Diebold Nixdorf Completes Financing To Enhance Liquidity And Successfully Amends Credit Agreement

August 30, 2018

- Obtained new $650 million term loan
- Credit agreement amendment includes revised financial covenants
- Increased ownership stake in Diebold Nixdorf AG supports path to 100 percent share ownership of German subsidiary
- Enhanced liquidity provides financial flexibility and supports transformative initiatives

NORTH CANTON, Ohio, Aug. 30, 2018 /PRNewswire/ -- Diebold Nixdorf (NYSE: DBD) today has obtained a new term loan and announced amendments to its senior secured credit agreement, including revised financial covenants, to enhance the company's financial flexibility. This previously announced additional financing provides added capital to purchase all of the remaining shares of Diebold Nixdorf AG, repay debt and support key company initiatives -- including the company's multifaceted 'DN Now' operational improvement plan.

"The additional financing announced today not only enhances our liquidity position but serves as positive reinforcement of the strength of our long-term business model," said Gerrard Schmid, Diebold Nixdorf president and chief executive officer. "With this financing now complete, we will continue to focus on serving our clients, driving our 'DN Now' operational improvements and deleveraging our balance sheet."

DN Now actions are expected to drive more than $200 million of savings and include:

- Implementing a new, customer-centric operating model with expected savings of around $100 million;
- Enacting a new Services improvement plan; and
- Streamlining current solutions and introducing next-generation product capabilities and cloud-based software offerings.

"This transaction provides support as we continue to streamline our operating model and realize other cost savings through 2019," said chief financial officer Christopher A. Chapman. "Our stable top-line serves as a base for improved profitability going forward, driven by solid backlog and growing Software and Services revenue. At the same time, we are moving forward with plans to divest non-core businesses and we intend to use proceeds to further de-leverage."

Details of amounts of additional financing and credit agreement amendment

Diebold Nixdorf borrowed $650 million under a newly established Term Loan A-1, led by GSO Capital Partners LP and Centerbridge Partners, L.P., of which it used approximately $250 million to reduce existing term loans and revolving credit. Remaining funds will be used to pay for transaction expenses, future minority shareholder redemptions and provide excess liquidity through partial repayment of outstanding revolver borrowings. The company received lender consent to amend and increase allowable leverage ratios under its credit agreement. JP Morgan Chase Bank, NA, served as the sole and exclusive administrative lending agent for the company. Evercore served as financial advisor to the company.

Increased stake in Diebold Nixdorf AG supports a path to 100 percent ownership of German subsidiary

As previously announced, redemption requests from Diebold Nixdorf AG shareholders increased in August, pursuant to the right of these shareholders under the terms of the company's acquisition of Wincor Nixdorf AG. As of August 30, 2018, the company settled requests for approximately 4.6 million shares with a value of approximately $297 million. Following this activity, Diebold Nixdorf owns approximately 27.6 million shares, or 93 percent of the outstanding shares of Diebold Nixdorf AG. This level of ownership entitles the company, at its election, to initiate the process to merge Diebold Nixdorf AG with and into a wholly-owned subsidiary, Diebold KGaA. This elective process includes the company's acquisition of all remaining shares of Diebold Nixdorf AG, which is expected to be initiated in the future. This is a significant final step in the integration of the company's German subsidiaries.

As a result of this activity, Diebold Nixdorf's annual compensation payments to Diebold Nixdorf AG minority shareholders have been reduced by approximately $15 million per year due to the shares repurchased to date. The remaining annual compensation payments of approximately $8 million per year will be eliminated once all shares have been acquired.

About Diebold Nixdorf

Diebold Nixdorf, Incorporated (NYSE:DBD) is a world leader in enabling connected commerce for millions of consumers each day across the financial and retail industries. Its software-defined solutions bridge the physical and digital worlds of cash and consumer transactions conveniently, securely and efficiently. As an innovation partner for nearly all of the world's top 100 financial institutions and a majority of the top 25 global retailers, Diebold Nixdorf delivers unparalleled services and technology that are essential to evolve in an 'always on' and changing consumer landscape. The company has a presence in more than 130 countries with approximately 23,000 employees worldwide. Visit www.DieboldNixdorf.com for more information.

Forward-looking statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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, including project cost savings, 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 ultimate impact of the domination and profit and loss transfer agreement with Diebold Nixdorf AG ("DPLTA") and the outcome of the appraisal proceedings initiated in connection with the implementation of the DPLTA; the ultimate outcome and results of integrating the operations of the company and Diebold Nixdorf AG; the ultimate outcome of the company's pricing, operating and tax strategies applied to Diebold Nixdorf AG and the ultimate ability to realize cost reductions and synergies; the company's ability to successfully operate its strategic alliances in China; the 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, including the impact of the Tax Cuts and Jobs Act of 2017; the company's reliance on suppliers and any potential disruption to the company's global supply chain; the impact of market and economic conditions on the financial services and retail industries; the capacity of the company's technology to keep pace with a rapidly evolving marketplace; pricing and other actions by competitors; the effect of legislative and regulatory actions in the United States and internationally; 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 acquisitions into its operations; the impact of the company's strategic initiatives, including DN Now; the company's success in divesting, reorganizing or exiting non-core businesses; the company's ability to comply with the covenants contained in the agreements governing its debt; 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, 2017 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 release.

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