Diebold Nixdorf

DieboldNixdorf.com

Shareholder Letter

Fourth Quarter and Full Year 2021



Customer Stories



Sophea Sok, senior vice president & head of Marketing Division
Acleda Bank

"We chose to expand our self-service banking capabilities with technology leader Diebold Nixdorf because they offer an innovative and holistic solution. With the addition of DN Series, we are providing customers with the most modern ATM banking experience by offering multiple functionalities in a single terminal."



Marco Ryan, senior vice president, Digital Customers & Markets
BP

"Diebold Nixdorf's Managed Services enable us to bring greater automation to our retail sites across the globe. Their integrated solutions, combined with their expertise in the fuel and convenience industry, make them the ideal partner to help drive our transformation journey. We look forward to collaborating with them further to accelerate and underpin our consumer centric journeys, innovation and operational excellence."



JP Hurtado, D&B, Senior Vice President and Chief Information Officer
Dave & Buster's

"The implementation of the DN technology has been going really great. We started out with the design and the ideation of a new kiosk product and we collaboratively worked on that…and we are really excited on our partnership and what this is going to do for our brand."



Kerstin Berghoff-Ising, Member of the Management Board
Sparkasse Hannover

"Our partnership with Diebold Nixdorf has been the foundation to offering a superior experience to our customers via our self-service channel and establishing a new standard. We are also aware that customers' needs keep evolving and trust that the partnership will ensure we keep meeting our customers' expectations in the future."

To Our Shareholders

As the world continues to face challenges from the global pandemic, 2021 overall was a year of progress for Diebold Nixdorf. We completed our DN Now transformation, focused on our strengths and opportunities within our core businesses, continued to see demand and build momentum for our growth initiatives, and expanded into a new horizontal market leveraging our best-in-class services organization.

As we look back over the last 12 months, we would be remiss not to mention the dedication and resiliency of our teams—navigating supply chain, logistics and inflation challenges while continuing to put our customers first. Despite multiple challenges we shipped more ATMs, self-checkout and point of sale devices than we did in 2020 – a testament to the resiliency of our model.

Consumer behavior has evolved, and self-service and automation are top of mind for banks and retailers, leading to increased demand for our products, services and software. As a result, we have a seat at the table to strategically help our customers meet the needs of their businesses and consumers.

Throughout this letter we will detail our 2021 Q4 and fiscal year performance, with a focus on the following highlights:

- Evolution of consumer behavior leading to demand for self-service and automation
- Continued momentum for DN Series™, specifically our cash recyclers
- Growth in Retail driven by self-checkout, including the deepening of our relationship with Tesco, a major U.K.-based retailer, as they continue their checkout transformation
- Milestone growth with connected devices for our DN AllConnect℠ Data Engine
- Progress with Services and Software growth initiatives, including our new Services horizontal, electric vehicle (EV) charging stations
- Developments with ESG/DEI initiatives

In the year ahead, we look forward to moving past the global macro challenges we have experienced by leveraging our mitigation strategies and delivering for our customers and shareholders. Diebold Nixdorf is well-positioned to capitalize on the strong demand for our products and solutions as customers continue to desire our market-leading devices, services and software, and the market moves toward increased self-service automation driven by consumers.

Business Highlights

Banking

We saw strong growth in Banking in 2021, specifically for orders in the Americas. One proof point is our order entry metric. In the Americas, we closed 2021 with ~$551M compared with ~$477M in 2020 and ~$472M in 2019. We have seen a share shift as we successfully increased our customer base of large financial institutions, some of whom have not worked with us in the past. This is a tremendous testament to our best-in-class DN Series ATMs, specifically our cash recycling capability, as well as the hard work of our team in the field.



In the fourth quarter we:

- Expanded our relationship with a top-five U.S.-based financial institution to deploy DN Series cash recyclers, which will provide us with an opportunity to grow and expand the relationship as we work strategically with the bank's team to meet the evolving needs of their consumers.
- Secured a win with a France-based bank for a two-year agreement totaling over $11M for systems and services. The customer is a competitive takeaway and is starting with 600 DN Series ATMs, with a contract to increase their installed base with us by 15% between this year and 2024.
- Won an ~$8M contract with a Belgium-based bank for DN Series devices with our services and Vynamic™ connection points and security suite software, which will be installed in 400 postal branches across the country. This was a competitive win and now 100% of this bank's fleet is Diebold Nixdorf devices.

In 2021 we shipped: ~55K ATMs (~26K DN Series)

We reached a milestone for our AllConnect Data Engine with growth of ~122% over 2020. Approximately 150,000 banking self-service devices are now connected to this solution, which leverages real-time Internet of Things connections from our deployed devices. We are consistently reducing customers' downtime by as much as 50%, resulting in greater than 99% uptime. We see a strong trajectory going forward for this offering as we look to meet our next milestone of 225,000

THE GLOBAL AUTOMATED DEPOSIT TERMINALS (ADTS) INSTALLED BASE IS FORECAST TO GROW AT A CAGR OF +1.4% BETWEEN 2022 AND 2026.

GROWTH WILL VARY SIGNIFICANTLY BY TERMINAL TYPE, WITH RECYCLING ATMS GROWING AT A CAGR OF +4%.

-SOURCE: RBR 2022

connected devices, or ~40% of all Diebold Nixdorf devices serviced, by the end of 2022.

Retail

We continue to see strong demand for our self-checkout (SCO) products as retailers look to Diebold Nixdorf for comprehensive solutions that provide exceptional consumer experiences and cost efficiency.



In the fourth quarter we:

- Deepened our relationship with a major U.K.-based retailer continuing their checkout transformation by securing an ~$9M contract for more than 2,000 additional SCOs. This will bring their total number of Diebold Nixdorf SCOs to ~6,000 in over 500 stores. This win also included a five-year maintenance contract.
- Expanded our relationship with a U.S.-based chain of specialty discount stores with an ~$2.5M contract for our systems and services across 180 locations.
- Secured a ~$5M contract for systems renewal with a top France-based retailer with a presence throughout Europe. This is a multi-year contract with the opportunity for services expansion.

In 2021 we shipped: ~21K SCOs and ~132K EPOS

The opportunity to grow our Retail business remains strong with demand for SCO leading the charge. In 2021 we were ahead of the market in growth of SCO devices and believe this trend will continue in 2022. We also benefit from a strong services attachment rate for these systems. Additionally, when retailers transition to self-checkout lanes they generally replace each traditional lane with two or more self-checkouts. The pandemic has proven that consumer behavior has evolved, and retailers need to adapt to meet the needs of consumers as well as think strategically about their business amid macro-economic conditions such as labor shortages. We look forward to meeting the needs of our retail customers as they rethink their checkout layout and choose us as their trusted partner with the latest and greatest in innovative self-service and automation technology.

Growth Initiatives

Managed Services



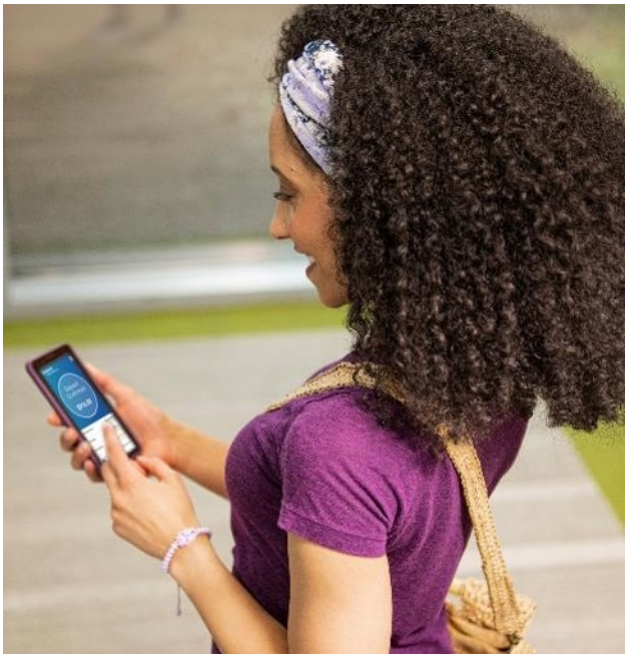
We see a long runway of opportunity for our Managed Services offering, as we have only begun to scratch the surface of expanding these capabilities within our established installed base.

In the fourth quarter we:

- Secured a ~$6M Managed Services contract renewal with a German financial institution, **Degussa Bank**, including additional new services and a term extension of three-years across 60 branches and over 80 self-service locations. This win is a testament of customer satisfaction and serves as a blueprint for future deals.
- Won a ~$5M, five-year contract for ATM-as-a-Service. This competitive win includes hardware, software and Managed Services across approximately 30 branches for a regional credit union in the U.S. with room for expansion.
- Expanded our relationship with a top-10 West Coast-based credit union with locations across the U.S. to include a new Managed Services contract that will convert their fleet of 100 ATMs to ATM-as-a-service, plus, a 2-year replacement program. This is one of our largest ATMaaS deals to date in the U.S. regional space.

Our installed base of devices in both Banking and Retail provide the optimal vehicle to layer on value-added Managed Services. We believe this is an ongoing area of growth for us, both in our current offerings as well as our desire to continue to innovate and provide services that meet the new needs of our customers and subsequently their consumers. Demand for our services continues to grow, and we see this area as an important growth initiative going forward.

Cloud Enabled Software



We are investing in fundamentally changing our Software business from a highly customized on-premises software model to cloud native software, which our customers would use as a service (SaaS). Our customers want to leverage cloud technologies for ease of management, and our Software business is adapting current capabilities to run in this environment. For example, today's customer can use our Interactive Video Teller software, Terminal Driving, Vynamic Payments and Device Handling both on-premise, as well as from a cloud environment. We are developing cloud-native software capabilities on microservice-oriented software architecture that is highly scalable, elastic and moves at the speed of business – such as our Vynamic Retail Suite for our Retail customers, which is part of our new offering.

In the fourth quarter we:

- Went live with one of Austria's leading furniture retailers with a minimum five-year contract for our Vynamic-as-a-Service concept, including our Vynamic Engage Advanced Promotions package. With this solution, our customer can meet an urgent need for more flexible and unified discount and marketing campaigns across all touchpoints and channels.
- Continue to gain momentum with our cloud-enabled video platform as we won ~30 new customers in the U.S. regional banking space with plans for these projects to commence in Q1 2022.
- Closed a ~$4M deal for Terminal Driving software with a top-10 U.S.-based bank that will be deployed at their locations. This notable win positions us well to keep expanding our software footprint.
- Started the rollout of our next form of transactions for our Vynamic Payments customer, which will be across all their ATMs by the end of Q1 2022. We also continue advanced discussions regarding partnerships in the Payments space to rapidly expand the functionality of our Vynamic Payments Platform.

We are focused on streamlining our processes around deployment, operations and support for our cloud and SaaS transformation. Though these are longer sales cycle offerings, we see healthy demand for our solutions with a growing pipeline.

EV Charging



One of our growth initiatives for which we are seeing strong momentum, especially in Europe, is providing service for Electric Vehicle (EV) Charging Stations. As we continue to analyze potential horizontals for growth that utilize one of our best assets—our service organization—we made significant strides with Diebold Nixdorf's service capabilities to EV charging station manufacturers and providers in Q4 2021.

We have met with many of the top 40 EV manufacturers and charge point operators, resulting in fruitful conversations. More importantly, we secured several pilots and contracts utilizing our well-established and highly standardized Managed Services organization, including a notable win with **Compleo**, one of the leading full-service providers of charging technology in Europe. With this partnership, Diebold Nixdorf will provide Managed Services to Compleo, including installation, responsive break/fix, preventive maintenance, helpdesk, monitoring and data analysis to over 1,000 DC fast-charging stations for EV vehicles in public locations across Germany with the potential for expansion.

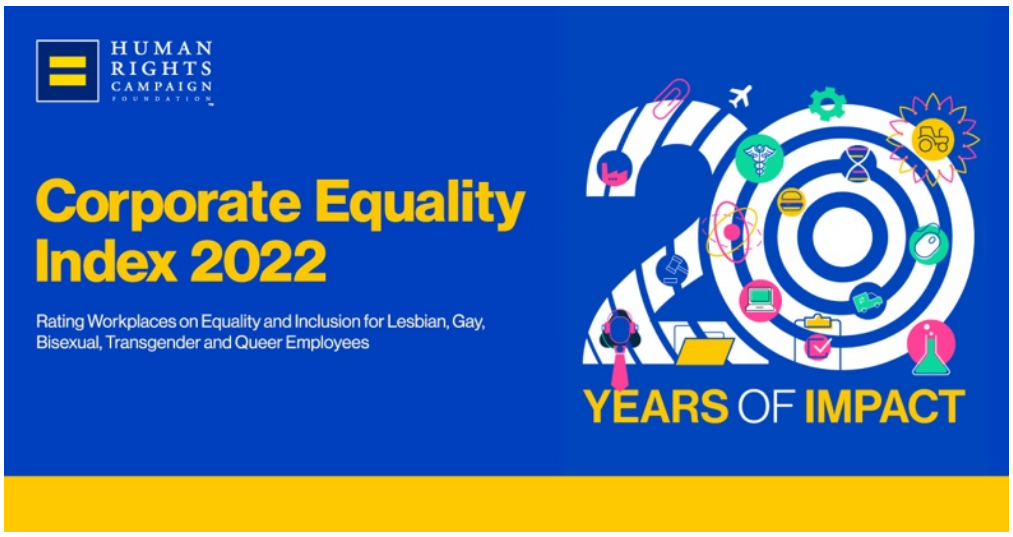
Compleo is just one example of many other opportunities we are pursuing in this space. This market, specifically our role in servicing EV stations, is still in the nascent stages. Thus, as these pilots and contracts evolve, we will provide more detail regarding metrics and unit economics. We see a strong path forward in EV charging station services as we look to service over 30,000 devices by the end of 2022. We will continue to update you on our progress in this area in future quarters and communications.

ESG and DEI Initiatives

As an organization we are committed to diversity and sustainability. In 2021 we made significant progress with females accounting for over 60% of new senior hires – VP and above. We also reduced Scope 1 and Scope 2 carbon emissions by 6%. We will be publishing our 2021 ESG Report in the Spring of this year, which will include a comprehensive overview of our accomplishments for the year.

In the fourth quarter we:

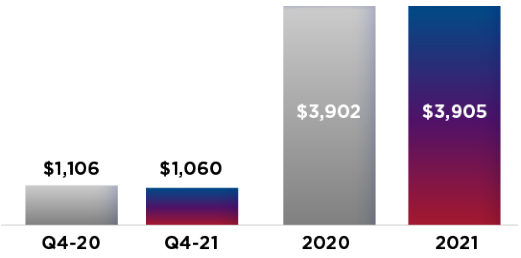
- Expanded diversification of our Board of Directors with the addition of William (Bill) Borden, who is responsible for leading the development and execution of Microsoft's global financial services (FSI) strategy, supporting its FSI customers in their digital transformation journeys. Bill has held various senior leadership positions at some of the largest banking institutions in the U.S., including Bank of America and Citigroup. He is a member of The Executive Leadership Council, the preeminent membership organization for the development of global Black leaders, and he is committed to helping the communities in which he lives and works through board membership, volunteering and mentoring.
- Partnered with the Arbor Day Foundation to plant one new tree for every 115 pounds of paper purchased, through our long-standing connection with our ATM thermal receipt paper provider, Telemark Diversified Graphics (TDG). We have already planted over 6,500 trees, offsetting those used in the production of each receipt paper order, with a goal to plant 15,000 in total.
- Earned strong marks in Human Rights Campaign (HRC) Foundation's 2022 Annual Corporate Equality Index (CEI). Over the past several years we have adopted and implemented non-discriminatory policies across our business, established the CARE council to work cross-functionally through employees around the globe, established several Employee Resource Groups and continue to focus on supporting an inclusive culture. This has resulted in Diebold Nixdorf receiving a score of 90 out of 100 on the CEI, the nation's foremost benchmarking survey and report measuring corporate policies and practices related to LGBTQ+ workplace equality. Our score outpaces the average score of all Fortune 500 companies evaluated by the HRC.



Financial Summary

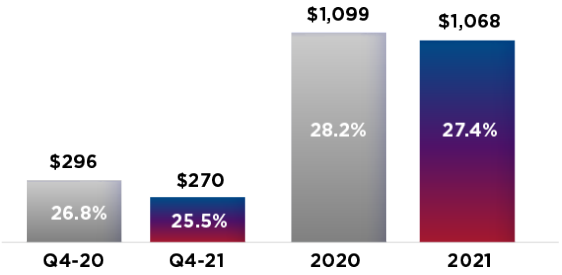
Fourth Quarter and Full Year 2021

Total Revenue ($M)



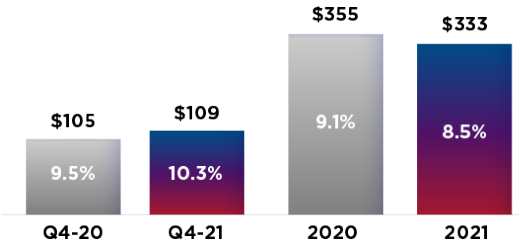
- Q4 21 Revenue performance reflects continued supply chain pressures despite strong demand.
- FY 2021 Revenue performance flat compared to the prior year primarily due to strength in Retail offset by supply chain challenges in Banking.

Gross Profit[1] ($M) & Margin[1]



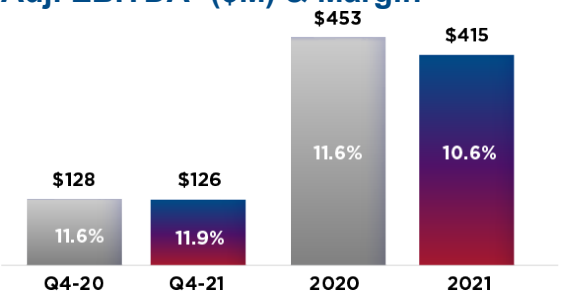
- Gross Profit decreased in Q4 21 due to inflationary costs leading to lower margins in products and volume mix.
- FY 2021 Gross Profit and Gross Margin decreased on a year-over-year basis primarily due to mix and non-billable supply chain logistics inflation which impacted Product margins. Services and Software were largely flat.

Operating Profit[1] ($M) & Margin[1]



- Q4 21 and FY 2021 Operating Expense decreased as compared to Q4 20 and FY 2020 primarily due to lower SG&A and R&D expenses. Within SG&A we invested in growth and infrastructure, however, these investments were offset by reductions in variable incentive compensation.
- Operating Profit increased in Q4 21 on an annual basis as Gross Profit reductions were partially offset by Operating Expense favorability due in part to lower incentive compensation as well as continued expense management. On a full-year basis Operating Profit decreased due to Gross Margin pressures from non-billable raw material and freight inflation; however, this was partially offset by continued execution on our DN Now initiatives and lower incentive compensation.

Adj. EBITDA[1] ($M) & Margin[1]



- Q4 21 Adjusted EBITDA result driven primarily by reduced operating expense overcoming reduced Revenue over Gross Profit.
- FY 2021 Adjusted EBITDA results came in at the lower end of our guidance range primarily due to supply chain challenges which increased the deferral of revenue from 2021 to 2022 from our previous estimate of $120M to ~$150M.

1) Non-GAAP metric. See “Use of Non-GAAP Financial Information” and the Financial Tables in the back of this document for additional information. Note: Differences may occur due to rounding.

Financial Discussion

Fourth Quarter and Full Year 2021

Eurasia Banking Highlights

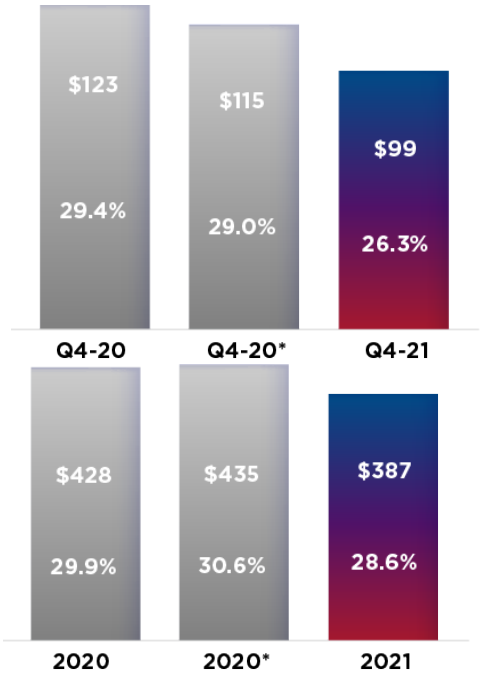
Revenue ($M)



Q4 21 and FY 2021 revenue declined on a year-over-year basis primarily due to continued supply chain challenges for product, termination of certain service contracts and trends in some Asian countries towards nationalization of certain services.

Additionally, for Q4 21, some software projects were delayed to 2022 due to COVID and current market conditions.

Gross Profit[1] ($M) & Margin[1]



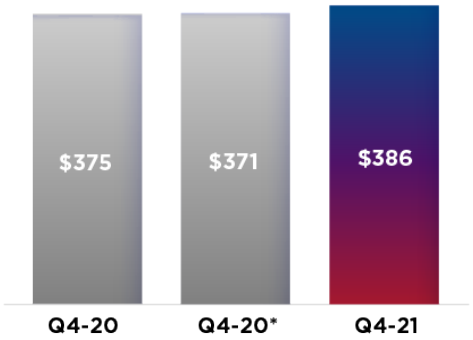
The decline in Eurasia Banking gross margin in 4Q21 was primarily due to non-billable raw material and freight inflation and Software margin weakness. Gross Profit was down for the same period due to revenue flow through.

On a full year basis, total gross margins declined ~200 bps – due entirely to Product margin shortfalls as a result of inflationary pressures. This was partially offset by higher Services and Software margins as well as lower incentive compensation.

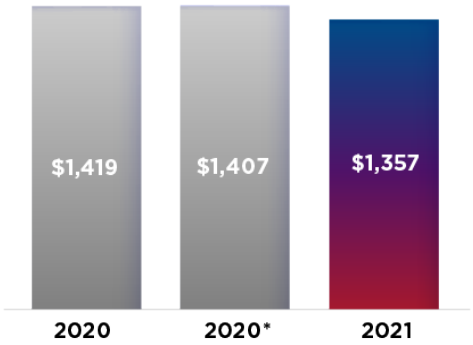
1) Non-GAAP metric. See “Use of Non-GAAP Financial Information” and the Financial Tables in the back of this document for additional information. Note: Differences may occur due to rounding. *Non-GAAP Metric - Represents revenue/margin on a constant currency basis and adjusted for divestitures.

Americas Banking Highlights

Revenue ($M)

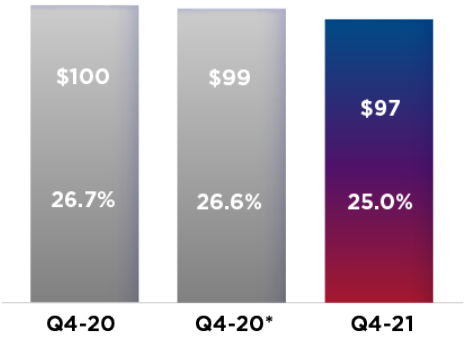


Q4 21 revenue increased as compared to Q4 20 due to favorable product volumes despite supply chain delay impacts offset partially by decreased Service revenue due to less billable work and customer mix impact.

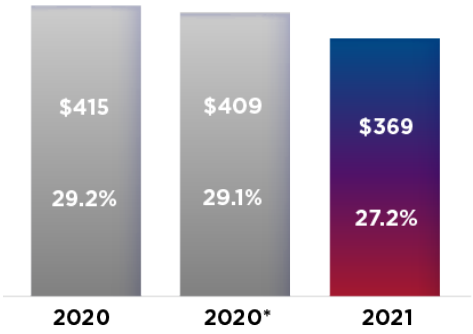


FY 2021 revenue declined over FY 2020 due to deferred revenue as a result of supply chain challenges.

Gross Profit[1] ($M) & Margin[1]



In Q4 21, Gross Profit and Gross Margin declined on a year-over-year basis due to high freight costs as well as country/product mix. Service Gross Margin was also impacted by inflation and country/business line mix.

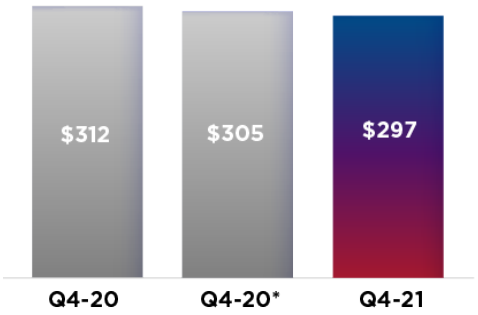


On a full-year basis, Gross Profit and Gross Margin declined due to lower revenues and country/product mix.

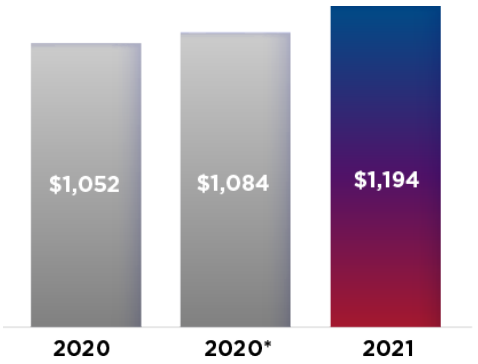
1) Non-GAAP metric. See “Use of Non-GAAP Financial Information” and the Financial Tables in the back of this document for additional information. Note: Differences may occur due to rounding. *Non-GAAP Metric - Represents revenue/margin on a constant currency basis and adjusted for divestitures.

Retail Highlights

Revenue ($M)

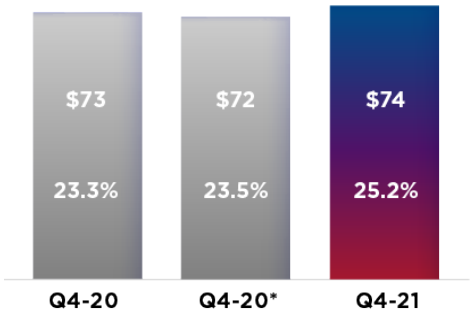


Slight decline in Q4 21 revenue vs the prior year period driven by Products and due to supply chain challenges. Year-over-year comparison impacted by favorable one-time effects in Q4 20 from COVID recovery and catch up as well as unfavorable FX.

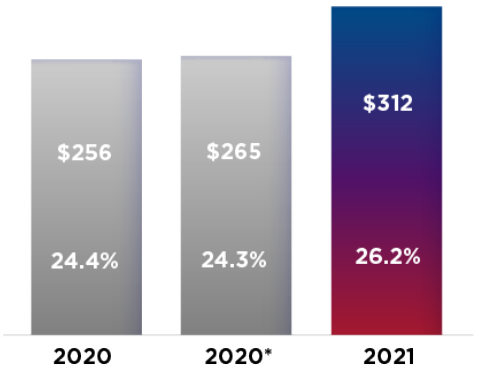


Revenue finished strong for FY 2021 driven by Services and Software Professional Services, leading to double-digit year-over-year growth.

Gross Profit[1] ($M) & Margin[1]



Increase in Gross Margin and Gross Profit in Q4 21 as compared to Q4 20 driven by strong revenue for Software and Services, while Products Gross Margin was flat due to cost increases from supply chain.

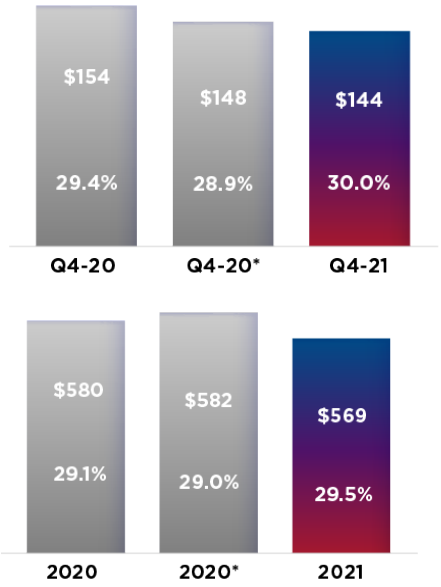


For FY 2021 Gross Margin and Gross Profit both increased versus the prior year due to strong revenue growth and increased Gross Margin.

1) Non-GAAP metric. See “Use of Non-GAAP Financial Information” and the Financial Tables in the back of this document for additional information. Note: Differences may occur due to rounding. *Non-GAAP Metric - Represents revenue/margin on a constant currency basis and adjusted for divestitures.

Service, Product and Software Gross Margins

Services Gross Profit[1] ($M) & Margin[1]



In Q4 21, Service margins increased 60 basis points versus the prior year period due to continued execution on our Service Improvement Program; however, this was partially offset by increased wage inflationary costs.

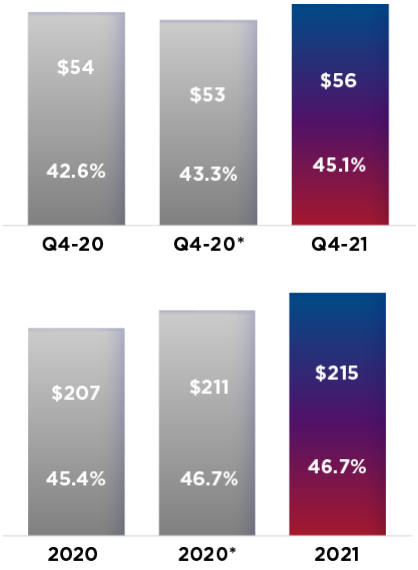
Product gross margins declined 390 basis points versus the prior year period primarily due to inflationary pressures and supply chain logistics partially offset by a favorable mix of DN Series versus legacy ATM and geographic/customer mix. We foresee this trend continuing into Q1 2022. Software gross margins increased 250 basis points versus the prior year period driven by divestitures of low-profit businesses and scaling revenue growth.

For FY 2021, overall gross margins for the Company declined 80 basis points versus the prior year. This was entirely attributable to lower Product margins, which declined 280 basis points in 2021 due to lower volume and increase raw material and freight inflationary pressures. This was partially offset by strength in Services and Software margins which increased 40 and 130 basis points, respectively – driven by continued execution on savings initiatives.

Products Gross Profit[1] ($M) & Margin[1]

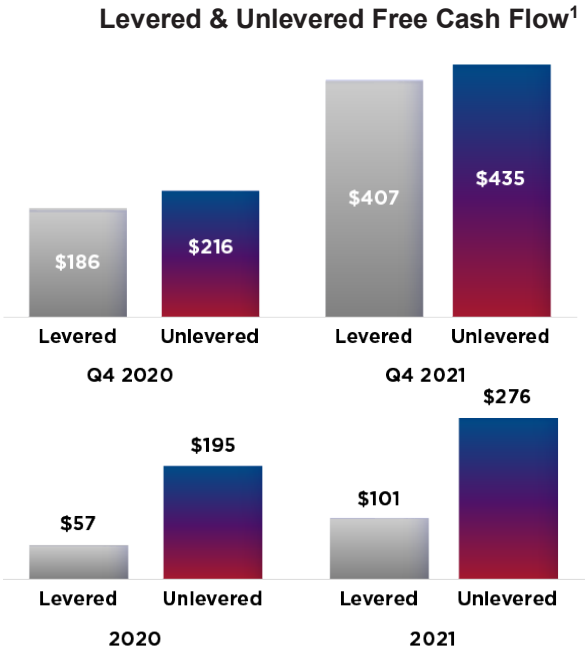


Software Gross Profit[1] ($M) & Margin[1]



1) Non-GAAP metric. See "Use of Non-GAAP Financial Information" and the Financial Tables in the back of this document for additional information. Note: Differences may occur due to rounding. *Non-GAAP Metric - Represents revenue/margin on a constant currency basis and adjusted for divestitures.

Free Cash Flow, Leverage and Debt Maturities



Unlevered free cash source of $276M reflects improved collections, strict payables discipline and lower restructuring and transformation spend, partially offset by lower EBITDA and higher cash use on inventory investment due to supply chain challenges and strong orders all compared to the prior year same period.

Leverage ratio[2] increased to 4.6x with net debt[3] of $1,866M and TTM adjusted EBITDA[1] of $415M

Available liquidity[3] of $584M

Debt Maturities

Facilities	Balances as of December 31, 2021 ($M)	Interest Rate Index & Margin[4]	Maturity Dates
Revolving Credit ($369 at 12/31/21)[5]	$61	LIBOR +4.25%	July 2023
Term Loan B US$	$386	LIBOR +2.75%	November 2023
Term Loan B €	$380	EURIBOR +3.00%	November 2023
US$ Senior Unsecured Notes due 2024	$400	8.50%	April 2024
US$ Senior Secured Notes due 2025	$700	9.38%	July 2025
€ Senior Secured Notes due 2025	$396	9.00%	July 2025

1) Non-GAAP metric. See “Use of Non-GAAP Financial Information” and “Supplemental Slides” for further information.
2) Leverage ratio is defined as net debt to trailing 12-month adjusted EBITDA. Ending cash balance includes $3.1M of cash in assets held for sale, which was not realized as of December 31, 2021.
3) Net debt and liquidity as of December 31, 2021. Net debt is a non-GAAP financial measure defined as notes payable plus long-term debt less cash, cash equivalents, short-term investments, and cash expected to be realized from assets held for sale. Available liquidity includes a portion of total cash and short-term investments plus available borrowing under the revolving credit facility, less letters of credit.
4) LIBOR and EURIBOR rates are subject to certain floors.
5) Capacity under the revolving credit facility is $369M at December 31, 2021, which will be reduced by $39M in April 2022 as certain lenders exit the facility in accordance with the termination of their commitments.

Outlook for 2022

	2021A	2022E	Key Expectations[2]
Total Revenue	$3.9B	$4.0–4.2B	Reflects approximately $150M in revenue deferral from 2021 to 2022, and organic growth and pricing growth, partially offset by modeled divestitures and terminated low-profit service contracts and potential ongoing logistics and supply chain disruptions
Adjusted EBITDA[1]	$415M	$440–460M	YoY improvement[2] driven by + Gross profit improvements from increased volume, pricing actions, as well as continued execution on Services efficiency initiatives — Continued non-billable raw material, freight and wage inflation headwinds — Increased SG&A associated with labor costs and internal investments
Free Cash Flow[1]	$101M	$130–150M	Culmination of the DN Now transformation restructuring program ($50M) Normalization of working capital
ROIC[1]	~15%	~17%	Increased Operating Profit as well as Free Cash Flow conversion

1) Non-GAAP metrics. See “Use of Non-GAAP Financial Information” and “Supplemental Slides” for further information.
2) Key expectations represent approximate year-over-year changes versus 2021 results

Note: With respect to the company’s non-GAAP outlook for EBITDA, free cash flow and ROIC in 2022, it 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 measure calculated and presented in accordance with GAAP without unreasonable effort. These measures primarily exclude the future impact of 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 Information” for additional information regarding our use of non-GAAP financial measures.



Discussion of Financial Outlook

Our 2022 revenue guidance reflects approximately $150 million in revenue deferral from 2021 to 2022, organic growth and pricing growth, partially offset by modeled divestitures and terminated low-profit service contracts and potential ongoing logistics and supply chain disruptions. While we are very encouraged by the demand environment for our solutions our guidance range also reflects caution regarding the timing of global logistics and supply chain environments.

Our 2022 adjusted EBITDA outlook takes into account gross profit growth due to increased revenue and a modelled gross margin expansion of approximately 100 basis points partially offset by an increase in operating expenses. Adjusted EBITDA will be weighted towards the second half of 2022 as our pricing actions begin to take hold and volume builds throughout the year.

Our 2022 Free Cash Flow outlook reflects our EBITDA outlook, normalization of working capital and culmination of the DN Now transformation and restructuring program and related payments. It should be noted that our Free Cash Flow guidance does not reflect any benefit from a potential debt refinancing.

In terms of our 3-year model, performance has been delayed by the supply chain disruptions and inflationary effects. We believe that it will take until the end of 2023 for our strategic model to be back on track.

2021 was a year of unprecedented supply chain disruption, whether it be access to critical raw material components, such as semiconductor chips, or freight lead times and availability - these headwinds have faced virtually every business in some fashion – Diebold Nixdorf included. Our 2021 financial performance was heavily impacted by longer lead times – both inbound and outbound – as well as non-billable inflationary pressures associated with these headwinds. While we believe that many of these headwinds peaked in the second half of 2021, our expectation is that there will not be a material improvement in raw material and freight costs through the end of the third quarter of 2022. That being said, over the intermediate term, we believe that we can address these headwinds with increased pricing; however, this will likely be more heavily weighted towards the second half of the year as we work through our backlog.

We look forward to moving past the global macro challenges we've faced over the past two years by utilizing our mitigation strategies and delivering for our customers and shareholders. We believe the company is well-positioned to capitalize on the strong demand for our products and solutions as customers continue to desire our market leading devices, services and software, as the market moves toward a self-service automation focus driven by the changed behavior of consumers.

Non-GAAP Financial Measures and Other Information

To provide investors with additional information regarding our financial results, the company discloses certain financial measures that are not prepared in accordance with GAAP, including non-GAAP results, free cash flow/(use) and unlevered free cash flow/(use), net debt, EBITDA, adjusted EBITDA, segment gross profit, segment gross margin and constant currency results. The company calculates constant currency by translating the prior year results at current exchange rates. The company uses these non-GAAP financial measures, in addition to GAAP financial measures, to evaluate our operating and financial performance and to compare such performance to that of prior periods and to the performance of our 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 our operating and financial performance and trends in our 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. We provide EBITDA and Adjusted EBITDA because we believe that investors and securities analysts will find EBITDA and adjusted EBITDA to be useful measures for evaluating our operating performance and comparing our operating performance with that of similar companies that have different capital structures and for evaluating our ability to meet our future debt service, capital expenditures and working capital requirements. We are also providing EBITDA and adjusted EBITDA in light of our credit agreement and the issuance of our secured and unsecured senior notes. We consider free cash flow (use) to be a liquidity measure that provides useful information to management and investors about the amount of cash generated by the business that, after the purchase of property and equipment and capitalized software development, changes in cash of assets held for sale and the use of cash for M&A activities, and excluding the use/proceeds of cash for the settlement of foreign exchange derivative instruments, can be used for debt servicing, strategic opportunities, including investing in the business, making strategic acquisitions, strengthening the balance sheet and paying dividends. Unlevered free cash flow (use) provides incremental visibility into the company's liquidity by excluding cash used for interest payments from free cash flow (use). For more information, please refer to the Financial Tables in the back of this document.

Forward-Looking Statements

This letter contains statements that are not historical information and are "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 operating results, 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 overall impact of global supply chain complexities on the company and its business, including delays in sourcing key components as well as longer transport times, especially for container ships and U.S. trucking, given the company’s reliance on suppliers, subcontractors and availability of raw materials and other components

- the ultimate impact of the ongoing COVID-19 pandemic, including further adverse effects to the company’s supply chain, maintenance of increased order backlog, and the effects of any COVID-19 related cancellations
- the company's ability to continue to sustain benefits from its cost-reduction initiatives and to achieve benefits from its growth and other strategic initiatives;
- the success of the company’s new products, including its DN Series line and EASY family of retail checkout solutions;
- the impact of a cybersecurity breach or operational failure on the company's business;
- the company's ability to generate sufficient cash to service its debt or to comply with the covenants contained in the agreements governing its debt;
- the company’s ability to attract, retain and motivate key employees;
- 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;
- the company's ability to successfully manage acquisitions, divestitures, and alliances;
- the outcome of the appraisal proceedings initiated in connection with the implementation of the Domination and Profit Loss Transfer Agreement with the former Diebold Nixdorf AG and the merger/squeeze-out;
- the impact of market and economic conditions, including the proliferation of cash and any deterioration or 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 its customers' ability to make capital expenditures, as well as adversely impact the availability and cost of credit;
- competitive pressures, including pricing pressures and technological developments;
- changes in political, economic or other factors such as currency exchange rates, inflation rates (including the impact of possible currency devaluations in countries experiencing high 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 ability to maintain effective internal controls;
- unanticipated litigation, claims or assessments, as well as the outcome/impact of any current/pending litigation, claims or assessments;
- the effect of changes in law and regulations or the manner of enforcement in the U.S. and internationally and the company’s ability to comply with government regulations; 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, 2020 and in other documents the company files with the SEC.

Except to the extent required by applicable law or regulation, the Company undertakes no obligation to update these forward-looking statements to reflect future events or circumstances or to reflect the occurrence of unanticipated events.

Supplemental Schedules

Q4 QTD 2021 Profit & Loss Statement

	2021 (GAAP)	% of Net Sales	Restructuring and DN Now transformation expenses	Amortization of Wincor Nixdorf purchase accounting intangible assets (non-cash)	Loss making contract related to discontinued offering	Legal / deal expense	Divestiture of Fixed Assets	Inventory gain / change	Other non-routine income / expense	2021 (non-GAAP)	% of Net Sales
Services	478.6	45.2%								478.6	45.2%
Products	456.1	43.0%								456.1	43.0%
Software	124.9	11.8%								124.9	11.8%
Total Revenue	1,059.6	100.0%								1,059.6	100.0%
Services	141.3	29.5%	2.2	-	(1.4)	-	-	2.1	(0.4)	143.8	30.0%
Products	64.6	14.2%	1.1	-	-	-	-	4.5	0.1	70.3	15.4%
Software	52.4	42.0%	2.1	-	1.9	-	-		(0.1)	56.3	45.1%
Total Gross Profit	258.3	24.4%	5.4	-	0.5	-	-	6.6	(0.4)	270.4	25.5%
Operating Expenses											
Selling, G & A	171.9		(17.0)	(18.9)	0.3	(4.2)	-	-	(0.8)	131.3	
R , D & E	31.0		(1.5)	-	-	-	-	-	-	29.5	
(Gain)/Loss of Sale	5.0		(0.6)	-	-	-	(3.9)	-	-	0.5	
Impairment of Assets	1.0		-	-	-	-	-	-	(1.3)	(0.3)	
Total Operating Expense	208.9	19.7%	(19.1)	(18.9)	0.3	(4.2)	(3.9)	-	(2.1)	161.0	15.2%
Total Operating Profit (loss)	49.4	4.7%	24.5	18.9	0.2	4.2	3.9	6.6	1.7	109.4	10.3%

Q4 QTD 2020 Profit & Loss Statement

	2020 (GAAP)	% of Net Sales	Restructuring and DN Now transformation expenses	Amortization of Wincor Nixdorf purchase accounting intangible assets (non-cash)	Costs related to previously divested businesses	Legal / deal expense	Divestiture of Fixed Assets	Other non-routine income/expense	2020 (non-GAAP)	% of Net Sales
Services	525.8	47.5%							525.8	47.5%
Products	453.9	41.1%							453.9	41.1%
Software	126.2	11.4%							126.2	11.4%
Total Revenue	1,105.9	100.0%							1,105.9	100.0%
Services	150.1	28.5%	5.6	-	-	-	-	(1.1)	154.6	29.4%
Products	78.2	17.2%	5.4	-	(0.2)	-	-	4.3	87.7	19.3%
Software	48.2	38.2%	5.5	-	-	-	-	-	53.7	42.6%
Total Gross Profit	276.5	25.0%	16.5	-	(0.2)	-	-	3.2	296.0	26.8%
Operating Expenses										
Selling, G & A	228.9		(51.7)	(19.7)	-	(0.2)	-	(1.9)	155.4	
R , D & E	40.0		(3.4)	-	-	-	-	(0.7)	35.9	
(Gain)/Loss on Sale	(1.5)		-	-	-	-	1.5	-	-	
Impairment of Assets	3.4		-	-	-	-	-	(3.4)	-	
Total Operating Expense	270.8	24.5%	(55.1)	(19.7)	-	(0.2)	1.5	(6.0)	191.3	17.3%
Total Operating Profit (loss)	5.7	0.5%	71.6	19.7	(0.2)	0.2	(1.5)	9.2	104.7	9.5%

2021 YTD Profit & Loss Statement

	2021 (GAAP)	% of Net Sales	Restructuring and DN Now transformation expenses	Amortization of Wincor Nixdorf purchase accounting intangible assets (non-cash)	Loss making contract related to discontinued offering	Legal / deal expense	Divestiture of Fixed Assets	Inventory gain / change	Other non-routine income / expense	2021 (non-GAAP)	% of Net Sales
Services	1,927.6	49.3%								1,927.7	49.3%
Products	1,518.1	38.9%								1,518.1	38.9%
Software	459.5	11.8%								459.5	11.8%
Total Revenue	3,905.2	100.0%								3,905.2	100.0%
Services	561.9	29.1%	10.8	-	0.9	-	-	2.1	(6.2)	569.5	29.5%
Products	276.3	18.2%	2.9	-	-	-	-	4.5	0.4	284.1	18.7%
Software	205.2	44.7%	6.3	-	1.9	-	-	-	1.4	214.8	46.7%
Total Gross Profit	1,043.4	26.7%	20.0	-	2.8	-	-	6.6	(4.4)	1,068.4	27.4%
Operating Expenses											
Selling, G & A	775.6		(78.4)	(78.2)	-	(8.1)	-	-	(1.8)	609.1	
R , D & E	126.3		0.1	-	-	-	-	-	-	126.4	
(Gain)/Loss on Sale	3.1		(0.6)	-	-	-	(2.0)	-	(0.3)	0.2	
Impairment of Assets	1.3		-	-	-	-	-	-	(1.3)	-	
Total Operating Expense	906.3	23.2%	(78.9)	(78.2)	-	(8.1)	(2.0)	-	(3.4)	735.7	18.8%
Total Operating Profit (loss)	137.1	3.5%	98.9	78.2	2.8	8.1	2.0	6.6	(1.0)	332.7	8.5%

2020 YTD Profit & Loss Statement

	2020 (GAAP)	% of Net Sales	Restructuring and DN Now transformation expenses	Amortization of Wincor Nixdorf purchase accounting intangible assets (non-cash)	Loss making contract related to discontinued offering	Costs related to previously divested businesses	Legal / deal expense	Divestiture of Fixed Assets	Inventory gain / change	Other non-routine income / expense	2020 (non-GAAP)	% of Net Sales
Services	1,997.1	51.2%									1,997.1	51.2%
Products	1,448.9	37.1%									1,448.9	37.1%
Software	456.3	11.7%									456.3	11.7%
Total Revenue	3,902.3	100.0%									3,902.3	100.0%
Services	548.5	27.5%	7.4	-	25.5	-	-	-	2.5	(3.5)	580.4	29.1%
Products	290.3	20.0%	8.0	3.5	-	4.6	-	-	(0.2)	5.3	311.5	21.5%
Software	196.2	43.0%	6.9	4.0	-	-	-	-	-	-	207.1	45.4%
Total Gross Profit	1,035.0	26.5%	22.3	7.5	25.5	4.6	-	-	2.3	1.8	1,099.0	28.2%
Operating Expenses												
Selling, G & A	858.6		(153.1)	(75.4)	-	-	(8.4)	-	-	(4.4)	617.3	
R , D & E	133.4		(6.4)	-	-	-	-	-	-	(0.9)	126.1	
(Gain)/Loss on Sale	11.5		-	-	-	-	-	(11.3)	-	-	0.2	
Impairment of Assets	7.5		-	-	-	-	-	-	-	(7.5)	-	
Total Operating Expense	1,011.0	25.9%	(159.5)	(75.4)	-	-	(8.4)	(11.3)	-	(12.8)	743.6	19.1%
Total Operating Profit (loss)	24.0	0.6%	181.8	82.9	25.5	4.6	8.4	11.3	2.3	14.6	355.4	9.1%

Revenue Variance for FX, Divestitures & Related Actions

Segment View

$Millions	Q4-21	Q4-20	Variance F/(U)	Variance %	2021	2020	Variance F/(U)	Variance %
Eurasia Banking Revenue (GAAP)	**377**	**419**	**(42)**	**-10.0%**	**1,354**	**1,431**	**(77)**	**-5.4%**
FX Impact	-	(14)			-	39		
Divestitures and Related Actions	-	(10)			-	(45)		
Eurasia Banking Adjusted Revenue (Non-GAAP)	**377**	**395**	**(18)**	**-4.6%**	**1,354**	**1,425**	**(71)**	**-5.0%**
Americas Banking Revenue (GAAP)	**386**	**375**	**11**	**2.9%**	**1,357**	**1,419**	**(62)**	**-4.4%**
FX Impact	-	(2)			-	(2)		
Divestitures and Related Actions	-	(2)			-	(10)		
Americas Banking Adjusted Revenue (Non-GAAP)	**386**	**371**	**15**	**4.0%**	**1,357**	**1,407**	**(50)**	**-3.6%**
Retail Revenue (GAAP)	**297**	**312**	**(15)**	**-4.8%**	**1,194**	**1,052**	**142**	**13.5%**
FX Impact	-	(6)			-	37		
Divestitures and Related Actions	-	(1)			-	(5)		
Retail Adjusted Revenue (Non-GAAP)	**297**	**305**	**(8)**	**-2.6%**	**1,194**	**1,084**	**110**	**10.1%**
Total Revenue (GAAP)	**1,060**	**1,106**	**(46)**	**-4.2%**	**3,905**	**3,902**	**3**	**0.1%**
Fx Impact	-	(22)		-2.0%	-	74		1.9%
Divestitures and Related Actions	-	(13)		-1.2%	-	(60)		-1.5%
Total Adjusted Revenue	**1,060**	**1,071**	**(11)**	**-1.0%**	**3,905**	**3,916**	**(11)**	**-0.3%**

Business Line View

$Millions	Q4-21	Q4-20	Variance F/(U)	Variance %	2021	2020	Variance F/(U)	Variance %
Services Revenue (GAAP)	**479**	**526**	**(47)**	**-8.9%**	**1,928**	**1,997**	**(69)**	**-3.5%**
FX Impact	-	(9)			-	40		
Divestitures and Related Actions	-	(5)			-	(31)		
Services Adj. Revenue (Non-GAAP)	**479**	**512**	**(33)**	**-6.4%**	**1,928**	**2,006**	**(78)**	**-3.9%**
Products Revenue (GAAP)	**456**	**454**	**2**	**0.4%**	**1,518**	**1,449**	**69**	**4.8%**
FX Impact	-	(10)			-	23		
Divestitures and Related Actions	-	(6)			-	(14)		
Products Adj. Revenue (Non-GAAP)	**456**	**438**	**18**	**4.1%**	**1,518**	**1,458**	**60**	**4.1%**
Software Revenue (GAAP)	**125**	**126**	**(1)**	**-0.8%**	**459**	**456**	**3**	**0.7%**
FX Impact	-	(3)			-	11		
Divestitures and Related Actions	-	(2)			-	(15)		
Software Adj. Revenue (Non-GAAP)	**125**	**121**	**4**	**3.3%**	**459**	**452**	**7**	**1.5%**
Total Revenue (GAAP)	**1,060**	**1,106**	**(46)**	**-4.2%**	**3,905**	**3,902**	**3**	**0.1%**
FX Impact	-	(22)		-2.0%	-	74		1.9%
Divestitures and Related Actions	-	(13)		-1.2%	-	(60)		-1.5%
Total Adjusted Revenue	**1,060**	**1,071**	**(11)**	**-1.0%**	**3,905**	**3,916**	**(11)**	**-0.3%**

Non-GAAP Gross Profit Variance for FX, Divestitures & Related Actions

Segment View

$Millions	Q4-21	Q4-20	Variance F/(U)	Variance %	2021	2020	Variance F/(U)	Variance %
Eurasia Banking Gross Profit (Non-GAAP)	**99**	**123**	**(24)**	**-19.5%**	**387**	**428**	**(41)**	**-9.7%**
FX Impact	-	(3)			-	17		
Divestitures and Related Actions	-	(5)			-	(10)		
Eurasia Banking Adjusted Gross Profit (Non-GAAP)	**99**	**115**	**(16)**	**-13.9%**	**387**	**435**	**(48)**	**-11.0%**
Americas Banking Gross Profit (Non-GAAP)	**97**	**100**	**(3)**	**-3.0%**	**369**	**415**	**(46)**	**-11.1%**
FX Impact	-	(1)			-	(4)		
Divestitures and Related Actions	-	-			-	(2)		
Americas Banking Adjusted Gross Profit (Non-GAAP)	**97**	**99**	**(2)**	**-2.0%**	**369**	**409**	**(40)**	**-9.8%**
Retail Gross Profit (Non-GAAP)	**74**	**73**	**1**	**1.4%**	**312**	**256**	**56**	**21.9%**
FX Impact	-	(1)			-	9		
Divestitures and Related Actions	-	-			-	-		
Retail Adjusted Gross Profit (Non-GAAP)	**74**	**72**	**2**	**2.8%**	**312**	**265**	**47**	**17.7%**
Total Gross Profit (Non-GAAP)	**270**	**296**	**(26)**	**-8.8%**	**1,068**	**1,099**	**(31)**	**-2.8%**
Fx Impact	-	(5)		-1.7%	-	22		2.0%
Divestitures and Related Actions	-	(5)		-1.7%	-	(12)		-1.1%
Total Adjusted Gross Profit	**270**	**286**	**(16)**	**-5.6%**	**1,068**	**1,109**	**(41)**	**-3.7%**

Business Line View

$Millions	Q4-21	Q4-20	Variance F/(U)	Variance %	2021	2020	Variance F/(U)	Variance %
Services Gross Profit (Non-GAAP)	**144**	**154**	**(10)**	**-6.5%**	**569**	**580**	**(11)**	**-1.9%**
FX Impact	-	(2)			-	7		
Divestitures and Related Actions	-	(4)			-	(5)		
Services Adj. Gross Profit (Non-GAAP)	**144**	**148**	**(4)**	**-2.7%**	**569**	**582**	**(13)**	**-2.2%**
Products Gross Profit (Non-GAAP)	**70**	**88**	**(18)**	**-20.5%**	**284**	**312**	**(28)**	**-9.0%**
FX Impact	-	(2)			-	9		
Divestitures and Related Actions	-	(1)			-	(5)		
Products Adj. Gross Profit (Non-GAAP)	**70**	**85**	**(15)**	**-17.6%**	**284**	**316**	**(32)**	**-10.1%**
Software Gross Profit (Non-GAAP)	**56**	**54**	**2**	**3.7%**	**215**	**207**	**8**	**3.9%**
FX Impact	-	(1)			-	6		
Divestitures and Related Actions	-	-			-	(2)		
Software Adj. Gross Profit (Non-GAAP)	**56**	**53**	**3**	**5.7%**	**215**	**211**	**4**	**1.9%**
Total Gross Profit (Non-GAAP)	**270**	**296**	**(26)**	**-8.8%**	**1,068**	**1,099**	**(31)**	**-2.8%**
Fx Impact	-	(5)		-1.7%	-	22		2.0%
Divestitures and Related Actions	-	(5)		-1.7%	-	(12)		-1.1%
Total Adjusted Gross Profit	**270**	**286**	**(16)**	**-5.6%**	**1,068**	**1,109**	**(41)**	**-3.7%**

Gross Profit – Segment View

	2020	2021
Americas Banking	1,419	1,357
Eurasia Banking	1,431	1,354
Retail	1,052	1,194
Revenue (GAAP)	**$ 3,902**	**3,905**
Americas Banking	417	374
Eurasia Banking	377	362
Retail	241	307
Total Gross Profit (GAAP)	**$ 1,035**	**1,043**
Total Restructuring & DN Now Transformation Expense	22	20
Total Non-Routine Expense	42	5
Total Retructuring, DN Now Transformation & Non-Routine Expense	64	25
Total Gross Profit (Non-GAAP)	**$ 1,099**	**$ 1,068**
Total Gross Margin (Non-GAAP)	28.2 %	27.4 %

	Q4-20	Q4-21
Americas Banking	375	386
Eurasia Banking	419	377
Retail	312	297
Revenue (GAAP)	**$ 1,106**	**1,060**
Americas Banking	101	97
Eurasia Banking	114	88
Retail	62	73
Total Gross Profit (GAAP)	**$ 277**	**258**
Total Restructuring & DN Now Transformation Expense	16	5
Total Non-Routine Expense	3	7
Total Retructuring, DN Now Transformation & Non-Routine Expense	19	12
Total Gross Profit (Non-GAAP)	**$ 296**	**$ 270**
Total Gross Margin (Non-GAAP)	26.8 %	25.5 %

Operating Expense – Segment View

	2020	2021
Revenue (GAAP)	$ 3,902	3,905
Total Operating Expense (GAAP)	$ 1,011	906
Total Restructuring & DN Now Transformation Expense	(160)	(79)
Total Non-Routine Expense	(107)	(91)
Total Retructuring, DN Now Transformation & Non-Routine Expense	(267)	(170)
Total Operating Expense (non-GAAP)	744	736
Non-GAAP Operating Expense as a % of GAAP Revenue	19.1 %	18.8 %
Operating Profit (non-GAAP)	$ 355	$ 333
Non-GAAP Operating Profit Margin	9.1 %	8.5 %

	Q4-20	Q4-21
Revenue (GAAP)	$ 1,106	1,060
Total Operating Expense (GAAP)	$ 271	209
Total Restructuring & DN Now Transformation Expense	(55)	(19)
Total Non-Routine Expense	(25)	(29)
Total Retructuring, DN Now Transformation & Non-Routine Expense	(80)	(48)
Total Operating Expense (non-GAAP)	191	161
Non-GAAP Operating Expense as a % of GAAP Revenue	17.3 %	15.2 %
Operating Profit (non-GAAP)	$ 105	$ 109
Non-GAAP Operating Profit Margin	9.5 %	10.3 %

Adjusted EBITDA

	Q4 2020	Q4 2021
GAAP Revenue	**$ 1,106**	**$ 1,060**
GAAP Net Income	**(50)**	**(38)**
Income tax expense (benefit)	4	39
Interest income	(1)	(1)
Interest expense	52	46
Depreciation and amortization	42	34
EBITDA	**46**	**80**
Share-based compensation	4	1
Foreign exchange (gain) loss, net	5	3
Miscellaneous, net	(3)	3
Equity in earnings of unconsolidated	(1)	(2)
Restructuring and DN Now transformation	69	25
Non-routine expenses, net	8	16
Adjusted EBITDA	**$ 128**	**$ 126**
Adjusted EBITDA as a % of GAAP Revenue	11.6 %	11.9 %

Trailing 12-month Adjusted EBITDA Reconciliation

	TTM 12/31/2020	TTM 12/31/2021
GAAP Revenue	**$ 3,902**	**$ 3,905**
GAAP Net Income	**(268)**	**(78)**
Income tax expense (benefit)	(1)	28
Interest income	(7)	(6)
Interest expense	293	195
Depreciation and amortization	180	149
EBITDA	**198**	**288**
Share-based compensation	15	14
Foreign exchange (gain) loss, net	14	2
Miscellaneous, net	(7)	(3)
Equity in earnings of unconsolidated	(1)	(1)
Restructuring and DN Now transformation	167	97
Non-routine expenses, net	67	19
Adjusted EBITDA	**$ 453**	**$ 415**
Adjusted EBITDA as a % of GAAP Revenue	11.6 %	10.6 %

Free Cash Flow

	Q4-20	Q4-21	2020-YTD	2021-YTD
Net cash provided (used) by operating activities (GAAP measure)	215	415	18	123
Excluding the impact of changes in cash of assets held for sale and the use of cash for M&A activities	(13)	8	25	21
Excluding the (proceeds)/use of cash for the settlement of foreign exchange derivative instruments	—	—	32	5
Excluding the termination of certain interest rate swaps due to debt refinancing	4	—	10	—
Proceeds from the surrender of company-owned life insurance policies	—	—	16	—
Capitalized software development	(5)	(10)	(17)	(31)
Capital expenditures	(15)	(6)	(27)	(17)
Free cash flow/(use) (non-GAAP measure)	**186**	**407**	**57**	**101**
Add Back: Cash Interest	(30)	(28)	(138)	(175)
Unlevered Free Cash Flow (Use) (non-GAAP Measure)	**216**	**435**	**195**	**276**

Net Debt

$ Millions	December 31, 2020	December 31, 2021
Cash, cash equivalents, restricted cash and short-term investments (GAAP measure)	362	423
Cash included in assets held for sale	3	3
Debt instruments	(2,346)	(2,293)
Net debt (non-GAAP measure)	**$ (1,982)**	**$ (1,866)**

Return on Invested Capital (ROIC)

	2019	2020	2021
Revenue	$ 4,409	$ 3,902	$ 3,905
GAAP Operating Profit (Loss)	(27)	24	137
Non-GAAP Adjustments[1]	295	331	196
Non-GAAP Operating Profit[1]	268	355	333
Effective Tax Rate of 30%	80	107	100
Net Operating Profit after Tax (NOPAT)[1]	188	248	233
Cash & Short-Term Investments[2]	(388)	(364)	(426)
Debt	2,141	2,346	2,293
Leases	172	154	164
Pensions & Other Post-Retirement Liabilities	265	222	104
Redeemable Noncontrolling Interest	21	19	—
Equity	(506)	(832)	(837)
Total Invested Capital	1,705	1,545	1,298
Average Invested Capital	1,977	1,625	1,546
Return on Invested Captial (ROIC)[1]	**9.5 %**	**15.3 %**	**15.1 %**