

DIEBOLD INC  
Form 10-Q  
October 29, 2015

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, 2015

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

Ohio 34-0183970  
(State or other jurisdiction of (IRS Employer  
incorporation or organization) Identification Number)

5995 Mayfair Road, PO Box 3077, North Canton, Ohio 44720-8077  
(Address of principal executive offices) (Zip Code)  
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, or a smaller reporting company. See the definitions of "large accelerated filer" "accelerated filer" and "smaller reporting 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

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, 2015 was 64,976,900.

DIEBOLD, INCORPORATED AND SUBSIDIARIES

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## Part I – Financial Information

## Item 1: Financial Statements

## DIEBOLD, INCORPORATED AND SUBSIDIARIES

## Condensed Consolidated Balance Sheets

(dollars in millions, except per share amounts)

	September 30, 2015 (Unaudited)	December 31, 2014
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 198.5	\$ 322.0
Short-term investments	99.2	136.7
Trade receivables, less allowances for doubtful accounts of \$31.6 and \$23.0 at September 30, 2015 and December 31, 2014, respectively	565.6	477.9
Inventories	420.6	405.2
Deferred income taxes	108.2	111.0
Prepaid expenses	24.1	22.0
Prepaid income taxes	42.2	11.7
Other current assets	149.8	169.0
Total current assets	1,608.2	1,655.5
Securities and other investments	82.2	83.6
Property, plant and equipment, net of accumulated depreciation and amortization of \$434.3 and \$443.4 at September 30, 2015 and December 31, 2014, respectively	177.0	169.5
Goodwill	197.4	172.0
Deferred income taxes	85.4	86.5
Finance lease receivables	44.6	90.4
Other assets	80.3	84.6
Total assets	\$2,275.1	\$2,342.1
<b>LIABILITIES AND EQUITY</b>		
Current liabilities		
Notes payable	\$ 80.9	\$ 25.6
Accounts payable	283.9	261.7
Deferred revenue	231.7	275.1
Payroll and other benefits liabilities	81.0	116.8
Other current liabilities	289.0	348.5
Total current liabilities	966.5	1,027.7
Long-term debt	618.3	479.8
Pensions and other benefits	198.2	211.0
Post-retirement and other benefits	20.9	20.8
Deferred income taxes	14.9	6.5
Other long-term liabilities	29.8	41.4
Commitments and contingencies		
Equity		
Diebold, 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, 79,690,226 and 79,238,759 issued shares, 64,996,239 and 64,632,400 outstanding shares at September 30, 2015 and December 31, 2014, respectively	99.6	99.0

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Additional capital	431.8	418.1	
Retained earnings	746.9	762.2	
Treasury shares, at cost (14,693,987 and 14,606,359 shares at September 30, 2015 and December 31, 2014, respectively)	(560.2	) (557.2	)
Accumulated other comprehensive loss	(316.7	) (190.5	)
Total Diebold, Incorporated shareholders' equity	401.4	531.6	
Noncontrolling interests	25.1	23.3	
Total equity	426.5	554.9	
Total liabilities and equity	\$2,275.1	\$2,342.1	
See accompanying notes to condensed consolidated financial statements.			

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## DIEBOLD, INCORPORATED AND SUBSIDIARIES

## Condensed Consolidated Statements of Income

(unaudited)

(in millions, except per share amounts)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
Net sales				
Services	\$404.4	\$416.5	\$1,208.5	\$1,209.7
Products	276.5	351.5	861.3	980.1
	680.9	768.0	2,069.8	2,189.8
Cost of sales				
Services	282.5	290.3	836.2	849.2
Products	231.1	277.1		