



NCR ATLEOS

LONG Thesis

Current Share Price: \$40.7

Target Share Price: \$60.3

Base TSR: 48%

2-year IRR: 22%

Date: 10-01-2025

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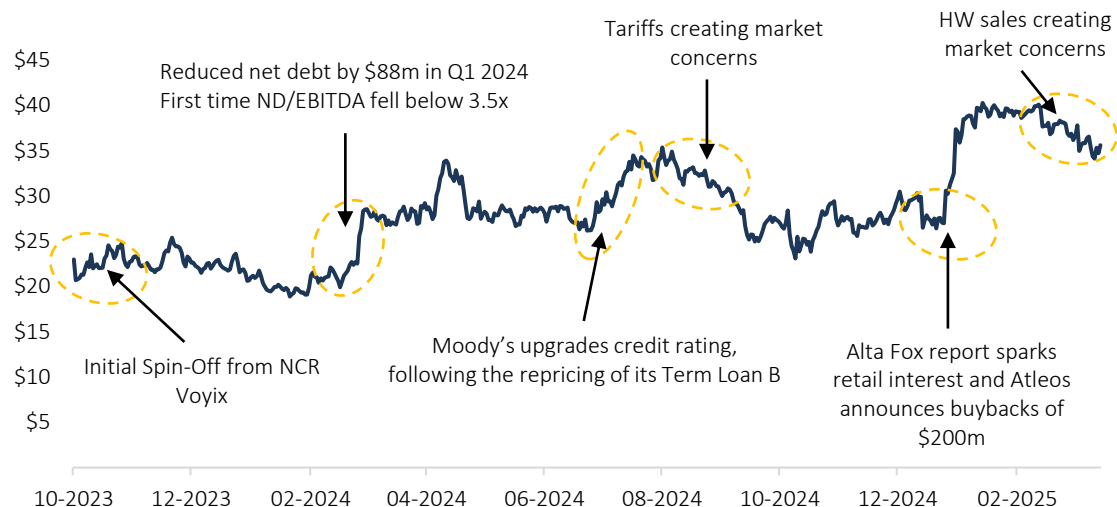
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Mispriced Spin-Off Overlooking ATMaaS Growth and Capital Allocation

Share Price Performance



Investment Thesis

1

Scale-Driven Cost Advantage: Atleos' large OEM and service ATM fleet is highly scalable, providing significant operational leverage. Banks can reduce annual opex by 15–20% due to Atleos' scale advantages, and incremental EBITDA margins on this base are estimated to average around 75%.

2

ATMaaS Transformation: ATM outsourcing expands the addressable market and creates a substantial runway for growth. ATMaaS contracts are estimated to deliver a 2.5x increase in wallet share compared with legacy agreements, and the contract structure generates a 32% 7-year IRR versus roughly 3% under the old model.

3

Shareholder Friendly Capital Allocation Strategy: Since the spin-off, Atleos has consistently reduced leverage and is expected to further strengthen its balance sheet. The company can refinance its 9.5% bond to a 6–7% coupon, materially lowering interest expense. Combined with a \$200m buyback program, this creates significant EPS leverage and supports EPS growth from \$3.5 to \$7.5 by 2028.

Business Overview

- NCR Atleos (NYSE: NATL) is a leading provider of financial infrastructure focused on ATM solutions, which include both hardware and software for cash disbursement, as well as payment network services. The company serves financial institutions and retailers around the world, and its performance is closely linked to global demand for consumer financial services and access to cash. NCR Atleos operates a global ATM fleet of about 600,000 units with strong operations in North America and Europe, supported by extensive service and support networks.

Financials

Share Price:	\$40.7
MCAP:	\$3,009
EV:	\$5,594
LTM EV/EBIT:	11.7x
LTM EV/EBITDA:	7.4x
LTM P/E:	15.7x
LTM Net Debt/EBITDA:	2.9x
LTM ROIC:	7.6%

Insider Ownership & Main Shareholders

Insider Ownership

Tim Oliver, CEO	0.5%
Stuart MacKinnon, COO	0.1%

Main Shareholders

Black Rock	14.1%
Vanguard	11.0%
AllianceBernstein	4.5%
State Street Corp	3.8%

Why Does the Opportunity Exist?

- ★ **Investors are Focused on the Hardware Segment:** Investors tend to overstate Atleos' reliance on global ATM hardware sales, even as NATL shifts toward a more service-driven revenue mix. Stronger-than-expected hardware sales in Q3-25 have led some to question the pace of that shift, overlooking the cyclical nature of hardware demand, while the global ATM fleet is still expected to remain broadly flat through 2029.
- ★ **Market Scepticism:** Although the ATM market is slowly declining, Atleos is less exposed than investors assume. The shift toward ATMaaS and the conversion of existing customers to ATMaaS-contracts help offset the impact of a shrinking market. Banks still prioritize physical presence due to that cash as they rather replace physical tellers instead.
- ★ **Improving Leverage Profile Strengthens Screening:** At the spin-off, Atleos carried high leverage to fund the separation. As the company continues to pay down debt and improve its balance sheet, it is expected to screen better across standard valuation and quality metrics.
- ★ **Depressed Multiple Caused by High Leverage:** Atleos' elevated leverage at the spin-off pushed its trading multiple down. Ongoing deleveraging, supported by strong free cash flow, reduces this overhang and creates room for a potential re-rating.

Sources: The Company, Bloomberg, Analyst Estimates



Industry Overview

Industry Overview

- The ATM Industry Highly Consolidated:** Atleos and Diebold Nixdorf estimated to hold a combined market share of approximately 70%. Hyosung accounts for 14%, with the remainder split among local players.
- Core Costumers:** Financial institutions and credit unions engaged in the procurement of ATM hardware/software. Retailers, including chains such as 7-Eleven, Casey's and major pharmacies.

Market Trends

ATMs are Outperforming Bank Branches

- Bank tellers have been automated through ATMs. US Banks estimated to be net openers of branches 2025.

Banks are Outsourcing ATM-Related Costs

- Strong incentives to outsource ATM related costs due to Atleos' cost efficiency (15-20% opex savings).

Competitive Landscape

Diebold Nixdorf

- Rev CAGR 2022–2024: 3.2%
- Gross margin: 24.0%
- EBIT margin: 4.8%

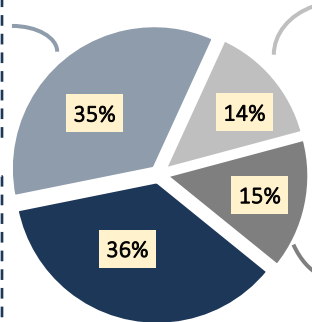
Entered bankruptcy restructuring in 2023 due to an unsustainable debt.

NCR Atleos

- Rev CAGR 2022–2024: 3.1%
- Gross margin: 24.5%
- EBIT margin: 11.1%

Atleos is at the forefront of software innovation, and has more recurring revenue making their ATM solutions flexible, scalable, and future-proof.

Global ATM Market Share



Hyosung

- Rev CAGR 2022–2024: 18.1%
- Gross margin: 16.0%
- EBIT margin: 7.4%

Hyosung remains primarily focused on hardware sales and has not expanded into the ATMaaS model.

Brink's & Local Players

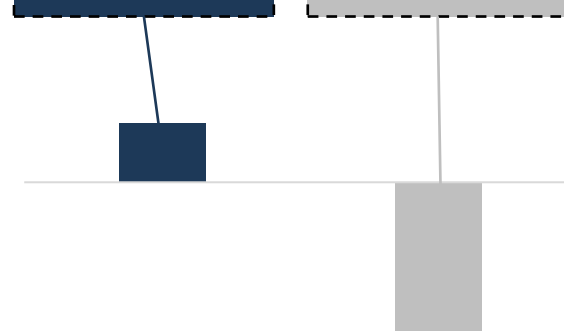
- Rev CAGR 2022–2024: 6.7%
- Gross margin: 25.3%
- EBIT margin: 9.0%

Outsourcing 300,000 ATMs worldwide. Global player rather than focusing on North America.

Bank Branches

10y average of 0.6%

10y average of -1.6%



Bank branches count expected to remain flat as banks still value/compete in the physical banking space.

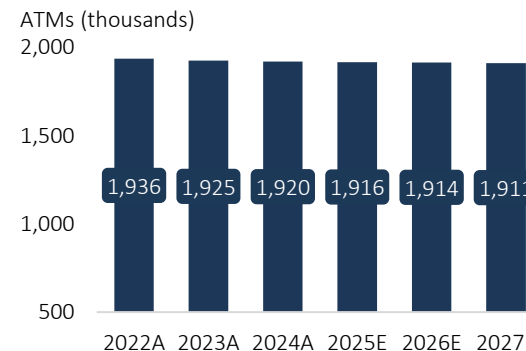
Modernization of ATM infrastructure: New ATMs are more advanced being able to replace bank tellers.

Banks continue to seek physical presence, and advancements in ATM technology have made ATMs the preferred channel for maintaining it.

ATM Market Outlook in Atleos' Main Markets

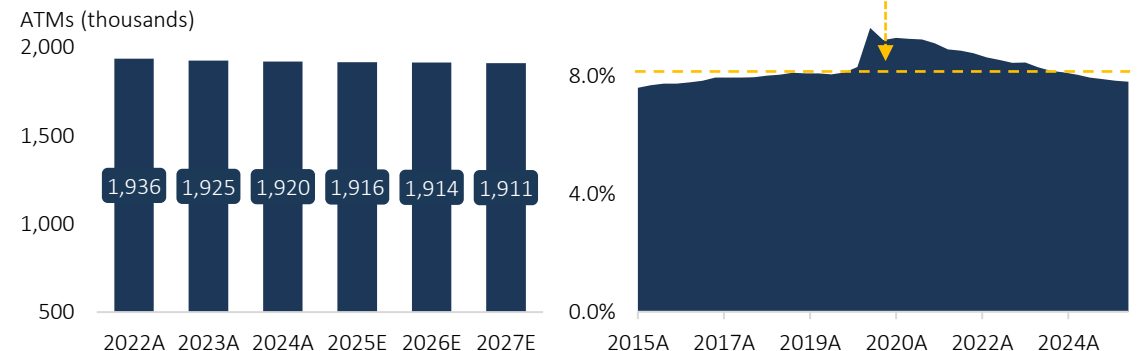
ATM Volumes Show a Modest Decline, Despite Negative Market Expectations

- 2022–2027 CAGR: -0.3%
- Cumulative Change: -1.3%



Cash Usage As % of US GDP

US Cash usage has been stickier than anticipated, averaging **8.3%** during the latest 10 years.



Sources: Statista, Bloomberg, The Company, Retriever Business

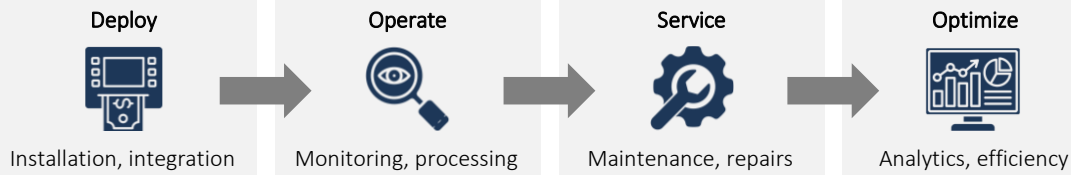


Global ATM Infrastructure Platform with Strong Recurring Revenue

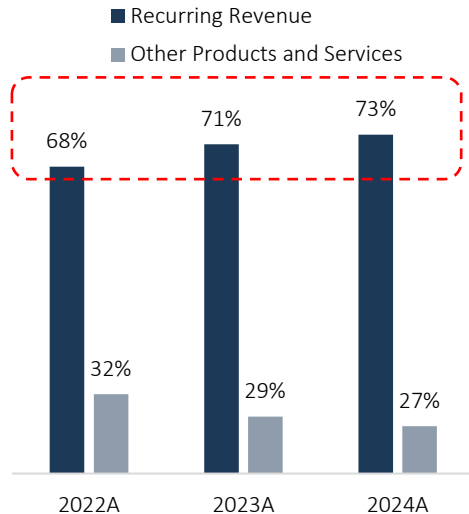
Company Overview

- NCR Atleos is a provider of outsourced ATM infrastructure, designing, operating, and managing ATM networks.
- Delivers integrated hardware, software, and full-service ATM operations across the entire lifecycle.
- Operates the largest independent ATM fleet globally, serving banks, credit unions and retail partners.
- Market leader in outsourced ATM services in an industry dominated by two global players.

Atleos is Vertically Integrated Across the ATM Lifecycle



Revenue Model



ATMaaS & Managed Services

- ATMaaS contracts (5–7 years) providing full outsourcing of ATM operations
- Managed Services fees for monitoring, cash management coordination, and software

Network

- Earns per-transaction fees
- Banks pay for surcharge-free access
- Route density enables low cost per ATM

Hardware

- Earns revenue from ATM hardware sales and cash recyclers
- One-time sale, but drives long-term service revenue (ATMaaS & Managed Services)

Segment Overview

Main Segments	Key Features	Revenue %	Margins
Self-Service Banking (SSB)	Outsourcing Recurring, non-cyclical	64%	26%
Payment & Network	Large network High switching costs	31%	27%
Telecom & Technology (T&T)	Legacy services Non-core, lower margins	5%	18%

Global Footprint

High Route Density
Lower service cost and higher incremental margins

■ High Density ■ Medium Density ■ Low Density

Key Facts

- 600k ATMs serviced globally
- 80k ATMs in the Allpoint network
- 140+ countries
- Largest independent ATM network

Scale Effects

- Route density lowers per-unit service cost
- Large installed base creates lock-in effects

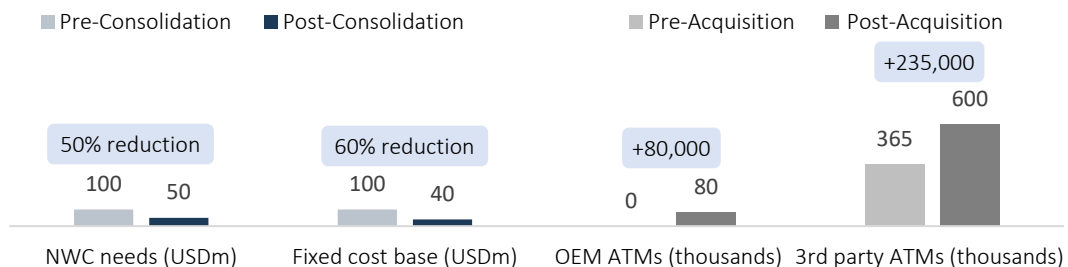
Sources: The Company, Bloomberg, AlphaSense

Largest Global Network Drives Structural Cost Leadership

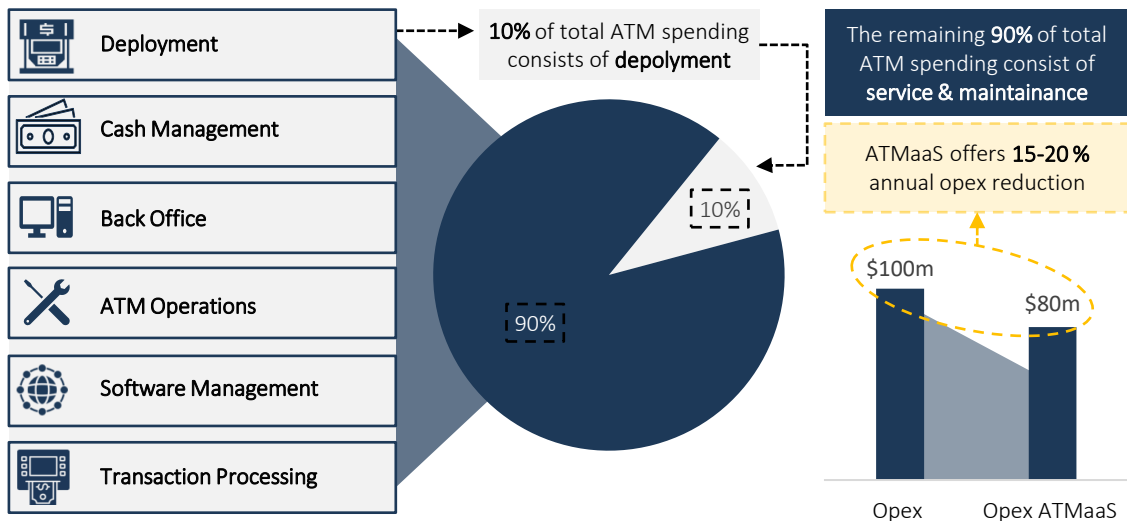
1.1 Historical Scale Creation

Acquisition of CardTronics: In 2021, NCR completed its acquisition of Cardtronics for a valuation of \$2.5 billion, equivalent to **10x EBITDA**. The acquisition expanded NCR's total service fleet by **235,000 ATMs** and added access to **80,000 OEM ATMs**, positioning NCR as the operator of the largest independent OEM ATM fleet today.

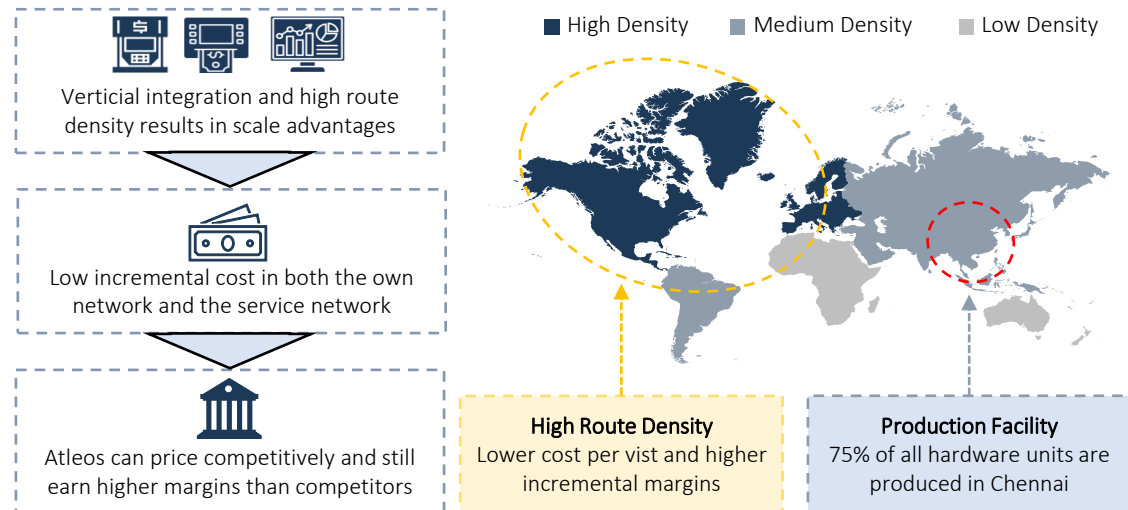
Supply Chain Optimization: In 2023–2024, Atleos optimized its supply chain and manufacturing, consolidating production in Chennai, standardizing hardware platforms, and expanding local sourcing to reduce costs. Lean and automated processes improved gross margins by **440 bps**, cut manufacturing costs by **20%**, and lowered fixed costs and NWC by around **60%** and **50%**, respectively.



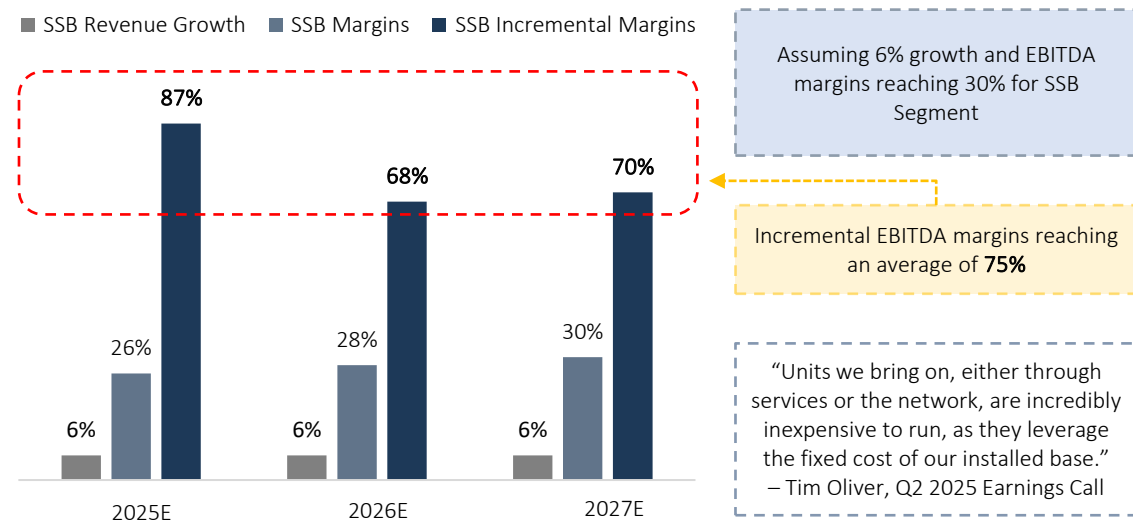
1.3 Scale Advantages Comes with 15-20% Annual Opex Savings for Banks



1.2 Operational Leverage & Economies of Scale



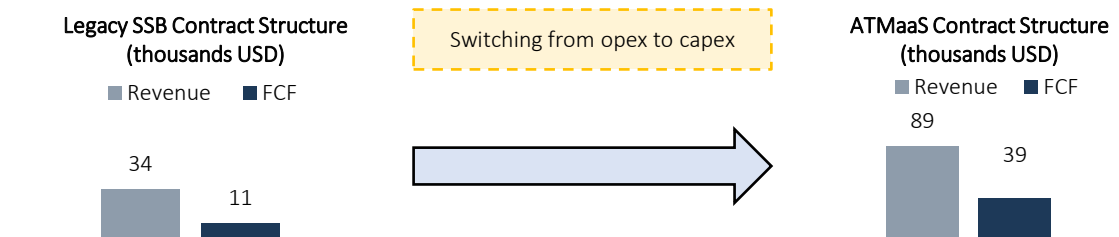
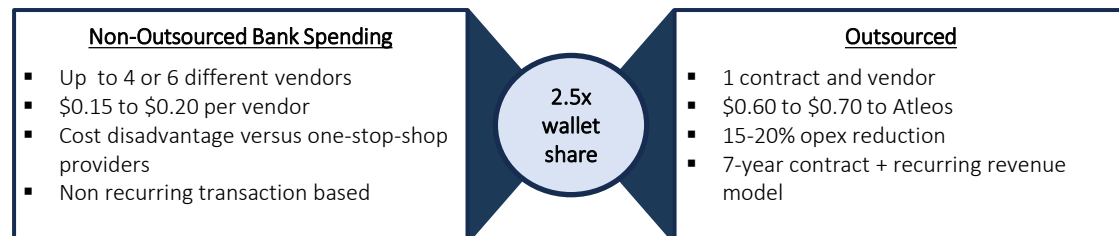
1.4 Scale Generates Higher Incremental EBITDA Margins



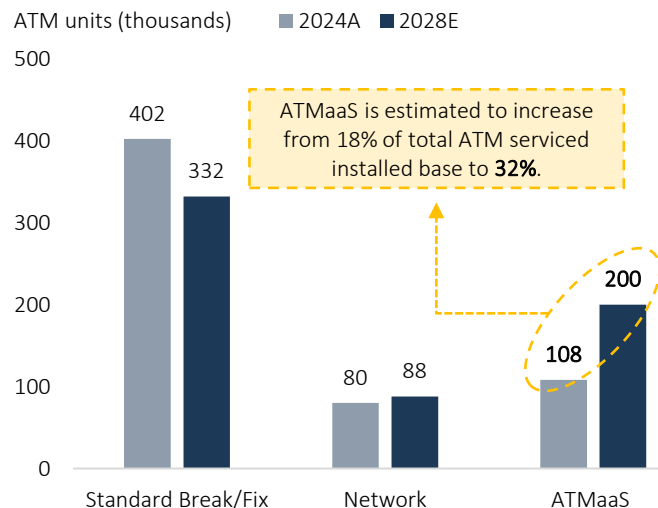
Sources The Company, Bloomberg, AlphaSense

ATMaaS Unlocks Higher Wallet Share and Recurring Revenue

2.1 Increasing Revenue through 2.5x Wallet Share



2.3 Installed Base Mix Shift Toward Higher-Value ATMaaS



ATMaaS is estimated to increase from 18% of total ATM serviced installed base to 32%.

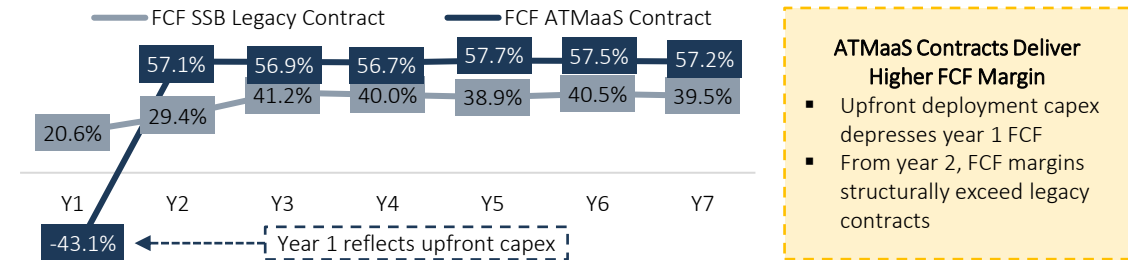
From Volume to Value

Total ATM serviced installed base grows modestly, while ATMaaS units nearly double by 2028.

As cash usage declines, banks prioritize cost reduction and outsourcing, accelerating adoption of ATMaaS and supporting recurring revenue.

ATMaaS generates higher revenue and margins per unit through bundled software, services and long-term contracts.

2.2 ATMaaS Contract Structure & FCF Margin

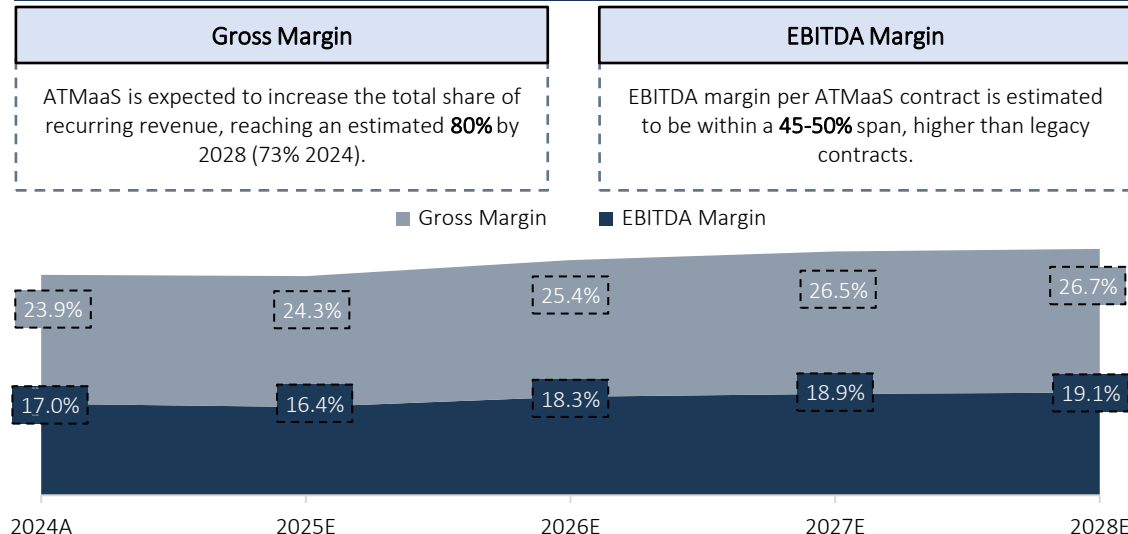


ATMaaS Contracts Deliver Higher FCF Margin

- Upfront deployment capex depresses year 1 FCF
- From year 2, FCF margins structurally exceed legacy contracts

ATMaaS Contract Structure (thousands USD)							
Year Since Deployment	1	2	3	4	5	6	7
Revenue	11.6	11.9	12.3	12.7	13.0	13.4	13.8
Gross Profit	5.0	6.8	7.0	7.2	7.5	7.7	7.9
Hardware Capex	-10.0						
FCF per ATMaaS Contract	-5.0	6.8	7.0	7.2	7.5	7.7	7.9
Rolling IRR					29%	32%	32%

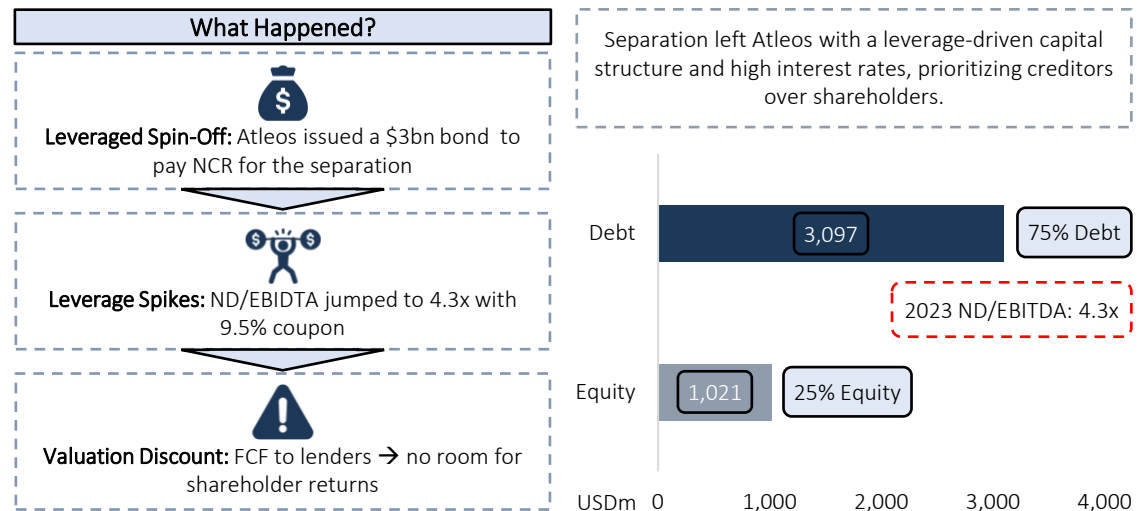
2.4 ATMaaS Margin Expansion Contribution



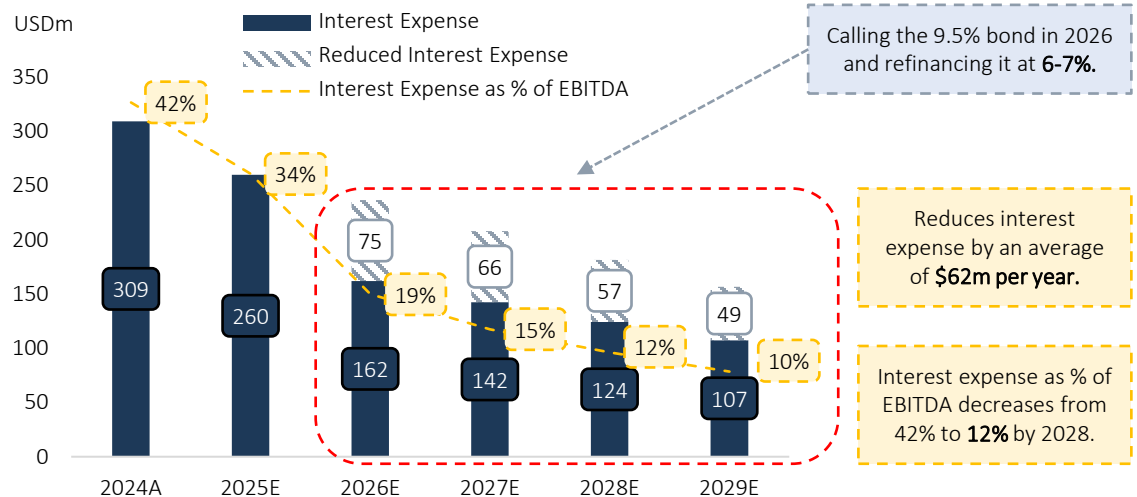
Sources: The Company, Bloomberg, AlphaSense

Shareholder Friendly Capital Allocation Strategy

3.1 The 2023 Spin-Off Created a Levered Balance Sheet



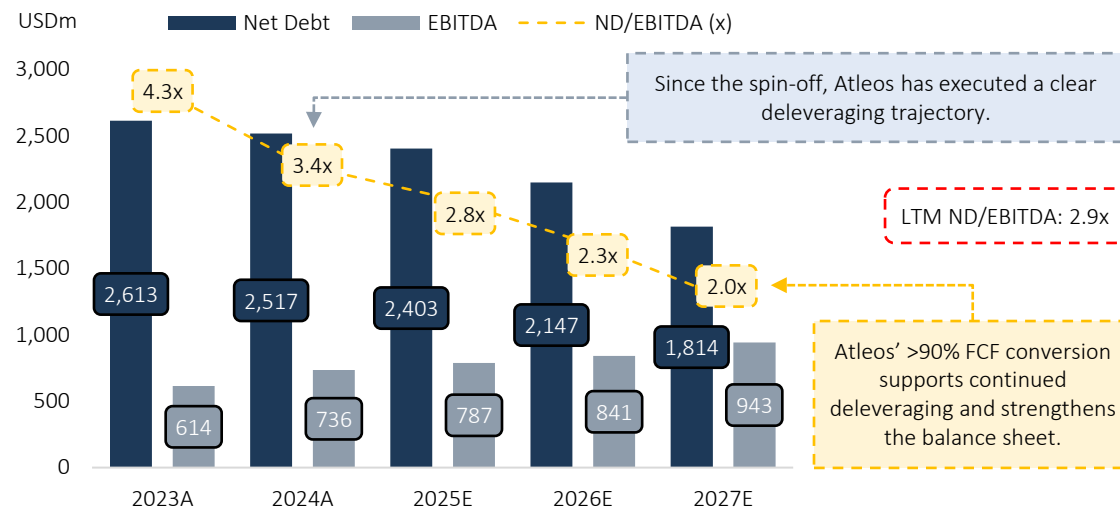
3.3 Refinancing Lowers Interest Expense and Increases Net Income



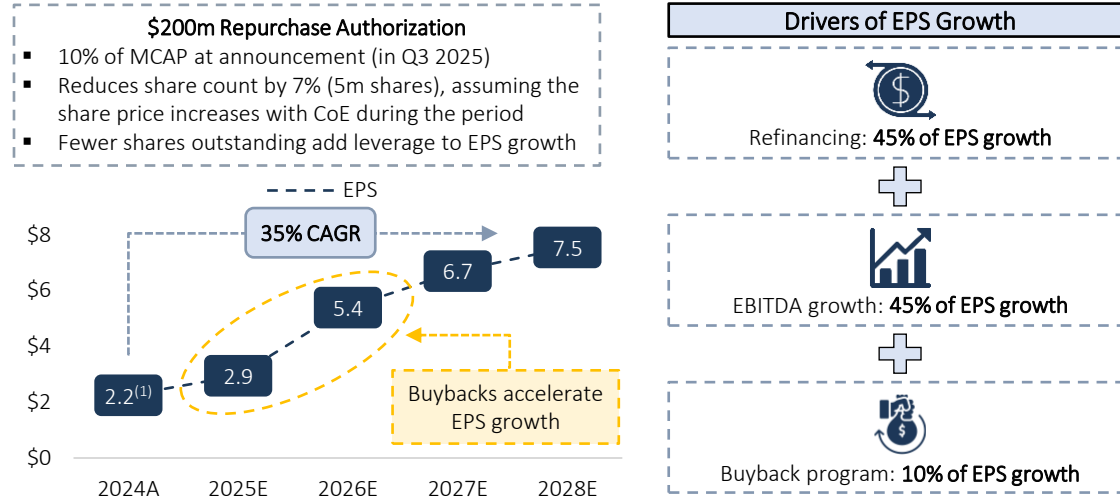
Note: (1) EPS is adjusted for non-recurring costs related to the separation.

Sources: The Company, Analyst estimates, Bloomberg, AlphaSense

3.2 Deleveraging Improving the Balance Sheet



3.4 Repurchase Strategy Supports EPS Acceleration



Valuation and Scenario Analysis

47% Discount to Peers in FY27

P/E ⁽¹⁾	FY25	FY26	FY27	FY24-27 EBITDA CAGR
Diebold	16.6x	13.7x	12.3x	3.3%
Euronet Worldwide	10.0x	7.9x	6.7x	4.9%
GRG Banking Equipment	33.1x	26.1x	19.2x	7.0%
Average	19.9x	15.9x	12.7x	5.1%
DCF Implied Multiple	22.3x	12.7x	10.2x	
NCR Atleos	14.7x	8.4x	6.7x	8.6%
Discount to Peers	-26%	-47%	-47%	

Despite stronger EBITDA growth, a more attractive product mix, higher recurring revenue and lower cyclicality, Atleos still trades at a **47% discount** to peers on FY27 earnings.

DCF Indicates a 36% Discount to Intrinsic Value

Our model incorporate a 4% revenue CAGR and 6% EBITDA CAGR (FY24–FY30), temporary capex increase from ATMaaS normalizing to 5% of revenue over time, >90% FCF conversion, and a TGR of -2% reflecting a declining market.

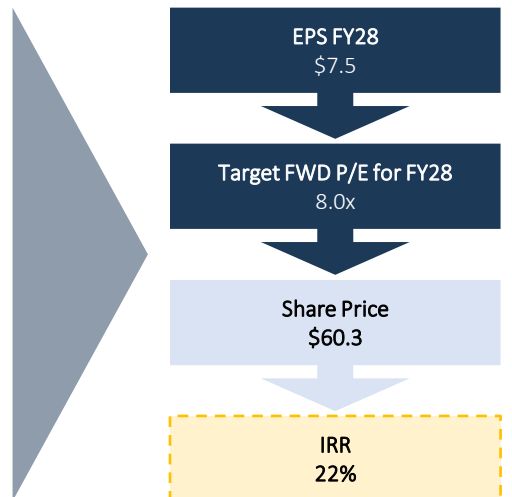
Levered DCF Overview	
CoE	10.7%
TGR	-2.0%
Sum PV Forecast	\$1,930m
PV TV	\$2,634m
Implied Equity Value	\$4,564m
NOSH	72.2m
Intrinsic Value	\$63.2
Current Share Price	\$40.7
Discount to Intrinsic Value	36%

TGR	Cost of Equity				
	7%	9%	11%	13%	15%
-4%	95.8	75.9	62.5	52.8	45.5
-3%	96.4	76.4	62.8	53.1	45.7
-2%	97.1	76.9	63.2	53.4	46.0
-1%	97.8	77.4	63.6	53.7	46.2
0%	98.5	77.9	64.0	53.9	46.4

FCFE Margin	Cost of Equity				
	7%	9%	11%	13%	15%
8%	72.3	58.5	49.1	42.2	37.0
10%	84.7	67.7	56.1	47.8	41.5
12%	97.1	76.9	63.2	53.4	46.0
14%	109.5	86.1	70.3	58.9	50.5
16%	122.0	95.3	77.3	64.5	55.0

Earnings-Based Valuation Implies a 22% IRR

Bear Scenario		Our bear case assumes lower ATMaaS penetration, flat margins and negative long-term growth with a -4% TGR. Using the Gordon formula, this results in a 6-7x multiple .
CoE	10.7%	
TGR	-4.0%	
Implied Multiple	7x	
Base Scenario		Our base case assumes a shrinking ATM market with a -2% TGR. The Gordon formula supports an 8x multiple , yielding a 22% IRR driven by deleveraging, refinancing, buybacks and earnings growth.
CoE	10.7%	
TGR	-2.0%	
Implied Multiple	8x	
Bull Scenario		Our bull case assumes stronger ATMaaS adoption and margin expansion, leading to stable long-term cash flows and a 0% TGR. This supports a 9-10x multiple as recurring revenue grows.
CoE	10.7%	
TGR	0.0%	
Implied Multiple	9x	



The sensitivity analysis highlights an asymmetrical risk-reward profile, with limited downside at lower EPS and multiples, while base and bull scenarios still deliver attractive IRRs.

EPS FY28	Target FWD P/E for FY28				
	Bear	Base	Bull		
5.5	6.0x	7.0x	8.0x	9.0x	10.0x
6.5	-10%	-2%	4%	11%	17%
7.5	-2%	6%	13%	20%	27%
8.5	5%	14%	22%	29%	36%
9.5	12%	21%	30%	37%	45%
	19%	28%	37%	45%	53%

Note: (1) Multiples based on consensus estimates.

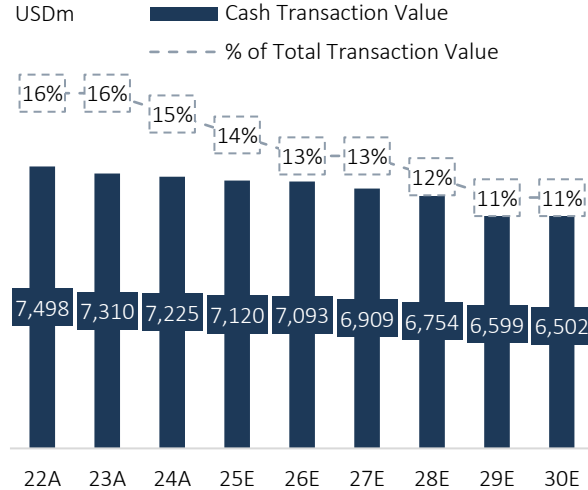
Sources: Analyst estimates, Bloomberg, Factset, AlphaSense

Key Risks & Mitigations

1. Secular Decline in Cash Usage

Friction-free, non-cash payment options (e.g. mobile payments, virtual currencies, and credit/debit cards) pose a risk and negatively impact some of Atleos' revenue drivers, namely ATM transaction volumes and related fees.

- Cash transaction value is expected to decline at just a -1.7% CAGR, with cash penetration decreasing from 15% of total transaction value in 2024 to 11% by 2027.
- The global ATM footprint is projected to decline at a modest -0.3% CAGR between 2022 and 2027.
- Atleos is shifting toward ATMaas and has high exposure to cash-reliant emerging markets.

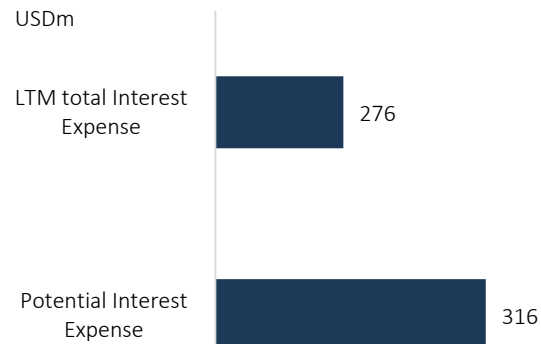


3. Vault Cash Exposure

Currently leases approximately \$3 billion in vault cash, with costs tied to floating interest rates and unhedged increase of 100 basis points is estimated to increase annual vault cash costs by \$40 million, demonstrating high sensitivity to market rate fluctuations.

- Atleos has executed recent agreements, including a \$2.0 billion notional amount at a fixed rate of approximately 4.3% (expiring March 2027), to lock in rates and mitigate the impact of market volatility, pending expected future rate reductions.
- "If we have a recycler in that unit as we have been increasing our deposit-taking network, that machine becomes increasingly more optimized and requires less visits, and thus lower cash rate." – Tim Oliver, Q3 2025 Earnings Call

100 basis points increase annual vault cash costs by **\$40 million**.



2. ATMaas Price Pressure & Execution

Competition puts pressure on ATMaas pricing, resulting in lower than expected incremental margins.

Current bank customers tend to use Atleos as their service partner due to high switching costs, as transitioning to alternative providers would require significant system integration, network certification, and operational adjustments.

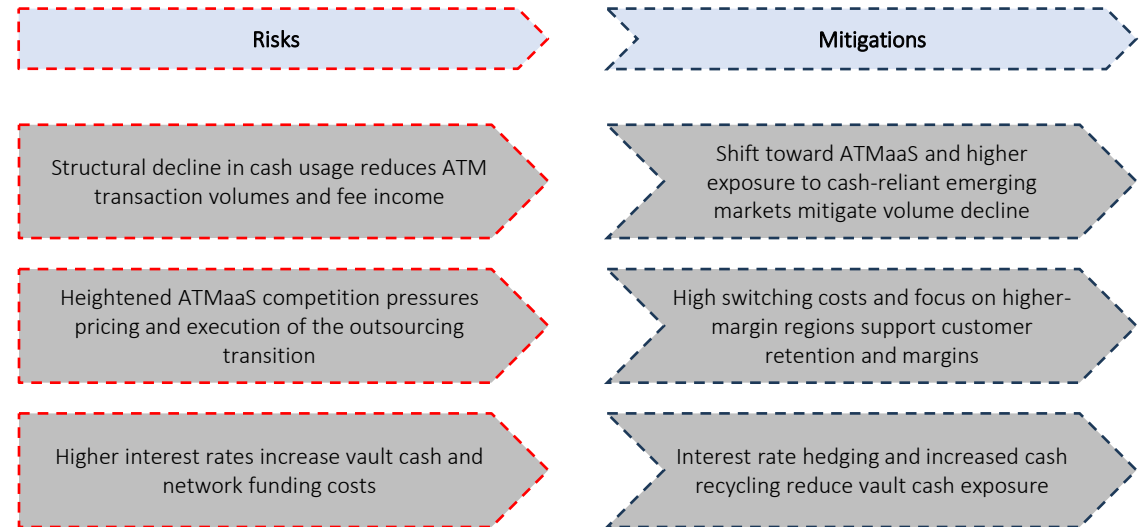
- Strategic ATMaas focus on higher-margin regions (North America and Europe).
- Prioritise existing managed services clients and offer a service continuum to facilitate a transition toward a fully outsourced ATMaas model.



Production Facility
75% of all hardware units produced in Chennai.

High route density
Lower cost per visit and higher incremental margins.

Summary: Risks & Mitigations



Sources: The Company, Bloomberg, AlphaSense, IMF, World Bank

Key Management Figures



Tim Oliver – President & CEO (Since April 2023)

- **Led the shift toward ATMaas and helped drive the Cardtronics acquisition while at NCR:** He had a key role in moving the business from hardware-heavy revenues to a service model.
- **Has strengthened Atleos' performance:** Under his leadership, the company has delivered solid earnings growth, improved margins, and a higher share of recurring revenue.
- **Focused on FCF, efficiency, and reducing leverage:** Oliver's strategy is to improve cash generation, continue to bring net leverage down, and return capital to share holders through buybacks.
- **Experience:** 30+ years.



Andy Wamser – Vice President & CFO (Since January 2025)

- **Brings extensive public-company CFO experience:** Andy has worked as CFO in BlueLinx and Mativ. He has track record in treasury, liquidity management and debt refinancing.
- **Experience in investment banking:** Andy worked in investment banking at Barclays and UBS, giving him deep expertise in capital structure, valuation and shareholder returns.
- **Key driver of Atleos' financial strategy:** Strengthening FCF conversion, reducing leverage and enabling future capital returns
- **Experience:** 20+ years.



Stuart Mackinnon – Vice President & COO (Since June 2023)

- **Brings operational and technical expertise:** Stuart held senior roles at NCR and Cardtronics, including Vice President of NCR's ATM business and Vice President & CIO at Cardtronics.
- **Combines hardware, services and software experience:** His background across ATM operations, IT leadership and service delivery positions him to drive Atleos' transition from hardware sales toward long-term, service-based contracts.
- **Experience:** 25+ years.

Broader Executive Team

Ricardo Nuñez – Vice President & CCO (Since 2023)
Experience: 30+ years

Leonard Graves – Vice President & Global Operations (Since 2023)
Experience: 25+ years

Andrea Burson – Vice President & CHRO (Since 2023)
Experience: 20+ years

Diego Navarrete – Vice President & Global Sales (Since 2023)
Experience: 25+ years

Jennifer Personette – Vice President & CMO (Since 2023)
Experience: 20+ years

~1.2% combined insider ownership across management

We Believe the Management Team is Well Aligned With the Shareholders

Incentive Program

- Atleos' leadership is compensated through long-term equity awards.
- A major component is **performance-based stock awards** tied to multi-year **Total Shareholder Return (TSR)** versus the S&P MidCap peer group. The leadership only receive these awards if they outperforms the benchmark.
- They also receive **long-term stock awards** earned gradually over several years, supporting retention and stability.
- The entire management team participates in the programme.



Ultimately, the incentive program creates strong alignment between management and shareholders.

Management's View on Shareholders



"We remain fully committed to reaching 3x leverage, and we expect to hit that by mid-2025. After that, we'll also consider going even lower, as many investors prefer. But one thing is clear — our stock is far too cheap, and once our balance sheet is where it needs to be, we should be buying shares back."

– Tim Oliver, Q4 2024 Earnings Call



NCR ATLEOS

Q&A

Appendix

Income Statement



NCR ATLEOS

USDm	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E
Total Revenue	4,191	4,317	4,363	4,585	4,819	5,029	5,209	5,354
COGS	-3,258	-3,284	-3,273	-3,418	-3,534	-3,666	-3,796	-3,901
Gross profit	933	1,033	1,090	1,166	1,285	1,363	1,413	1,453
SG&A	-331	-231	-251	-252	-265	-277	-286	-294
R&D	-77	-66	-64	-73	-77	-80	-83	-86
D&A	-254	-287	-246	-229	-241	-251	-260	-268
EBIT	271	449	530	612	702	754	783	805
Interest expense	-77	-309	-260	-162	-142	-124	-107	-35
Other income, net	-87	-1	0	0	0	0	0	0
EBT	107	139	270	450	559	630	675	770
Income tax expense	-239	-47	-66	-90	-112	-126	-135	-154
Net income	-132	92⁽¹⁾	204	360	448	504	540	616
Key Metrics	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E
Revenue growth	1.5%	3.0%	1.1%	5.1%	5.1%	4.4%	3.6%	2.8%
EBITDA	525	736	775	841	943	1,006	1,043	1,073
EPS	-1.9	2.2 ⁽²⁾	2.9	5.4	6.7	7.5	8.1	9.2
Margins	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E
Gross margin	22.3%	23.9%	25.0%	25.4%	26.7%	27.1%	27.1%	27.1%
EBITDA margin	12.5%	17.0%	17.8%	18.3%	19.6%	20.0%	20.0%	20.0%
EBIT margin	6.5%	10.4%	12.1%	13.3%	14.6%	15.0%	15.0%	15.0%
EBT margin	2.6%	3.2%	6.2%	9.8%	11.6%	12.5%	13.0%	14.4%
Net income margin	-3.1%	2.1%	4.7%	7.8%	9.3%	10.0%	10.4%	11.5%

Notes: (1) Net income adjusted for non-recurring costs related to the separation is \$162m. (2) EPS is adjusted for non-recurring costs related to the separation.

Appendix

Balance Sheet, Assets



NCR ATLEOS

USDm	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E
Cash and cash equivalents	339	419	155	99	262	524	840	1,318
Accounts receivables	714	588	579	504	530	553	573	589
Inventories	333	307	394	413	434	453	469	482
Restricted cash	238	210	162	162	162	162	162	162
Other current assets	271	242	301	321	337	352	365	375
Total current assets	1,895	1,766	1,591	1,499	1,726	2,044	2,408	2,926
PP&E, net	470	474	542	565	589	589	589	589
Goodwill	1,952	1,950	1,959	1,959	1,959	1,959	1,959	1,959
Intangibles, net	635	550	519	519	519	519	519	519
Operating lease right of use assets	144	144	162	162	162	162	162	162
Prepaid pension cost	218	227	262	262	262	262	262	262
Deferred income tax assets	254	285	290	290	290	290	290	290
Other non-current assets	173	156	157	157	157	157	157	157
Total non-current assets	3,846	3,786	3,891	3,914	3,938	3,938	3,938	3,938
TOTAL ASSETS	5,741	5,552	5,481	5,413	5,663	5,982	6,346	6,864

Appendix

Balance Sheet, Liabilities & Equity



NCR ATLEOS

USDm	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E
Short-term borrowings	76	81	80	80	80	80	80	80
Accounts payable	500	562	544	550	578	603	625	642
Payroll and benefits liabilities	151	147	162	138	145	151	156	161
Contract liabilities	325	315	382	367	386	402	417	428
Settlement liabilities	218	156	161	161	161	161	161	161
Other current liabilities	477	441	567	573	602	629	651	669
Total current liabilities	1,747	1,702	1,897	1,869	1,952	2,026	2,090	2,142
Long term borrowings	2,938	2,855	2,489	2,189	1,909	1,649	1,409	1,259
Pension and indemnity plan liabilities	389	343	0	0	0	0	0	0
Postretirement and postemployment benefits liabilities	60	81	80	80	80	80	80	80
Pension and postemployment benefits liabilities	0	0	330	330	330	330	330	330
Income tax accruals	36	37	35	35	35	35	35	35
Operating lease liabilities	109	110	127	127	127	127	127	127
Deferred income tax liabilities	34	40	53	53	53	53	53	53
Other non-current liabilities	141	120	121	121	121	121	121	121
Total non-current liabilities	3,707	3,586	3,235	2,935	2,655	2,395	2,155	2,005
Total liabilities	5,454	5,288	5,132	4,804	4,607	4,421	4,245	4,147
Stockholder's equity	284	260	348	608	1,056	1,560	2,100	2,716
Non-controlling interest in subsidiaries	3	4	1	1	1	1	1	1
Total stockholder's equity	287	264	349	609	1,057	1,561	2,101	2,717
TOTAL LIABILITIES AND EQUITY	5,741	5,552	5,481	5,413	5,663	5,982	6,346	6,864



Peer Overview



- Diebold Nixdorf is a global provider of ATM hardware, software and managed services to financial institutions, with a large installed base and a significant services and maintenance component.
- The company is considered the **closest peer** to Atleos given its exposure to bank-owned ATM fleets, although its business mix remains more hardware-intensive. Diebold and Atleos together account for a combined market share of 70% and are the largest players globally.
- Diebold has undergone a financial restructuring in recent years following a bankruptcy, which continues to influence its capital structure and equity valuation.



- Euronet Worldwide operates a global payments and transaction processing network, including ATM outsourcing, electronic payments and money transfer services.
- While its business is more transaction-driven and less hardware-focused, Euronet provides a relevant comparison through its exposure to ATM networks, outsourcing and recurring fee-based revenues.
- Euronet's earnings are more closely tied to transaction volumes and regulatory conditions, resulting in a different risk and margin profile compared to Atleos' more infrastructure- and service-oriented model.



- GRG Banking Equipment is a manufacturer of ATM and smart banking equipment, with a strong focus on hardware sales complemented by software and service offerings.
- GRG serves as a reference point for hardware-centric ATM economics, providing contrast to Atleos' more services- and outsourcing-oriented business model.
- The company has a greater exposure to hardware investment cycles and geographic markets with higher sensitivity to bank capex, contributing to more cyclical revenue and margin dynamics.

USDm	Market Data			Financial Data ⁽¹⁾			Valuation ⁽²⁾					
Company Name	MCAP	LTM Net Debt	EV	FY24-27 EBITDA CAGR	FY27 EBITDA Margin	FY24-27 EPS CAGR	FY25 P/E	FY26 P/E	FY27 P/E	FY25 EV/EBITDA	FY26 EV/EBITDA	FY27 EV/EBITDA
Diebold Nixdorf	2,427	809	3,236	3.3%	13.7%	18.2%	16.6x	13.7x	12.3x	8.4x	7.5x	6.8x
Euronet Worldwide	3,256	455	3,711	4.9%	16.3%	11.3%	10.0x	7.9x	6.7x	6.9x	6.5x	6.0x
GRG Banking Equipment	30,695	-6,656	24,039	7.0%	10.9%	9.1%	33.1x	26.1x	19.2x	19.2x	18.7x	16.1x
Average	12,126	-1,797	10,329	5.1%	13.6%	12.9%	19.9x	15.9x	12.7x	11.5x	10.9x	9.6x
NCR Atleos	3,009	2,585	5,594	8.6%	19.6%	31.4%	14.7x	8.4x	6.7x	7.2x	6.7x	5.9x
Discount vs Peers							-26%	-47%	-47%	-37%	-39%	-38%

Key Takeaways

- Compared to peers, Atleos operates a more services-led, recurring revenue model, supporting higher revenue visibility and structurally lower cyclicality.
- Despite this higher-quality business mix and superior EBITDA and EPS growth, Atleos trades at a 35–55% discount to peers on forward multiples.
- We view this valuation discrepancy relative to peers as misaligned with Atleos' ongoing ATMaas shift, balance sheet deleveraging and scale benefits.

Notes: (1) Consensus estimates. (2) Multiples based on consensus estimates.



Reverse DCF

USDm	2025E	2026E	2027E	2028E	2029E	2030E
Total revenue	4,363	4,585	4,819	5,029	5,209	5,354
Gross profit	1,090	1,166	1,285	1,363	1,413	1,453
Gross margin	25.0%	25.4%	26.7%	27.1%	27.1%	27.1%
EBITDA	775	792	808	818	821	818
EBITDA margin	17.8%	17.3%	16.8%	16.3%	15.8%	15.3%
EBIT	530	563	567	567	561	550
EBIT margin	12.1%	12.3%	11.8%	11.3%	10.8%	10.3%
Net income	204	311	313	317	319	361

- The reverse DCF implies that the current share price assumes EBITDA margins of 17.8% in 2025, in line with our forecasts, followed by a gradual margin compression of 50bps per annum thereafter, embedding no margin expansion from increased ATMaaS adoption.
- Under these assumptions, the implied intrinsic value broadly reconciles with the current market valuation, suggesting that the market is effectively pricing in margin stagnation despite the ongoing shift towards ATMaaS, which carries structurally higher margins and recurring revenues.

Reverse DCF Overview	
CoE	10.7%
TGR	-2.0%
Sum PV Forecast	\$1,393m
PV TV	\$1,556m
Implied Equity Value	\$2,949m
NOSH	72.2m
Intrinsic Value	\$40.8
Current Share Price	\$40.7
Discount to Intrinsic Value	0%

As a result, any stabilization or modest expansion in EBITDA margins driven by mix shift would imply upside to the current valuation, highlighting an asymmetric risk-reward profile.

Note: (1) Net income adjusted for non-recurring costs related to the separation is \$162m.