relationships on comparable economic terms and add new merchants;
- the Company's ability to pursue, complete, and successfully integrate acquisitions, including the integration of DirectCash Payments Inc.;
- 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 key customers, merchants, vendors, and service providers;
- the Company's ability to prevent thefts of cash;
- the Company's ability to manage cybersecurity risks and prevent data breaches;
- the Company's ability to respond to 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, including recently proposed changes to the LINK interchange rate in the U.K.;
- the Company's ability to provide new ATM solutions to retailers and financial institutions including placing 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;
- 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 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 merchants;
- the additional risks the Company is exposed to in its United Kingdom ("U.K.") armored transport business;
- the impact of changes in laws, including tax laws, that could adversely affect the Company's business;
- 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, and regulatory regime and macro-economic environment to which it will be subject to as a U.K. company;
- the Company's ability to react to recent market changes in Australia as a result of recent actions by major banks that may result in lower transaction volumes at the Company's ATMs; and
- the Company's ability to retain its key employees and maintain good relations with its employees.

For additional information regarding known material factors that could cause the Company's actual results to differ from its projected results, see: (i) *Part II. Other Information, Item 1A. Risk Factors* in this Form 10-Q, (ii) *Part II. Other Information, Item 1A. Risk Factors* in the Company's Form 10-Q for the quarterly period ended March 31, 2017 and (iii) *Part I. Item 1A. Risk Factors* in the Company's Annual Report on Form 10-K for the year ended December 31, 2016. Readers are cautioned not to place undue reliance on forward-looking statements contained in this document, which speak only as of the date of this Form 10-Q. 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.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

Cardtronics plc provides convenient automated financial related services to consumers through its network of automated teller machines and multi-function financial services kiosks (collectively referred to as "ATMs"). As of September 30, 2017, we were the world's largest ATM owner/operator, providing services to approximately 238,000 ATMs throughout the United States (the "U.S.") (including the U.S. territory of Puerto Rico), the United Kingdom (the "U.K."), Ireland, Canada, Australia, New Zealand, South Africa, Germany, Poland, Spain, and Mexico. In the U.S., certain of our ATMs are multi-function financial services kiosks that, in addition to traditional ATM functions such as cash dispensing and bank account balance inquiries, perform other automated consumer financial services, such as remote deposit capture (which is deposit-taking at ATMs using electronic imaging). Included in the number of ATMs in our network as of September 30, 2017 there are approximately 135,000 ATMs to which we provided processing only services or various forms of managed services solutions. Under a managed services arrangement, retailers, financial institutions, and ATM distributors rely on us to handle some or all of the operational aspects associated with operating and maintaining ATMs, typically in exchange for a monthly service fee, fee per transaction, or fee per service provided.

Through our network, we deliver financial related services to cardholders and provide ATM management and ATM equipment-related services (typically under multi-year contracts) to large retail merchants, smaller retailers, and operators of facilities such as shopping malls, airports, and train stations. In doing so, we provide our retail partners with a compelling automated financial services solution that helps attract and retain customers, and in turn, increases the likelihood that our ATMs will be utilized. We also own and operate electronic funds transfer ("EFT") transaction processing platforms that provide transaction processing services to our network of ATMs, as well as to other ATMs under managed services arrangements. Additionally, in Canada, through our acquisition of DirectCash Payments Inc. ("DCPayments"), we also provide processing services for issuers of debit cards.

We also own and operate the Allpoint network ("Allpoint"), the largest surcharge-free ATM network (based on the number of participating ATMs). Allpoint, with approximately 55,000 participating ATMs, provides surcharge-free ATM access to over 1,300 participating banks, credit unions, and stored-value debit card issuers. For participants, Allpoint provides scale, density, and convenience of surcharge-free ATMs that surpasses the largest banks in the U.S. Allpoint earns either a fixed monthly fee per cardholder or a fixed fee per transaction that is paid by the participants. The Allpoint network includes a majority of our Company-owned ATMs in the U.S. and a portion of our Company-owned ATMs in the U.K., Canada, Mexico, Puerto Rico, and Australia. Allpoint also works with financial institutions that manage stored-value debit card programs on behalf of corporate entities and governmental agencies, including general purpose, payroll, and electronic benefits transfer ("EBT") cards. Under these programs, the issuing financial institutions pay Allpoint a fee per issued stored-value debit card or per transaction in return for allowing the users of those cards surcharge-free access to Allpoint's participating ATM network.

For additional information related to our operations and the manner in which we derive revenues, see our Annual Report on Form 10-K for the year ended December 31, 2016 (the "2016 Form 10-K").

Strategic Outlook

Over the last several years, we have expanded our operations and the capabilities and service offerings of our ATMs through strategic acquisitions and investments, continued to deploy ATMs in high-traffic locations under contracts with well-known retailers, and expanded our relationships with leading financial institutions through the growth of our Allpoint surcharge-free ATM network and our bank-branding programs. We intend to further expand our ATM capabilities and service offerings to financial institutions, as we are seeing increasing interest from financial institutions for outsourcing of ATM-related services due to our cost efficiency advantages and higher service levels, as well as the role that our ATMs can play in maintaining the financial institutions physical presence for their customers as they reduce their physical branches.

We have completed several acquisitions in the last six years, including, but not limited to: (i) eight domestic ATM operators, expanding our ATMs in both multi-unit regional retail chains and individual merchant ATM locations in the

U.S., (ii) two Canadian ATM operators which allowed us to enter into and expand our presence in Canada, (iii) Cardpoint Limited in August 2013, which further expanded our U.K. ATM operations and allowed us to enter into the German market, (iv) Sunwin Services Group in November 2014, which further expanded our cash-in-transit and maintenance servicing capabilities in the U.K. and allowed us to acquire and operate ATMs located at the Co-operative Food stores, (v) DCPayments in January 2017, a leading ATM operator with operations in Australia, New Zealand, Canada, the U.K., and Mexico, (vi) Spark ATM Systems Pty Ltd. ("Spark") in January 2017, an independent ATM deployer operating in South Africa, and (vii) other less significant ATM asset and contract acquisitions. In addition to these ATM acquisitions, we have also made strategic acquisitions including: (i) LocatorSearch in August 2011, a U.S. leading provider of location search technology deployed by financial institutions to help customers and members find the nearest, most appropriate, and convenient ATM location based on the service they seek, (ii) i-design group limited ("i-design") in March 2013, a Scotland-based provider and developer of marketing and advertising software and services for ATM operators, and (iii) Columbus Data Services, L.L.C. in July 2015, a leading independent transaction processor for ATM deployers and payment card issuers in the U.S., providing solutions to ATM sales and service organizations and financial institutions.

While we will continue to explore potential acquisition opportunities in the future as a way to grow our business, we also expect to continue expanding our ATM footprint organically, and launch new products and services that will allow us to further leverage our existing ATM network. We see opportunities to expand our operations through the following efforts:

- increasing the number of deployed ATMs with existing and new merchant relationships;
- expanding our relationships with leading financial institutions;
- working with non-traditional financial institutions and card issuers to further leverage our extensive ATM network;
- increasing transaction levels at our existing locations;
- developing and providing additional services at our existing ATMs;
- pursuing additional managed services opportunities; and
- pursuing international growth opportunities.

For additional information related to each of the strategic points above, see *Part I. Item1. Business – Our Strategy* in our 2016 Form 10-K.

Recent Events and Trends

Over the last several years, we have grown our business through a combination of organic growth and acquisitions. During the nine months ended September 30, 2017, total revenues, on a constant-currency basis, increased 22.1% from the same period of 2016, driven primarily by the acquisitions of DCPayments and Spark, which were completed in January 2017.

Withdrawal transaction and revenue trends – U.S. Many financial institutions are reducing the number of branches they own and operate in order to reduce their operating costs, increasing demand for automated banking solutions, such as ATMs. Bank-branding of our ATMs and participation in our surcharge-free ATM network allows financial institutions to rapidly increase and maintain surcharge-free ATM access for their customers at a substantially lower cost than owning and operating an ATM network. We believe there is an opportunity for a large non-bank ATM owner/operator, such as ourselves, with lower costs and an established operating history, to contract with financial institutions and retailers to manage their ATM networks. Such an arrangement could reduce a financial institution's operating costs while extending its customer service. Furthermore, we believe there are opportunities to provide selected services on an outsourced basis, such as transaction processing services, to other independent owners and operators of ATMs. Over the last several years, we have seen growth in bank-branding, increased participation in Allpoint, our surcharge-free network, and managed services arrangements, and we believe that there will be continued growth in such arrangements.

Total U.S. same-store cash withdrawal transactions during the three months ended September 30, 2017 decreased approximately 4% from the same period of 2016. The same-store results in the third quarter of 2017 were impacted by a number of factors, including 7-Eleven, Inc. ("7-Eleven") locations no longer participating in our Allpoint network. While same-store cash withdrawal transactions in the U.S. were down slightly in the third quarter, our U.S. same-store revenues during the third quarter increased slightly (less than 1%) from the same period of 2016, driven in part by increased surcharge revenues as a result of 7-Eleven locations no longer participating in Allpoint.

7-Eleven in the U.S. accounted for approximately 18% of our consolidated revenues for the year ended 2016. We estimate that 7-Eleven will account for approximately 12% of our consolidated revenues in 2017. We estimate that the incremental gross margin (excluding depreciation and accretion) will be approximately 40% for 7-Eleven during 2017. The 7-Eleven ATM placement agreement in the U.S. expired in July 2017, and we have started transitioning the ATM operations at 7-Eleven locations in the U.S. to the new service provider. We expect the transition to continue through the first quarter of 2018. As a result, our revenues and operating profits associated with this relationship have begun to decline, and we expect this decline to continue throughout the fourth quarter of 2017. The loss of 7-Eleven has had, and will most likely continue to have, a higher negative impact (in percentage terms) on our income from operations relative to the revenue impact, particularly as we continue to transition to the new service provider and adjust the infrastructure required to support the relationship throughout the transition period. As a result, we expect that the loss of 7-Eleven will have a significant negative near-term impact on our income from operations and cash flows.

The deinstallation of the 7-Eleven ATMs in the U.S. has had a significant impact on many elements of our operations. The deinstallation process will result in estimated removal costs of the ATMs of approximately $5.0 million, a portion of which was incurred during the three months ended September 30, 2017, with the remaining amount to be incurred primarily during the fourth quarter of 2017. This deinstallation liability was previously expensed and provided for in our asset retirement obligations liability. To the extent that the total actual costs to remove the ATMs differs from this estimate, it will result in either an increase or decrease to our income from operations. Due to the anticipated loss of revenues and profits associated with this relationship, we expect other impacts as we manage our business to offset the loss of profits associated with this relationship. For additional information, see *Item 1. Financial Statements, Note 1. General and Basis of Presentation – (e) Restructuring Expenses*.

Approximately half of the ATMs that we have operated at U.S. 7-Eleven locations are fully depreciated and are not expected to be redeployed. We anticipate being able to reuse the majority of the other half of ATMs at 7-Eleven locations that are relatively recent deployments and have remaining carrying values.

During the last few months, several of the countries, states and territories in which we operate have been impacted by natural disasters. Although the damage has been widespread from the recent hurricanes impacting the United States and Puerto Rico and the earthquakes and hurricanes impacting Mexico, these natural disasters to date have had a minor impact on our physical operations. We have not incurred material losses of property or incurred significant downtime in our business operations as a result of these disasters. A significant portion of our corporate operations are located in Houston, Texas, which was severely impacted by Hurricane Harvey. While the Company's offices in Houston were temporarily closed for several days, the main office location was not physically damaged, and the Company's processing and business systems were operating continuously throughout the storm and the aftermath thereof.

Withdrawal transaction and revenue trends – U.K. In recent periods, we have installed more free-to-use ATMs as compared to surcharging pay-to-use ATMs in the U.K., which is our largest operation in Europe. This is due in part to adding major corporate retailers who tend to operate primarily in high traffic locations where free-to-use ATMs are more prevalent. Although we earn less revenue per cash withdrawal transaction on a free-to-use machine, the significantly higher volume of transactions conducted on free-to-use ATMs have generally translated into higher overall revenues. Our same-store cash withdrawal transactions in the U.K. for the three months ended September 30, 2017 decreased approximately 5% from the same period of 2016, relatively consistent with low single digit decline rates we have seen in recent periods in the U.K. Offsetting the same-store cash withdrawal transaction decline was a higher transacting ATM count, driven by several ATM placement agreements with new and existing merchants.

Withdrawal transaction and revenue trends – Australia. In late September 2017, Australia's four largest banks, the Commonwealth Bank of Australia ("CBA"), Australia and New Zealand Banking Group Limited ("ANZ"), Westpac Banking Corporation ("Westpac"), and National Australia Bank Limited ("NAB"), each independently announced decisions to remove all direct charges to all users on domestic ATM transactions completed at their respective ATM networks effectively creating a free-to-use network of ATM terminals that did not exist previously. CBA removed the direct charges in late September, with Westpac, ANZ, and NAB removing direct charges during the first part of October 2017. As a result of this change in the market in Australia, we expect that our business in this market will likely be materially adversely impacted. For the three and nine months ended September 30, 2017, the Australia & New Zealand reporting segment generated $35.4 million and $100.0 million, respectively, in total revenue, of which $28.6 million and $81.8 million, respectively, was surcharge revenue. Adjusted EBITDA for the three and nine months ended September 30, 2017 for the Australia & New Zealand reporting segment was $8.2 million and $20.9 million, respectively. For additional information, see *Australia market changes and asset impairment* below.

We face indirect competition from alternative payment mechanisms, including card-based and mobile phone-based contactless payment technology in all of our markets. Australia and the U.K., have reported increasing rates of contactless payment use. Prior to our acquisition of DCPayments and since our ownership of the Australian component of the business, we have observed declines in transactions at Australian ATMs, as cash-based payments have declined as a percentage of total payments in recent years, with growth in contactless payments appearing to be the primary driver of the decline.

Europay, MasterCard, Visa ("EMV") security standard and software upgrades in the U.S. The EMV security standard provides for the security and processing of information contained on microchips embedded in certain debit and credit cards, known as "chip cards." In October 2016, MasterCard commenced a liability shift for U.S. ATM transactions on EMV-issued cards used at non-EMV compliant ATMs in the U.S. We have upgraded nearly all of our U.S. Company-owned ATMs to deploy additional software to enable additional functionality, enhance security features, and enable the EMV security standard. Due to the significant operational challenges of enabling EMV and other hardware and software enhancements across the majority of our U.S. ATMs, which comprises many types and models of ATMs, together with potential compatibility issues with various processing platforms, we experienced increased downtime at our U.S. ATMs during the first part of 2017. As a result of this downtime, we suffered lost revenues and incurred penalties with certain of our contracts during the first part of 2017. We have also incurred increased charges from networks associated with actual or potentially fraudulent transactions, as we are liable for fraudulent transactions on the MasterCard network and other networks that have adopted the EMV security standard if our ATM was not EMV compliant at the time of the transaction, and any fraudulent transactions were processed. Visa commenced a liability shift starting in October 2017 for all transaction types on all EMV-issued cards in the U.S. As of the date of this filing, nearly all of our ATMs that we intend to upgrade and continue to operate were EMV compliant.

Capital investments. We have experienced an elevated level of capital investment in 2017 to support the EMV requirements discussed above and other factors discussed in greater detail below. The higher levels of capital spending in 2017 are attributable to the EMV requirements, coupled with other factors, including: (i) our strategic initiatives to enhance the consumer experience at our ATMs and drive transaction growth, (ii) a significant number of recent long-term renewals of existing merchant contracts, (iii) certain software and hardware enhancements required to facilitate our strategic initiatives, enhance security, and to continue running supported versions, (iv) other compliance related matters, and (v) growth opportunities across our enterprise.

LINK interchange in the U.K. Interchange rates in the U.K. are primarily set by LINK, the U.K.'s major interbank network. LINK has historically set these rates annually using a cost-based methodology that incorporates ATM service costs from two years back (i.e., operating costs from 2015 are considered for determining the 2017 interchange rate). In addition to LINK transactions, certain card issuers in the U.K. have issued cards that are not affiliated with the LINK network, and instead carry the Visa or MasterCard network brands. Transactions conducted on our ATMs from these cards, which currently represent approximately 2% of our annual withdrawal transactions in the U.K., receive interchange fees that are set by Visa or MasterCard, respectively. The interchange rates set by Visa and MasterCard have historically been less than the rates that have been set by LINK. Over the last couple of years, some of the major financial institutions that participate in LINK have expressed concern about the LINK interchange rate and commenced efforts to significantly lower the interchange rate. During 2017, a group of members of LINK (the "Working Group") worked to develop a new interchange rate setting mechanism. After several months of analysis and discussion, the Working Group was unable to reach a recommended amended approach that was satisfactory to its participants, and as a result of this outcome, along with governance recommendations by the Bank of England, in October 2017, it was decided that an independent board of LINK ("LINK Board") would recommend interchange rates going forward. On November 1, 2017, the LINK Board announced that it had reached some tentative recommendations, subject to further comment by the LINK members. The LINK Board proposal seeks to reduce interchange rates by approximately 5% per year, and in the aggregate, approximately 20% over a four year period, commencing on April 1, 2018. The intention of the LINK Board proposal is for the new interchange rates to apply from April 1, 2018 and to be finalized no later than January 31, 2018, once consultation with the LINK members has concluded. The interchange rate for the first quarter of 2018 has been set in accordance with the former cost study process and is slightly below the 2017 interchange rate. The LINK Board proposal maintains a cost-based study to ensure that interchange rates are not set below marginal cost or above average cost incurred to provide services to cardholders. While this change in the LINK interchange mechanism has yet to be finalized and implemented, we expect that it will likely be finalized by the end of January 2018 and will have a significant negative impact on our results from operations in 2018 and in future periods. We estimate that the proposed change in the interchange rate that would commence in April 2018, if applied to our estimated transaction volumes for the full year of 2017, would adversely impact our reported income from operations by approximately $15 million. Based on the principles outlined by the LINK Board in the proposal, including the stated intent to further reduce the interchange rate over time, we would expect further reductions in our profits in this market beyond 2018. We expect that, over time, we will be able to mitigate a portion of the impact of these expected rate reductions through a combination of adjusting our operations, reassessing our contractual relationships and refining our business approach.

Additionally, if any major financial institution in the U.K. decided to leave the LINK network in favor of Visa, MasterCard, or another network, and we elect to continue to accept the transactions from their cardholders, such a move could further reduce the interchange revenues that we currently receive from the related withdrawal transactions conducted on our ATMs in that market.

U.K. planned exit from the European Union ("Brexit"). On March 29, 2017, the U.K. government officially triggered Article 50 of the Treaty on the European Union, which commenced the process for the U.K. to exit the European Union. The ultimate impact of Brexit on our business is unknown; however, one noticeable impact was a substantial devaluation of the British pound relative to the U.S. dollar, leading up to and after the Brexit decision announcement in June 2016. As a result, our reported financial results (in U.S. dollars) were adversely impacted during the nine months ended September 30, 2017 compared to the same periods of 2016.

Redomicile to the U.K. On July 1, 2016, the Cardtronics group of companies changed the location of incorporation of the parent company from Delaware to the U.K. Cardtronics plc, a public limited company organized under English law ("Cardtronics plc"), became the new publicly traded corporate parent of the Cardtronics group of companies following the completion of the merger between Cardtronics, Inc., a Delaware corporation ("Cardtronics Delaware") and one of its subsidiaries (the "Merger"). The Merger was completed pursuant to the Agreement and Plan of Merger, dated April 27, 2016, the adoption of which was approved by Cardtronics Delaware's shareholders on June 28, 2016 (collectively, the "Redomicile Transaction").

U.K. regulatory approval of the DCPayments acquisition. On September 22, 2017, we were notified by the U.K. Competition and Markets Authority (the "CMA") that the merger of the DCPayments U.K. business with our existing U.K. operations was approved. Prior to the CMA approval, the DCPayments U.K. business operated separately from our existing U.K. operations. Since the CMA approval, we have begun the process of integrating our existing U.K. operations with the DCPayments U.K. operations and expect to realize operational benefits during 2018 as a result of the combination.

Restructuring expenses. During the three months ended March 31, 2017, we initiated a global corporate reorganization and cost reduction initiative (the "Restructuring Plan"), intended to improve our cost structure and operating efficiency. The Restructuring Plan included workforce reductions, facilities closures, and other cost reduction measures. During the three months ended March 31, 2017, we incurred $8.2 million of pre-tax expenses related to the Restructuring Plan, reflected in the Restructuring expenses line item in the accompanying Consolidated Statements of Operations. These expenses included employee severance costs of $8.0 million and lease termination costs of $0.2 million. We did not incur significant additional restructuring expenses during the subsequent six months ended September 30, 2017.

During the three months ended March 31, 2017, we also identified certain assets held in the U.S. that will likely be abandoned or are no longer capable of recovering their carrying values. As a result, we recognized $3.2 million in asset impairment charges included in the Loss (gain) on disposal and impairment of assets line item in the accompanying Consolidated Statements of Operations.

New currency designs in the U.K. Polymer notes were introduced by the Bank of England in 2016 and will be further circulated through 2020. The introduction of these new currency designs has required upgrades to software and physical

ATM components on our ATMs in the U.K., which caused some limited downtime for the affected ATMs during 2017. We are now substantially complete with this effort.

Poland operations. During the fourth quarter of 2017, we plan to cease operating in Poland and will likely incur exit-related costs in conjunction with the wind down of this operation. As the Poland operation is small, we do not anticipate recording any material write-offs or impairment charges as a part of this planned exit. During the three and nine months ended September 30, 2017 Poland contributed $0.3 million and $0.6 million, respectively, of our consolidated ATM operating revenues.

Australia market changes and asset impairment. In late September 2017, Australia's four largest banks, CBA, ANZ, Westpac, and NAB, each independently announced decisions to remove all direct charges to users on transactions completed at their respective ATM networks. Collectively these four banks account for approximately one third of the total ATMs in Australia. This unexpected market shift appears to have been instigated by a decision and announcement by CBA, the largest Australian bank, to immediately remove direct charges to all users of its ATMs, regardless of whether or not the ATM user is a customer of the bank. During the first part of October 2017, ANZ, Westpac, and NAB followed by removing direct charges on their ATM networks, effectively creating a free-to-use network of ATM terminals that did not exist previously.

Australia has historically been a direct charge ATM market, where cardholders have paid a fee (or "direct charge") to the operator of an ATM for each transaction, unless the ATM where the transaction was completed is part of the cardholder's issuing bank ATM network. There currently is no broad interchange arrangement in Australia between card issuers and ATM operators to compensate the ATM operator for its service to a financial institution's cardholder in absence of the direct charge being levied to the cardholders. During the nine months ended September 30, 2017, more than 80% of the Company's revenues in Australia were sourced from direct charges paid by cardholders. The recent actions by the largest banks in Australia have resulted in a significant increase in the availability of free-to-use ATMs to Australian users and while we are working on developing strategies to react to this unexpected market shift, we believe our revenues and profits in Australia will decline in the near-term. Due to the timing of when these changes became effective, they did not impact our results for the three months ended September 30, 2017. However, we expect that our business will be materially adversely impacted during the fourth quarter of 2017 and into 2018 as users' behavior patterns change as a result of the introduction of a free-to-use network in Australia that did not exist previously.

These developments were identified to be an indicator of impairment of our Australia & New Zealand reporting unit and related long-lived assets. Upon further assessment and analysis of the potential impact of these developments, we determined that the fair value of the Australia & New Zealand reporting unit had fallen below its carrying value and determined that the long-lived assets held by Australia & New Zealand were not recoverable via their undiscounted cash flows, an indication of impairment. As a result, during the three months ended September 30, 2017, we recorded impairments of goodwill, other intangible assets, and other long-lived assets of $140.0 million, $54.5 million, and $19.0 million, respectively. We also recorded a charge of $2.5 million to adjust certain inventory to its estimated net realizable value. These non-cash charges have been reflected in the Goodwill and intangible asset impairment and Loss (gain) on disposal and impairment of assets line items in our accompanying Consolidated Statements of Operations. For additional information related to this unexpected market shift in Australia and the resulting impairment assessment, see *Item 1. Financial Statements, Note 1. General and Basis of Presentation – (f) Goodwill and Intangible Assets*.

Next generation bank note upgrade in Australia. Next generation bank notes are in the process of being introduced by the Reserve Bank of Australia. The new $5 note was introduced on September 1, 2016, and the new $50 note, the most widely disseminated note in Australia, is scheduled to take place on September 1, 2018, with the new $20 note to follow on a date to be determined. The introduction of these next generation bank notes requires upgrades to software and physical ATM components on our ATMs in Australia, which were evaluated in the impairment considerations discussed above and which we expect will likely cause some limited downtime for the affected ATMs during the latter part of 2018.

Acquisitions. On April 13, 2016, we completed the acquisition of a 2,600 location ATM portfolio in the U.S., from a major financial institution, whereby we acquired ATMs and operating contracts with merchants at various retail locations. This acquisition was affected through multiple closings taking place primarily in April 2016. The total purchase consideration of approximately $13.8 million was paid in installments corresponding to each close.

On January 6, 2017, we completed the acquisition of DCPayments, a leading operator of approximately 25,000 ATMs with operations in Australia, New Zealand, Canada, the U.K., and Mexico. In connection with the closing of the acquisition, each DCPayments common share was acquired for Canadian Dollars $19.00 in cash per common share, and we also repaid the outstanding third-party indebtedness of DCPayments, the combined aggregate of which represented a total transaction value of approximately $658 million Canadian Dollars (approximately $495 million U.S. dollars).

On January 31, 2017, we completed the acquisition of Spark, an independent ATM deployer in South Africa, with a growing network of approximately 2,300 ATMs. The agreed purchase consideration included initial cash consideration, paid at closing, and potential additional contingent consideration. The additional potential purchase consideration is contingent upon Spark achieving certain agreed upon earnings targets in 2019 and 2020.

For additional information related to the acquisitions above, see *Item 1. Financial Statements, Note 2. Acquisitions*.

Factors Impacting Comparability Between Periods

- *Foreign currency exchange rates*. Our reported financial results are subject to fluctuations in foreign currency exchange rates. We estimate that the year-over-year strengthening in the U.S. dollar relative to the currencies in the markets in which we operate caused our reported total revenues to be lower by approximately $22.4 million for the nine months ended September 30, 2017.

- *Acquisitions and divestitures*. The results of operations for any acquired entities during a particular year have been included in our consolidated financial statements for that year since the respective dates of the acquisition. Similarly, the results of operations for any divested operations have been excluded from our consolidated financial statements since the dates of divestiture.

- *7-Eleven ATM removal*. As discussed above, 7-Eleven in the U.S. accounted for approximately 18% of our consolidated revenues during the year ended December 31, 2016. Our contract with 7-Eleven was not renewed, and we commenced the removal of our ATMs at the 7-Eleven stores during July 2017. We expect to complete the transition to the new operator by early 2018, with the significant majority of ATMs expected to be fully transitioned by the end of 2017. We estimate that the removal of the 7-Eleven ATMs adversely impacted our overall reported revenue growth rate during the three months ended September 30, 2017 by approximately 2% and we expect an even greater impact during the next several quarters as the ATMs are removed from service.

Results of Operations

The following table reflects line items from the accompanying Consolidated Statements of Operations as a percentage of total revenues for the periods indicated. Percentages may not add due to rounding.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Revenues:				
ATM operating revenues	97.1 %	95.9 %	96.6 %	96.1 %
ATM product sales and other revenues	2.9	4.1	3.4	3.9
Total revenues	100.0	100.0	100.0	100.0
Cost of revenues:				
Cost of ATM operating revenues (excludes depreciation, accretion, and amortization of intangible assets reported separately below) [1]	62.5	59.6	63.7	60.8
Cost of ATM product sales and other revenues	2.2	3.8	3.0	3.5
Total cost of revenues	64.7	63.4	66.8	64.3
Operating expenses:				
Selling, general, and administrative expenses [2]	11.5	12.2	11.5	12.1
Redomicile-related expenses	—	0.3	0.1	1.3
Restructuring expenses	—	—	0.7	—
Acquisition and divestiture-related expenses	0.7	0.8	1.3	0.5
Goodwill and intangible asset impairment	48.4	—	17.0	—
Depreciation and accretion expense	7.4	7.1	7.7	7.2
Amortization of intangible assets	3.7	2.8	4.0	2.9
Loss (gain) on disposal and impairment of assets	5.5	0.1	2.3	—
Total operating expenses	77.3	23.4	44.6	24.0
(Loss) income from operations	(42.0)	13.2	(11.4)	11.7
Other expense:				
Interest expense, net	2.4	1.3	2.3	1.4
Amortization of deferred financing costs and note discount	0.8	0.9	0.8	0.9
Other (income) expense	(0.5)	0.1	(0.2)	0.1
Total other expense	2.7	2.3	2.9	2.4
(Loss) income before income taxes	(44.7)	10.9	(14.3)	9.3
Income tax (benefit) expense	(1.0)	2.6	(0.2)	2.7
Net (loss) income	(43.7)	8.4	(14.1)	6.6
Net (loss) income attributable to noncontrolling interests	—	—	—	—
Net (loss) income attributable to controlling interests and available to common shareholders	(43.7)%	8.4 %	(14.1)%	6.6 %

(1) Excludes effects of depreciation, accretion, and amortization of intangible assets of $37.2 million and $27.1 million for the three months ended September 30, 2017 and 2016, respectively, and $111.9 million and $82.4 million for the nine months ended September 30, 2017 and 2016, respectively. See *Item 1. Financial Statements, Note 1. General and Basis of Presentation – (c) Cost of ATM Operating Revenues Presentation*. The inclusion of this depreciation, accretion, and amortization of intangible assets in Cost of ATM operating revenues would have increased our Cost of ATM operating revenues as a percentage of total revenues by 9.2% and 8.3% for the three months ended September 30, 2017 and 2016, respectively, and 9.8% and 8.6% for the nine months ended September 30, 2017 and 2016, respectively.

(2) Includes share-based compensation expense of $4.0 million and $6.4 million for the three months ended September 30, 2017 and 2016, respectively, and $9.6 million and $15.1 million for the nine months ended September 30, 2017 and 2016, respectively.

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Key Operating Metrics

The following table reflects certain key measures that gauge our operating performance for the periods indicated, ***including*** the effect of the acquisitions.

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2017	% Change	2016	2017	% Change	2016
Average number of transacting ATMs:						
United States	45,092	*4.3* %	43,216	45,155	*9.2* %	41,366
United Kingdom and Ireland	21,688	*31.1*	16,540	21,498	*33.1*	16,151
Australia and New Zealand	8,717	*n/m*	—	8,848	*n/m*	—
Canada	6,197	*239.6*	1,825	6,152	*233.3*	1,846
South Africa	2,606	*n/m*	—	2,460	*n/m*	—
Germany, Poland, and Spain	1,627	*31.0*	1,242	1,526	*29.7*	1,177
Mexico	978	*(26.4)*	1,329	1,078	*(21.1)*	1,366
Total Company-owned	86,905	*35.5*	64,152	86,717	*40.1*	61,906
United States [1]	12,175	*(18.7)*	14,970	12,392	*(24.0)*	16,297
Canada	2,974	*n/m*	—	2,932	*n/m*	—
United Kingdom and Ireland	682	*n/m*	—	632	*n/m*	—
Australia and New Zealand	103	*n/m*	—	103	*n/m*	—
Total Merchant-owned	15,934	*6.4*	14,970	16,059	*(1.5)*	16,297
Average number of transacting ATMs – ATM operations	102,839	*30.0*	79,122	102,776	*31.4*	78,203
Managed Services and Processing:						
United States	129,228	*7.0*	120,773	126,664	*8.2*	117,107
Canada	3,259	*85.1*	1,761	3,339	*101.3*	1,659
Australia and New Zealand	2,000	*n/m*	—	1,844	*n/m*	—
Average number of transacting ATMs – Managed services and processing	134,487	*9.8*	122,534	131,847	*11.0*	118,766
Total average number of transacting ATMs	237,326	*17.7*	201,656	234,623	*19.1*	196,969
Total transactions *(in thousands)*:						
ATM operations	388,736	*8.1*	359,731	1,141,144	*12.4*	1,014,803
Managed services and processing, net	281,054	*57.0*	179,072	788,928	*49.7*	526,949
Total transactions	669,790	*24.3*	538,803	1,930,072	*25.2*	1,541,752
Total cash withdrawal transactions *(in thousands)*:						
ATM operations	247,903	*10.1*	225,178	730,313	*15.3*	633,461
Per ATM per month amounts (excludes managed services and processing):						
Cash withdrawal transactions	804	*(15.3)*	949	790	*(12.2)*	900
ATM operating revenues [2]	$ 1,180	*(6.2)*	$ 1,258	$ 1,116	*(9.6)*	$ 1,235
Cost of ATM operating revenues [2][3]	774	*(1.3)*	784	749	*(4.5)*	784
ATM adjusted operating gross profit [2][3]	$ 406	*(14.3)*%	$ 474	$ 367	*(18.6)*%	$ 451
ATM adjusted operating gross profit margin [2][3]	34.4 %		37.7 %	32.9 %		36.5 %

(1) Certain ATMs previously reported in this category are now included in the United States: Managed services and processing and United States: Company-owned categories.

(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. See *Item 1. Financial Statements, Note 1. General and Basis of Presentation – (c) Cost of ATM Operating Revenues Presentation*.

The following table reflects certain key measures that gauge our operating performance for the periods indicated, ***excluding*** the effect of the acquisitions.

	Three Months Ended September 30, 2017	% Change	2016	Nine Months Ended September 30, 2017	% Change	2016
Average number of transacting ATMs:						
United States	45,092	*4.3 %*	43,216	42,775	*3.4 %*	41,366
United Kingdom and Ireland	16,819	*1.7*	16,540	16,571	*2.6*	16,151
Canada	1,899	*4.1*	1,825	1,837	*(0.5)*	1,846
Germany, Poland, and Spain	1,627	*31.0*	1,242	1,526	*29.7*	1,177
Mexico	486	*(63.4)*	1,329	635	*(53.5)*	1,366
Total Company-owned	65,923	*2.8*	64,152	63,344	*2.3*	61,906
United States [(1)]	12,175	*(18.7)*	14,970	12,392	*(24.0)*	16,297
Total Merchant-owned	12,175	*(18.7)*	14,970	12,392	*(24.0)*	16,297
Average number of transacting ATMs – ATM operations	78,098	*(1.3)*	79,122	75,736	*(3.2)*	78,203
Managed Services and Processing:						
United States	129,228	*7.0*	120,773	126,664	*8.2*	117,107
Canada	1,943	*10.3*	1,761	1,984	*19.6*	1,659
Average number of transacting ATMs – Managed services and processing	131,171	*7.0*	122,534	128,648	*8.3*	118,766
Total average number of transacting ATMs	209,269	*3.8*	201,656	204,384	*3.8*	196,969
Total transactions *(in thousands)*:						
ATM operations	345,825	*(3.9)*	359,731	1,004,241	*(1.0)*	1,014,803
Managed services and processing, net	185,276	*3.5*	179,072	515,362	*(2.2)*	526,949
Total transactions	531,101	*(1.4)*	538,803	1,519,603	*(1.4)*	1,541,752
Total cash withdrawal transactions *(in thousands)*:						
ATM operations	212,957	*(5.4)*	225,178	621,164	*(1.9)*	633,461
Per ATM per month amounts (excludes managed services and processing):						
Cash withdrawal transactions	909	*(4.2)*	949	911	*1.2*	900
ATM operating revenues [(2)]	$ 1,243	*(1.2)*	$ 1,258	$ 1,230	*(0.4)*	$ 1,235
Cost of ATM operating revenues [(2)(3)]	798	*1.8*	784	806	*2.8*	784
ATM operating gross profit [(2)(3)]	$ 445	*(6.1)%*	$ 474	$ 424	*(6.0)%*	$ 451
ATM operating gross profit margin [(2)(3)]	35.8 %		37.7 %	34.5 %		36.5 %

(1) Certain ATMs previously reported in this category are now included in the United States: Managed services and processing and United States: Company-owned categories.

(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. See *Item 1. Financial Statements, Note 1. General and Basis of Presentation – (c) Cost of ATM Operating Revenues Presentation*.

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Revenues

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2017	2016	% Change	2017	2016	% Change
	(In thousands, excluding percentages)					
North America						
ATM operating revenues	$ 249,964	$ 223,285	*11.9 %*	$ 719,341	$ 649,739	*10.7 %*
ATM product sales and other revenues	9,654	12,137	*(20.5)*	33,191	33,129	*0.2*
North America total revenues	259,618	235,422	*10.3*	752,532	682,868	*10.2*
Europe & Africa						
ATM operating revenues	107,497	94,154	*14.2*	293,827	276,452	*6.3*
ATM product sales and other revenues	2,088	1,409	*48.2*	6,159	4,206	*46.4*
Europe & Africa total revenues	109,585	95,563	*14.7*	299,986	280,658	*6.9*
Australia & New Zealand						
ATM operating revenues	35,368	—	*n/m*	99,752	—	*n/m*
ATM product sales and other revenues	65	—	*n/m*	224	—	*n/m*
Australia & New Zealand total revenues	35,433	—	*n/m*	99,976	—	*n/m*
Eliminations	(2,686)	(2,651)	*1.3*	(7,860)	(7,984)	*(1.6)*
Total ATM operating revenues	390,143	314,788	*23.9*	1,105,191	918,207	*20.4*
Total ATM product sales and other revenues	11,807	13,546	*(12.8)*	39,443	37,335	*5.6*
Total revenues	$ 401,950	$ 328,334	*22.4 %*	$ 1,144,634	$ 955,542	*19.8 %*

Three Months Ended September 30, 2017 Compared to Three Months Ended September 30, 2016

ATM operating revenues. ATM operating revenues during the three months ended September 30, 2017 increased $75.4 million, or 23.9%, from the three months ended September 30, 2016. The increase in ATM operating revenues was attributable to the DCPayments and Spark acquisitions.

The following table details, by segment, the changes in the various components of ATM operating revenues:

	Three Months Ended September 30,			
	2017	**2016**	**Change**	**% Change**
	(In thousands, excluding percentages)			
North America				
Surcharge revenues	$ 123,406	$ 98,751	$ 24,655	*25.0 %*
Interchange revenues	51,155	53,794	(2,639)	*(4.9)*
Bank-branding and surcharge-free network revenues	48,910	48,802	108	*0.2*
Managed services revenues	12,905	8,522	4,383	*51.4*
Other revenues	13,588	13,416	172	*1.3*
Total ATM operating revenues	249,964	223,285	26,679	*11.9*
Europe & Africa				
Surcharge revenues	33,410	27,753	5,657	*20.4*
Interchange revenues	71,858	64,368	7,490	*11.6*
Other revenues	2,229	2,033	196	*9.6*
Total ATM operating revenues	107,497	94,154	13,343	*14.2*
Australia & New Zealand				
Surcharge revenues	28,579	—	28,579	*n/m*
Interchange revenues	1,246	—	1,246	*n/m*
Bank-branding and surcharge-free network revenues	6	—	6	*n/m*
Managed services revenues	4,191	—	4,191	*n/m*
Other revenues	1,346	—	1,346	*n/m*
Total ATM operating revenues	35,368	—	35,368	*n/m*
Eliminations	(2,686)	(2,651)	(35)	*1.3*
Total ATM operating revenues	$ 390,143	$ 314,788	$ 75,355	*23.9 %*

North America. Our North America segment includes our operations in the U.S., Canada, Mexico, and Puerto Rico. For the three months ended September 30, 2017, our ATM operating revenues in our North America segment increased $26.7 million, or 11.9%, compared to the same period of 2016. The increase was primarily attributable to increased revenue in Canada and Mexico resulting from the DCPayments acquisition. Partially offsetting the contribution from the DCPayments acquisition was the commencement of the removal of 7-Eleven ATMs in the U.S.

Europe & Africa. Our Europe & Africa segment includes our operations in the U.K., Ireland, Germany, Poland, Spain, South Africa, and i-design. For the three months ended September 30, 2017, our ATM operating revenues in our Europe & Africa segment increased $13.3 million, or 14.2%, compared to the same period of 2016. The increase was attributable to the Spark (South Africa) and DCPayments (the U.K. component of the business) acquisitions, as well as organic ATM operating revenue growth, driven by an increase in the number of transacting ATMs related to recent ATM placement agreements with new merchants in the U.K., partially offset by same-store withdrawal transaction declines.

Australia & New Zealand. Our Australia & New Zealand segment is comprised of the operations we acquired via our DCPayments acquisition completed in January 2017. For the three months ended September 30, 2017, our ATM operating revenues in our Australia & New Zealand segment were $35.4 million, all of which was attributable to the DCPayments acquisition.

ATM product sales and other revenues. For the three months ended September 30, 2017, our ATM product sales and other revenues decreased $1.7 million compared to the same period of 2016. The decrease was primarily related to fewer equipment sales in our North America segment as a result of declining demand for new equipment and upgrade kits from merchants and banks as most ATM operators have now completed their ATM upgrades related to the EMV standard.

Nine Months Ended September 30, 2017 Compared to Nine Months Ended September 30, 2016

ATM operating revenues. ATM operating revenues during the nine months ended September 30, 2017 increased $187.0 million, or 20.4%, from the nine months ended September 30, 2016. The increase in ATM operating revenues was attributable to the DCPayments and Spark acquisitions, partially offset by lower reported revenues from our Europe & Africa segment as a result of changes in foreign currency exchange rates.

The following table details, by segment, the changes in the various components of ATM operating revenues:

	Nine Months Ended September 30,			
	2017	**2016**	**Change**	**% Change**
	(In thousands, excluding percentages)			
North America				
Surcharge revenues	$ 343,613	$ 290,483	$ 53,130	*18.3 %*
Interchange revenues	155,558	152,331	3,227	*2.1*
Bank-branding and surcharge-free network revenues	143,169	141,699	1,470	*1.0*
Managed services revenues	37,224	26,246	10,978	*41.8*
Other revenues	39,777	38,980	797	*2.0*
Total ATM operating revenues	719,341	649,739	69,602	*10.7*
Europe & Africa				
Surcharge revenues	84,043	79,175	4,868	*6.1*
Interchange revenues	202,178	190,790	11,388	*6.0*
Other revenues	7,606	6,487	1,119	*17.2*
Total ATM operating revenues	293,827	276,452	17,375	*6.3*
Australia & New Zealand				
Surcharge revenues	81,788	—	81,788	*n/m*
Interchange revenues	3,422	—	3,422	*n/m*
Bank-branding and surcharge-free network revenues	87	—	87	*n/m*
Managed services revenues	10,922	—	10,922	*n/m*
Other revenues	3,533	—	3,533	*n/m*
Total ATM operating revenues	99,752	—	99,752	*n/m*
Eliminations	(7,729)	(7,984)	255	*(3.2)*
Total ATM operating revenues	$ 1,105,191	$ 918,207	$ 186,984	*20.4 %*

North America. For the nine months ended September 30, 2017, our ATM operating revenues in our North America segment increased $69.6 million, or 10.7%, compared to the same period of 2016. The increase was primarily attributable to higher revenue in Canada and Mexico resulting from the DCPayments acquisition, partially offset by lower same-store cash withdrawal transactions at our U.S. ATMs. During the first half of 2017, we experienced software-related issues in conjunction with our ATM upgrades and EMV compliance effort, as well as a service disruption at a number of ATMs caused by a third-party software issue, which caused some downtime at a significant number of our ATMs. Additionally, during the third quarter of 2017, we commenced the deinstallation of ATMs at 7-Eleven locations in the U.S.

Europe & Africa. For the nine months ended September 30, 2017, our ATM operating revenues in our Europe & Africa segment increased $17.4 million, or 6.3%, compared to the same period of 2016. Our ATM operating revenues would have been higher by approximately $22.2 million, or an additional 7.6%, absent adverse foreign currency exchange rate movements. Excluding the foreign currency exchange rate movements, the increase was attributable primarily to the Spark (South Africa) and DCPayments (the U.K. component of the business) acquisitions, as well as organic ATM operating revenue growth, driven by an increase in the number of transacting ATMs related to recent ATM placement agreements with new merchants, partially offset by lower same-store transactions in the U.K. For additional information related to our constant-currency calculations, see *Non-GAAP Financial Measures* below.

Australia & New Zealand. For the nine months ended September 30, 2017, our ATM operating revenues in the Australia & New Zealand segment were $99.8 million, all of which was attributable to the DCPayments acquisition, as we did not previously have operations in Australia or New Zealand. The DCPayments acquisition was completed on January 6, 2017, and our results for the nine months ended September 30, 2017 reflect the ATM operating revenues from this date.

ATM product sales and other revenues. For the nine months ended September 30, 2017, our ATM product sales and other revenues increased $2.1 million compared to the same period of 2016. The increase was primarily related to additional equipment sales in our North America and Europe & Africa segments, driven by the DCPayments acquisition.

Cost of Revenues (exclusive of depreciation, accretion, and amortization of intangible assets)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2017	2016	% Change	2017	2016	% Change
	(In thousands, excluding percentages)					
North America						
Cost of ATM operating revenues [(1)]	$ 163,604	$ 139,380	*17.4 %*	$ 478,591	$ 410,539	*16.6 %*
Cost of ATM product sales and other revenues	7,344	12,305	*(40.3)*	28,365	32,646	*(13.1)*
North America total cost of revenue [(1)]	170,948	151,685	*12.7*	506,956	443,185	*14.4*
Europe & Africa						
Cost of ATM operating revenues [(1)]	64,350	58,759	*9.5*	184,450	177,329	*4.0*
Cost of ATM product sales and other revenues	839	148	*466.9*	4,439	1,227	*261.8*
Europe & Africa total cost of revenues [(1)]	65,189	58,907	*10.7*	188,889	178,556	*5.8*
Australia & New Zealand						
Cost of ATM operating revenues [(1)]	24,170	—	*n/m*	70,410	—	*n/m*
Cost of ATM product sales and other revenues	737	—	*n/m*	1,990	—	*n/m*
Australia & New Zealand total cost of revenues [(1)]	24,907	—	*n/m*	72,400	—	*n/m*
Corporate	797	249	*220.1*	937	636	*47.3*
Eliminations	(1,785)	(2,651)	*(32.7)*	(4,964)	(7,984)	*(37.8)*
Cost of ATM operating revenues [(1)]	251,136	195,737	*28.3*	729,547	580,520	*25.7*
Cost of ATM product sales and other revenues	8,920	12,453	*(28.4)*	34,671	33,873	*2.4*
Total cost of revenues [(1)]	$ 260,056	$ 208,190	*24.9 %*	$ 764,218	$ 614,393	*24.4 %*

(1) Exclusive of depreciation, accretion, and amortization of intangible assets.

Three Months Ended September 30, 2017 Compared to Three Months Ended September 30, 2016

Cost of ATM operating revenues (exclusive of depreciation, accretion, and amortization of intangible assets). Cost of ATM operating revenues (exclusive of depreciation, accretion, and amortization of intangibles assets) during the three months ended September 30, 2017 increased $55.4 million, or 28.3%, compared to the same period in 2016. The majority of the increase in the Cost of ATM operating revenues (exclusive of depreciation, accretion, and amortization of intangibles assets) is attributable to the DCPayments and Spark acquisitions.

The following table details, by segment, the changes in the various components of Cost of ATM operating revenues (exclusive of depreciation, accretion, and amortization of intangible assets):

	Three Months Ended September 30,			
	2017	2016	Change	% Change
	(In thousands, excluding percentages)			
North America				
Merchant commissions	$ 87,828	$ 68,463	$ 19,365	*28.3 %*
Vault cash rental	13,513	15,604	(2,091)	*(13.4)*
Other costs of cash	16,813	15,199	1,614	*10.6*
Repairs and maintenance	15,206	14,915	291	*2.0*
Communications	5,587	5,182	405	*7.8*
Transaction processing	1,901	1,656	245	*14.8*
Employee costs	8,516	7,405	1,111	*15.0*
Other expenses	14,241	10,956	3,285	*30.0*
Total cost of ATM operating revenues	163,605	139,380	24,225	*17.4*
Europe & Africa				
Merchant commissions	28,311	25,673	2,638	*10.3*
Vault cash rental	3,401	2,300	1,101	*47.9*
Other costs of cash	4,041	3,222	819	*25.4*
Repairs and maintenance	3,484	4,931	(1,447)	*(29.3)*
Communications	3,168	2,512	656	*26.1*
Transaction processing	4,562	4,571	(9)	*(0.2)*
Employee costs	10,535	9,120	1,415	*15.5*
Other expenses	6,848	6,430	418	*6.5*
Total cost of ATM operating revenues	64,350	58,759	5,591	*9.5*
Australia & New Zealand				
Merchant commissions	14,120	—	14,120	*n/m*
Vault cash rental	2,080	—	2,080	*n/m*
Other costs of cash	2,687	—	2,687	*n/m*
Repairs and maintenance	2,043	—	2,043	*n/m*
Communications	1,078	—	1,078	*n/m*
Transaction processing	665	—	665	*n/m*
Employee costs	1,412	—	1,412	*n/m*
Other expenses	85	—	85	*n/m*
Total cost of ATM operating revenues	24,170	—	24,170	*n/m*
Corporate	797	249	548	*220.1*
Eliminations	(1,786)	(2,651)	865	*(32.6)*
Total cost of ATM operating revenues	$ 251,136	$ 195,737	$ 55,399	*28.3 %*

North America. For the three months ended September 30, 2017, our cost of ATM operating revenues (exclusive of depreciation, accretion, and amortization of intangible assets) in our North America segment increased $24.2 million, or 17.4%, compared to the same period of 2016. The increase was mostly attributable to incremental costs in Canada and Mexico resulting from the DCPayments acquisition, and higher merchant commission expense associated with our recent contract renewals in the U.S. and higher merchant commission expense as a percentage of revenues on our 7-Eleven relationship as a result of higher surcharge transactions.

Europe & Africa. For the three months ended September 30, 2017, our cost of ATM operating revenues (exclusive of depreciation, accretion, and amortization of intangibles assets) in our Europe & Africa segment increased $5.6 million, or 9.5%, compared to the same period of 2016, primarily attributable to the DCPayments and Spark acquisitions.

Australia & New Zealand. For the three months ended September 30, 2017, our cost of ATM operating revenues (exclusive of depreciation, accretion, and amortization of intangibles assets) in our Australia & New Zealand segment were $24.2 million, all of which was attributable to the DCPayments acquisition, as we did not previously have operations in Australia or New Zealand.

Cost of ATM product sales and other revenues. For the three months ended September 30, 2017, our cost of ATM product sales and other revenues decreased $3.5 million compared to the same period of 2016. The decrease is attributable to the corresponding decrease in ATM product sales and other revenues discussed above.

Nine Months Ended September 30, 2017 Compared to Nine Months Ended September 30, 2016

Cost of ATM operating revenues (exclusive of depreciation, accretion, and amortization of intangible assets). Cost of ATM operating revenues (exclusive of depreciation, accretion, and amortization of intangibles assets) during the nine months ended September 30, 2017 increased $149.0 million, or 25.7%, compared to the same period in 2016. The majority of the increase in the Cost of ATM operating revenues (exclusive of depreciation, accretion, and amortization of intangibles assets) is attributable to the DCPayments acquisition.

The following table details, by segment, the changes in the various components of Cost of ATM operating revenues (exclusive of depreciation, accretion, and amortization of intangible assets):

	Nine Months Ended September 30,			
	2017	2016	Change	% Change
	(In thousands, excluding percentages)			
North America				
Merchant commissions	$ 246,406	$ 202,092	$ 44,314	*21.9 %*
Vault cash rental	40,556	45,479	(4,923)	*(10.8)*
Other costs of cash	56,137	45,583	10,554	*23.2*
Repairs and maintenance	47,798	42,820	4,978	*11.6*
Communications	16,489	15,519	970	*6.3*
Transaction processing	6,721	4,980	1,741	*35.0*
Employee costs	25,194	22,175	3,019	*13.6*
Other expenses	39,290	31,891	7,399	*23.2*
Total cost of ATM operating revenues	478,591	410,539	68,052	*16.6*
Europe & Africa				
Merchant commissions	80,453	74,996	5,457	*7.3*
Vault cash rental	9,925	8,285	1,640	*19.8*
Other costs of cash	14,990	13,738	1,252	*9.1*
Repairs and maintenance	10,452	13,277	(2,825)	*(21.3)*
Communications	8,826	7,786	1,040	*13.4*
Transaction processing	12,570	13,521	(951)	*(7.0)*
Employee costs	29,817	28,491	1,326	*4.7*
Other expenses	17,417	17,235	182	*1.1*
Total cost of ATM operating revenues	184,450	177,329	7,121	*4.0*
Australia & New Zealand				
Merchant commissions	40,976	—	40,976	*n/m*
Vault cash rental	5,591	—	5,591	*n/m*
Other costs of cash	7,937	—	7,937	*n/m*
Repairs and maintenance	5,888	—	5,888	*n/m*
Communications	3,345	—	3,345	*n/m*
Transaction processing	1,763	—	1,763	*n/m*
Employee costs	4,260	—	4,260	*n/m*
Other expenses	650	—	650	*n/m*
Total cost of ATM operating revenues	70,410	—	70,410	*n/m*
Corporate	937	636	301	*47.3*
Eliminations	(4,841)	(7,984)	3,143	*(39.4)*
Total cost of ATM operating revenues	$ 729,547	$ 580,520	$ 149,027	*25.7 %*

North America. For the nine months ended September 30, 2017, our cost of ATM operating revenues (exclusive of depreciation, accretion, and amortization of intangible assets) in our North America segment increased $68.1 million, or 16.6%, compared to the same period of 2016. The increase was attributable to the following: (i) incremental costs in Canada and Mexico resulting from the DCPayments acquisition, (ii) higher other cost of cash in the U.S. driven by cash losses and charges from networks associated with suspected fraudulent transactions following the EMV liability shift on the MasterCard network, (iii) higher maintenance costs in the U.S. related primarily to recent software upgrades at certain Company-owned ATMs, and (iv) higher merchant commission expense associated with our recent contract renewals and our 7-Eleven relationship. The increase was partially offset with a decrease in vault cash rental expense in the U.S. as a result of vault cash interest savings associated with lower fixed rates and notional amounts outstanding on our interest rate swaps.

Europe & Africa. For the nine months ended September 30, 2017, our cost of ATM operating revenues (exclusive of depreciation, accretion, and amortization of intangibles assets) in our Europe & Africa segment increased $7.1 million, or 4.0%, compared to the same period of 2016. Excluding foreign currency exchange rate movements, our cost of ATM operating revenues (exclusive of depreciation, accretion, and amortization of intangible assets) increased $21.1 million, or 12%. The increase is consistent with the increase in ATM operating revenues (also on a constant-currency basis) during the period. For additional information related to our constant-currency calculations, see *Non-GAAP Financial Measures* below.

Australia & New Zealand. For the nine months ended September 30, 2017, our cost of ATM operating revenues (exclusive of depreciation, accretion, and amortization of intangibles assets) in our Australia & New Zealand segment were $70.4 million, all of which was attributable to the DCPayments acquisition, as we did not previously have operations in Australia or New Zealand. The DCPayments acquisition was completed on January 6, 2017, and our results for the nine months ended September 30, 2017 reflect the cost of ATM operating revenues (exclusive of depreciation, accretion, and amortization of intangible assets) from this date.

Cost of ATM product sales and other revenues. For the nine months ended September 30, 2017, our cost of ATM product sales and other revenues increased $0.8 million compared to the same period of 2016. The increase is consistent with the increase in related revenues as discussed above.

Selling, General, and Administrative Expenses

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2017	**2016**	**% Change**	**2017**	**2016**	**% Change**
	(In thousands, excluding percentages)					
Selling, general, and administrative expenses	$42,177	$33,801	*24.8 %*	$121,916	$100,361	*21.5 %*
Share-based compensation expense	3,955	6,393	*(38.1)*	9,635	15,144	*(36.4)*
Total selling, general, and administrative expenses	$46,132	$40,194	*14.8 %*	$131,551	$115,505	*13.9 %*
Percentage of total revenues:						
Selling, general, and administrative expenses	10.5 %	10.3 %		10.7 %	10.5 %	
Share-based compensation expense	1.0 %	1.9 %		0.8 %	1.6 %	
Total selling, general, and administrative expenses	11.5 %	12.2 %		11.5 %	12.1 %	

Selling, general, and administrative expenses ("SG&A expenses"), excluding share-based compensation expense. For the three and nine months ended September 30, 2017, SG&A expenses, excluding share-based compensation expense, increased $8.4 million, or 24.8%, and $21.6 million, or 21.5%, respectively, compared to the same periods of 2016. These increases were primarily driven by additional SG&A expenses associated with the DCPayments and Spark acquisitions completed during January 2017.

Share-based compensation expense. For the three and nine months ended September 30, 2017, share-based compensation expense decreased $2.4 million, or 38.1%, and $5.5 million, or 36.4%, respectively, compared to the same periods of 2016. These decreases were partially attributable to a higher level of forfeitures during the period as a result of our Restructuring Plan and the associated employee terminations. The employee terminations resulted in the net reversal of $1.5 million in share-based compensation expense during the three months ended March 31, 2017. Additionally, the expected payout under the performance-based component of our annual equity awards was lower in the three months ended September 30, 2017 compared to the same periods of 2016. For additional information related to share-based compensation expense, see *Item 1. Financial Statements, Note 3. Share-based Compensation*.

Redomicile-related Expenses

Redomicile-related expenses. For the nine months ended September 30, 2017 and 2016, redomicile-related expenses were $0.8 million and $12.2 million, respectively. These costs consist of professional services costs associated with the change in the Company's corporate parent to the U.K. For additional information, see in *Item 1. Financial Statements, Note 1. General and Basis of Presentation – (d) Redomicile to the U.K.*

Restructuring Expenses

Restructuring expenses. During the three months ended March, 31, 2017, we implemented a restructuring plan, which was intended to improve our cost structure and operating efficiency and included workforce reductions, facilities closures, and other cost reduction measures. For the three months ended March 31, 2017, these expenses included employee severance costs of $8.0 million and lease termination costs of $0.2 million. We did not incur any significant additional restructuring expenses during the subsequent six months ended September 30, 2017. For additional information, see *Item 1. Financial Statements, Note 1. General and Basis of Presentation – (e) Restructuring Expenses.*

Acquisition and Divestiture-related Expenses

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2017	**2016**	**% Change**	**2017**	**2016**	**% Change**
	(In thousands, excluding percentages)					
Acquisition and divestiture-related expenses	$ 2,889	$ 2,680	*7.8 %*	$15,338	$ 4,938	*210.6 %*
Percentage of total revenues	0.7 %	0.8 %		1.3 %	0.5 %	

Acquisition and divestiture-related expenses. For the three and nine months ended September 30, 2017, acquisition and divestiture-related expenses increased $0.2 million and $10.4 million, respectively, compared to the same periods of 2016. These increases were driven by the professional services and other costs associated with the completion and integration of the DCPayments and Spark acquisitions, completed during January 2017.

Goodwill and Intangible Asset Impairment

Goodwill and intangible asset impairment. During the three months ended September 30, 2017, as a result of an unexpected market shift in Australia caused by the announcement by its four largest banks to remove direct charges to all users at their ATMs, we recognized $140.0 million and $54.5 million in impairment charges to reduce the carrying values of goodwill and intangible assets, respectively, associated with our Australia & New Zealand segment. For additional information related to this unexpected market shift in Australia, see *Item 1. Financial Statements, Note 1. General and Basis of Presentation – (f) Goodwill and Intangible Assets*.

Depreciation and Accretion Expense

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2017	**2016**	**% Change**	**2017**	**2016**	**% Change**
	(In thousands, excluding percentages)					
Depreciation and accretion expense	$29,807	$23,308	*27.9 %*	$88,683	$69,085	*28.4 %*
Percentage of total revenues	7.4 %	7.1 %		7.7 %	7.2 %	

Depreciation and accretion expense. For the three and nine months ended September 30, 2017, depreciation and accretion expense increased $6.5 million, or 27.9%, and $19.6 million, or 28.4%, respectively, compared to the same periods of 2016. These increases were primarily driven by the assets we acquired in the DCPayments and Spark acquisitions, completed during January 2017, and to a lesser extent, incremental depreciation expense associated with our U.S. ATM upgrades and replacements.

Amortization of Intangible Assets

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2017	2016	% Change	2017	2016	% Change
	(In thousands, excluding percentages)					
Amortization of intangible assets	$14,996	$ 9,175	*63.4 %*	$45,423	$28,129	*61.5 %*
Percentage of total revenues	3.7 %	2.8 %		4.0 %	2.9 %	

Amortization of intangible assets. For the three and nine months ended September 30, 2017, amortization of intangible assets increased by $5.8 million and $17.3 million, respectively, compared to the same periods of 2016. These increases were driven by the additional intangible assets that we recognized in connection with the DCPayments and Spark acquisitions, completed during January 2017.

Loss (Gain) on Disposal and Impairment of Assets

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2017	2016	% Change	2017	2016	% Change
	(In thousands, excluding percentages)					
Loss (gain) on disposal and impairment of assets	$ 22,307	$ 469	*n/m*	$ 26,170	$ (475)	*n/m*
Percentage of total revenues	5.5 %	0.1 %		2.3 %	— %	

Loss (gain) on disposal and impairment of assets. For the three and nine months ended September 30, 2017, loss (gain) on disposal and impairment of assets increased by $21.8 million and $26.6 million, respectively, compared to the same periods of 2016.

The increase relative to the prior periods is a result of an unexpected market shift in Australia following the announcement by the country’s four largest banks that they will remove direct charges to all consumers at their ATMs. Responsive to the announcement we recognized $21.5 million in impairment charges to reduce the carrying values of certain long-lived assets and recognize inventory associated with our Australia & New Zealand segment at its estimated net realizable value. For additional information related to this unexpected market shift in Australia, see *Item 1. Financial Statements, Note 1. General and Basis of Presentation – (f) Goodwill and Intangible Assets*. During the three months ended March 31, 2017, we also identified certain assets that will likely be abandoned or are no longer capable of recovering their carrying values and recognized $3.2 million in asset impairment charges.

Interest Expense, Net

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2017	2016	% Change	2017	2016	% Change
	(In thousands, excluding percentages)					
Interest expense, net	$ 9,743	$ 4,269	*128.2 %*	$25,760	$13,227	*94.8 %*
Percentage of total revenues	2.4 %	1.3 %		2.3 %	1.4 %	

Interest expense, net. For the three and nine months ended September 30, 2017, interest expense, net, increased $5.5 million and $12.5 million, respectively, compared to the same periods of 2016. These increases were attributable to the incremental outstanding borrowings to fund the DCPayments and Spark acquisitions completed during January 2017. For additional information related to our outstanding borrowings, see *Item 1. Financial Statements, Note 8. Long-Term Debt.*

Income Tax Expense

	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	% Change	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016	% Change
	(In thousands, excluding percentages)					
Income tax (benefit) expense	$ (4,053)	$ 8,388	*(148.3)%*	$ (2,335)	$26,204	*(108.9)%*
Effective tax rate	2.3 %	23.4 %		1.4 %	29.4 %	

Income tax expense. The decrease in income tax expense compared to the same periods of 2016 was largely attributable to the impairments recognized in the three months ended September 30, 2017, as well as mix of earnings across jurisdictions, and the excess tax benefits realized in the first quarter of 2017 related to share-based compensation in accordance with Financial Accounting Standards Board issued Accounting Standard Update No. 2016-09, *Improvements to Employee Stock-Based Payment Accounting* ("ASU 2016-09"). For additional information related to ASU 2016-09, see *Item 1. Financial Statements, Note 1. General and Basis of Presentation – (b) Basis of Presentation.*

Non-GAAP Financial Measures

EBITDA, Adjusted EBITDA, Adjusted EBITA, Adjusted Net Income, Adjusted Net Income per diluted share, Free Cash Flow, and certain results prepared in accordance with accounting principles generally accepted in the U.S. (“U.S. GAAP”), as well as non-GAAP measures on a constant-currency basis represent non-GAAP financial measures provided as a complement to financial results prepared in accordance with U.S. GAAP and may not be comparable to similarly-titled measures reported by other companies. We use these non-GAAP financial measures in managing and measuring the performance of our business, including setting and measuring incentive based compensation for management. We believe 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 our business and provide for better comparability between periods in different years. Adjusted EBITDA and Adjusted EBITA exclude amortization of intangible assets, 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, our obligation for the payment of income taxes, interest expense, and other obligations such as capital expenditures, and includes an adjustment for noncontrolling interests. Additionally, Adjusted EBITDA excludes depreciation and accretion expense. Depreciation and accretion expense and amortization of intangible assets are excluded as these amounts can vary substantially from company to company within our industry depending upon accounting methods and book values of assets, capital structures, and the methods by which the assets were acquired. Adjusted Net Income represents net income computed in accordance with U.S. 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”). Prior to June 30, 2016, Adjusted Net Income was calculated using an estimated long-term, cross-jurisdictional effective cash tax rate of 32.0%. Subsequent to the redomicile of our parent company to the U.K., we revised the process for determining our non-GAAP tax rate and now utilizes a non-GAAP tax rate derived from the U.S. GAAP tax rate adjusted for the net tax effects of the Adjustments, based on the nature and geography of the Adjustments. For the three months ended September 30, 2016, the non-GAAP tax rate used to calculate Adjusted Net Income was approximately 24.2%. For the nine months ended September 30, 2016, we used 24.2% for the quarter ended September 30, 2016 and for the six months ended June 30, 2016, our previous estimated long-term cross jurisdictional tax rate of 32.0%. For the three and nine months ended September 30, 2017, the non-GAAP tax rate used to calculate Adjusted Net Income was approximately 26.8% and 27.4%, respectively. Adjusted Net Income per diluted share is calculated by dividing Adjusted Net Income by weighted average diluted shares outstanding. Free Cash Flow is defined as cash provided by operating activities less payments for capital expenditures, including those financed through direct debt, but excluding acquisitions. The Free Cash Flow measure does not take into consideration certain other non-discretionary cash requirements such as mandatory principal payments on portions of our long-term debt. Management calculates certain U.S. 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 U.S. 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 U.S. GAAP. Reconciliations of the non-GAAP financial measures used herein to the most directly comparable U.S. GAAP financial measures are presented as follows:

Reconciliation of Net Income Attributable to Controlling Interests and Available to Common Shareholders to EBITDA, Adjusted EBITDA, Adjusted EBITA, and Adjusted Net Income (in thousands, excluding share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	**2016**	**2017**	**2016**
Net (loss) income attributable to controlling interests and available to common shareholders	**$ (175,561)**	**$ 27,490**	**$ (161,304)**	**$ 63,022**
Adjustments:				
Interest expense, net	9,743	4,269	25,760	13,227
Amortization of deferred financing costs and note discount	3,195	2,872	9,317	8,636
Income tax (benefit) expense	(4,053)	8,388	(2,335)	26,204
Depreciation and accretion expense	29,807	23,308	88,683	69,085
Amortization of intangible assets	14,996	9,175	45,423	28,129
EBITDA	**$ (121,873)**	**$ 75,502**	**$ 5,544**	**$ 208,303**
Add back:				
Loss (gain) on disposal and impairment of assets	22,307	469	26,170	(475)
Other expense [(1)]	(2,095)	360	(1,730)	748
Noncontrolling interests [(2)]	(9)	(15)	(19)	(50)
Share-based compensation expense	4,151	6,642	9,971	15,780
Redomicile-related expenses [(3)]	22	951	782	12,201
Restructuring expenses [(4)]	—	—	8,243	—
Acquisition and divestiture-related expenses [(5)]	2,889	2,680	15,338	4,938
Goodwill and intangible asset impairment [(6)]	194,521	—	194,521	—
Adjusted EBITDA	**$ 99,913**	**$ 86,589**	**$ 258,820**	**$ 241,445**
Less:				
Depreciation and accretion expense [(7)]	29,805	23,301	88,677	69,063
Adjusted EBITA	**$ 70,108**	**$ 63,288**	**$ 170,143**	**$ 172,382**
Less:				
Interest expense, net	9,743	4,269	25,760	13,227
Adjusted pre-tax income	60,365	59,019	144,383	159,155
Income tax expense [(8)]	16,178	14,271	39,595	46,314
Adjusted Net Income	**$ 44,187**	**$ 44,748**	**$ 104,788**	**$ 112,841**
Adjusted Net Income per share – basic	**$ 0.97**	**$ 0.99**	**$ 2.30**	**$ 2.50**
Adjusted Net Income per share – diluted [(9)]	**$ 0.96**	**$ 0.98**	**$ 2.27**	**$ 2.47**
Weighted average shares outstanding – basic	45,662,543	45,252,869	45,597,558	45,175,604
Weighted average shares outstanding – diluted	46,197,178	45,850,061	46,238,070	45,765,235

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

(2) Noncontrolling interest adjustment made such that Adjusted EBITDA includes only our ownership interest in the Adjusted EBITDA of one of our Mexican subsidiaries.

(3) Expenses associated with the redomicile of our parent company to the U.K., which was completed on July 1, 2016.

(4) Expenses primarily related to employee severance costs associated with our Restructuring Plan implemented in the first quarter of 2017.

(5) Acquisition and divestiture-related expenses include costs incurred for professional and legal fees and certain other transition and integration-related costs.

(6) Goodwill and intangible asset impairments related to the Company's Australia & New Zealand segment.

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

(8) For the three and nine months ended September 30, 2017, calculated using an effective tax rate of approximately 26.8% and 27.4%, respectively, which represents our U.S. GAAP tax rate as adjusted for the net tax effects related to the items excluded from Adjusted Net Income. For the three months ended September 30, 2016, calculated using 24.2%. For the nine months ended September 30, 2016, we used 24.2% for the quarter ended and for the six months ended June 30, 2016, our previous estimated long-term cross-jurisdictional tax rate of 32.0%. See *Non-GAAP Financial Measures* above.

(9) Consistent with the positive Adjusted Net Income, the Adjusted Net Income per diluted share amounts have been calculated using the diluted shares outstanding that would have resulted from positive GAAP Net Income.

Reconciliation of U.S. GAAP Revenue to Constant-Currency Revenue

Europe & Africa revenue

	Three Months Ended September 30,					
	2017			2016	% Change	
	U.S. GAAP	Foreign Currency Impact	Constant - Currency	U.S. GAAP	U.S. GAAP	Constant - Currency
	(In thousands)					
ATM operating revenues	$ 107,497	$ (231)	$ 107,266	$ 94,154	14.2 %	13.9 %
ATM product sales and other revenues	2,088	(2)	2,086	1,409	48.2	48.0
Total revenues	$ 109,585	$ (233)	$ 109,352	$ 95,563	14.7 %	14.4 %

	Nine Months Ended September 30,					
	2017			2016	% Change	
	U.S. GAAP	Foreign Currency Impact	Constant - Currency	U.S. GAAP	U.S. GAAP	Constant - Currency
	(In thousands)					
ATM operating revenues	$ 293,827	$ 22,190	$ 316,017	$ 276,452	6.3 %	14.3 %
ATM product sales and other revenues	6,159	380	6,539	4,206	46.4	55.5
Total revenues	$ 299,986	$ 22,570	$ 322,556	$ 280,658	6.9 %	14.9 %

Consolidated revenue

	Three Months Ended September 30,					
	2017			2016	% Change	
	U.S. GAAP	Foreign Currency Impact	Constant - Currency	U.S. GAAP	U.S. GAAP	Constant - Currency
	(In thousands)					
ATM operating revenues	$ 390,143	$ (623)	$ 389,520	$ 314,788	23.9 %	23.7 %
ATM product sales and other revenues	11,807	(6)	11,801	13,546	(12.8)	(12.9)
Total revenues	$ 401,950	$ (629)	$ 401,321	$ 328,334	22.4 %	22.2 %

	Nine Months Ended September 30,					
	2017			2016	% Change	
	U.S. GAAP	Foreign Currency Impact	Constant - Currency	U.S. GAAP	U.S. GAAP	Constant - Currency
	(In thousands)					
ATM operating revenues	$ 1,105,191	$ 22,022	$ 1,127,213	$ 918,207	20.4 %	22.8 %
ATM product sales and other revenues	39,443	355	39,798	37,335	5.6	6.6
Total revenues	$ 1,144,634	$ 22,377	$ 1,167,011	$ 955,542	19.8 %	22.1 %

Reconciliation of Adjusted EBITDA, Adjusted Net Income, and Adjusted Net Income per diluted share on a Non-GAAP basis to Constant-Currency

	Three Months Ended September 30,					
	2017			2016	% Change	
	Non-GAAP [1]	Foreign Currency Impact	Constant-Currency	Non-GAAP [1]	Non-GAAP [1]	Constant-Currency
	(In thousands)					
Adjusted EBITDA	$ 99,913	$ (91)	$ 99,822	$ 86,589	15.4 %	15.3 %
Adjusted Net Income	$ 44,187	$ (14)	$ 44,173	$ 44,748	(1.3)%	(1.3)%
Adjusted Net Income per share – diluted [2]	$ 0.96	$ —	$ 0.96	$ 0.98	(2.0)%	(2.0)%

	Nine Months Ended September 30,					
	2017			2016	% Change	
	Non-GAAP [1]	Foreign Currency Impact	Constant-Currency	Non-GAAP [1]	Non-GAAP [1]	Constant-Currency
	(In thousands)					
Adjusted EBITDA	$ 258,820	$ 6,311	$ 265,131	$ 241,445	7.2 %	9.8 %
Adjusted Net Income	$ 104,788	$ 2,860	$ 107,648	$ 112,841	(7.1)%	(4.6)%
Adjusted Net Income per share – diluted [2]	$ 2.27	$ 0.06	$ 2.33	$ 2.47	(8.1)%	(5.7)%

(1) As reported on the *Reconciliation of Net Income Attributable to Controlling Interests and Available to Common Shareholders to EBITDA, Adjusted EBITDA, Adjusted EBITA, and Adjusted Net Income* above.

(2) Adjusted Net Income per diluted share is calculated by dividing Adjusted Net Income by the weighted average diluted shares outstanding of 46,197,178 and 45,850,061 for the three months ended September 30, 2017 and 2016, respectively, and 46,238,070 and 45,765,235 for the nine months ended September 30, 2017 and 2016, respectively. Consistent with the positive Adjusted Net Income, the Adjusted Net Income per diluted share amounts have been calculated using the diluted shares outstanding that would have resulted from positive GAAP Net Income.

Reconciliation of Free Cash Flow

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	(In thousands)			
Cash provided by operating activities	$ 79,706	$ 89,346	$ 164,284	$ 213,931
Payments for capital expenditures [1]:				
Cash used in investing activities, excluding acquisitions and divestitures	(41,556)	(36,479)	(111,424)	(76,050)
Free cash flow	$ 38,150	$ 52,867	$ 52,860	$ 137,881

(1) Capital expenditure amounts include payments made for exclusive license agreements, site acquisition costs, and other intangible assets. Additionally, capital expenditure amounts for one of our Mexican subsidiaries are reflected gross of any noncontrolling interest amounts.

Liquidity and Capital Resources

Overview

As of September 30, 2017, we had $61.5 million in cash and cash equivalents and $949.8 million in outstanding long-term debt.

We have historically funded our operations primarily through cash flows from operations, borrowings under our revolving credit facility, and the issuance of debt and equity securities and used a portion of our cash flows to invest in additional ATMs, either through acquisitions or through organic growth. We have also used cash to pay interest and principal amounts outstanding under our borrowings. Because we collect a sizable portion of our cash from sales on a daily basis but generally pay our vendors on 30 day terms and are not required to pay certain of our merchants until 20 days after the end of each calendar month, we are able to utilize the excess available cash flow to reduce borrowings made under our revolving credit facility and to fund capital expenditures. Accordingly, it is not uncommon for us to reflect a working capital deficit position in the accompanying Consolidated Balance Sheets.

We believe that our cash on hand and our current revolving credit facility will be sufficient to meet our working capital requirements and contractual commitments for the next twelve months. We expect to fund our working capital needs from cash flows from our operations and borrowings under our revolving credit facility, to the extent needed.

Operating Activities

Net cash provided by operating activities totaled $164.3 million during the nine months ended September 30, 2017, compared to $213.9 million during the same period of 2016. The decrease in net cash provided by operating activities is primarily attributable to our changes in working capital during the first half of the year, lower earnings resulting from higher operating costs, impacted in part by the cash payments pertaining to our acquisition and restructuring activities.

Investing Activities

Net cash used in investing activities totaled $598.5 million during the nine months ended September 30, 2017, compared to $86.4 million during the same period of 2016. The increase in net cash used in investing activities is primarily attributable to the DCPayments and Spark acquisitions completed during January 2017.

Acquisitions. We continually evaluate acquisition opportunities that complement our existing business. We believe that expansion opportunities exist in all of our current markets, as well as in other geographic markets, and we will continue to pursue those opportunities as they arise. Such acquisition opportunities, individually or in the aggregate, could be material and may be funded by additional borrowings under our revolving credit facility or other financial sources that may be available to us.

On January 6, 2017, we completed the acquisition of DCPayments, for a total transaction value of approximately $658 million Canadian Dollars (approximately $495 million U.S. dollars). On January 31, 2017, we completed the acquisition of Spark with initial cash consideration, paid at closing, and potential additional contingent consideration subject to certain performance conditions being met in future periods. Both of these transactions were financed with cash on hand and borrowings under our revolving credit facility. For additional information, see *Recent Events and Trends – Acquisitions* above.

Anticipated future capital expenditures. We currently anticipate that the majority of our capital expenditures for the foreseeable future will be attributable to organic growth projects, including the purchase of ATMs for both new and existing ATM management agreements and various compliance requirements as discussed in *Recent Events and Trends – Capital investments* above. Through September 30, 2017, our capital expenditures were $111.4 million. We expect that our capital expenditures for the remainder of 2017 will total approximately $20 million to $30 million, the majority of which is expected to be utilized to support new business growth. We expect such capital expenditures to be funded primarily through our cash flows from operations and we anticipate being able to fund all capital expenditures internally.

Financing Activities and Facilities

Net cash provided by (used in) financing activities totaled $427.3 million during the nine months ended September 30, 2017, compared to $(93.1) million during the same period of 2016. The cash provided by financing activities is primarily attributable to the issuance of our 5.50% Senior Notes due 2025 (the "2025 Notes") and additional borrowings under our revolving credit facility used to fund the DCPayments and Spark acquisitions.

For information related to our financing facilities, see *Item 1. Financial Statements, Note 8. Long-term Debt.*

New Accounting Standards

For information related to recent accounting pronouncements not yet adopted during 2017, se e *Item 1. Financial Statements, Note 18. New Accounting Pronouncements.*

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The following market risk disclosures should be read in conjunction with the quantitative and qualitative disclosures about market risk contained in our 2016 Form 10-K.

We are exposed to certain risks related to our ongoing business operations, including interest rate risk associated with our vault cash rental obligations and, to a lesser extent, borrowings under our revolving credit facility. The following quantitative and qualitative information is provided about financial instruments to which we were a party at September 30, 2017, and from which we may incur future gains or losses from changes in market interest rates or foreign currency exchange rates. We do not enter into derivative or other financial instruments for speculative or trading purposes.

Hypothetical changes in interest rates and foreign currency exchange rates chosen for the following estimated sensitivity analysis are considered to be reasonably possible near-term changes generally based on consideration of past fluctuations for each risk category. However, since it is not possible to accurately predict future changes in interest rates and foreign currency exchange rates, these hypothetical changes may not necessarily be an indicator of probable future fluctuations.

Interest Rate Risk

Vault cash rental expense. Because our ATM vault cash rental expense is based on market rates of interest, it is sensitive to changes in the general level of interest rates in the respective countries in which we operate. We pay a monthly fee on the average outstanding vault cash balances in our ATMs under floating rate formulas based on a spread above various interbank offered rates in the U.S., the U.K., Germany, Poland, and Spain. In Australia, the formula is based on the Bank Bill Swap Rates ("BBSY"), in South Africa, the rate is based on the South African Prime Lending rate, in Canada, the rate is based on the Bank of Canada's Bankers Acceptance Rate and the Canadian Prime Rate, and in Mexico, the rate is based on the Interbank Equilibrium Interest Rate (commonly referred to as the "TIIE").

As a result of the significant sensitivity surrounding our vault cash rental expense, we have entered into a number of interest rate swap contracts with varying notional amounts and fixed interest rates in the U.S. and the U.K. to effectively fix the rate we pay on the amounts of our current and anticipated outstanding vault cash balances.

The notional amounts, weighted average fixed rates, and terms associated with our interest rate swap contracts that are currently in place in the U.S. and the U.K. (as of the date of the issuance of this Form 10-Q) are as follows:

Notional Amounts U.S. $		Weighted Average Fixed Rate U.S.	Notional Amounts U.K. £		Weighted Average Fixed Rate U.K.	Term
(In millions)			(In millions)			
$	1,000	2.53 %	£	550	0.82 %	November 1, 2017 – December 31, 2017
$	1,150	2.17 %	£	550	0.82 %	January 1, 2018 – December 31, 2018
$	1,000	2.06 %	£	550	0.90 %	January 1, 2019 – December 31, 2019
$	1,000	2.06 %	£	500	0.94 %	January 1, 2020 – December 31, 2020
$	400	1.46 %	£	500	0.94 %	January 1, 2021 – December 31, 2021
$	400	1.46 %	£	500	0.94 %	January 1, 2022 – December 31, 2022

In conjunction with the DCPayments acquisition, completed on January 6, 2017, we became party to a $50.0 million Australian dollar notional amount, 2.75% fixed rate interest rate swap contract, which terminates on February 27, 2018, a $50.0 million Australian dollar notional amount, 3.2% fixed rate interest rate swap contract, which terminates on September 28, 2018, and a $35.0 million Australian dollar notional amount, 2.98% fixed rate interest rate swap contract, which terminates on February 28, 2019. Effective January 6, 2017, these interest rate swap contracts were designated as cash flow hedging instruments.

The notional amounts, weighted average fixed rates, and terms associated with our interest rate swap contracts that are currently in place in Australia (as of the date of the issuance of this Form 10-Q) are as follows:

Notional Amounts AUS $		Weighted Average Fixed Rate	Term
(In millions)			
$	135	2.98 %	November 1, 2017 – February 27, 2018
$	85	3.11 %	February 28, 2018 – September 28, 2018
$	35	2.98 %	September 29, 2018 – February 28, 2019

Summary of Interest Rate Exposure on Average Outstanding Vault Cash Balances

The following table presents a hypothetical sensitivity analysis of our annual vault cash rental expense in North America based on our average outstanding vault cash balance for the quarter ended September 30, 2017 and assuming a 100 basis point increase in interest rates (in millions):

Average outstanding vault cash balance	$	2,374
Interest rate swap contracts fixed notional amount		(1,000)
Residual unhedged outstanding vault cash balance	$	1,374
Additional annual interest incurred on 100 basis point increase	$	13.74

We also have terms in certain of our North America contracts with merchants and financial institution partners where we can decrease fees paid to merchants or effectively increase the fees paid to us by financial institutions if vault cash rental costs increase. Such protection will serve to reduce but not eliminate the exposure calculated above. Furthermore, we have the ability in North America to partially mitigate our interest rate exposure through our operations. We believe we can reduce the average outstanding vault cash balances as interest rates rise by visiting ATMs more frequently with lower cash amounts. This ability to reduce the average outstanding vault cash balances is partially constrained by the incremental cost of more frequent ATM visits. Our contractual protections with merchants and financial institution partners and our ability to reduce the average outstanding vault cash balances will serve to reduce but not eliminate interest rate exposure.

The following table presents a hypothetical sensitivity analysis of our annual vault cash rental expense in Europe & Africa based on our average outstanding vault cash balance for the quarter ended September 30, 2017 and assuming a 100 basis point increase in interest rates (in millions):

Average outstanding vault cash balance	$	1,224
Interest rate swap contracts fixed notional amount		(715)
Residual unhedged outstanding vault cash balance	$	509
Additional annual interest incurred on 100 basis point increase	$	5.09

The following table presents a hypothetical sensitivity analysis of our annual vault cash rental expense in Australia based on our average outstanding vault cash balance for the quarter ended September 30, 2017 and assuming a 100 basis point increase in interest rates (in millions):

Average outstanding vault cash balance	$	257
Interest rate swap contracts fixed notional amount		(104)
Residual unhedged outstanding vault cash balance	$	153
Additional annual interest incurred on 100 basis point increase	$	1.53

As of September 30, 2017, we had an asset of $14.6 million and a liability of $18.7 million recorded in the accompanying Consolidated Balance Sheets related to our interest rate swap contracts, which represented the fair value asset or liability of the interest rate swap contracts, as derivative instruments are required to be carried at fair value. The fair value estimate was calculated as the present value of amounts estimated to be received or paid to a marketplace participant in a selling transaction. These interest rate swap contracts are valued using pricing models based on significant other observable inputs (Level 2 inputs under the fair value hierarchy prescribed by U.S. GAAP), the effective portion of the gain or loss on the derivative instrument is reported as a component of the Accumulated other comprehensive loss, net line item in the accompanying Consolidated Balance Sheets and reclassified into earnings in the Vault cash rental expense line item in the accompanying Consolidated Statements of Operations in the same period or periods during which the hedged transaction affects earnings and has been forecasted into earnings.

Interest expense. Our interest expense is also sensitive to changes in interest rates as borrowings under our revolving credit facility accrue interest at floating rates. In connection with the acquisition of DCPayments, we increased our borrowings under our revolving credit facility. Subsequently, in April 2017, we issued the 2025 Notes at a fixed interest rate of 5.50% and used the net proceeds to repay $295.0 million of the outstanding borrowings under our revolving credit facility. As a result, our outstanding borrowings and exposure to floating interest rates under our revolving credit facility were significantly lowered in April 2017. As of September 30, 2017, our outstanding borrowings under our revolving credit facility, which carries a floating interest rate, were $157.6 million. In the future, we may consider derivative instruments to effectively fix the interest rate on a portion of the outstanding borrowings under our revolving credit facility.

Outlook. Although we currently hedge a substantial portion of our vault cash interest rate risk in the U.S., the U.K., and Australia, we may not be able to enter into similar arrangements for similar amounts in the future, and any significant increase in interest rates in the future could have an adverse impact on our business, financial condition, and results of operations by increasing our operating expenses. However, we expect that the impact on our consolidated financial statements from a significant increase in interest rates would be partially mitigated by the interest rate swap contracts that we currently have in place associated with our vault cash balances in the U.S., the U.K., and Australia and other protective measures we have put in place to mitigate such risk.

Foreign Currency Exchange Rate Risk

As a result of our operations in the U.K., Ireland, Germany, Poland, Spain, Mexico, Canada, Australia, New Zealand, and South Africa, we are exposed to market risk from changes in foreign currency exchange rates. The functional currencies of our international subsidiaries are their respective local currencies. The results of operations of our international subsidiaries are translated into U.S. dollars using average foreign currency exchange rates in effect during the periods in which those results are recorded and the assets and liabilities are translated using the foreign currency exchange rate in effect as of each balance sheet reporting date. These resulting translation adjustments to assets and liabilities have been reported in the Accumulated other comprehensive loss, net line item in the accompanying Consolidated Balance Sheets. As of September 30, 2017, this accumulated translation loss totaled $30.5 million compared to $81.6 million as of December 31, 2016.

Our consolidated financial results were significantly impacted by changes in foreign currency exchange rates during the nine months ended September 30, 2017 compared to the same periods of 2016. Our total revenues during the nine months ended September 30, 2017 would have been higher by approximately $22.4 million, had the foreign currency exchange rates from the same periods of 2016, remained unchanged. A sensitivity analysis indicates that, if the U.S. dollar uniformly strengthened or weakened 10.0% against the British pound, Euro, Polish zloty, Mexican peso, Australian dollar, South African Rand, or Canadian dollar the effect upon our operating income would have been approximately $2.4 million and $4.6 million, respectively, for the three and nine months ended September 30, 2017. While we have not typically entered into forward currency swaps, we may enter such transactions in the future to mitigate exposure to changes in foreign currency exchange rates related to cash flows generated in currencies other than the U.S. dollar.

Certain intercompany balances are designated as short-term in nature. The changes in these balances related to foreign currency exchange rates have been recorded in the accompanying Consolidated Statements of Operations and we are exposed to foreign currency exchange rate risk as it relates to these intercompany balances.

Item 4. Controls and Procedures

Management's Quarterly Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), we have evaluated, under the supervision and with the participation of management, including our principal executive officer and principal financial officer, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Form 10-Q. Our disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the U.S. Securities and Exchange Commission. Based upon that evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective as of September 30, 2017 at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

In conjunction with the evaluation described above, there have been no changes in our system of internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended September 30, 2017 that have materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For additional information related to our material pending legal and regulatory proceedings and settlements, see *Part I. Financial Information, Item 1. Financial Statements, Note 13. Commitments and Contingencies.*

Item 1A. Risk Factors

You should carefully consider the risks discussed in *Part I. Item 1A. Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2016 ("2016 Form 10-K"), the risk factor described in *Part II. Other Information, Item 1A. Risk Factors* in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017 ("First Quarter Form 10-Q"), the risk factors described below, and other information included and incorporated by reference in this report. These risks could materially affect our business, financial condition, or future results. There have been no material changes in our assessment of our risk factors from those set forth in our 2016 Form 10-K or our First Quarter Form 10-Q, except with the respect to the risk factors described below.

The unexpected introduction of free-to-use ATMs in Australia may adversely impact our revenues and profits.

On September 23, 2017, Australia's four largest banks, the Commonwealth Bank of Australia ("CBA"), Australia and New Zealand Banking Group Limited ("ANZ"), Westpac Banking Corporation ("Westpac"), and National Australia Bank Limited ("NAB"), each independently announced decisions to remove all direct charges applied to domestic transactions completed at their respective ATM networks effectively creating a free-to-use network of ATM terminals that did not exist previously. This unexpected market shift appears to have been instigated by a decision and announcement by CBA to remove direct charges to all users of its ATMs, regardless of whether or not the users are customers of the bank. Shortly thereafter, ANZ, Westpac, and NAB followed with announcements that direct charges in their ATM networks would also be removed for all users of their ATMs. As of the date of filing of this Form 10-Q, all four banks have removed direct charges.

Australia is a direct charge market where cardholders pay a fee (the "direct charge") to ATM operators for each transaction, unless the ATM where the transaction is completed is part of the cardholder's issuing bank ATM network. There is currently no broad interchange arrangement in Australia between card issuers and ATM operators to compensate ATM operators for the cost of providing a service to cardholders in the absence of a direct charge levied on the cardholder directly. Currently, more than 80% of our revenues in Australia are sourced from direct charge fees paid by cardholders. As a result, this introduction of free-to-use ATMs in Australia may adversely impact our revenues and profits.

We are continuing to evaluate the impact that this unexpected market shift will have on our Australian ATM transaction volumes and associated revenues in the near-term, as well as potential strategic implications for a broader market adoption of free-to-use ATMs in Australia similar to those in other markets in which we operate. As of September 30, 2017, these developments were determined to be an indicator of impairment of our Australia & New Zealand reporting unit and related long-lived assets. As further discussed in the risk factor below and in *Part I. Financial Information, Item I. Financial Statements, Note 1. General and Basis of Presentation – (f) Goodwill and Intangible Assets,* we recorded an impairment of certain assets in our Australia & New Zealand reporting unit during the three months ended September 30, 2017.

If we experience additional impairments of our goodwill or other intangible assets, we will be required to record a charge to earnings, which may be significant.

We have a large amount of goodwill and other intangible assets and are required to perform periodic assessments for any possible impairment for accounting purposes. We periodically evaluate the recoverability and the amortization period of our intangible assets under U.S. GAAP. Some of the factors that we consider to be important in assessing whether or not impairment exists include the performance of the related assets relative to the expected historical or projected future operating results, significant changes in the manner of our use of the assets or the strategy for our overall business, and significant negative industry or economic trends. These factors and assumptions, and any changes in them, could result in an impairment of our goodwill and other intangible assets.

During the three months ended September 30, 2017, we noted impairment indicators associated with our Australia & New Zealand reporting unit and recognized impairments of our goodwill, other intangible assets and other long-lived assets of $140.0 million, $54.5 million, and $19.0 million, respectively. We also recognized charges of $2.5 million to inventory at our Australia and New Zealand reporting unit. See the risk factor entitled *The unexpected introduction of free-to-use ATMs in Australia may adversely impact our revenues and profits* above for additional information regarding the market changes that resulted in this impairment. As of September 30, 2017 and subsequent to the recorded impairments, we had goodwill and other intangible assets of $771.2 million and $220.2 million, respectively, of which $13.3 million of goodwill and $29.9 million of other intangible assets, respectively, were held by our Australia & New Zealand reporting unit.

In the event we determine our goodwill or amortizable intangible assets are further impaired in the future, we may be required to record a significant charge to earnings in our consolidated financial statements, which would negatively impact our results of operations and that impact could be material.

We depend on ATM and financial services transaction fees for substantially all of our revenues, and our revenues and profits would be reduced by a decline in the usage of our ATMs or a decline in the number of ATMs that we operate, whether as a result of global economic conditions, competition or otherwise.

Transaction fees charged to cardholders and their financial institutions for transactions processed on our ATMs and multi-function financial services kiosks, including surcharge and interchange transaction fees, have historically accounted for most of our revenues. We expect that transaction fees, including fees we receive through our bank-branding and surcharge-free network offerings, will continue to account for a substantial majority of our revenues for the foreseeable future. Consequently, our future operating results will depend on many factors, including: (i) the market acceptance of our services in our target markets, (ii) the level of transaction fees we receive, (iii) our ability to install, acquire, operate, and retain ATMs, (iv) usage of our ATMs by cardholders, and (v) our ability to continue to expand our surcharge-free and other automated consumer financial services offerings. If alternative technologies to our services are successfully developed and implemented, we may experience a decline in the usage of our ATMs. Surcharge rates, which are largely market-driven and are negotiated between us and our merchant partners, could be reduced over time. Further, growth in surcharge-free ATM networks and widespread consumer bias toward these networks could adversely affect our revenues, even though we maintain our own surcharge-free offerings. Many of our ATMs are utilized by consumers that frequent the retail establishments in which our ATMs are located, including convenience stores, gas stations, malls, grocery stores, drug stores, airports, train stations, and other large retailers. If there is a significant slowdown in consumer spending, and the number of consumers that frequent the retail establishments in which we operate our ATMs declines significantly, the number of transactions conducted on those ATMs, and the corresponding transaction fees we earn, may also decline. Additionally, should banks increase the fees they charge to their customers when using an ATM outside of their network (i.e. out of network or foreign bank fees), this would effectively make transactions at our ATM more expensive to consumers and could adversely impact our transaction volumes and revenues. Alternatively, should banks or other ATM operators decrease or eliminate the fees they charge to users of their ATMs in any of our markets, such action would make transactions at our ATM comparatively more expensive to consumers and could adversely impact our transaction volumes and revenues. A decline in usage of our ATMs by cardholders, in the levels of fees received by us in connection with this usage, or in the number of ATMs that we operate, would have a negative impact on our revenues and cash flows and would limit our future growth potential.

Interchange fees, which comprise a substantial portion of our transaction revenues, may be lowered in some cases at the discretion of the various EFT networks through which our transactions are routed, or through potential regulatory changes, thus reducing our future revenues.

Interchange fees, which represented 37.3% of our total ATM operating revenues for the year ended December 31, 2016, are set by the various EFT networks and major interbank networks through which the transactions conducted on our ATMs are routed. These fees vary from one network to the next. As of December 31, 2016, approximately 4% of our total ATM operating revenues were subject to pricing changes by U.S. networks over which we currently have limited influence or where we have no ability to offset pricing changes through lower payments to merchants. During the year ended December 31, 2016, 21% of our total ATM operating revenues were derived from interchange revenues in the U.K. and in the nine months ended September 30, 2017, 18% of our total ATM operating revenues were derived from interchange revenues in the U.K. In the U.K. a significant majority of the interchange revenues we earn are based on rates set by LINK, the major interbank network in that market, which has historically been determined using an annual cost-based study performed by an independent third-party organization. The remainder of reported interchange revenue reflects transaction-based revenues where we have contractually agreed to the rate with a financial institution or network. Accordingly, if some of the networks through which our ATM transactions are routed were to reduce the interchange rates paid to us or increase their transaction fees charged to us for routing transactions across their network, our future transaction revenues could decline.

In past years, certain networks have reduced the net interchange rates paid to ATM deployers for ATM transactions in the U.S. routed across their debit networks through a combination of reducing the transaction rates charged to financial institutions and higher per transaction fees charged by the networks to ATM operators. In addition to the impact of the net interchange rate decrease, we saw certain financial institutions migrate their volume away from some networks to take advantage of the lower pricing offered by other networks, resulting in lower net interchange rates per transaction to us.

Additionally, some consumer groups in the U.S. have expressed concern that consumers using an ATM may not be aware that, in addition to paying the surcharge fee that is disclosed to them at the ATM, their financial institution may also assess an additional fee with regard to that consumer's transaction. These fees are sometimes referred to as "foreign bank fees" or "out of network fees." While there are currently no pending legislative actions calling for limits on the amount of interchange fees that can be charged by the EFT networks to financial institutions for ATM transactions or the amount of fees that financial institutions can charge to their customers to offset their interchange expense, there can be no assurance that such legislative actions will not occur in the future. Any potential future network or legislative actions that affect the amount of interchange fees that can be assessed on a transaction may adversely affect our revenues.

Our U.K.-based revenues are significantly impacted by interchange rates, with the majority of our interchange revenues in that market being earned through the LINK network. In previous years, LINK has set interchange rates for its participants using a cost-based methodology that incorporates ATM service costs, generally from two years back (i.e., operating costs from 2015 are considered for determining the 2017 interchange rate) and, as a result, the interchange rate can vary year-to-year based on the output of the cost-based study. We have seen the LINK interchange rate move both up and down based on the results of the cost study. In addition to LINK transactions, certain card issuers in the U.K. have issued cards that are not affiliated with the LINK network, and instead carry the Visa or MasterCard network brands. Transactions conducted on our ATMs from these cards, which currently represent approximately 2% of our annual withdrawal transactions in the U.K., receive interchange fees that are set by Visa or MasterCard, respectively. The interchange rates set by Visa and MasterCard have historically been less than the rates that have been established by LINK. Accordingly, if any major financial institution in the U.K. decided to leave the LINK network in favor of Visa, MasterCard, or another network, and we elected to continue to accept the transactions of their cardholders, such a move could reduce the interchange revenues that we currently receive from the related withdrawal transactions conducted on our ATMs in that market. More recently, some of the major financial institutions that participate in LINK have expressed concern about the LINK interchange rate and commenced efforts to significantly lower the interchange rate. During 2017, a group of members of LINK (the "Working Group") worked to develop a new interchange rate setting mechanism. After several months of analysis and discussion, the Working Group was unable to reach a recommended amended approach that was satisfactory to its participants, and as a result of this outcome, along with governance recommendations by the Bank of England, in October 2017, it was decided that an independent board of LINK ("LINK Board") would recommend interchange rates going forward. On November 1, 2017, the LINK Board announced that it had reached some tentative recommendations, subject to further comment by the LINK members. The LINK Board proposal seeks to reduce interchange rates by approximately 5% per year, and in the aggregate, approximately 20% over a four year period, commencing on April 1, 2018. The intention of the LINK Board proposal is for the new interchange rates to apply from April 1, 2018 and to be finalized no later than January 31, 2018. The interchange rate for the first quarter of 2018 has been calculated in accordance with the former cost study process and is slightly below the 2017 interchange rate. The LINK Board proposal maintains a cost-based study to ensure that interchange rates are not set below marginal cost or above average cost incurred to provide services to cardholders. While this change in the LINK interchange mechanism has yet to be finalized and implemented, we expect that it will likely be finalized by the end of January 2018 and will have a significant negative impact on our results from operations in 2018 and in future periods. We estimate that the proposed change in the interchange rate that would commence in April 2018, if applied to our estimated transaction volumes for the full year of 2017, would adversely impact our reported income from operations by approximately $15 million. Based on the principles outlined by the LINK Board in the proposal, including the stated intent to further reduce the interchange rate, we would expect further reductions in our profits in this market beyond 2018. Additionally, should there be a significant change in the LINK scheme or its membership, our U.K. interchange revenues and profits could be adversely impacted.

Future changes in interchange rates, some of which we have minimal or no control over, could have a material adverse impact on our operations and cash flows.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

Exhibit Number	Description
10.1*	Sixth Amendment to Amended and Restated Credit Agreement, dated October 3, 2017, by and among Cardtronics plc, the other Obligors part thereto, the Lenders party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent.
31.1*	Certification of the Chief Executive Officer of Cardtronics plc pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Chief Financial Officer and Chief Operations Officer of Cardtronics plc pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of the Chief Executive Officer and Chief Financial Officer and Chief Operations Officer of Cardtronics plc pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document

* Filed herewith.
** Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	CARDTRONICS PLC
November 2, 2017	*/s/ Edward H. West*
	Edward H. West *Chief Financial Officer and Chief Operations Officer* *(Duly Authorized Officer and* *Principal Financial Officer)*
November 2, 2017	*/s/ E. Brad Conrad*
	E. Brad Conrad *Chief Accounting Officer* *(Duly Authorized Officer and* *Principal Accounting Officer)*

Exhibit 10.1

Executed Version

SIXTH AMENDMENT TO
AMENDED AND RESTATED CREDIT AGREEMENT

THIS SIXTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment"), dated to be effective as of October 3, 2017 (the "Amendment Effective Date"), is entered into by and among **CARDTRONICS plc**, an English public limited company (the "Parent"), the other Obligors (as defined in the Credit Agreement defined below) party hereto, the Lenders (as defined below) party hereto and **JPMORGAN CHASE BANK, N.A.** ("JPMorgan"), as Administrative Agent for the Lenders (in such capacity, the "Administrative Agent").

PRELIMINARY STATEMENT

WHEREAS, the Parent, the other Obligors party thereto, the lenders party thereto (the "Lenders") and the Administrative Agent are parties to that certain Amended and Restated Credit Agreement dated as of April 24, 2014 (as amended, the "Credit Agreement"); and

WHEREAS, the Parent has now asked the Administrative Agent and the Lenders to amend certain provisions of the Credit Agreement; and

WHEREAS, the Administrative Agent and the Lenders are willing to do so subject to the terms and conditions set forth herein, provided that the Obligors ratify and confirm all of their respective obligations under the Credit Agreement and the other Loan Documents;

NOW, THEREFORE, in consideration of the premises and further valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1 . Defined Terms. Unless otherwise defined herein, capitalized terms used herein have the meanings assigned to them in the Credit Agreement.

2. Amendments to Credit Agreement.

(a) The Credit Agreement (exclusive of the Exhibits and Schedules thereto) is hereby amended to read in its entirety as set forth on Annex A attached hereto.

(b) The Schedules to the Credit Agreement are hereby amended to add a new Schedule 1.01 thereto in the form attached hereto as Schedule 1.01.

(c) Exhibit 2.03 and Exhibit 2.07 to the Credit Agreement are hereby amended to read in their entirety as set forth on Exhibit 2.03 and Exhibit 2.07 attached hereto, respectively.

3 . Conditions Precedent. This Amendment shall be effective as of the Amendment Effective Date upon satisfaction of the following conditions precedent:

(a) no Default or Event of Default shall exist;

(b) the Administrative Agent shall have received counterparts of this Amendment, duly executed by the Borrowers, the other Obligors party hereto and the Lenders; and

(c) the Administrative Agent shall have received all fees and other amounts due and payable on or prior to the date hereof, including the reasonable fees and expenses of legal counsel to the Administrative Agent.

4 . Ratification. Each Obligor hereby ratifies all of its Obligations under the Credit Agreement and each of the Loan Documents to which it is a party, and agrees and acknowledges that the Credit Agreement and each of the other Loan Documents to which it is a party are and shall continue to be in full force and effect as amended and modified by this Amendment. Nothing in this Amendment extinguishes, novates or releases any right, claim, lien, security interest or entitlement of any of the Lenders or the Administrative Agent created by or contained in any of such documents nor is any Obligor released from any covenant, warranty or obligation created by or contained herein or therein.

5 . Representations and Warranties. Each Obligor hereby represents and warrants to the Lenders and the Administrative Agent that (a) this Amendment has been duly executed and delivered on behalf of such Obligor, (b) this Amendment constitutes a valid and legally binding agreement enforceable against such Obligor in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law, (c) the representations and warranties contained in the Credit Agreement and the other Loan Documents to which it is a party are true and correct on and as of the date hereof in all material respects as though made as of the date hereof, except for such representations and warranties as are by their express terms limited to a specific date, in which case such representations and warranties were true and correct in all material respects as of such specific date; provided that, in either case, to the extent any such representation and warranty is qualified by Material Adverse Effect or materiality qualifier, such representation and warranty is true and correct in all respects, (d) no Default or Event of Default exists under the Credit Agreement or under any other Loan Document or will result immediately upon giving effect to this Amendment and (e) the execution, delivery and performance of this Amendment has been duly authorized by such Obligor.

6 . Counterparts. This Amendment may be signed in any number of counterparts, which may be delivered in original, facsimile or electronic form each of which shall be construed as an original, but all of which together shall constitute one and the same instrument.

7. Governing Law. This Amendment shall be construed in accordance with and governed by the Law of the State of New York without regard to any choice-of-law provisions that would require the application of the law of another jurisdiction.

8. Amendment is a Loan Document; References to the Credit Agreement. This Amendment is a Loan Document, as defined in the Credit Agreement. All references in the

Credit Agreement to "this Agreement" mean the Credit Agreement as amended by this Amendment.

9 . Final Agreement of the Parties. THIS AMENDMENT, THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the date first above written.

BORROWERS:

CARDTRONICS PLC

By: ____________________
Name: ____________________
Title: ____________________

CARDTRONICS HOLDINGS LIMITED

By: ____________________
Name: ____________________
Title: ____________________

CATM HOLDINGS LLC

By: ____________________
Name: ____________________
Title: ____________________

CARDTRONICS USA, INC.

By: ____________________
Name: ____________________
Title: ____________________

CARDTRONICS EUROPE LIMITED

By: ____________________
Name: ____________________
Title: ____________________

[Continued on following page]

CARDTRONICS UK LIMITED

By: ____________________
Name: ____________________
Title: ____________________

CATM EUROPE HOLDINGS LIMITED

By: ____________________
Name: ____________________
Title: ____________________

CARDTRONICS AUSTRALASIA PTY LTD.

in accordance with section 127 of the *Corporations Act 2001 (Cth)* by a director and secretary/director:

By: ____________________
Name: ____________________
Title: ____________________

By: ____________________
Name: ____________________
Title: ____________________

CARDTRONICS CANADA HOLDINGS ULC

By: ____________________
Name: ____________________
Title: ____________________

CREDIT FACILITY GUARANTORS:

CARDTRONICS, INC.

By: ________________________
Name: ________________________
Title: ________________________

ATM NATIONAL, LLC

By: ________________________
Name: ________________________
Title: ________________________

CATM NORTH AMERICA HOLDINGS LIMITED

By: ________________________
Name: ________________________
Title: ________________________

CATM AUSTRALASIA HOLDINGS LIMITED

By: ________________________
Name: ________________________
Title: ________________________

[Continued on following page]

CARDTRONICS CANADA LIMITED PARTNERSHIP

By: Cardtronics Canada Operations Inc., its General Partner

By: ______________________________
Name: ______________________________
Title: ______________________________

CARDTRONICS CANADA ATM PROCESSING PARTNERSHIP

By: Cardtronics Canada Operations Inc., its Managing Partner

By: ______________________________
Name: ______________________________
Title: ______________________________

SUNWIN SERVICES GROUP (2010) LTD.

By: ______________________________
Name: ______________________________
Title: ______________________________

By: ______________________________
Name: ______________________________
Title: ______________________________

CFC GUARANTORS:

CARDTRONICS HOLDINGS, LLC

By: ______________________________
Name: ______________________________
Title: ______________________________

CARDPOINT LIMITED

By: ______________________________
Name: ______________________________
Title: ______________________________

ADMINISTRATIVE AGENT AND LENDER:

JPMORGAN CHASE BANK, N.A.

By: ____________________________
Name: ____________________________
Title: ____________________________

JPMORGAN CHASE BANK, N.A., TORONTO BRANCH

By: ____________________________
Name: ____________________________
Title: ____________________________

LENDER:

BANK OF AMERICA, N.A.

By: ______________________________
Name: ______________________________
Title: ______________________________

LENDER:

WELLS FARGO BANK, N.A.

By: ______________________________
Name: ______________________________
Title: ______________________________

LENDER:

COMPASS BANK

By: ______________________________
Name: ______________________________
Title: ______________________________

LENDER:

ZB, N.A. dba AMEGY BANK

By: ______________________________
Name: ______________________________
Title: ______________________________

LENDER:

CANADIAN IMPERIAL BANK OF COMMERCE

By: ______________________________
Name: ______________________________
Title: ______________________________

LENDER:

CAPITAL ONE, N.A.

By: ______________________________
Name: ______________________________
Title: ______________________________

LENDER:

THE ROYAL BANK OF SCOTLAND PLC

By: ____________________________
Name: ____________________________
Title: ____________________________

LENDER:

SANTANDER BANK, N.A.

By: ________________________________
Name: ________________________________
Title: ________________________________

LENDER:

HSBC BANK USA, N.A.

By: ______________________________
Name: ______________________________
Title: ______________________________

LENDER:

BARCLAYS BANK PLC

By: ______________________________
Name: ______________________________
Title: ______________________________

LENDER:

THE BANK OF NOVA SCOTIA

By: ____________________________
Name: ____________________________
Title: ____________________________

LENDER:

FROST BANK

By: ______________________________
Name: ______________________________
Title: ______________________________

SCHEDULE 1.01

NON-PRO RATA ALTERNATIVE CURRENCIES AND LENDERS

Currency	**Available for Swingline Loans and Letters of Credit?**	**Lenders That Have Agreed to Fund Revolving Loans in Said Currency**
Rand	Yes	JPMorgan Chase Bank, N.A. Bank of America, N.A. Wells Fargo Bank, N.A. Compass Bank ZB, N.A., dba Amegy Bank Capital One, N.A. The Royal Bank of Scotland plc Barclays Bank plc

EXHIBIT 2.03

FORM OF BORROWING REQUEST

[Administrative Agent in the case of a Borrowing in Dollars]

JPMorgan Chase Bank, N.A.
Loan and Agency Service Group
Yuvette Owens
10 South Dearborn, Floor 97
Chicago, IL 60603-2300
Telecopy No: 888-303-9732
Telephone No. (for confirmation): 312-385-7021
Email: jpm.agency.servicing.1@jpmchase.com

[Alternative Currency Agent in the case of a Borrowing in an Alternative Currency (other than Canadian Dollars)]

J.P. Morgan Europe Limited
25 Bank Street
Canary Wharf
London E14 5JP
Attn: Loans Agency
Telecopy No. 44 207 777 2360
Email: loan_and_agency_london@jpmorgan.com

[Alternative Currency Agent in the case of a Borrowing in Canadian Dollars)]

JPMorgan Chase Bank, N.A.
10 S. Dearborn, Floor L2
Chicago, IL 60603
Attention: Jessica Gallegos
Telephone Number: (312) 954-2097
Email: CLS.CAD.Chicago@jpmorgan.com

Re: Amended and Restated Credit Agreement (as amended, the "Credit Agreement") dated as of April 24, 2014, by and among Cardtronics plc, the other Obligors party thereto, the Lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent and J.P. Morgan Europe Limited, as Alternative Currency Agent for the Lenders

Ladies and Gentlemen:

Pursuant to the Credit Agreement, the undersigned Borrower hereby makes the requests indicated below:

(a) Amount of Borrowing: ______________

(b) Requested date of Borrowing: ___________________

(c) Type of Borrowing:

_________ ABR Borrowing;

_________ Canadian Prime Rate Borrowing;

_________ CDOR Borrowing;

_________ Eurocurrency Borrowing;

_________ BBSY Borrowing; or

_________ JIBAR Borrowing.

(d) Requested currency for Eurocurrency Borrowing: ______________

(e) Requested Interest Period for Eurocurrency Borrowing, CDOR Borrowing, BBSY Borrowing or JIBAR Borrowing:

____

(f) Location and number of account to which funds are to be disbursed:

____

____

The undersigned certifies that [s]he is authorized to execute this request on behalf of the undersigned Borrower. The undersigned Borrower represents and warrants that (i) it is entitled to receive the requested Borrowing under the terms and conditions of the Credit Agreement and that no Default or Event of Default shall exist or will occur as a result of the making of such requested Borrowing; and (ii) the representations and warranties of the Parent and the Restricted Subsidiaries set forth in the Credit Agreement or any other Loan Document shall be true and correct in all material respects on and as of the date of the requested Borrowing; provided, that to the extent such representations and warranties were made as of a specific date, the same were true and correct in all material respects as of such specific date; provided further, in either case, to the extent any such representation or warranty is qualified by Material Adverse Effect or materiality qualifier, such representation shall be true and correct in all respects.

Each capitalized term used but not defined herein shall have the meaning assigned to such term in the Credit Agreement.

Very truly yours,

[______________]

By: ______________________________
Name: ______________________________
Title: ______________________________

EXHIBIT 2.07

FORM OF INTEREST ELECTION REQUEST

[Administrative Agent in the case of a Borrowing in Dollars]

JPMorgan Chase Bank, N.A.
Loan and Agency Service Group
Yuvette Owens
10 South Dearborn, Floor 97
Chicago, IL 60603-2300
Telecopy No: 888-303-9732
Telephone No. (for confirmation): 312-385-7021
Email: jpm.agency.servicing.1@jpmchase.com

[Alternative Currency Agent in the case of a Borrowing in an Alternative Currency (other than Canadian Dollars)]

J.P. Morgan Europe Limited
25 Bank Street
Canary Wharf
London E14 5JP
Attn: Loans Agency
Telecopy No. 44 207 777 2360
Email: loan_and_agency_london@jpmorgan.com

[Alternative Currency Agent in the case of a Borrowing in Canadian Dollars)]

JPMorgan Chase Bank, N.A.
10 S. Dearborn, Floor L2
Chicago, IL 60603
Attention: Jessica Gallegos
Telephone Number: (312) 954-2097
Email: CLS.CAD.Chicago@jpmorgan.com

Re: Amended and Restated Credit Agreement (as amended, the "Credit Agreement") dated as of April 24, 2014, by and among Cardtronics plc, the other Obligors party thereto, the Lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent and J.P. Morgan Europe Limited, as Alternative Currency Agent for the Lenders

Ladies and Gentlemen:

Pursuant to the Credit Agreement, the undersigned Borrower hereby makes the requests indicated below:

(a) The Borrowing to which this Interest Election Request applies is as follows:

(a) Date of Borrowing:

(b) Type of Borrowing:

(c) Interest Period:

(d) Aggregate amount to be [converted] [continued]:

(b) The effective date of the election made pursuant to this Interest Election Request is ______________ .

(c) The Borrowing resulting from this Interest Election Request shall be [a] [an] _______________ Borrowing.

(d) The Interest Period applicable to the resulting Borrowing is _________________.

The undersigned certifies that [s]he is authorized to execute this request on behalf of the undersigned Borrower. The undersigned Borrower represents and warrants that (i) it is entitled to receive the requested Borrowing under the terms and conditions of the Credit Agreement and that no Default or Event of Default shall exist or will occur as a result of the making of such requested Borrowing; and (ii) the representations and warranties of the Parent and the Restricted Subsidiaries set forth in the Credit Agreement or any other Loan Document shall be true and correct in all material respects on and as of the date of the requested Borrowing; provided, that to the extent such representations and warranties were made as of a specific date, the same were true and correct in all material respects as of such specific date; provided further, in either case, to the extent any such representation or warranty is qualified by Material Adverse Effect or materiality qualifier, such representation shall be true and correct in all respects.

Each capitalized term used but not defined herein shall have the meaning assigned to such term in the Credit Agreement.

Very truly yours,

[______________]

By: ______________________________
Name: ______________________________
Title: ______________________________

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER OF CARDTRONICS PLC PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven A. Rathgaber, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q (this "report") of Cardtronics plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2017

/s/ Steven A. Rathgaber
Steven A. Rathgaber
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER AND CHIEF OPERATIONS OFFICER OF CARDTRONICS PLC PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Edward H. West, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q (this "report") of Cardtronics plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2017

/s/ Edward H. West
Edward H. West
Chief Financial Officer and Chief Operations Officer

Exhibit 32.1

CERTIFICATION OF
CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER AND CHIEF OPERATIONS OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Cardtronics plc ("Cardtronics") for the period ended September 30, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned each hereby certifies, pursuant to 18 U.S.C. §1350 as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Cardtronics.

Date: November 2, 2017

/s/ Steven A. Rathgaber
Steven A. Rathgaber
Chief Executive Officer

Date: November 2, 2017

/s/ Edward H. West
Edward H. West
Chief Financial Officer and Chief Operations Officer