2020 Outlook

June 2020

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, free cash flow/(use), 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. For more information, please refer to the section, “Supplemental Schedules.”

Forward-looking Statements

This document contains statements that are not historical information are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the potential impact of the ongoing coronavirus (COVID-19) outbreak, anticipated revenue, adjusted EBITDA and free cash flow, future liquidity and financial position. Statements can generally be identified as forward looking because they include words such as "believes," "anticipates," "expects," "could," "should" or words of similar meaning. Statements that describe the company's future plans, objectives or goals are also forward-looking statements. Forward-looking statements are subject to assumptions, risks and uncertainties that may cause actual results to differ materially from those contemplated by such forward-looking statements. The factors that may affect the company's results include, among others: the finalization of our financial statements for the quarter ending June 30, 2020; the ultimate impact of the ongoing coronavirus (COVID-19) outbreak; the ultimate impact of the appraisal proceedings initiated in connection with the implementation of the domination and profit and loss transfer agreement with Diebold Nixdorf AG and the merger squeeze-out; the company's ability to achieve benefits from its cost-reduction initiatives and other strategic initiatives, such as DN Now, including its planned restructuring actions, as well as its business process outsourcing initiative; the success of the company’s new products, including its DN Series line; the company's ability to comply with the covenants contained in the agreements governing its debt; the company's ability to successfully refinance its debt when necessary or desirable; the ultimate outcome of the company’s pricing, operating and tax strategies applied to former Diebold Nixdorf AG and the ultimate ability to realize cost reductions and synergies; 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; interest rate foreign currency exchange rate fluctuations, including the impact of currency devaluations in countries experiencing high inflation rates; changes in political, economic or other factors such as currency exchange rates, inflation rates, recessionary or expansive trends, taxes and regulations and laws affecting the worldwide business in each of the company's operations; the company’s reliance on suppliers and any potential disruption to the company’s global supply chain; the impact of market and economic conditions, including any additional deterioration and disruption in the financial and service markets, including the bankruptcies, restructurings or consolidations of financial institutions, which could reduce 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; interest rate and foreign currency exchange rate fluctuations, including the impact of possible currency devaluations in countries experiencing high inflation rates; the acceptance of the company's product and technology introductions in the marketplace; competitive pressures, including pricing pressures and technological developments; changes in the company's relationships with customers, suppliers, distributors and/or partners in its business ventures; the effect of legislative and regulatory actions in the United States and internationally and the company’s ability to comply with government regulations; the impact of a security breach or operational failure on the company's business; the company's ability to successfully integrate other acquisitions into its operations; the company's success in divesting, reorganizing or exiting non-core and/or non-accretive businesses; the company's ability to maintain effective internal controls; changes in the company's intention to further repatriate cash and cash equivalents and short-term investments residing in international tax jurisdictions, which could negatively impact foreign and domestic taxes; unanticipated litigation, claims or assessments, as well as the outcome/impact of any current/pending litigation, claims or assessments; the investment performance of the company's pension plan assets, which could require the company to increase its pension contributions, and significant changes in healthcare costs, including those that may result from government action; and the amount and timing of repurchases of the company's common shares, if any; and other factors included in the company's filings with the SEC, including its Annual Report on Form 10-K for the year ended December 31, 2019, its Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 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.

Expectations for 2020

	2020E	Key Expectations[3]
Total Revenue	$3.7 - $3.9B	Reflects net unplanned effects of COVID-19, net planned reductions including the company's focus on higher-quality revenue, foreign currency headwinds of $120M and divestitures of $80M
Adjusted EBITDA[1,2]	~$400 - $440M ~11% margin	YoY drivers + Approximately $130M of DN Now savings – primarily from SG&A initiatives + Approximately $80 - $100M of savings from incremental initiatives such as reducing annual bonus expense, pausing merit increases, hiring freeze, reduced indirect spend and further consolidation of real estate – Lower revenue – Inflation, growth investments and other items
Free cash flow[1]	Break-even	+ Adjusted EBITDA mid-point $420M – Net interest payments $170M – Restructuring cash outflows $100M – Timing impact of Bonus (2019 vs 2020) $40M – Cash Taxes $40M – Capital expenditures $30M – Net working capital $20M – Pension and other $20M

1) Non-GAAP metrics
2) With respect to the company's non-GAAP adjusted EBITDA outlook for 2020, the company is not providing a reconciliation to the most directly comparable GAAP financial measure because it is unable to predict with reasonable certainty those items that may affect such measures calculated and presented in accordance with GAAP without unreasonable effort. These measures primarily exclude the future impact of restructuring actions and net non-routine items. These reconciling items are uncertain, depend on various factors and could significantly impact, either individually or in the aggregate, net income calculated and presented in accordance with GAAP. Please see "Use of Non-GAAP Financial Measures" for additional information regarding our use of non-GAAP financial measures.
3) The company's full year outlook for 2020 is based on the current book of business as well as information available today regarding the potential effect of the coronavirus and the current recession. There are a number of factors, including the potential for a second wave of virus infections and related business implications, that we may not be able to accurately predict. In addition, the 2020 outlook includes the impact of deconsolidating our joint venture in China, which was finalized in the second quarter of 2020, and the divestiture of Diebold Nixdorf Portavis GmbH, which was finalized in the first quarter 2020. Collectively, these two businesses are expected to generate approximately $80 million of revenue in 2020. The foreign currency impact is estimated based on exchange rates as of May 31, 2020. All numbers are approximate.