



Interim Report

January – March 2018

Managing **cash** in society.



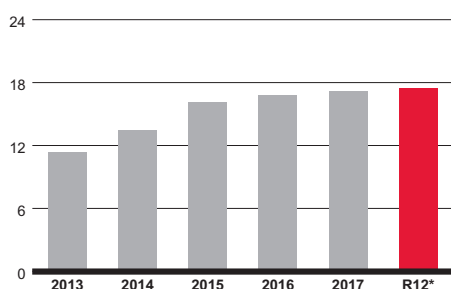
January – March 2018

- Revenue SEK 4,486 million (4,279). Real growth 8 percent (3) and organic growth 3 percent (3).
- Operating income (EBITA)¹⁾ SEK 472 million (462) and operating margin 10.5 percent (10.8).
- Income before taxes SEK 425 million (405) and income after taxes SEK 318 million (290).
- Earnings per share before and after dilution SEK 4.22 (3.85).
- Cash flow from operating activities SEK 271 million (315), equivalent to 57 percent (68) of operating income (EBITA).

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

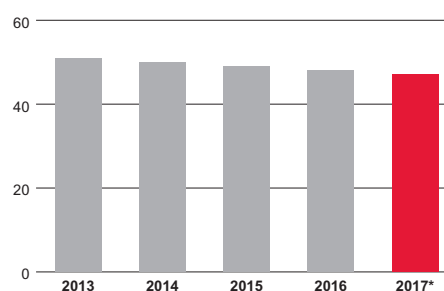
Loomis' financial targets

Revenue
SEK 24 billion 2021



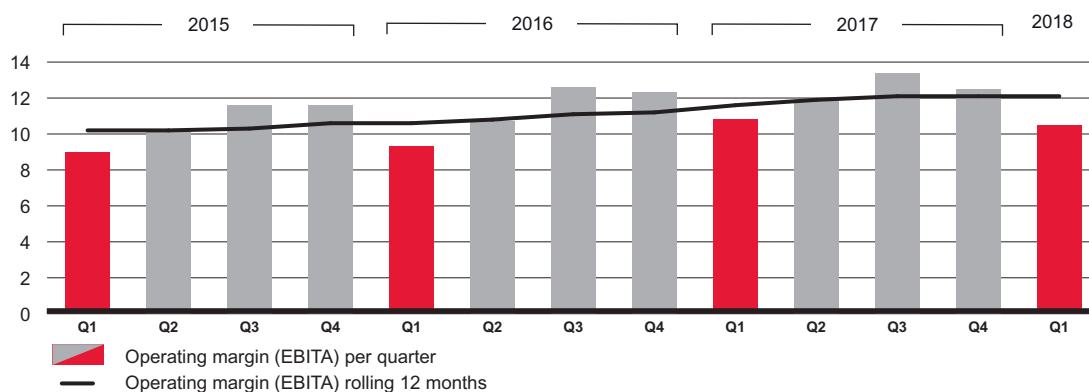
*For the period April 1 2017 – March 31 2018.

Annual Dividend, %
40–60% of the Group's net income



*Dividend proposal for the 2018 Annual General Meeting.

Operating margin (EBITA), %
12–14%



Comments by the President and CEO



The Group's organic growth during the first quarter of 2018 was 3 percent (3) and was mainly attributable to high growth in our operations in the USA, Turkey and Argentina. I was also happy to see good growth in several other European countries, including Spain, Portugal and Austria. Just after the end of the quarter we signed a new and important customer contract in France. The contract in France is with a new customer for whom we have, in line with our strategy, developed technical solutions. The solution improves efficiency in the cash handling processes for both the customer and for us. Revenue from the French contract will amount to around SEK 25 million on an annual basis.

The Group's operating margin (EBITA) amounted to 10.5 percent (10.8). Several factors adversely affected the operating margin in the quarter. The most significant being the ongoing restructuring programs in France and Sweden where we have incurred costs in order to align the operations to the changed market conditions. The fact that there were fewer work days in the quarter also had an impact. Parts of Easter fell in March this year whereas in 2017 it was fully in April. Fewer work days means fewer deliveries to and from our CIT customers and less cash to process at our cash centers.

In the USA we continued to advance our positions in both CIT and CMS. CIT grew as an effect of increased market share at the same time as volumes in CMS and SafePoint continued to increase. We believe that our strong focus on customers and our highly ambitious quality strategy are important contributing factors in sustaining our strong growth. Organic growth in the quarter amounted to 8 percent (6). Revenue from SafePoint increased

during the quarter by around 18 percent, compared with the corresponding period in 2017. In the first quarter of 2018 we installed 880 new units, making a total of 23,655 units installed at our customers' locations. The operating margin in the USA amounted to 14.0 percent (12.6), which shows that the constant and ongoing efficiency improvement work at our branches continues to yield results, at the same time as revenue from our high-margin products in CMS and SafePoint continues to increase.

Organic growth in Segment Europe amounted to –1 percent (1) during the quarter, the same as in the fourth quarter of 2017. Good growth was sustained in Spain, Portugal, Turkey and Argentina, but Austria also showed good growth during the quarter. These countries could not, however, fully compensate for the developments in Sweden and France and the fact that there were fewer work days. The replacement of bank notes and coins in Sweden was largely completed in the third quarter of 2017 and this negatively affected our organic growth in the first quarter of this year. In the summer of 2017 we lost volumes in France from a few of our bigger customers and we therefore expect growth in France to be somewhat negative until summer 2018. Our operating margin in Segment Europe was 9.6 percent (11.4) for the quarter. The lower operating margin is mainly attributable to fewer work days and the comprehensive restructuring programs under way in France and Sweden. We expect the ongoing restructuring programs to reach their full effect at the end of 2018. If adjusting for fewer work days, non-recurring items, and the during the quarter acquired German operation, the operating margin for the segment was in line with the corresponding quarter last year.

In Segment International organic growth was 0 percent (2). The operating margin developed in a positive direction, reaching 7.7 percent (4.6) and, similar to the previous quarter, the main reason for this improvement is increased profitability in our precious metals storage operations. Demand for cross-border transportation of bank notes and precious metals remained low during the quarter, but we believe that the negative market trend we have seen in recent years has now ended.

We are now prioritizing our new strategy plan. It is an ambitious plan, there is still a lot of work to do but we have a strong foundation to build from in order to achieve our goals for 2021.

Patrik Andersson
President and CEO

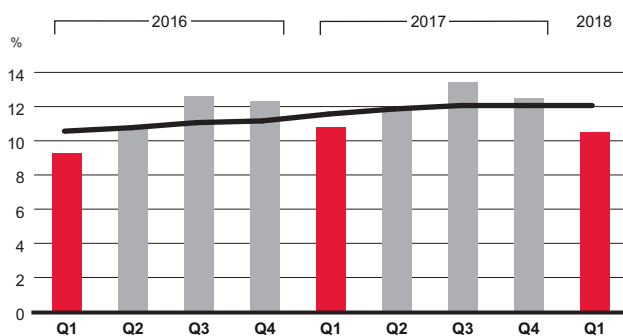
The Group and the segments in brief

	2018	2017	2017	R12
SEK m	Jan – Mar	Jan – Mar	Full year	
Group total				
Revenue	4,486	4,279	17,228	17,435
Real growth, %	8	3	3	5
Organic growth, %	3	3	2	2
Operating income (EBITA) ¹⁾	472	462	2,093	2,104
Operating margin, %	10.5	10.8	12.1	12.1
Earnings per share before dilution, SEK ²⁾	4.22	3.85	18.99	19.36
Earnings per share after dilution, SEK	4.22	3.85	18.99	19.36
Cash flow from operating activities as % of operating income (EBITA)	57	68	84	81
Segment				
Europe				
Revenue	2,340	2,105	8,728	8,962
Real growth, %	9	6	5	5
Organic growth, %	–1	1	0	0
Operating income (EBITA) ¹⁾	224	240	1,175	1,159
Operating margin, %	9.6	11.4	13.5	12.9
USA				
Revenue	1,940	1,966	7,688	7,662
Real growth, %	8	6	6	7
Organic growth, %	8	6	6	7
Operating income (EBITA) ¹⁾	272	248	1,009	1,033
Operating margin, %	14.0	12.6	13.1	13.5
International				
Revenue	222	224	878	876
Real growth, %	2	–32	–24	–15
Organic growth, %	0	2	–6	–6
Operating income (EBITA) ¹⁾	17	10	61	68
Operating margin, %	7.7	4.6	6.9	7.7

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

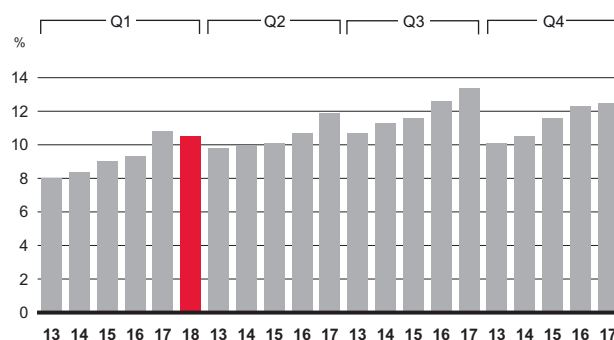
2) The number of outstanding shares, which constitutes the basis for calculation of earnings per share before dilution, is 75,226,032. The number of treasury shares amount to 53,797.

Operating margin (EBITA)



■ Operating margin (EBITA)
— Operating margin(EBITA) rolling 12 months

Operating margin (EBITA)



■ Operating margin (EBITA) per quarter

Revenue and earnings

	2018	2017	2017	R12
SEK m	Jan – Mar	Jan – Mar	Full year	
Revenue	4,486	4,279	17,228	17,435
Operating income (EBITA) ¹⁾	472	462	2,093	2,104
Operating income (EBIT)	450	432	1,992	2,009
Income before taxes	425	405	1,882	1,902
Net income for the period	318	290	1,428	1,456
KEY RATIOS				
Real growth, %	8	3	3	5
Organic growth, %	3	3	2	2
Operating margin, %	10.5	10.8	12.1	12.1
Tax rate, %	25	28	24	23
Earnings per share after dilution, SEK	4.22	3.85	18.99	19.36

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

January – March 2018

Revenue for the quarter amounted to SEK 4,486 million (4,279). Organic growth was 3 percent (3) and real growth was 8 percent (3). Similar to previous periods, organic growth is mainly attributable to continued good growth in both CIT and CMS in the USA. Sales also increased in several countries in the European segment where Spain, Turkey, Argentina, Portugal and Austria showed good growth. Organic growth was adversely affected during the quarter by fewer work days in most countries, compared to the previous year, as well as by the developments in Sweden and France. Parts of Easter fell in March this year whereas it was fully in April in 2017, which meant fewer work days for the first quarter in 2018 compared to 2017. The replacement of bank notes and coins in Sweden was largely completed in the third quarter of 2017 and this adversely affected organic growth during the quarter. The underlying volumes in the Nordic countries are declining slightly overall. In the summer of 2017 some volumes were lost among a few of our bigger French customers and we therefore expect growth in France to be somewhat negative until summer 2018. The acquisitions made in Finland, Chile and Germany in 2017 and 2018 had a positive impact on real growth.

The operating income (EBITA) amounted to SEK 472 million (462) and the operating margin was 10.5 percent (10.8). At comparable exchange rates the income improvement was around SEK 33 million. The ongoing restructuring programs in France and Sweden combined with fewer work days in the European countries are the main explanations for the lower margin. The restructuring programs that are under way are expected to have their full effect at the end of 2018. In the USA an increase in the number of installed SafePoint units, economies of scale from increased CMS volumes and improved efficiency in both CIT and CMS have had a positive impact on the operating margin.

The operating income for the quarter (EBIT) amounted to SEK 450 million (432). Amortization of acquisition-related intangible assets for the quarter amounted to SEK –17 million (–15) and acquisition-related costs to SEK –6 million (–15).

Income before tax of SEK 425 million (405) includes a net financial expense of SEK –25 million (–27).

The tax expense for the quarter amounted to SEK –107 million (–115), which represents a tax rate of 25 percent (28). The US tax reform passed in December 2017 had a positive effect on the tax rate for the period.

Earnings per share after dilution amounted to SEK 4.22 (3.85).

The segments

EUROPE

	2018	2017	2017	R12
SEK m	Jan – Mar	Jan – Mar	Full year	
Revenue	2,340	2,105	8,728	8,962
Real growth, %	9	6	5	5
Organic growth, %	–1	1	0	0
Operating income (EBITA) ¹⁾	224	240	1,175	1,159
Operating margin, %	9.6	11.4	13.5	12.9

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

Revenue and operating income – Segment Europe January – March 2018

Revenue for Segment Europe for the quarter amounted to SEK 2,340 million (2,105) and organic growth was –1 percent (1). Spain, Portugal, Argentina and Turkey were the main countries to demonstrate good organic growth during the quarter, but Austria also made a positive contribution. Sweden completed its replacement of bank notes and coins in the third quarter of 2017 and this had a negative impact on organic growth during the quarter. It is expected that volumes will continue to fall slightly in the Nordic countries as a whole as well. Organic growth in France initially developed in a negative direction in the second quarter of 2017 due to the increasingly tough competitive climate there. Volumes in France have been falling since then and growth in France is expected to remain negative until the summer of this year. The real growth of 9 percent (6) includes revenue generated by the operations acquired of the past 12 months in Finland, Chile and Germany.

The operating income (EBITA) amounted to SEK 224 million (240) and the operating margin was 9.6 percent (11.4). The lower margin is explained by lower volumes, mainly in France and Sweden, but there were also fewer work days in the quarter compared to the same period in 2017. This was because parts of Easter fell in March whereas it was fully in April the previous year. An restructuring program is under way in France to compensate for the lower volumes there and the full effect of this is expected to be reached at the end of 2018. Similar programs are in progress in the Nordic countries to adapt the operations there to lower volumes. The previously reported positive trend in the UK continued during the quarter.

USA

	2018	2017	2017	R12
SEK m	Jan – Mar	Jan – Mar	Full year	
Revenue	1,940	1,966	7,688	7,662
Real growth, %	8	6	6	7
Organic growth, %	8	6	6	7
Operating income (EBITA) ¹⁾	272	248	1,009	1,033
Operating margin, %	14.0	12.6	13.1	13.5

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

Revenue and operating income – Segment USA**January – March 2018**

Revenue for Segment USA for the quarter amounted to SEK 1,940 million (1,966) and both real growth and organic growth amounted to 8 percent (6). Growth for the quarter is explained by increased revenue in both CIT and CMS. Increased revenue from SafePoint is the reason for a large share of the growth in CMS. Revenue for the quarter from SafePoint 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 for the quarter but did not significantly affect the operating income.

The share of revenue from CMS during the quarter amounted to 33 percent (32) of the segment's total revenue.

The operating income (EBITA) amounted to SEK 272 million (248) and the operating margin was 14.0 percent (12.6). As in previous quarters, the main explanations for the improved operating margin are the increased number of installed SafePoint units, economies of scale achieved due to increased CMS volumes and the constant efforts to improve efficiency which continue to yield results. The profitability improvement is also explained by improved efficiency in CIT thanks to strong growth.

INTERNATIONAL

	2018	2017	2017	R12
SEK m	Jan – Mar	Jan – Mar	Full year	
Revenue	222	224	878	876
Real growth, %	2	–32	–24	–15
Organic growth, %	0	2	–6	–6
Operating income (EBITA) ¹⁾	17	10	61	68
Operating margin, %	7.7	4.6	6.9	7.7

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

Revenue and operating income – Segment International

January – March 2018

Revenue for Segment International amounted to SEK 222 million compared to SEK 224 million for the first quarter the previous year and real growth was 2 percent (–32). The previous year's negative real growth was related to the divested general cargo operations. Demand for cross-border transportation of bank notes and precious metals remained low during the quarter, but we believe that the negative market trend we have seen in recent years has now ended. Organic growth amounted to 0 percent (2).

The operating income (EBITA) amounted to SEK 17 million (10) and the operating margin was 7.7 percent (4.6). The improved operating margin for the quarter is mainly explained by increased earnings within the precious metals storage operations.

Cash flow

STATEMENT OF CASH FLOWS

	2018	2017	2017	R12
SEK m	Jan–Mar	Jan–Mar	Full year	
Operating income (EBITA) ¹⁾	472	462	2,093	2,104
Depreciation	285	293	1,124	1,117
Change in accounts receivable	71	35	–165	–128
Change in other working capital and other items	–202	–226	–145	–121
Cash flow from operating activities before investments	628	564	2,908	2,971
Investments in fixed assets, net	–357	–249	–1,152	–1,259
Cash flow from operating activities	271	315	1,756	1,712
Financial items paid and received	–16	–20	–111	–108
Income tax paid	–76	–65	–403	–414
Free cash flow	179	230	1,242	1,190
Cash flow effect of items affecting comparability	0	0	–1	–1
Acquisition of operations ²⁾	–162	–34	–467	–595
Acquisition-related costs/revenue, paid/received ³⁾	–10	–30	–80	–60
Dividend paid	–	–	–602	–602
Change in interest-bearing net debt excl. liquid funds	–42	19	–117	–178
Change in commercial papers issued and other long-term borrowing	49	–38	231	318
Cash flow for the period	12	147	207	72
Liquid funds at beginning of period	839	663	663	806
Exchange rate differences in liquid funds	16	–4	–31	–12
Liquid funds at end of period	867	806	839	867
KEY RATIOS				
Cash flow from operating activities as a % of operating income (EBITA)	57	68	84	81
Investments in relation to depreciation	1.3	0.9	1.0	1.1
Investments as a % of total revenue	8.0	5.8	6.7	7.2

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

2) Refers to acquisition-related transaction, restructuring and integration costs.

Cash flow

January – March 2018

Cash flow from operating activities was SEK 271 million (315), equivalent to 57 percent (68) of operating income (EBITA). Similar to previous years, the effect on cash flow of the changes in other working capital and other items was negative in the first quarter because large payments for items such as personnel costs and insurance premiums are normally made during this period. Positive effects of changes in working capital on cash flow normally occur during the latter part of the year.

Net investments in fixed assets for the period amounted to SEK 357 million (249), which can be compared to depreciation of fixed assets of SEK 285 million (293). Investments of SEK 100 million (132) were made during the period in vehicles, safety equipment and SafePoint. In addition, SEK 144 million (74) was invested in buildings, machinery and similar equipment.

The amount of income tax paid in the quarter was SEK 76 million compared to SEK 65 million for the corresponding quarter the previous year.

Capital employed and financing

CAPITAL EMPLOYED AND FINANCING

	2018	2017	2017
	Mar 31	Mar 31	Dec 31
SEK m			
Operating capital employed	5,374	4,799	4,866
Goodwill	5,838	5,647	5,615
Acquisition-related intangible assets	405	267	349
Other capital employed	–23	37	30
Capital employed	11,594	10,750	10,860
Net debt	3,947	3,930	3,823
Shareholders' equity	7,647	6,820	7,037
Key ratios			
<i>Return on capital employed, %</i>	18	18	19
<i>Return on equity, %</i>	19	19	20
<i>Equity ratio, %</i>	47	45	46
<i>Net debt/EBITDA</i>	1.23	1.27	1.19

Capital employed

Capital employed amounted to SEK 11,594 million (10,860 as of December 31, 2017). Return on capital employed amounted to 18 percent (19 as of December 31, 2017).

Equity and financing

Shareholders' equity amounted to SEK 7,647 million (7,037 as of December 31, 2017). Return on equity was 19 percent (20 on December 31, 2017) and the equity ratio was 47 percent (46 as of December 31, 2017). The increase in shareholders' equity is mainly a consequence of the net income of SEK 318 million for the period and the fact that weak SEK development – primarily in relation to EUR and GBP – increased the value of the Group's net assets in foreign currencies. Implementation of IFRS 15 reduced equity by SEK 15 million.

Net debt amounted to SEK 3,947 million (3,823 as of December 31, 2017). The net debt/EBITDA ratio amounted to 1.23 on March 31, 2018 (1.19 as of December 31, 2017).

Acquisitions

	Consolidated as of	Segment	Acquired share ¹⁾ %	Annual revenue SEK m	Number of employ- ees	Purchase price SEK m	Goodwill SEK m	Acquisition- related intangible assets SEK m	Other acquired net assets SEK m
Opening balance, January 1, 2018							5,615	349	
Acquisition of KÖTTER Geld- und Wertdienste SE & CO. KG ⁶⁾	January	Europe	100	443 ²⁾	800	146 ⁴⁾	40 ⁷⁾	58	48
Other acquisitions ⁶⁾	January/ February	International/ Europe	100	46 ³⁾	28	16 ⁵⁾	23 ⁸⁾	0	-7
Total acquisitions January – March 2018							63	58	40
Amortization of acquisition-related intangible assets							–	-17	
Translation differences							160	15	
Closing balance March 31, 2018							5,838	405	

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 at the acquisition date.

3) Annual revenue translated to SEK million at the acquisition date.

4) Purchase price on a cash/debt free basis (enterprise value) amounted to approximately SEK 171 million at the acquisition date.

5) Purchase prices on a cash/debt free basis (enterprise value) amounted to approximately SEK 23 million at the acquisition date.

6) The acquisition analyses are preliminary and subject to final adjustment no later than one year from the acquisition date.

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

8) Goodwill arising in connection with the acquisitions are primarily attributable to markets and synergy effects. Any impairment is not tax deductible.

Acquisitions in January – March 2018

On January 17, 2018 Loomis announced its acquisition of all of the shares in the limited partnership company KÖTTER Geld und Wertdienste SE & Co. KG (“KGW”), which will be separated from the KÖTTER Group. KGW offers domestic cash handling services and its head office is in Essen, Germany. The enterprise value amounted to around SEK 171 million. The acquired operations are reported in Segment Europe and are consolidated into Loomis’ accounts as of the closing date January 22, 2018. The purchase price was paid on closing. After acquisition and integration costs, the acquisition is expected to have a marginally negative impact on Loomis’ earnings per share for 2018.

In January and February Loomis made two small acquisitions, one in Segment International and one in Segment Europe. The total enterprise value of the acquisitions was around SEK 23 million. The acquisitions are not expected to have a material impact on Loomis’ earnings per share for 2018.

Significant events and number of full-time employees

Significant events during the period

The Board of Directors of Loomis AB has decided to propose that a resolution be passed at the 2018 Annual General Meeting regarding an incentive scheme (Incentive Scheme 2018). Similar to Incentive Scheme 2017, the proposed incentive scheme will involve two thirds of the variable remuneration being paid out in cash in the year after it is earned. The remaining one third will be allotted to participants in the form of Class B shares in Loomis AB 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. The principles for performance measurement and other general principles that already apply to existing Incentive Schemes will still apply. Loomis AB will not issue any new shares or similar instruments in connection with this Incentive Scheme. To enable Loomis to allot these shares, it is proposed that Loomis AB enters into a share swap agreement with a third party under which the third party will acquire the Loomis shares in its own name and transfer them to the incentive scheme participants. The Incentive Scheme will enable around 350 key individuals within the Loomis Group to become shareholders in Loomis AB over time. This will increase employee commitment to Loomis' development for the benefit of all shareholders.

Significant events during the period

On February 14 this year Loomis announced that Kristoffer Wadman will take up the post as Chief Innovation Officer by June 1 this year, that Anders Haker, the current CFO, will take up a new post as Chief Investor Relations Officer in the third quarter this year and that Kristian Aceby will take over as CFO in the third quarter of this year. Kristoffer Wadman and Kristian Aceby will both join Group Management.

Number of full-time employees

The average number of full-time employees for the rolling twelve-month period was 23,200 (22,800 for the full year 2017). Of these, around 12,800 employees work within Segment Europe, around 10,000 within Segment USA and around 400 are employed within Segment International.

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 which 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 risks, such as operational disruptions and extended stoppages of systems linked to operating activities, as well as risks linked to the installation of new systems.
- Risk of changed behavioral patterns relating to purchases and payments.
- 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 risk: 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 risks 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 pertaining 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 2016 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 trend in the first quarter of 2018 impacted certain geographic areas negatively, and it cannot be ruled out that Loomis' revenue and income for the remainder of 2018 may be negatively impacted as a result of this. Changes in general economic conditions and market trends can 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, as well as 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 "Other significant events" on page 15, 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.

Parent Company

SUMMARY STATEMENT OF INCOME

	2018	2017	2017
SEK m	Jan–Mar	Jan–Mar	Full year
Revenue	130	131	512
Operating income (EBIT)	74	94	324
Income after financial items	48	152	1,012
Net income for the period	46	125	880

SUMMARY BALANCE SHEET

	2018	2017	2017
SEK m	Mar 31	Mar 31	Dec 31
Fixed assets	9,900	9,504	9,791
Current assets	1,095	1,133	973
Total assets	10,994	10,637	10,765
Shareholders' equity ¹⁾	5,237	5,037	5,158
Liabilities	5,757	5,600	5,607
Total shareholders' equity and liabilities	10,994	10,637	10,765

1) The number of Class B treasury shares was 53,797.

The Parent Company does not engage in any operating activities. It is only involved in Group management and support functions. The average number of full-time employees at the head office during the quarter was 21 (18).

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

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

Other significant events

For critical estimates and assessments as well as contingent liabilities, please refer to pages 77–78 and 103 of the 2017 Annual Report. As there have been no other significant changes compared to what is described in the Annual Report, no further comments have been made on such matters in this interim 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 1–31, and pages 1–15 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.

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 additional information below. 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 which were previously recognized as revenue but which are now defined as contract assets 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 above mentioned sold SafePoint units. These contract liabilities are recognized on the lines "Non-interest-bearing current assets" and "Non-interest-bearing provisions". The total effect on equity as a result of the IFRS 15 implementation was a reduction in shareholders' equity by SEK 15 million.

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.

Outlook for 2018

The Company is not providing any forecast information for 2018.

Stockholm, May 3, 2018

Patrik Andersson
President and CEO
Board member

This interim report has not been subject to a review by the Company's auditors.

Financial reports in brief

STATEMENT OF INCOME

	2018	2017	2017	2016	R12
SEK m	Jan–Mar	Jan–Mar	Full year	Full year	
Revenue, continuing operations	4,274	4,163	16,824	16,485	16,935
Revenue, acquisitions	212	116	404	315	500
Total revenue	4,486	4,279	17,228	16,800	17,435
Production expenses	–3,323	–3,172	–12,533	–12,493	–12,684
Gross income	1,162	1,106	4,695	4,307	4,751
Selling and administration expenses	–690	–645	–2,602	–2,417	–2,647
Operating income (EBITA)¹⁾	472	462	2,093	1,890	2,104
Amortization of acquisition-related intangible assets	–17	–15	–55	–62	–57
Acquisition-related costs and revenue	–6 ²⁾	–15 ²⁾	–47	–56	–37
Items affecting comparability	–	–	–	81 ³⁾	–
Operating income (EBIT)	450	432	1,992	1,852	2,009
Net financial items	–25	–27	–109	–117	–107
Income before taxes	425	405	1,882	1,735	1,902
Income tax	–107	–115	–454	–477	–446
Net income for the period⁴⁾	318	290	1,428	1,258	1,456
KEY RATIOS					
Real growth, %	8	3	3	5	5
Organic growth, %	3	3	2	5	2
Operating margin (EBITA), %	10.5	10.8	12.1	11.2	12.1
Tax rate, %	25	28	24	27	23
Earnings per share before dilution, SEK ⁵⁾	4.22	3.85	18.99	16.73	19.36
Earnings per share after dilution, SEK	4.22	3.85	18.99	16.73	19.36

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–March 2018, refer to transaction costs of SEK –4 million (–2), restructuring costs of SEK –1 million (–7) and integration costs of SEK –1 million (–6). Transaction costs for the period January–March 2018 amount to SEK –3 million for acquisitions in progress, to SEK –1 million for completed acquisitions and to SEK 0 million for discontinued acquisitions.

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

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

5) For further information please refer to page 22.

STATEMENT OF COMPREHENSIVE INCOME

	2018	2017	2017	2016	R12
SEK m	Jan–Mar	Jan–Mar	Full year	Full year	
Net income for the period	318	290	1,428	1,258	1,456
Other comprehensive income					
Items that will not be reclassified to the statement of income					
Actuarial gains and losses after tax	82	–28	17	–183	126
Items that may be reclassified to the statement of income					
Exchange rate differences	258	–89	–631	402	–284
Hedging of net investments, net of tax	–39	27	179	–159	113
Effect from IFRS 15	–15	–	–	–	–15
Other comprehensive income and expenses for the period, net after tax	286	–90	–435	61	–60
Total comprehensive income for the period¹⁾	603	199	993	1,319	1,397

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

Financial reports in brief

BALANCE SHEET

	2018	2017	2017	2016
SEK m	Mar 31	Mar 31	Dec 31	Dec 31
ASSETS				
Fixed assets				
Goodwill	5,838	5,647	5,615	5,626
Acquisition-related intangible assets	405	267	349	261
Other intangible assets	104	109	102	114
Tangible fixed assets	5,121	4,693	4,689	4,709
Non-interest-bearing financial fixed assets	476	467	459	454
Interest-bearing financial fixed assets ¹⁾	115	81	96	80
Total fixed assets	12,059	11,263	11,311	11,245
Current assets				
Non-interest-bearing current assets ²⁾	3,174	3,049	2,952	2,907
Interest-bearing financial current assets ¹⁾	14	22	62	54
Liquid funds	867	806	839	663
Total current assets	4,056	3,877	3,852	3,624
TOTAL ASSETS	16,115	15,140	15,164	14,869
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity³⁾	7,647	6,820	7,037	6,647
Long-term liabilities				
Interest-bearing long-term liabilities	4,764	4,042	4,745	3,972
Non-interest-bearing provisions	767	738	630	729
Total long-term liabilities	5,530	4,781	5,376	4,701
Current liabilities				
Tax liabilities	195	178	180	122
Non-interest-bearing current liabilities	2,563	2,564	2,496	2,645
Interest-bearing current liabilities	179	796	75	754
Total current liabilities	2,937	3,539	2,751	3,521
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	16,115	15,140	15,164	14,869
KEY RATIOS				
Return of shareholders' equity, %	19	19	20	19
Return of capital employed, %	18	18	19	18
Equity ratio, %	47	45	46	45
Net debt	3,947	3,930	3,823	3,929
Net debt/EBITDA	1.23	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.

3) Shareholders' equity in its entirety is attributable to the owners of the Parent Company.

Financial reports in brief

CHANGE IN SHAREHOLDERS' EQUITY

	2018	2017	2017	2016	R12
SEK m	Jan–Mar	Jan–Mar	Full year	Full year	
Opening balance	7,037	6,647	6,647	5,843	6,820
Actuarial gains and losses after tax	82	–28	17	–183	126
Exchange rate differences	258	–89	–631	402	–284
Hedging of net investments, net of tax	–39	27	179	–159	113
Effect from IFRS 15	–15	–	–	–	–15
Total other comprehensive income	286	–90	–435	61	–60
Net income for the period	318	290	1,428	1,258	1,456
Total comprehensive income	603	199	993	1,319	1,397
Dividend paid to Parent Company's shareholders	–	–	–602	–527	–602
Share-related remuneration	7	–26	–1	11	32
Closing balance	7,647	6,820	7,037	6,647	7,647

NUMBER OF SHARES AS OF MARCH 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
Total no. of shares		75,279,829	106,136,509		376
Total Class B treasury shares	1	–53,797	–53,797		
Total no. of outstanding shares		75,226,032	106,082,712		

CONTINGENT LIABILITIES

	2018	2017	2017	2016
SEK m	Mar 31	Mar 31	Dec 31	Dec 31
Securities and guarantees	3,443	3,221	3,235	3,262
Other contingent liabilities	16	14	11	14
Total contingent liabilities	3,459	3,235	3,246	3,276

CONTINGENT LIABILITIES, PARENT COMPANY

	2018	2017	2017	2016
SEK m	Mar 31	Mar 31	Dec 31	Dec 31
Guaranteed committed bank facilities	1,331	1,255	1,270	1,802
Other contingent liabilities	1,963	1,808	1,816	1,298
Total contingent liabilities	3,294	3,063	3,085	3,100

Financial reports in brief

STATEMENT OF CASH FLOWS

	2018	2017	2017	2016	R12
SEK m	Jan – Mar	Jan – Mar	Full year	Full year	
Income before taxes	425	405	1,882	1,735	1,902
Items not affecting cash flow, items affecting comparability and acquisition-related costs ¹⁾	306	300	1,143	1,117	1,150
Income tax paid	–76	–65	–403	–326	–414
Change in accounts receivable	71	35	–165	–53	–128
Change in other operating capital employed and other items	–202	–226	–145	192	–121
Cash flow from operations	525	449	2,313	2,665	2,389
Cash flow from investment activities	–519	–283	–1,619	–1,175	–1,855
Cash flow from financing activities	7	–18	–487	–1,510	–462
Cash flow for the period	12	147	207	–20	72
Liquid funds at beginning of the period	839	663	663	654	806
Translation differences in liquid funds	16	–4	–31	28	–12
Liquid funds at end of period	867	806	839	663	867

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

STATEMENT OF CASH FLOWS, ADDITIONAL INFORMATION

	2018	2017	2017	2016	R12
SEK m	Jan – Mar	Jan – Mar	Full year	Full year	
Operating income (EBITA)	472	462	2,093	1,890	2,104
Depreciation	285	293	1,124	1,105	1,117
Change in accounts receivable	71	35	–165	–53	–128
Change in other operating capital employed and other items	–202	–226	–145	192	–121
Cash flow from operating activities before investments	628	564	2,908	3,134	2,971
Investments in fixed assets, net	–357	–249	–1,152	–1,120	–1,259
Cash flow from operating activities	271	315	1,756	2,013	1,712
Financial items paid and received	–16	–20	–111	–117	–108
Income tax paid	–76	–65	–403	–326	–414
Free cash flow	179	230	1,242	1,570	1,190
Cash flow effect of items affecting comparability	0	0	–1	138	–1
Acquisition of operations ¹⁾	–162	–34	–467	–201	–595
Acquisition-related costs and revenue, paid and received ²⁾	–10	–30	–80	–17	–60
Dividend paid	–	–	–602	–527	–602
Change in interest-bearing net debt excluding liquid funds	–42	19	–117	–168	–178
Change in commercial papers issued and other long-term borrowing	49	–38	231	–816	318
Cash flow for the period	12	147	207	–20	72
KEY RATIOS					
<i>Cash flow from operating activities as % of operating income (EBITA)</i>	<i>57</i>	<i>68</i>	<i>84</i>	<i>107</i>	<i>81</i>
<i>Investments in relation to depreciation</i>	<i>1.3</i>	<i>0.9</i>	<i>1.0</i>	<i>1.0</i>	<i>1.1</i>
<i>Investments as a % of total revenue</i>	<i>8.0</i>	<i>5.8</i>	<i>6.7</i>	<i>6.7</i>	<i>7.2</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.

Financial reports in brief

SEGMENT OVERVIEW REVENUE

January - March 2018 (SEK m)	Europe	USA	International	Other	Eliminations	Total
Cash in transit (CIT)	1,725	1,276	–	–	–	3,002
Cash management services (CMS)	544	638	–	–	–	1,182
International	–	–	217	–	–	217
Other	61	24	–	–	–	85
Revenue, internal	10	2	5	–	–16	–
Total revenue	2,340	1,940	222	–	–16	4,486

Timing of revenue recognition, external

At a point in time	133	12	215	–	–	360
Over time	2,197	1,926	2	–	–	4,126

SEGMENT OVERVIEW STATEMENT OF INCOME

	Europe	USA	International	Other ¹⁾	Eliminations	Total
SEK m	Jan – Mar 2018	Jan – Mar 2018	Jan – Mar 2018	Jan – Mar 2018	Jan – Mar 2018	Jan – Mar 2018
Revenue, continuing operations	2,132	1,940	218	–	–16	4,274
Revenue, acquisitions	208	–	4	–	–	212
Total revenue	2,340	1,940	222	–	–16	4,486
Production expenses	–1,768	–1,400	–179	–	24	–3,323
Gross income	572	541	43	–	8	1,162
Selling and administrative expenses	–347	–269	–26	–41	–8	–690
Operating income (EBITA)	224	272	17	–41	–	472
Amortization of acquisition-related intangible assets	–10	–3	–4	–	–	–17
Acquisition-related costs	–3	0	–	–2	–	–6
Operating income (EBIT)	211	268	13	–43	–	450

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

SEGMENT OVERVIEW STATEMENT OF INCOME

	Europe	USA	International	Other ¹⁾	Eliminations	Total
SEK m	Jan – Mar 2017	Jan – Mar 2017	Jan – Mar 2017	Jan – Mar 2017	Jan – Mar 2017	Jan – Mar 2017
Revenue, continuing operations	1,989	1,966	224	–	–17	4,163
Revenue, acquisitions	116	–	–	–	–	116
Total revenue	2,105	1,966	224	–	–17	4,279
Production expenses	–1,563	–1,446	–188	–	25	–3,172
Gross income	542	520	36	–	8	1,106
Selling and administrative expenses	–302	–272	–25	–37	–8	–645
Operating income (EBITA)	240	248	10	–37	–	462
Amortization of acquisition-related intangible assets	–7	–4	–4	–	–	–15
Acquisition-related costs	–13	0	–	–2	–	–15
Operating income (EBIT)	220	244	6	–38	–	432

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	2017	2016	R12
SEK m	Jan – Mar	Jan – Mar	Full year	Full year	
Europe					
Revenue	2,340	2,105	8,728	8,384	8,962
Real growth, %	9	6	5	3	5
Organic growth, %	–1	1	0	0	0
Operating income (EBITA)	224	240	1,175	1,119	1,159
Operating margin (EBITA), %	9.6	11.4	13.5	13.4	12.9
USA					
Revenue	1,940	1,966	7,688	7,325	7,662
Real growth, %	8	6	6	12	7
Organic growth, %	8	6	6	11	7
Operating income (EBITA)	272	248	1,009	842	1,033
Operating margin (EBITA), %	14.0	12.6	13.1	11.5	13.5
International¹⁾					
Revenue	222	224	878	1,149	876
Real growth, %	2	–32	–24	–17	–15
Organic growth, %	0	2	–6	0	–6
Operating income (EBITA)	17	10	61	77	68
Operating margin (EBITA), %	7.7	4.6	6.9	6.7	7.7
Other²⁾					
Revenue	–	–	–	–	–
Operating income (EBITA)	–41	–37	–152	–149	–156
Eliminations					
Revenue	–16	–17	–66	–58	–66
Operating income (EBITA)	–	–	–	–	–
Group total					
Revenue	4,486	4,279	17,228	16,800	17,435
Real growth, %	8	3	3	5	5
Organic growth, %	3	3	2	5	2
Operating income (EBITA)	472	462	2,093	1,890	2,104
Operating margin (EBITA), %	10.5	10.8	12.1	11.2	12.1

1) As of July 1, 2016, the general cargo operations were divested. The comparative figures have not been adjusted.

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

Financial reports in brief

ORGANIC AND REAL GROWTH

	2018	2017	2017	2016	R12
SEK m	Jan – Mar	Jan – Mar	Full year	Full year	
Previous year's revenue	4,279	4,032	16,800	16,097	17,047
Organic growth ¹⁾	135	116	397	731	416
Acquired revenue	212	116	404	315	500
Divestments	–	–115	–239	–257	–124
Real growth	347	117	562	789	792
Change in foreign currency	–140	130	–134	–86	–404
Revenue for the period	4,486	4,279	17,228	16,800	17,435

1) For definition of organic growth, see page 29.

KEY RATIOS

	2018	2017	2017	2016	R12
	Jan – Mar	Jan – Mar	Full year	Full year	
Real growth, %	8	3	3	5	5
Organic growth, %	3	3	2	5	2
Total growth, %	5	6	3	4	2
Gross margin, %	25.9	25.9	27.3	25.6	27.3
Selling and administration expenses in % of total revenue	–15.4	–15.1	–15.1	–14.4	–15.2
Operating margin (EBITA), %	10.5	10.8	12.1	11.2	12.1
Tax rate, %	25	28	24	27	23
Net margin, %	7.1	6.8	8.3	7.5	8.4
Return of shareholders' equity, %	19	19	20	19	19
Return of capital employed, %	18	18	19	18	18
Equity ratio, %	47	45	46	45	47
Net debt (SEK m)	3,947	3,930	3,823	3,929	3,947
Net debt/EBITDA	1.23	1.27	1.19	1.31	1.23
Cash flow from operating activities as % of operating income (EBITA)	57	68	84	107	81
Investments in relation to depreciation	1.3	0.9	1.0	1.0	1.1
Investments as a % of total revenue	8.0	5.8	6.7	6.7	7.2
Earnings per share before dilution, SEK ¹⁾	4.22	3.85	18.99	16.73	19.36
Earnings per share after dilution, SEK	4.22	3.85	18.99	16.73	19.36
Shareholders' equity per share after dilution, SEK	101.66	90.66	93.55	88.36	101.66
Cash flow from operating activities per share after dilution, SEK	6.98	5.97	30.75	35.43	31.76
Dividend per share, SEK	–	–	8.00	7.00	8.00
Number of outstanding shares (millions)	75.2	75.2	75.2	75.2	75.2
Average number of outstanding shares (millions) ¹⁾	75.2	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.

Financial reports in brief

STATEMENT OF INCOME – BY QUARTER

	2018	2017				2016			
SEK m	Jan–Mar	Oct–Dec	Jul–Sep	Apr–Jun	Jan–Mar	Oct–Dec	Jul–Sep	Apr–Jun	Jan–Mar
Revenue, continuing operations	4,274	4,285	4,154	4,222	4,163	4,305	4,126	4,088	3,966
Revenue, acquisitions	212	73	92	124	116	115	75	59	66
Total revenue	4,486	4,358	4,246	4,346	4,279	4,421	4,200	4,147	4,032
Production expenses	–3,323	–3,150	–3,034	–3,176	–3,172	–3,210	–3,075	–3,121	–3,087
Gross income	1,162	1,208	1,211	1,169	1,106	1,211	1,126	1,026	944
Selling and administration expenses	–690	–664	–641	–652	–645	–668	–598	–582	–569
Operating income (EBITA)	472	544	570	517	462	543	528	444	376
Amortization of acquisition-related intangible assets	–17	–15	–12	–14	–15	–15	–15	–16	–16
Acquisition-related costs and revenue ¹⁾	–6	–8	–10	–14	–15	–15	–32	–3	–5
Items affecting comparability	–	–	–	–	–	–	81 ²⁾	–	–
Operating income (EBIT)	450	522	549	489	432	512	561	424	355
Net financial items	–25	–26	–30	–26	–27	–35	–28	–26	–28
Income before taxes	425	496	518	463	405	477	533	398	327
Income tax	–107	–60	–147	–131	–115	–135	–141	–112	–88
Net income for the period	318	436	371	332	290	342	391	286	239
KEY RATIOS									
Real growth, %	8	3	5	2	3	4	2	8	7
Organic growth, %	3	2	3	2	3	4	3	6	5
Operating margin (EBITA), %	10.5	12.5	13.4	11.9	10.8	12.3	12.6	10.7	9.3
Tax rate, %	25	12	28	28	28	28	27	28	27
Earnings per share after dilution (SEK)	4.22	5.79	4.93	4.41	3.85	4.55	5.20	3.81	3.17

1) Acquisition-related costs and revenue for the period January–March 2018, refer to transaction costs of SEK –4 million (–2), restructuring costs of SEK –1 million (–7) and integration costs of SEK –1 million (–6). Transaction costs for the period January–March 2018 amount to SEK –3 million for acquisitions in progress, to SEK –1 million for completed acquisitions and to SEK 0 million for discontinued acquisitions.

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

Financial reports in brief

BALANCE SHEET – BY QUARTER

	2018	2017				2016			
SEK m	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
ASSETS									
Fixed assets									
Goodwill	5,838	5,615	5,420	5,469	5,647	5,626	5,474	5,459	5,286
Acquisition-related intangible assets	405	349	300	249	267	261	282	318	326
Other intangible assets	104	102	97	109	109	114	115	118	113
Tangible fixed assets	5,121	4,689	4,495	4,575	4,693	4,709	4,582	4,294	4,138
Non interest-bearing financial fixed assets	476	459	437	446	467	454	653	559	519
Interest-bearing financial fixed assets	115	96	87	81	81	80	96	88	77
Total fixed assets	12,059	11,311	10,836	10,929	11,263	11,245	11,202	10,836	10,458
Current assets									
Non interest-bearing current assets	3,174	2,952	3,024	3,077	3,049	2,907	2,954	2,987	2,906
Interest-bearing financial current assets	14	62	20	96	22	54	26	32	98
Liquid funds	867	839	872	492	806	663	507	700	653
Total current assets	4,056	3,852	3,916	3,665	3,877	3,624	3,487	3,719	3,657
TOTAL ASSETS	16,115	15,164	14,752	14,594	15,140	14,869	14,690	14,555	14,115
SHAREHOLDERS' EQUITY AND LIABILITIES									
Shareholders' equity	7,647	7,037	6,576	6,361	6,820	6,647	5,926	5,633	5,791
Long-term liabilities									
Interest-bearing long-term liabilities	4,764	4,745	4,196	4,280	4,042	3,972	5,141	5,499	5,120
Non interest-bearing provisions	767	630	714	710	738	729	768	752	737
Total long-term liabilities	5,530	5,376	4,909	4,990	4,781	4,701	5,910	6,251	5,857
Current liabilities									
Tax liabilities	195	180	122	135	178	122	117	136	145
Non interest-bearing current liabilities	2,563	2,496	2,487	2,502	2,564	2,645	2,464	2,397	2,220
Interest-bearing current liabilities	179	75	657	606	796	754	273	138	103
Total current liabilities	2,937	2,751	3,266	3,243	3,539	3,521	2,854	2,672	2,467
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	16,115	15,164	14,752	14,594	15,140	14,869	14,690	14,555	14,115
KEY RATIOS									
Return of shareholders' equity, %	19	20	20	21	19	19	21	20	19
Return of capital employed, %	18	19	20	19	18	18	17	17	17
Equity ratio, %	47	46	45	44	45	45	40	39	41
Net debt	3,947	3,823	3,873	4,217	3,930	3,929	4,784	4,817	4,395
Net debt/EBITDA	1.23	1.19	1.20	1.32	1.27	1.31	1.65	1.68	1.57

Financial reports in brief

CASH FLOW – BY QUARTER

	2018	2017				2016			
SEK m	Jan–Mar	Oct–Dec	Jul–Sep	Apr–Jun	Jan–Mar	Oct–Dec	Jul–Sep	Apr–Jun	Jan–Mar
Additional information									
Operating income (EBITA)	472	544	570	517	462	543	528	444	376
Depreciation	285	273	273	285	293	286	278	269	271
Change in accounts receivable	71	15	–129	–85	35	78	–74	–43	–14
Change in other operating capital employed and other items	–202	39	43	–1	–226	261	87	164	–320
Cash flow from operating activities before investments	628	871	757	715	564	1,168	818	834	313
Investments in fixed assets, net	–357	–389	–236	–278	–249	–301	–282	–321	–217
Cash flow from operating activities	271	482	522	437	315	867	536	513	96
Financial items paid and received	–16	–41	–27	–24	–20	–49	–23	–24	–22
Income tax paid	–76	–53	–67	–218	–65	–57	–99	–118	–53
Free cash flow	179	388	427	196	230	762	414	372	22
Cash flow effect of items affecting comparability	0	0	0	0	0	1	138	0	0
Acquisition of operations ¹⁾	–162	–254	–179	–	–34	–23	–175	–2	–1
Acquisition-related costs / revenue, paid /received ²⁾	–10	–16	–18	–16	–30	–11	4	–3	–7
Dividend paid	–	–	–	–602	–	–	–	–527	–
Change in interest-bearing net debt excl. liquid funds	–42	–126	191	–201	19	–189	–55	33	43
Change in commercial papers issued and other long-term borrowing	49	–25	–30	324	–38	–394	–530	158	–50
Cash flow for the period	12	–34	392	–299	147	146	–204	31	7
KEY RATIOS									
Cash flow from operating activities as % of operating income (EBITA)	57	89	91	85	68	160	102	116	26
Investments in relation to depreciation	1.3	1.4	0.9	1.0	0.9	1.0	1.0	1.2	0.8
Investments as a % of total revenue	8.0	8.9	5.6	6.4	5.8	6.8	6.7	7.7	5.4

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 the period July–September 2016, this item includes an escrow repayment for the acquisition of Cardtronics' cash handling operations in the UK in 2015.

Financial reports in brief

SEGMENT OVERVIEW STATEMENT OF INCOME – BY QUARTER

	2018	2017				2016			
SEK m	Jan–Mar	Oct–Dec	Jul–Sep	Apr–Jun	Jan–Mar	Oct–Dec	Jul–Sep	Apr–Jun	Jan–Mar
Europe									
Revenue	2,340	2,225	2,199	2,198	2,105	2,214	2,162	2,035	1,974
Real growth, %	9	2	4	7	6	4	2	2	3
Organic growth, %	–1	–1	0	1	1	0	0	1	1
Operating income (EBITA)	224	297	350	287	240	324	335	262	199
Operating margin (EBITA), %	9.6	13.4	15.9	13.1	11.4	14.6	15.5	12.9	10.1
USA									
Revenue	1,940	1,925	1,852	1,945	1,966	1,968	1,826	1,774	1,757
Real growth, %	8	7	8	5	6	9	10	14	16
Organic growth, %	8	7	8	5	6	8	9	13	14
Operating income (EBITA)	272	267	242	252	248	239	208	199	197
Operating margin (EBITA), %	14.0	13.9	13.1	13.0	12.6	12.1	11.4	11.2	11.2
International²⁾									
Revenue	222	223	210	221	224	252	231	348	318
Real growth, %	2	–8	–7	–38	–32	–30	–38	6	–9
Organic growth, %	0	–8	–7	–8	2	6	–2	6	–9
Operating income (EBITA)	17	19	15	17	10	20	22	19	16
Operating margin (EBITA), %	7.7	8.6	7.1	7.5	4.6	8.1	9.3	5.5	5.1
Other³⁾									
Revenue	–	–	–	–	–	–	–	–	–
Operating income (EBITA)	–41	–40	–37	–39	–37	–40	–36	–36	–36
Eliminations									
Revenue	–16	–15	–16	–18	–17	–13	–19	–10	–17
Operating income (EBITA)	–	–	–	–	–	–	–	–	–
Group total									
Revenue	4,486	4,358	4,246	4,346	4,279	4,421	4,200	4,147	4,032
Real growth, %	8	3	5	2	3	4	2	8	7
Organic growth, %	3	2	3	2	3	4	3	6	5
Operating income (EBITA)	472	544	570	517	462	543	528	444	376
Operating margin (EBITA), %	10.5	12.5	13.4	11.9	10.8	12.3	12.6	10.7	9.3

1) As of July 1, 2016, the general cargo operations were divested. The comparative figures have not been adjusted.

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

Financial reports in brief

SEGMENT OVERVIEW BALANCE SHEET – BY QUARTER

	2018	2017				2016			
SEK m	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
Europe									
Assets	7,209	6,550	6,171	6,019	5,898	5,701	5,780	5,330	5,266
Liabilities	2,267	2,259	2,297	2,266	2,337	2,365	2,540	2,159	2,012
USA									
Assets	6,506	6,301	6,266	6,375	6,652	6,719	6,482	6,371	5,996
Liabilities	696	700	573	607	568	733	574	622	459
International¹⁾									
Assets	1,271	1,167	1,182	1,247	1,278	1,241	1,242	1,460	1,427
Liabilities	234	220	220	237	253	216	236	398	353
Other²⁾									
Assets	1,129	1,146	1,133	953	1,312	1,208	1,186	1,394	1,426
Liabilities	5,271	4,948	5,086	5,123	5,162	4,908	5,414	5,743	5,500
Shareholder's equity	7,647	7,037	6,576	6,361	6,820	6,647	5,926	5,633	5,791
Group total									
Assets	16,115	15,164	14,752	14,594	15,140	14,869	14,690	14,555	14,115
Liabilities	8,468	8,127	8,176	8,233	8,320	8,222	8,764	8,922	8,324
Shareholder's equity	7,647	7,037	6,576	6,361	6,820	6,647	5,926	5,633	5,791

1) As of July 1, 2016, the general cargo operations were divested. The comparative figures have not been adjusted.

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

QUARTERLY DATA

	2018	2017				2016			
SEK m	Jan–Mar	Oct–Dec	Jul–Sep	Apr–Jun	Jan–Mar	Oct–Dec	Jul–Sep	Apr–Jun	Jan–Mar
Cash flow									
Operations	525	761	645	458	449	1,051	692	690	232
Investment activities	–519	–643	–414	–278	–283	–323	–311	–324	–217
Financing activities	7	–151	161	–479	–18	–582	–585	–335	–7
Cash flow for the period	12	–34	392	–299	147	146	–204	31	7
Capital employed and financing									
Operating capital employed	5,374	4,866	4,708	4,748	4,799	4,615	4,806	4,526	4,477
Goodwill	5,838	5,615	5,420	5,469	5,647	5,626	5,474	5,459	5,286
Acquisition-related intangible assets	405	349	300	249	267	261	282	318	326
Other capital employed	–23	30	21	112	37	74	148	146	96
Capital employed	11,594	10,860	10,450	10,578	10,750	10,576	10,710	10,450	10,186
Net debt	3,947	3,823	3,873	4,217	3,930	3,929	4,784	4,817	4,395
Shareholders' equity	7,647	7,037	6,576	6,361	6,820	6,647	5,926	5,633	5,791
Key ratios									
Return of shareholders' equity, %	19	20	20	21	19	19	21	20	19
Return of capital employed, %	18	19	20	19	18	18	17	17	17
Equity ratio, %	47	46	45	44	45	45	40	39	41
Net debt/EBITDA	1.23	1.19	1.20	1.32	1.27	1.31	1.65	1.68	1.57

Financial reports in brief

KEY RATIOS – BY QUARTER

	2018	2017				2016			
	Jan–Mar	Dec 31	Jul–Sep	Apr–Jun	Jan–Mar	Oct–Dec	Jul–Sep	Apr–Jun	Jan–Mar
Real growth, %	8	3	5	2	3	4	2	8	7
Organic growth, %	3	2	3	2	3	4	3	6	5
Total growth, %	5	–1	1	5	6	7	1	5	5
Gross margin, %	25.9	27.7	28.5	26.9	25.9	27.4	26.8	24.7	23.4
Selling and administration expenses in % of total revenue	–15.4	–15.2	–15.1	–15.0	–15.1	–15.1	–14.2	–14.0	–14.1
Operating margin (EBITA), %	10.5	12.5	13.4	11.9	10.8	12.3	12.6	10.7	9.3
Tax rate, %	25	12	28	28	28	28	27	28	27
Net margin, %	7.1	10.0	8.7	7.6	6.8	7.7	9.3	6.9	5.9
Return of shareholders' equity, %	19	20	20	21	19	19	21	20	19
Return of capital employed, %	18	19	20	19	18	18	17	17	17
Equity ratio, %	47	46	45	44	45	45	40	39	41
Net debt (SEK m)	3,947	3,823	3,873	4,217	3,930	3,929	4,784	4,817	4,395
Net debt/EBITDA	1.23	1.19	1.20	1.32	1.27	1.31	1.65	1.68	1.57
Cash flow from operating activities as % of operating income (EBITA)	57	89	91	85	68	160	102	116	26
Investments in relation to depreciation	1.3	1.4	0.9	1.0	0.9	1.0	1.0	1.2	0.8
Investments as a % of total revenue	8.0	8.9	5.6	6.4	5.8	6.8	6.7	7.7	5.4
Earnings per share before dilution, SEK ¹⁾	4.22	5.79	4.93	4.41	3.85	4.55	5.20	3.81	3.17
Earnings per share after dilution, SEK	4.22	5.79	4.93	4.41	3.85	4.55	5.20	3.81	3.17
Shareholders' equity per share after dilution, SEK	101.66	93.55	87.42	84.56	90.66	88.36	78.77	74.88	76.98
Cash flow from operations per share after dilution, SEK	6.98	10.11	8.58	6.09	5.97	13.97	9.20	9.17	3.08
Dividend per share, SEK	–	–	–	8.00	–	–	–	7.00	–
Number of outstanding shares (millions)	75.2	75.2	75.2	75.2	75.2	75.2	75.2	75.2	75.2
Average number of outstanding shares (millions) ¹⁾	75.2	75.2	75.2	75.2	75.2	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.

Definitions

Use of key ratios not defined in IFRS

The Loomis Group's accounts are prepared in accordance with IFRS. See page 16 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

Gross margin, %

Gross income as a percentage of total revenue.

Operating income (EBITA)

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

Operating margin (EBITA), %

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.

Operating income (EBITDA)

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

Operating income (EBIT)

Earnings Before Interest and Tax.

Real growth, %

Increase in revenue for the period, adjusted for changes in exchange rates, as a percentage of the previous year's revenue.

Organic growth, %

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.

Total growth, %

Increase in revenue for the period as a percentage of the previous year's revenue.

Net margin, %

Net income for the period after tax as a percentage of total revenue.

Earnings per share before dilution

Net income for the period in relation to the average number of outstanding shares during the period.

Calculation for:

Jan–Mar 2018: $318/75,226,032 \times 1,000,000 = 4.22$

Jan–Mar 2017: $290/75,226,032 \times 1,000,000 = 3.85$

Earnings per share after dilution

Calculation for:

Jan–Mar 2018: $318/75,226,032 \times 1,000,000 = 4.22$

Jan–Mar 2017: $290/75,226,032 \times 1,000,000 = 3.85$

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 22.

Cash flow from operations per share

Cash flow for the period from operations in relation to the number of shares after dilution.

Investments in relation to depreciation

Investments in fixed assets, net, for the period, in relation to depreciation.

Investments as a % of total revenue

Investments in fixed assets, net, for the period, as a percentage of total revenue.

Shareholders' equity per share

Shareholders' equity in relation to the number of shares after dilution.

Cash flow from operating activities as % of operating income (EBITA)

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).

Return on equity, %

Net income for the period (rolling 12 months) as a percentage of the closing balance of shareholders' equity.

Return on capital employed, %

Operating income (EBITA) (rolling 12 months) as a percentage of the closing balance of capital employed.

Equity ratio, %

Shareholders' equity as a percentage of total assets.

Net debt

Interest-bearing liabilities less interest-bearing assets and liquid funds.

R12

Rolling 12 months period (April 2017 up to and including March 2018).

n/a

Not applicable.

Other

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

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

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 24,000 people and had revenue in 2017 of SEK 17.2 billion. Loomis is listed on Nasdaq Stockholm Large-Cap list.

Telephone conference and audio cast

A telephone conference will be held on May 4, 2018 at 09:30 a.m. (CEST).

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

UK: 08445718892

USA: 1 631 510 7495

Sweden: +46 8 506 921 80

Provide conference ID number: Loomis, 5769236.

The audio cast can be followed at our website www.loomis.com (follow “Financial presentation May 3”).

A recorded version of the audio cast will be available at www.loomis.com (follow “Financial presentation May 3”) after the telephone conference.

Future reporting and meeting

Interim report	January – June	July 25, 2018
Interim report	January – September	November 2, 2018
Full-year report	January – December	January 30, 2019

Loomis’ Annual General meeting will be held on May 3, 2018 in Stockholm.

For further information

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Questions can also be sent to: ir@loomis.com. Refer also to the Loomis website: 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 persons set out above, at 3.00 p.m. (CEST) on May 3, 2018.



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