Diebold Nixdorf

Diebold Nixdorf, Inc.
Investor Presentation

September, 2019



Use of non-GAAP Financial Information

To supplement our 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, adjusted diluted earnings per share, free cash flow/(use), net debt, EBITDA, adjusted EBITDA and constant currency results. 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 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 8.5% senior notes due 2024.

Forward-looking Statements

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding anticipated adjusted revenue growth, adjusted internal revenue growth, adjusted diluted earnings per share and adjusted earnings per share growth. 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 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 of the remaining shareholders of Diebold Nixdorf AG; the ultimate outcome and results of integrating the operations of the company and Diebold Nixdorf AG; the ultimate outcome and results of integrating the operations of the company and former Diebold Nixdorf AG; the company's ability to successfully operate its strategic alliances in China; the changes in political, economic or other factors such as interest rates, 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; changes in the company's relationships with customers, suppliers, distributors and/or partners in its business ventures; the impact of market and economic conditions on the financial services and retail industries, including any additional deterioration and disruption in the financial and service markets which could reduce our customer base and/or adversely affect our customers' ability to make capital expenditures, as well as adversely impact the availability and cost of credit; the acceptance of the Company's product and technology introductions in the marketplace; the capacity of the company's technology to keep pace with a rapidly evolving marketplace; competitive pressures, including pricing pressures and technological developments; the effect of legislative and regulatory actions; 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 company's ability to achieve benefits from its cost-reduction initiatives and other strategic initiatives including its planned restructuring actions, as well as its business process outsourcing initiative; unanticipated litigation, claims or assessments, as well as the outcome/impact of any current/pending litigation, claims or assessments; the company's success in divesting, reorganizing or exiting non-core and/or non-accretive businesses; 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 maintain effective internal controls; the company's ability to comply with debt covenants; the investment performance of the company's pension plan assets 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; the company's ability to successfully amend and extend any or a portion of its senior secured revolving credit facility and term loan debt that matures in 2020; 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, 2018 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 document.

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Key Investment Highlights

DN and Connected Commerce

We are shaping the future of banking and shopping experiences



Banking Solutions

- Branch Transformation
- Cash Cycle Management
- End-to-End Security
- Mobile Banking
- Consumer Centric Experiences



Retail Solutions

- Checkout Automation
- Store Lifecycle Management
- Consumer Engagement & Loyalty
- Digital Innovations
- Storevolution

Investment Highlights

1. **Industry leader in Connected Commerce - #1 ATM footprint globally and #1 retail footprint in Europe**
2. **Critical partner in a key customer delivery channel for financial institutions and retail enterprises**
3. **Stable revenue outlook underpinned by recurring services/software business, solid backlog and launch of industry-leading ATMs (DN Series)**
4. **Targeting net leverage below 3.0x by end of 2021**
5. **Concrete DN Now levers are driving meaningful growth in profitability and free cash flow**

1 The Global Leader in Connected Commerce

Largest global ATM installed base[1] with 31% market share[1,2]

#1 ATM multivendor monitoring software[3]

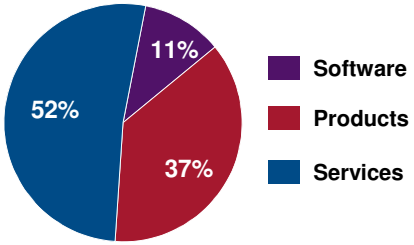
#1 retail footprint in Europe[4]

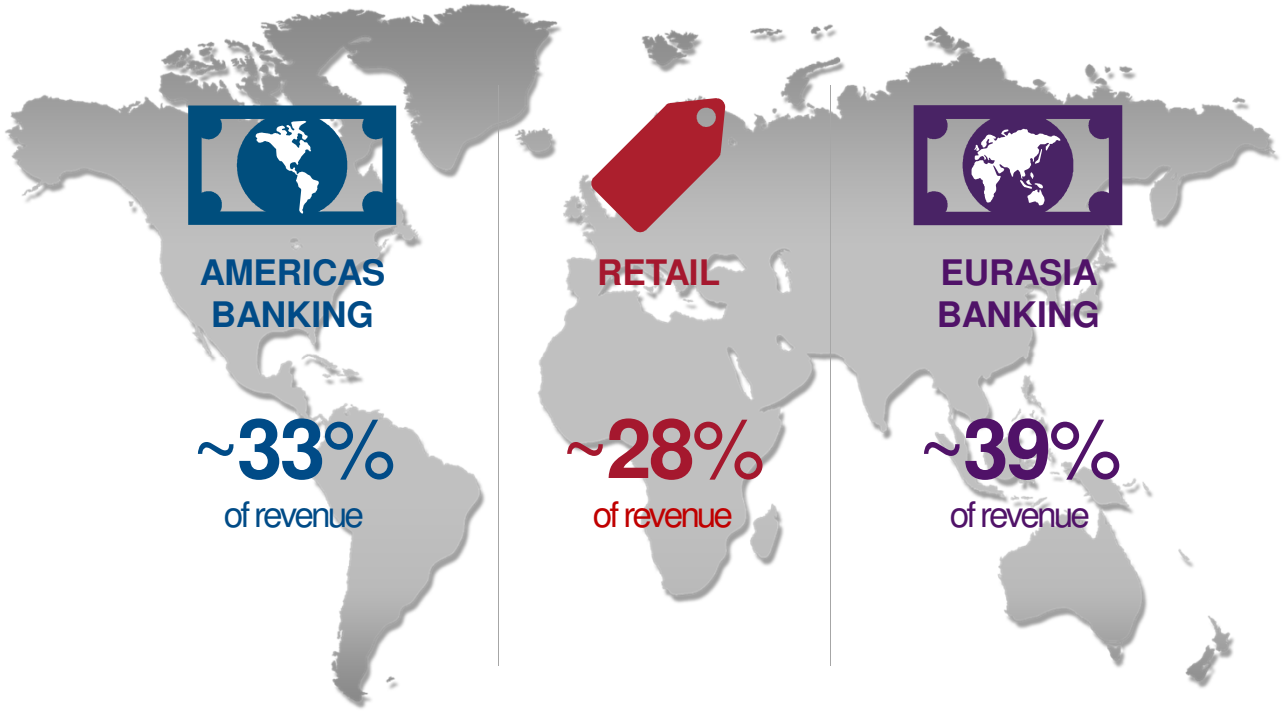
#2 in European retail software license sales[5]

~$4.6 billion in revenue[6]

Over 100 countries

Diversified revenue[7]





1) Retail Banking Research (RBR) 2018, ATM Software Market – ibase 2017
2) RBR 2018, based on Global ATM Market and Forecasts to 2023
3) RBR 2017, Global ATM market and forecasts to 2022 – ibase 2016
4) RBR 2018, based on Global ePOS and SCO
5) Global POS Software – POS software licenses iBase for General Merchandise mid-2018
6) Annual revenue for the twelve months ended December 31, 2018
7) Segment revenue percentages are based on the twelve months ended December 31, 2018

2 ATMs are a Critical Customer Delivery Channel for Banks

DN Banking Customers Market Drivers

CONTINUED DEMAND FOR PHYSICAL CURRENCY	AUTOMATION IN THE BRANCH	EXPANDING THE TRANSACTION SET	FINANCIAL INCLUSION
▪ Cash and checks underpin ~$17 trillion of global transactions annually ▪ Approximately 43 billion US dollars and 23 billion euro notes in circulation ▪ Both US dollars and euros are growing at 4% – 6% CAGR	▪ Automated deposit ATM shipments increased from 49% to 56% of total ATMs shipped worldwide in 2018	▪ Cardless cash withdrawals increased from 38% to 43% in 2018	▪ Expanding financial services to approximately 1.7 billion adults who do not have a bank account

DN is at the forefront of providing innovative solutions to financial institutions

Sources: Visa Inc. investor presentation, U.S. Federal Reserve and Statistical Data Warehouse, RBR analysis * for 32 major ATM markets; World Bank-Global Findex Database

2 Key Partner to Financial Institutions

Banking – Business at a Glance

#1 in **ATMs installed globally**[1]



>10,000 Service Technicians

Serving nearly all of the **top 100** Financial Institutions Globally

~31% Global market share[2] for ATMs

Ranked #6 on the **2018** Financial Insights FinTech Ranking[3]

~$3.3 billion in annual revenue[4]

Resolving >10M customer calls each year



#1 ATM multivendor monitoring software[5]

Recent Wins

KeyBank · Banco Azteca · Sparkasse Hannover · DBS BANK · BBVA Bancomer · Banco do Brasil · Westpac · Emirates NBD

1) Retail Banking Research (RBR) 2018, ATM Software Market – ibase 2017
2) RBR 2018, based on Global ATM Market and Forecasts to 2023
3) Financial Insights 2018 FinTech Rankings
4) As of December 31, 2018
5) RBR 2017, Global ATM market and forecasts to 2022 – ibase 2016

2 Retailers Are Investing to Meet Changing Customer Demands

DN Customers Market Drivers

CONSUMER CONNECTEDNESS HAS ALTERED EXPECTATIONS	CONTINUED IMPORTANCE OF THE PHYSICAL STORE	PERSONALIZATION AND CUSTOMER EXPERIENCE	CONNECTED COMMERCE
Consumers use of mobile phones[1] while in stores: ~58% for product research ~54% for price comparisons ~40% for coupons ~33% for retailer specific app	Physical stores are relevant in ~90% of global transactions[2] ~58% of retailers plan to increase spending on store design/layout[2]	~51% of retailers plan to increase spending on customer engagement / personalization[3]	~86% of retailers are investing in fulfillment across all channels[4] 67% of retailers plan to increase spend on security[5]

DN is at the forefront of providing innovative solutions to retailers

1) Retail Dive Consumer Survey, fielded by Google Survey
2) Edge PlanetRetail RNG;
3) RIS/IHL 16th Annual Store Experience Study
4) Zebra: Reinventing Supply Chain
5) 2018 Thales Data Threat Report

2 Key Partner to Retail Enterprises

Retail – Business at a Glance





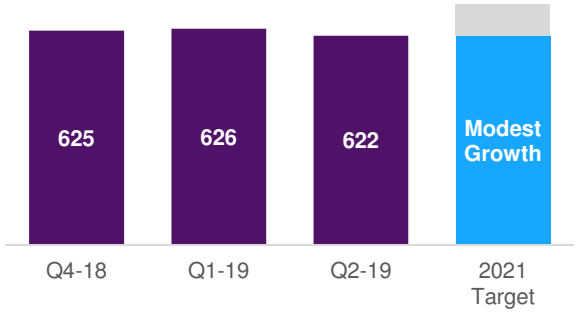
Recent Wins

IKEA · MARKS & SPENCER · Triumph · TESCO · cdf 中免集团 · CO OP

1) Retail Banking Research 2018, based on Global ePOS and SCO
2) Global POS Software – POS software licenses iBase for General Merchandise mid-2018
3) As of December 31, 2018

3 Strong Recurring Revenue

ATM Service Contract Base[1] (in thousands)

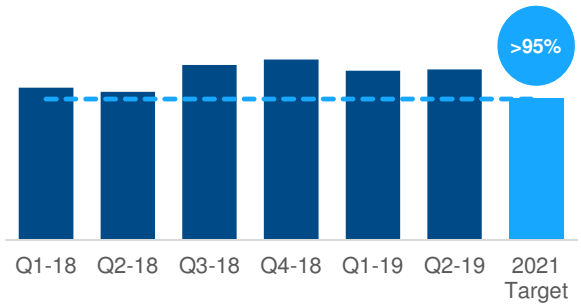


Line of sight on 2/3rd of revenue at start of fiscal year

Key expectations

- Modest increases in the Americas & EMEA, modest decreases in Asia
- Further differentiate services offering via Services Modernization Plan, DN Series and AllConnect Data Engine

TTM Service Renewal Rates[2,3]



Leading global services offering supports >**95% renewal rate**

Key expectations

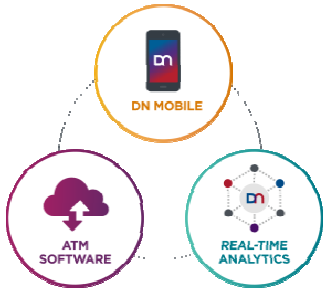
- Improved service levels achieved through Services Modernization Plan
- Greater focus on deal review processes
- DN Series uses advanced sensor technology (IoT) and machine learning to improve uptime

1) Contract base for cash-based products under second line maintenance or managed service contract
2) Calculated as total contract value (US$) of successful service renewals divided by total contract value (US$) of contracts up for renewal
3) Trailing 12-month calculation

3 Industry Leading Software Portfolio Enables Competitive Moat

Diebold Nixdorf software powers financial and retail institutions globally

DN Vynamic™



The industry's first end-to-end connected commerce software portfolio

VYNAMIC CONNECTION POINTS
World leading self-service application software

VYNAMIC TRANSACTION ENGINE
Automation tools to converge channels

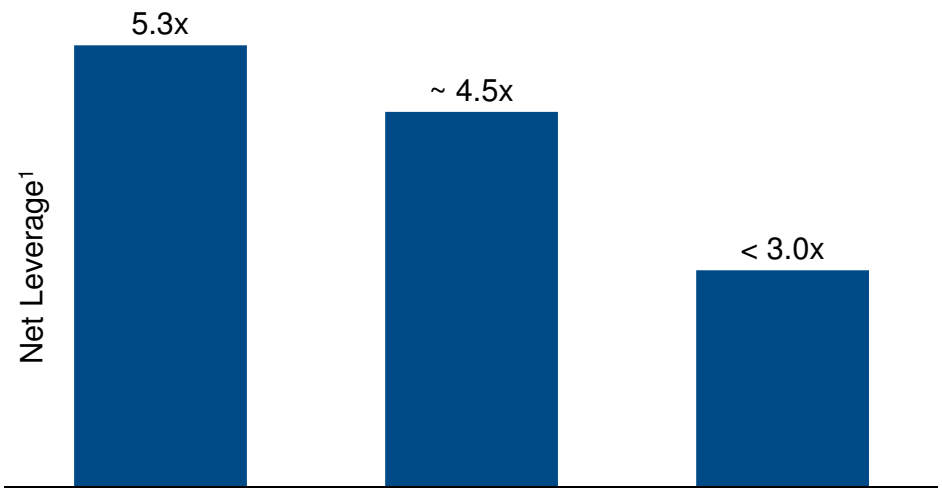
VYNAMIC OPERATIONS
End-to-end support for your network

VYNAMIC ENGAGEMENT
Personalization and customization tools

VYNAMIC ANALYTICS
Actionable intelligence from multichannel data

VYNAMIC DIGITAL
Open, future proof retail and banking solutions for the modern era

4 Committed to Deleveraging



Adj. EBITDA			
	$320M	$400M - $420M	~12% margin

Accomplishments

- ✓ Suspended quarterly dividends
- ✓ Services Modernization Plan - increased Service GM% for four consecutive quarters
- ✓ New operating model - exited ~1,500 associates[2]
- ✓ Closed manufacturing facilities, exited Venezuela and CIT-Retail business in Europe
- ✓ Divested two non-core businesses
- ✓ Streamlined ATM configurations by 30%
- ✓ Announced office closures in Europe and Asia
- ✓ Assigned ownership for across-the-board reductions in 3rd party spend
- ✓ Streamlined certain finance functions
- ✓ Reduced discretionary IT projects and spending on legacy apps, global telecom spend and US storage costs
- ✓ Improved net working capital as a percent of trailing twelve month revenue from 22.8% to 17.7% YoY in Q2-19

Future Actions

- ➢ Continue execution of DN Now initiatives and harvesting net working capital
- ➢ Other non-core divestitures expected in coming quarters

1) Net debt to trailing 12-months adjusted EBITDA
2) From program inception through June 30, 2019

5 Outlook for 2019 & Targets for 2021

2019 Outlook[1]

Revenue	**~$4.5 billion**
Adjusted EBITDA[3]	**$400 – $420 million**
Adjusted EBITDA margin[1,3]	**~9%**

Expectations for modest positive free cash flow[3,4]
(in millions)

Adjusted EBITDA[1] mid-point	$410	Net interest expense	($190)
Net working capital	$100	Restructuring cash outflows	($120)
Integration expense	$0	Capital expenditures	($70)
		Cash taxes	($60)
		Other	($40)

2021 Targets[2]

Annual revenue growth	**2% – 4%**
Operating profit margin[3]	**~9%**
Adjusted EBITDA margin[3]	**~12%**

Free cash flow[3]	**>$200 million**
Leverage ratio[3,5]	**< 3 times**
ROIC[3,6]	**mid-teens**

1) As of July 25, 2019
2) As of February 13, 2019
3) non-GAAP metric
4) Key expectations represent approximate amounts for 2019
5) Net debt to trailing 12-months adjusted EBITDA
6) Return on invested capital (ROIC) is defined as tax-affected non-GAAP operating profit divided by invested capital

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DN Now Transformation

DN Now Transformation

- **Committed management team:** experienced team with broad operational expertise to drive results from DN Now transformation plans – DN continues to attract and retain strong leaders
- **Refreshing the Board:** new members aligned with company strategy, challenges and opportunities
  - ✓ Seven of the twelve Directors have been added in the past 18 months; eleven of the twelve Directors are independent
  - ✓ Chairman Gary Greenfield brings a strong background in company transformations
- **Revenue stability:** led by YoY cc growth in Americas Banking and Retail
- **Commitment to deleveraging:** suspended dividends, increasing earnings, harvesting working capital, and divesting non-core assets
- **DN Now transformation:** executing 14 initiatives designed to drive improved profitability and cash flow. Achieving meaningful savings in 1H-19

DN Leadership Team

Established industry veterans with deep experience and customer trust



Gerrard Schmid
President and Chief Executive Officer

RETAIL AND BANKING SEGMENTS



Octavio Marquez
Banking
Americas



Neil Emerson
Banking
Eurasia



Hermann Wimmer
Retail
Global

PRODUCT AND SERVICES GROUPS



Ulrich Näher
Systems



Alan Kerr
Software and
Revenue

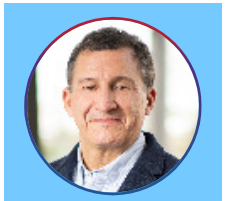


Olaf Heyden
Services

ENABLEMENT FUNCTIONS



Jeffrey Rutherford
Finance



David Caldwell
Strategy & Corporate
Development



Jon Leiken
Legal



Julian Sparks
Digital / IT

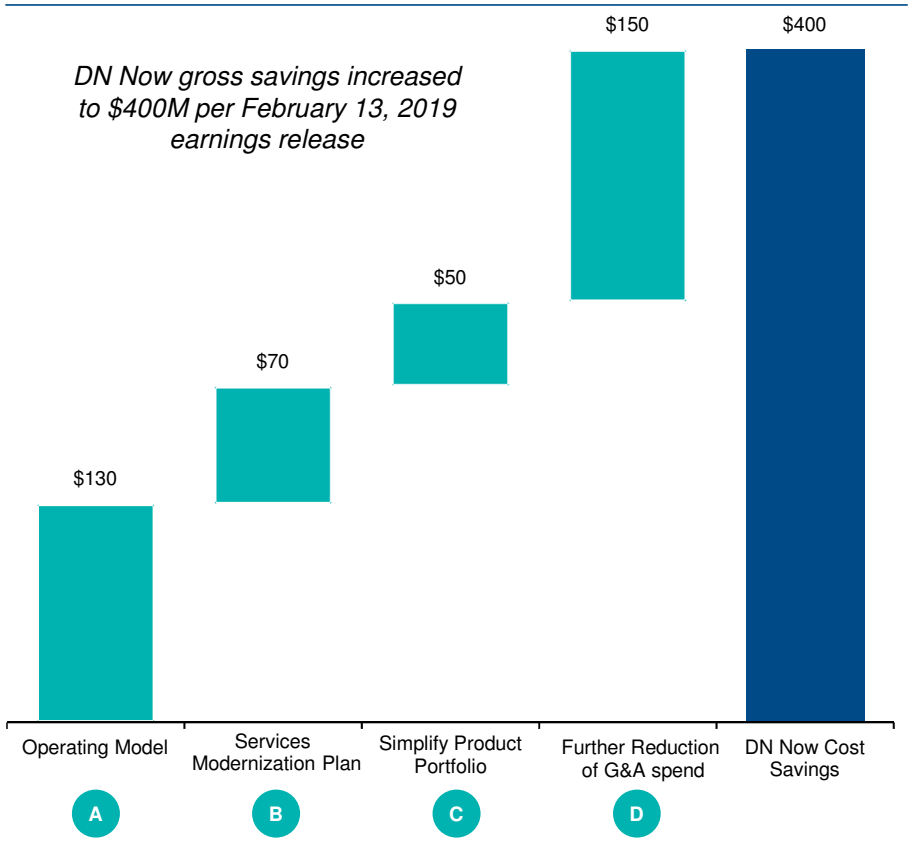


Beth Patrick
Human
Resources

Joined Diebold Nixdorf in the last 18 months

DN NOW Actions to Deliver ~$400M Gross Savings by end of 2021

Gross Savings[1] ($ in millions)



Implementation Stage

A

Streamlined operating model:
- Global workforce aligned with demand
- More agile decision-making
- More efficient processes

B

Services modernization program:
- Upgrading customer touchpoints
- Automating incident reporting and response
- Standardizing processes

C

Simplify product portfolio:
- ~30% fewer ATM models
- Shorter lead times and reduced platform complexity
- Optimizing manufacturing footprint
- Launching new DN Series – next generation of banking solutions

D

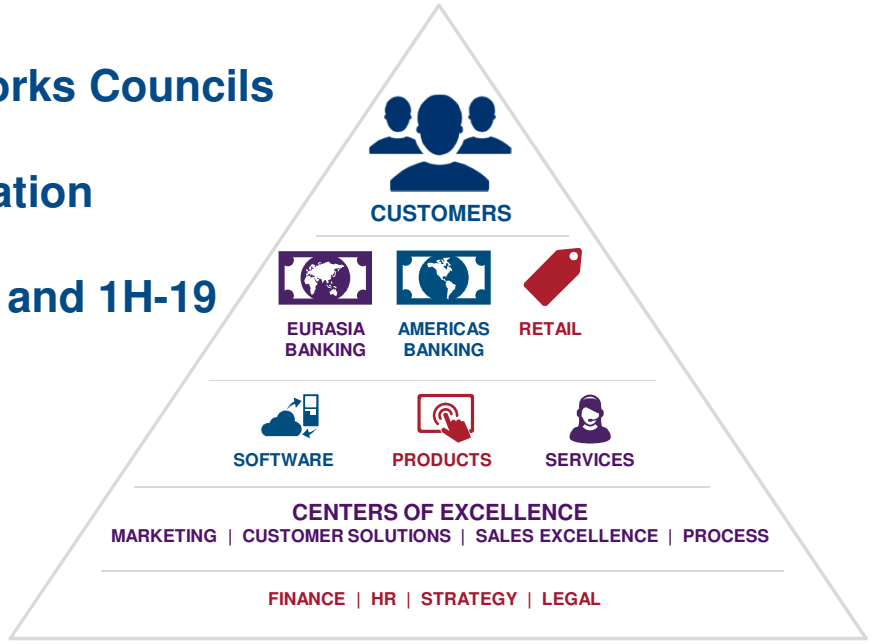
Further reduction of G&A spend:
- Leveraging shared services and automation for finance
- Optimizing legacy IT platforms and leveraging scale
- Rationalizing third party spend via procurement analytics
- Consolidating office space and a more agile work environment

1) All numbers are approximate

A DN NOW Operating Model to Generate ~$130M Savings[1,2]

New Customer-Centric Model

- **Began implementing in September, 2018**
- **Agreements reached with several European Works Councils**
- **Incents more agile decision-making & collaboration**
- **Workforce alignment benefits realized in Q4-18 and 1H-19**



1) Expected annual cost savings of ~$130M savings through the year 2021
2) Savings target as of February 13, 2019

B DN NOW Services Modernization Plan

Implementing a globally-consistent approach to Service delivery and management

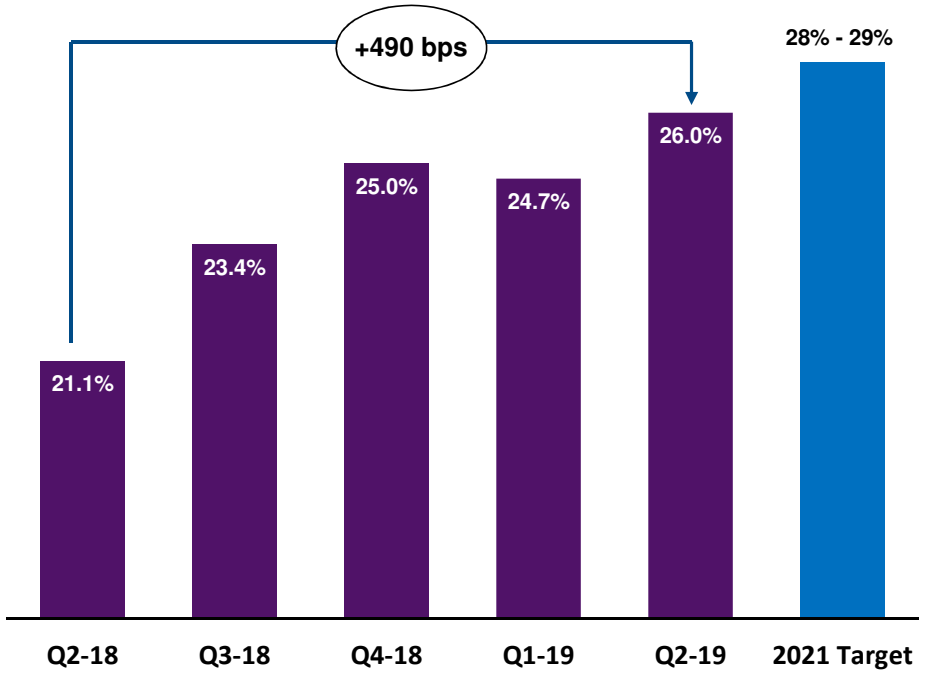
Actions

- Automating incident reporting & response
- Standardizing processes
- Upgrading customer touchpoints (ATM or POS)

Accomplishments

- ✓ Upgraded >20K customer touchpoints
- ✓ Connecting terminals AllConnect Data Engine
- ✓ Value-based pricing based on age of ATMs
- ✓ Improving service levels
- ✓ Service Gross Margin expansion of ~490 bps YoY

Services Gross Margin[1]

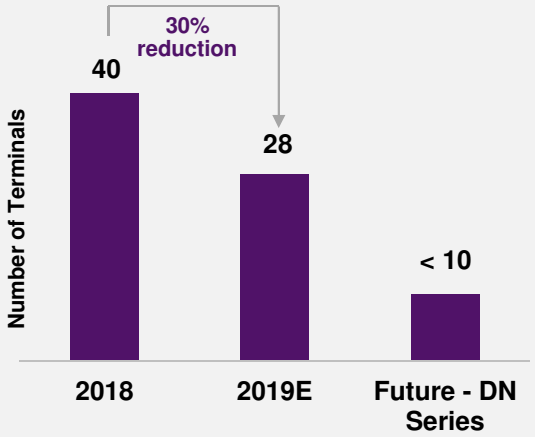


1) non-GAAP

Simplify Product Portfolio and Launch DN Series™

Simplify Product Portfolio

- Reducing legacy terminals to streamline the supply chain and shorten lead times



- Optimizing manufacturing footprint
  - ✓ Consolidation of sub-scale facilities
  - ✓ Shifting production to lower cost locations

Launch DN Series

- ✓ Improving ATM performance using advanced sensor technology, machine learning, and connecting terminals to the DN AllConnect Data Engine™
- ✓ Automating cash management via next generation cash recycling technology
- ✓ Integrating DN Vynamic™ software, interfaces with mobile devices & supports biometrics
- ✓ Streamlining supply chain - modular/upgradeable design
- ✓ Higher note capacity, processing power, & improved security in a smaller footprint
- ✓ Increasing flexibility for personalization and branding



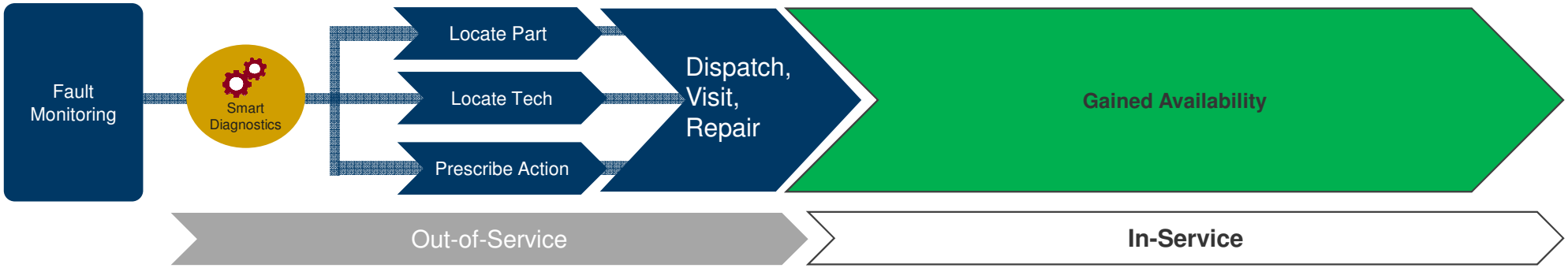
Pilots underway with 18 customers

Fifth Third Bank · Santander · BNL Gruppo BNP Paribas · BanBajío · BanCoppel · Crédit Mutuel · Caja Piura · BBVA · ČSOB · C B Bank · BCP

AllConnect Data Engine - A New Dimension in ATM Services

AllConnect Data Engine Approach

A data-driven system that integrates big data, machine learning and advanced analytics
When fully utilized, AllConnect Data Engine has the potential to reduce call rates by ~20%



Traditional Approach

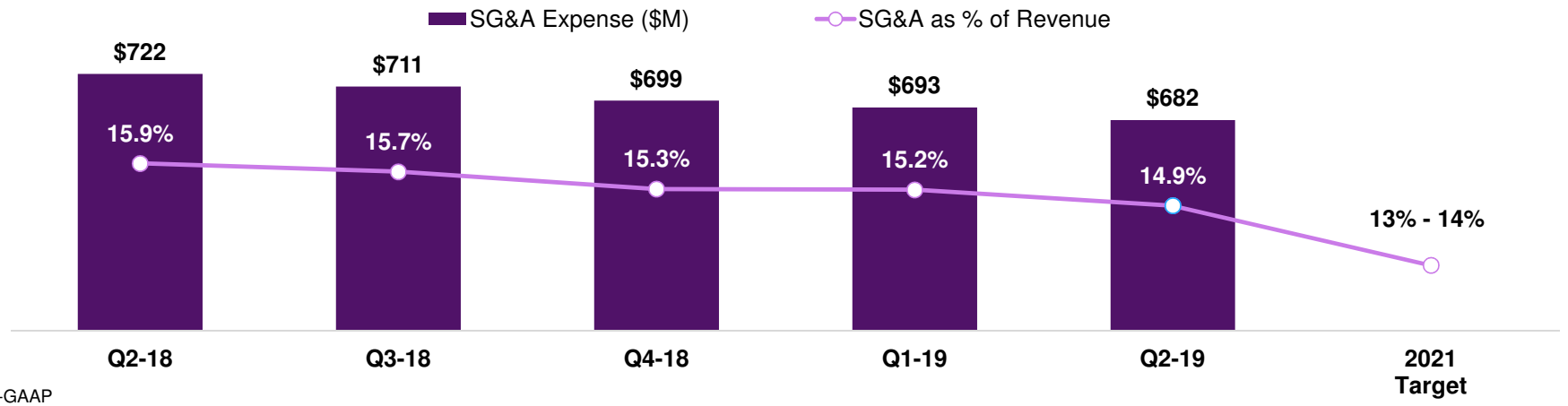


Further Reduction of SG&A Expenses

Focus areas

- **Finance** – leveraging shared services and making greater use of automation
- **Information Technology** – optimizing legacy platforms and leveraging scale
- **Procurement** – applying global spend analytics to consolidate and reduce third party spend
- **Real Estate** – consolidating under-utilized offices and evolving to a more agile work environment

Trailing 12 months Selling, General & Administrative Expense[1]



1) non-GAAP

Improving Net Working Capital

Receivables

- Centralized collections governance
- Increased visibility and escalation of past due accounts
- Improved coordination with salesforce for account reviews

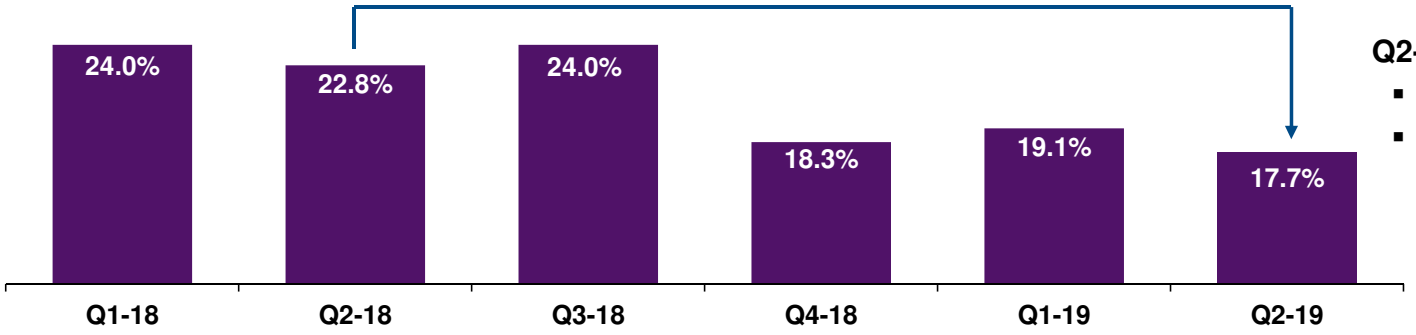
Inventory

- Clearer accountability for inventory management
- Targets established and regular management review
- Improved governance - all finished goods are linked to firm orders

Payables

- Implemented “no PO, no pay”
- Bi-monthly supplier payments
- Better enforcement of supplier terms
- Centralizing indirect spend and term negotiations

Net Working Capital as a percent of TTM Revenue[1,2]

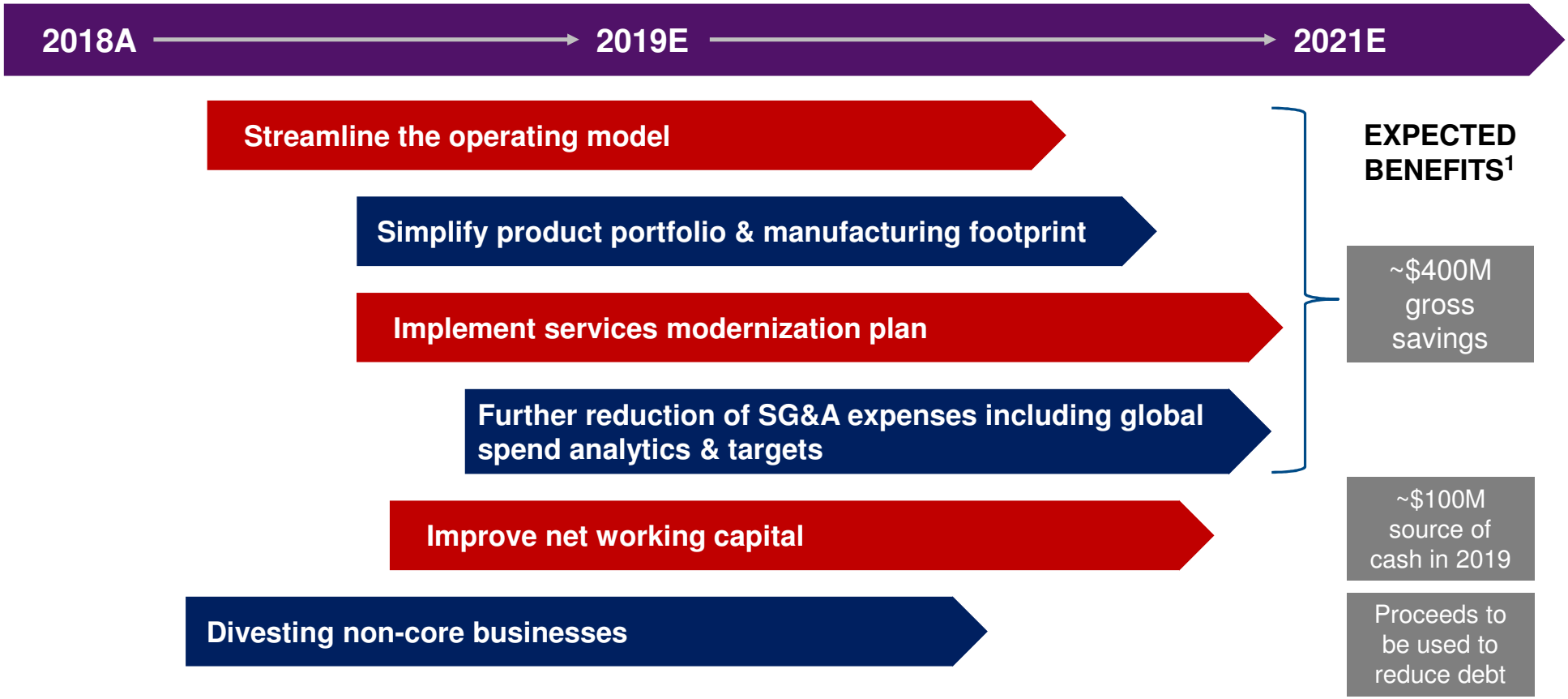


Q2-19 YoY improvements due to

- Improved inventory management
- Reduced spend

1) Net working capital equals the sum of the balance sheet balances for trade receivables and inventories less accounts payable
2) Trailing 12-month (TTM) calculated GAAP revenue

DN NOW Initiatives, Timeline & Savings Target of ~$400 Million



1) Cost reductions through the year 2021

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Financial Overview

Q2-19 Highlights

Orders +5% YoY cc

- ✓ Americas Banking orders were in-line with year-ago period; continued growth in Windows 10 activity
- ✓ Eurasia Banking orders increased led by activity in Europe, Middle East and Africa
- ✓ Retail increased meaningfully due to accelerating self-checkout unit growth and software

Revenue of $1.15B

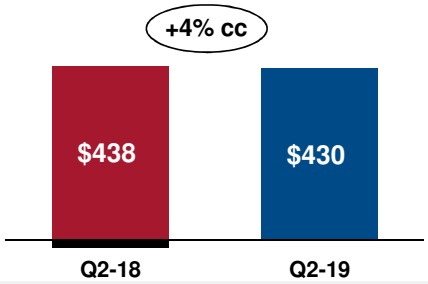
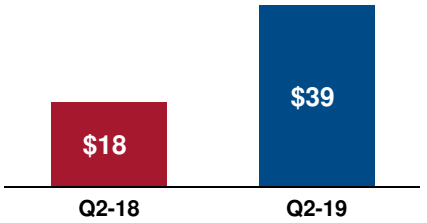
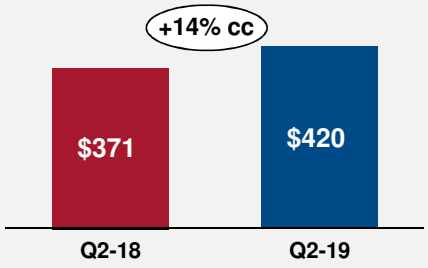
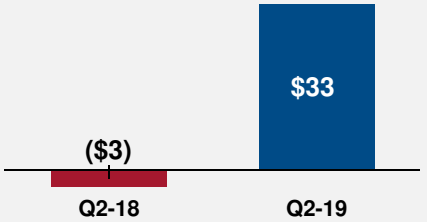
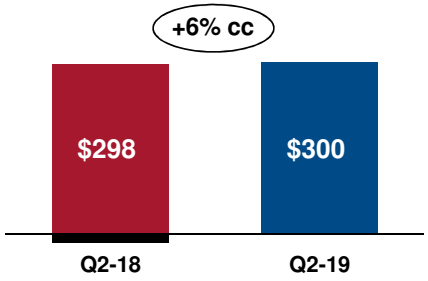
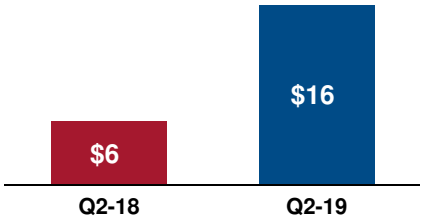
- Revenue growth of 8% YoY in cc excluding significant foreign currency headwinds
  - ✓ Americas Banking growth of +14% YoY cc led by products
  - ✓ Eurasia Banking +4% YoY cc primarily due to product growth in Europe, Middle East & Africa
  - ✓ Retail growth of +6% YoY cc from products and software

Adjusted EBITDA [1] of $107M
Free Cash Use [1] of $16M

- Gross profit[1] improved by $54M YoY with significant margin expansion from all segments & business lines
- Operating profit[1] increased $69M YoY mainly due to DN Now
- Adjusted EBITDA[1] expanded $66M YoY mainly due to DN Now
- Free cash use[1] improved 87% YoY, or $109M, due to improved profitability and inventory management

1) non-GAAP

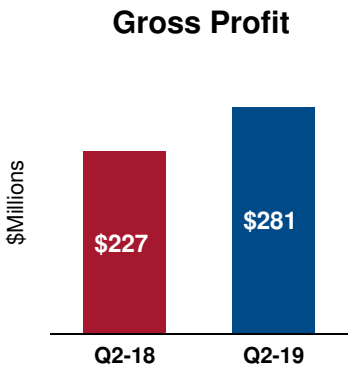
Q2-19 Segment Highlights

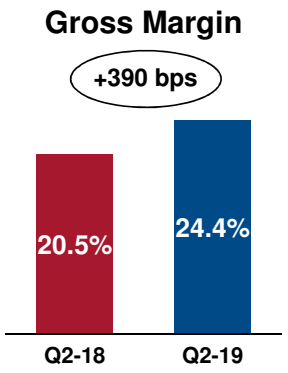
	Revenue ($M)		Operating Profit[1] ($M)	
Eurasia Banking		• Increased 4% YoY in cc excluding ~5% unfavorable currency impact • Strong products growth in EMEA partially offset by declines in Asia Pacific • Software down primarily from divestitures • Services down slightly in EMEA		• YoY increase driven by – Bidding discipline, mix and manufacturing efficiencies benefit gross product margins – Services modernization plan is benefitting gross services margins – DN Now initiatives reduce op expense – Currency headwind of $2M
Americas Banking		• Up +14% YoY in cc excluding ~1% unfavorable currency impact • Strong product growth YoY driven by Windows 10 upgrades and recycling • Services and software down slightly YoY		• YoY increase due to – Product revenue growth, gross margin expansion and reduced freight costs – Services modernization plan is benefitting gross services margins – DN Now initiatives lower operating expense
Retail		• Increased 6% YoY in cc excluding ~6% unfavorable currency impact • Products growth primarily in Europe • Services up slightly YoY inclusive of divestiture headwinds • Software modest growth YoY		• YoY increase from – Services modernization plan is benefitting gross services margins – Increasing software gross margin – Increasing product revenue – Currency headwind of $1M

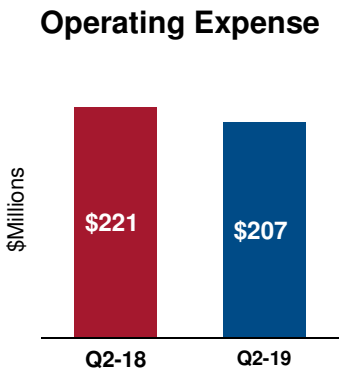
■ FX impact

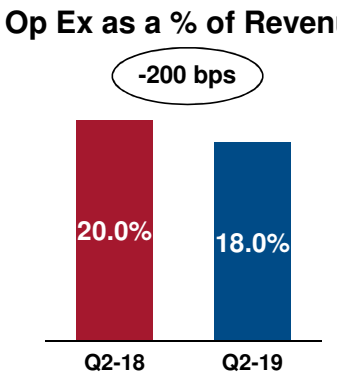
1) Non-GAAP

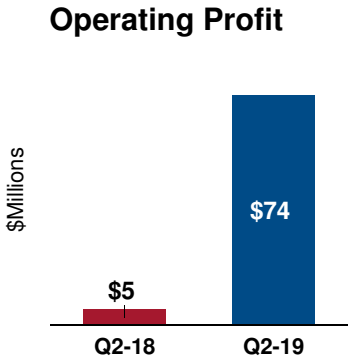
Q2-19 Profitability
non-GAAP

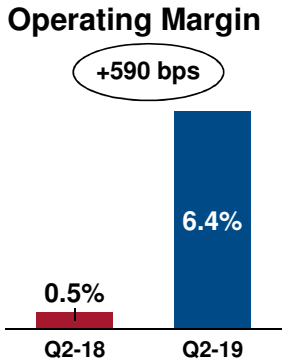


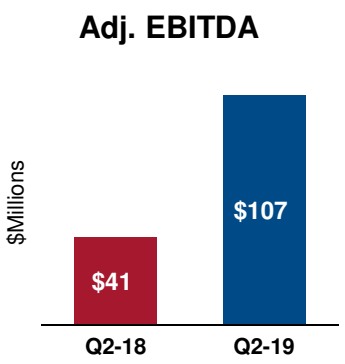


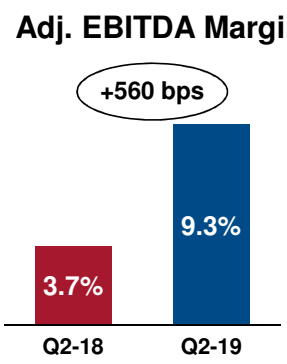








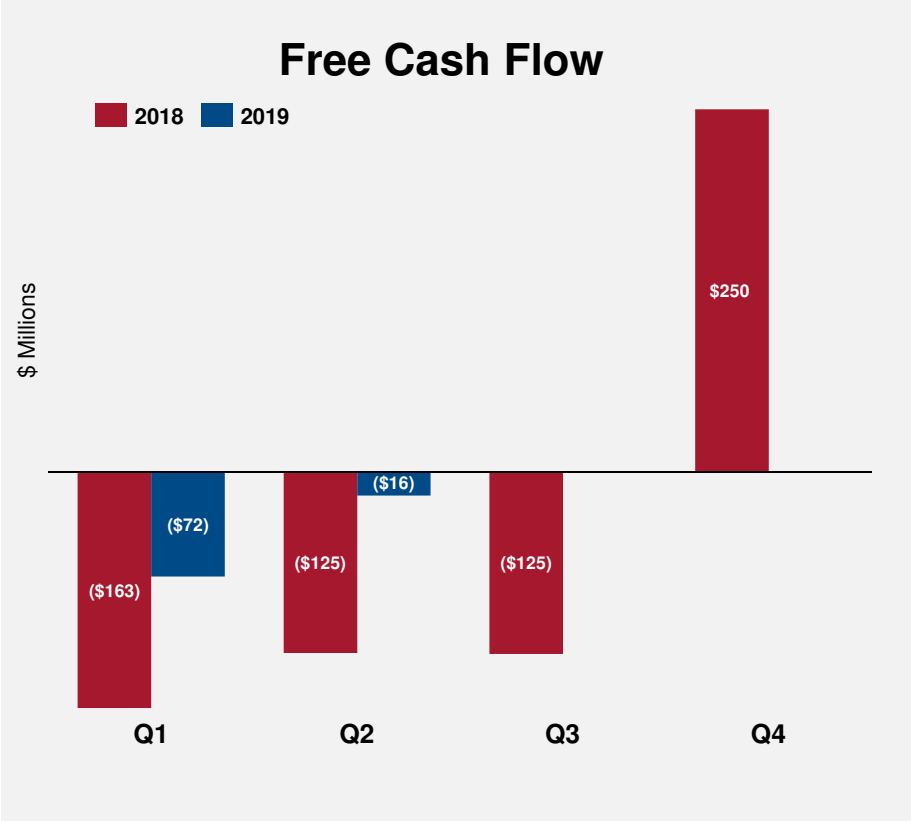




 Note: Differences may occur due to rounding.

Free Cash Flow Improvements

- **In Q2-19, free cash use decreased by $109M YoY to a use of $16M**
  - \+ Higher adjusted EBITDA
  - \+ Net working capital improvements
  - \+ Lower integration payments
  - – Higher restructuring payments
  - – Higher interest expense
- **In Q2-19, Unlevered cash flow was +$34M**
- **For 1H-19, free cash use decreased by $200M YoY**
- **For the trailing 12 months ended June 30, 2019 free cash flow was +$37M**



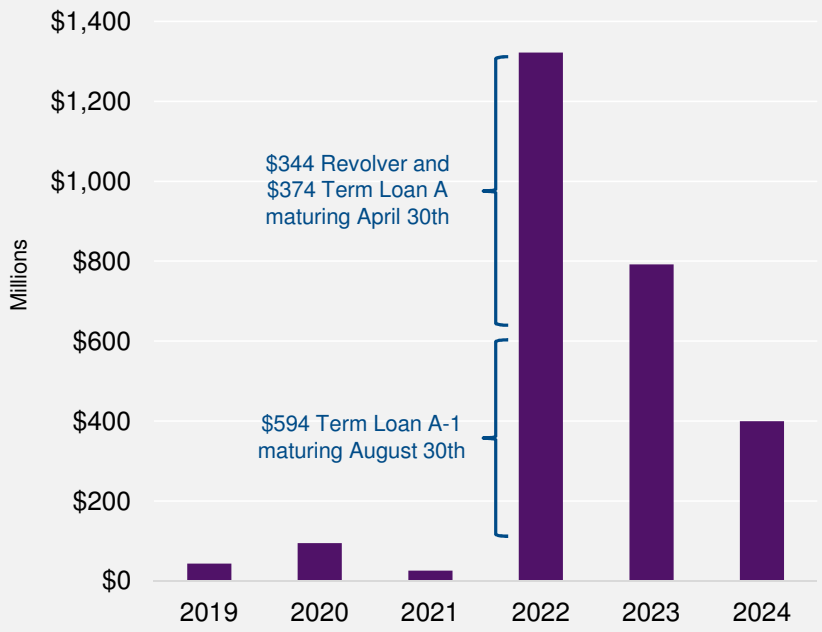
Note: Free cash flow is a non-GAAP financial measure defined as net cash provided by (used in) operations less capital expenditures. Differences may occur due to rounding.

Liquidity and Capital Structure

Capital Structure / Net Debt

$ Millions	Dec 31, 2018	Jun 30, 2019
Cash, cash equivalents, restricted cash & other ST investments (GAAP Measure)	$492	$273
Debt Instruments	($2,240)	($2,216)
Net Debt (non-GAAP measure)	($1,748)	($1,943)
Undrawn revolver[1]	$347	$357
Net Debt to TTM adjusted EBITDA[2]	~5.5x	~5.0x

Debt Maturity Schedule[3]



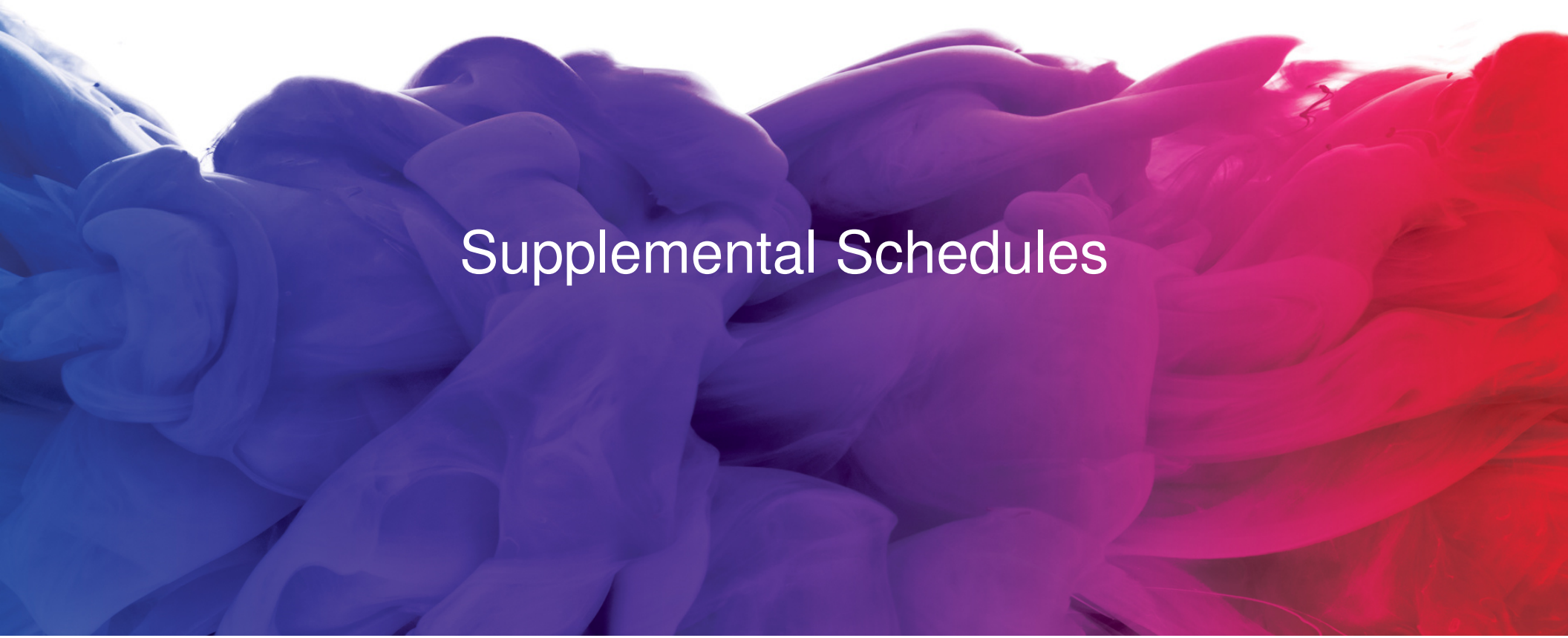
1) Includes ~$28M of letters of credit issued under the revolver
2) Net Debt to trailing 12-month calculated adjusted EBITDA
3) Reflects amended credit facilities effective August 7, 2019

2019 Outlook – *as of July 25, 2019*

	2019E	Key expectations[2]
Total revenue	~$4.5B	+ Growth in Americas Banking and Retail – Decline in Eurasia Banking reflecting stability in EMEA and YoY declines in Asia – Headwinds from foreign currency – Modest impact from divestitures
Adjusted EBITDA[1]	$400 - $420M ~9% margin	+ $175M savings from DN Now initiatives – $60M inflation & normalized compensation net of expected benefits from near-term divestitures – $25M of non-recurring benefits[3]
Free cash flow[1]	Modest Positive	Adjusted EBITDA[1] mid-point $410; Net working capital $100; Integration expense $0; Net interest expense ($190); Restructuring cash outflows ($120); Capital expenditures ($70); Cash taxes ($60); Other ($40)

1) non-GAAP metrics
2) Key expectations represent approximate YoY changes versus Diebold Nixdorf 2018 results
3) Year-over-year changes to mark-to-market accounting and as well as bonus reversal benefits in 2018

Diebold Nixdorf



Supplemental Schedules

Adjusted EBITDA Reconciliation

GAAP to non-GAAP $Millions

	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019
Revenue (GAAP)	$1,103	$1,134	$1,123	$1,250	$4,609	$1,064	$1,106	$1,119	$1,290	$4,579	$1,028	$1,150
Net income (loss)	($55)	($24)	($33)	($103)	($214)	($66)	($128)	($245)	($128)	($566)	($132)	($55)
Income tax (benefit) expense	(23)	(37)	(1)	89	28	19	(30)	45	3	37	60	9
Interest income	(6)	(5)	(4)	(5)	(20)	(4)	(2)	(2)	(1)	(9)	(3)	(2)
Interest expense	31	32	28	27	117	26	28	45	55	155	51	50
Depreciation & amortization[1]	56	55	66	64	242	62	58	58	57	234	53	52
EBITDA	$3	$22	$56	$73	$153	$38	($73)	($99)	($14)	($148)	$30	$54
Share-based compensation	7	8	8	11	34	14	7	7	9	37	9	5
Foreign exchange gain (loss), net	3	5	(3)	(1)	4	1	3	(2)	0	2	(3)	5
Miscellaneous, net	(2)	0	1	(0)	(1)	0	3	2	(0)	4	1	0
Equity in earnings (loss) of unconsolidated subsidiaries, net	0	(2)	0	(7)	(8)	(1)	(1)	(3)	18	13	0	0
Restructuring and DN Now transformation expenses	13	14	17	5	49	4	2	38	21	65	15	25
Non-routine expenses, net[2]	47	23	41	24	136	6	100	150	90	347	12	17
Adjusted EBITDA	$72	$70	$121	$105	$368	$62	$41	$93	$124	$320	$65	$107
Adjusted EBITDA % GAAP revenue	6.5%	6.2%	10.8%	8.4%	8.0%	5.8%	3.7%	8.3%	9.6%	7.0%	6.3%	9.3%

Trailing 12-month Reconciliation

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Revenue (GAAP)	$4,571	$4,542	$4,539	$4,579	$4,543	$4,587
Net income (loss)	($225)	($329)	($541)	($566)	($632)	($559)
Income tax (benefit) expense	71	77	123	37	78	117
Interest income	(17)	(14)	(12)	(9)	(8)	(8)
Interest expense	113	109	126	155	180	201
Depreciation & amortization[1]	248	251	242	234	226	220
EBITDA	$188	$93	($61)	($148)	($156)	($29)
Share-based compensation	41	39	38	37	32	30
Foreign exchange gain (loss), net	2	1	2	2	(2)	0
Miscellaneous, net	1	4	4	4	5	3
Equity in earnings (loss) of unconsolidated subsidiaries, net	(10)	(9)	(12)	13	15	16
Restructuring and DN Now transformation expenses	40	28	49	65	76	99
Non-routine expenses, net[2]	95	172	281	347	353	269
Adjusted EBITDA	$358	$329	$301	$320	$323	$389
Adjusted EBITDA % GAAP revenue	7.8%	7.2%	6.6%	7.0%	7.1%	8.5%

Adjusted EBITDA outlook for 2019 of $400 million - $420 million

With respect to the company's non-GAAP adjusted EBITDA outlook for 2019, 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 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 our use of non-GAAP financial measures.

1) Deferred financing fees have been removed from depreciation and amortization.
2) Net non-routine expenses excludes the Wincor Nixdorf purchase accounting adjustments, which are included in depreciation and amortization.
Note: Differences may occur due to rounding.

SG&A Expense Reconciliation

GAAP to non-GAAP $Millions

	Q1-17	Q2-17	Q3-17	Q4-17	2017	Q1-18	Q2-18	Q3-18	Q4-18	2018	Q1-19	Q2-19
Revenue (GAAP)	$1,103	$1,134	$1,123	$1,250	$4,609	$1,064	$1,106	$1,119	$1,290	$4,579	$1,028	$1,150
Total SG&A (GAAP)	$247	$237	$209	$241	$934	$228	$220	$216	$222	$886	$228	$222
Restructuring and DN Now Transformation Expenses	8	2	3	8	21	1	3	29	0	33	14	23
Non-Routine Expenses	49	40	44	43	175	38	36	35	44	153	33	29
Total Restructuring, DN Now Transformation & Non-Routine Expenses	58	42	46	51	197	40	39	64	44	187	47	52
Total SG&A (non-GAAP)	$189	$195	$163	$190	$737	$188	$181	$152	$178	$699	$182	$170
non-GAAP SG&A % GAAP revenue	17.2%	17.2%	14.5%	15.2%	16.0%	17.7%	16.3%	13.6%	13.8%	15.3%	17.7%	14.8%

Trailing 12 month Reconciliation

	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19
Revenue (GAAP)	$4,571	$4,542	$4,539	$4,579	$4,543	$4,587
Total SG&A (GAAP)	$915	$898	$905	$886	$886	$888
Restructuring and DN Now Transformation Expenses	14	15	41	33	46	65
Non-Routine Expenses	165	161	153	153	148	141
Total Restructuring, DN Now Transformation & Non-Routine Expenses	179	176	194	187	194	207
Total SG&A (non-GAAP)	$736	$722	$711	$699	$693	$682
non-GAAP SG&A % GAAP revenue	16.1%	15.9%	15.7%	15.3%	15.2%	14.9%

Note: Differences may occur due to rounding

Operating Profit – Segment View

$Millions	Q1-18	Q2-18	Q3-18	Q4-18	2018	Q1-19	Q2-19
Eurasia Banking	20	18	44	68	150	34	39
Americas Banking	5	(3)	2	14	17	18	33
Retail	10	6	18	13	47	8	16
Total Operational Segments	**$35**	**$20**	**$64**	**$95**	**$214**	**$60**	**$87**
Corporate	(17)	(15)	(8)	(12)	(52)	(33)	(13)
Restructuring and DN Now Transformation Expenses	(4)	(2)	(38)	(21)	(65)	7	11
Non-Routine Expenses	(37)	(130)	(178)	(115)	(460)	(59)	(77)
Total Restructuring, DN Now Transformation & Non-Routine Expenses	(41)	(132)	(217)	(135)	(525)	(52)	(67)
Total Diebold Nixdorf (GAAP)	**($24)**	**($127)**	**($160)**	**($52)**	**($363)**	**($24)**	**$7**

Note: Differences may occur due to rounding.

Q2 2019 Profit & Loss Statement
Reconciliation GAAP to non-GAAP ($Millions)

	2019 (GAAP)	% of Net Sales	Restructuring and DN Now transformation expenses	Legal / deal expense	Divestitures and fixed asset sale	Acq. integration	Wincor Nixdorf purchase accounting adjustments	Inventory provision	Other non-routine inc/exp	2019 (non-GAAP)	% of Net Sales
Services	566.0	49.2%	-	-	-	-	-	-	-	566.0	49.2%
Products	470.1	40.9%	-	-	-	-	-	-	-	470.1	40.9%
Software	114.0	9.9%	-	-	-	-	-	-	-	114.0	9.9%
Total Revenue	**1,150.2**	**100.0%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,150.2**	**100.0%**
Services	144.2	25.5%	0.6	-	-	-	-	(0.2)	2.5	147.1	26.0%
Products	99.3	21.1%	0.0	-	-	-	1.6	(4.6)	-	96.3	20.5%
Software	33.7	29.6%	2.0	-	-	-	1.8	-	-	37.5	32.8%
Total Gross Profit	277.2	24.1%	2.6	-	-	-	3.4	(4.8)	2.5	280.9	24.4%
Operating Expenses											
Selling, G & A	222.0		(22.8)	(6.8)	-	(1.4)	(21.0)	-	-	170.0	
R , D & E	36.1		0.2	-	-	-	-	-	-	36.3	
(Gain)/Loss on Assets	11.8		(0.1)	-	(11.0)	-	-	-	-	0.6	
Impairment of Assets	-		-	-	-	-	-	-	-	-	
Total Operating Expense	269.9	**23.5%**	(22.8)	(6.8)	(11.0)	(1.4)	(21.0)	-	-	206.9	**18.0%**
Total Operating Profit (loss)	7.3	0.6%	25.4	6.8	11.0	1.4	24.4	(4.8)	2.5	74.0	6.4%

 Note: Differences may occur due to rounding.

Q2 2018 Profit & Loss Statement
Reconciliation GAAP to non-GAAP ($Millions)

	2018 (GAAP)	% of Net Sales	Restructuring and DN Now transformation expenses	Impairment	Legal / deal expense	Divestitures and fixed asset sale	Acq. integration	Wincor Nixdorf purchase accounting adjustments	Inventory provision	Other non-routine inc/exp	2018 (non-GAAP)	% of Net Sales
Services	593.5	53.7%	-	-	-	-	-	-	-	-	593.5	53.7%
Products	389.3	35.2%	-	-	-	-	-	-	-	-	389.3	35.2%
Software	122.8	11.1%	-	-	-	-	-	-	-	-	122.8	11.1%
Total Revenue	**1,105.6**	**100.0%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,105.6**	**100.0%**
Services	123.4	20.8%	(0.4)	-	-	-	1.1	-	0.8	0.3	125.1	21.1%
Products	62.8	16.1%	(0.5)	-	-	-	0.0	3.4	0.3	-	66.0	17.0%
Software	31.5	25.6%	0.2	-	-	-	-	3.8	0.1	0.0	35.5	28.9%
Total Gross Profit	217.7	19.7%	(0.7)	-	-	-	1.1	7.2	1.1	0.3	226.6	20.5%
Operating Expenses												
Selling, G & A	219.9		(3.1)	-	(0.5)	-	(13.3)	(22.3)	-	-	180.7	
R , D & E	40.6		0.1	-	-	-	-	-	-	-	40.7	
(Gain)/Loss on Assets	0.8		-	-	(1.0)	0.2	-	-	-	-	(0.0)	
Impairment of Assets	83.1		-	(83.1)	-	-	-	-	-	-	-	
Total Operating Expense	344.3	**31.1%**	(3.0)	(83.1)	(1.6)	0.2	(13.3)	(22.3)	-	-	221.4	**20.0%**
Total Operating Profit (loss)	(126.6)	-11.5%	2.2	83.1	1.6	(0.2)	14.5	29.4	1.1	0.3	5.3	0.5%

 Note: Differences may occur due to rounding.

Free Cash Flow Reconciliation from Continuing Operations
($Millions)

	1Q-17	2Q-17	3Q-17	4Q-17	2017	1Q-18	2Q-18	3Q-18	4Q-18	2018	1Q-19	2Q-19	Jun-YTD 2018	Jun-YTD 2019	2019 Outlook
Net cash provided by (used in) operating activities - continuing	($66)	($119)	($50)	$272	$37	($142)	($114)	($115)	$268	($104)	($57)	($11)	($257)	($68)	~$100
Capital expenditures - continuing	(12)	(14)	(15)	(28)	(69)	(20)	(10)	(10)	(18)	(59)	(15)	(6)	(31)	(20)	~(70)
Free cash flow (use) (non-GAAP measure)	**($78)**	**($134)**	**($65)**	**$245**	**($32)**	**($163)**	**($125)**	**($125)**	**$250**	**($163)**	**($72)**	**($16)**	**($287)**	**($88)**	**Modestly Positive**
Add Back: GAAP P&L Interest Expense	(31)	(32)	(28)	(27)	(117)	(26)	(28)	(45)	(55)	(155)	(51)	(50)	(54)	(101)	
Unlevered Free cash flow (use) (non-GAAP measure)	**($47)**	**($101)**	**($37)**	**$271**	**$85**	**($137)**	**($96)**	**($80)**	**$305**	**($8)**	**($21)**	**$34**	**($233)**	**$13**	

Trailing 12-month Reconciliation

	1Q-18	2Q-18	3Q-18	4Q-18	1Q-19	2Q-19
Net cash provided by (used in) operating activities - continuing	($39)	($34)	($100)	($104)	($19)	$85
Capital expenditures - continuing	(78)	(74)	(68)	(59)	(53)	(48)
Free cash flow (use) (non-GAAP measure)	**($117)**	**($108)**	**($168)**	**($163)**	**($72)**	**$37**
Add Back: GAAP P&L Interest Expense	(113)	(109)	(126)	(155)	(180)	(201)
Unlevered Free cash flow (use) (non-GAAP measure)	**($4)**	**$1**	**($42)**	**($8)**	**$108**	**$238**

Free Cash Flow Reconciliation from Continuing Operations
($Millions)

	1Q-17	2Q-17	3Q-17	4Q-17	2017	1Q-18	2Q-18	3Q-18	4Q-18	2018	1Q-19	2Q-19	Jun-YTD 2018	Jun-YTD 2019	2019 Outlook
Net cash provided by (used in) operating activities - continuing	($66)	($119)	($50)	$272	$37	($142)	($114)	($115)	$268	($104)	($57)	($11)	($257)	($68)	~$100
Capital expenditures - continuing	(12)	(14)	(15)	(28)	(69)	(20)	(10)	(10)	(18)	(59)	(15)	(6)	(31)	(20)	~(70)
Free cash flow (use) (non-GAAP measure)	**($78)**	**($134)**	**($65)**	**$245**	**($32)**	**($163)**	**($125)**	**($125)**	**$250**	**($163)**	**($72)**	**($16)**	**($287)**	**($88)**	**~$30**
Add Back: GAAP P&L Interest Expense	(31)	(32)	(28)	(27)	(117)	(26)	(28)	(45)	(55)	(155)	(51)	(50)	(54)	(101)	
Unlevered Free cash flow (use) (non-GAAP measure)	**($47)**	**($101)**	**($37)**	**$271**	**$85**	**($137)**	**($96)**	**($80)**	**$305**	**($8)**	**($21)**	**$34**	**($233)**	**$13**	

TTM Free Cash Flow[1]

	1Q-18	2Q-18	3Q-18	4Q-18	1Q-19	2Q-19
Net cash provided by (used in) operating activities - continuing	($39)	($34)	($100)	($104)	($19)	$85
Capital expenditures - continuing	(78)	(74)	(68)	(59)	(53)	(48)
Free cash flow (use) (non-GAAP measure)	**($117)**	**($108)**	**($168)**	**($163)**	**($72)**	**$37**
Add Back: GAAP P&L Interest Expense	(113)	(109)	(126)	(155)	(180)	(201)
Unlevered Free cash flow (use) (non-GAAP measure)	**($4)**	**$1**	**($42)**	**($8)**	**$108**	**$238**

1) Trailing 12-month
Note: Differences may occur due to rounding

Income Tax Items

~$60M projected cash tax primarily from non U.S. subsidiaries

Projected $60M of Cash Taxes for 2019

- Cash income taxes are paid at individual legal entities
- Net operating losses at certain legal entities can not be utilized to offset pre-tax income in profitable entities
- ~$50M relates to projected pre-tax income from profitable foreign legal entities
- ~$10M relates to impacts of the US tax reform, timing of creditable withholding taxes and prior year taxes paid in 2019

Main Drivers of GAAP ETR

- US GAAP effective tax rate is an expense on a projected loss primarily due to the following drivers:
  - ✓ The impacts of collapsing the Company's Barbados structure in Q1, which were required by lenders in conjunction with the Term Loan A-1 capital raise
  - ✓ Projected full year tax expense associated with the US tax reform
  - ✓ Other items including uncertain tax positions and the deductibility of certain expenditures related to our non-core divestiture activities

Main Drivers of Non-GAAP ETR

- Non-GAAP effective tax rate is built off of the GAAP rate and includes the following:
  - ✓ Restructuring and net non-routine items are recorded at a mid-20% blended rate
  - ✓ The Company recorded the Barbados collapse as a non-GAAP tax expense non-routine item in Q1 and related changes in estimate have been consistently reflected in the Q2 results

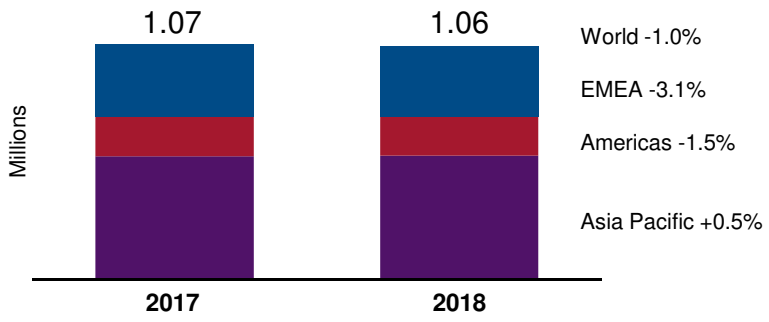
Diebold Nixdorf



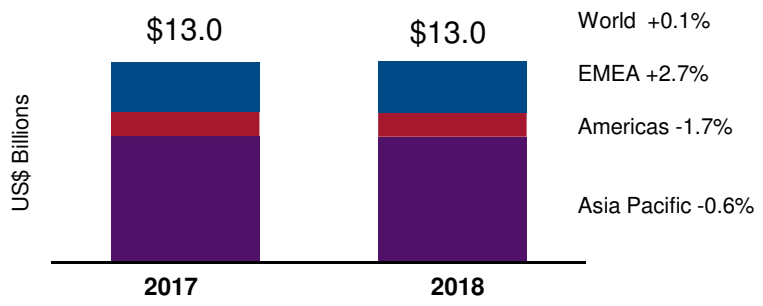
Industry Information & Customer References

ATM Trends by Geographic Region

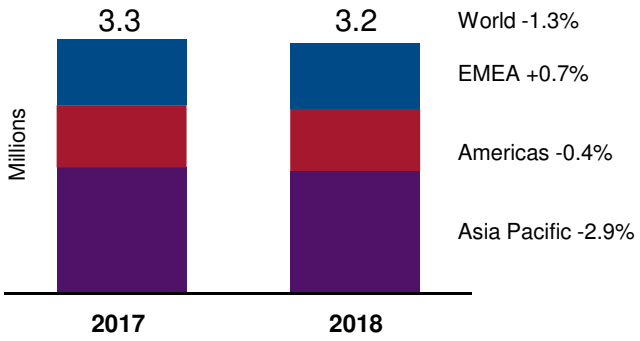
Number of Bank Branches



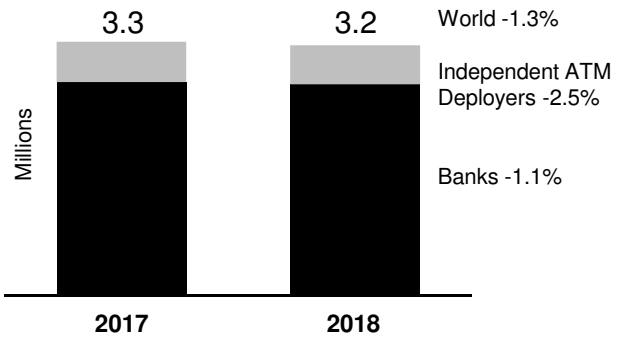
Value of Cash Withdrawals



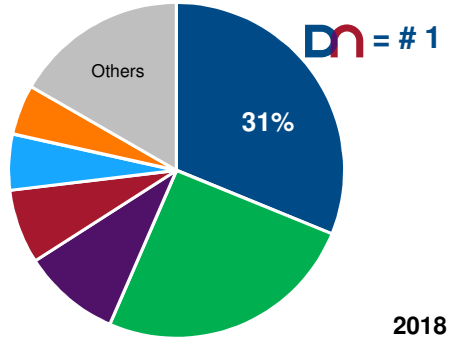
Installed Base of ATMs by Region



Installed Base of ATMs by Deployer



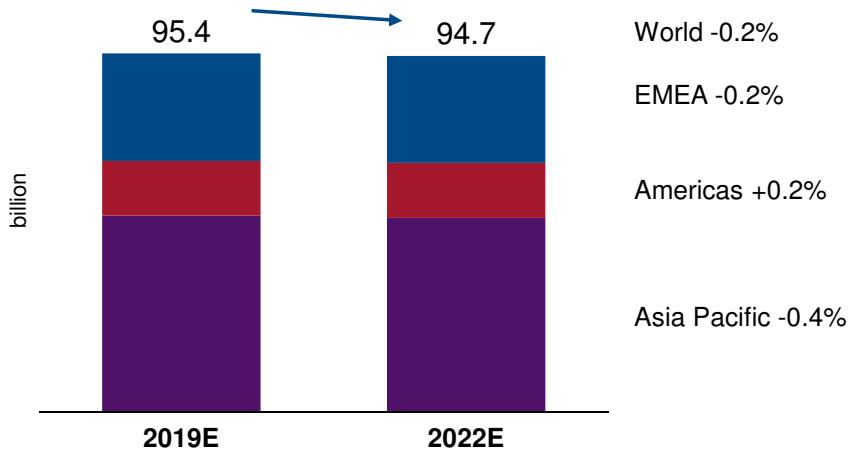
Market Share of Installed Base



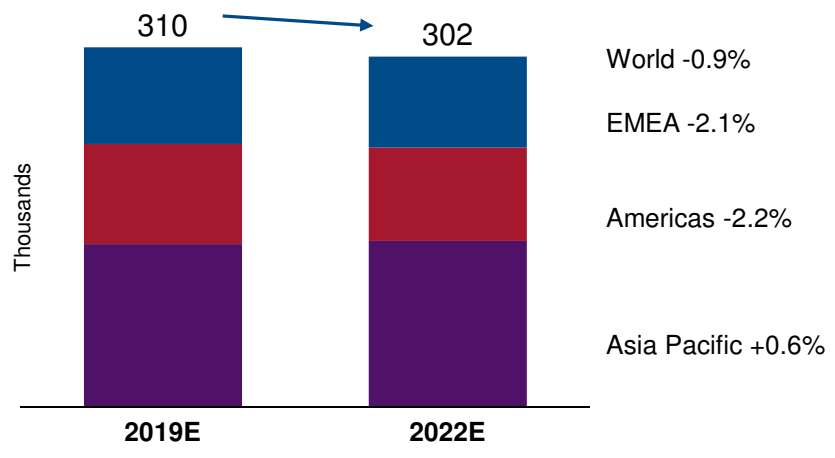
Source: RBR 2019, Global ATM Market and Forecasts to 2024

Cash Withdrawal and ATM Shipment Forecasts

Volume of Cash Withdrawals and 3-year CAGR



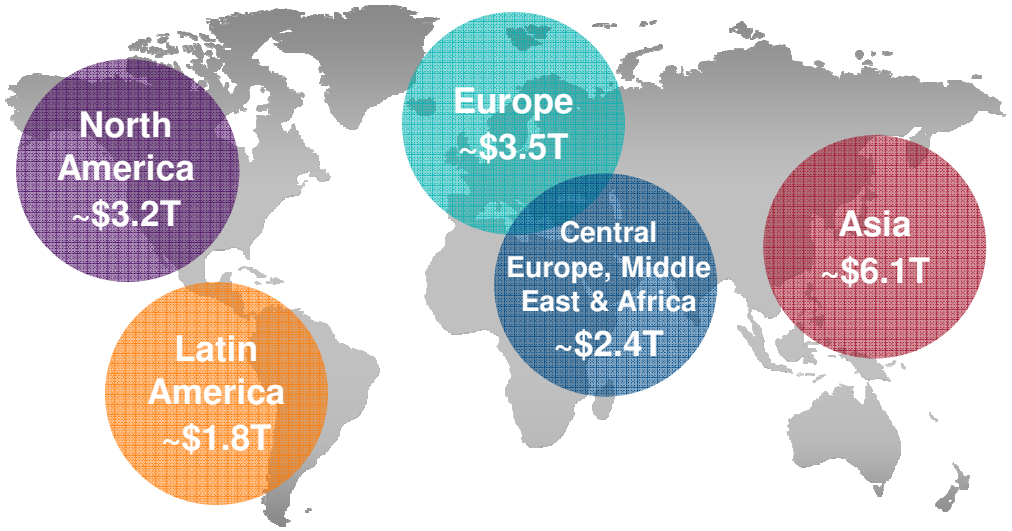
ATM Shipment Forecast and 3-year CAGR



Source: RBR 2019, Global ATM Market and Forecasts to 2024

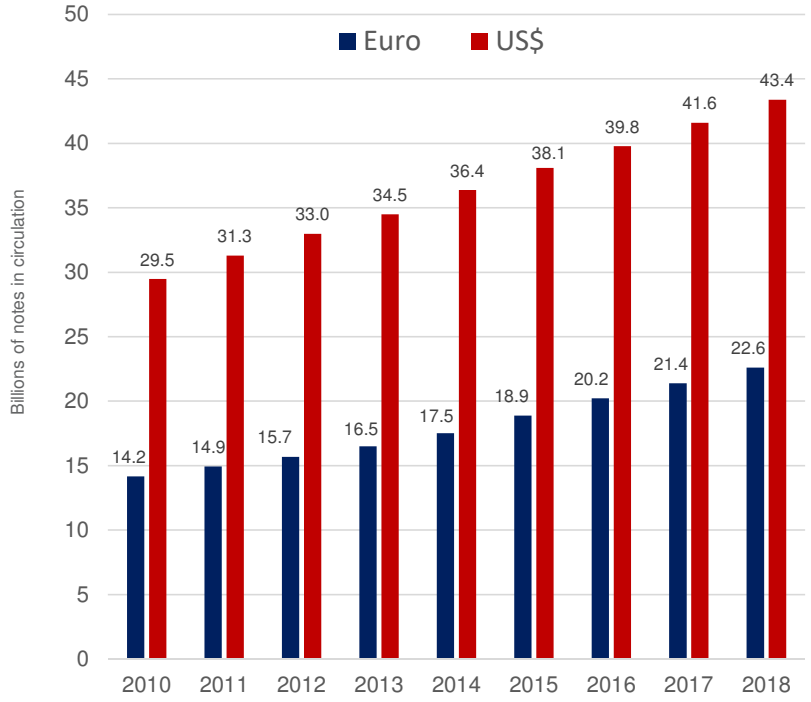
Physical Currency Plays a Vital Role in the Global Economy

Cash and checks underpin ~$17 trillion of global transactions



Source: Visa analysis of 2016 data from Oxford Economics, Nilson Report, Euromonitor, Haver Analytics, UK Card Association, Central Bank of the Russian Federation, Norges Bank, Swiss National Bank, Bank of Thailand, Reserve Bank of Australia, Federal Reserve, Statistics New Zealand, Saudi Arabia Monetary Agency and Central Bank of Ireland.

Physical currency growth of 4 – 6% CAGR



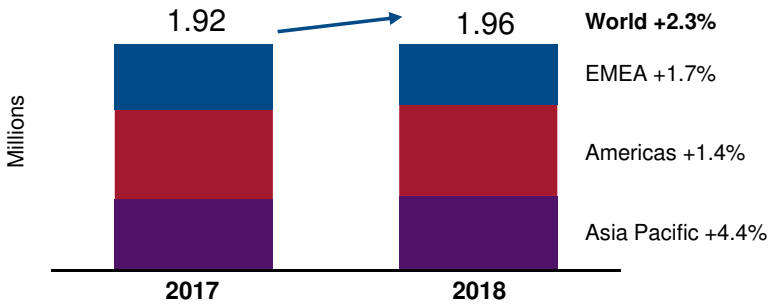
Source: U.S. Federal Reserve and Statistical Data Warehouse

Banking Customer References

	KeyBank	DBS BANK	Garanti	bankdata	مصرف الراجحي Al Rajhi Bank
WHO	▪ ~1,100 branches ▪ HQ in North America	▪ 280 branches across 50 Asian cities ▪ HQ in Singapore	▪ 14.5 million customers across > 950 branches ▪ HQ in Turkey	▪ IT solutions provider for 11 Danish banks ▪ HQ in Denmark	▪ Largest Islamic bank with > 1000 locations ▪ HQ in Saudia Arabia
WHAT	▪ 1,400 ATMs w/Vista Terminal Application SW ▪ DN Vynamic View ▪ DN Vynamic Transaction Automation ▪ DN Vynamic Engagement	▪ Cash recycling systems ▪ Automated teller safes ▪ DN Vynamic View & Cash Management	▪ Cash recycling systems ▪ DN Vynamic Portfolio ▪ Total Implementation Services	▪ DN AllConnect Fleet Management Services ▪ DN Vynamic Security	▪ Custom self-service kiosks ▪ Biometric authentication
WHERE		▪ Asia Pacific	▪ EMEA	▪ EMEA	▪ EMEA
BENEFITS	▪ New transaction functionality ▪ Flexibility & integrations with in-house systems ▪ Improved operational tools and visibility	▪ Transformed branch cash ecosystems ▪ 10% YOY cost reductions ▪ Customer complaints reduced by 90% since 2012	▪ Omnichannel portfolio integration with self-service ▪ Optimized analytics & remote resolutions drive efficiency ▪ SPOC for delivery & installation	▪ Outsourced management of ~460 multivendor systems ▪ Proactive responses for terminal availability ▪ Software updates via remote distribution	▪ Improved customer experience with reduces line queues ▪ Routine transactions migrated to self-service ▪ Reduced costs per transaction

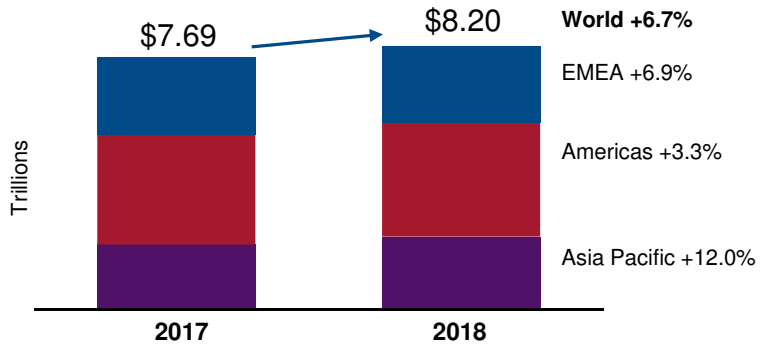
ePOS Trends by Geographic Region

Number of Retail Outlets



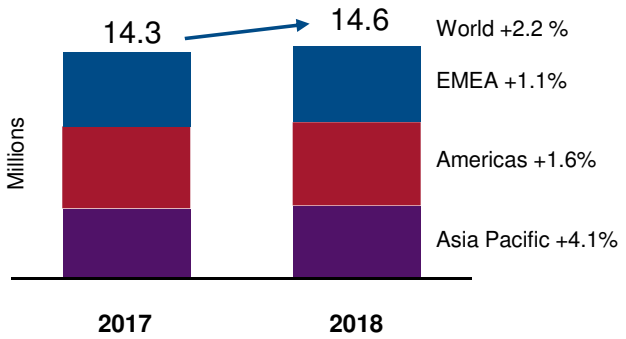
Source: Edge Retail Insight

Total Banner Sales



Source: Edge Retail Insight

Installed Base of ePOS by Region



Source: RBR 2019, Global EPOS and Self-Checkout

Installed Base of ePOS by Customer

Tier 1 retailers employ >5,000 POS

Large supermarkets/hypermarkets

Tier 2 retailers employ 1,000 – 5,000 POS

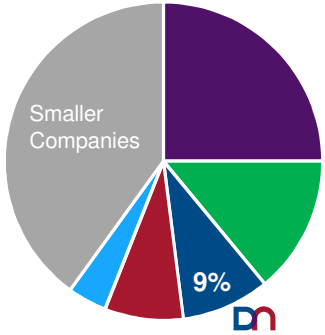
Inter-National store networks

Tier 3 retailers employ <1,000 POS

Specialty stores

Source: Diebold Nixdorf segmentation

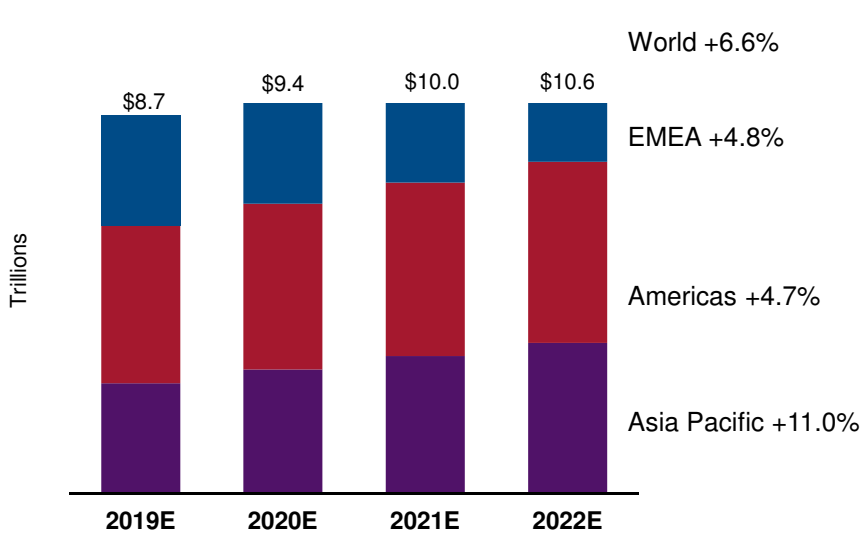
Market Share of Installed Base 2018



Source: RBR 2019, Global EPOS and Self-Checkout

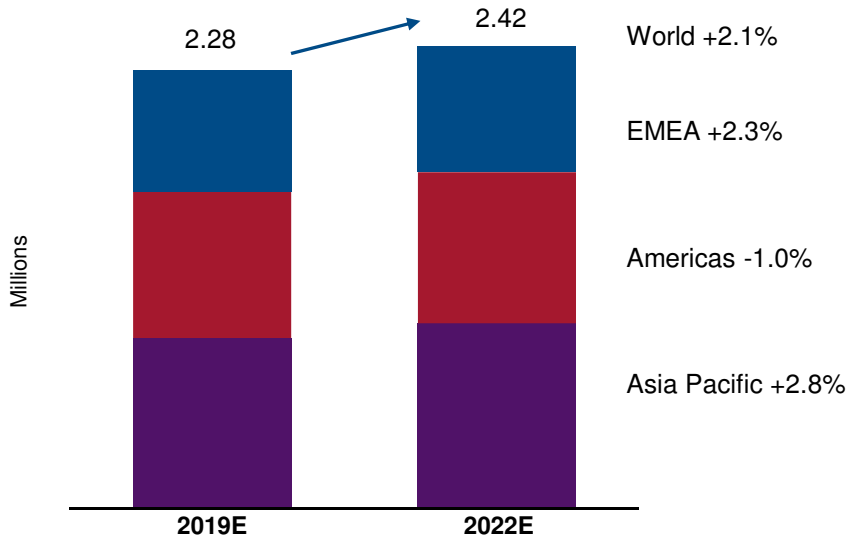
Total Banner Sales, ePOS & SCO Shipment Growth to 2022E

Total Banner Sales and CAGR



Source: Edge Retail Insight

ePOS & SCO Shipment Forecast and CAGR



Source: RBR 2019, Global EPOS and Self-Checkout

Retail Customer References

	Shell	TESCO	IKEA	Triumph	Quick Service Restaurant
WHO	▪ Leading petroleum company ▪ active in 80+ countries	▪ Food & General Merchandise Retailer ▪ HQ in UK	▪ Home furnishing products ▪ HQ in Sweden	▪ Fashion Retailer with multi-national focus ▪ HQ in Switzerland	▪ Quick Service Restaurant active in +100 countries ▪ HQ in USA
WHAT	▪ Store Lifecycle Management ▪ Retail Cash Management	▪ 50,000 EPOS systems ▪ Store Lifecycle Management	▪ 14,000 EPOS & SCOs ▪ Retail Cash Management ▪ Store Lifecycle Management	▪ > 850 EPOS incl. peripherals ▪ Vynamic™ Retail Software ▪ Store Lifecycle Management	▪ New self-service kiosks ▪ Store Lifecycle Management
WHERE	▪ EMEA ▪ Asia Pacific ▪ Americas	▪ EMEA ▪ Asia Pacific	▪ EMEA ▪ Asia Pacific ▪ Americas	▪ EMEA ▪ Asia Pacific	▪ EMEA ▪ Asia Pacific ▪ Americas
BENEFITS	▪ **Increased security**, less robberies ▪ **Added customer services** (e.g. cash withdrawals) ▪ **Higher efficiency** due to process automation	▪ **Significant savings** from process automation/optimization ▪ **Rapid expansion** in new countries enabled by global service delivery	▪ **Automation** of store, checkout, and cash management processes ▪ **Lower project costs** thanks to one end-to-end solution partner	▪ **One-stop-shop** provider to simplify processes ▪ Maintaining a **long-term relationship** ▪ **Seamless shopper experience**	▪ Better **consumer experience** ▪ **Higher sales** – orders are ~15% higher on average ▪ **Higher efficiency** due to process automation