



# Full-Year Report

January – December 2018

Managing **cash** in society.



## October – December

- Revenue SEK 4,956 million (4,358). Real growth 8 percent (3) and organic growth 3 percent (2).
- Operating income (EBITA)<sup>1)</sup> SEK 593 million (544) and operating margin 12.0 percent (12.5).
- Income before taxes SEK 515 million (496) and income after taxes SEK 387 million (436).
- Earnings per share before and after dilution SEK 5.14 (5.79).
- Cash flow from operating activities SEK 856 million (482), equivalent to 144 percent (89) of operating income (EBITA).

## January – December

- Revenue 19,168 SEK million (17,228). Real growth 8 percent (3) and organic growth 3 percent (2).
- Operating income (EBITA)<sup>1)</sup> SEK 2,200 million (2,093) and operating margin 11.5 percent (12.1).
- Income before taxes SEK 2,057 million (1,882) and income after taxes SEK 1,538 million (1,428).
- Earnings per share before and after dilution amounted to SEK 20.45 (18.99).
- Cash flow from operating activities SEK 2,013 million (1,756), equivalent to 91 percent (84) of operating income (EBITA).
- Proposed dividend SEK 10.00 (9.00) per share.

1) Earnings Before Interest, Taxes and Amortization of acquisition-related intangible fixed assets, acquisition-related costs and revenue, and items affecting comparability.

### KEY RATIOS

|                                                                      | 2018         | 2017         |            | 2018          | 2017          |            |
|----------------------------------------------------------------------|--------------|--------------|------------|---------------|---------------|------------|
|                                                                      | Oct–Dec      | Oct–Dec      | Change (%) | Full year     | Full year     | Change (%) |
| <b>Revenue</b>                                                       | <b>4,956</b> | <b>4,358</b> | <b>14</b>  | <b>19,168</b> | <b>17,228</b> | <b>11</b>  |
| Of which:                                                            |              |              |            |               |               |            |
| Organic growth                                                       | 119          | 79           | 3          | 472           | 397           | 3          |
| Acquisitions and divestments                                         | 211          | 73           | 5          | 868           | 165           | 5          |
| Exchange rate effects                                                | 268          | –215         | 6          | 600           | –134          | 3          |
| <b>Total growth</b>                                                  | <b>598</b>   | <b>–63</b>   | <b>14</b>  | <b>1,940</b>  | <b>428</b>    | <b>11</b>  |
| <b>Operating income (EBITA)</b>                                      | <b>593</b>   | <b>544</b>   | <b>9</b>   | <b>2,200</b>  | <b>2,093</b>  | <b>5</b>   |
| Operating margin (EBITA), %                                          | 12.0         | 12.5         |            | 11.5          | 12.1          |            |
| Operating income (EBIT)                                              | 540          | 522          | 3          | 2,158         | 1,992         | 8          |
| Earnings before tax                                                  | 515          | 496          | 4          | 2,057         | 1,882         | 9          |
| Net income                                                           | 387          | 436          | –11        | 1,538         | 1,428         | 8          |
| Earnings per share, SEK                                              | 5.14         | 5.79         | –11        | 20.45         | 18.99         | 8          |
| Tax rate, %                                                          | 25           | 12           |            | 25            | 24            |            |
| Cash flow from operating activities                                  | 856          | 482          | 78         | 2,013         | 1,756         | 15         |
| Cash flow from operating activities as % of operating income (EBITA) | 144          | 89           |            | 91            | 84            |            |

*This is a translation of the original Swedish full-year report. In the event of differences between the English translation and the Swedish original, the Swedish full-year report shall prevail.*

## Comments by the President and CEO



The fourth quarter of 2018 was eventful. Real growth amounted to 8 percent (3) and organic growth was 3 percent (2). Our SafePoint concept continues to be successful and we signed a large contract in the USA for 1,250 units during the quarter. The contract is for a period of five years with an order value of around USD 48 million. It is also very gratifying to see organic growth in Europe moving in a positive direction after a period of negative growth. In December our acquisition of CPoR in France was approved. Our offering in the French market now also includes a whole-sale business for the purchase and sale of foreign currency to, among others, banks and currency exchange offices.

Recently we reached an agreement to acquire Ziemann in Germany. This acquisition will enable us to advance our positions in Germany and be one of two leading providers in the largest cash market in Europe. CMS outsourcing in Germany is in its infancy and we believe that these volumes will increase over time.

The Group's operating margin (EBITA%) amounted to 12.0 percent (12.5) for the quarter. The restructuring programs in France and Sweden, which have been under way since the summer of 2017, have been concluded and we are now working intensely on ensuring that the

activities implemented reach their full effect. The demonstrations in France in November and December unfortunately had a negative impact on us and as a result we have not realized the full effect of our restructuring work. We believe that the operating margin will gradually increase in 2019 in the French market, which is an important market for us.

Our operations in Latin America are developing well and making a positive contribution to both growth and margins. Part of the operating margin reduction in Europe, around 0.5 percentage points, is due to the acquisition of a business in Germany in the first quarter of 2018, which is currently experiencing lower profitability than the European average. We expect the operating margin of the acquired German operations to improve in 2019.

During the quarter we made organizational changes with respect to Segment International. The purpose was to take better advantage of future growth opportunities and further improve efficiency. As of January 1, 2019 International is no longer a separate segment and the operations will now be integrated into Segment Europe and Segment USA respectively, depending on geographical affiliation.

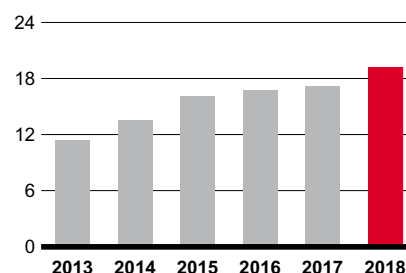
I want to thank all employees, shareholders and other stakeholders for a successful 2018. We have high ambitions leading up to 2021 and we look forward to advancing further towards our established targets during 2019. Many components will make a positive contribution, but I would in particular like to mention our investments in SafePoint in the USA and Europe. We also have significantly and successfully reduced our cost base in several of our key markets in Europe. These measures, combined with the acquisitions completed, create a strong foundation for increased profitability.

**Patrik Andersson**  
President and CEO

### Loomis' financial targets

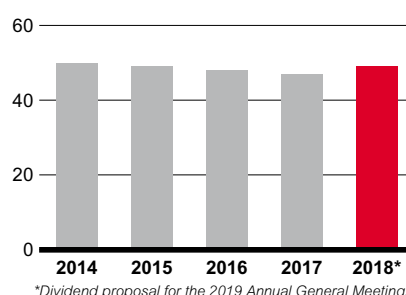
#### Revenue

SEK 24 billion 2021



#### Annual dividend, %

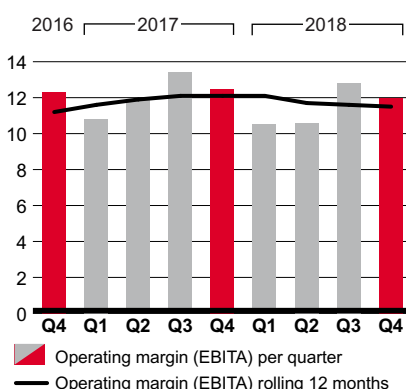
40–60% of the Group's net income



\*Dividend proposal for the 2019 Annual General Meeting.

#### Operating margin (EBITA), %

12–14%



Operating margin (EBITA) per quarter  
Operating margin (EBITA) rolling 12 months

## Group – Revenue and earnings

### October – December 2018

Revenue for the quarter amounted to SEK 4,956 million (4,358). Real growth was 8 percent (3) and organic growth was 3 percent (2). The acquisitions made in Chile and Germany in 2017 and 2018 had a positive impact on real growth. Similar to previous periods in 2018, organic growth is mainly attributable to continued good growth in the USA. Sales also increased in several countries in the European segment, where Spain, Turkey, Argentina, Belgium and Austria showed good growth. Organic growth was also positive during the quarter in France, but was negatively impacted by the development in the Nordic countries.

The operating income (EBITA) amounted to SEK 593 million (544) and the operating margin was 12.0 percent (12.5). At comparable exchange rates the income improvement was around SEK 14 million. The operating margin did not reach the previous year's level and was primarily affected by the demonstrations in France limiting the positive effects of the recent restructuring program. The operating margin was also negatively affected by the acquisition in Germany in 2018 and by the long-term investments being made in the USA for continued growth there.

The operating income (EBIT) for the quarter amounted to SEK 540 million (522) and includes amortization of acquisition-related intangible assets of SEK –22 million (–15), acquisition-related costs of SEK –18 million (–8) and an item affecting comparability of SEK –13 million. The increase in amortization of acquisition-related intangible assets is related to the acquisitions made in Germany and Chile over the past twelve months. The item affecting comparability is related to the restructuring of Segment International.

Income before tax of SEK 515 million (496) includes a net financial expense of SEK –25 million (–26) whereof a monetary loss on net assets/liabilities of SEK –7 million (0).

The tax expense for the quarter amounted to SEK –128 million (–60), which represents a tax rate of 25 percent (12). The US tax reform passed in December 2017 had a positive non-recurring effect on the tax rate for the fourth quarter of 2017.

Earnings per share before and after dilution amounted to SEK 5.14 (5.79).

### January – December 2018

Revenue for the year amounted to SEK 19,168 million compared to SEK 17,228 million the previous year. Real growth was 8 percent (3) and organic growth was 3 percent (2). The acquisitions made in Finland, Chile and Germany had a positive effect on real growth, and similar to last year, sustained good growth in the USA, Spain, Turkey and Argentina were strong contributing factors in the organic growth.

The operating income (EBITA) amounted to SEK 2,200 million (2,093) and the operating margin fell to 11.5 percent (12.1). At comparable exchange rates the income improvement was around SEK 41 million. Restructuring programs have been implemented in France and Sweden to handle new market situations. The cost of these programs combined with the acquisition in Germany in January 2018 are the main explanations for the lower operating margin.

The operating income for the period (EBIT) amounted to SEK 2,158 million (1,992), which includes amortization of acquisition-related intangible assets of SEK –83 million (–55), acquisition-related costs of SEK –46 million (–47) and an item affecting comparability of SEK 86 million (0). The item affecting comparability consists primarily of a positive non-recurring item of SEK 178 million relating to revaluation of the UK pension obligations, impairment of goodwill in two operations within the European segment and costs for the restructuring of Segment International.

Income before tax of SEK 2,057 million (1,882) includes a net financial expense of SEK –101 million (–109) whereof a monetary loss on net assets/liabilities of SEK –11 million (0).

The tax expense for the period amounted to SEK –519 million (–454), which represents a tax rate of 25 percent (24). The US tax reform passed in December 2017 had a positive effect on the tax rate for the period. The tax expense for 2017 was low as non-recurring items relating to effects of the US tax reform were booked in the fourth quarter of 2017.

Earnings per share before and after dilution amounted to SEK 20.45 (18.99).

## Segment Europe – Revenue and operating income

|                                        | 2018    | 2017    | 2018      | 2017      |
|----------------------------------------|---------|---------|-----------|-----------|
| SEK m                                  | Oct–Dec | Oct–Dec | Full year | Full year |
| Revenue                                | 2,511   | 2,225   | 9,832     | 8,728     |
| Real growth, %                         | 10      | 2       | 9         | 5         |
| Organic growth, %                      | 1       | –1      | –1        | 0         |
| Operating income (EBITA) <sup>1)</sup> | 311     | 297     | 1,160     | 1,175     |
| Operating margin, %                    | 12.4    | 13.4    | 11.8      | 13.5      |
| Number of full-time employees          | 14,700  | 12,100  | 14,300    | 12,500    |

1) Earnings Before Interest, Taxes and Amortization of acquisition-related intangible fixed assets, acquisition-related costs and revenue, and items affecting comparability.

### Revenue and operating income

#### October – December 2018

Revenue for the quarter amounted to SEK 2,511 million (2,225) and organic growth was 1 percent (–1). Spain, Argentina, Turkey, Belgium and Austria all showed good organic growth, but France, Portugal and Switzerland also contributed to organic growth. In the Nordic countries as a whole, volumes are expected to continue to decline slightly in Cash in Transit (CIT) and Cash Management Services (CMS). Real growth of 10 percent (2) was positively affected by revenue generated by the operations acquired over the past 12 months in Chile and Germany.

The operating income (EBITA) amounted to SEK 311 million (297) and the operating margin was 12.4 percent (13.4). The lower operating margin is mainly explained by the demonstrations in France during the quarter, which limited the positive effects of the recent restructuring program. The operating margin is expected to gradually increase in 2019 in the French market, which is an important market for Loomis. The acquisition made in Germany in the first quarter of 2018 had a negative effect on the segment's operating margin of around 0.5 percentage points.

#### January – December 2018

Revenue for Segment Europe during the period amounted to SEK 9,832 million (8,728). Organic growth amounted to –1 percent (0). Spain, Argentina, Turkey, Belgium, Austria and Portugal were primarily the countries demonstrating good organic growth during the period, while lower volumes in France and in the Nordic countries offset the positive organic growth for the segment as a whole. Real growth of 9 percent (5) includes revenue relating to the acquisitions in Finland, Chile and Germany.

The operating income (EBITA) amounted to SEK 1,160 million (1,175) million and the operating margin was 11.8 percent (13.5). The decline in profitability is explained by the now concluded restructuring program under way in France since summer 2017. Similar programs have also been in progress in several of the Nordic countries to handle a new market situation. The operating margin was also negatively affected by around 0.5 percentage points as a result of the German operations acquired during the year, which currently have lower profitability than the European average.

## Segment USA – Revenue and operating income

|                                        | 2018    | 2017    | 2018      | 2017      |
|----------------------------------------|---------|---------|-----------|-----------|
| SEK m                                  | Oct–Dec | Oct–Dec | Full year | Full year |
| Revenue                                | 2,214   | 1,925   | 8,442     | 7,688     |
| Real growth, %                         | 5       | 7       | 7         | 6         |
| Organic growth, %                      | 5       | 7       | 7         | 6         |
| Operating income (EBITA) <sup>1)</sup> | 298     | 267     | 1,132     | 1,009     |
| Operating margin, %                    | 13.5    | 13.9    | 13.4      | 13.1      |
| Number of full-time employees          | 10,100  | 9,900   | 10,100    | 9,900     |

1) Earnings Before Interest, Taxes and Amortization of acquisition-related intangible fixed assets, acquisition-related costs and revenue, and items affecting comparability.

### Revenue and operating income

#### October – December 2018

Revenue amounted to SEK 2,214 million (1,925) and both real growth and organic growth amounted to 5 percent (7). Growth increased during the quarter, in both CIT and CMS. Increased revenue from ATM replenishment was the main driver of CIT development, while an increase in the number of installed SafePoint units explains much of the CMS growth. A sustained outsourcing trend among banks also contributed to the growth. Revenue for the quarter from SafePoint amounted to 14 percent (13) of the segment's total revenue. Changes in fuel fees, which Loomis passes on to its customers, had a marginally positive effect on organic growth for the quarter, but did not significantly affect the operating income. The share of revenue from CMS during the quarter amounted to 34 percent (34) of the segment's total revenue.

The operating income (EBITA) amounted to SEK 298 million (267) and the operating margin was 13.5 percent (13.9). The main explanation for the somewhat lower operating margin is the adjustments being made to operations to handle increased volumes. In the short term these activities may have a slightly negative effect on the operating margin. The operating margin was 0.3 percentage points higher than in the third quarter of 2018.

#### January – December 2018

Revenue for Segment USA for the period amounted to SEK 8,442 million (7,688) and both real and organic growth amounted to 7 percent (6). The growth is the result of increased revenue in both CIT and CMS. Growth in CMS is largely explained by the sustained increase in revenue from SafePoint. Revenue from SafePoint for the period amounted to 13 percent (12) of the segment's total revenue. Changes in fuel fees, which Loomis passes on to its customers, had a marginally positive effect on organic growth, but did not significantly affect the operating income. The share of revenue from CMS for the period amounted to 34 percent (33) of the segment's total revenue.

The operating income (EBITA) amounted to SEK 1,132 (1,009) million and the operating margin was 13.4 percent (13.1). The improved profitability is explained by the increased number of installed SafePoint units, economies of scale from increased CMS volumes and the constant efforts to improve efficiency, which continue to yield results.

## Segment International – Revenue and operating income

|                                        | 2018    | 2017    | 2018      | 2017      |
|----------------------------------------|---------|---------|-----------|-----------|
| SEK m                                  | Oct–Dec | Oct–Dec | Full year | Full year |
| Revenue                                | 247     | 223     | 954       | 878       |
| Real growth, %                         | 3       | –8      | 4         | –24       |
| Organic growth, %                      | 1       | –8      | 2         | –6        |
| Operating income (EBITA) <sup>1)</sup> | 17      | 19      | 69        | 61        |
| Operating margin, %                    | 7.1     | 8.6     | 7.2       | 6.9       |
| Number of full-time employees          | 380     | 370     | 370       | 380       |

1) Earnings Before Interest, Taxes and Amortization of acquisition-related intangible fixed assets, acquisition-related costs and revenue, and items affecting comparability.

### Revenue and operating income

#### October – December 2018

Revenue for Segment International amounted to SEK 247 million compared to SEK 223 million for the fourth quarter the previous year and real growth was 3 percent (–8). The South American market is continuing to develop well, while activity in other markets remains low. We believe that the negative market development we have seen in recent years has now ended. Organic growth amounted to 1 percent (–8).

The operating income (EBITA) amounted to SEK 17 million (19) and the operating margin for the period was 7.1 percent (8.6). The margins in precious metals storage operations continue to grow slightly, while margin development in cross-border transportation of bank notes and precious metals is negatively impacting the segment's operating margin development.

#### January – December 2018

Revenue for Segment International amounted to SEK 954 million compared to SEK 878 million for the corresponding period the previous year and organic growth was 2 percent (–6). Real growth amounted to 4 percent (–24). The previous year's negative real growth related to the divestment of general cargo operations, which took place in 2016.

The operating income (EBITA) amounted to SEK 69 million (61) and the operating margin for the period was 7.2 percent (6.9). The margin improvement is mainly explained by good growth in precious metals storage operations.

## Other significant events

### Significant events during the period

The Annual General Meeting on May 3, 2018 voted in favor of the Board's proposal to introduce an incentive scheme (Incentive Scheme 2018). Similar to Incentive Scheme 2017, the new scheme involves two thirds of variable remuneration being paid out in cash the year after it is earned. The remaining one third will be paid out to participants in the form of Class B shares in Loomis AB allotted at the beginning of 2020. The allotment of shares is contingent upon the employee still being employed by the Loomis Group on the last day of February 2020, other than in cases where the employee has left his/her position due to retirement, death or a long-term illness, in which case the individual will retain the right to receive bonus shares. Loomis AB will not issue any new shares or similar instruments in connection with this Incentive Scheme. The Incentive Scheme will enable around 350 key individuals within Loomis to become shareholders in Loomis AB over time. This will increase employee commitment to Loomis' development for the benefit of all shareholders. For full terms and conditions, see [www.loomis.com](http://www.loomis.com).

An extraordinary shareholders' meeting on September 5 voted in favor of the Board's proposal to establish a long-term saving share-based incentive scheme (LTIP 2018–2021). The main aspect of the LTIP 2018–2021 scheme is that each participant is required make an investment in Loomis Class B shares (Saving Shares). The Saving Shares were acquired by the participant making a cash investment by purchasing Class B shares in Loomis on Nasdaq Stockholm. 45 key individuals chose to participate in LTIP 2018–2021 and are thereby entitled to receive, free of charge, so-called performance shares on condition that (i) the participant remains employed until February 28, 2022 (the Vesting Period), (ii) the participant has not sold any Saving Shares before the end of the Vesting Period, and (iii) the performance target is met. The performance target that must be met relates to the accumulated development of earnings per share (EPS) during the period January 1, 2018 – December 31, 2021. In connection with the publication of the year-end report for the year 2021, it will be determined whether the performance target has been met. For full terms and conditions, see [www.loomis.com](http://www.loomis.com).

The extraordinary shareholders' meeting further voted in favor of the Board's proposal to amend the Articles of Association by introducing a conversion provision under which shareholders holding Class A shares may, upon request, have their shares converted to Class B shares. Conversion requests are to be submitted to the Board of Directors and the Company must then report the conversion without delay to the Swedish Companies Registration Office for registration.

### Acquisitions during the period

In January 2018 Loomis announced its acquisition of all of the shares in the limited partnership company KÖTTER Geld und Wertdienste SE & Co. KG (KGW). KGW offers domestic cash handling services and its head office is in Essen, Germany. The enterprise value amounted to around EUR 171 million. The acquired operations are reported within Segment Europe and were consolidated into Loomis' accounts as of the transaction

closing date, January 22, 2018. The purchase price was paid on closing. The acquisition did not have a material impact on Loomis' earnings per share for 2018.

In June 2018 Loomis announced that it had entered into an agreement to acquire 100 percent of the shares in the French company CPoR Devises (CPoR). CPoR is a French credit institution that primarily offers foreign exchange (Fx) services, but also offers physical gold for investment purposes. The enterprise value, i.e. the purchase price payable on a debt free basis, is around EUR 70 million, equivalent to around SEK 700 million. CPoR has around 130 employees and the annual revenue for 2017 was approximately EUR 37.5 million. The acquired operations are reported in Segment Europe and were consolidated into Loomis as of closing of the transaction. The transaction was concluded on December 31, 2018 and therefore had no impact on Loomis' earnings per share for 2018. The purchase price was paid on closing.

In June Loomis announced the acquisition of 100 percent of the shares in the Chilean company Compañía Chilena de Valores S.A. (CCV). CCV operates in the cash handling market and is based in Valparaíso, Chile. The enterprise value, i.e. the purchase price payable on a debt free basis, is around USD 28 million, equivalent to around SEK 250 million. The acquired operations are reported in Segment Europe as of the transaction closing date, which was June 27, 2018. USD 22 million of the purchase price was paid on closing. The acquisition did not have a material impact on Loomis' earnings per share for 2018.

### Other events during the period

At the beginning of June 2018 Kristoffer Wadman took up the position of Chief Innovation Officer. In February 2018 Loomis announced CFO Anders Haker would take on a new role as Chief Investor Relations Officer in the third quarter of 2018 and that Kristian Ackeby would take over as CFO in the third quarter of 2018. Kristoffer Wadman and Kristian Ackeby are now members of Group Management.

Loomis' Danish subsidiary was informed at the beginning of July 2018 that a competitor had filed a lawsuit with a Danish court. The amount in the lawsuit is DKK 125 million and the suit relates mainly to alleged misuse of a dominant position in the Danish market. Loomis is of the opinion that it has acted in compliance with the laws in effect and has contested the lawsuit. Therefore, no provision has been recognized in the balance sheet regarding this dispute.

Argentina has been considered a hyperinflationary economy since July 1, 2018 and it is therefore appropriate for Loomis to apply the standard IAS 29 Financial Reporting in Hyperinflationary Economies. The financial statements for the subsidiary in Argentina have therefore been adjusted for inflation to reflect the changes in purchasing power. The inflation adjustments have been made in accordance with the Argentine consumer price index, National CPI. The consumer price index as of December 31, 2018 was 179.9 with the base period as December 2016. As of December 31, 2017 the consumer price index was 124.80. Since the

Loomis Group's reporting currency is SEK and thus not a currency in a hyperinflationary economy, the comparative figures have not been adjusted. The losses on monetary net assets/liabilities for the period January 1, 2018–June 30, 2018 have been recorded on the line "Exchange rate differences" in other comprehensive income and amounted to SEK –6 million. The corresponding loss of the period July 1–December 31, 2018 was SEK –11 million and has been recognized in the income statement on the line "Loss on monetary net assets/liabilities." The exchange rate used as of December 31, 2018 to convert ARS to SEK was 0.2373.

In July 2018 it was announced that Loomis had entered into a partnership with Sonect AG. Sonect is based in Switzerland and offers a smartphone-based solution that enables individuals to withdraw cash from their bank account at stores without using a debit or credit card.

In October 2018 it was announced that the members of Loomis AB's Nomination Committee ahead of the 2019 Annual General Meeting had been appointed. The following members were appointed:

- Jan Svensson, Investment AB Latour, Chairman of the Nomination Committee
- Mikael Ekdahl, Melker Schörling AB
- Johan Strandberg, SEB Fonder
- Marianne Nilsson, Swedbank Robur Fonder
- Henrik Didner, Didner & Gerge Fonder

The Chairman of the Board, Alf Göransson, will convene the Nomination Committee to its first meeting and also be co-opted to the Nomination Committee. The Nomination Committee will prepare proposals for the 2019 Annual General Meeting regarding election of the Chairman of the General Meeting, members of the Board of Directors, Chairman of the Board, auditors, fee for the members of the Board including division between the Chairman and the other Board members, as well as fees for committee work, fees for the Company's auditors and any, if necessary, changes in the instructions for the Nomination Committee.

In November 2018 Loomis AB's US subsidiary entered into a five-year agreement with a US retail chain regarding installation and service of around 1,000 new SafePoint units. The agreement also includes an extension for 250 units already installed. The total value of the agreement is around USD 48 million up to 2023. Installation of the units began in the fourth quarter of 2018 and is expected to be concluded at the beginning of 2020.

In November 2018 Loomis AB announced that Segment International will be restructured and as a result of the new structure, financial data for Segment International will no longer be reported separately starting in the first quarter of 2019. The US operations in the segment will be included in Segment USA and the remaining operations will be included in Segment Europe. The Regional President USA and the Regional President Europe will be responsible for their respective operations. Loomis will publish restated comparative figures for Segment Europe and Segment USA in March 2019.

#### **Other significant events after the end of the period**

On January 29, 2019 it was announced that Loomis AB, through a wholly owned subsidiary, has entered into an agreement to acquire 100 percent of Ziemann Sicherheit Holding GmbH (Ziemann). Ziemann conducts primarily domestic cash handling services. In addition, Ziemann also carries out security services as well as trading activities within the wholesale and retail market for currencies and precious metals. The enterprise value, i.e. purchase price plus acquired net debt, is approximately EUR 160 million, corresponding to approximately SEK 1,640 million.

Ziemann has approximately 2,700 employees and annual net revenue in 2018 was approximately EUR 175 million. More than 90 percent of the net revenue relates to cash handling services. The current operating margin (EBITA%) is approximately 7 percent. The business will be reported in segment Europe and consolidated into Loomis as of closing of the transaction. The closing will take place after merger control clearance. The purchase price is payable on closing. Including integration costs, the acquisition is expected to have a marginal positive impact on the earnings per share of Loomis in 2019.

On January 29, 2019 it was announced that Loomis AB has signed a EUR 150 million 5-year multi-currency revolving credit facility. The facility matures in January 2024. The lead arrangers are Crédit Lyonnais, Danske Bank A/S and Nordea Bank Abp. The facility can be used for general corporate purposes. The facility replaces a previous USD 100 million facility.

# Risks and uncertainties

## Risks

Loomis' operations, which include cash in transit, cash management services and international valuables logistics, involve Loomis assuming the customer's risks associated with managing, transporting and storing cash, precious metals and valuables. Loomis has established routines and processes to identify, take action to mitigate and monitor risks. Risks are assessed based on two criteria: the likelihood that an event will occur and the severity of the consequences for the business if the event should occur. There is risk both in terms of circumstances pertaining to Loomis itself or the industry as a whole, as well as risks that are more general in nature. Certain risks are outside of Loomis' control.

Below is a description of some of the most significant risks and uncertainties that may have a negative impact on Loomis' operations, financial position and results, and that should therefore be taken into account when making assessments based on full-year or interim information. The risks described below are not in any particular order of significance.

*Operational risks:* Operational risks are risks associated with the day-to-day operations and the services offered by the Company to its customers. Some of the most significant risks Loomis has identified are:

- IT-related risk, such as operational disruptions and extended stoppages of systems linked to operating activities, as well as risks linked to installation of new systems.
- Risk of changed behavioral patterns relating to purchasing and payment.
- Customer-related risks, such as the risk of loss of certain customers as well as significant changes in the banking sector.
- Competition risk, such as Loomis' ability to develop competitive offerings.
- Employee risk, such as a high staff turnover.
- Risk of robbery
- Risk of internal theft and/or failing cash reconciliation routines at cash centers.
- Risk associated with the implementation of acquisitions, such as difficulties integrating new operations and employees, as well as the anticipated benefits of a certain acquisition not being realized or being only partially realized.

*Financial risks:* In its operations, Loomis is exposed to risk associated with financial instruments such as liquid funds, accounts receivable, accounts payable and loans. The risks relating to these instruments are mainly:

- Interest rate risk associated with liquid funds and loans.
- Exchange rate risk associated with transactions and translation of shareholder's equity.
- Financing risk relating to the Company's capital requirements.

- Liquidity risk associated with short-term solvency.
- Credit risk attributable to financial and commercial activities.
- Capital risk pertaining to the capital structure.
- Price risk.

The financial risks are described in more detail in Note 6 in the 2017 Annual Report.

*Legal risks:* Through its operations Loomis is exposed to legal risks such as:

- Risk of disputes and legal action.
- Risk associated with the application of existing laws, other regulations and changes in legislation.

## Factors of uncertainty

The economic trends in 2018 impacted certain geographic areas negatively, and it cannot be ruled out that Loomis' revenue and income for 2019 may be negatively impacted as a result of this. Changes in general economic conditions and market trends have various effects on demand for cash handling services. These include the ratio of cash purchases to credit card purchases, changes in consumption levels, the risk of robbery and bad debt losses, and the staff turnover rate.

The preparation of financial reports requires the Board of Directors and Group Management to make estimates and assessments. Estimates and assessments affect both the income statement and the balance sheet as well as the information disclosed on things like contingent liabilities. Actual outcomes may deviate from these estimates and assessments depending on other circumstances and other conditions.

In 2018 the actual financial results of certain previously reported items affecting comparability, provisions and contingent liabilities, as described in the 2017 Annual report and where applicable under the heading "Critical estimates and assessments" on page 11, may deviate from the financial assessments and provisions made by management. This may impact the Group's profitability and financial position.

## Seasonal variations

Loomis' earnings fluctuate across the seasons and this should be taken into consideration when making assessments based on interim financial information. The primary reason for these seasonal variations is that the need for cash handling services increases during the vacation periods and in connection with public holidays and holiday periods.

## Critical estimates and assessments

For critical estimates and assessments as well as contingent liabilities, please refer to pages 77–78 and 103 of the 2017 Annual Report. Except for goodwill assessments in certain European countries and the legal case in Denmark, described on page 8 in this report, there have been no other significant changes compared to what is described in the Annual Report.

## Accounting principles

The Group's financial reports are prepared in accordance with the International Financial Reporting Standards (IAS/IFRS, as adopted by the European Union) issued by the International Accounting Standards Board and statements issued by the IFRS Interpretations Committee (formerly IFRIC).

This interim report has been prepared according to IAS 34 Interim Financial Reporting. The interim report is on pages 1–24, and pages 1–13 are thus an integrated part of this financial report. The most important accounting principles according to IFRS, which are the accounting standards used in the preparation of this interim report, are described in Note 2 on pages 68–76 of the 2017 Annual Report.

### IFRS 15

To supplement the description provided in Note 2 of the 2017 Annual Report regarding IFRS 15 and its impact on Loomis, the Company would like to provide the following additional information. As a result of the implementation of IFRS 15 the opening balance sheet total as of January 1, 2018 increased by SEK 131 million. The asset increase is mainly related to completed sales of SafePoint units that were previously recognized as revenue, but that are now defined as a contract asset and depreciated over the term of the customer contract. Contract assets are recognized in the balance sheet on the line "Tangible fixed assets". The increase on the liabilities side is largely for the payments received for the aforementioned sold SafePoint units. These contract liabilities are recognized on the lines "Non-interest-bearing liabilities short term" and "Non-interest-bearing provisions". The total effect on equity as a result of the IFRS 15 implementation was a reduction in shareholders' equity of SEK 15 million.

### IFRS 9

To supplement the information provided in Note 2 of the 2017 Annual Report regarding IFRS 9 the Company would like to provide the additional information below. Work on quantifying the effect of IFRS 9 regarding the acquisition of CPoR is ongoing. The initial assessment is that application of IFRS 9 will not have a material effect on the Group's financial statements.

### IAS 29

As of July 1, 2018 Loomis has implemented IAS 29 Financial Reporting in Hyperinflationary Economies, for the operations in Argentina.

### IFRS 16

IFRS 16 "Leases" will be applied for financial years starting on January 1, 2019. In addition to the description of IFRS 16 provided in Note 2 of the 2017 Annual Report the Company is providing the information below.

In 2018 Loomis analyzed all of the Group's leases and evaluated the effects of the new standard on the consolidated financial statements. The standard will mainly affect reporting of the Group's operating leases.

#### *Modified retrospective approach*

Loomis has not early-adopted IFRS 16 and will apply the standard from January 1, 2019. The Group has chosen the modified retrospective approach, and will therefore not restate the comparative figures.

Right-of-use assets are valued at an amount equivalent to the lease liability before adjustment for prepaid and accrued lease payments.

In the initial application of IFRS 16, the Group has also used the following practical solutions as permitted by the standard:

- The discount rate is based on the country's underlying currency, exchange rate, the length of the contract and underlying interest rate plus a company-specific risk premium.
- Operating leases with a remaining term of less than 12 months are recognized as short-term leases and are therefore not included in the calculation.
- Direct acquisition costs of right-of-use assets have been excluded in connection with the transition.
- In determining the length of a lease, the options to extend or cancel are taken into account.

#### *The Group's leasing activities and reporting of these*

The Group leases mainly assets in the following categories: property, SafePoints and vehicles. Leases are normally signed for a fixed term of 3 to 20 years. The options to extend and cancel a lease are included in a number of the Group's leases. In the majority of cases the options to extend and cancel the agreement can only be exercised by the Group and not by the lessors. The leases do not contain any specific terms or restrictions that could involve the agreements being cancelled if the terms are not met, but the leased assets may not be used as security for loans.

The leases are reported as right-of-use assets, along with the associated liability, on the day the leased asset is available for use by the Group. Right-of-use assets are depreciated on a straight-line basis from the start date to the end of the underlying asset's useful life. Each lease payment is divided between amortization of debt and financial expense. The financial expense is to be distributed over the lease term so that in each reporting period an amount is recognized equivalent to a fixed interest rate for the recorded debt during the respective period.

### **Measurement of leased assets and lease liabilities from January 1, 2019**

Right-of-use assets are measured at cost and include the following:

- The amount the lease liability was originally measured at;
- lease payments paid on or before the start date, after deduction for any benefits received in connection with the signing of the lease
- initial direct expenses;
- the cost of returning the asset to the condition specified in the terms of the lease.

Lease liabilities include the present value of the following lease payments:

- Fixed lease payments (including those that are substantially fixed);
- variable lease payments determined by an index or a price;
- guaranteed residual value that the lessee expects to be required to pay to the lessor;
- the exercise price of a purchase option if it is reasonably certain that lessee will exercise the option; and
- penalties for terminating the lease if the lease term reflects the assumption that the lessee will exercise this option.

Lease payments are discounted by a discount rate based on the country's underlying currency, exchange rate, the length of the contract and underlying interest rate plus a company-specific risk premium.

### **Subsequent measurement**

Following the transition to IFRS 16 all of Loomis' leases will be measured according to the cost method, which means that right-of-use assets will be measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability that reflects a reassessment or amendment of the lease. The remeasurement amount is recognized as an adjustment of the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, any remaining amount of the remeasurement is recognized in the statement of income.

### **Impact**

As a result of the introduction of IFRS 16, the operating income (EBITA) will be charged with depreciation of right-of-use assets instead of costs for operating leases. Based on the information we have today, the operating income (EBITA) will improve by around SEK 50 million. In addition, the increased lease liability will increase our net financial expense. The Company believes that the expected interest expense in 2019 will exceed the positive effect that will be reported in EBITA.

As of January 1, 2019 the Group's non-cancellable operating lease undertakings amounted to SEK 3,099 million whereof around SEK 15 million relates to short-term leases (lease term of 12 months or less) and leases for which the underlying asset has a low value (<USD 5 thousand). Lease payments for these leases

will be recognized as a cost on a straight-line basis over the lease term.

For the remaining lease undertakings and financial leases previously reported, the Group expects to recognize right-of-use assets of around SEK 2,886 million as of January 1, 2019 and lease liabilities of SEK 2,836 million (adjusted for pre-paid and accrued lease payments recognized as of December 31, 2018).

The adjustment applies to most of the advance payments. The change between operating leases as of December 31 2018 and the lease liability as of January 1, 2019 is presented below:

|                                                                                                                                 |              |
|---------------------------------------------------------------------------------------------------------------------------------|--------------|
| Operating lease undertakings as of December 31, 2018                                                                            | 3,099        |
| Added: Liabilities for finance leases as of December 31, 2018                                                                   | 113          |
| Removed: Leases for which the underlying asset is of low value or short-term leases which are expensed on a straight-line basis | -15          |
| Removed: Variable lease payments that are not part of the lease liability                                                       | -32          |
| Discounted using the Group's marginal interest rate                                                                             | -431         |
| Removed: Pre-paid and accrued lease payments                                                                                    | -66          |
| <b>Lease liability as of January 1, 2019</b>                                                                                    | <b>2,836</b> |

Reporting of leases in which Loomis is the lessor will essentially remain unchanged.

### **Parent Company – Loomis AB**

The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. The most important accounting principles applying to the Parent Company can be found in Note 36 on page 108 of the 2017 Annual Report.

## **Transactions with related parties**

Information about transactions between Loomis and related parties can be found in Note 7 page 83 of the 2017 Annual Report.

## **Outlook for 2019**

The Company is not providing any forecast information for 2019.

Stockholm, January 30, 2019

Patrik Andersson  
*President and CEO*  
*Board member*

## Review Report

### Introduction

We have reviewed the interim report for Loomis AB (publ) for the period January 1 - December 31, 2018. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a

different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, January 30, 2019

Deloitte AB

Peter Ekberg  
*Authorized Public Accountant*

# Financial reports in brief

## CONSOLIDATED STATEMENT OF INCOME

|                                                       | 2018         | 2017         | 2018              | 2017              | 2016             |
|-------------------------------------------------------|--------------|--------------|-------------------|-------------------|------------------|
| SEK m                                                 | Oct–Dec      | Oct–Dec      | Full year         | Full year         | Full year        |
| Revenue, continuing operations                        | 4,745        | 4,285        | 18,300            | 16,824            | 16,485           |
| Revenue, acquisitions                                 | 211          | 73           | 868               | 404               | 315              |
| <b>Total revenue</b>                                  | <b>4,956</b> | <b>4,358</b> | <b>19,168</b>     | <b>17,228</b>     | <b>16,800</b>    |
| Production expenses                                   | –3,625       | –3,150       | –14,127           | –12,533           | –12,493          |
| <b>Gross income</b>                                   | <b>1,331</b> | <b>1,208</b> | <b>5,041</b>      | <b>4,695</b>      | <b>4,307</b>     |
| Selling and administration expenses                   | –738         | –664         | –2,841            | –2,602            | –2,417           |
| <b>Operating income (EBITA)<sup>1)</sup></b>          | <b>593</b>   | <b>544</b>   | <b>2,200</b>      | <b>2,093</b>      | <b>1,890</b>     |
| Amortization of acquisition-related intangible assets | –22          | –15          | –83               | –55               | –62              |
| Acquisition-related costs and revenue                 | –18          | –8           | –46 <sup>2)</sup> | –47 <sup>2)</sup> | –56              |
| Items affecting comparability                         | –13          | –            | 86 <sup>3)</sup>  | –                 | 81 <sup>4)</sup> |
| <b>Operating income (EBIT)</b>                        | <b>540</b>   | <b>522</b>   | <b>2,158</b>      | <b>1,992</b>      | <b>1,852</b>     |
| Net financial items                                   | –18          | –26          | –90               | –109              | –117             |
| Loss on monetary net assets/liabilities               | –7           | –            | –11               | –                 | –                |
| <b>Income before taxes</b>                            | <b>515</b>   | <b>496</b>   | <b>2,057</b>      | <b>1,882</b>      | <b>1,735</b>     |
| Income tax                                            | –128         | –60          | –519              | –454              | –477             |
| <b>Net income for the period<sup>5)</sup></b>         | <b>387</b>   | <b>436</b>   | <b>1,538</b>      | <b>1,428</b>      | <b>1,258</b>     |
| <b>KEY RATIOS</b>                                     |              |              |                   |                   |                  |
| Real growth, %                                        | 8            | 3            | 8                 | 3                 | 5                |
| Organic growth, %                                     | 3            | 2            | 3                 | 2                 | 5                |
| Operating margin (EBITA), %                           | 12.0         | 12.5         | 11.5              | 12.1              | 11.2             |
| Tax rate, %                                           | 25           | 12           | 25                | 24                | 27               |
| Earnings per share before dilution, SEK <sup>6)</sup> | 5.14         | 5.79         | 20.45             | 18.99             | 16.73            |
| Earnings per share after dilution, SEK                | 5.14         | 5.79         | 20.45             | 18.99             | 16.73            |

1) Earnings Before Interest, Taxes, Amortization of acquisition-related intangible fixed assets, Acquisition-related costs and revenue and Items affecting comparability.

2) Acquisition-related costs and revenue for the period January–December 2018, refer to transaction costs of SEK –21 million (–13), restructuring costs of SEK –7 million (–17) and integration costs of SEK –18 million (–17). Transaction costs for the period January–December 2018 amount to SEK –6 million for acquisitions in progress, to SEK –11 million for completed acquisitions and to SEK –4 million for discontinued acquisitions.

3) Items affecting comparability of SEK 86 million consists primarily of a positive non-recurring item of SEK 178 million relating to a revaluation of the UK pension obligation as well as impairment of goodwill in two operations within the European segment that took place during the second quarter and costs incurred during the fourth quarter relating to restructuring of the International segment.

4) Items affecting comparability of SEK 81 million relates to a reported capital gain from the divestment of the general cargo operations.

5) Net income for the period is entirely attributable to the owners of the Parent Company.

6) For further information please refer to page 21.

## STATEMENT OF COMPREHENSIVE INCOME

|                                                                              | 2018       | 2017       | 2018         | 2017         | 2016         |
|------------------------------------------------------------------------------|------------|------------|--------------|--------------|--------------|
| SEK m                                                                        | Oct–Dec    | Oct–Dec    | Full year    | Full year    | Full year    |
| <b>Net income for the period</b>                                             | <b>387</b> | <b>436</b> | <b>1,538</b> | <b>1,428</b> | <b>1,258</b> |
| <b>Other comprehensive income</b>                                            |            |            |              |              |              |
| <b>Items that will not be reclassified to the statement of income</b>        |            |            |              |              |              |
| Actuarial gains and losses after tax                                         | –67        | –11        | 99           | 17           | –183         |
| <b>Items that may be reclassified to the statement of income</b>             |            |            |              |              |              |
| Exchange rate differences <sup>1)</sup>                                      | 5          | 41         | 651          | –631         | 402          |
| Hedging of net investments, net of tax                                       | –6         | –13        | –139         | 179          | –159         |
| <b>Other comprehensive income and expenses for the period, net after tax</b> | <b>–68</b> | <b>17</b>  | <b>612</b>   | <b>–435</b>  | <b>61</b>    |
| <b>Total comprehensive income for the period<sup>2)</sup></b>                | <b>319</b> | <b>452</b> | <b>2,150</b> | <b>993</b>   | <b>1,319</b> |

1) Includes effects of hyperinflation in Argentina.

2) Total comprehensive income is entirely attributable to the owners of the Parent Company.

## BALANCE SHEET

|                                                         | 2018          | 2017          | 2016          |
|---------------------------------------------------------|---------------|---------------|---------------|
| SEK m                                                   | Dec 31        | Dec 31        | Dec 31        |
| <b>ASSETS</b>                                           |               |               |               |
| <b>Fixed assets</b>                                     |               |               |               |
| Goodwill                                                | 6,533         | 5,615         | 5,626         |
| Acquisition-related intangible assets                   | 515           | 349           | 261           |
| Other intangible assets                                 | 168           | 102           | 114           |
| Tangible fixed assets                                   | 5,358         | 4,689         | 4,709         |
| Other Non-interest-bearing fixed assets                 | 506           | 459           | 454           |
| Interest-bearing financial fixed assets <sup>1)</sup>   | 500           | 96            | 80            |
| <b>Total fixed assets</b>                               | <b>13,580</b> | <b>11,311</b> | <b>11,245</b> |
| <b>Current assets</b>                                   |               |               |               |
| Non-interest-bearing current assets <sup>2)</sup>       | 3,565         | 2,952         | 2,907         |
| Interest-bearing financial current assets <sup>1)</sup> | 37            | 62            | 54            |
| Liquid funds                                            | 1,308         | 839           | 663           |
| <b>Total current assets</b>                             | <b>4,911</b>  | <b>3,852</b>  | <b>3,624</b>  |
| <b>TOTAL ASSETS</b>                                     | <b>18,491</b> | <b>15,164</b> | <b>14,869</b> |
| <b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>             |               |               |               |
| <b>Shareholders' equity</b>                             | <b>8,422</b>  | <b>7,037</b>  | <b>6,647</b>  |
| <b>Long-term liabilities</b>                            |               |               |               |
| Interest-bearing long-term liabilities                  | 5,092         | 4,745         | 3,972         |
| Non-interest-bearing provisions                         | 812           | 630           | 729           |
| <b>Total long-term liabilities</b>                      | <b>5,904</b>  | <b>5,376</b>  | <b>4,701</b>  |
| <b>Current liabilities</b>                              |               |               |               |
| Tax liabilities                                         | 171           | 180           | 122           |
| Non-interest-bearing current liabilities                | 2,936         | 2,496         | 2,645         |
| Interest-bearing current liabilities                    | 1,058         | 75            | 754           |
| <b>Total current liabilities</b>                        | <b>4,165</b>  | <b>2,751</b>  | <b>3,521</b>  |
| <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>       | <b>18,491</b> | <b>15,164</b> | <b>14,869</b> |
| <b>KEY RATIOS</b>                                       |               |               |               |
| <i>Return of shareholders' equity, %</i>                | <i>18</i>     | <i>20</i>     | <i>19</i>     |
| <i>Return of capital employed, %</i>                    | <i>17</i>     | <i>19</i>     | <i>18</i>     |
| <i>Equity ratio, %</i>                                  | <i>46</i>     | <i>46</i>     | <i>45</i>     |
| Net debt                                                | 4,305         | 3,823         | 3,929         |
| Net debt/EBITDA                                         | 1.27          | 1.19          | 1.31          |

1) As of the balance sheet date and in the comparative information, all derivatives are measured at fair value based on market data in accordance with IFRS.

2) Funds in the cash processing operations are reported net in the item "Non-interest-bearing current assets". For more information, please refer to page 96 and Note 23 in the Annual report 2017.

## Financial reports in brief

## CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

|                                                                             | 2018         | 2017         | 2016         |
|-----------------------------------------------------------------------------|--------------|--------------|--------------|
| SEK m                                                                       | Full year    | Full year    | Full year    |
| Opening balance                                                             | 7,037        | 6,647        | 5,843        |
| Effect of change in accounting principle IFRS 15                            | –15          | –            | –            |
| Effect of IAS 29                                                            | 2            | –            | –            |
| <b>Opening balance adjusted in accordance with new accounting principle</b> | <b>7,024</b> | <b>6,647</b> | <b>5,843</b> |
| Actuarial gains and losses after tax                                        | 99           | 17           | –183         |
| Exchange rate differences <sup>1)</sup>                                     | 651          | –631         | 402          |
| Hedging of net investments, net of tax                                      | –139         | 179          | –159         |
| <b>Total other comprehensive income</b>                                     | <b>612</b>   | <b>–435</b>  | <b>61</b>    |
| Net income for the period                                                   | 1,538        | 1,428        | 1,258        |
| <b>Total comprehensive income<sup>2)</sup></b>                              | <b>2,150</b> | <b>993</b>   | <b>1,319</b> |
| Dividend paid to Parent Company's shareholders                              | –677         | –602         | –527         |
| Share-related remuneration                                                  | –76          | –1           | 11           |
| Non-controlling interest                                                    | 1            | –            | –            |
| <b>Closing balance</b>                                                      | <b>8,422</b> | <b>7,037</b> | <b>6,647</b> |

1) Includes effects of hyperinflation in Argentina.

2) Total comprehensive income is entirely attributable to the owners of the Parent Company.

## NUMBER OF SHARES AS OF DECEMBER 31, 2018

|                                             | Votes | No. of shares     | No. of votes       | Quota value | SEK m      |
|---------------------------------------------|-------|-------------------|--------------------|-------------|------------|
| Class A shares                              | 10    | 3,428,520         | 34,285,200         | 5           | 17         |
| Class B shares                              | 1     | 71,851,309        | 71,851,309         | 5           | 359        |
| <b>Total no. of shares</b>                  |       | <b>75,279,829</b> | <b>106,136,509</b> |             | <b>376</b> |
| Total Class B treasury shares <sup>1)</sup> | 1     | –53,797           | –53,797            |             |            |
| <b>Total no. of outstanding shares</b>      |       | <b>75,226,032</b> | <b>106,082,712</b> |             |            |

1) The number of treasury shares has remained unchanged during the period and has not affected shareholders' equity.

## CONTINGENT LIABILITIES, GROUP

|                                     | 2018         | 2017         | 2016         |
|-------------------------------------|--------------|--------------|--------------|
| SEK m                               | Dec 31       | Dec 31       | Dec 31       |
| Securities and guarantees           | 4,353        | 3,235        | 3,262        |
| Other contingent liabilities        | 39           | 11           | 14           |
| <b>Total contingent liabilities</b> | <b>4,391</b> | <b>3,246</b> | <b>3,276</b> |

## Financial reports in brief

## CONSOLIDATED STATEMENT OF CASH FLOWS

|                                                                                                          | 2018          | 2017        | 2018          | 2017          | 2016          |
|----------------------------------------------------------------------------------------------------------|---------------|-------------|---------------|---------------|---------------|
| SEK m                                                                                                    | Oct–Dec       | Oct–Dec     | Full year     | Full year     | Full year     |
| Income before taxes                                                                                      | 515           | 496         | 2,057         | 1,882         | 1,735         |
| Items not affecting cash flow, items affecting comparability and acquisition-related costs <sup>1)</sup> | 318           | 264         | 1,172         | 1,143         | 1,117         |
| Income tax paid                                                                                          | –129          | –53         | –472          | –403          | –326          |
| Change in accounts receivable                                                                            | 161           | 15          | –6            | –165          | –53           |
| Change in other operating capital employed and other items                                               | 240           | 39          | 85            | –145          | 192           |
| <b>Cash flow from operations</b>                                                                         | <b>1,105</b>  | <b>761</b>  | <b>2,835</b>  | <b>2,313</b>  | <b>2,665</b>  |
| <b>Cash flow from investment activities</b>                                                              | <b>–1,486</b> | <b>–643</b> | <b>–2,852</b> | <b>–1,619</b> | <b>–1,175</b> |
| <b>Cash flow from financing activities</b>                                                               | <b>898</b>    | <b>–151</b> | <b>473</b>    | <b>–487</b>   | <b>–1,510</b> |
| <b>Cash flow for the period</b>                                                                          | <b>517</b>    | <b>–34</b>  | <b>456</b>    | <b>207</b>    | <b>–20</b>    |
| Liquid funds at beginning of the period                                                                  | 794           | 872         | 839           | 663           | 654           |
| Translation differences in liquid funds                                                                  | –4            | 0           | 13            | –31           | 28            |
| Liquid funds at end of period                                                                            | 1,308         | 839         | 1,308         | 839           | 663           |

1) Adjusted for the divestment of operations which is reported in investment activities.

## CONSOLIDATED STATEMENT OF CASH FLOWS, ADDITIONAL INFORMATION

|                                                                             | 2018         | 2017       | 2018         | 2017         | 2016         |
|-----------------------------------------------------------------------------|--------------|------------|--------------|--------------|--------------|
| SEK m                                                                       | Oct–Dec      | Oct–Dec    | Full year    | Full year    | Full year    |
| Operating income (EBITA)                                                    | 593          | 544        | 2,200        | 2,093        | 1,890        |
| Depreciation                                                                | 298          | 273        | 1,183        | 1,124        | 1,105        |
| Change in accounts receivable                                               | 161          | 15         | –6           | –165         | –53          |
| Change in other operating capital employed and other items                  | 240          | 39         | 85           | –145         | 192          |
| <b>Cash flow from operating activities before investments</b>               | <b>1,292</b> | <b>871</b> | <b>3,462</b> | <b>2,908</b> | <b>3,134</b> |
| Investments in fixed assets, net                                            | –436         | –389       | –1,449       | –1,152       | –1,120       |
| <b>Cash flow from operating activities</b>                                  | <b>856</b>   | <b>482</b> | <b>2,013</b> | <b>1,756</b> | <b>2,013</b> |
| Financial items paid and received                                           | –42          | –41        | –101         | –111         | –117         |
| Income tax paid                                                             | –129         | –53        | –472         | –403         | –326         |
| <b>Free cash flow</b>                                                       | <b>686</b>   | <b>388</b> | <b>1,439</b> | <b>1,242</b> | <b>1,570</b> |
| Cash flow effect of items affecting comparability                           | 0            | 0          | –1           | –1           | 138          |
| Acquisition of operations <sup>1)</sup>                                     | –1,050       | –254       | –1,403       | –467         | –201         |
| Acquisition-related costs and revenue, paid and received <sup>2)</sup>      | –16          | –16        | –52          | –80          | –17          |
| Dividend paid                                                               | –            | –          | –677         | –602         | –527         |
| Change in interest-bearing net debt excluding liquid funds                  | 141          | –126       | –296         | –117         | –168         |
| Change in commercial papers issued and other long-term borrowing            | 757          | –25        | 1,447        | 231          | –816         |
| <b>Cash flow for the period</b>                                             | <b>517</b>   | <b>–34</b> | <b>456</b>   | <b>207</b>   | <b>–20</b>   |
| <b>KEY RATIOS</b>                                                           |              |            |              |              |              |
| <i>Cash flow from operating activities as % of operating income (EBITA)</i> | <i>144</i>   | <i>89</i>  | <i>91</i>    | <i>84</i>    | <i>107</i>   |
| <i>Investments in relation to depreciation</i>                              | <i>1.5</i>   | <i>1.4</i> | <i>1.2</i>   | <i>1.0</i>   | <i>1.0</i>   |
| <i>Investments as a % of total revenue</i>                                  | <i>8.8</i>   | <i>8.9</i> | <i>7.6</i>   | <i>6.7</i>   | <i>6.7</i>   |

1) Acquisition of operations includes up until December 2016, the cash flow effect of acquisition-related transaction costs.

2) Refers to acquisition-related restructuring and integration costs. As from 2017 this item includes acquisition-related transaction costs. For 2016, this item includes an escrow repayment for the acquisition of Cardtronics' cash handling operations in the UK in 2015.

## SEGMENT OVERVIEW REVENUE

|                                | Europe       | USA          | International | Other        | Eliminations | Total         |
|--------------------------------|--------------|--------------|---------------|--------------|--------------|---------------|
| SEK m                          | Jan–Dec 2018 | Jan–Dec 2018 | Jan–Dec 2018  | Jan–Dec 2018 | Jan–Dec 2018 | Jan–Dec 2018  |
| Cash in transit (CIT)          | 6,472        | 5,489        | –             | –            | –            | 11,961        |
| Cash management services (CMS) | 3,000        | 2,850        | –             | –            | –            | 5,850         |
| International                  | –            | –            | 942           | –            | –            | 942           |
| Other                          | 318          | 96           | –             | –            | –            | 415           |
| Revenue, internal              | 42           | 7            | 12            | –            | –60          | –             |
| <b>Total revenue</b>           | <b>9,832</b> | <b>8,442</b> | <b>954</b>    | <b>–</b>     | <b>–60</b>   | <b>19,168</b> |

## Timing of revenue recognition, external

|                               |              |              |            |          |          |               |
|-------------------------------|--------------|--------------|------------|----------|----------|---------------|
| At a point in time            | 1,042        | 81           | 735        | –        | –        | 1,859         |
| Over time                     | 8,748        | 8,354        | 207        | –        | –        | 17,309        |
| <b>Total external revenue</b> | <b>9,790</b> | <b>8,435</b> | <b>942</b> | <b>–</b> | <b>–</b> | <b>19,168</b> |

## SEGMENT OVERVIEW STATEMENT OF INCOME

|                                                       | Europe           | USA          | International     | Other <sup>1)</sup> | Eliminations | Total         |
|-------------------------------------------------------|------------------|--------------|-------------------|---------------------|--------------|---------------|
| SEK m                                                 | Jan–Dec 2018     | Jan–Dec 2018 | Jan–Dec 2018      | Jan–Dec 2018        | Jan–Dec 2018 | Jan–Dec 2018  |
| Revenue, continuing operations                        | 8,985            | 8,442        | 933               | –                   | –60          | 18,300        |
| Revenue, acquisitions                                 | 847              | –            | 21                | –                   | –            | 868           |
| <b>Total revenue</b>                                  | <b>9,832</b>     | <b>8,442</b> | <b>954</b>        | <b>–</b>            | <b>–60</b>   | <b>19,168</b> |
| Production expenses                                   | –7,358           | –6,084       | –776              | –                   | 91           | –14,127       |
| <b>Gross income</b>                                   | <b>2,474</b>     | <b>2,357</b> | <b>178</b>        | <b>–</b>            | <b>31</b>    | <b>5,041</b>  |
| Selling and administrative expenses                   | –1,313           | –1,226       | –110              | –160                | –31          | –2,841        |
| <b>Operating income (EBITA)</b>                       | <b>1,160</b>     | <b>1,132</b> | <b>69</b>         | <b>–160</b>         | <b>–</b>     | <b>2,200</b>  |
| Amortization of acquisition-related intangible assets | –53              | –14          | –16               | –                   | –            | –83           |
| Acquisition-related costs                             | –29              | –1           | –                 | –15                 | –            | –46           |
| Items affecting comparability                         | 98 <sup>2)</sup> | –            | –13 <sup>2)</sup> | –                   | –            | 86            |
| <b>Operating income (EBIT)</b>                        | <b>1,176</b>     | <b>1,117</b> | <b>40</b>         | <b>–175</b>         | <b>–</b>     | <b>2,158</b>  |

1) Segment Other consists of the Parent Company's costs and certain other group-wide costs.

2) Items affecting comparability of SEK 86 million consists primarily of a positive non-recurring item of SEK 178 million relating to a revaluation of the UK pension obligation as well as impairment of goodwill in two operations within the European segment that took place during the second quarter and costs incurred during the fourth quarter relating to restructuring of the International segment.

## SEGMENT OVERVIEW STATEMENT OF INCOME

|                                                       | Europe       | USA          | International | Other <sup>1)</sup> | Eliminations | Total         |
|-------------------------------------------------------|--------------|--------------|---------------|---------------------|--------------|---------------|
| SEK m                                                 | Jan–Dec 2017 | Jan–Dec 2017 | Jan–Dec 2017  | Jan–Dec 2017        | Jan–Dec 2017 | Jan–Dec 2017  |
| Revenue, continuing operations                        | 8,324        | 7,688        | 878           | –                   | –66          | 16,824        |
| Revenue, acquisitions                                 | 404          | –            | –             | –                   | –            | 404           |
| <b>Total revenue</b>                                  | <b>8,728</b> | <b>7,688</b> | <b>878</b>    | <b>–</b>            | <b>–66</b>   | <b>17,228</b> |
| Production expenses                                   | –6,344       | –5,570       | –714          | –                   | 95           | –12,533       |
| <b>Gross income</b>                                   | <b>2,384</b> | <b>2,118</b> | <b>165</b>    | <b>–</b>            | <b>29</b>    | <b>4,695</b>  |
| Selling and administrative expenses                   | –1,209       | –1,108       | –104          | –152                | –29          | –2,602        |
| <b>Operating income (EBITA)</b>                       | <b>1,175</b> | <b>1,009</b> | <b>61</b>     | <b>–152</b>         | <b>–</b>     | <b>2,093</b>  |
| Amortization of acquisition-related intangible assets | –26          | –13          | –15           | –                   | –            | –55           |
| Acquisition-related costs                             | –37          | –2           | –             | –8                  | –            | –47           |
| <b>Operating income (EBIT)</b>                        | <b>1,112</b> | <b>994</b>   | <b>46</b>     | <b>–160</b>         | <b>–</b>     | <b>1,992</b>  |

1) Segment Other consists of the Parent Company's costs and certain other group-wide costs.

## Financial reports in brief

## SEGMENT OVERVIEW STATEMENT OF INCOME, ADDITIONAL INFORMATION

|                             | 2018    | 2017    | 2018      | 2017      | 2016      |
|-----------------------------|---------|---------|-----------|-----------|-----------|
| SEK m                       | Oct–Dec | Oct–Dec | Full year | Full year | Full year |
| <b>Europe</b>               |         |         |           |           |           |
| Operating income (EBITA)    | 311     | 297     | 1,160     | 1,175     | 1,119     |
| Operating margin (EBITA), % | 12.4    | 13.4    | 11.8      | 13.5      | 13.4      |
| <b>USA</b>                  |         |         |           |           |           |
| Operating income (EBITA)    | 298     | 267     | 1,132     | 1,009     | 842       |
| Operating margin (EBITA), % | 13.5    | 13.9    | 13.4      | 13.1      | 11.5      |
| <b>International</b>        |         |         |           |           |           |
| Operating income (EBITA)    | 17      | 19      | 69        | 61        | 77        |
| Operating margin (EBITA), % | 7.1     | 8.6     | 7.2       | 6.9       | 6.7       |
| <b>Other<sup>1)</sup></b>   |         |         |           |           |           |
| Revenue                     | –       | –       | –         | –         | –         |
| Operating income (EBITA)    | –34     | –40     | –160      | –152      | –149      |
| <b>Eliminations</b>         |         |         |           |           |           |
| Revenue                     | –15     | –15     | –60       | –66       | –58       |
| Operating income (EBITA)    | –       | –       | –         | –         | –         |
| <b>Group total</b>          |         |         |           |           |           |
| Operating income (EBITA)    | 593     | 544     | 2,200     | 2,093     | 1,890     |
| Operating margin (EBITA), % | 12.0    | 12.5    | 11.5      | 12.1      | 11.2      |

1) Segment Other consists of the Parent Company's costs and certain other group-wide costs.

## SEGMENT OVERVIEW BALANCE SHEET

|                           | 2018   | 2017   |
|---------------------------|--------|--------|
| SEK m                     | Dec 31 | Dec 31 |
| <b>Europe</b>             |        |        |
| Assets                    | 8,585  | 6,550  |
| Liabilities               | 2,449  | 2,259  |
| <b>USA</b>                |        |        |
| Assets                    | 7,183  | 6,301  |
| Liabilities               | 961    | 700    |
| <b>International</b>      |        |        |
| Assets                    | 1,270  | 1,167  |
| Liabilities               | 210    | 220    |
| <b>Other<sup>1)</sup></b> |        |        |
| Assets                    | 1,453  | 1,146  |
| Liabilities               | 6,449  | 4,948  |
| Shareholder's equity      | 8,422  | 7,037  |
| <b>Group total</b>        |        |        |
| Assets                    | 18,491 | 15,164 |
| Liabilities               | 10,069 | 8,127  |
| Shareholder's equity      | 8,422  | 7,037  |

1) Segment Other consists mainly of Group assets and liabilities that cannot be divided by segment.

## CAPITAL EMPLOYED AND FINANCING

|                                       | 2018          | 2017          |
|---------------------------------------|---------------|---------------|
| SEK m                                 | Dec 31        | Dec 31        |
| Operating capital employed            | 5,771         | 4,866         |
| Goodwill                              | 6,533         | 5,615         |
| Acquisition-related intangible assets | 515           | 349           |
| Other capital employed                | –93           | 30            |
| <b>Capital employed<sup>1)</sup></b>  | <b>12,727</b> | <b>10,860</b> |
| <b>Net debt</b>                       | <b>4,305</b>  | <b>3,823</b>  |
| <b>Shareholders' equity</b>           | <b>8,422</b>  | <b>7,037</b>  |
| <b>Key ratios</b>                     |               |               |
| Return on capital employed, %         | 17            | 19            |
| Return on equity, %                   | 18            | 20            |
| Equity ratio, %                       | 46            | 46            |
| Net debt/EBITDA                       | 1.27          | 1.19          |

1) In the third quarter Loomis prepared long-term business plans and in connection with this process, an impairment test was carried out to determine if impairment was indicated in any of the Group's cash-generating units. None of the cash-generating units had a book value exceeding its recoverable amount, and therefore no goodwill impairment has been recorded.

## ACQUISITIONS

|                                                                       | Consolidated as of        | Segment              | Acquired share <sup>1)</sup> % | Annual revenue SEK m | Number of employees | Purchase price SEK m | Goodwill SEK m     | Acquisition-related intangible assets SEK m | Other acquired net assets SEK m |
|-----------------------------------------------------------------------|---------------------------|----------------------|--------------------------------|----------------------|---------------------|----------------------|--------------------|---------------------------------------------|---------------------------------|
| <b>Opening balance, January 1, 2018</b>                               |                           |                      |                                |                      |                     |                      | <b>5,615</b>       | <b>349</b>                                  |                                 |
| Acquisition of KÖTTER Geld- und Wertdienste SE & CO. KG <sup>7)</sup> | January                   | Europe               | 100                            | 443 <sup>2)</sup>    | 800                 | 146 <sup>5)</sup>    | 50 <sup>8)</sup>   | 47                                          | 49                              |
| Acquisition of Compañía Chilena de Valores S.A. <sup>7)</sup>         | June                      | Europe               | 100                            | 95 <sup>2)</sup>     | 1,000               | 248 <sup>5)</sup>    | 177 <sup>9)</sup>  | 51                                          | 20                              |
| Acquisition of CPoR Devises <sup>7)</sup>                             | December                  | Europe               | 100                            | 342 <sup>3)</sup>    | 130                 | 1,025 <sup>5)</sup>  | 347 <sup>8)</sup>  | 113                                         | 565                             |
| Other acquisitions <sup>7)</sup>                                      | January/February/December | International/Europe | 100                            | 64 <sup>4)</sup>     | 176                 | 25 <sup>6)</sup>     | 30 <sup>9)</sup>   | –                                           | –5                              |
| Other <sup>10)</sup>                                                  |                           |                      |                                |                      |                     |                      | –29                | 18                                          | –                               |
| <b>Total acquisitions January – December 2018</b>                     |                           |                      |                                |                      |                     |                      | <b>575</b>         | <b>229</b>                                  | <b>629</b>                      |
| Amortization of acquisition-related intangible assets                 |                           |                      |                                |                      |                     |                      | –                  | –83                                         |                                 |
| Impairment                                                            |                           |                      |                                |                      |                     |                      | –51 <sup>11)</sup> | –                                           |                                 |
| Exchange rate differences                                             |                           |                      |                                |                      |                     |                      | 394                | 20                                          |                                 |
| <b>Closing balance December 31, 2018</b>                              |                           |                      |                                |                      |                     |                      | <b>6,533</b>       | <b>515</b>                                  |                                 |

1) Refers to share of votes. In acquisitions of assets and liabilities, no share of votes is indicated.

2) Annual revenue in 2017 translated to SEK million on the acquisition date.

3) Annual revenue in 2018 translated to SEK million on the acquisition date.

4) Annual revenue translated to SEK million on the acquisition date.

5) The enterprise value on the acquisition date amounted to around SEK 171 million for KGW, to around SEK 250 million for CCV and to around SEK 700 million for CPoR.

6) The enterprise value on the acquisition date amounted to around SEK 33 million.

7) The acquisition analysis is preliminary and subject to final adjustment no later than one year from the acquisition date. Complete IFRS 3 disclosures and not disclosed since the completed acquisitions are not deemed to materially impact the Group's statement of income or financial position.

8) Goodwill arising in connection with the acquisition is primarily attributable to markets, synergy effects and expansion of services. Any impairment is not tax deductible.

9) Goodwill arising in connection with the acquisition is primarily attributable to market and synergy effects. Any impairment is not tax deductible.

10) From an updated acquisition analysis from the previous year for the following unit: Wagner Seguridad Custodia y Transporte de Valores.

11) Relates to impairment recognized during the second quarter for the following entities: Loomis Czech Republic and Loomis Belgium.

## KEY RATIOS

|                                                                      | 2018    | 2017    | 2018      | 2017      |
|----------------------------------------------------------------------|---------|---------|-----------|-----------|
|                                                                      | Oct–Dec | Oct–Dec | Full year | Full year |
| Real growth, %                                                       | 8       | 3       | 8         | 3         |
| Organic growth, %                                                    | 3       | 2       | 3         | 2         |
| Total growth, %                                                      | 14      | –1      | 11        | 3         |
| Gross margin, %                                                      | 26.9    | 27.7    | 26.3      | 27.3      |
| Selling and administration expenses in % of total revenue            | –14.9   | –15.2   | –14.8     | –15.1     |
| Operating margin (EBITA), %                                          | 12.0    | 12.5    | 11.5      | 12.1      |
| Tax rate, %                                                          | 25      | 12      | 25        | 24        |
| Net margin, %                                                        | 7.8     | 10.0    | 8.0       | 8.3       |
| Return of shareholders' equity, %                                    | 18      | 20      | 18        | 20        |
| Return of capital employed, %                                        | 17      | 19      | 17        | 19        |
| Equity ratio, %                                                      | 46      | 46      | 46        | 46        |
| Net debt (SEK m)                                                     | 4,305   | 3,823   | 4,305     | 3,823     |
| Net debt/EBITDA                                                      | 1.27    | 1.19    | 1.27      | 1.19      |
| Cash flow from operating activities as % of operating income (EBITA) | 144     | 89      | 91        | 84        |
| Investments in relation to depreciation                              | 1.5     | 1.14    | 1.2       | 1.0       |
| Investments as a % of total revenue                                  | 8.8     | 8.9     | 7.6       | 6.7       |
| Earnings per share before dilution, SEK <sup>1)</sup>                | 5.14    | 5.79    | 20.45     | 18.99     |
| Earnings per share after dilution, SEK                               | 5.14    | 5.79    | 20.45     | 18.99     |
| Shareholders' equity per share after dilution, SEK                   | 111.95  | 93.55   | 111.95    | 93.55     |
| Cash flow from operating activities per share after dilution, SEK    | 14.69   | 10.11   | 37.69     | 30.75     |
| Dividend per share, SEK                                              | –       | –       | 9.00      | 8.00      |
| Number of outstanding shares (millions)                              | 75.2    | 75.2    | 75.2      | 75.2      |
| Average number of outstanding shares (millions) <sup>1)</sup>        | 75.2    | 75.2    | 75.2      | 75.2      |

1) The number of outstanding shares, which constitutes the basis for calculation of earnings per share before dilution, is 75,226,032. The number of treasury shares amount to 53,797.

## Parent Company

### PARENT COMPANY SUMMARY STATEMENT OF INCOME

|                              | 2018      | 2017      |
|------------------------------|-----------|-----------|
| SEK m                        | Full year | Full year |
| Revenue                      | 516       | 512       |
| Operating income (EBIT)      | 310       | 324       |
| Income after financial items | 834       | 1,012     |
| Net income for the year      | 800       | 880       |

The Parent Company's revenue consists mainly of license fees and other revenue from subsidiaries. The slightly lower net income for the period is primarily explained by exchange rate losses on loans in foreign currency, which are related to investments in subsidiaries.

### PARENT COMPANY SUMMARY BALANCE SHEET

|                                                   | 2018          | 2017          |
|---------------------------------------------------|---------------|---------------|
| SEK m                                             | Dec 31        | Dec 31        |
| Fixed assets                                      | 11,160        | 9,791         |
| Current assets                                    | 1,283         | 973           |
| <b>Total assets</b>                               | <b>12,444</b> | <b>10,765</b> |
| Shareholders' equity <sup>1)</sup>                | 5,209         | 5,158         |
| Liabilities                                       | 7,234         | 5,607         |
| <b>Total shareholders' equity and liabilities</b> | <b>12,444</b> | <b>10,765</b> |

1) The number of Class B treasury shares was 53,797 for all periods above.

The Parent Company's fixed assets consists mainly of shares in subsidiaries and loan receivables from subsidiaries. The liabilities are mainly external liabilities and liabilities to subsidiaries.

### CONTINGENT LIABILITIES, PARENT COMPANY

|                                      | 2018         | 2017         |
|--------------------------------------|--------------|--------------|
| SEK m                                | Dec 31       | Dec 31       |
| Guaranteed committed bank facilities | 1,683        | 1,270        |
| Other contingent liabilities         | 2,577        | 1,816        |
| <b>Total contingent liabilities</b>  | <b>4,260</b> | <b>3,085</b> |

## Definitions

### Use of key ratios not defined in IFRS

The Loomis Group's accounts are prepared in accordance with IFRS. See page 10 for more information on accounting principles. Only a few key ratios are defined in IFRS. As of the second quarter 2016, Loomis is applying the Alternative Performance Measures issued by ESMA (European Securities and Markets Authority). Briefly, an alternative key ratio is a financial measurement of historical or future earnings development, financial position or cash flow, not defined or specified in IFRS. To assist Group Management and other stakeholders in their analysis of

the Group's performance, Loomis is reporting certain key ratios not defined by IFRS. Group Management believes that this information will facilitate an analysis of the Group's performance. This data supplements the IFRS information and does not replace the key ratios defined in IFRS. Loomis' definitions of measurements not defined in IFRS may differ from definitions used by other companies. All of Loomis' definitions are included below. Key ratio calculations that cannot be checked against items in the statement of income and balance sheet can be found on page 2.

|                                                                             |                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Gross margin, %</b>                                                      | Gross income as a percentage of total revenue.                                                                                                                                                                                                                                                                                                                |
| <b>Operating income (EBITA)</b>                                             | Earnings Before Interest, Taxes, Amortization of acquisition-related intangible fixed assets, Acquisition-related costs and revenue and Items affecting comparability.                                                                                                                                                                                        |
| <b>Operating margin (EBITA), %</b>                                          | Earnings Before Interest, Taxes, Amortization of acquisition-related intangible fixed assets, Acquisition-related costs and revenue and Items affecting comparability, as a percentage of revenue.                                                                                                                                                            |
| <b>Operating income (EBITDA)</b>                                            | Earnings Before Interest, Taxes, Depreciation, Amortization of acquisition-related intangible fixed assets, Acquisition-related costs and revenue and Items affecting comparability.                                                                                                                                                                          |
| <b>Operating income (EBIT)</b>                                              | Earnings Before Interest and Tax.                                                                                                                                                                                                                                                                                                                             |
| <b>Items affecting comparability</b>                                        | Items affecting comparability are reported events and transactions whose impact are important to note when the period's results are compared with previous periods, such as capital gains and capital losses from divestments of significant cash generating units, material write-downs or other significant items affecting comparability.                  |
| <b>Real growth, %</b>                                                       | Increase in revenue for the period, adjusted for changes in exchange rates, as a percentage of the previous year's revenue.                                                                                                                                                                                                                                   |
| <b>Organic growth, %</b>                                                    | Increase in revenue for the period, adjusted for acquisition/divestitures and changes in exchange rates, as a percentage of the previous year's revenue adjusted for divestitures.                                                                                                                                                                            |
| <b>Total growth, %</b>                                                      | Increase in revenue for the period as a percentage of the previous year's revenue.                                                                                                                                                                                                                                                                            |
| <b>Net margin, %</b>                                                        | Net income for the period after tax as a percentage of total revenue.                                                                                                                                                                                                                                                                                         |
| <b>Earnings per share before dilution</b>                                   | Net income for the period in relation to the average number of outstanding shares during the period. Calculation for: Oct–Dec 2018: $387/75,226,032 \times 1,000,000 = 5.14$ . Oct–Dec 2017: $436/75,226,032 \times 1,000,000 = 5.79$ . Jan–Dec 2018: $1,538/75,226,032 \times 1,000,000 = 20.45$ . Jan–Dec 2017: $1,428/75,226,032 \times 1,000,000 = 18.99$ |
| <b>Earnings per share after dilution</b>                                    | Calculation for: Oct–Dec 2018: $387/75,226,032 \times 1,000,000 = 5.14$ . Oct–Dec 2017: $436/75,226,032 \times 1,000,000 = 5.79$ . Jan–Dec 2018: $1,538/75,226,032 \times 1,000,000 = 20.45$ . Jan–Dec 2017: $1,428/75,226,032 \times 1,000,000 = 18.99$                                                                                                      |
| <b>Cash flow from operations per share</b>                                  | Cash flow for the period from operations in relation to the number of shares after dilution.                                                                                                                                                                                                                                                                  |
| <b>Investments in relation to depreciation</b>                              | Investments in fixed assets, net, for the period, in relation to depreciation.                                                                                                                                                                                                                                                                                |
| <b>Investments as a % of total revenue</b>                                  | Investments in fixed assets, net, for the period, as a percentage of total revenue.                                                                                                                                                                                                                                                                           |
| <b>Shareholders' equity per share</b>                                       | Shareholders' equity in relation to the number of shares after dilution.                                                                                                                                                                                                                                                                                      |
| <b>Cash flow from operating activities as % of operating income (EBITA)</b> | Cash flow for the period before financial items, income tax, items affecting comparability, acquisitions and divestitures of operations and financing activities, as a percentage of operating income (EBITA).                                                                                                                                                |
| <b>Return on equity, %</b>                                                  | Net income for the period as a percentage of the closing balance of shareholders' equity.                                                                                                                                                                                                                                                                     |
| <b>Return on capital employed, %</b>                                        | Operating income (EBITA) as a percentage of the closing balance of capital employed.                                                                                                                                                                                                                                                                          |
| <b>Equity ratio, %</b>                                                      | Shareholders' equity as a percentage of total assets.                                                                                                                                                                                                                                                                                                         |
| <b>Net debt</b>                                                             | Interest-bearing liabilities less interest-bearing assets and liquid funds.                                                                                                                                                                                                                                                                                   |
| <b>n/a</b>                                                                  | Not applicable.                                                                                                                                                                                                                                                                                                                                               |
| <b>Other</b>                                                                | Amounts in tables and other combined amounts have been rounded off on an individual basis. Minor differences due to this rounding-off, may, therefore, appear in the totals.                                                                                                                                                                                  |

## Loomis in brief

### Vision

Managing cash in society.

### Financial targets 2018-2021

- Revenue: SEK 24 billion by 2021.
- Operating margin (EBITA): 12–14 percent.
- Dividend: 40–60 percent of net income.

### Sustainability targets

- Zero workplace injuries.
- Decrease carbon emission by 30 percent by 2021.
- Decrease plastic volumes by 30 percent by 2021.

### Operations

Loomis offers secure and effective comprehensive solutions for the distribution, handling, storage and recycling of cash and other valuables. Loomis' customers are banks, retailers and other companies. Loomis operates through an international network of around 400 branches in more than 20 countries. Loomis employs around 25,000 people and had revenue in 2018 of SEK 19.2 billion. Loomis is listed on Nasdaq Stockholm Large-Cap list.

### Telephone conference and audio cast

A telephone conference will be held on January 30, 2019 at 09:00 a.m. (CET).

To follow the conference call via telephone and to participate in the question and answer session, please call:

UK: 0 844 822 8902

USA: 1 917 720 0181

Sweden: +46 8 566 184 30

Provide conference ID number: Loomis, 8278163.

The audio cast can be followed at our website [www.loomis.com](http://www.loomis.com) (follow "Financial presentation").

A recorded version of the audio cast will be available at [www.loomis.com](http://www.loomis.com) (follow "Financial presentation") after the telephone conference.

### Future reporting and AGM

|                |                     |                  |
|----------------|---------------------|------------------|
| Interim report | January – March     | April 25, 2019   |
| Interim report | January – June      | July 25, 2019    |
| Interim report | January – September | November 1, 2019 |

Loomis' Annual Report for 2018 will be available at [www.loomis.com](http://www.loomis.com) in April 2019.

Loomis' Annual General meeting will be held on May 8, 2019 in Stockholm.

### For further information

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Questions can also be sent to: [ir@loomis.com](mailto:ir@loomis.com). Refer also to the Loomis website: [www.loomis.com](http://www.loomis.com)

This information is information that Loomis AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08.00 a.m. (CET) on January 30, 2019.

