



Interim Report

January – June 2020

Managing **cash** in society.



April – June 2020

- Revenue SEK 4,239 m (5,204). Real growth –18 percent (4) of which organic growth –20 percent (3).
- Operating income (EBITA)¹⁾ SEK 202 million (607) and operating margin 4.8 percent (11.7).
- Income before tax SEK 42 million (489) and income after tax SEK 2 million (367).
- Earnings per share before and after dilution SEK 0.02 (4.89).
- Cash flow from operating activities²⁾ SEK 501 million (989), equivalent to 264 percent (166) of operating income (EBITA)²⁾.
- Overall, the ongoing coronavirus pandemic had a significant negative impact on revenue and operating income during the quarter. The significant differences compared to the second quarter 2019 are related to the pandemic.

January – June 2020

- Revenue SEK 9,567 million (10,210). Real growth –8 percent (4) of which organic growth –10 percent (2).
- Operating income (EBITA)¹⁾ SEK 791 million (1,171) and operating margin 8.3 percent (11.5).
- Income before tax SEK 532 million (998) and income after tax SEK 367 million (746).
- Earnings per share before and after dilution SEK 4.88 (9.92).
- Cash flow from operating activities²⁾ SEK 1,269 million (1,020), equivalent to 166 percent (89) of operating income (EBITA)²⁾.
- Overall, the ongoing coronavirus pandemic had a limited negative impact on revenue and operating income during the first quarter. However, in the second quarter, the effect on revenue and operating income was significant.

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 excluding the effects of IFRS 16. The adoption of IFRS 16 has therefore had no net impact on cash flow from operating activities according to Loomis's definition. See also Definitions on page 25–26.

KEY RATIOS

	2020	2019		2020	2019	
SEK m	Apr–Jun	Apr–Jun	Change (%)	Jan–Jun	Jan–Jun	Change (%)
Revenue	4,239	5,204	–19	9,567	10,210	–6
Of which:						
Organic growth	–1,018	134	–20	–1,009	221	–10
Acquisitions and divestments	86	82	2	176	197	2
Exchange rate effects	–34	180	–1	191	498	2
Total growth	–966	396	–19	–642	916	–6
 Operating income (EBITA) ¹⁾	 202	 607	 –67	 791	 1,171	 –32
Operating margin (EBITA), % ¹⁾	4.8	11.7		8.3	11.5	
 Operating income (EBITA)	 96	 554	 –83	 640	 1,112	 –42
Earnings before tax	42	489	–91	532	998	–47
Net income for the period	2	367	–99	367	746	–51
SEK earnings per share, SEK ¹⁾	0.02	4.89	–99	4.88	9.92	–51
Tax rate, %	96	25		31	25	
Cash flow from operating activities ²⁾	501	989	–49	1,269	1,020	24
Cash flow from operating activities as % of operating income (EBITA) ²⁾	264	166		166	89	

1) For information on the effects of IFRS 16, see Note 8.

2) Cash flow from operating activities excluding the effects of IFRS 16. The adoption of IFRS 16 has therefore had no net impact on cash flow from operating activities according to Loomis's definition. See also Definitions on page 25–26.

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

Comments by the President and CEO



At the end of the first quarter the coronavirus pandemic had spread to essentially all of the countries where Loomis has operations and the second quarter was, of course, impacted by the effects of the global situation. We have been successful despite the serious challenges we have faced. Loomis has a critical role to play in society and, regardless of the situation, it is vital for us to focus on meeting our responsibility to supply cash to our customers. We are doing this by ensuring that all of our local branches stay open and by maintaining a high level of availability of our services and our personnel. The health of our employees is our top priority and is a condition for maintaining the high service level that our customers expect from us. We have carefully followed advice from local health authorities in the more than 20 markets where we operate. Routines were quickly implemented to minimize the risk of our employees contracting or spreading the virus at our workplaces or in contacts with our customers. Effective communication with our employees on the importance of avoiding personal contact, keeping a safe distance from the nearest person, wearing gloves, frequent hand washing and staying at home if they have symptoms has been crucial. I'm impressed by the loyalty shown by our employees. We can be proud of the high quality of our services we are delivering in these difficult times.

It is worth emphasizing that cash is not a source for transmission of the virus. Several central banks have engaged medical experts who have spoken out and disputed claims that the virus can be transferred via cash. The WHO has also clearly sta-

ted that it has never communicated that there is a risk of virus transmission from cash. On our website, www.loomis.com, we provide information and guidance about cash and virus transmission. If you have any questions or want to learn more, I recommend that you visit our website.

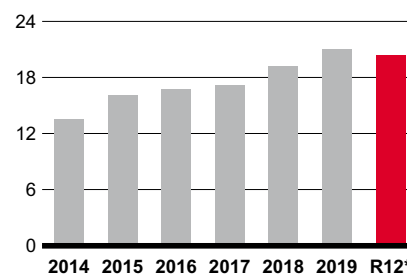
Although Loomis's financial position is strong, we have taken and will continue to take steps to strengthen our financial resilience. Ahead of the Annual General Meeting, the Board proposed that no dividends be paid out for 2019 and at the same time announced that the final dividend decision is expected to be made at an extraordinary shareholders' meeting later this year when it is possible to better assess the consequences of the pandemic. All non-critical capital expenditure is on hold at this time. In several of our markets we have unfortunately been forced to furlough or give notice to employees. A large percentage of our costs are variable and our aim is to offset reduced volumes, as far as possible, by quickly reducing expenditures. We have also increased our liquidity reserve by signing a new credit facility of SEK 1,200 million.

In the second quarter the Group's real growth amounted to –18 percent (4), of which organic growth was –20 percent (3). The Group's operating margin (EBITA %) in the second quarter amounted to 4.8 percent (11.7). The significant differences compared to the second quarter 2019 are related to the ongoing pandemic.

In the past quarter, April was the month in which Loomis experienced the most significant negative effects of the pandemic. Many European countries were hit hard and volumes declined dramatically in important markets for Loomis, such as Spain, France and the UK. In May the European countries started to see some recovery and we saw the results of the cost-saving measures we initiated in April. The positive trend continued in Europe in June and Loomis turned the losses in April and May into positive operating income. We believe there is good potential for the operating margin in Europe to further improve gradually due to the steps we have taken.

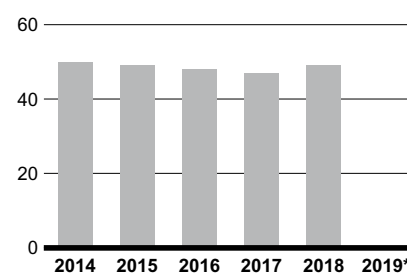
Loomis's financial targets

Revenue SEK 24 billion 2021



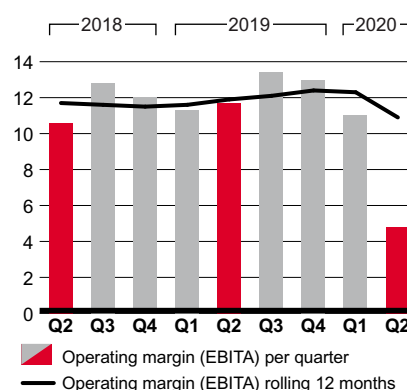
*Refers to the period July 1, 2019 – June 30, 2020.

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



* Ahead of the Annual Meeting, the Board proposed that no dividends be paid out for 2019. A final decision on the dividend is expected to be taken at an extraordinary shareholders' meeting later this year when it is possible to get a better idea of the consequences of the pandemic.

Operating margin (EBITA), % 12–14%



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

In June we received approval from the Swedish authorities to acquire the Swedish cash handling operations of Nokas. The integration process began immediately and we expect to see positive effects in 2021. The integration in France, of the operations we acquired in the summer of 2019, continued to a slightly lesser degree during the quarter, but the process will be intensified again once the pandemic recedes. I believe that we will gradually be able to raise our operating margin in France and that integration will be completed in the first half of 2021.

The negative impact of the pandemic on our operations has been significantly lower in the USA than in Europe. This is mainly due to the structure of our customer portfolios. In the USA our medium and large

retail customers and financial institutions account for a larger percentage of our revenue than in Europe. In many countries smaller retailers and restaurants have been affected the most by the decline in economic activity. These customer groups make up a larger percentage of Loomis's revenue in Europe compared to in the USA. In addition, in the USA we have a larger share of monthly revenue that is not volume-dependent compared to Europe. Fixed revenue from SafePoint, for example, is significantly higher in the USA than in Europe.

Despite the fact that we have lost revenue in the USA due to the pandemic, we have managed to increase our operating margin. Similar to previous quarters, a more profitable customer portfolio in combina-

tion with higher revenue from SafePoint, as well as efficiency improvement programs at the branches are the main reasons for our successes.

The pandemic is putting a lot of pressure on society and our operations, but it is our ambition to take this opportunity to strengthen our position in all markets. We are well equipped and I'm convinced that the measures we have initiated will yield good results. I would like to offer my sincere thanks to all of Loomis's employees for your loyalty and strong commitment in a difficult time.

Patrik Andersson
President and CEO

The segments

SEGMENT EUROPE – REVENUE AND OPERATING INCOME

	2020	2019	2020	2019	R12	2019
SEK m	Apr–Jun	Apr–Jun	Jan–Jun	Jan–Jun		Full year
Revenue	2,052	2,820	4,894	5,532	10,860	11,498
Real growth, %	–25	6	–12	6	–1	8
Organic growth, %	–29	3	–15	2	–7	2
Operating income (EBITA) ¹⁾	–71	330	205	623	1,012	1,429
Operating margin, %	–3.4	11.7	4.2	11.3	9.3	12.4
Number of full-time employees	13,200	14,900	14,200	14,900	14,800	15,300

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

SEGMENT USA – REVENUE AND OPERATING INCOME

	2020	2019	2020	2019	R12	2019
SEK m	Apr–Jun	Apr–Jun	Jan–Jun	Jan–Jun		Full year
Revenue	2,206	2,403	4,713	4,713	9,639	9,639
Real growth, %	–9	2	–4	2	–1	2
Organic growth, %	–9	3	–3	3	–	3
Operating income (EBITA) ¹⁾	332	329	703	649	1,425	1,372
Operating margin, %	15.1	13.7	14.9	13.8	14.8	14.2
Number of full-time employees	9,000	10,400	9,300	10,400	9,200	9,600

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

Revenue and earnings

April – June 2020

Group – revenue

Revenue for the quarter amounted to SEK 4,239 million (5,204). Real growth was –18 percent (4), of which organic growth was –20 percent (3). The significant differences compared to the second quarter 2019 are related to the ongoing pandemic.

Segment Europe – revenue

Revenue for the quarter amounted to SEK 2,052 million (2,820). The real growth of –25 percent (6) was positively affected by revenue attributable to the acquisition of Prosegur Cash's French operations in July 2019. Organic growth was –29 percent (3). The ongoing coronavirus pandemic negatively affected revenue, and volumes declined dramatically in important markets, such as Spain, France and the UK. In May the European countries started to recover to a certain extent and this positive trend continued in June.

Segment USA – revenue

Revenue amounted to SEK 2,206 million (2,403) and real growth was –9 percent (2). Organic growth amounted to –9 percent (3). The negative effects of the spread of the pandemic had less of an impact in the USA than in Europe. This is mainly due to the structure of the customer portfolios. In the USA medium and large retail customers and financial institutions account for a larger percentage of revenue than in Europe. In addition, in the USA a larger share of revenue than in Europe is not volume-dependent. Fixed revenue from, for example, SafePoint is significantly higher in the USA than in Europe. Revenue for the quarter from SafePoint accounted for 18 percent (16) 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 proportion of revenue from CMS during the quarter amounted to 33 percent (34) of the segment's total revenue.

Group – operating income (EBITA)

The operating income (EBITA) amounted to SEK 202 million (607) and the operating margin was 4.8 percent (11.7). The currency effect on operating income during the quarter was approximately SEK –5 million.

Segment Europe – operating income (EBITA)

The operating income (EBITA) amounted to SEK –71 million (330) and the operating margin was –3.4 percent (11.7). The impact of the pandemic on volumes was evident during the quarter and resulted in a lower operating margin than the corresponding period in 2019. The cost-saving activities initiated in April had a positive effect in May. Operating income improved further in June and was positive. The acquisition in France in July 2019 also had a dilutive effect on the operating margin.

During the quarter several of Loomis's European companies received government grants to, mainly, provide financial assistance for furloughed employees. The grants were approximately SEK 80 million in total.

Segment USA – operating income (EBITA)

The operating income (EBITA) amounted to SEK 332 million (329) and the operating margin was 15.1 percent (13.7). Higher revenue from SafePoint, a more profitable customer portfolio, as well as efficiency improvement programs at the branches, were the main reasons for the continued strong earnings.

Other

The operating income (EBIT) for the quarter amounted to SEK 96 million (554), which includes amortization of acquisition-related intangible assets of SEK –28 million (–25), acquisition-related costs of SEK –32 million (–21) and items affecting comparability of SEK –46 million (–6). The items affecting comparability of SEK –46 million relate to impairment of goodwill within the European segment.

Income before tax of SEK 42 million (489) includes a net financial expense, including loss of monetary net assets of SEK –54 million (–65).

The tax expense for the quarter amounted to SEK –40 million (–122), which represents a tax rate of 96 percent (25). The tax rate was mainly affected by the goodwill impairment, which is not tax deductible. The fact that pre-tax profit decreased to a proportionately greater extent in countries with a lower tax rate also had an effect.

Earnings per share after dilution amounted to SEK 0.02 (4.89).

Revenue and earnings

January – June 2020

Group – revenue

Revenue for the period amounted to SEK 9,567 million (10,210). Real growth was –8 percent (4), of which organic growth was –10 percent (2). The significant differences compared to the first half of 2019 are related to the ongoing pandemic.

Segment Europe – revenue

Revenue amounted to SEK 4,894 million (5,532). The real growth of –12 percent (6) was positively affected by revenue attributable to the acquisition of Prosegur Cash's French operations in July 2019. Organic growth was –15 percent (2). Business developed well in the first two months of the year, but was negatively affected from March by the ongoing coronavirus pandemic. In May the European countries started to recover to a certain extent and the positive trend continued in June.

Segment USA – revenue

Revenue amounted to SEK 4,713 million (4,713) and real growth was –4 percent (2). Organic growth amounted to –3 percent (3). During the first quarter of the year Loomis's organic growth was positive, but the negative effects from the ongoing pandemic in the second quarter resulted in negative organic growth for the first half of the year as a whole. The negative impact of the pandemic on volumes was significantly lower in the USA than in Europe. This is mainly due to the structure of the customer portfolios. Revenue for the period from SafePoint accounted for 17 percent (15) 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 period.

The share of revenue from CMS for the period amounted to 33 percent (33) of the segment's total revenue.

Group – operating income (EBITA)

The operating income (EBITA) amounted to SEK 791 million (1,171) and the operating margin was 8.3 percent (11.5). The currency effect on operating income during the period was approximately SEK +20 million.

Segment Europe – operating income (EBITA)

The operating income (EBITA) amounted to SEK 205 million (623) and the operating margin was 4.2 percent (11.3). The operating margin fell during the period as the impact of the pandemic on volumes in the period March–June was significant. Cost-saving activities that began in April started to have an effect in May and this positive trend continued in June. The acquisition in France in July 2019 also had a dilutive effect on the operating margin.

Several of Loomis's European companies received government grants to, mainly, provide financial assistance for furloughed employees. The grants were approximately SEK 80 million in total.

Segment USA– operating income (EBITA)

The operating income (EBITA) amounted to SEK 703 million (649) and the operating margin was 14.9 percent (13.8). Higher revenue from SafePoint, a more profitable customer portfolio as well as efficiency improvement programs at the branches were the main reasons for the continued strong earnings.

Other

The operating income (EBIT) for the period amounted to SEK 640 million (1,112), which includes amortization of acquisition-related intangible assets of SEK –54 million (–50), acquisition-related costs of SEK –50 million (–36) and items affecting comparability of SEK –46 million (27). The items affecting comparability of SEK –46 million relate to impairment of goodwill within the European segment. The 2019 item of SEK 27 million is primarily capital gains from the divestment of the art logistics and storage operations.

Income before tax of SEK 532 million (998) includes a net financial expense, including loss of monetary net assets, of SEK –108 million (–114).

The tax expense for the period amounted to SEK –165 million (–251), which represents a tax rate of 31 percent (25). The tax rate was mainly affected by the goodwill impairment in the second quarter, which is not tax deductible. The fact that pre-tax profit decreased to a proportionately greater extent in countries with a lower tax rate also had an effect.

Earnings per share after dilution amounted to SEK 4.88 (9.92).

Cash flow and investments

January – June 2020

Cash flow from operating activities, excluding effects from IFRS 16, amounted to SEK 1,269 million (1,020), equivalent to 166 percent (89) of operating income (EBITA).

Net investments in fixed assets for the period amounted to SEK –561 million (–636), which can be compared to depreciation (excluding the IFRS 16 impact) of SEK 660 million (617). Investments made during the period were mainly in buildings, vehicles, machinery and equipment during the period. Investments in relation to depreciation for the period amounted to 0.8 (1.0). For the effects of IFRS 16, see Note 8.

Capital employed and financial position

Capital employed

Loomis's total capital employed as of June 30, 2020 amounted to SEK 16,460 million (16,924 as of December 31, 2019), which represents 81 percent (81) of revenue. Return on capital employed for the January–June 2020 period amounted to 13 percent (15 percent for January – June 2019).

Shareholders' equity and financing

Shareholders' equity increased in the first half of the year by SEK 268 million to SEK 9,860 million as of June 30, 2020 (9,592 as of December 31, 2019). Net income for the period of SEK 367 million increased shareholders' equity. Actuarial losses of SEK –25 million, translation differences of SEK –28 million, hedging of net investments of SEK –17 million and share-based remuneration of SEK –29 million reduced shareholders' equity by SEK –99 million. The return on shareholders' equity for the January–June 2020 period was 13 percent (18 percent for January–June 2019) and the equity ratio was 37 percent (36 percent as of December 31, 2019).

Net debt amounted to SEK 6,600 million as of June 30, 2020 (7,332 as of December 31, 2019) and the net debt/EBITDA amounted to 1.59 (1.65 as of December 31, 2019).

As of June 30, 2020, total long-term credit facilities amounted to around SEK 9.2 billion. Unutilized credit facilities amounted to around SEK 3.9 billion on June 30, 2020, of which 0.6 billion was used as back-up for outstanding commercial papers. Available liquid funds amounted to around SEK 2.2 billion (see Note 6).

Other events

Significant events January – June 2020

In March 2020 the Board of Directors of Loomis AB decided to withdraw the proposal of a dividend for 2019 of SEK 11 per share and at the same time announced that the intention is for the final dividend decision to be made at an extraordinary shareholders' meeting later in the year when it is possible to assess the consequences of the pandemic.

The Annual General Meeting (AGM) on May 6, 2020 voted in favor of the Board's proposal to introduce an incentive scheme (Incentive Scheme 2020). Similar to the previous year's incentive scheme (Incentive Scheme 2019), Incentive Scheme 2020 involves 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 shares in Loomis AB to be allotted to the participants at the beginning of 2022. The allotment of shares is contingent upon the employee still being employed by the Loomis Group on the last day of February 2022, 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 principle of performance measurement and other general principles being applied in Incentive Scheme 2019 will continue to apply. Loomis AB will not issue any new shares or similar instruments for Incentive Scheme 2020. To enable allotment of the 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's development for the benefit of all shareholders. To read the Board's full incentive scheme proposal, refer to the notice of the AGM on www.loomis.com.

In June 2020 Loomis announced that Kristoffer Laboc will take up the position as Managing Director of the New Payment Solutions business area. Kristoffer Laboc, who comes most recently from Klarna, will start in his new position before the end of the year.

Acquisitions January – June 2020

In January 2020 Loomis AB announced that, through the wholly owned subsidiary Loomis Sverige AB (Loomis Sweden), it had entered into an agreement to acquire all of the shares in the limited liability company Nokas Värdehantering AB (Nokas Värdehantering), a subsidiary of Nokas Kontanthåntering AS in Norway. The enterprise value, i.e. the purchase price payable on a debt free basis, is around SEK 80 million. Nokas Värdehantering has around 220 employees and its net revenue over the 12-month period ending in September 2019 was around SEK 215 million. The company's current operating margin, EBITA, is negative. These operations are reported within Segment Europe and were consolidated into Loomis's accounts as of the closing date for the transaction, June 15 this year. The purchase price was

paid on closing. Including integration costs, the acquisition is expected to have a marginal negative impact on Loomis's earnings per share for 2020. The acquired operations are expected to show a profit thereafter. Nokas CMS AB, a subsidiary of Nokas Värdehantering which has an ATM business in the Nordic region, is not part of the transaction and will remain part of the Nokas Group.

In February 2020 Loomis entered into an agreement to acquire all of the shares in Automatia Pankkiautomaatit Oy (Automatia) from its current owners Danske Bank, Nordea and OP Financial Group. The enterprise value, i.e. the purchase price payable on a debt-free basis, is around EUR 42 million. Automatia operates Finland's largest ATM business under the Otto brand, but also offers cash supply services to bank branches, service boxes for retail and a digital platform for real-time payments. Automatia has around 30 employees. Its net revenue over the 12-month period ending in December 2019 was around EUR 42 million. Under the acquisition agreement, the sellers will sign long-term service agreements and will therefore also remain important customers of Automatia. The acquired operations will be reported within Segment Europe and will be consolidated into Loomis's accounts as of the closing of the transaction. The transaction is contingent upon approval from the Finnish competition and consumer protection agency and from other relevant authorities. The acquisition will be completed following this approval, which is expected to be in the second half of 2020. The purchase price is payable on closing. Including integration costs, the acquisition is expected to have a marginal positive impact on Loomis's operating margin, EBITA, and on profit per share for 2020.

Other

In April 2020 it was announced that Loomis AB had signed a two-year credit agreement for SEK 1,200 million. It is in the form of a term loan and matures in April 2022. The arrangers of the loan are Danske Bank A/S and Nordea Bank Abp. The loan may be used to finance working capital, investments and for other purposes.

Kristoffer Wadman, who previously held the position as Chief Innovation Officer, left the Group management team in May 2020 and become Marketing Director for Loomis's initiatives within digital payment platforms.

The Annual General Meeting of Loomis AB on May 6, 2020 voted in favor of the Board's proposal to amend the Articles of Association, including removing the possibility of issuing shares of different classes. The Company's existing B shares will therefore only be named ordinary shares. The share's ticker on Nasdaq Stockholm has been changed from LOOM B to LOOMIS. The first trading day for the share with the new ticker and ISIN code was June 23, 2020. The share's new ISIN code is SE0014504817.

Events after the end of the period

On July 6, 2020 Loomis announced the restructuring of the management of physical foreign currency (FX) operations in Norway. Loomis Foreign Exchange AS in Norway (Loomis FX) decided to return its Norwegian license and also received confirmation from the Norwegian financial supervisory authority that Loomis FX is no longer under its supervision. Loomis FX had limited operations in Norway with a turnover slightly in excess of SEK 60 million in 2019, equivalent to around 0.3 percent of Loomis Group's total net sales. Loomis AB, the Group's parent company, and Loomis's French FX company, CPoR, are pursuing an international expansion within FX as communicated at the Capital Markets Day on September 5, 2019. The intention is for CPoR to function as a hub and manage the Group's combined FX operations.

Financial reports in brief

CONSOLIDATED STATEMENT OF INCOME

	Note	2020	2019	2020	2019	R12	2019
SEK m		Apr–Jun	Apr–Jun	Jan–Jun	Jan–Jun		Full year
Revenue, continuing operations		4,146	5,095	9,359	9,979	19,791	20,411
Revenue, acquisitions		92	109	209	232	610	633
Total revenue	3,4	4,239	5,204	9,567	10,210	20,401	21,044
Production expenses		–3,289	–3,792	–7,209	–7,457	–14,963	–15,210
Gross income		950	1,413	2,358	2,753	5,438	5,833
Selling and administration expenses		–748	–806	–1,567	–1,583	–3,217	–3,233
Operating income (EBITA)¹⁾		202⁸⁾	607⁸⁾	791⁸⁾	1,171⁸⁾	2,221	2,601⁸⁾
Amortization of acquisition-related intangible assets		–28	–25	–54	–50	–105	–101
Acquisition-related costs and revenue		–32	–21	–50 ²⁾	–36 ²⁾	–115	–101
Items affecting comparability		–46 ³⁾	–6 ⁴⁾	–46 ³⁾	27 ⁴⁾	–50	23 ⁵⁾
Operating income (EBIT)		96	554	640	1,112	1,950	2,422
Net financial items		–49 ⁸⁾	–57 ⁸⁾	–97 ⁸⁾	–100 ⁸⁾	–174	–178 ⁸⁾
Loss on monetary net assets/liabilities		–5	–8	–11	–14	–32	–34
Income before taxes		42	489	532	998	1,744	2,210
Income tax		–40	–122	–165	–251	–477	–564
Net income for the period⁶⁾		2⁸⁾	367⁸⁾	367⁸⁾	746⁸⁾	1,267	1,646⁸⁾
KEY RATIOS							
Real growth, %		–18	4	–8	4	–1	5
Organic growth, %		–20	3	–10	2	–4	2
Operating margin (EBITA), %		4.8 ⁷⁾	11.7 ⁷⁾	8.3 ⁷⁾	11.5 ⁷⁾	10.9	12.4 ⁷⁾
Tax rate, %		96	25	31	25	27	26
Earnings per share before and after dilution, SEK ⁷⁾		0.02 ⁷⁾	4.89 ⁷⁾	4.88 ⁷⁾	9.92 ⁷⁾	16.84	21.88 ⁷⁾

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 – June 2020 consist of transaction costs of SEK –31 million (–19), restructuring costs of SEK –32 million (–5), integration costs of SEK 0 million (–12) and remeasurement of previously recognized deferred considerations of SEK 13 million (0). Of the transaction costs of SEK –31 million, SEK –22 million is for acquisitions in progress for the period January – June 2020, SEK –9 million is for completed acquisitions and SEK 0 million pertains to discontinued acquisitions.

3) The item affecting comparability of SEK –46 million relates to a write-down of goodwill in an operation within the European segment.

4) The item affecting comparability of SEK 27 million relates to reported capital gains of SEK 33 million from the divestment of the fine art storage and logistics operations, Artcare, and costs of SEK –6 million related to the allegations of money laundering put forward in the spring of 2019.

5) The item affecting comparability of SEK 23 million relates to reported capital gains of SEK 35 million from the divestment of the fine art storage and logistics operation, Artcare, and costs of SEK –12 million related to the allegations of money laundering put forward in the spring of 2019.

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

7) For further information please refer to page 23.

8) For information regarding the IFRS 16 impact, see Note 8.

STATEMENT OF COMPREHENSIVE INCOME

	2020	2019	2020	2019	R12	2019
SEK m	Apr–Jun	Apr–Jun	Jan–Jun	Jan–Jun		Full year
Net income for the period	2	367	367	746	1,267	1,646
Other comprehensive income						
Items that will not be reclassified to the statement of income						
Actuarial gains and losses after tax	–135	–47	–25	–192	80	–87
Items that may be reclassified to the statement of income						
Exchange rate differences ¹⁾	–846	75	–28	425	–32	421
Hedging of net investments, net of tax	97	–17	–17	–64	–27	–74
Other comprehensive income and expenses for the period, net after tax	–884	11	–70	169	21	260
Total comprehensive income for the period²⁾	–882	379	297	915	1,288	1,906

1) Includes effects of hyperinflation in Argentina. As of June 30, 2020 the consumer price index in Argentina, National CPI, was 321.2 with the base period as December 2016. The SEK/ARS rate as of December 31, 2019 was 0.1554 and as of June 30, 2020, 0.1332.

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

BALANCE SHEET

	Note	2020	2019	2019
SEK m		Jun 30	Jun 30	Dec 31
ASSETS				
Fixed assets				
Goodwill	5	7,183	6,802	7,094
Acquisition-related intangible assets	5	500	506	478
Other intangible assets		242	187	208
Tangible fixed assets		5,668	5,429	5,822
Right-of-use assets	8	2,806	2,971	2,911
Other non-interest-bearing fixed assets		867	644	817
Interest-bearing financial fixed assets ¹⁾		716	357	565
Total fixed assets		17,983	16,896	17,893
Current assets				
Non-interest-bearing current assets ²⁾		3,495	3,829	3,536
Interest-bearing financial current assets ¹⁾		61	56	61
Liquid funds	6	5,354	4,850	5,073
Total current assets		8,910	8,735	8,670
TOTAL ASSETS		26,892	25,630	26,563
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity	10	9,860	8,581	9,592
Long-term liabilities				
Interest-bearing long-term lease liabilities	8	2,232	2,390	2,313
Other interest-bearing long-term liabilities		6,597	5,688	6,711
Non-interest-bearing provisions		1,254	1,045	1,117
Total long-term liabilities		10,083	9,123	10,141
Current liabilities				
Tax liabilities		275	161	199
Non-interest-bearing current liabilities		3,130	3,221	3,022
Liabilities, cash processing operations		2,785	2,997	3,021
Interest-bearing current lease liabilities	8	561	523	560
Other interest-bearing current liabilities		197	1,023	29
Total current liabilities		6,949	7,926	6,831
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		26,892	25,630	26,563
KEY RATIOS				
Return on shareholders' equity, %		13	18	17
Return on capital employed, %	7	13 ³⁾	15 ³⁾	15 ³⁾
Equity ratio, %		37	33	36
Net debt	7	6,600 ³⁾	7,653 ³⁾	7,332 ³⁾
Net debt/EBITDA		1.59 ³⁾	1.98 ³⁾	1.65 ³⁾

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) During the fourth quarter of 2019, Loomis changed the reporting of inventory of cash at the cash processing operations, see Note 1. The comparative figures have been adjusted as a result of this change.

3) For information excluding the IFRS 16 impact, see Note 8.

CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

	2020	2019	R12	2019
SEK m	Jan–Jun	Jan–Jun		Full year
Opening balance	9,592	8,422	8,581	8,422
Actuarial gains and losses after tax	–25	–192	80	–87
Exchange rate differences ¹⁾	–28	425	–32	421
Hedging of net investments, net of tax	–17	–64	–27	–74
Total other comprehensive income	–70	169	21	260
Net income for the period	367	746	1,267	1,646
Total comprehensive income²⁾	297	915	1,288	1,906
Dividend paid to Parent Company's shareholders	–	–750	–	–750
Share-related remuneration	–29	–6	–8	14
Non-controlling interest	0	0	0	0
Closing balance	9,860	8,581	9,860	9,592

1) Includes effects of hyperinflation in Argentina. As of June 30, 2020 the consumer price index in Argentina, National CPI, was 321.2 with the base period as December 2016. The SEK/ARS rate as of December 31, 2019 was 0.1554 and as of June 30, 2020, 0.1332.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	2020	2019	2020	2019	R12	2019
SEK m	Apr–Jun	Apr–Jun	Jan–Jun	Jan–Jun		Full year
Operations						
Income before taxes	42	489	532	998	1,744	2,210
Items not affecting cash flow	614	559	1,173	1,030	2,281	2,138
Financial items received	3	7	11	14	33	36
Financial items paid	–53	–64	–114	–114	–247	–247
Income tax paid	–125	–248	–261	–371	–530	–641
Change in accounts receivable	358	–188	456	–275	581	–150
Change in other operating capital employed and other items	–199	599	–52	177	–213	17
Cash flow from operations	639	1,154	1,745	1,458	3,649	3,362
Investing activities						
Investments in fixed assets	–180	–345	–573	–663	–1,619	–1,709
Disposals of fixed assets	6	25	13	28	51	66
Divestments of operations	–	–	–	38	–	38
Acquisitions of operations	–182	–4	–182	–6	–560	–384
Cash flow from investing activities	–357	–323	–743	–604	–2,128	–1,989
Financing activities						
Dividend paid	–	–750	–	–750	–	–750
Change in interest-bearing net debt excluding liquid funds	–199	–264	–472	–474	–339	–341
Issuance of bonds	–	–	–	–	2,795	2,795
Amortization of bonds	–	–	–	–	–1,000	–1,000
Change in commercial papers issued and other long-term borrowing	16	555	40	580	–2,293	–1,753
Cash flow from financing activities	–183	–459	–432	–644	–837	–1,049
Cash flow for the period	99	373	569	211	683	325
Liquid fund at beginning of the period	2,204	1,170	1,655	1,308	1,558	1,308
Translation differences in liquid funds	–91	15	–13	39	–30	22
Liquid funds at end of period	2,212	1,558	2,212	1,558	2,212	1,655

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

	2020	2019	2020	2019	R12	2019
SEK m	Apr–Jun	Apr–Jun	Jan–Jun	Jan–Jun		Full year
Operating income (EBITA) ¹⁾	190	595	763	1,146	2,165	2,548
Depreciation ¹⁾	324	312	660	617	1,308	1,265
Change in accounts receivable	358	–188	456	–275	581	–150
Change in other operating capital employed and other items ¹⁾	–197	590	–50	168	–181	37
Cash flow from operating activities before investments	675	1,308	1,829	1,655	3,874	3,700
Investments in fixed assets, net	–174	–319	–561	–636	–1,568	–1,643
Cash flow from operating activities	501	989	1,269	1,020	2,306	2,057
Financial items paid and received ¹⁾	–25	–31	–52	–49	–109	–106
Income tax paid	–125	–248	–261	–371	–530	–641
Free cash flow	350	710	956	599	1,667	1,310
Cash flow effect of items affecting comparability	0	0	0	0	–11	–12
Divestment of operations	–	–	–	38	–	38
Acquisition of operations	–182	–4	–182	–6	–560	–384
Acquisition-related costs and revenue, paid and received ²⁾	–25	–11	–58	–30	–104	–75
Dividend paid	–	–750	–	–750	–	–750
Change in interest-bearing net debt excluding liquid funds ¹⁾	–59	–128	–186	–221	190	155
Issuance of bonds	–	–	–	–	2,795	2,795
Amortization of bonds	–	–	–	–	–1,000	–1,000
Change in commercial papers issued and other long-term borrowing	16	555	40	580	–2,293	–1,753
Cash flow for the period	99	373	569	211	683	325
KEY RATIOS						
Cash flow from operating activities as % of operating income (EBITA) ¹⁾	264	166	166	89	106	81
Investments in relation to depreciation ¹⁾	0.5	1.0	0.8	1.0	1.2	1.3
Investments as a % of total revenue	4.1	6.1	5.9	6.2	7.7	7.8

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 1–28, and the 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 97–105 of the 2019 Annual Report.

New or changed standards and interpretations that entered into force on January 1, 2020 are not expected to have any material effect on the Group's financial statements.

Government grants are recognized according to IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. The Group has received government grants to cover the cost of short-term furloughs. These grants are recognized as a reduction of personnel costs in the income statement in the same period as the costs the grants are intended to cover are recognized.

Reporting of cash at the cash processing operations

Loomis' operations involve the transportation of cash and other valuables based on customer contracts in place. If stipulated in the customer contract, the transported cash is processed at Loomis' cash centers. The cash that is received by Loomis is on consignment unless otherwise agreed with the customer. Consignment stocks of cash are accounted for by the other parties and not by Loomis.

In cases where Loomis, according to the customer contract, assumes ownership of the cash received, it is reported as inventory of cash. These inventories are financed by specific credit facilities and prepayments from customers. The credit facilities and prepayments are only used for this purpose.

CASH PROCESSING OPERATIONS:

	2020	2019
SEK m	Jun 30	Jun 30
Inventory of cash ¹⁾	2,335	2,160
Prepayments from customers	808	1,132
Liabilities related to prepayments from customers and liabilities to customers	–1,514	–1,767
Credit facility related to cash processing operations	–1,271	–1,230
Funds within cash processing operations (net)	357	295

1) Excluding consignment stocks of money.

As a consequence of the changed accounting principle regarding funds in the cash processing operations, which is described in Note 2 of the 2019 Annual Report, Loomis has retroactively

reclassified earlier periods according to the following table:

SEK m	June 30, 2019 Reported	Reclassi- fication	June 30, 2019 Adjusted
Current assets			
Liquid funds	1,558	3,292	4,850
Other current receivables	415	–295	120 ¹⁾
Current liabilities			
Liabilities, cash processing operations	–	2,997	2,997

1) Included in Non-interest-bearing current assets.

The reclassification has had no impact on Loomis' net debt. Interest expense for the above-mentioned credit facilities is still reported under "Production expenses" and not as a net financial expense as it relates to financing of operating activities/inventory of cash. The adjustment has therefore had no impact on operating income, operating margin or earnings per share before and after dilution.

Even though inventories of cash are disposable deposits, they are entirely separated from Loomis' other liquid funds and cash flow, and according to internal guidelines they are not used in Loomis' other operations or business. In the cash flow statement inventories of cash are therefore reported net against the above-mentioned credit facilities and prepayments from customers. The reclassification in the balance sheet has therefore no impact on the Group's cash flow.

Reconciliation of liquid funds according to the consolidated balance sheet as of June 30 (after the above reclassification) against liquid funds in the Group's cash flow statement is as follows:

	2020	2019
SEK m	Jun 30	Jun 30
Liquid funds according to the Group's balance sheet	5,354	4,850
– Adjusted for inventory of cash at the cash processing operations	–2,335	–2,160
– Adjusted for prepayments from customers	–808	–1,132
Liquid funds according to the Group's cash flow statement	2,212	1,558

Critical estimates and assessments

For critical estimates and assessments as well as contingent liabilities, please refer to pages 105–107 and 134 of the 2019 Annual Report. 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 37 on page 138 of the 2019 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 2019 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 half of 2020 impacted certain geographic areas negatively, and it cannot be ruled out that Loomis' revenue and earnings for the remainder of 2020 may be negatively impacted as a result.

As a consequence of the outbreak of the coronavirus (COVID-19), the authorities in many markets have initiated measures that have lowered demand in retail business in these countries. The Company's revenue and earnings in the first half of 2020 were negatively impacted and this trend is expected to continue until the development of the pandemic slows and retail businesses in the countries where Loomis operates can start to grow again. Loomis is monitoring events carefully and taking steps to minimize or eliminate the impact on the Group's operations. Loomis is following the guidelines issued by the Public Health Agency of Sweden, the WHO, ECDC (European Centre for Disease Prevention and Control) and the CDC in the USA.

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 2020 the actual financial results of certain previously reported items affecting comparability, provisions and contingent liabilities, as described in the 2019 Annual report and where applicable under the heading "Critical estimates and assessments" in Note 1 of this report, 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	Elimina- tions	Total	Europe	USA	Elimina- tions	Total
SEK m	Apr–Jun 2020				Apr–Jun 2019			
Cash in transit (CIT)	1,264	1,383	–	2,647	1,679	1,488	–	3,168
Cash management services (CMS)	486	730	–	1,216	769	822	–	1,591
International	169	81	–	250	192	79	–	270
Other	121	5	–	125	171	4	–	175
Revenue, internal	12	8	–20	0	9	9	–19	0
Total revenue	2,052	2,206	–20	4,239	2,820	2,403	–19	5,204

Timing of revenue recognition, external

At a point in time	319	80	–	399	364	75	–	438
Over time	1,721	2,118	–	3,839	2,448	2,319	–	4,767
Total external revenue	2,040	2,198	–	4,239	2,812	2,394	–	5,204

	Europe	USA	Elimina- tions	Total	Europe	USA	Elimina- tions	Total
SEK m	Jan–Jun 2020				Jan–Jun 2019			
Cash in transit (CIT)	2,946	2,948	–	5,894	3,310	2,945	–	6,256
Cash management services (CMS)	1,233	1,577	–	2,810	1,510	1,575	–	3,085
International	376	163	–	539	373	166	–	538
Other	316	9	–	325	323	8	–	331
Revenue, internal	23	16	–40	0	16	18	–34	0
Total revenue	4,894	4,713	–40	9,567	5,532	4,713	–34	10,210

Timing of revenue recognition, external

At a point in time	745	162	–	906	767	157	–	924
Over time	4,126	4,535	–	8,661	4,749	4,538	–	9,287
Total external revenue	4,871	4,696	–	9,567	5,516	4,695	–	10,210

REVENUE PER SIGNIFICANT GEOGRAPHICAL MARKET

	2020	2019	2020	2019
SEK m	Apr–Jun	Apr–Jun	Jan–Jun	Jan–Jun
USA	2,206	2,403	4,713	4,713
France	613	733	1,468	1,461
Spain	258	397	654	768
UK	191	391	566	778
Other countries and eliminations	971	1,280	2,166	2,490
Total revenue	4,239	5,204	9,567	10,210

NOTE 4 – SEGMENT OVERVIEW

Loomis has operations in a number of countries, with country presidents being responsible for each country. Segment presidents supervise operations in a number of countries and also support the respective country president. Operating segments are reported in accordance with the internal Loomis reporting, submitted to Loomis' CEO who has been identified as the most senior executive decision-maker within Loomis. Loomis has the following segments: Europe, USA, and Other. Presidents for the

segments Europe and USA are responsible for following up the segments' operating income before amortization of acquisition-related intangible assets, acquisition-related costs and revenue and items affecting comparability (EBITA), according to the manner in which Loomis reports its consolidated statement of income. This then forms the basis for how the CEO monitors development, allocates resources etc. Loomis has therefore chosen this structure for its segment reporting.

SEGMENT OVERVIEW STATEMENT OF INCOME

	Europe	USA	Other ¹⁾	Eliminations	Total
SEK m	Jan – Jun 2020	Jan – Jun 2020	Jan – Jun 2020	Jan – Jun 2020	Jan – Jun 2020
Revenue, continuing operations	4,686	4,713	–	–40	9,359
Revenue, acquisitions	209	–	–	–	209
Total revenue	4,894	4,713	–	–40	9,567
Production expenses	–3,943	–3,320	–	53	–7,209
Gross income	952	1,392	–	14	2,358
Selling and administrative expenses	–746	–690	–118	–14	–1,567
Operating income (EBITA)	205	703	–118	–	791
Amortization of acquisition-related intangible assets	–44	–10	–	–	–54
Acquisition-related costs	–39	–1	–11	–	–50
Items affecting comparability	–46 ²⁾	–	–	–	–46 ²⁾
Operating income (EBIT)	76	692	–128	–	640
Net financial items	–	–	–97	–	–97
Loss on monetary net assets/liabilities	–	–	–11	–	–11
Income before taxes	76	692	–236	–	532

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

2) The item affecting comparability of SEK –46 million relates to a write-down of goodwill in an operation within the European segment.

SEGMENT OVERVIEW STATEMENT OF INCOME

	Europe	USA	Other ¹⁾	Eliminations	Total
SEK m	Jan – Jun 2019	Jan – Jun 2019	Jan – Jun 2019	Jan – Jun 2019	Jan – Jun 2019
Revenue, continuing operations	5,301	4,712	–	–34	9,979
Revenue, acquisitions	231	1	–	–	232
Total revenue	5,532	4,713	–	–34	10,210
Production expenses	–4,123	–3,382	–	49	–7,457
Gross income	1,409	1,330	–	15	2,753
Selling and administrative expenses	–786	–681	–101	–15	–1,583
Operating income (EBITA)	623	649	–101	–	1,171
Amortization of acquisition-related intangible assets	–40	–10	–	–	–50
Acquisition-related costs	–24	–	–12	–	–36
Items affecting comparability	33 ²⁾	–	–6 ²⁾	–	27 ²⁾
Operating income (EBIT)	592	640	–119	–	1,112
Net financial items	–	–	–100	–	–100
Loss on monetary net assets/liabilities	–	–	–14	–	–14
Income before taxes	592	640	–234	–	998

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

2) The item affecting comparability of SEK 27 million relates to reported capital gains of SEK 33 million from the divestment of the fine art storage and logistics operations, Artcare, and costs of SEK –6 million related to the allegations of money laundering put forward in the spring of 2019.

SEGMENT OVERVIEW STATEMENT OF INCOME, ADDITIONAL INFORMATION

	2020	2019	2020	2019	R12	2019
SEK m	Apr–Jun	Apr–Jun	Jan–Jun	Jan–Jun		Full year
Europe						
Operating income (EBITA)	–71	330	205	623	1,012	1,429
Operating margin (EBITA), %	–3.4	11.7	4.2	11.3	9.3	12.4
USA						
Operating income (EBITA)	332	329	703	649	1,425	1,372
Operating margin (EBITA), %	15.1	13.7	14.9	13.8	14.8	14.2
Other¹⁾						
Revenue	–	–	–	–	–	–
Operating income (EBITA)	–60	–52	–118	–101	–217	–200
Eliminations						
Revenue	–20	–19	–40	–34	–98	–92
Operating income (EBITA)	–	–	–	–	–	–
Group total						
Operating income (EBITA)	202	607	791	1,171	2,221	2,601
Operating margin (EBITA), %	4.8	11.7	8.3	11.5	10.9	12.4

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

SEGMENT OVERVIEW BALANCE SHEET

	2020	2019	2019
SEK m	Jun 30	Jun 30	Dec 31
Europe			
Assets	10,734	10,659	11,234
Liabilities	2,944	2,842	3,009
USA			
Assets	9,993	9,785	9,965
Liabilities	1,071	1,077	1,012
Other¹⁾			
Assets	6,165	5,186	5,364
Liabilities	13,017	13,130	12,950
Shareholder's equity	9,860	8,581	9,592
Group total			
Assets	26,892	25,630	26,563
Liabilities	17,032	17,049	16,971
Shareholder's equity	9,860	8,581	9,592

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

NOTE 5 – ACQUISITIONS

In January 2020 Loomis AB announced that, through the wholly owned subsidiary Loomis Sverige AB (Loomis Sweden), it had entered into an agreement to acquire all of the shares in the limited liability company Nokas Värdehantering AB (Nokas Värdehantering), a subsidiary of Nokas Kontandthåntering AS in Norway. The acquired operations are reported in the European segment and are consolidated into Loomis's accounts as of the closing of the transaction, June 15, 2020.

In February 2020 Loomis entered into an agreement to acquire all of the shares in Automatia Pankkiautomaatit Oy (Automatia) from its current owners Danske Bank, Nordea and OP Financial Group. The enterprise value, i.e. the purchase price payable on a

debt-free basis, is around EUR 42 million. The acquired operations will be reported in the European segment and will be consolidated into Loomis's accounts on closing of the transaction. The transaction is contingent upon approval from the Finnish competition and consumer protection agency and from the relevant authorities.

In addition to the above acquisitions, one smaller acquisition was implemented in the second quarter of 2020.

As the completed 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, 2020							7,094	478	
Acquisition of Nokas Värdehantering AB ⁴⁾	June	Europe	100	215 ²⁾	220	129 ³⁾	42 ⁶⁾	69	18
Other acquisitions ⁵⁾	June	Other	100	17 ²⁾	8	61 ³⁾	73 ⁶⁾	6	-18
Total acquisitions January – June 2020							115	75	0
Write-down of book values							-46	-	
Amortization of acquisition-related intangible assets							-	-54	
Exchange rate differences							21	1	
Closing balance June 30, 2020							7,183	500	

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, i.e. the purchase price payable on a debt free basis, on the acquisition date amounted to around SEK 80 million for Nokas Värdehantering AB and around SEK 81 million for other acquisitions.

4) 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.

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.

NOTE 6 – LIQUID FUNDS

	2020	2019	2019
SEK m	Jun 30	Jun 30	Dec 31
Liquid funds	5,354	4,850	5,073
– Adjusted for inventory of cash at the cash processing operations	–2,335	–2,160	–2,384
– Adjusted for prepayments from customers	–808	–1,132	–1,034
Liquid funds excluding funds for cash processing activities	2,212	1,558	1,655

NOTE 7 – CAPITAL EMPLOYED AND FINANCING

	2020	2019	2019
SEK m	Jun 30	Jun 30	Dec 31
Operating capital employed	8,600	8,919	9,238
Goodwill	7,183	6,802	7,094
Acquisition-related intangible assets	500	506	478
Other capital employed	177	8	114
Capital employed	16,460	16,235	16,924
Net debt	6,600¹⁾	7,653	7,332
Shareholders' equity	9,860	8,581	9,592
Key ratios			
<i>Return on capital employed, %</i>	13	15	15
<i>Return on equity, %</i>	13	18	17
<i>Equity ratio, %</i>	37	33	36
<i>Net debt/EBITDA</i>	1.59	1.98	1.65

1) For information regarding the IFRS 16 impact, see Note 8.

NET DEBT

	2020	2019	2019
SEK m	Jun 30	Jun 30	Dec 31
Liquid funds excluding funds for cash processing activities	2,212	1,558	1,655
Interest-bearing financial fixed assets	716	357	565
Interest-bearing financial current assets	61	56	61
Interest-bearing lease liabilities	–2,793	–2,913	–2,873
Other interest-bearing long-term liabilities	–6,597	–5,688	–6,711
Other interest-bearing current liabilities	–197	–1,023	–29
Net debt	–6,600	–7,653	–7,332

NOTE 8 – LEASES

Loomis has applied IFRS 16 since January 1, 2019. The Group is using the simplified transition method, modified retroactively, and has therefore not restated the comparative figures. For further information about IFRS 16, please see Note 2 of the 2019 Annual Report.

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 2,806 million as of June 30, 2020 (2,971). Buildings account for 74 percent (78) of total right-of-use assets. The lease liability as of June 30, 2020 totaled SEK 2,793 million (2,913), of which the long-term lease liability amounts to SEK 2,232 million (2,390) and the short-term lease liability to

SEK 561 million (523). 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.

As of June 30 2020, the costs relating to short-term leases (lease term of 12 months or less) amounted to SEK 19 million (16) and leases for which the underlying asset has a low value (<USD 5,000) amounted to SEK 5 million (6).

Outcomes for Loomis' key ratios are presented below both including and excluding the impact of IFRS 16 as of June 30, 2020:

	Including IFRS 16	Excluding IFRS 16
	Jun 30, 2020	Jun 30, 2020
Net debt	6,600	3,883
Net debt/EBITDA	1.59	1.12
Return on capital employed, %	13	16

	Including IFRS 16	Excluding IFRS 16	Including IFRS 16	Excluding IFRS 16	Including IFRS 16	Excluding IFRS 16	Including IFRS 16	Excluding IFRS 16
SEK m	Apr–Jun 2020	Apr–Jun 2020	Apr–Jun 2019	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2020	Jan–Jun 2019	Jan–Jun 2019
Operating income, EBITDA	681	514	1,059	906	1,764	1,423	2,058	1,763
Depreciation	479	324	452	312	973	660	887	617
Operating income, EBITA	202	190	607	595	791	763	1,171	1,146
Operating margin, EBITA, %	4.8	4.5	11.7	11.4	8.3	8.0	11.5	11.2
Net financial items	–49	–24	–57	–31	–97	–45	–100	–49
Net income for the period	2	11	367	378	367	385	746	766
Earnings per share	0.02	0.15	4.89	5.03	4.88	5.12	9.92	10.19
Investments in relation to depreciation	0.4	0.5	0.7	1.0	0.6	0.8	0.7	1.0

NOTE 9 – TRANSACTIONS WITH RELATED PARTIES

Transactions between Loomis and related parties are described in Note 7 of the 2019 Annual Report. As previously communicated, board member Lars Blecko provides consulting services to Loomis Armored US LLC. pursuant to an existing agreement between Loomis Armored US LLC and a company owned by him. Board member Johan Lundberg has also been asked to provide consulting services as of January 1, 2020. There have been no transactions with related parties during the period that have materially impacted the Company's earnings and financial position.

NOTE 10 – NUMBER OF SHARES AS OF JUNE 30, 2020

	Votes	No. of shares	No. of votes	Quota value	SEK m
Shares	1	75,279,829	75,279,829	5	376
Total no. of shares		75,279,829	75,279,829		376
Total 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 11 – CONTINGENT LIABILITIES, GROUP

	2020	2019	2019
SEK m	Jun 30	Jun 30	Dec 31
Securities and guarantees	2,185 ¹⁾	1,652 ¹⁾	2,014 ¹⁾
Other contingent liabilities	–	–	–
Total contingent liabilities	2,185	1,652	2,014

1) Excluding intra-group contingent liabilities.

OTHER INFORMATION – KEY RATIOS

	2020	2019	2020	2019	R12	2019
	Apr–Jun	Apr–Jun	Jan–Jun	Jan–Jun		Full year
Real growth, %	–18	4	–8	4	–1	5
Organic growth, %	–20	3	–10	2	–4	2
Total growth, %	–19	8	–6	10	2	10
Gross margin, %	22.4	27.1	24.6	27.0	26.7	27.7
Selling and administration expenses in % of total revenue	–17.6	–15.5	–16.4	–15.5	–15.8	–15.4
Operating margin (EBITA), %	4.8 ²⁾	11.7 ²⁾	8.3 ²⁾	11.5 ²⁾	10.9	12.4
Tax rate, %	96	25	31	25	27	26
Net margin, %	0.0	7.1	3.8	7.3	6.2	7.8
Return on shareholders' equity, %	13	18	13	18	13	17
Return on capital employed, %	13 ²⁾	15	13 ²⁾	15	13	15
Equity ratio, %	37	33	37	33	37	36
Net debt (SEK m)	6,600 ²⁾	7,653	6,600 ²⁾	7,653	6,600	7,332
Net debt/EBITDA	1.59 ²⁾	1.98	1.59 ²⁾	1.98	1.59	1.65
Cash flow from operating activities as % of operating income (EBITA) ³⁾	264	166	166	89	106	81
Investments in relation to depreciation ³⁾	0.5 ²⁾	1.0 ²⁾	0.8 ²⁾	1.0 ²⁾	1.2	1.3
Investments as a % of total revenue	4.1	6.1	5.9	6.2	7.7	7.8
Earnings per share before and after dilution, SEK ¹⁾	0.02 ²⁾	4.89 ²⁾	4.88 ²⁾	9.92 ²⁾	16.84	21.88
Shareholders' equity per share before and after dilution, SEK	131.08	114.07	131.08	114.07	131.08	127.51
Cash flow from operating activities per share after dilution, SEK	8.50	15.34	23.20	19.38	48.51	44.69
Dividend per share, SEK	–	10.00	–	10.00	–	10.00
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 8.

3) Excluding the IFRS 16 impact.

Parent Company

PARENT COMPANY SUMMARY STATEMENT OF INCOME

	2020	2019	2019
SEK m	Jan–Jun	Jan–Jun	Full year
Revenue	278	300	631
Operating income (EBIT)	162	180	374
Income after financial items	147	343	733
Net income for the period	120	328	692

The Parent Company's revenue consists mainly of license fees, dividends from Loomis Spain, and other revenues from subsidiaries. The decrease in net income in 2020 is mainly due to decreased dividends from subsidiaries and reduced license fees due to the corona pandemic. In addition, a write-down of shares in one subsidiary.

PARENT COMPANY SUMMARY BALANCE SHEET

	2020	2019	2019
SEK m	Jun 30	Jun 30	Dec 31
Fixed assets	12,117	11,308	11,571
Current assets	1,765	1,595	1,671
Total assets	13,882	12,902	13,242
Shareholders' equity ¹⁾	5,267	4,794	5,158
Liabilities	8,615	8,108	8,084
Total shareholders' equity and liabilities	13,882	12,902	13,242

1) The number of 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

	2020	2019	2019
SEK m	Jun 30	Jun 30	Dec 31
Guaranteed committed bank facilities	4,354	3,921	4,401
Other contingent liabilities	14	35	44
Total contingent liabilities	4,368	3,956	4,444

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: Apr–Jun 2020: $2/75,226,032 \times 1,000,000 = 0.02$. Apr–Jun 2019: $367/75,226,032 \times 1,000,000 = 4.89$. Jan–Jun 2020: $367/75,226,032 \times 1,000,000 = 4.88$. Jan–Jun 2019: $746/75,226,032 \times 1,000,000 = 9.92$.
Earnings per share after dilution	Calculation for: Apr–Jun 2020: $2/75,226,032 \times 1,000,000 = 0.02$. Apr–Jun 2019: $367/75,226,032 \times 1,000,000 = 4.89$. Jan–Jun 2020: $367/75,226,032 \times 1,000,000 = 4.88$. Jan–Jun 2019: $746/75,226,032 \times 1,000,000 = 9.92$.
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 before and 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.
Capital employed	Shareholders' equity with the addition of net debt. Calculation as per June 30, 2020: 9,860 + 6,600 = 16,460. June 30, 2019: 8,581 + 7,653 = 16,235.
Net debt	Interest-bearing liabilities less interest-bearing assets and liquid funds excluding funds for cash processing activities.
R12	Rolling 12 months (July 2019 up to and including June 2020).
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 2020

The company is not providing any forecast information for 2020.

The undersigned confirm that this interim report provides a fair and true overview of the Parent Company's and the Group's operations, financial position and results, and describes any significant risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm, July 24, 2020

Alf Göransson
Chairman of the Board

Cecilia Daun Wennborg
Board member

Johan Lundberg
Board member

Jeanette Almberg
Board member

Jan Svensson
Board member

Patrik Andersson
President and CEO

Lars Blecko
Board member

Sofie Nordén
*Board member,
employee representative*

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

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 2019 of SEK 21 billion. Loomis is listed on Nasdaq Stockholm Large-Cap list.

Telephone conference and audio cast

A telephone conference will be held on July 24, 2020 at 09:00 a.m. (CEST).

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

UK: + 44 333 300 9260

USA: + 1 833 823 0587

Sweden: +46 8 566 426 93

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

Interim report	January – September	November 5, 2020
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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. (CEST) on July 24, 2020.

