Diebold Nixdorf, Incorporated
North Canton, Ohio, United States of America

Public Disclosure of Inside Information pursuant to Article 17 Regulation (EU) No 596/2014

Diebold Nixdorf reports preliminary financial results through May; re-establishes full-year financial outlook for 2020

June 22, 2020 - North Canton, Ohio, United States of America – Diebold Nixdorf, Incorporated (ISIN: US2536511031, the "Company") today reported preliminary financial results through May and re-established full-year 2020 financial guidance.

For the period beginning from January 1, 2020 through May 31, 2020, the Company reports preliminary financial results as follows:

- Non-GAAP operating profit of $106.9 million increased $51.5 million, or 93.3% year-over-year, as a result of higher-quality revenue and the positive effects of DN Now transformation initiatives. Gross margins increased year-over-year for all three segments and business lines. The Company reduced operating expense by 16.0%, or $58 million year-over-year. Non-GAAP operating profit margin increased approximately 420 basis points year-over-year to 7.4%.
- Adjusted EBITDA of $149.7 million increased $34.0 million, or 29.4% year-over-year. Adjusted EBITDA margin increased approximately 380 basis points to 10.4%.
- Free cash use of $176 million increased by $22 million as compared with free cash use of $154 million in the prior-year period.
- Revenue of $1.4 billion declined by 17.4%, or $303 million, year-over-year resulting primarily from approximately $124 million of net unplanned reductions related to COVID-19 delays and approximately $98 million of net planned reductions. The strength of the U.S. dollar resulted in a foreign currency headwind of approximately $53 million year-over-year, while divestitures reduced revenue by approximately $28 million year-over-year.

Condensed Consolidated Statements of Operations – Unaudited (Excerpt):

(Dollars in millions)	Preliminary YTD May 31, 2020		YTD May 31, 2019		Change	
	GAAP	Non-GAAP[1]	GAAP	Non-GAAP[1]	GAAP	Non-GAAP
Total gross profit	$ 363.8	$ 409.2	$ 410.8	$ 415.3	$ (47.0)	$ (6.1)
Total gross margin	25.3 %	28.5%	23.6 %	23.9%	170 bps	460 bps
Total operating expenses	$ 403.9	$ 302.3	$ 441.9	$ 359.9	$ (38.0)	$ (57.6)
Operating profit	$ (40.1)	$ 106.9	$ (31.1)	$ 55.4	$ (9.0)	$ 51.5
Operating margin	(2.8)%	7.4%	(1.8)%	3.2%	(100) bps	420 bps
Adjusted EBITDA	$ 33.6	$ 149.7	$ 51.7	$ 115.7	$ (18.1)	$ 34.0
Adjusted EBITDA margin	2.3 %	10.4%	3.0 %	6.6%	(70) bps	380 bps

(1) See footnote 1 of the Company's press release of June 22, 2020 as published under https://investors.dieboldnixdorf.com for GAAP to Non-GAAP reconciliations for gross profit/gross margin; selling and administrative expense; research, development and engineering expense; and other operating income/expense and footnote 2 for Adjusted EBITDA.

For the full-year 2020[1], the Company's guidance is:

- Revenue of $3.7 billion to $3.9 billion which includes year-over-year foreign currency headwinds of approximately $120 million and divestiture impacts of approximately $80 million.
- Adjusted EBITDA in the range of $400 million to $440 million, an increase of up to 10% versus 2019 results.
- The Company continues to target approximately $130 million in gross savings from its DN Now transformation initiatives, plus incremental cost savings of $80 million to $100 million which is comprised of both recurring and one-time savings.
- Break-even free cash flow.

[1] The Company's full year outlook for 2020 is based on the current book of business as well as information available today regarding the potential effect of the coronavirus and the current recession. There are a number of factors, including the potential for a second wave of virus infections and related business implications, that we may not be able to accurately predict. In addition, the 2020 outlook includes the impact of deconsolidating our joint venture in China, which was finalized in the second quarter 2020, and the divestiture of Diebold Nixdorf Portavis GmbH, which was finalized in the first quarter 2020. Collectively, these two businesses generated approximately $110 million of revenue in 2019 and are expected to generate approximately $80 million of revenue in 2020.

[2] The foreign currency impact is estimated based on exchange rates as of May 31, 2020.

[3] With respect to the Company’s non-GAAP adjusted EBITDA outlook for 2020, the Company is not providing a reconciliation to the most directly comparable GAAP financial measure because it is unable to predict with reasonable certainty those items that may affect such measures calculated and presented in accordance with GAAP without unreasonable effort. These measures primarily exclude the future impact of restructuring actions and net non-routine items. These reconciling items are uncertain, depend on various factors and could significantly impact, either individually or in the aggregate, net income calculated and presented in accordance with GAAP. Please see “Use of Non-GAAP Financial Measures” for additional information regarding the Company's use of non-GAAP financial measures.

<u>Year-to-date Financials</u>

Year-to-date financial results include preliminary results for April and May of 2020 that have been prepared by the Company based on currently available information and have not been reviewed by the Company's independent auditors. Preliminary results require a greater degree of estimation and assumptions than a typical period end closing process. As a result, second quarter results, and the actual results for April and May of 2020 included therein, may differ materially from the preliminary results presented above due to the finalization of quarterly financial and accounting procedures. The above preliminary results should not be considered a substitute for the financial statements for the second quarter ending June 30, 2020 prepared in accordance with GAAP, and investors should not place undue reliance upon the preliminary results.

<u>Non-GAAP Financial Measures and Other Information</u>

To supplement the Company's condensed consolidated financial statements presented in accordance with GAAP, the Company considers certain financial measures that are not prepared in accordance with GAAP, including non-GAAP results, free cash flow/(use), EBITDA and adjusted EBITDA. The Company calculates constant currency by translating the prior year results at the current year exchange rate. The Company uses these non-GAAP financial measures, in addition to GAAP financial measures, to evaluate the Company's operating and financial performance and to compare such performance to that of prior periods and to the performance of the Company's competitors. Also, the Company uses these non-GAAP financial measures in making operational and financial decisions and in establishing operational goals. The Company also believes providing these non-GAAP financial measures to investors, as a supplement to GAAP financial measures, helps investors evaluate the Company's operating and financial performance and trends in the Company's business, consistent with how management evaluates such performance and trends. The Company also believes these non-GAAP financial measures may be useful to investors in comparing its performance to the performance of other companies, although its non-GAAP financial measures are specific to the Company and the non-GAAP financial measures of other companies may not be calculated in the same manner. The Company provides EBITDA and adjusted EBITDA because the Company believes that investors and securities analysts will find EBITDA and adjusted EBITDA to be useful measures for evaluating the Company's operating performance and comparing the Company's operating performance with that of similar companies that have different capital structures and for evaluating the Company's ability to meet the Company's future debt service, capital expenditures and working capital requirements. The Company is also providing EBITDA and adjusted EBITDA in light of the Company's credit agreement and the issuance of the Company's 8.5% senior notes due 2024. For additional information regarding the Company's use of non-GAAP financial measures, please refer to the Company's press release of June 22, 2020 and its financial statements as published under https://investors.dieboldnixdorf.com/.

North Canton, June 22, 2020
Diebold Nixdorf, Incorporated

Notifying Person:
Stephen A. Virostek
Vice President, Investor Relations
Telephone +1 (330) 490-6319
Facsimile +1 (330) 490-3794
stephen.virostek@dieboldnixdorf.com

Forward-Looking Statements

This ad hoc notice contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding potential impact of the ongoing coronavirus (COVID-19) pandemic, anticipated revenue and adjusted EBITDA, future liquidity and financial position. Statements can generally be identified as forward looking because they include words such as "believes," "anticipates," "expects," "could," "should" or words of similar meaning. Statements that describe the Company's future plans, objectives or goals are also forward-looking statements. Forward-looking statements are subject to assumptions, risks and uncertainties that may cause actual results to differ materially from those contemplated by such forward-looking statements. The factors that may affect the Company's results include, among others: the finalization of the Company's financial statements for the quarter ending June 30, 2020; the ultimate impact of the ongoing COVID-19 pandemic on the Company's business, results of operations, financial condition and liquidity; the ultimate impact of the appraisal proceedings initiated in connection with the implementation of the domination and profit and loss transfer agreement with Diebold Nixdorf AG and the merger squeeze-out; the Company's ability to achieve benefits from its cost-reduction initiatives and other strategic initiatives, such as DN Now, including its planned restructuring actions, and its incremental cost savings actions, as well as its business process outsourcing initiative; the success of the Company's new products, including the Company’s DN Series line; the Company's ability to comply with the covenants contained in the agreements governing the Company’s debt; the Company’s ability to successfully refinance the Company's debt when necessary or desirable; the ultimate outcome of the Company's pricing, operating and tax strategies applied to former Diebold Nixdorf AG and the ultimate ability to realize cost reductions and synergies; changes in political, economic or other factors such as currency exchange rates, inflation rates, recessionary or expansive trends, taxes and regulations and laws affecting the worldwide business in each of the Company's operations; the Company's reliance on suppliers and any potential disruption to the Company's global supply chain; the impact of market and economic conditions, including any additional deterioration and disruption in the financial and service markets, including the bankruptcies, restructurings or consolidations of financial institutions, which could reduce the Company's customer base and/or adversely affect the Company's customers' ability to make capital expenditures, as well as adversely impact the availability and cost of credit; interest rate and foreign currency exchange rate fluctuations, including the impact of possible currency devaluations in countries experiencing high inflation rates; the acceptance of the Company's product and technology introductions in the marketplace; competitive pressures, including pricing pressures and technological developments; changes in the Company's relationships with customers, suppliers, distributors and/or partners in its business ventures; the effect of legislative and regulatory actions in the United States and internationally and the Company's ability to comply with government regulations; the impact of a security breach or operational failure on the Company's business; the Company's ability to successfully integrate other acquisitions into its operations; the Company's success in divesting, reorganizing or exiting non-core and/or non-accretive businesses; the Company's ability to maintain effective internal controls; changes in the Company's intention to further repatriate cash and cash equivalents and short-term investments residing in international tax jurisdictions, which could negatively impact foreign and domestic taxes; unanticipated litigation, claims or assessments, as well as the outcome/impact of any current/pending litigation, claims or assessments; the investment performance of the Company's pension plan assets, which could require the Company to increase its pension contributions, and significant changes in healthcare costs, including those that may result from government action; the amount and timing of repurchases of the Company's common shares, if any; and other factors included in the Company's filings with the SEC, including its Annual Report on Form 10-K for the year ended December 31, 2019, Form 10-Q and in other documents that the Company files with the SEC. You should consider these factors carefully in evaluating forward-looking statements and are cautioned not to place undue reliance on such statements. The Company assumes no obligation to update any forward-looking statements, which speak only to the date of this ad hoc notice.