Interim Report

January–September 2019

Managing **cash** in society.

LOOMIS

July – September 2019

- Revenue SEK 5,492 million (4,918). Real growth 6 percent (8) of which organic growth 3 percent (2).
- Operating income (EBITA)[1] SEK 737 million (626) and operating margin 13.4 percent (12.7).
- Income before tax SEK 660 million (565) and income after tax SEK 492 million (422).
- Earnings per share before and after dilution SEK 6.54 (5.61).
- Cash flow[2] from operating activities SEK 712 million (430), equivalent to 99 percent (69) of operating income (EBITA)[2].

January – September 2019

- Revenue SEK 15,702 million (14,212). Real growth 5 percent (8) of which organic growth 3 percent (3).
- Operating income (EBITA)[1] SEK 1,908 million (1,608) and operating margin 12.2 percent (11.3).
- Income before taxes SEK 1,658 million (1,542) and income after taxes SEK 1,239 million (1,151).
- Earnings per share before and after dilution SEK 16.47 (15.30).
- Cash flow[2] from operating activities SEK 1,732 million (1,156), equivalent to 93 percent (72) of operating income (EBITA)[2].

1) Earnings Before Interest, Taxes and Amortization of acquisition-related intangible fixed assets, acquisition-related costs and revenue, and items affecting comparability.
2) Cash flow from operating activities is reported excluding the impact from IFRS 16. The adaption of IFRS 16 has therefore had no net impact on cash flow from operating activities according to Loomis' definition. Cash flow from operating activities is consequently reported on the same basis as in 2018. For further information please refer to definitions on page 23.

KEY RATIOS

	2019	2018		2019	2018	
SEK m	**Jul–Sep**	**Jul–Sep**	**Change (%)**	**Jan–Sep**	**Jan–Sep**	**Change (%)**
Revenue	**5,492**	**4,918**	***12***	**15,702**	**14,212**	***10***
Of which:						
Organic growth	136	100	*3*	367	353	*3*
Acquisitions and divestments	169	239	*3*	365	657	*3*
Exchange rate effects	269	333	*5*	758	332	*5*
Total growth	**575**	**672**	***12***	**1,491**	**1,341**	***10***
Operating income (EBITA)	**737[1]**	**626**	***18***	**1,908[1]**	**1,608**	***19***
Operating margin (EBITA), %	*13.4[1]*	*12.7*		*12.2[1]*	*11.3*	
Operating income (EBIT)	700	592	*18*	1,813	1,618	*12*
Earnings before tax	660	565	*17*	1,658	1,542	*8*
Net income for the period	492	422	*17*	1,239	1,151	*8*
Earnings per share, SEK	6.54[1]	5.61	*17*	16.47[1]	15.30	*8*
Tax rate, %	*25*	*25*		*25*	*25*	
Cash flow from operating activities[2]	712	430	*66*	1,732	1,156	*50*
Cash flow from operating activities as % of operating income (EBITA)[2]	*99*	*69*		*93*	*72*	

1) For information regarding the IFRS 16 impact, see Note 7.
2) Cash flow from operating activities is reported excluding the impact from IFRS 16. The adaption of IFRS 16 has therefore had no net impact on cash flow from operating activities according to Loomis' definition. Cash flow from operating activities is consequently reported on the same basis as in 2018. For further information please refer to definitions on page 23.

Comments by the President and CEO

The third quarter progressed at a fast pace. At the end of July the acquisition of Prosegur's French operations was concluded and we immediately started the integration process. The acquired operations complement our own – both in terms of customers and branch locations. This means that there are significant opportunities to create synergies and our aim is for the integration process to be fully completed towards the end of next year. Similar to most other countries in Europe, France is now a market that essentially has only two providers.

In the third quarter the Group's real growth remained good at 6 percent (8), of which organic growth accounted for 3 percent (2). The positive organic growth that started in Segment Europe at the end of 2018 is continuing. Many countries are contributing to this growth and I would in particular like to mention Spain, Belgium, Turkey and our operations in South America. I am also pleased that organic growth in France has continued for the second consecutive quarter.

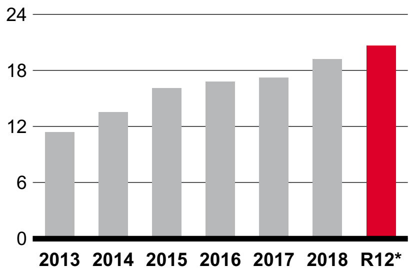
Similar to the second quarter this year, organic growth in the USA for the domestic cash in transit operations (CIT) and cash management services (CMS) was slightly lower than the corresponding period in 2018, but we believe that there is still good growth potential for CMS and SafePoint. Around 60 percent of CMS work in the US is still conducted by banks and the potential for additional outsourcing is therefore significant. The combined market penetration of SafePoint in the USA is below 20 percent. We believe that we are the market leader in the segment and that we can offer the best solutions to customers. Our revenue from SafePoint grew by almost 17 percent in the USA, during the quarter.

The Group's operating margin (EBITA %) in the third quarter amounted to 13.4 percent (12.7). The introduction of IFRS 16 had a positive effect of 0.2 percentage points. Both the USA and Europe continue to deliver improved profitability. In the USA higher revenue from SafePoint and CMS, as well as efficiency improvement programs at the branches, are the main drivers for the continued strong earnings. In Europe several countries are contributing through higher operating margins, and the acquisition of CPoR, completed just before year-end 2018, is also helping to raise profitability. The comprehensive restructuring program in France in 2018 continues to contribute to earnings growth. The acquisition of Prosegur's French operations, on the other hand, had a negative impact on the Group's operating margin. Once the integration process is completed and synergies can be realized, we believe that margins will improve for the French operations as a whole. Our German operations did not reach expected results during the quarter and had a diluting effect on the Group's operating margin.

At the beginning of September we held a capital markets day in London. The event was well-attended and information was provided during the day about the business performance in relation to the targets and the strategy launched in 2017 for the 2018–2021 period. The main themes were showing that Loomis is well on the way to reaching its 2021 financial targets and a presentation of additional growth opportunities beyond the CIT and CMS business areas. These include service offerings for physical foreign exchange (FX), ATM management and digital payment solutions. In stage one we are focusing on the markets in Europe before exporting our offerings to other markets. The European market for FX is considered to be around SEK 10 billion and Loomis currently has a limited share. The aim is for Loomis's annual revenue to reach SEK 1 billion over the next three years. The transition of the

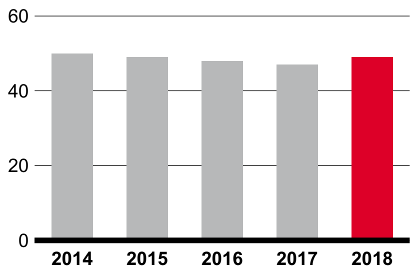
Loomis' financial targets

Revenue
SEK 24 billion 2021

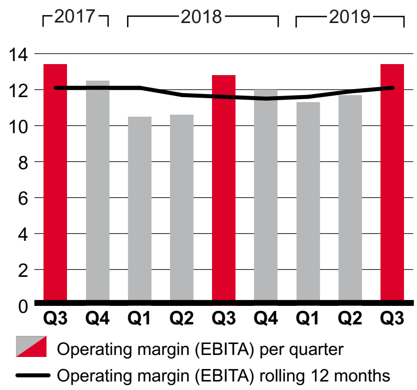


*Refers to the period October 1 2018–September 30 2019

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



Operating margin (EBITA), %
12–14%



ATM market is also presenting good opportunities for Loomis. The European market is expected to be around SEK 10 billion. Our goal in the next five-year period is to reach a market share of 20 percent with annual revenue of SEK 2 billion.

At the capital markets day we also provided several examples of our commitment to meeting our sustainability targets. Both our carbon emissions and plastics use are being reduced according to plan. Our efforts are producing good results that are contributing to sustainable development, but the solutions will also have a positive impact on Loomis' profitability.

Patrik Andersson
President and CEO

Group – Revenue and earnings

July – September 2019

Revenue for the quarter amounted to SEK 5,492 million (4,918). Real growth was 6 percent (8) and organic growth was 3 percent (2). The acquisition of CPoR in France in December 2018 and of Prosegur Cash's French operations in July 2019 had a positive impact on real growth. Sales also increased in several countries in the European segment, where Spain, Belgium, Turkey and the operations in South America showed good growth. The growth rate for CIT and CMS in the USA was slightly lower than in the corresponding period in 2018.

The operating income (EBITA) amounted to SEK 737 million (626) and the operating margin was 13.4 percent (12.7). At comparable exchange rates the income improvement was around SEK 83 million, of which the effect of IFRS 16 amounted to around SEK +14 million. The restructuring programs implemented in 2018 in France and Sweden have had a positive effect on the operating margin. The acquisition of CPoR has also lifted the operating margin, while the acquisition of Prosegur Cash's French operations slowed the positive development of the operating margin. The operating margin in the USA was positively impacted by a greater share of revenue relating to SafePoint, higher efficiency at the branches and the restructuring program that is underway in the international segment.

The operating income (EBIT) for the quarter amounted to SEK 700 million (592), which includes amortization of acquisition-related intangible assets of SEK –25 million (–22) and acquisition-related costs of SEK –8 million (–12).

Income before tax of SEK 660 million (565) includes a net financial expense of SEK –32 million (–24), of which the effect of IFRS 16 amounted to around SEK –27 million. Net financial items were positively affected during the quarter by a revaluation of USD assets in Argentina. The tax expense for the quarter amounted to SEK –168 million (–142), which represents a tax rate of 25 percent (25).

Earnings per share after dilution amounted to SEK 6.54 (5.61). The total effect on earnings per share as a result of IFRS 16 entering into force was SEK –0.13 in the third quarter this year.

January – September 2019

Revenue for the nine-month period amounted to SEK 15,702 million compared to SEK 14,212 million for the corresponding period the previous year. The acquisitions made in France and the acquisition made in June 2018 in Chile had a positive impact on real growth of 5 percent (8). The organic growth was 3 percent (3). Growth continued in the European segment, where Spain, Belgium, Turkey and the operations in South America are the main contributors. Growth in Turkey and Argentina is mainly attributable to increased CIT volumes. Growth in the USA, which was lower than in the corresponding period the previous year, was mainly negatively affected at the beginning of 2019 by the ongoing restructuring of the international operations and by a slightly lower growth rate for CIT and CMS.

The operating income (EBITA) amounted to SEK 1,908 (1,608) million and the operating margin improved to 12.2 percent (11.3). At comparable exchange rates the income improvement was around SEK 220 million, of which the effect of IFRS 16 amounted to around SEK +39 million. The restructuring programs in France and Sweden implemented in 2018 have had a positive effect on the operating margin for the period. More installed SafePoint units in the USA continue to improve profitability and ongoing efficiency improvements at the branches are also producing good results. The restructuring programs under way within the international operations in the USA have also helped to raise the operating margin.

The operating income for the period (EBIT), which amounted to SEK 1,813 million (1,618), includes amortization of acquisition-related intangible assets of SEK –75 million (–61) and acquisition-related costs of SEK –44 million (–27). The nine-month period of 2019 also includes an item affecting comparability of SEK 24 million (98), which mainly relates to reported capital gains of SEK 33 million from the divestment of the Artcare art logistics and storage operations. For the corresponding period in 2018 a positive item affecting comparability of SEK 98 million was reported, consisting mainly of a positive non-recurring item relating to the revaluation of the UK pension obligation of SEK 178 million, as well as impairment of goodwill in two operations within the European segment.

Income before tax of SEK 1,658 million (1,542) includes a net financial expense of SEK –133 million (–72), of which the effect of IFRS 16 amounted to around SEK –79 million. The tax expense for the period amounted to SEK –419 million (–391), which represents a tax rate of 25 percent (25).

Earnings per share after dilution amounted to SEK 16.47 (15.30). The total effect on earnings per share in the first nine months of the year as a result of IFRS 16 entering into force was SEK –0.39.

Segment Europe – Revenue and operating income

	2019	2018	2019	2018	R12	2018
SEK m	**Jul–Sep**	**Jul–Sep**	**Jan–Sep**	**Jan–Sep**		**Full year**
Revenue	3,023	2,701	8,555	7,826	11,241	10,511
Real growth, %	*10*	*9*	*8*	*8*	*8*	*8*
Organic growth, %	*3*	*–1*	*3*	*–1*	*2*	*–1*
Operating income (EBITA)[1]	449	381	1,072	904	1,405	1,238
Operating margin, %	*14.9*	*14.1*	*12.5*	*11.6*	*12.5*	*11.8*
Number of full-time employees	*15,600*	*15,100*	*15,100*	*14,400*	*15,000*	*14,600*

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

July – September 2019

Revenue for the quarter amounted to SEK 3,023 million (2,701). The real growth of 10 percent (9) was positively affected by revenue attributable to the acquisition of CPoR in France in December 2018 and of Prosegur Cash's French operations in July 2019. Our organic growth was 3 percent (–1). Spain, Belgium, Turkey and the operations in South America continued to show good organic growth, but several other countries also contributed to the organic growth. The Nordic region as a whole continued to report negative organic growth.

The operating income (EBITA) amounted to SEK 449 million (381) and the operating margin was 14.9 percent (14.1). The effects of the restructuring programs in Sweden and France, which were concluded in 2018, continued to provide positive results. The acquisition of CPoR in France, which was concluded just before the end of 2018, had a positive effect on the operating margin, while the acquisition of Prosegur Cash's French operations had a slowing effect on the positive development of the operating margin. The ongoing restructuring programs at the branches have also contributed to the improved profitability.

January – September 2019

Revenue for the period amounted to SEK 8,555 million (7,826) and organic growth was 3 percent (–1). Spain, Belgium, Turkey and the operations in South America continued to show good organic growth, but several other countries also contributed to the organic growth. The real growth of 8 percent (8) was positively affected by revenue generated by the acquired operations in Chile and France.

The operating income (EBITA) amounted to SEK 1,072 million (904) and the operating margin was 12.5 percent (11.6). The profitability improvement is largely due to the restructuring programs implemented in Sweden and France in 2018, which are progressing according to plan. At the beginning of 2019 growth in France was, however, impeded slightly by the "yellow vest" demonstrations. The acquisition of CPoR in France was completed before the beginning of 2019. CPoR is operating with a higher operating margin than the European average and has therefore helped to improve profitability. The acquisition of Prosegur Cash's French operations had a negative effect on the operating margin. The ongoing efficiency improvement programs at the branches have also increased the operating margin.

Segment USA – Revenue and operating income

	2019	2018	2019	2018	R12	2018
SEK m	Jul–Sep	Jul–Sep	Jan–Sep	Jan–Sep		Full year
Revenue	2,502	2,233	7,214	6,432	9,498	8,716
Real growth, %	*3*	*7*	*2*	*8*	*3*	*7*
Organic growth, %	*4*	*6*	*3*	*7*	*4*	*7*
Operating income (EBITA)[1)]	340	283	989	830	1,282	1,123
Operating margin, %	*13.6*	*12.7*	*13.7*	*12.9*	*13.5*	*12.9*
Number of full-time employees	*10,500*	*10,200*	*10,400*	*10,200*	*10,500*	*10,200*

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

July – September 2019

Revenue amounted to SEK 2,502 million (2,233) and organic growth was 4 percent (6). Real growth amounted to 3 percent (7). The underlying organic growth for the domestic CIT and CMS operations was slightly lower than in the corresponding period in 2018. However, the growth potential for CMS and SafePoint is still considered to be good. Similar to the earlier quarters this year, higher revenue from ATM management contributed to development, while an increase in the number of installed SafePoint units explains much of the growth in CMS. Revenue for the quarter from SafePoint accounted for 15 percent (13) of the segment's total revenue. The change in fuel fees, which Loomis passes on to its customers, did not have a significant impact on organic growth for the quarter.

The share of revenue from CMS during the quarter amounted to 35 percent (33) of the segment's total revenue.

The operating income (EBITA) amounted to SEK 340 million (283) and the operating margin was 13.6 percent (12.7). Higher revenue from SafePoint and CMS as well as efficiency improvement programs at the branches continue to provide good results. The restructuring program within the international operations also continued to contribute to the improved profitability.

January – September 2019

Revenue amounted to SEK 7,214 million (6,432) and organic growth was 3 percent (7). The real growth amounted to 2 percent (8). Higher revenue from ATM management and an increase in the number of installed SafePoint units explains much of the growth. Revenue for the period from SafePoint accounted for 15 percent (13) of the segment's total revenue. Growth was negatively affected during the period by the ongoing restructuring program within the international operations. The growth rate for the domestic CIT and CMS operations was slightly lower than in the corresponding period in 2018. The change in fuel fees, which Loomis passes on to its customers, did not have a significant impact on organic growth for the period.

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 989 million (830) and the operating margin was 13.7 percent (12.9). Efforts to improve efficiency at the branches are having a positive effect on earnings and higher revenue from SafePoint and CMS is contributing to the higher profitability. The restructuring program within the international operations continues to have a positive effect on the operating margin.

Cash flow and liquidity

January – September 2019
Cash flow from operating activities, excluding effects from IFRS 16, amounted to SEK 1,732 million (1,156) for the first nine months, equivalent to 93 percent (72) of operating income (EBITA).

Net investments in fixed assets for the period amounted to SEK –1,118 (–1,014), which can be compared to depreciation (excluding the effect of IFRS 16) of SEK 940 million (885). Investments were made primarily in buildings, vehicles machinery and equipment during the period. Investments in relation to depreciation for the period amounted to 1.2 (1.1). For the effects of IFRS 16, see Note 7.

Other events

Significant events during the period

In March 2019 there was a change in ownership of all of Loomis ABs 3,428,520 Class A shares. The transaction represented 4.6 percent of the capital and 32.3 percent of the votes in Loomis. The buyer subsequently requested conversion of the Class A shares to Class B shares in accordance with the Articles of Association of Loomis AB.

In March 2019 the number of votes in Loomis AB (publ) was changed due to conversion of all 3,428,520 Class A shares to a total of 3,428,520 Class B shares, which means there are no longer any issued Class A shares in the Company. The conversion was implemented based on the possibility for Class A shareholders to request conversion of Class A shares into Class B shares. This provision was introduced into the Articles of Association at an extraordinary shareholders' meeting of the Company on September 5, 2018. The number of Class B shares has therefore increased by 3,428,520 shares and the number of Class A shares is reduced by the same number. The number of votes has decreased by 30,856,680. As of March 29, 2019 the total number of shares and votes in the Company amounted to 75,279,829.

The Annual General Meeting on May 8, 2019 voted in favor of the Board's proposal to introduce an incentive scheme (Incentive Scheme 2019). Similar to Incentive Scheme 2018, the proposed incentive scheme (Incentive Scheme 2019) will involve two thirds of the variable remuneration being paid out in cash the year after it is earned. The remaining one third will be in the form of Class B shares in Loomis AB to be allotted to the participants at the beginning of 2021. The allotment of shares is contingent upon the employee still being employed by the Loomis Group on the last day of February 2021, 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 employee will retain the right to receive bonus shares. The principles for performance measuring and other general principles already being applied in the existing Incentive Scheme will continue to apply. Loomis AB will not issue any new shares or similar instruments in connection with this Incentive Scheme. To enable allotment of these shares, the AGM voted in favor of Loomis AB entering into a share swap agreement with a third party under which the third party will acquire the shares in its own name and transfer them to the Incentive Scheme participants. 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.

An extraordinary shareholders' meeting for Loomis AB was held on August 28, 2019. The meeting voted in favor of the Nomination Committee's proposal to elect Lars Blecko and Johan Lundberg as new members of the Board. The meeting also resolved that the fee for each board member decided upon at the Annual General Meeting on May 8, 2019 will continue to apply. For retiring and new board members the fee will be payable pro rata for the member's actual period of service in relation to the full period from the 2019 AGM until the end of the 2020 AGM. As the number of elected board members for the period up to the end of the 2020 AGM has been increased by one member, feels totaling around SEK 3,543,000 will be paid. This is an increase of around SEK 293,000 of the total board fees decided on at the AGM on May 8, 2019.

On July 19 Loomis announced the conclusions from investigations following the Danish media allegations. On May 8, 2019, a Danish journalist put forward allegations that a Loomis subsidiary had been providing currencies to foreign exchange offices in Denmark, of which some are suspected to be involved in money laundering. Loomis has not, at any time, been served suspicion from authorities relating to this matter but takes allegations about money laundering seriously, and therefore immediately launched an internal as well as two separate and independent external investigations.

The foreign exchange business in Denmark has been conducted by Loomis Foreign Exchange AS in Norway ("Loomis FX"). The foreign exchange business related to the Danish exchange offices constituted at the time less than 0.1 percent of the total revenue of the Loomis group. As of December 2018, Loomis FX has terminated all businesses with foreign exchange offices in Denmark.

The internal investigation has been carried out by the Group Risk Function at Loomis and the external independent investigations have been conducted by KPMG AB and Advokatfirmaet Erling Grimstad AS. The external investigations were performed to review Loomis FX's antimoney laundering (AML) framework and the compliance with relevant regulations as well as how these were followed in relation to, among other things, onboarding of new customers and monitoring of transactions during the period from 2016 to 2018 period, with a specific focus on foreign exchange offices in Denmark.

The policies and procedures of Loomis FX contain the most important aspects of AML, including know your customer (KYC) requirements. Deficiencies in relation to compliance with internal policies and procedures have, however, been identified and it has been concluded that the applied compliance standards could have been higher. Despite proactive work by Loomis FX, such as contacts with authorities and engagement of external experts, the deficiencies have in some cases led to the FX operations not being conducted satisfactorily. This relates to e.g. authorization, onboarding of customers, specific arrangements for, and monitoring of, high-risk customers as well as reporting of suspicious transactions and activities to the authorities. Loomis has therefore contacted the authorities concerned to share the conclusions from the investigations but also to inform about actions taken to strengthen the organization's AML policies, procedures and routines.

Loomis will strengthen its organizational and processes and initiate immediate remediation of the deficiencies identified in the investigations including a review of the current organizational. Based on current information, Loomis estimates that these issues do not have any significant effect on the Loomis Group's financial position and results. Further facts or findings may become evident during the implementation of the corrective actions and, if so, be dealt with appropriately.

Acquisitions during the period

In January 2019 it was announced that Loomis AB, through a wholly owned subsidiary, had entered into an agreement to acquire all of the shares in Ziemann Sicherheit Holding GmbH (Ziemann). Ziemann primarily provides domestic cash handling services. Ziemann also performs certain security services and has wholesale and retail operations relating to currencies and precious metals. The enterprise value, i.e. the purchase price payable on a debt free basis, amounted to around EUR 160 million. Ziemann has around 2,700 employees and its net revenue in 2018 amounted to around EUR 175 million. More than 90 percent of net revenue relates to cash handing services. Zeimann's current operating margin (EBITA %) is around 7 percent. The company's operations will be reported within Segment Europe and consolidated into Loomis upon closing of the transaction, which will take place following regulatory approval. The purchase consideration will be paid on closing.

On April 4, 2019 it was announced that Loomis AB, through a wholly owned subsidiary, had entered into an agreement to acquire 100 percent of the shares in Prosegur Cash Holding France (PCF). PCF is primarily involved in domestic cash handling operations in France and has its head office in Lyon. PCF has around 630 employees and its net revenue in 2018 was around EUR 38.5 million. The acquired operations are reported in Segment Europe and were consolidated into Loomis as of closing of the transaction. The enterprise value amounted to around EUR 39 million. The transaction closed on July 22, 2019 at which time the purchase price was paid.

Other events during the period

In January 2019 it was announced that Loomis AB had an agreement for a credit facility of EUR 150 million. This is a multi-currency revolving credit facility and matures in January 2024. The lead arrangers of the loan are Danske Bank A/S, Nordea Bank Apb and Crédit Lyonnais. The loan may be used to finance working capital and investments, and used for other purposes. The agreement replaces a previous one for USD 100 million.

In February 2019 Loomis AB, through a wholly owned subsidiary, divested the art logistics and storage operations (Artcare) to Iron Mountain (Schweiz) AG. Artcare was acquired as part of VIA MAT in 2014 and was not part of Loomis' core business. The divested operations had revenue in 2018 of around CHF 5 million (equivalent to around SEK 45 million). Artcare was reported as part of Segment International. Capital gains before tax of around CHF 4 million, equivalent to SEK 33 million, were recognized and reported as an item affecting comparability in the first quarter of 2019.

On September 5, 2019 Loomis held a capital markets day in London and demonstrated that the Company's financial targets are within reach. Loomis provided information about business performance in relation to the goals and the strategy launched in 2017 for the 2018–2021 period. The main themes were showing that Loomis is well on the way to reaching its 2021 financial targets and a presentation of additional growth opportunities beyond the Cash in Transit (CIT) and Cash Management Services (CMS) business areas. The opportunities include service offerings for physical foreign exchange (FX), ATM management and digital payment solutions.

On September 11, 2019 Loomis issued bonds in the amount of SEK 1,750 million. The bonds have a 4-year maturity and the maturity date is September 18, 2023. The bonds carry a floating interest rate of three months' Stibor plus 1.15 percent and the proceeds will be used for operating activities and to refinance loans. The issue was implemented within the framework of the Loomis MTN program. Nordea Bank Apb is the arranger for the Loomis MTN program and was also the issuing institute for the issue in cooperation with Danske Bank A/S. The bonds are listed on NASDAQ OMX Stockholm.

Events after the end of the period

On October 22, 2019 it was announced that the members of Loomis AB's Nomination Committee for the 2020 Annual General Meeting had been appointed. The following members were appointed:

- Hans Ek, appointed by SEB Fonder, Chairman of the Nomination Committee
- Bernard Horn, appointed by Polaris Capital Management
- Helen Fast Gillstedt, appointed by Handelsbanken Fonder
- Olivia Woo, appointed by Mawer Investment Management
- Marianne Nilsson, appointed by Swedbank Robur Fonder

The Chairman of the Board, Alf Göransson, has convened the Nomination Committee to its first meeting and has also been coopted to the Nomination Committee. The Nomination Committee shall prepare proposals for the 2020 Annual General Meeting regarding the election of 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.

On November 1, 2019, Loomis AB communicated that Sara Björkman has been appointed Chief Compliance Officer. Sara Björkman will start the position on January 31, 2020, at the latest. She will report directly to the President and CEO and be a member of Loomis group management.

Financial reports in brief

CONSOLIDATED STATEMENT OF INCOME

	Note	2019	2018	2019	2018	R12	2018
SEK m		**Jul – Sep**	**Jul – Sep**	**Jan – Sep**	**Jan – Sep**		**Full year**
Revenue, continuing operations		5,292	4,678	15,271	13,555	20,016	18,300
Revenue, acquisitions		200	239	431	657	642	868
Total revenue	3,4	**5,492**	**4,918**	**15,702**	**14,212**	**20,659**	**19,168**
Production expenses		–3,938	–3,594	–11,395	–10,501	–15,020	–14,127
Gross income		**1,554**	**1,323**	**4,308**	**3,710**	**5,639**	**5,041**
Selling and administration expenses		–817	–697	–2,400	–2,102	–3,138	–2,841
Operating income (EBITA)[1]		**737**[8]	**626**	**1,908**[8]	**1,608**	**2,501**	**2,200**
Amortization of acquisition-related intangible assets		–25	–22	–75	–61	–97	–83
Acquisition-related costs and revenue		–8	–12	–44[2]	–27[2]	–63	–46
Items affecting comparability		–3[3]	–	24[3]	98[4]	12	86[5]
Operating income (EBIT)		**700**	**592**	**1,813**	**1,618**	**2,353**	**2,158**
Net financial items		–32[8]	–24	–133[8]	–72	–151	–90
Loss on monetary net assets/liabilities		–8	–4	–22	–4	–29	–11
Income before taxes		**660**	**565**	**1,658**	**1,542**	**2,173**	**2,057**
Income tax		–168	–142	–419	–391	–548	–519
Net income for the period[6]		**492**	**422**	**1,239**	**1,151**	**1,625**	**1,538**
KEY RATIOS							
Real growth, %		*6*	*8*	*5*	*8*	*6*	*8*
Organic growth, %		*3*	*2*	*3*	*3*	*3*	*3*
Operating margin (EBITA), %		*13.4*[8]	*12.7*	*12.2*[8]	*11.3*	*12.1*	*11.5*
Tax rate, %		*25*	*25*	*25*	*25*	*25*	*25*
Earnings per share before and after dilution, SEK[7]		6.54[8]	5.61	16.47[8]	15.30	21.61	20.45

1) Earnings Before Interest, Taxes and 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 – September 2019 consist of transaction costs of SEK –22 million (–18), restructuring costs of SEK –9 million (–4) and integration costs of SEK –13 million (–5). Of the transaction costs of SEK –22 million, SEK –18 million is for acquisitions in progress for the period January – September 2019, SEK –3 million is for completed acquisitions and SEK –1 million pertains to discontinued acquisitions.
3) The item affecting comparability of SEK 24 million relates to reported capital gains of SEK 33 million from the divestment of the fine art storage and logistics operations, and costs of SEK –9 million related to the allegations of money laundering put forward in the spring of 2019.
4) The item affecting comparability of SEK 98 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 relating to two operations within the European segment in the second quarter.
5) The item 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, impairment of goodwill relating to two operations within the European segment in the second quarter and costs incurred during the fourth quarter relating to restructuring of Segment International.
6) Net income for the period is entirely attributable to the owners of the Parent Company.
7) For further information please refer to page 21.
8) For information regarding the IFRS 16 impact, see Note 7.

STATEMENT OF COMPREHENSIVE INCOME

	2019	2018	2019	2018	R12	2018
SEK m	**Jul – Sep**	**Jul – Sep**	**Jan – Sep**	**Jan – Sep**		**Full year**
Net income for the period	492	422	1,239	1,151	1,625	1,538
Other comprehensive income						
Items that will not be reclassified to the statement of income						
Actuarial gains and losses after tax	–187	110	–379	166	–446	99
Items that may be reclassified to the statement of income						
Exchange rate differences[1]	475	–117	900	647	905	651
Hedging of net investments, net of tax	–75	5	–139	–132	–145	–139
Other comprehensive income and expenses for the period, net after tax	**214**	**–1**	**383**	**680**	**314**	**612**
Total comprehensive income for the period[2]	**706**	**421**	**1,621**	**1,831**	**1,940**	**2,150**

1) Includes effects of hyperinflation in Argentina. As of September 30, 2019 the consumer price index in Argentina, National CPI, was 253.5 with the base period as December 2016. The SEK/ARS rate as of December 31, 2018 was 0.2373 and as of September 30, 2019, 0.1710.
2) Total comprehensive income is entirely attributable to the owners of the Parent Company.

BALANCE SHEET

SEK m	Note	2019 Sep 30	2018 Sep 30	2018 Dec 31
ASSETS				
Fixed assets				
Goodwill		7,341	6,182	6,533
Acquisition-related intangible assets		517	427	515
Other intangible assets		197	107	168
Tangible fixed assets		5,845	5,337	5,358
Right-of-use assets	7	3,030	–	–
Other non-interest-bearing fixed assets		856	433	506
Interest-bearing financial fixed assets[1)]		219	558	500
Total fixed assets		**18,005**	**13,044**	**13,580**
Current assets				
Non-interest-bearing current assets[2)]		4,307	3,437	3,565
Interest-bearing financial current assets[1)]		21	67	37
Liquid funds		1,679	794	1,308
Total current assets		**6,008**	**4,298**	**4,911**
TOTAL ASSETS		**24,013**	**17,341**	**18,491**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity	9	**9,298**	**8,098**	**8,422**
Long-term liabilities				
Interest-bearing long-term lease liabilities	7	2,453	–	–
Other interest-bearing long-term liabilities		5,895	5,502	5,092
Non-interest-bearing provisions		1,233	798	812
Total long-term liabilities		**9,581**	**6,301**	**5,904**
Current liabilities				
Tax liabilities		148	198	171
Non-interest-bearing current liabilities		3,333	2,694	2,936
Interest-bearing current lease liabilities	7	563	–	–
Other interest-bearing current liabilities		1,090	51	1,058
Total current liabilities		**5,134**	**2,943**	**4,165**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**24,013**	**17,341**	**18,491**
KEY RATIOS				
Return of shareholders' equity, %		*17*	*20*	*18*
Return of capital employed, %	6	*14*[3)]	*18*	*17*
Equity ratio, %		*39*	*47*	*46*
Net debt		8,082[3)]	4,135	4,305
Net debt/EBITDA		1.94[3)]	1.25	1.27

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, refer to page 111 and Note 23 in the 2018 Annual Report.
3) For information excluding the IFRS 16 impact, see Note 7.

CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

	2019	2018	R12	2018
SEK m	**Jan – Sep**	**Jan – Sep**		**Full year**
Opening balance	8,422	7,037	8,098	7,037
Effect of change in accounting principle IFRS 15	–	–15	–	–15
Effect of IAS 29	–	2	–	2
Opening balance adjusted in accordance with new accounting principle	**8,422**	**7,024**	**8,098**	**7,024**
Actuarial gains and losses after tax	–379	166	–446	99
Exchange rate differences[1)]	900	647	905	651
Hedging of net investments, net of tax	–139	–132	–145	–139
Total other comprehensive income	**383**	**680**	**314**	**612**
Net income for the period	1,239	1,151	1,625	1,538
Total comprehensive income[2)]	**1,621**	**1,831**	**1,940**	**2,150**
Dividend paid to Parent Company's shareholders	–750	–677	–750	–677
Share-related remuneration	5	–81	10	–76
Non-controlling interest	0	–	1	1
Closing balance	**9,298**	**8,098**	**9,298**	**8,422**

1) Includes effects of hyperinflation in Argentina. As of September 30, 2019 the consumer price index in Argentina, National CPI, was 253.5 with the base period as December 2016. The SEK/ARS rate as of December 31, 2018 was 0.2373 and as of September 30, 2019, 0.1710.
2) Total comprehensive income is entirely attributable to the owners of the Parent Company.

CONSOLIDATED STATEMENT OF CASH FLOWS

	2019	2018	2019	2018	R12	2018
SEK m	**Jul – Sep**	**Jul – Sep**	**Jan – Sep**	**Jan – Sep**		**Full year**
Operations						
Income before taxes	660	565	1,658	1,542	2,173	2,057
Items not affecting cash flow	526	345	1,556	914	1,915	1,273
Financial items received	9	10	22	18	36	31
Financial items paid	–37	–39	–151	–77	–206	–132
Income tax paid	–168	–41	–539	–344	–667	–472
Change in accounts receivable	44	–131	–231	–168	–70	–6
Change in other operating capital employed and other items	69	–18	246	–155	486	85
Cash flow from operations	**1,103**	**690**	**2,561**	**1,730**	**3,666**	**2,835**
Investing activities						
Investments in fixed assets	–496	–349	–1,159	–1,027	–1,596	–1,464
Disposals of fixed assets	14	2	41	14	43	15
Divestments of operations	–	–	38	–	38	–
Acquisitions of operations	–356	–	–361	–353	–1,411	–1,403
Cash flow from investing activities	**–838**	**–347**	**–1,441**	**–1,367**	**–2,927**	**–2,852**
Financing activities						
Dividend paid	–	–	–750	–677	–750	–677
Change in interest-bearing net debt excluding liquid funds	263	–192	–211	–437	–70	–296
Issuance of bonds	1,750	–	1,750	–	1,750	–
Change in commercial papers issued and other long-term borrowing	–2,186	–257	–1,606	690	–849	1,447
Cash flow from financing activities	**–173**	**–449**	**–817**	**–424**	**81**	**473**
Cash flow for the period	**92**	**–106**	**303**	**–61**	**821**	**456**
Liquid fund at beginning of the period	1,558	912	1,308	839	794	839
Translation differences in liquid funds	29	–12	68	17	64	13
Liquid funds at end of period	**1,679**	**794**	**1,679**	**794**	**1,679**	**1,308**

CONSOLIDATED STATEMENT OF CASH FLOWS EXCLUDING THE IFRS 16 IMPACT, ADDITIONAL INFORMATION

	2019	2018	2019	2018	R12	2018
SEK m	**Jul – Sep**	**Jul – Sep**	**Jan – Sep**	**Jan – Sep**		**Full year**
Operating income (EBITA)[1)]	723	626	1,869	1,608	2,461	2,200
Depreciation[1)]	324	300	940	885	1,239	1,183
Change in accounts receivable	44	–131	–231	–168	–70	–6
Change in other operating capital employed and other items[1)]	104	–18	272	–155	512	85
Cash flow from operating activities before investments	**1,194**	**777**	**2,850**	**2,170**	**4,142**	**3,462**
Investments in fixed assets, net	–482	–347	–1,118	–1,014	–1,554	–1,449
Cash flow from operating activities	**712**	**430**	**1,732**	**1,156**	**2,588**	**2,013**
Financial items paid and received[1)]	–1	–29	–50	–59	–92	–101
Income tax paid	–168	–41	–539	–344	–667	–472
Free cash flow	**544**	**360**	**1,143**	**753**	**1,829**	**1,439**
Cash flow effect of items affecting comparability	0	0	–1	–1	–1	–1
Divestment of operations	–	–	38	–	38	–
Acquisition of operations	–356	–	–361	–353	–1,411	–1,403
Acquisition-related costs and revenue, paid and received[2)]	–22	–16	–51	–36	–67	–52
Dividend paid	–	–	–750	–677	–750	–677
Change in interest-bearing net debt excluding liquid funds[1)]	362	–192	141	–437	282	–296
Issuance of bonds	1,750	–	1,750	–	1,750	–
Change in commercial papers issued and other long-term borrowing	–2,186	–257	–1,606	690	–849	1,447
Cash flow for the period	**92**	**–106**	**303**	**–61**	**821**	**456**
KEY RATIOS						
Cash flow from operating activities as % of operating income (EBITA)[1)]	*99*	*69*	*93*	*72*	*105*	*91*
Investments in relation to depreciation[1)]	1.5	1.2	1.2	1.1	1.3	1.2
Investments as a % of total revenue	*8.8*	*7.1*	*7.1*	*7.1*	*7.5*	*7.6*

1) Excluding the IFRS 16 impact.
2) Refers to the cash flow effect of acquisition-related transaction-, restructuring and integration costs.

Notes

NOTE 1 – 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 1–9 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 81–89 of the 2018 Annual Report.

IFRS 16 Leases is being applied as of January 1, 2019. The 2018 Annual Report describes the accounting principles as well as the change between operating leases as of December 31, 2018 and the lease liability as of January 1, 2019. In addition to this information Loomis provides further details of the impact on the financial statements for 2019. See Note 7.

Critical estimates and assessments

For critical estimates and assessments as well as contingent liabilities, please refer to pages 90–91 and 119 of the Annual Report for 2018. There have been no other significant changes compared to what is described in the Annual Report.

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 are described in Note 36 on page 123 of the 2018 Annual Report.

NOTE 2 – 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 risks, 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 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 and other criminal activity.
- 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 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 2018 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 the first nine months of 2019 impacted certain geographic areas negatively, and it cannot be ruled out that Loomis' revenue and earnings for the remainder of 2019 may be negatively impacted as a result. 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 or other conditions.

In 2019 the actual financial results of certain previously reported items affecting comparability, provisions and contingent liabilities, as described in the 2018 Annual report and where applicable under the heading "Critical estimates and assessments" on page 14, 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.

NOTE 3 – REVENUE DISTRIBUTION

	Europe	USA	Eliminations	Total	Europe	USA	Eliminations	Total
SEK m	**Jul–Sep 2019**				**Jul–Sep 2018**			
Cash in transit (CIT)	1,781	1,524	–	3,305	1,631	1,400	–	3,032
Cash management services (CMS)	852	866	–	1,718	773	736	–	1,510
International[1]	229	86	–	315	200	79	–	279
Other[1]	149	5	–	154	93	4	–	97
Revenue, internal	12	21	–33	–	4	13	–17	–
Total revenue	**3,023**	**2,502**	**–33**	**5,492**	**2,701**	**2,233**	**–17**	**4,918**
Timing of revenue recognition, external								
At a point in time	411	80	–	492	391	75	–	466
Over time	2,600	2,400	–	5,000	2,307	2,146	–	4,453
Total external revenue	**3,012**	**2,480**	**–**	**5,492**	**2,698**	**2,220**	–	**4,918**

1) For information regarding allocation of revenue for segment International, please refer to Note 4.

	Europe	USA	Eliminations	Total	Europe	USA	Eliminations	Total
SEK m	**Jan–Sep 2019**				**Jan–Sep 2018**			
Cash in transit (CIT)	5,092	4,469	–	9,561	4,821	4,057	–	8,879
Cash management services (CMS)	2,362	2,442	–	4,803	2,214	2,094	–	4,309
International[1]	602	251	–	853	557	234	–	791
Other[1]	472	13	–	485	221	11	–	232
Revenue, internal	28	39	–67	–	12	35	–46	–
Total revenue	**8,555**	**7,214**	**–67**	**15,702**	**7,826**	**6,432**	**–46**	**14,212**
Timing of revenue recognition, external								
At a point in time	1,178	237	–	1,415	1,118	**223**	–	1,341
Over time	7,349	6,938	–	14,287	6,697	6,175	–	12,871
Total external revenue	**8,527**	**7,175**	**–**	**15,702**	**7,814**	**6,397**	**–**	**14,212**

1) For information regarding allocation of revenue for segment International, please refer to Note 4.

NOTE 4 – SEGMENT OVERVIEW

As a result of restructuring, Segment International is no longer a separate segment. The purpose of the restructuring program is to take better advantage of growth opportunities and further improve efficiency. As of the first quarter of 2019 the international operations in North America are included in Segment USA, while other international operations are included in Segment Europe. Comparative figures have been adjusted to include the former Segment International in the USA and Europe respectively and to create future comparability.

SEGMENT OVERVIEW STATEMENT OF INCOME

	Europe	USA	Other[1]	Eliminations	Total
SEK m	**Jan–Sep 2019**	**Jan–Sep 2019**	**Jan–Sep 2019**	**Jan–Sep 2019**	**Jan–Sep 2019**
Revenue, continuing operations	8,125	7,213	–	–67	15,271
Revenue, acquisitions	430	1	–	–	431
Total revenue	**8,555**	**7,214**	**–**	**–67**	**15,702**
Production expenses	–6,298	–5,182	–	85	–11,395
Gross income	**2,258**	**2,032**	**–**	**18**	**4,308**
Selling and administrative expenses	–1,186	–1,043	–153	–18	–2,400
Operating income (EBITA)	**1,072**	**989**	**–153**	**–**	**1,908**
Amortization of acquisition-related intangible assets	–60	–15	–	–	–75
Acquisition-related costs	–30	–	–14	–	–44
Items affecting comparability	33	–	–9	–	24[2]
Operating income (EBIT)	**1,015**	**974**	**–176**	**–**	**1,813**
Net financial items	–	–	–133	–	–133
Loss on monetary net assets/liabilities	–	–	–22	–	–22
Income before taxes	**1,015**	**974**	**–331**	**–**	**1,658**

1) Segment Other consists of the Parent Company's costs and certain other group-wide costs.
2) The item affecting comparability of SEK 24 million relates to reported capital gains of SEK 33 million from the divestment of the fine art logistics and storage operations, Artcare, and costs of SEK –9 million related to the allegations of money laundering put forward in the spring 2019.

SEGMENT OVERVIEW STATEMENT OF INCOME

	Europe	USA	Other[1]	Eliminations	Total
SEK m	**Jan–Sep 2018**	**Jan–Sep 2018**	**Jan–Sep 2018**	**Jan–Sep 2018**	**Jan–Sep 2018**
Revenue, continuing operations	7,184	6,417	–	–46	13,555
Revenue, acquisitions	642	15	–	–	657
Total revenue	**7,826**	**6,432**	**–**	**–46**	**14,212**
Production expenses	–5,878	–4,693	–	70	–10,501
Gross income	**1,947**	**1,739**	**–**	**23**	**3,710**
Selling and administrative expenses	–1,043	–910	–126	–23	–2,102
Operating income (EBITA)	**904**	**830**	**–126**	**–**	**1,608**
Amortization of acquisition-related intangible assets	–49	–12	–	–	–61
Acquisition-related costs	–14	–1	–13	–	–27
Items affecting comparability	98	–	–	–	98[2]
Operating income (EBIT)	**940**	**817**	**–139**	**–**	**1,618**
Net financial items	–	–	–72	–	–72
Loss on monetary net assets/liabilities	–	–	–4	–	–4
Income before taxes	**940**	**817**	**–215**	**–**	**1,542**

1) Segment Other consists of the Parent Company's costs and certain other group-wide costs.
2) The item affecting comparability of SEK 98 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 relating to two operations within the European segment in the second quarter.

SEGMENT OVERVIEW STATEMENT OF INCOME, ADDITIONAL INFORMATION

	2019	2018	2019	2018	R12	2018
SEK m	**Jul–Sep**	**Jul–Sep**	**Jan–Sep**	**Jan–Sep**		**Full year**
Europe						
Operating income (EBITA)	449	381	1,072	904	1,405	1,238
Operating margin (EBITA), %	*14.9*	*14.1*	*12.5*	*11.6*	*12.5*	*11.8*
USA						
Operating income (EBITA)	340	283	989	830	1,282	1,123
Operating margin (EBITA), %	*13.6*	*12.7*	*13.7*	*12.9*	*13.5*	*12.9*
Other [1)]						
Revenue	–	–	–	–	–	–
Operating income (EBITA)	–52	–37	–153	–126	–187	–160
Eliminations						
Revenue	–33	–16	–67	–46	–81	–60
Operating income (EBITA)	–	–	–	–	–	–
Group total						
Operating income (EBITA)	737	626	1,908	1,608	2,501	2,200
Operating margin (EBITA), %	*13.4*	*12.7*	*12.2*	*11.3*	*12.1*	*11.5*

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

SEGMENT OVERVIEW BALANCE SHEET

	2019	2018	2018
SEK m	**Sep 30**	**Sep 30**	**Dec 31**
Europe			
Assets	11,525	8,709	9,388
Liabilities	3,113	2,498	2,612
USA			
Assets	10,458	7,519	7,528
Liabilities	1,107	852	998
Other [1)]			
Assets	2,030	1,113	1,574
Liabilities	10,495	5,893	6,459
Shareholder's equity	9,298	8,098	8,422
Group total			
Assets	24,013	17,341	18,491
Liabilities	14,715	9,243	10,069
Shareholder's equity	9,298	8,098	8,422

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

NOT 5 – ACQUISITIONS

In the first quarter of 2019 Loomis AB, through a wholly owned subsidiary, entered into an agreement to acquire all of the shares in Ziemann Sicherheit Holding GmbH. The transaction will be completed following merger control clearance. No further details can be provided other than those stated on page 9.

In April 2019 it was announced that Loomis AB, through a wholly owned subsidiary, had entered into an agreement to acquire all of the shares in Prosegur Cash Holding France. Closing of the acquisition took place July 22, 2019.

In addition to the above acquisitions, two smaller acquisitions of assets and liabilities were implemented in the second quarter of 2019. The total purchase price for these acquisitions was around SEK 44 million and the total annual revenue amounts to around SEK 45 million. As these acquisitions are not considered material, no complete disclosures according to IFRS 3 are being provided.

ACQUISITIONS

	Consolidated as of	Segment	Acquired share[1] %	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
Opening balance, January 1, 2019							**6,533**	**515**	
Acquisition of Prosegur Cash Holding France[4]	July	Europe	100	411[2]	630	352[3]	275[6]	27	50
Other acquisitions[5]	June	Europe	n/a	45	150	44[3]	33[6]	18	–7
Total acquisitions January – September 2019							**308**	**45**	**43**
Adjustment of preliminary acquisition analysis[7]						–29	–12	3	–20
Amortization of acquisition-related intangible assets								–75	
Exchange rate differences							511	29	
Closing balance September 30, 2019							**7,341**	**517**	

1) Refers to share of votes. In acquisitions of assets and liabilities, no share of votes is indicated.
2) Annual revenue translated to SEK million on the acquisition date.
3) The enterprise value on the acquisition date amounted to around SEK 411 million for Prosegur and around SEK 43 million for other acquisitions.
4) The acquisition analysis is preliminary and subject to final adjustment no later than one year from the acquisition date.
5) 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.
6) Goodwill arising in connection with the acquisition is primarily attributable to market and synergy effects. Any impairment is not tax deductible.
7) Adjustments of preliminary acquisition analyses from the previous year for the following units: Compañía Chilena de Valores S.A. (CCV) and CPoR Devises.

NOTE 6 – CAPITAL EMPLOYED AND FINANCING

SEK m	2019 Sep 30	2018 Sep 30	2018 Dec 31
Operating capital employed	9,394	5,716	5,771
Goodwill	7,341	6,182	6,533
Acquisition-related intangible assets	517	427	515
Other capital employed	129	–93	–93
Capital employed	**17,380**	**12,233**	**12,727**
Net debt	**8,082**[2]	**4,135**	**4,305**
Shareholders' equity	**9,298**	**8,098**	**8,422**
Key ratios			
Return on capital employed, %	*14*[1]	*18*	*17*
Return on equity, %	*17*	*20*	*18*
Equity ratio, %	*39*	*47*	*46*
Net debt/EBITDA	1.94[1]	1.25	1.27

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 in the third quarter.
2) For information regarding the IFRS 16 impact, see Note 7.

NOT 7 – LEASES

Loomis has not early-adopted IFRS 16 and is applying the standard as of January 1, 2019. The Group is using the simplified transition method, modified retroactively, and will therefore not restate the comparative figures.

See Note 2 in the 2018 Annual Report regarding the new accounting principles as well as the change between operating leases as of December 31, 2018 and the lease liability as of January 1, 2019. In addition to the description provided in Note 2 of the 2018 Annual Report regarding IFRS 16 and its impact on Loomis, the Company would like to provide the information below.

Impact

As a result of the introduction of IFRS 16 the operating income (EBITA) is charged with depreciation of right-of-use assets instead of an operating lease expense. In addition, the increased lease liability is negatively impacting net financial expense. See also the tables below.

Right-of-use assets, which are reported on a separate line in the balance sheet, amounted to SEK 3,030 million as of September 30, 2019. Buildings account for 77 percent of total right-of-use assets. The lease liability as of September 30, 2019 totaled SEK 3,016 million, of which the long-term lease liability amounts to SEK 2,453 million and the short-term lease liability to SEK 563 million. The long-term and short-term lease liabilities are recognized as interest-bearing long-term lease liabilities and interest-bearing short-term lease liabilities respectively in the balance sheet.

In the first nine months of 2019 the costs relating to short-term leases (lease term of 12 months or less) amounted to SEK 26 million and leases for which the underlying asset has a low value (<USD 5,000) amounted to SEK 6 million.

Outcomes for Loomis' key ratios are presented below both including and excluding the impact of IFRS 16 as of September 30, 2019:

	Including IFRS 16 Sep 30, 2019	Excluding IFRS 16 Sep 30, 2019
Net debt	8,082	5,167
Net debt/EBITDA	1.94	1.40
Return on capital employed, %	*14*	*17*

SEKm	Including IFRS 16 Jul – Sep 2019	Excluding IFRS 16 Jul – Sep 2019	Including IFRS 16 Jan – Sep 2019	Excluding IFRS 16 Jan – Sep 2019
Operating income, EBITDA	1,208	1,046	3,266	2,809
Depreciation	471	324	1,358	940
Operating income, EBITA	737	723	1,908	1,869
Operating margin, EBITA, %	*13.4*	*13.2*	*12.2*	*11.9*
Net financial items	–32	–5	–133	–54
Net income for the period	492	502	1,239	1,268
Earnings per share	6.54	6.67	16.47	16.86
Investments in relation to depreciation	1.0	1.5	0.8	1.2

NOT 8 – TRANSACTIONS WITH RELATED PARTIES

Transactions between Loomis and related parties are described in Note 7 on page 96 of the 2018 Annual Report. As previously communicated in connection with the Extraordinary General Meeting on August 28, 2019, board member Lars Blecko provides consulting services to Loomis Inc. pursuant to an existing agreement between Loomis Inc. and a company owned by him. There have been no transactions with related parties during the period that have materially impacted the Company's earnings and financial position.

NOTE 9 – NUMBER OF SHARES AS OF SEPTEMBER 30, 2019

	Votes	No. of shares	No. of votes	Quota value	SEK m
Class B shares	1	75,279,829	75,279,829	5	376
Total no. of shares		**75,279,829**	**75,279,829**		**376**
Total Class B treasury shares[1)]	1	–53,797	–53,797		
Total no. of outstanding shares		**75,226,032**	**75,226,032**		

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

NOTE 10 – CONTINGENT LIABILITIES, GROUP

	2019	2018	2018
SEK m	**Sep 30**	**Sep 30**	**Dec 31**
Securities and guarantees	4,051	3,995	4,353
Other contingent liabilities	34	12	39
Total contingent liabilities	**4,085**	**4,007**	**4,391**

OTHER INFORMATION – KEY RATIOS

	2019	2018	2019	2018	R12	2018
	Jul – Sep	Jul – Sep	Jan – Sep	Jan – Sep		Full year
Real growth, %	*6*	*8*	*5*	*8*	*6*	*8*
Organic growth, %	*3*	*2*	*3*	*3*	*3*	*3*
Total growth, %	*12*	*16*	*10*	*10*	*15*	*11*
Gross margin, %	*28.3*	*26.9*	*27.4*	*26.1*	*27.3*	*26.3*
Selling and administration expenses in % of total revenue	*–14.9*	*–14.2*	*–15.3*	*–14.8*	*–15.2*	*–14.8*
Operating margin (EBITA), %	*13.4*[2]	*12.7*	*12.2*[2]	*11.3*	*12.1*	*11.5*
Tax rate, %	*25*	*25*	*25*	*25*	*25*	*25*
Net margin, %	*9.0*	*8.6*	*7.9*	*8.1*	*7.9*	*8.0*
Return of shareholders' equity, %	*17*	*20*	*17*	*20*	*17*	*18*
Return of capital employed, %	*14*[2]	*18*	*14*[2]	*18*	*14*	*17*
Equity ratio, %	*39*	*47*	*39*	*47*	*39*	*46*
Net debt (SEK m)	8,082[2]	4,135	8,082[2]	4,135	8,082	4,305
Net debt/EBITDA	1.94[2]	1.25	1.94[2]	1.25	1.94	1.27
Cash flow from operating activities as % of operating income (EBITA)[3]	*99*	*69*	*93*	*72*	*105*	*91*
Investments in relation to depreciation[3]	1.0	1.2	0.8	1.1	0.9	1.2
Investments as a % of total revenue	*8.8*	*7.1*	*7.1*	*7.1*	*7.5*	*7.6*
Earnings per share before dilution, SEK[1]	6.54[2]	5.61	16.47[2]	15.30	21.61	20.45
Earnings per share after dilution, SEK	6.54	5.61	16.47	15.30	21.61	20.45
Shareholders' equity per share after dilution, SEK	123.60	107.64	123.60	107.64	123.60	111.95
Cash flow from operating activities per share after dilution, SEK	14.67	9.18	34.05	23.00	48.74	37.69
Dividend per share, SEK	–	–	10.00	9.00	10.00	9.00
Number of outstanding shares (millions)	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

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.
2) For information on key ratios excluding the IFRS 16 impact, see Note 7.
3) Excluding the IFRS 16 impact.

Parent Company

PARENT COMPANY SUMMARY STATEMENT OF INCOME

SEK m	2019 Jan–Sep	2018 Jan–Sep	2018 Full year
Revenue	455	414	516
Operating income (EBIT)	262	262	310
Income after financial items	345	608	834
Net income for the period	344	593	880

The Parent Company's revenue consists mainly of license fees and other revenue from subsidiaries. The decrease in net income is due to lower dividends from subsidiaries.

PARENT COMPANY SUMMARY BALANCE SHEET

SEK m	2019 Sep 30	2018 Sep 30	2018 Dec 31
Fixed assets	11,711	10,096	11,160
Current assets	1,569	1,471	1,283
Total assets	**13,280**	**11,567**	**12,444**
Shareholders' equity[1)]	4,810	5,003	5,209
Liabilities	8,470	6,565	7,234
Total shareholders' equity and liabilities	**13,280**	**11,567**	**12,444**

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

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.

CONTINGENT LIABILITIES, PARENT COMPANY

SEK m	2019 Sep 30	2018 Sep 30	2018 Dec 31
Guaranteed committed bank facilities	3,905	3,848	4,221
Other contingent liabilities	34	12	39
Total contingent liabilities	**3,939**	**3,860**	**4,260**

Definitions

Use of key ratios not defined in IFRS

The Loomis Group's accounts are prepared in accordance with IFRS. See page 14 for more information on accounting principles. Only a few key ratios are defined in IFRS. As of the beginning of the second quarter of 2016 Loomis is applying the new guidelines for Alternative Performance Measures issued by ESMA (European Securities and Markets Authority). Briefly, an alternative performance measure is a financial measurement of historical or future earnings development, financial position or cash flow not defined or specified in IFRS. To assist management and other stakeholders in their analysis of the Group's performance, Loomis is reporting certain performance measures not defined by IFRS. Group Management believes that this data will facilitate an analysis of the Group's performance. This data supplements the IFRS information and does not replace the performance measures defined in IFRS. Loomis' definitions of measures 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.

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.
Items affecting comparability	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.
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: Jul–Sep 2019: 492/75,226,032 x 1,000,000 = 6.54. Jul–Sep 2018: 422/75,226,032 x 1,000,000 = 5.61. Jan–Sep 2019: 1,239/75,226,032 x 1,000,000 = 16.47. Jan–Sep 2018: 1,151/75,226,032 x 1,000,000 = 15.30.
Earnings per share after dilution	Calculation for: Jul–Sep 2019: 492/75,226,032 x 1,000,000 = 6.54. Jul–Sep 2018: 422/75,226,032 x 1,000,000 = 5.61. Jan–Sep 2019: 1,239/75,226,032 x 1,000,000 = 16.47. Jan–Sep 2018: 1,151/75,226,032 x 1,000,000 = 15.30.
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 (excluding the IFRS 16 impact).
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)	Operating income, EBITA, (excluding IFRS 16), adjusted for depreciation (excluding IFRS 16), change in accounts receivable and other items (excluding IFRS 16) as well as net investments in fixed assets as a percentage of operating income, EBITA, (excluding IFRS 16).
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 (October 2018 up to and including September 2019).
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.

Outlook 2019

The company is not providing any forecast information for 2019.

Stockholm, November 1, 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 – September 30, 2019. 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, November 1, 2019

Deloitte AB

Peter Ekberg
Authorized Public Accountant

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 operators. 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 November 1, 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, 8097305.

The audio cast can be followed at our website www.loomis.com (follow "Financial presentation").

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

Future reporting and meeting

Full -year report	January – December	February 5, 2020
Interim report	January – March	May 6, 2020
Interim report	January – June	July 24, 2020
Interim report	January – September	November 5, 2020

Loomis' Annual Report for 2019 will be available at www.loomis.com in April 2020.
Loomis' Annual General meeting will be held on May 6, 2020 in Stockholm.

For further information
Anders Haker, Chief Investor Relations Officer +1 281 795 8580, e-mail: anders.haker@loomis.com
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 person set out above, at 08.00 a.m. (CET) on November 1, 2019.

Loomis AB (publ.) Corporate Identity Number 556620-8095, PO Box 702, SE-101 33 Stockholm, Sweden.
Telephone: +46 8-522 920 00, www.loomis.com