DieboldNixdorf.com

Diebold Nixdorf AG
Half-Year Interim Report 2018

January 1, to June 30, 2018

Key Figures 2018

Statement of Income (€ millions)	6 months 2018 [1]	6 months 2017 [2]	Change
Net sales	**1,100**	**1,207**	**-9%**
of which Banking	651	680	-4%
of which Retail	449	527	-15%
Gross profit without restructuring and transaction expenses*	**240**	**281**	**-15%**
Gross profit as a percentage of net sales	21.8%	23.3%	-
Research & development expenses without restructuring and transaction expenses*	**-46**	**-46**	**0%**
R&D expenses as a percentage of net sales	4.2%	3.8%	-
Selling, general and administration expenses [3] without restructuring and transaction expenses*	**-148**	**-155**	**-5%**
SG&A expenses as a percentage of net sales	13.5%	12.8%	-
Operating profit (EBITA) [4] without restructuring and transaction expenses*	**46**	**80**	**-43%**
EBITA as a percentage of net sales (EBITA margin)	4.2%	6.6%	-
of which Banking	29	47	-38%
as a percentage of net sales Banking	4.5%	6.9%	-
of which Retail	17	33	-48%
as a percentage of net sales Retail	3.8%	6.3%	-
Restructuring expenses*	**-5**	**-21**	**-**
Operating profit (EBITA) [4] incl. restructuring expenses*	**41**	**59**	**-31%**
EBITA as a percentage of net sales (EBITA margin)	3.7%	4.9%	-
Amortization/depreciation of intangible and tangible assets and write-down of reworkable service parts	**32**	**26**	**23%**
EBITDA without restructuring and transaction expenses*	**78**	**106**	**-26%**
EBITDA as a percentage of net sales (EBITDA margin)	7.1%	8.8%	-
Transaction expenses**	**-2**	**-3**	**-**
Operating profit (EBITA) [4] incl. restructuring expenses* and transaction expenses**	**39**	**56**	**-30%**
EBITA as a percentage of net sales (EBITA margin)	3.5%	4.6%	-
Profit for the period	**25**	**29**	**-14%**
Profit for the period as a percentage of net sales	2.3%	2.4%	-
Cash flow (€ millions)			
Cash flow from operating activities	**-12**	58	-121%
	30/06/18	**31/12/17**	**Change**
Key Balance Sheet Figures (€ millions)			
Working capital	278	228	50
as a percentage of net sales (annualized)	12.6%	10.1%	-
Net debt	114	92	22
Equity [5]	457	433	24
Human Resources			
Number of employees	8,696	8,401	295

1) January 1, 2018 - June 30, 2018.
2) January 1, 2017 - June 30, 2017 (pro-forma).
3) Including other operating result as well as result from equity accounted investments.
4) Net profit on operating activities before interest, taxes and amortization of goodwill.
5) Including non-controlling interests.

* Restructuring expenses relating to the business combination with Diebold Nixdorf, Inc. / DN2020
** Transaction expenses relating to the business combination with Diebold Nixdorf, Inc.

Key Events

Dr. Jürgen Wunram has resigned from his position as Chief Executive Officer of Diebold Nixdorf Aktiengesellschaft (hereinafter: Diebold Nixdorf AG) as well as his function as Senior Vice President and Chief Operating Officer of the entire Group at his own request and with the agreement of the Supervisory Board as of May 31, 2018. The membership of the Board of Directors of Diebold Nixdorf, Incorporated, USA (hereinafter: Diebold Nixdorf, Inc.) was also terminated at this time.

Likewise, at his own request and in agreement with the Supervisory Board of Diebold Nixdorf AG, Rainer Pfeil also resigned his mandate as member of the Management Board and Labor Director with effect from June 30, 2018.

With effect from June 1, 2018, the former member of the Management Board, Dr. Ulrich Näher, who is responsible for the hardware business at Diebold Nixdorf, Inc., was appointed to succeed Dr. Jürgen Wunram as Chief Executive Officer of Diebold Nixdorf AG. Dr. Ulrich Näher also took over the position of Labor Director of Diebold Nixdorf AG on July 1, 2018.

Upon termination of the two mandates and in view of the achieved status of integration since the domination and profit and loss transfer agreement came into effect in February of last year, the Management Board of Diebold Nixdorf AG has been reduced accordingly.

Since July 1, 2018 the Management Board consists in addition to Dr. Ulrich Näher of Christopher A. Chapman and Olaf Heyden.

Group Interim Management Report

Business Environment

Global economy. The International Monetary Fund (IMF), continued to maintain its 3.9 percent estimate previously made in January in its forecast for global economic growth in April 2018. While the fund's experts kept their estimates constant for major countries such as China, India, Japan and Russia, they raised their expectations for the U.S. economy by 0.2 percentage points to 2.9 percent. Economic development in Germany was also rated better than in the previous forecast.

Developments in the retail banking and retail industries. In the reporting period, the hardware business for banks and retailers in particular was under considerable pressure. Market analysts assume that higher growth in the retail banking and trading sectors in the areas of software, professional services and outsourcing is possible in the future.

Performance, Financial Position, and Assets

The comparative information presented in this interim report, with the exception of the balance sheet, covers the period from January 1, 2017 to June 30, 2017 (unless stated otherwise). As a result of the change in the financial year, according to the resolution of the Annual General Meeting on January 23, 2017, which now corresponds to the calendar year, the figures given in the comparative period are pro-forma figures.

The key figures for the first half of the 2018 financial year and the corresponding comparative information are as follows:

€ million

	6 months 2018[1)]	6 months 2017[2)]
Net Sales	1,100	1,207
EBITA before restructuring and transaction expenses	46	80
EBITA before transaction expenses	41	59
EBITA including restructuring and transaction expenses	39	56
EBITDA before restructuring and transaction expenses	78	106
EBITDA including restructuring and transaction expenses	71	82
Net Income	25	29
Cash flow from operating activities	-12	58

[1)] January 1, 2018 - June 30, 2018.
[2)] January 1, 2017 - June 30, 2017 (pro-forma).

Performance

Net sales. The Diebold Nixdorf AG Group saw net sales fall by 9% to €1,100 million in the first half of fiscal 2018 (6 months 2017 [hereafter: as previous year]: €1,207 million).

Performance by business stream. In the first half of the fiscal year, net sales attributable to the Hardware business fell by 11% to €460 million compared to prior year value (previous year: €519 million). In the Software/Services business, net sales declined by 7% to €640 million (previous year: €688 million). The share of total net sales generated by the Hardware business of 42% was slightly below previous year's level in the period under review (previous year: 43%). Correspondingly, the proportion of total net sales from Software/Services increased to 58% (previous year: 57%).

Regional performance. In Germany, net sales for the first six months declined by 11% to €250 million (previous year: €279 million) and accounting constantly for 23% (previous year: 23%) of the Group's total net sales in the reporting period.

At €623 million (previous year: €619 million), Europe (excluding Germany) saw a slightly year-on-year increase in net sales in the first half of the current fiscal year. The region Europe (excluding Germany) contributed the largest part of total net sales for the Group at 57% (previous year: 51%).

Asia/Pacific/Africa saw net sales fall to €155 million in the first six months of the current fiscal year (previous year: €200 million). This corresponds to a reduction of 22% compared to prior-year figures. Thus, the Asia/Pacific/Africa region contributed a share of 14% (previous year: 17%) to total net sales for the Group.

As a region, the Americas recorded a year-on-year contraction in net sales by 33% to €72 million (previous year: €109 million). Thus, the proportion of Group net sales generated in the Americas was 6% (previous year: 9%).

Costs

In first half year of fiscal 2018, operating costs and earnings before interest, taxes, and amortization (EBITA) include one-time effects (i.e., non-recurring items) attributable to restructuring and transaction expenses associated with the business combination with Diebold Nixdorf, Inc.

The restructuring and transaction expenses primarily comprise personnel-related expenses, consulting and other fees as well as results out of the merger of companies in individual countries within the context of the Diebold Nixdorf, Inc. transformation programs. Overall the expenses result from the business integration with Diebold Nixdorf, Inc. The allocation to the respective functional costs is shown in the table below.

Reconciliation EBITA for six months ended June 30, 2018 € million

	before restructuring and transaction effects	expenses from restructuring and transaction	after restructuring and transaction effects
Net sales	1,100	0	1,100
Cost of sales	-860	4	-864
Gross profit	**240**	**4**	**236**
Rearch and development expenses	-46	0	-46
Selling, general and administration expenses	-148	3	-151
EBITA	**46**	**7**	**39**

After restructuring expense, the gross margin on net sales in the first half of the fiscal year remained unchanged year on year at 22% (previous year: 22%).

Research and development costs amounted to €46 million in the first six months of the fiscal year unchanged to previous year´s level. The R&D ratio stood at 4% and is thus analog to the reference period. Including restructuring expense, the Group's selling, general, and administration expenses, including other operating income as well as the result from investments accounted for by applying the equity method, amounted to €151 million and decreased by €16 million respectively 9% in comparison to previous year. The selling and administrative expenses ratio, including special effects, was also around the same level like previous year at around 14%.

Reconciliation of EBITA. € million

	Jan 1 - Jun. 30, 2018	Jan 1 - Jun. 30, 2018
EBITA before restructuring and transaction expenses	**46**	**80**
- Restructuring expenses	**-5**	**-21**
thereof restructuring expenses	*-5*	*-21*
EBITA before transaction expenses	**41**	**59**
- Transaction expenses	**-2**	**-3**
thereof transaction expenses	*-11*	*-23*
thereof positive transaction contributions	*9*	*20*
EBITA after restructuring and transaction expenses	**39**	**56**

Financial Position

Cash flow € million

	6 months 2018[1)]	6 months 2017[2)]
Cash flow from operating activities	-12	58
Cash flow from investment activities	-37	-31
Cash flow from financing activities	1	-10
Net change in cash and cash equivalents	**-48**	**17**
Cash and cash equivalents at the end of the period	**81**	**179**

1) January 1, 2018 - June 30, 2018.

2) January 1, 2017 - June 30, 2017 (pro-forma).

In the first half of fiscal 2018, cash flow from operating activities totaled €-12 million, down by €70 million on the figure for the same period a year ago (previous year: €58 million).

As the basis for operating cash flow calculations, EBITDA including restructuring and integration expense in connection with the Diebold Inc. business combination was by €11 million below the previous year figure of €82 million and thus reached €71 million. Income tax payments reduced cash by €13 million (previous year: €17 million). The change in working capital resulted in a cash outflow of €45 million (previous year: cash inflow €59 million), adjusted for the effects of acquisitions. The change in other assets and other liabilities as well as provisions and other non-cash transactions resulted in a cash outflow of €21 million (previous year: €44 million).

At €37 million, net cash used in investing activities over the reporting period was slightly above year on year (previous year: €31 million). Essentially, the higher cash outflows resulted from the continued acquisition of intangible assets and property, plant and equipment.

The cash flow from financing activities shows a cash inflow of €1 million (previous year: cash outflow of €10 million).

Assets

€m

	Jun. 30, 2018	Dec. 31, 2017
Assets		
Non-current assets	605	663
Current assets	1,007	955
Total assets	**1,612**	**1,618**
Equity and Liabilities		
Equity (incl. non-controlling interests)	457	433
Non-current liabilities	139	177
Current liabilities	1,016	1,008
Total equity and liabilities	**1,612**	**1,618**

After the first six months of fiscal 2018, total assets stood at €1,612 million, which is comparable to the figure posted on December 31, 2017 (€1,618 million).

Compared with the figure recorded on December 31, 2017, non-current assets fell by €58 million to €605 million (Dec. 31, 2017: €663 million), primarily due to the reduction in financial assets as a result of the first-time consolidation of previously unconsolidated subsidiaries. In total, current assets rose by €52 million to €1,007 million as of June 30, 2018 (Dec. 31, 2017: €955 million). This figure includes an increase of short-term trade receivables by €13 million to €330 million (Dec. 31, 2017: €317 million) and a significant increase of short-term receivables from affiliated companies by €70 million to €112 million (Dec. 31, 2017: €42 million). In addition, inventories increased by €44 million to €313 million (Dec. 31, 2017: €269 million) in total. In contrast, cash and cash equivalents decreased by €42 million to a total of €79 million (Dec. 31, 2017: €121 million) and assets held for sale by €23 million to €56 million (Dec. 31, 2017: €79 million).

Equity increased slightly by around €24 million to a total of €457 million compared to the end of the previous financial year (Dec. 31, 2017: €433 million).

Within liabilities, non-current liabilities decreased by a total of €38 million to €139 million at the end of the second quarter of the reporting period (Dec. 31, 2017: €177 million). The decrease is mainly due to a reduction in pension and other provisions of €18 million and a decrease in other liabilities of €18 million.

Rising by €8 million, current liabilities were up slightly in the period under review at €1,016 million (Dec. 31, 2017: €1,008 million). Within current liabilities, the liabilities related to assets held for sale were reduced due to the progress of the Diebold Nixdorf, Inc. transformation programs and the associated merge of companies from €35 million by €20 million to a total of €15 million. In addition, the other provisions were reduced by €7 million to €129 million (Dec. 31, 2017: €136 million) and current income tax liabilities by €7 million to €33 million (Dec. 31, 2017: €40 million). In contrast, trade payables increased by €41 million to €302 million (Dec. 31, 2017: €261 million).

Segment Reporting

Segment performance. The Banking segment saw net sales fall by 4% to €651 million in the first six months of the fiscal year 2018 (previous year: €680 million). Including restructuring and transaction expense, the Banking segment EBITA for the first six months of the fiscal year reached €24 million (previous year: €35 million). Excluding expenses from restructuring and transaction, Banking segment EBITA amounted to €29 million and was €18 million below previous year (previous year: €47 million).

Key Performance Indicators: Banking Segment €m

	6 months 2018[1)]	6 months 2017[2)]	Change
Net sales	651	680	-4%
EBITA after restructuring and transaction effects	24	35	-31%
EBITA margin (%)	3.7	5.1	-1.4
EBITA before restructuring and transaction effects	29	47	-38%
EBITA margin (%)	4.5	6.9	-2.4

1) January 1, 2018 - June 30, 2018.

2) January 1, 2017 - June 30, 2017 (pro-forma).

Net sales generated in the Retail segment declined by 15% in the first half of the fiscal year, taking the figure to €449 million (previous year: €527 million). The operating result of the Retail segment totaled €15 million after restructuring and transaction expenses (previous year: €21 million). Excluding restructuring and transaction expenses, Retail segment EBITA decreased by €16 million year on year at €17 million (previous year: €33 million).

Key Performance Indicators: Retail Segment €m

	6 months 2018[1)]	6 months 2017[2)]	Change
Net sales	449	527	-15%
EBITA after restructuring and transaction effects	15	21	-29%
EBITA margin (%)	3.3	4.0	-0.7
EBITA before restructuring and transaction effects	17	33	-48%
EBITA margin (%)	3.8	6.3	-2.5

1) January 1, 2018 - June 30, 2018.

2) January 1, 2017 - June 30, 2017 (pro-forma).

Employees

From December 31, 2017 to June 30, 2018, the headcount for the Group increased by 295 to 8,696 (Dec. 31, 2017: 8,401) mainly due to the first-time consolidation of subsidiaries.

Report on Significant Related-Party Transactions

There were no significant transactions with related parties during the period under review.

Report on Opportunities and Risks

The parent company of Diebold Nixdorf AG, Diebold Nixdorf, Inc. has announced in its half-year report on August 1, 2018 that it is currently fulfilling all of its financial lending obligations, but is nevertheless in discussion with its key lenders to revise the existing loan arrangements based on the adjusted forecast.

On August 30, 2018 Diebold Nixdorf, Inc. 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.

Since Diebold Nixdorf AG is directly dependent on Diebold Nixdorf, Inc., any revision of the credit agreements can basically lead to opportunities as well as to risks.

In addition, there were no significant changes in the opportunities and risks described in the consolidated financial statements of Diebold Nixdorf AG for the short fiscal year ending December 31, 2017, which could have a significant impact on the expected development of the Group in the remaining months of the current fiscal year.

Report on Expected Development

In its forecast for the global economy, issued in April 2018, the IMF on the one hand maintained its growth forecast of 3.9 per cent for both the current and the following year 2019. On the other hand, compared with the assessment made in January 2018, it now saw more risks, especially for the development in 2019.These would result from worsening trade conflicts, according to the IMF. In addition, the IMF estimated the longer-term growth prospects of most developed countries as "sobering" due to their high national debt.

Due to the group-wide business development in the first half of the financial year 2018, the estimates for the financial year 2018 published in the outlook of the financial statements for the 2017 short fiscal year have to be adjusted.

For fiscal 2018 we expected the net sales would be at a level of or slightly higher than €2,300 million. We now expect a slight decline in the low single-digit percentage range, mainly due to a weaker business development in the Retail segment. With regard to EBITA (excluding transaction and restructuring costs), we predicted that the pro forma prior-year figure for the 2017 calendar year of about €210 million will clearly decrease. Due to the lower business volume and a disadvantageous revenue mix in the Retail segment, a continuing price decline in the Banking segment and higher costs in the Services area, we now expect that EBITA for the 2018 financial year will be significantly below the pro-forma prior-year figure and approximately amounting to the half of this value. In addition, we assume that the new "DN NOW" Group cost improvement program will result in higher one-time expenses compared to the original forecast but these cannot be finally quantified yet.

The outlook for the 2018 financial year is generally subject to heightened uncertainty, because due to the domination agreement instructions from the parent company can occur at any time, which could have a material impact on the business development of the Diebold Nixdorf AG Group in fiscal 2018. Due to the merging of business units, some of which has already taken place and the plans to continue in 2018, comparability with previous financial statements is considerably more difficult.

Diebold Nixdorf Aktiengesellschaft, Paderborn
Group Income Statement for the Period from January 1, 2018 to June 30, 2018.

€k

	6 months 2018[1)]	6 months 2017[2)]
Net sales	**1,100,280**	**1,207,107**
Cost of sales	-864,247	-938,536
Gross profit	**236,033**	**268,571**
Research and development expenses	-45,485	-45,790
Selling, general and administration expenses	-154,017	-186,898
Other operating income	11,860	20,128
Other operating expenses	-8,766	0
Result from equity accounted investments	-264	-238
Net profit on operating activities	**39,361**	**55,773**
Finance income	2,043	1,130
Finance costs	-2,111	-3,003
Profit before income taxes	**39,293**	**53,900**
Income taxes	-14,255	-24,936
Profit for the period	**25,038**	**28,964**
Profit attributable to non-controlling interests	**0**	**48**
Profit attributable to equity holders of Diebold Nixdorf AG	**25,038**	**28,916**
Shares for calculation of earnings per share (in thousands)	**29,816**	**29,816**
Earnings per share (€)	**0.84**	**0.97**

Diebold Nixdorf Aktiengesellschaft, Paderborn
Group Statement of Comprehensive Income for the Period from January 1, 2018 to June 30, 2018.

€k

	6 months 2018[1)]	6 months 2017[2)]
Profit for the period	**25,038**	**28,964**
Items that are or may be reclassified subsequently to profit or loss:		
Cash flow hedges – effective portion of changes in fair value	-222	4,651
Cash flow hedges – reclassified to profit or loss	-821	-1,725
Exchange rate changes - resulting in neither profit or loss	-1,247	-6,991
Exchange rate changes - reclassified to profit or loss	663	0
Items that will not be reclassified to profit or loss:		
Actuarial gains and losses	913	-192
Other comprehensive income (net of tax)	**-714**	**-4,257**
Total comprehensive income	**24,324**	**24,707**
Total comprehensive income attributable to:		
Non-controlling interests	**-126**	**-403**
Equity holders of Diebold Nixdorf AG	**24,450**	**25,110**

[1)] January 1, 2018 - June 30, 2018.

[2)] January 1, 2017 - June 30, 2017 (pro-forma).

Diebold Nixdorf Aktiengesellschaft, Paderborn
Group Balance Sheet as of June 30, 2018.

Assets				€k
	June 30, 2018		December 31, 2017	
Non-current assets				
Intangible assets	402,779		395,524	
Property, plant and equipment	106,925		107,836	
Investments accounted for using the equity method	13,577		13,841	
Investments	8,085		49,196	
Reworkable service parts	32,613		32,608	
Trade receivables	6,361		6,310	
Other assets	5,157		29,807	
Deferred tax assets	30,100	**605,597**	27,568	**662,690**
Current assets				
Inventories	313,258		269,281	
Trade receivables	329,613		317,305	
Receivables from affiliated companies	112,434		41,712	
Receivables from related companies	15,445		17,053	
Current income tax assets	12,234		14,066	
Other assets	86,766		96,624	
Contract Assets	1,991		0	
Investments	0		4	
Cash and cash equivalents	78,579		120,678	
Assets held for sale	56,353	**1,006,673**	78,934	**955,657**
Total assets		**1,612,270**		**1,618,347**

Equity and Liabilities				€k
	June 30, 2018		December 31, 2017	
Equity				
Subscribed capital of Diebold Nixdorf AG	33,085		33,085	
Retained earnings	511,474		500,433	
Treasury shares	-173,712		-173,712	
Other components of equity	52,576		39,488	
Diebold Nixdorf AG	**423,423**		**399,294**	
Non-controlling interests	33,568	**456,991**	34,106	**433,400**
Non-current liabilities				
Accruals for pensions and similar commitments	41,403		59,063	
Other accruals	27,467		25,405	
Financial liabilities	1,488		1,150	
Trade payables	88		537	
Other liabilities	48,693		67,169	
Deferred tax liabilities	20,102	**139,241**	23,913	**177,237**
Current liabilities				
Other accruals	128,845		136,469	
Financial liabilities	3,850		1,558	
Contract liabilities	150,806		147,412	
Trade payables	302,141		260,807	
Liabilities to affiliated companies	30,867		27,787	
Financial liabilities to affiliated companies	222,049		221,409	
Liabilities to related companies	10,830		19,515	
Current income tax liabilities	33,058		40,053	
Other liabilities	118,431		117,345	
Liabilities with regard to assets held for sale	15,161	**1,016,038**	35,355	**1,007,710**
Total equity and liabilities		**1,612,270**		**1,618,347**

Diebold Nixdorf Aktiengesellschaft, Paderborn
Group Cash Flow Statement for the Period from January 1, 2018 to June 30, 2018.

€k

	6 months 2018[1)]	6 months 2017[2)]
EBITA	**39,361**	**55,773**
Amortization/depreciation of intangible assets and property, plant and equipment	29,903	25,328
Write-down of reworkable service parts	2,031	661
EBITDA	**71,295**	**81,762**
Interest received	921	1,040
Interest paid	-372	-1,865
Income taxes paid	-12,715	-17,103
Result on disposal of intangible assets and property, plant and equipment	-192	-458
Result from the disposal of consolidated affiliated companies	-5,441	-20,128
Change in accruals	-28,181	-6,914
Other non-cash items	31,591	24,925
Change in working capital	-44,710	58,865
Change in other assets and other liabilities	-24,042	-61,771
Cash flow from operating activities	**-11,846**	**58,353**
Payments received from the disposal of property, plant and equipment	895	471
Payments received from the disposal of investments and other payments received	19	22
Payments received/made in connection from the disposal of consolidated affiliated companies less financial resources outflow	-3,836	-423
Payments made for investment in intangible assets	-16,450	-9,078
Payments made for investment in property, plant and equipment	-18,333	-14,128
Payments received/made for acquisition of consolidated affiliated companies, jointly controlled entities, and other business units, including financial resources inflow	2,897	-2,250
Payments made for investment in reworkable service parts	-2,050	-5,418
Cash flow from investment activities	**-36,858**	**-30,804**
Payments made to equity holders	0	-50,986
One time payment from the raising of financial loans	608	0
Cash-effective settlement with the Group companies of the parent company	1,172	101,639
Payments made for repayment of financial loans	-575	-60,000
Payments made to non-controlling interests	-482	-745
Other financing activities	443	-552
Cash flow from financing activities	**1,166**	**-10,644**
Net change in cash and cash equivalents	**-47,538**	**16,905**
Change in cash and cash equivalents from exchange rate movements	660	-524
Cash and cash equivalents at beginning of period[3]	127,937	162,140
Cash and cash equivalents at end of period[3]	**81,059**	**178,521**

1) January 1, 2018 - June 30, 2018.

2) January 1, 2017 - June 30, 2017 (pro-forma).

3) Include cash and cash equivalents and current bank liabilities.

Diebold Nixdorf Aktiengesellschaft, Paderborn
Changes in Group Equity as of June 30, 2018.

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	Equity attributable to equity holders of Diebold Nixdorf AG								
				Other components of equity					
	Subscribed capital	Retained earnings	Treasury shares	Add. paid-in capital	Exchange rate changes	Cash flow hedges	Total	Non-controlling interests	Equity
As of January 1, 2017	**33,085**	**561,305**	**-173,712**	**40,376**	**888**	**-4,096**	**457,846**	**31,084**	**488,930**
Cash flow hedges	0	0	0	0	0	2,926	2,926	0	2,926
Exchange rate changes	0	0	0	0	-6,960	0	-6,960	-31	-6,991
Actuarial gains and losses	0	228	0	0	0	0	228	-420	-192
Other comprehensive income	**0**	**228**	**0**	**0**	**-6,960**	**2,926**	**-3,806**	**-451**	**-4,257**
Profit for the period	0	28,916	0	0	0	0	28,916	48	28,964
Total comprehensive income	**0**	**29,144**	**0**	**0**	**-6,960**	**2,926**	**25,110**	**-403**	**24,707**
Hypothetical current tax taken over by the parent company	0	0	0	15,929	0	0	15,929	0	15,929
Changes in other revenue reserve	0	-563	0	0	0	0	-563	-2	-565
Distributions	0	-50,986	0	0	0	0	-50,986	-745	-51,731
Transactions with equity holders	**0**	**-51,549**	**0**	**15,929**	**0**	**0**	**-35,620**	**-747**	**-36,367**
As of June 30, 2017	**33,085**	**538,900**	**-173,712**	**56,305**	**-6,072**	**-1,170**	**447,336**	**29,934**	**477,270**
As of January 1, 2018	**33,085**	**500,433**	**-173,712**	**49,726**	**-8,980**	**-1,258**	**399,294**	**34,106**	**433,400**
Cash flow hedges	0	0	0	0	0	-1,043	-1,043	0	-1,043
Exchange rate changes	0	0	0	0	-516	0	-516	-68	-584
Actuarial gains and losses	0	915	0	0	0	0	915	-2	913
Other comprehensive income	**0**	**915**	**0**	**0**	**-516**	**-1,043**	**-644**	**-70**	**-714**
Profit for the period	0	25,094	0	0	0	0	25,094	-56	25,038
Total comprehensive income	**0**	**26,009**	**0**	**0**	**-516**	**-1,043**	**24,450**	**-126**	**24,324**
Sale of controlling interests without loss of control	0	0	0	4,805	0	0	4,805	0	4,805
Hypothetical current tax taken over by the parent company	0	0	0	9,842	0	0	9,842	0	9,842
Changes in other revenue reserve	0	-14,968	0	0	0	0	-14,968	-412	-15,380
Transactions with equity holders	**0**	**-14,968**	**0**	**14,647**	**0**	**0**	**-321**	**-412**	**-733**
As of June 30, 2018	**33,085**	**511,474**	**-173,712**	**64,373**	**-9,496**	**-2,301**	**423,423**	**33,568**	**456,991**

Selected Explanatory Notes.

Principles of Consolidation, Accounting and Valuation.

The condensed Group interim financial statements of Diebold Nixdorf AG have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

The consolidation, accounting and valuation principles applied to the condensed Group interim financial statements are generally based on the same consolidation, accounting and valuation principles used in the Group financial statements for short fiscal 2017. The applied principles of accounting and valuation are described in detail in the Notes to the Group financial statements as of December 31, 2017.

Consolidation Group.

The Group interim financial statements as of June 30, 2018, basically include those companies controlled by Diebold Nixdorf AG. Control exists if Diebold Nixdorf AG is exposed, or has rights, to variable returns of companies and has the ability to affect those returns through its power. Inclusion of such companies' in the Group interim financial statements begins from the date Diebold Nixdorf AG obtains control. It ceases, when Diebold Nixdorf AG loses control of the company.

In the first half of 2018 the transformation program within the Group of Diebold Nixdorf, Inc. continued. One of the key components of this program is to merge entities in selected countries in order to present a consistent image as Diebold Nixdorf within the markets in question and streamline administrative costs associated with duplicate legal structures in a specific country.

In the context of this program following entities have been liquidated and deconsolidated by Diebold Nixdorf AG:

- Wincor Nixdorf Canada Inc., Missisauga/Ontario
- Diebold Nixdorf Portugal, Unipessoal, Lda., Carnaxide
- Wincor Nixdorf India Private Ltd., Mumbai

The result from these transactions is recognized within the other operating income and expenses.

Group Equity.

The changes in Group equity and individual elements thereof are shown in detail in the "Changes in Group Equity" table.

Treasury Shares.

As of June 30, 2018, the total number of treasury shares held by the Company was 3,268,777. This equals 9.88 % of the subscribed capital. The acquisition costs (including ancillary costs of acquisition to the amount of €111k) amounting to €173,712k were deducted in full from equity.

Other Information.

Restructuring and transaction activities.

Due to the business combination with Diebold Nixdorf, Inc., the first half of fiscal 2018 includes one-time effects of €7 million (previous year: €24 million) in total attributable to restructuring and transaction expenses. This number includes expenses amounting to €16 million (previous year: €44 million) that are offset by income of €9 million (previous year: €20 million). Of this total, expenses of €5 million (previous year: €12 million) was attributable to the Banking segment and €2 million (previous year: €12 million) to the Retail segment.

Segment Report.

For the purposes of presenting segment information, the activities of the Diebold Nixdorf AG Group are divided into operating segments in accordance with the rules contained in IFRS 8 “Operating Segments.” Internal reporting within the Diebold Nixdorf AG Group is conducted on the basis of the customer profiles "Banking" and "Retail" as well as on the regional basis; the areas "Banking" and "Retail" were defined as operating segments in accordance with IFRS 8.10. As chief operating decision maker (CODM) within the meaning of IFRS 8, our Management Board assesses the performance of these two operating segments on the basis of corporate reporting and makes decisions about resources to be allocated. The performance of the operating segments is assessed in particular by referring to “net sales to external customers” as well as “EBITA.”

Segment Report by Division.

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	6 months 2018[1)]		
	Banking	**Retail**	**Group**
Net sales to external customers	650,776 (680,177)	449,504 (526,930)	1,100,280 (1,207,107)
Operating profit (EBITA)	24,107 (34,252)	15,254 (21,521)	39,361 (55,773)
Result from equity accounted investments	-264 (-238)	0 (0)	-264 (-238)
Investment in intangible assets and property, plant and equipment	26,122 (18,811)	8,661 (7,085)	34,783 (25,896)
Investment in reworkable service parts	1,578 (4,113)	472 (1,305)	2,050 (5,418)
Amortization/depreciation of intangbile assets and property, plant and equipment	21,765 (20,271)	8,138 (5,057)	29,903 (25,328)
Write-down of reworkable service parts	1,564 (538)	467 (123)	2,031 (661)
Research and development expenses	29,189 (29,928)	16,296 (15,862)	45,485 (45,790)

[1)] January 1, 2018 - June 30, 2018 and January 1, 2017 - June 30, 2017 (pro-forma)
Comparative figures for are shown in brackets for each item.

The respective segment asset did not change considerably compared to December 31, 2017.

Reconciliation of Segment Profit to Profit for the Period.

The Segment profit equates to the "net profit on operating activities" or operating result (EBITA) of the Group Income Statement.

Net Sales by Region.

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	6 months 2018[1)]	6 months 2017[2)]
Europe	**872,324**	**897,918**
in % of total net sales	79.3	74.4
Included in Europe: Germany	***249,514***	***279,444***
in % of total net sales	*22.7*	*23.1*
Asia/Pacific/Africa	**155,236**	**200,085**
in % of total net sales	14.1	16.6
Americas	**72,720**	**109,104**
in % of total net sales	6.6	9.0
Total	**1,100,280**	**1,207,107**

1) January 1, 2018 - June 30, 2018.

2) January 1, 2017 - June 30, 2017 (pro forma).

Further Information.

Responsibility Statement.

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Paderborn, September 2018
Diebold Nixdorf Aktiengesellschaft
Management Board

Dr. Näher	Chapman	Heyden
Chief Executive Officer	Board Member	Board Member

Review.

This interim report has not been audited in accordance with Sec. 317 of the German Commercial Code (HGB) and has not been reviewed by auditors.