

DIEBOLD NIXDORF, Inc
Form 10-Q
October 31, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2017

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission file number 1-4879

Diebold Nixdorf, Incorporated
(Exact name of registrant as specified in its charter)

Ohio (State or other jurisdiction of incorporation or organization)	34-0183970 (IRS Employer Identification Number)
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5995 Mayfair Road, PO Box 3077, North Canton, Ohio (Address of principal executive offices)	44720-8077 (Zip Code)
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Registrant's telephone number, including area code: (330) 490-4000

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer
 (Do not check if a smaller reporting company)

Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Number of shares of common stock outstanding as of October 26, 2017 was 75,534,183.

DIEBOLD NIXDORF, INCORPORATED AND SUBSIDIARIES
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Part I – Financial Information

Item 1: Financial Statements

DIEBOLD NIXDORF, INCORPORATED AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(in millions, except share and per share amounts)

	September 30, 2017	December 31, 2016
	(Unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 380.7	\$ 652.7
Short-term investments	64.0	64.1
Trade receivables, less allowances for doubtful accounts of \$70.6 and \$50.4, respectively	911.9	835.9
Inventories	807.8	737.7
Prepaid expenses	64.5	60.7
Income taxes	132.0	85.2
Other current assets	215.4	183.3
Total current assets	2,576.3	2,619.6
Securities and other investments	92.5	94.7
Property, plant and equipment, net of accumulated depreciation and amortization of \$428.1 and \$477.0, respectively	367.7	387.0
Goodwill	1,105.9	998.3
Deferred income taxes	338.0	309.5
Finance lease receivables	16.4	25.2
Customer relationships, net	641.6	596.3
Other intangible assets, net	151.9	176.6
Other assets	71.1	63.1
Total assets	\$ 5,361.4	\$ 5,270.3
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY		
Current liabilities		
Notes payable	\$ 71.9	\$ 106.9
Accounts payable	579.1	560.5
Deferred revenue	369.4	404.2
Payroll and other benefits liabilities	201.3	172.5
Other current liabilities	536.6	580.4
Total current liabilities	1,758.3	1,824.5
Long-term debt	1,834.5	1,691.4
Pensions, post-retirement and other benefits	281.5	297.2
Deferred income taxes	282.6	300.6
Other liabilities	107.1	87.7
Commitments and contingencies		
Redeemable noncontrolling interests	485.7	44.1
Equity		
Diebold Nixdorf, Incorporated shareholders' equity		
Preferred shares, no par value, 1,000,000 authorized shares, none issued	—	—
Common shares, \$1.25 par value, 125,000,000 authorized shares, 90,481,613 and 89,924,378 issued shares, 75,527,998 and 75,144,784 outstanding shares, respectively	113.1	112.4
Additional capital	710.7	720.0

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Retained earnings	514.9	662.7
Treasury shares, at cost (14,953,615 and 14,779,597 shares, respectively)	(567.2) (562.4)
Accumulated other comprehensive loss	(199.3) (341.3)
Total Diebold Nixdorf, Incorporated shareholders' equity	572.2	591.4
Noncontrolling interests	39.5	433.4
Total equity	611.7	1,024.8
Total liabilities, redeemable noncontrolling interests and equity	\$ 5,361.4	\$ 5,270.3
See accompanying notes to condensed consolidated financial statements.		

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DIEBOLD NIXDORF, INCORPORATED AND SUBSIDIARIES

Condensed Consolidated Statements of Operations

(unaudited)

(in millions, except per share amounts)

	Three Months		Nine Months	
	Ended		Ended	
	September 30,		September 30,	
	2017	2016	2017	2016
Net sales				
Services and software	\$725.7	\$571.0	\$2,097.2	\$1,270.5
Systems	397.0	412.3	1,262.2	802.4
	1,122.7	983.3	3,359.4	2,072.9
Cost of sales				
Services and software	553.7	400.0	1,595.6	867.7
Systems	328.0			