



# Interim Report

January – June 2021

Managing **cash** in society.





## Quarter 2 2021

- Revenue SEK 4,779 million (4,239). Real growth 23 percent (–18) of which organic growth 17 percent (–20).
- Operating income (EBITA)<sup>1)</sup> SEK 428 million (202) and operating margin 9.0 percent (4.8). Excluding Loomis Pay, the operating margin amounted to 9.6 percent (5.1).
- Income before tax SEK 338 million (42) and income after tax SEK 251 million (2).
- Earnings per share before and after dilution amounted to SEK 3.33 (0.02).
- Cash flow from operating activities<sup>2)</sup> SEK 290 million (501), equivalent to 68 percent (248) of operating income (EBITA).
- Overall, the ongoing coronavirus pandemic had a significantly lower negative impact on revenue and operating income compared to the corresponding quarter in 2020.
- The Board of Directors has resolved to exercise the authorization to repurchase own shares.

## Six months 2021

- Revenue SEK 9,262 million (9,567). Real growth 7 percent (–8) of which organic growth was 3 percent (–10).
- Operating income (EBITA)<sup>1)</sup> SEK 786 million (791) and operating margin 8.5 percent (8.3). Excluding Loomis Pay, the operating margin amounted to 9.2 percent (8.4).
- Income before tax SEK 608 million (532) and income after tax SEK 449 million (367).
- Earnings per share before and after dilution amounted to SEK 5.96 (4.88).
- Cash flow from operating activities<sup>2)</sup> SEK 632 million (1,269), equivalent to 80 percent (160) of operating income (EBITA).
- The ongoing coronavirus pandemic had, during the first quarter, a negative impact on revenue and operating income compared to the first quarter 2020. During the second quarter the impact from the pandemic was significantly lower compared to the second quarter 2020.

### KEY RATIOS

	2021	2020		2021	2020		2020
SEK m	Quarter 2	Quarter 2	Change (%)	Six months	Six months	Change (%)	Full year
<b>Revenue</b>	<b>4,779</b>	<b>4,239</b>	<b>12.8</b>	<b>9,262</b>	<b>9,567</b>	<b>–3.2</b>	<b>18,813</b>
Of which:							
Organic growth	731	–1,018	17.3	289	–1,009	3.0	–1,968
Acquisitions and divestments	231	86	5.5	368	176	3.8	326
Exchange rate effects	–422	–34	–10.0	–963	191	–10.1	–589
<b>Total growth</b>	<b>541</b>	<b>–966</b>	<b>12.8</b>	<b>–305</b>	<b>–642</b>	<b>–3.2</b>	<b>–2,231</b>
<b>Operating income (EBITA)<sup>1)</sup></b>	<b>428</b>	<b>202</b>		<b>786</b>	<b>791</b>		<b>1,775</b>
<i>Operating margin (EBITA), %<sup>1)</sup></i>	<i>9.0</i>	<i>4.8</i>		<i>8.5</i>	<i>8.3</i>		<i>9.4</i>
Operating income (EBIT)	388	96		702	640		1,304
Earnings before tax	338	42		608	532		1,096
Profit for the period	251	2		449	367		716
Earnings per share, SEK <sup>1)</sup>	3.33	0.02		5.96	4.88		9.52
Tax rate, %	26	96		26	31		35
Cash flow from operating activities <sup>2)</sup>	290	501		632	1,269		2,218
<i>Cash flow from operating activities as % of operating income (EBITA)<sup>2)</sup></i>	<i>68</i>	<i>248</i>		<i>80</i>	<i>160</i>		<i>125</i>

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. See also under "Alternative performance measures" on pages 23–24 and "Definitions" on page 25.

An explanation and reconciliation of alternative performance measures can be found on pages 23–24 of this report.

## Comments by the President and CEO



### The world is opening up again

The impact of the pandemic is decreasing as the vaccination programs that are now under way in communities yield results, and this is leading to gradual positive effects for Loomis. Restrictions are no longer as extensive and the volumes in our markets are increasing as our customers' businesses are opening up again. As in previous periods the negative effects of the pandemic are more tangible within our European segment than in our US operations, but we are now hopeful that sales will pick up again in Europe.

We are well equipped for the future and will be able to benefit from the lessons learned over that past year and from the commercial opportunities that are now presenting themselves.

### Acquisition in Switzerland

At the end of March we were able to announce that Loomis had reached an agreement to acquire the cash handling operations from the Swiss Post, the national postal service of Switzerland. The transaction was closed at the beginning of May and integration is under way. Revenue generated by these operations in 2020 amounted to around CHF 66 million. This acquisition enables us to significantly advance our positions in the cash-intensive Swiss market. Swiss Post's nationwide cash in transit (CIT) operations, cash management services (CMS) and SafePoint portfolio is a good complement to our own operations and will help us to develop our

offering in all areas of the Swiss market. Over time it will be possible to realize good synergies.

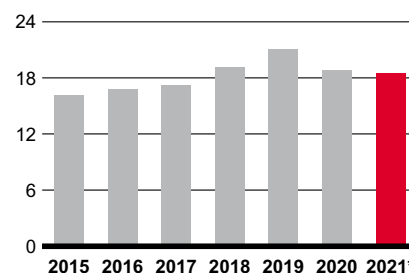
### Progress during the quarter

In the second quarter the Group's real growth amounted to 23 percent (–18), of which organic growth was 17 percent (–20). The Group's operating margin (EBITA %) in the second quarter amounted to 9.0 percent (4.8). Both growth and operating margin are primarily impacted in a positive way by less negative effects from the pandemic. Loomis Pay had a negative impact on the income as planned. Excluding Loomis Pay, the operating margin amounted to 9.6 percent (5.1).

The pandemic's impact on our business witnessed in 2020 and in the first quarter of this year began to gradually decrease in the second quarter. The impact on our US operations has been significantly lower than on our European operations. This is mainly due to a generally lower degree of lockdowns in the USA and the structure of our customer portfolios. In the USA we benefitted from the fact that a larger percentage of our revenue is based on fixed monthly fees. Fixed revenue from, for example, SafePoint and financial institutions is significantly higher in the USA than in Europe.

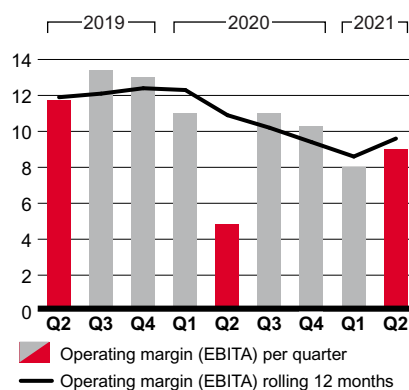
Revenue within our US operations grew in the second quarter in local currency by around 20 percent. Revenue has therefore now fully recovered and even exceeded the level in the second quarter of 2019. We are seeing sustained good SafePoint growth in the US market, with an increase in revenue from SafePoint of 21 percent during the quarter. The rollout of the comprehensive agreement we signed with EG America in the fourth quarter of 2020 is progressing according to plan and is expected to be concluded before the end of the year. The second quarter operating margin in the USA amounted to 15.5 percent (15.1). It is gratifying to see this positive trend continuing. Similar to previous periods, a more profitable customer portfolio, higher revenue from SafePoint and ATMs, and efficiency improvement programs at our

### Revenue, SEK billion

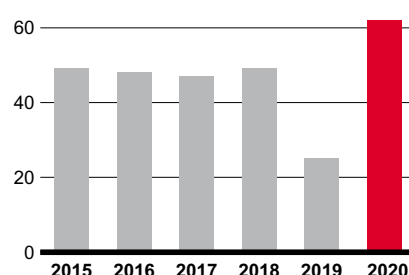


\*Refers to the period July 1, 2020–June 30, 2021.

### Operating margin (EBITA), %



### Annual dividend, %



branches are the main contributing factors. The operating margin for the second quarter of this year was slightly lower than for the first quarter. This is due to the fact that CIT is now recovering and showing good growth. CIT has a lower operating margin than, for example, SafePoint and therefore has a somewhat dilutive effect on the US operating margin as a whole.

Segment Europe was hit hard by the extensive lockdowns in previous periods but the situation is now improving. This positive trend will continue as vaccination programs reach more people and communities start to return to normal. Demand for our services will quickly increase as activity in retail, restaurants and travel picks up in Europe.

Our ambitious Loomis Pay initiative is making progress. Loomis Pay provides a solution to many of the challenges that merchants currently face in processing digital payments and also facilitates their cash management. We currently offer Loomis Pay in the Danish and Swedish markets and rollout in more markets will follow. Dialogue with customers is a priority and our focus is on continuing to develop Loomis Pay. Our aim for Loomis Pay is to be the most complete payment option in the market. We have set challenging but realistic targets and within five years we expect Loomis Pay to generate revenue in excess of SEK 3 billion with a good operating margin.

### **Transition to environmental friendly vehicles**

Loomis's intention is to transform the vehicle fleet over time so that most of the vehicles are run on environmental friendly fuel or electricity. We have made good progress in many countries and there are multiple good examples of the transition process. The majority of our vehicles in Sweden run on environmental friendly alternatives and in the USA the number of electric armored vehicles is gradually increasing. Loomis USA recently placed an order with US manufacturer Xos Inc. for an additional 20 electric vehicles. The vehicles will be delivered before the end of the year and will be on the roads in California, Texas, New Jersey and North Carolina.

### **ECB announces strategic cash goals**

Demand for cash has been high during the pandemic with many people opting to keep a larger percentage of their assets in cash than normal. As a result, in June the European Central Bank (ECB) expressed its strong support for cash and identified four strategic goals. These include that the ECB will ensure effective and robust access to cash throughout the EU; an assurance that cash will be accepted as a payment method by all retailers and restaurants; the ECB will provide bills with a design and appearance that accentuates European integration; and environmentally sound production of notes and coins by using new products and new production processes.

Patrik Andersson  
*President and CEO*

# The segments

## Revenue, operating income and number of full-time employees

### SEGMENT EUROPE

	2021	2020	2021	2020	R12	2020
SEK m	Quarter 2	Quarter 2	Six months	Six months	Twelve months	Full year
Revenue	2,456	2,052	4,724	4,894	9,618	9,788
Sales growth, %	19.6	–27.3	–3.5	–11.6	–11.5	–14.9
of which organic growth, %	14.2	–28.6	–4.6	–15.4	–10.4	–15.4
of which acquisitions / divestments, %	10.8	3.3	7.1	3.7	4.4	2.9
of which exchange rate effects, %	–5.4	–1.9	–6.0	0.1	–5.4	–2.5
Real growth, %	25.0	–25.3	2.5	–11.6	–6.0	–12.4
Operating income (EBITA)	148	–71	217	205	600	588
Operating margin, %	6.0	–3.4	4.6	4.2	6.2	6.0
Number of full-time employees	13,900	13,200	13,700	14,200	13,800	13,900

### SEGMENT USA

	2021	2020	2021	2020	R12	2020
SEK m	Quarter 2	Quarter 2	Six months	Six months	Twelve months	Full year
Revenue	2,348	2,206	4,582	4,713	8,967	9,098
Sales growth, %	6.4	–8.2	–2.8	0.0	–7.0	–5.6
of which organic growth, %	20.2	–8.8	11.1	–3.3	4.8	–2.2
of which acquisitions / divestments, %	0.4	–0.3	0.4	–0.6	0.3	–0.2
of which exchange rate effects, %	–14.1	0.9	–14.2	4.0	–12.1	–3.2
Real growth, %	20.6	–9.0	11.4	–4.0	5.1	–2.4
Operating income (EBITA)	363	332	726	703	1,449	1,425
Operating margin, %	15.5	15.1	15.8	14.9	16.1	15.7
Number of full-time employees	8,800	9,000	8,800	9,300	8,800	9,100

### SEGMENT LOOMIS PAY

	2021	2020	2021	2020	R12	2020
SEK m	Quarter 2	Quarter 2	Six months	Six months	Twelve months	Full year
Revenue	1	n/a	3	n/a	10	7
Sales growth, %	n/a	n/a	n/a	n/a	n/a	n/a
of which organic growth, %	n/a	n/a	n/a	n/a	n/a	n/a
Real growth, %	n/a	n/a	n/a	n/a	n/a	n/a
Operating income (EBITA)	–33	–16	–65	–16	–117	–68
Operating margin, %	n/a	n/a	n/a	n/a	n/a	n/a

# Revenue and earnings

## Quarter 2 2021

### Group – revenue

Revenue for the quarter amounted to SEK 4,779 million (4,239). Real growth amounted to 23 percent (–18), of which organic growth was 17 percent (–20). Above all, the decreasing impact of the ongoing pandemic has had a positive impact on revenue.

### Segment Europe – revenue

Revenue for the quarter amounted to SEK 2,456 million (2,052). In addition to a decrease in the negative effects of the pandemic, real growth, which amounted to 25 percent (–25), was positively affected by revenue attributable to the acquisitions of the Swedish cash handling operations of Nokas in June 2020, Automatia in Finland in December 2020 and the cash handling operations of Swiss Post in May this year. Organic growth was 14 percent (–29). The gradual decrease of the pandemic's negative effects is the main reason for increased volumes in the European markets.

### Segment USA – revenue

Revenue amounted to SEK 2,348 million (2,206) and real growth was 21 percent (–9). Organic growth amounted to 20 percent (–9). Volumes are increasing as restrictions are eased in the US market. The negative effects of the spread of the pandemic have had a significantly lower impact in the USA than in Europe. This is mainly due to the structure of the customer portfolios. In the USA a larger share of revenue than in Europe is not volume-dependent. Fixed revenue from, for example, SafePoint and financial institutions is significantly higher in the USA than in Europe. Revenue for the quarter from SafePoint accounted for 18 percent (18) of the segment's total revenue.

Revenue from CMS during the quarter amounted to 34 percent (33) of the segment's total revenue.

### Segment Loomis Pay – revenue

Revenue amounted to SEK 1 million (0). The offering is now available in both the Danish and Swedish markets. As previously communicated, the target is revenue in excess of SEK 3 billion per year within five years.

### Group – operating income (EBITA)

The operating income (EBITA) amounted to SEK 428 million (202) and the operating margin was 9.0 percent (4.8). The currency effect on operating income during the quarter was around SEK –59 million.

### Segment Europe – operating income (EBITA)

The operating income (EBITA) amounted to SEK 148 million (–71) and the operating margin was 6.0 percent (–3.4). Volumes began to recover during the quarter, which had a positive effect on the operating margin. The activities carried out in 2020 to adapt costs to lower volumes have continued to yield results. During the quarter several of Loomis's European companies received government grants totaling around SEK 9 million (80), mainly to provide relief for furloughed employees.

### Segment USA – operating income (EBITA)

The operating income (EBITA) amounted to SEK 363 million (332) and the operating margin was 15.5 percent (15.1). Many actions are contributing to the positive profitability trend. The main factors that continue to contribute to the good result are a more profitable customer portfolio, higher revenue from SafePoint and ATMs, and efficiency improvement programs at the branches.

### Segment Loomis Pay – operating income (EBITA)

The operating income (EBITA) amounted to SEK –33 million (–16). Loomis Pay is expected to reach positive operating income in 2023. From now until 2023 further investments will be made in product development and other activities relating to Loomis Pay. The assessment is that around SEK 100 million net per year will be expensed in the income statement.

### Group – other

The operating income (EBIT) for the quarter amounted to SEK 388 million (96), which includes amortization of acquisition-related intangible assets of SEK –31 million (–28) and acquisition-related costs of SEK –10 million (–32). The item affecting comparability the previous year of SEK –46 million related to goodwill impairment within the European segment.

Income before tax of SEK 338 million (42) includes a net financial expense of SEK –50 million (–54), including a loss on monetary net assets.

The tax expense for the quarter amounted to SEK –87 million (–40), which represents a tax rate of 26 percent (96). The previous year's higher tax rate was mainly due to goodwill impairment which was not tax-deductible. The fact that pretax profit decreased to a proportionately greater extent in the second quarter of 2020 in countries with a lower tax rate also had an effect.

Earnings per share before and after dilution amounted to SEK 3.33 SEK (0.02).

# Revenue and earnings

## Six months 2021

### Group – revenue

Revenue for the period amounted to SEK 9,262 million (9,567). Real growth was 7 percent (–8), of which organic growth was 3 percent (–10). Revenue was negatively affected in the first quarter of this year by the ongoing pandemic. In the second quarter volumes began to recover as restrictions were eased.

### Segment Europe – revenue

Revenue for the period amounted to SEK 4,724 million (4,894). Real growth, which amounted to 2 percent (–12), was positively affected by revenue attributable to the acquisitions of Nokas Värdehantering AB in Sweden in June 2020, Automatia in Finland in December 2020 and the cash handling operations of Swiss Post in May this year. Organic growth was –5 percent (–15).

### Segment USA – revenue

Revenue amounted to SEK 4,582 million (4,713) and real growth was 11 percent (–4). Organic growth amounted to 11 percent (–3). Volumes in the US market have recovered gradually as restrictions have been lifted. The impact of the pandemic in the USA has been significantly lower than the effect on operations in Europe. Revenue for the period from SafePoint accounted for 18 percent (17) of the segment's total revenue. The share of revenue from CMS for the period amounted to 34 percent (33) of the segment's total revenue. See also the comments on page 6.

### Segment Loomis Pay – revenue

Revenue amounted to SEK 3 million (0). In the first quarter Loomis Pay was also launched in the Swedish market and the offering is now available in both the Danish and Swedish markets. See also the comments on page 6.

### Group – operating income (EBITA)

The operating income (EBITA) amounted to SEK 786 million (791) and the operating margin was 8.5 percent (8.3). The exchange rate effect on operating income during the period was around SEK –129 million.

### Segment Europe – operating income (EBITA)

The operating income (EBITA) amounted to SEK 217 million (205) and the operating margin was 4.6 percent (4.2). During the first quarter the operating income was negatively affected by the pandemic but in the second quarter volumes began to recover, which had a positive effect on the operating margin. The activities carried out in 2020 to adapt costs to lower volumes continued to yield results. During the period several of Loomis's European companies received government grants totaling around SEK 35 million (80), mainly to provide relief for furloughed employees.

### Segment USA – operating income (EBITA)

The operating income (EBITA) amounted to SEK 726 million (703) and the operating margin was 15.8 percent (14.9). A more profitable customer portfolio, higher revenue from SafePoint and ATMs, and efficiency improvement programs at the branches continued to contribute to the higher profitability.

### Segment Loomis Pay – operating income (EBITA)

The operating income (EBITA) amounted to SEK –65 million (–16). Costs developed according to plan and Loomis Pay is expected to achieve positive operating income in 2023. From now until 2023 further investments will be made in product development and other activities relating to Loomis Pay. See also the comments on page 6.

### Group – other

The operating income (EBIT) amounted to SEK 702 million (640) and includes amortization of acquisition-related intangible assets of SEK –64 million (–54) and acquisition-related costs of SEK –20 million (–50). The items affecting comparability the previous year of SEK –46 million related to goodwill impairment within the European segment.

Income before tax of SEK 608 million (532) includes a net financial expense, including a loss on monetary net assets, of SEK –95 million (–108).

The tax expense for the quarter amounted to SEK –159 million (–165), which represents a tax rate of 26 percent (31). The higher tax rate the previous year was mainly due to goodwill impairment which was not tax-deductible. In addition, the fact that pre-tax profit decreased to a proportionately greater extent in the first half of 2020 in countries with a lower tax rate also had an effect.

Earnings per share before and after dilution amounted to SEK 5.96 (4.88).

## Cash flow and investments

### Six months 2021

Cash flow from operating activities excluding the effects of IFRS 16 amounted to SEK 632 million (1,269), equivalent to 80 percent (160) of operating income (EBITA).

Net investments in fixed assets for the period amounted to SEK –417 million (–561), which can be compared to depreciation (excluding the IFRS 16 impact) of SEK 608 million (660). Investments made during the period were mainly in buildings, vehicles, machinery and equipment. Investments in relation to depreciation (including IFRS 16) for the period amounted to 0.5 (0.6).

## Capital employed and financial position

### Capital employed

Total capital employed as of June 30, 2021 amounted to SEK 16,299 million (16,460 as of June 30, 2020), which represents 88 percent (81) of revenue. Return on capital employed amounted to 11 percent (13).

### Shareholders' equity and financing

Shareholders' equity increased in the first half of 2021 by SEK 505 million to SEK 9,278 million as of June 30, 2021 (8,773 as of December 31, 2020). The increase is largely explained by translation differences of SEK 321 million, net profit for the period of SEK 449 million and actuarial gains of SEK 234 million. The dividend of SEK 451 million reduced shareholders' equity. The return on shareholders' equity was 9 percent (13) and the equity ratio was 35 percent (37).

During the period loans of SEK 1,376 million maturing in the second quarter of 2022 were reclassified from long-term to short-term loans. Net debt amounted to SEK 7,021 million as of June 30, 2021 (6,600 as of June 30, 2020) and net debt/EBITDA amounted to 1.95 (1.59 as of June 30, 2020).

As of June 30, 2021, total long-term loan facilities amounted to around SEK 4.4 billion and total short-term loan facilities to around SEK 4.3 billion. Unutilized loan facilities amounted to around SEK 4.5 billion on June 30, 2021, of which SEK 1.7 billion was used as back-up for outstanding commercial papers. Available liquid funds amounted to around SEK 1.6 billion (see Note 7).

## Other events

### Significant events during the period

The Annual General Meeting on May 6, 2021 voted in favor of the Board's proposal to introduce a long-term incentive program ("LTIP 2021") for senior executives and a number of key

individuals within the Loomis Group. The proposal presented was based on the Board's assessment that the performance target for the long-term incentive program approved by an extraordinary shareholders' meeting in 2018 ("LTIP 2018–2021") will not be reached due to the ongoing coronavirus pandemic, and accordingly no disbursements under the program will be made. The Board has also noted that two of Loomis's financial targets for the 2018–2021 period have been removed since the LTIP 2018–2021 was established. This is also a consequence of the impact of the pandemic. The Board proposed that LTIP 2021 be based on the same main terms and principles as LTIP 2018–2021, whereby: (i) the participants must invest in shares in Loomis or allocate certain shares already earned, (ii) the participants must be employed within the Group for the duration of the program and (iii) the outcome of LTIP 2021, in the form of so-called performance shares, is linked to a pre-determined performance target for growth in earnings per share being met. The purpose of LTIP 2021 is for the interests of executive management and other key individuals – a total of around 70 people – to coincide with those of the shareholders, thereby ensuring maximum, long-term value creation. The program is designed to create a long-term Group-wide focus on profit growth among the participants. It is also expected to make it easier for Loomis to recruit and retain senior executives and other key individuals. Further information on the content of LTIP 2021 is available in the notice of the 2021 Annual General Meeting at [www.loomis.com](http://www.loomis.com). The Board of Directors intends to propose similar incentive programs to future Annual General Meetings.

For other decisions made at the 2021 AGM, please refer to the press release from May 6, 2021, which is available on Loomis's website, [www.loomis.com](http://www.loomis.com).

### Acquisitions January – June 2021

In March 2021 Loomis AB announced that, through its wholly owned subsidiary Loomis Schweiz AG (Loomis Switzerland), it had entered into an agreement to acquire the operations of limited liability company SecurePost AG (SecurePost), a subsidiary of Die Schweizerische Post AG (Swiss Post). The acquisition was in the form of a transfer of assets and liabilities, whereby Loomis Switzerland acquired all of the operations of SecurePost, including customer contracts, employees and operational assets. New commercial agreements with other legal entities within Swiss Post have been signed and became effective upon closing of the transaction, which took place on May 3, 2021. The enterprise value, i.e. the purchase price payable on a debt-free basis, amounted to around CHF 17.5 million.

SecurePost had a nationwide presence in Switzerland and around 440 employees. In 2020 its operations generated revenue of around CHF 66 million. In addition to traditional cash in transit (CIT) and cash management services (CMS), SecurePost brings an installed base of around 1,300 smart safes (SafePoint) which will be integrated into Loomis Switzerland's existing SafePoint portfolio.



The acquired operations are reported within Segment Europe and consolidated into Loomis's accounts as of May 3, 2021. The transaction was not subject to any regulatory approvals and the purchase price was paid on closing.

The company's current operating margin, EBITA, is negative. The operating margin is expected to be marginally positive for full-year 2022 after some of the anticipated synergies have been realized. Once the business is fully integrated, the acquired volumes are expected to achieve profitability over the next two years equivalent to around four times EBITA after synergies. Including transaction and integration costs, the acquisition is expected to have a negative impact on Loomis's earnings per share for 2021. From full-year 2022 the initial negative impact is expected to have been recovered and the effect of the acquisition on Loomis's earnings per share is expected to be positive, compared with the pre-transaction level. For further information, see Note 5.

#### **Other**

On June 3 Loomis announced the appointment of Stellan Abrahamsson as Chief Risk Officer for the Loomis Group and will assume the position on March 1, 2022. In addition to possessing extensive experience in financial risk management from various positions in the banking and insurance industries, Stellan was Senior Group Supervisor at Finansinspektionen (Sweden's financial supervisory authority). Stellan will be part of Loomis Group Management and will report to the President and CEO of Loomis Group.

#### **Events after the end of the period**

On July 8 it was announced that Loomis AB has signed a five-year credit agreement for a total of around EUR 265 million. This is a syndicated, revolving credit facility of USD 140 million, SEK 945 million and EUR 55 million. The loan will replace an existing revolving credit facility maturing in June 2022. The loan may be used to finance working capital and investments, and for other corporate purposes.

On July 22 it was announced that the Board of Directors of Loomis AB has resolved to exercise the authorization, granted by the annual general meeting 2021, to repurchase own shares to adapt Loomis' capital structure to the company's capital requirements. The Board resolved that the repurchase may commence on 26 July, 2021, end not later than on 30 September, 2021, and comprise an amount up to a maximum of SEK 150 million.

# Financial reports

## CONSOLIDATED STATEMENT OF INCOME

	Note	2021	2020	2021	2020	R12	2020
SEK m		Quarter 2	Quarter 2	Six months	Six months	Twelve months	Full year
Revenue		4,548	4,146	8,894	9,359	17,990	18,454
Revenue, acquisitions		231	92	368	209	518	359
<b>Total revenue</b>	3,4	<b>4,779</b>	<b>4,239</b>	<b>9,262</b>	<b>9,567</b>	<b>18,508</b>	<b>18,813</b>
Production expenses		–3,507	–3,289	–6,861	–7,209	–13,667	–14,015
<b>Gross income</b>		<b>1,272</b>	<b>950</b>	<b>2,401</b>	<b>2,358</b>	<b>4,841</b>	<b>4,798</b>
Selling and administration expenses		–844	–748	–1,615	–1,567	–3,071	–3,024
<b>Operating income (EBITA)</b>		<b>428</b>	<b>202</b>	<b>786</b>	<b>791</b>	<b>1,770</b>	<b>1,775</b>
Amortization of acquisition-related intangible assets		–31	–28	–64	–54	–118	–109
Acquisition-related costs and revenue	5	–10	–32	–20	–50	–132	–163
Items affecting comparability	6	–	–46	–	–46	–154	–200
<b>Operating income (EBIT)</b>		<b>388</b>	<b>96</b>	<b>702</b>	<b>640</b>	<b>1,366</b>	<b>1,304</b>
Financial income		17	4	34	15	49	31
Financial expenses		–53	–53	–103	–112	–202	–211
Loss on monetary net assets/liabilities		–14	–5	–26	–11	–42	–28
<b>Income before taxes</b>		<b>338</b>	<b>42</b>	<b>608</b>	<b>532</b>	<b>1,172</b>	<b>1,096</b>
Income tax		–87	–40	–159	–165	–374	–380
<b>Net income for the period <sup>1)</sup></b>		<b>251</b>	<b>2</b>	<b>449</b>	<b>367</b>	<b>798</b>	<b>716</b>
<b>Earnings per share, SEK</b>							
Earnings per share before and after dilution		3.33	0.02	5.96	4.88	10.61	9.52
<b>Number of shares</b>							
Number of outstanding shares (million)		75.2	75.2	75.2	75.2	75.2	75.2
Average number of outstanding shares before dilution (million)		75.2	75.2	75.2	75.2	75.2	75.2
Average number of outstanding shares after dilution (million)		75.2	75.2	75.2	75.2	75.2	75.2

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

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2021	2020	2021	2020	R12	2020
SEK m	Quarter 2	Quarter 2	Six months	Six months	Twelve months	Full year
<b>Net income for the period</b>	<b>251</b>	<b>2</b>	<b>449</b>	<b>367</b>	<b>798</b>	<b>716</b>
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to the statement of income</b>						
Actuarial gains and losses after tax	67	–135	234	–25	257	–3
<b>Items that may be reclassified to the statement of income</b>						
Exchange rate differences	–220	–846	321	–28	–877	–1,227
Hedging of net investments, net of tax	18	97	–27	–17	109	119
<b>Other comprehensive income and expenses for the period, net after tax</b>	<b>–134</b>	<b>–884</b>	<b>529</b>	<b>–70</b>	<b>–512</b>	<b>–1,110</b>
<b>Total comprehensive income for the period <sup>1)</sup></b>	<b>116</b>	<b>–882</b>	<b>978</b>	<b>297</b>	<b>286</b>	<b>–394</b>

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

## CONSOLIDATED BALANCE SHEET

	Note	2021	2020	2020
SEK m		Jun 30	Jun 30	Dec 31
<b>ASSETS</b>				
<b>Fixed assets</b>				
Goodwill	5	6,836	7,183	6,884
Acquisition-related intangible assets	5	758	500	486
Other intangible assets		373	242	269
Buildings and land		948	1,004	942
Machinery and equipment		4,201	4,664	4,158
Right-of-use assets		2,873	2,806	2,645
Contract assets		139	180	139
Deferred tax assets		483	488	476
Pension plan assets		450	340	304
Interest-bearing financial fixed assets		489	376	361
Other long-term receivables		219	200	231
<b>Total fixed assets</b>		<b>17,769</b>	<b>17,983</b>	<b>16,894</b>
<b>Current assets</b>				
Accounts receivable		2,394	2,162	2,199
Other current receivables		272	143	156
Current tax assets		435	532	290
Prepaid expenses and accrued income		703	657	488
Interest-bearing financial current assets		14	61	67
Liquid funds	7	4,932	5,354	4,802
<b>Total current assets</b>		<b>8,750</b>	<b>8,910</b>	<b>8,002</b>
<b>TOTAL ASSETS</b>		<b>26,519</b>	<b>26,892</b>	<b>24,896</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity</b>	9			
Share capital		376	376	376
Other capital contributed		4,594	4,594	4,594
Other reserves		617	1,389	344
Retained earnings including net income for the year		3,690	3,500	3,458
Non-controlling interest		1	1	1
<b>Total shareholders' equity</b>		<b>9,278</b>	<b>9,860</b>	<b>8,773</b>
<b>Long-term liabilities</b>				
Interest-bearing non-current lease liabilities		2,252	2,232	2,105
Loans payable		4,380	5,668	5,723
Deferred tax liabilities		580	527	402
Provisions for claims reserves		365	461	389
Provisions for pensions and similar commitments		751	930	834
Other provisions		107	101	106
Other long-term liabilities		132	165	110
<b>Total long-term liabilities</b>		<b>8,567</b>	<b>10,083</b>	<b>9,669</b>
<b>Current liabilities</b>				
Interest-bearing current lease liabilities		636	561	546
Loans payable		1,589	197	199
Accounts payable		667	582	600
Provisions for claims reserves		252	231	187
Current tax liabilities		207	275	184
Liabilities, cash processing operations		2,963	2,785	2,468
Accrued expenses and prepaid income		1,644	1,612	1,514
Other provisions		70	85	186
Other current liabilities		645	620	570
<b>Total current liabilities</b>		<b>8,674</b>	<b>6,949</b>	<b>6,454</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>26,519</b>	<b>26,892</b>	<b>24,896</b>

## CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

	2021	2020	2020
SEK m	Six months	Six months	Full year
Opening balance	8,773	9,592	9,592
Actuarial gains and losses after tax	234	–25	–3
Exchange rate differences	321	–28	–1,227
Hedging of net investments, net of tax	–27	–17	119
<b>Total other comprehensive income</b>	<b>529</b>	<b>–70</b>	<b>–1,110</b>
Net income for the period	449	367	716
<b>Total comprehensive income<sup>1)</sup></b>	<b>978</b>	<b>297</b>	<b>–394</b>
Dividend paid to Parent Company's shareholders	–451	–	–414
Share-related remuneration	–21	–29	–11
Non-controlling interest	0	0	0
<b>Closing balance</b>	<b>9,278</b>	<b>9,860</b>	<b>8,773</b>

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

		2021	2020	2021	2020	2020
SEK m	Note	Quarter 2	Quarter 2	Six months	Six months	Full year
<b>Operations</b>						
Income before taxes		338	42	608	532	1,096
Depreciation and amortization		496	507	989	1,027	1,979
Other items not affecting cash flow		24	107	–1	146	390
Financial items received		6	3	13	11	24
Financial items paid		–57	–53	–109	–114	–231
Income tax paid		–166	–125	–248	–261	–483
Change in accounts receivable		–177	358	–143	456	268
Change in other operating capital employed and other items		2	–199	–160	–52	–52
<b>Cash flow from operations</b>		<b>469</b>	<b>639</b>	<b>948</b>	<b>1,745</b>	<b>2,993</b>
<b>Investing activities</b>						
Investments in fixed assets		–246	–180	–421	–573	–1,014
Disposals of fixed assets		2	6	4	13	28
Acquisitions of operations	5	–161	–182	–161	–182	–853
<b>Cash flow from investing activities</b>		<b>–405</b>	<b>–357</b>	<b>–578</b>	<b>–743</b>	<b>–1,839</b>
<b>Financing activities</b>						
Dividend paid		–451	–	–451	–	–414
Issuance of commercial papers and other long-term borrowing		718	1,101	718	1,500	2,181
Redemption of commercial papers and other long-term borrowing		–305	–1,085	–460	–1,460	–1,968
Change in other interest-bearing net debt		–249	–199	–620	–472	–420
<b>Cash flow from financing activities</b>		<b>–287</b>	<b>–183</b>	<b>–814</b>	<b>–432</b>	<b>–621</b>
<b>Cash flow for the period</b>		<b>–224</b>	<b>99</b>	<b>–444</b>	<b>569</b>	<b>533</b>
<b>Liquid fund at beginning of the period<sup>1)</sup></b>		<b>1,888</b>	<b>2,204</b>	<b>2,056</b>	<b>1,655</b>	<b>1,655</b>
Translation differences in liquid funds		–30	–91	22	–13	–132
<b>Liquid funds at end of period<sup>1)</sup></b>		<b>1,634</b>	<b>2,212</b>	<b>1,634</b>	<b>2,212</b>	<b>2,056</b>

1) Excluding liquid funds within cash processing operations. See also Note 7 Liquid funds.



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

	2021	2020	2021	2020	R12	2020
SEK m	Quarter 2	Quarter 2	Six months	Six months	Twelve months	Full year
Operating income (EBITA) <sup>1)</sup>	412	190	755	763	1,709	1,718
Depreciation <sup>1)</sup>	302	324	608	660	1,214	1,266
Change in accounts receivable	–177	358	–143	456	–330	268
Change in other operating capital employed and other items <sup>1)</sup>	–4	–197	–171	–50	–169	–48
<b>Cash flow from operating activities before investments</b>	<b>534</b>	<b>675</b>	<b>1,048</b>	<b>1,829</b>	<b>2,423</b>	<b>3,204</b>
Investments in fixed assets, net	–244	–174	–417	–561	–842	–986
<b>Cash flow from operating activities</b>	<b>290</b>	<b>501</b>	<b>632</b>	<b>1,269</b>	<b>1,581</b>	<b>2,218</b>
Financial items paid and received <sup>1)</sup>	–29	–25	–51	–52	–109	–109
Income tax paid	–166	–125	–248	–261	–471	–483
<b>Free cash flow</b>	<b>96</b>	<b>350</b>	<b>332</b>	<b>956</b>	<b>1,002</b>	<b>1,626</b>
Cash flow effect of items affecting comparability	–15	0	–69	0	–108	–39
Acquisition of operations	–161	–182	–161	–182	–832	–853
Acquisition-related costs and revenue, paid and received <sup>2)</sup>	–20	–25	–47	–58	–130	–141
Dividend paid	–451	–	–451	–	–865	–414
Issuance of commercial papers and other long-term borrowing	718	1,101	718	1,500	1,399	2,181
Redemption of commercial papers and other long-term borrowing	–305	–1,085	–460	–1,460	–968	–1,968
Change in other interest-bearing net debt <sup>1)</sup>	–85	–59	–305	–186	21	141
<b>Cash flow for the period</b>	<b>–224</b>	<b>99</b>	<b>–444</b>	<b>569</b>	<b>–480</b>	<b>533</b>

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 (IFRIC).

This interim report has been prepared according to IAS 34 Interim Financial Reporting. The most important accounting principles according to IFRS, which are the accounting standards used in the preparation of this interim report, are described in the 2020 Annual Report.

New or changed standards and interpretations that entered into force on January 1, 2021 are not expected to have any material effect on the Group's financial statements.

### Critical estimates and assessments

For critical estimates and assessments as well as contingent liabilities, please refer to pages 97–98 and 128 of the 2020 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.

## 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 are risks both in terms of circumstances pertaining to Loomis itself and 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.
- Credit risk pertaining to financial and commercial activities.
- Financing risk relating to the Company's capital requirements.
- Liquidity risk associated with short-term solvency.
- Capital risk pertaining to the capital structure.
- Price risk regarding changes in raw material prices (mainly fuel).

The financial risks are described in more detail in Note 22 in the 2020 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 during the first half of 2021 impacted certain geographic areas negatively and Loomis' revenue and earnings were 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 and the Company's revenue and earnings were negatively impacted thereof. The negative impact of the coronavirus pandemic on revenue and earnings is expected to continue until the pandemic subsides, actions initiated in connection with the pandemic have been fully implemented and retail businesses in the countries

where Loomis operates begin 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 2021 the actual financial results of certain previously reported items affecting comparability, provisions and contingent liabilities, as described in the 2020 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	Loomis Pay	Group-wide functions and eliminations	Total	Europe	USA	Loomis Pay	Group-wide functions and eliminations	Total
<b>SEK m</b>	<b>Quarter 2 2021</b>					<b>Quarter 2 2020</b>				
Cash in transit (CIT)	1,416	1,440	–	–	2,855	1,264	1,383	–	–	2,647
Cash management services (CMS)	616	804	–	–	1,420	486	730	–	–	1,216
International	222	82	–	–	304	169	81	–	–	250
Other (FX etc.)	187	12	1	–	200	121	5	–	–	125
Revenue, internal	15	10	–	–25	–	12	8	–	–20	–
<b>Total revenue</b>	<b>2,456</b>	<b>2,348</b>	<b>1</b>	<b>–25</b>	<b>4,779</b>	<b>2,052</b>	<b>2,206</b>	<b>–</b>	<b>–20</b>	<b>4,239</b>
<b>Timing of revenue recognition, external</b>										
At a point in time	465	81	–	–	547	319	80	–	–	399
Over time	1,975	2,256	1	–	4,232	1,721	2,118	–	–	3,839
<b>Total external revenue</b>	<b>2,441</b>	<b>2,337</b>	<b>1</b>	<b>–</b>	<b>4,779</b>	<b>2,040</b>	<b>2,198</b>	<b>–</b>	<b>–</b>	<b>4,239</b>

	Europe	USA	Loomis Pay	Group-wide functions and eliminations	Total	Europe	USA	Loomis Pay	Group-wide functions and eliminations	Total
<b>SEK m</b>	<b>Six months 2021</b>					<b>Six months 2020</b>				
Cash in transit (CIT)	2,706	2,833	–	–	5,539	2,946	2,948	–	–	5,894
Cash management services (CMS)	1,174	1,550	–	–	2,725	1,233	1,577	–	–	2,810
International	427	155	–	–	582	376	163	–	–	539
Other (FX etc.)	389	24	3	–	416	316	9	–	–	325
Revenue, internal	27	20	–	–46	–	23	16	–	–40	–
<b>Total revenue</b>	<b>4,724</b>	<b>4,582</b>	<b>3</b>	<b>–46</b>	<b>9,262</b>	<b>4,894</b>	<b>4,713</b>	<b>–</b>	<b>–40</b>	<b>9,567</b>
<b>Timing of revenue recognition, external</b>										
At a point in time	907	153	1	–	1,061	745	162	–	–	906
Over time	3,789	4,409	2	–	8,201	4,126	4,535	–	–	8,661
<b>Total external revenue</b>	<b>4,697</b>	<b>4,562</b>	<b>3</b>	<b>–</b>	<b>9,262</b>	<b>4,871</b>	<b>4,696</b>	<b>–</b>	<b>–</b>	<b>9,567</b>

## REVENUE PER SIGNIFICANT GEOGRAPHICAL MARKET

	2021	2020	2021	2020	2020
<b>SEK m</b>	<b>Quarter 2</b>	<b>Quarter 2</b>	<b>Six months</b>	<b>Six months</b>	<b>Full year</b>
USA	2,348	2,206	4,582	4,713	9,098
France	634	613	1,288	1,468	2,962
Spain	325	258	627	654	1,327
Switzerland	321	202	534	456	908
UK	233	191	428	566	1,028
Other countries and eliminations	918	769	1,803	1,710	3,490
<b>Total revenue</b>	<b>4,779</b>	<b>4,239</b>	<b>9,262</b>	<b>9,567</b>	<b>18,813</b>



**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. The Loomis Pay payment platform was introduced in autumn 2020 and will be rolled out country by country. The Loomis Pay segment is supervised by a segment 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 deci-

sion-maker within Loomis. Loomis has the following segments: Europe, USA, Loomis Pay and Group-wide functions. Presidents for the segments 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.

**REVENUE**

	2020					2021				
SEK m	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Region Europe	2,842	2,052	2,526	2,368	9,788	2,268	2,456	–	–	–
Region USA	2,507	2,206	2,201	2,184	9,098	2,234	2,348	–	–	–
Loomis Pay	–	–	3	4	7	2	1	–	–	–
Group-wide functions <sup>1)</sup>	–	–	–	–	–	–	–	–	–	–
Eliminations	–20	–20	–20	–19	–79	–21	–25	–	–	–
<b>Total revenue</b>	<b>5,329</b>	<b>4,239</b>	<b>4,709</b>	<b>4,537</b>	<b>18,813</b>	<b>4,483</b>	<b>4,779</b>	<b>–</b>	<b>–</b>	<b>–</b>

**OPERATING INCOME (EBITA)**

	2020					2021				
SEK m	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Region Europe	276	–71	238	144	588	69	148	–	–	–
Region USA	371	332	340	382	1,425	363	363	–	–	–
Loomis Pay	–	–16	–22	–30	–68	–32	–33	–	–	–
Group-wide functions <sup>1)</sup>	–58	–44	–38	–30	–171	–42	–51	–	–	–
Eliminations	–	–	–	–	–	–	–	–	–	–
<b>Operating income (EBITA)</b>	<b>589</b>	<b>202</b>	<b>517</b>	<b>467</b>	<b>1,775</b>	<b>358</b>	<b>428</b>	<b>–</b>	<b>–</b>	<b>–</b>

1) The Group-wide functions segment (formerly segment Other) has been restated for Q2, Q3 and Q4 2020 with amounts relating to Loomis Pay, which is reported as a separate segment as from Q1 2021.

**SEGMENT OVERVIEW STATEMENT OF INCOME**

	Europe	USA	Loomis Pay	Group-wide functions	Eliminations	Total
<b>SEK m</b>	<b>Six months 2021</b>					
Revenue	4,376	4,565	–	–	–46	8,894
Revenue, acquisitions	348	17	3	–	–	368
<b>Total revenue</b>	<b>4,724</b>	<b>4,582</b>	<b>3</b>	<b>–</b>	<b>–46</b>	<b>9,262</b>
Production expenses	–3,737	–3,158	–9	–4	46	–6,861
<b>Gross income</b>	<b>986</b>	<b>1,424</b>	<b>–6</b>	<b>–4</b>	<b>–</b>	<b>2,401</b>
Selling and administrative expenses	–770	–698	–59	–88	–	–1,615
<b>Operating income (EBITA)</b>	<b>217</b>	<b>726</b>	<b>–65</b>	<b>–92</b>	<b>–</b>	<b>786</b>
Amortization of acquisition-related intangible assets	–56	–7	0	–	–	–64
Acquisition-related costs	–8	–2	–	–10	–	–20
Items affecting comparability	–	–	–	–	–	–
<b>Operating income (EBIT)</b>	<b>153</b>	<b>717</b>	<b>–65</b>	<b>–102</b>	<b>–</b>	<b>702</b>
Net financial items	–	–	–	–69	–	–69
Loss on monetary net assets/liabilities	–	–	–	–26	–	–26
<b>Income before taxes</b>	<b>153</b>	<b>717</b>	<b>–65</b>	<b>–197</b>	<b>–</b>	<b>608</b>

## SEGMENT OVERVIEW STATEMENT OF INCOME

	Europe	USA	Loomis Pay	Group-wide functions	Eliminations	Total
<b>SEK m</b>						
	<b>Six months 2020</b>					
Revenue	4,686	4,713	–	–	–40	9,359
Revenue, acquisitions	209	–	–	–	–	209
<b>Total revenue</b>	<b>4,894</b>	<b>4,713</b>	<b>–</b>	<b>–</b>	<b>–40</b>	<b>9,567</b>
Production expenses	–3,943	–3,320	–	–	53	–7,209
<b>Gross income</b>	<b>952</b>	<b>1,392</b>	<b>–</b>	<b>–</b>	<b>14</b>	<b>2,358</b>
Selling and administrative expenses	–746	–690	–16	–101	–14	–1,567
<b>Operating income (EBITA)</b>	<b>205</b>	<b>703</b>	<b>–16</b>	<b>–101</b>	<b>–</b>	<b>791</b>
Amortization of acquisition-related intangible assets	–44	–10	–	–	–	–54
Acquisition-related costs	–39	–1	–3	–8	–	–50
Items affecting comparability	–46	–	–	–	–	–46
<b>Operating income (EBIT)</b>	<b>76</b>	<b>692</b>	<b>–19</b>	<b>–109</b>	<b>–</b>	<b>640</b>
Net financial items	–	–	–	–97	–	–97
Loss on monetary net assets/liabilities	–	–	–	–11	–	–11
<b>Income before taxes</b>	<b>76</b>	<b>692</b>	<b>–19</b>	<b>–217</b>	<b>–</b>	<b>532</b>

## SEGMENT OVERVIEW BALANCE SHEET

	2021	2020	2020
<b>SEK m</b>	<b>Jun 30</b>	<b>Jun 30</b>	<b>Dec 31</b>
<b>Europe</b>			
Assets	11,095	10,734	10,543
Liabilities	5,819	5,739	5,344
<b>USA</b>			
Assets	9,733	9,993	9,079
Liabilities	1,499	1,661	1,494
<b>Other<sup>1)</sup></b>			
Assets	5,691	6,166	5,274
Liabilities	9,923	9,632	9,285
Shareholder's equity	9,278	9,860	8,773
<b>Group total</b>			
Assets	26,519	26,892	24,896
Liabilities	17,241	17,032	16,123
Shareholder's equity	9,278	9,860	8,773

1) Segment Other includes of Group-wide functions and Loomis Pay.

## NOTE 5 – ACQUISITIONS

	Consolidated as of	Segment	Acquired share <sup>1)</sup> %	Annual revenue SEK m	Number of employees	Purchase price SEK m	Goodwill SEK m	Acquisition- related intangible assets SEK m	Other acquired net assets SEK m
<b>Opening balance, January 1, 2021</b>							<b>6,884</b>	<b>486</b>	
Acquisition of SecurePost AG <sup>4)</sup>	May	Europe	n/a	608 <sup>2)</sup>	440	161 <sup>3)</sup>	55 <sup>5)</sup>	102	4
<b>Total acquisitions January – June 2021</b>							<b>55</b>	<b>102</b>	<b>4</b>
Adjustment of final acquisition analyses <sup>6)</sup>							–250	236	13
Amortization of acquisition- related intangible assets							–	–64	
Exchange rate differences							148	–3	
<b>Closing balance June 30, 2021</b>							<b>6,836</b>	<b>758</b>	

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

2) Estimated annual revenue 2020.

3) The enterprise value, i.e. the purchase price payable on a debt free basis, on the acquisition date amounted to around SEK 161 million.

4) The acquisition analysis is preliminary and subject to final adjustment no later than one year from the acquisition date.

5) Goodwill arising in connection with the acquisition is primarily attributable to market and synergy effects.

6) Refers to adjustment of the final acquisition analysis from the acquisition of Automatia Pankkiautomaatit Oy as well as from one smaller acquisition completed in 2020.

**Acquisition of Automatia Pankkiautomaatit Oy, Finland**

Final acquisition analysis from the acquisition of Automatia Pankkiautomaatit OY was received during the first quarter of 2021. The acquisition balance was adjusted in accordance to the table below.

**Summarized balance sheet from the acquisition of Automatia Pankkiautomaatit Oy at the date of acquisition, December 2, 2020.**

SEK m	Preliminary acquisition balance	Final acquisition balance
Intangible assets	31	267
Tangible assets	94	94
Accounts receivable and other receivables	27	27
Liquid funds	210	210
Interest-bearing liabilities	–15	–15
Accounts payable and other operating liabilities	–49	–49
Deferred tax liability	–	–47
<b>Net identifiable assets and liabilities</b>	<b>297</b>	<b>487</b>
Purchase price paid	545	545
<b>Goodwill</b>	<b>248</b>	<b>58</b>

**Acquisition of SecurePost AG, Switzerland**

Loomis AB has acquired the operations of SecurePost AG, Switzerland, through the wholly owned subsidiary Loomis Schweiz AG. The acquisition took form in a transfer of assets and liabilities. A preliminary balance sheet is presented in the table below.

**Summarized balance sheet from the acquisition of assets and liabilities of SecurePost AG at the date of acquisition, May 3, 2021.**

SEK m	Preliminary acquisition balance
Intangible assets	102
Funds in cash processing operations	406
Financing of funds in cash processing operations	–406
Other assets and liabilities	4
<b>Net identifiable assets and liabilities</b>	<b>106</b>
Purchase price paid	161
<b>Goodwill</b>	<b>55</b>

**NOTE 6 – ITEMS AFFECTING COMPARABILITY**

	2021	2020	2021	2020	2020
SEK m	Quarter 2	Quarter 2	Six months	Six months	Full year
Restructuring costs within the European segment	–	–	–	–	–162
Write-down of goodwill in an operation within the European segment	–	–46	–	–46	–46
Provisions/resolutions regarding legal processes	–	–	–	–	9
<b>Total items affecting comparability</b>	–	–46	–	–46	–200

**NOTE 7 – LIQUID FUNDS**

	2021	2020	2020
SEK m	Jun 30	Jun 30	Dec 31
Liquid funds	4,932	5,354	4,802
Adjusted for inventory of cash at the cash processing operations	–2,710	–2,335	–2,134
Adjusted for prepayments from customers	–588	–808	–612
<b>Liquid funds excluding funds for cash processing activities</b>	<b>1,634</b>	<b>2,212</b>	<b>2,056</b>

**NOTE 8 – TRANSACTIONS WITH RELATED PARTIES**

Transactions between Loomis and related parties are described in Note 30 of the 2020 Annual Report. 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 JUNE 30, 2021**

	No. of shares	No. of votes	Quota value	SEK m
Shares	75,279,829	75,279,829	5	376
<b>Total no. of shares</b>	<b>75,279,829</b>	<b>75,279,829</b>		<b>376</b>
Total treasury shares <sup>1)</sup>	–53,797	–53,797		
<b>Total no. of outstanding shares</b>	<b>75,226,032</b>	<b>75,226,032</b>		

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

**NOTE 10 – CONTINGENT LIABILITIES, GROUP**

	2021	2020	2020
SEK m	Jun 30	Jun 30	Dec 31
Guarantees and other commitments	1,922	2,185	2,191



## KEY RATIOS

	2021	2020	2021	2020	R12	2020
	Quarter 2	Quarter 2	Six months	Six months	Twelve months	Full year
Real growth, %	22.7	−17.9	6.9	−8.2	−0.7	−7.8
Organic growth, %	17.3	−19.6	3.0	−9.9	−3.2	−9.4
Total growth, %	12.8	−18.6	−3.2	−6.3	−9.3	−10.6
Gross margin, %	26.6	22.4	25.9	24.6	26.2	25.5
Selling and administration expenses in % of total revenue	−17.7	−17.6	−17.4	−16.4	−16.6	−16.1
Operating margin (EBITA), %	9.0	4.8	8.5	8.3	9.6	9.4
Tax rate, %	26	96	26	31	32	35
Net margin, %	5.2	0.0	4.8	3.8	4.3	3.8
Return on shareholders' equity, %	9	13	9	13	9	8
Return on capital employed, %	11	13	11	13	11	12
Equity ratio, %	35	37	35	37	35	35
Liquid funds excluding funds within cash processing operations (SEK m)	1,634	2,212	1,634	2,212	1,634	2,056
Net debt (SEK m)	7,021	6,600	7,021	6,600	7,021	6,619
Net debt/EBITDA	1.95	1.59	1.95	1.59	1.95	1.82
Cash flow from operating activities as % of operating income (EBITA) <sup>1)</sup>	68	248	80	160	89	125
Investments in relation to depreciation	0.5	0.4	0.5	0.6	0.5	0.5
Investments as a % of total revenue	5.1	4.1	4.5	5.9	4.6	5.2
Earnings per share before and after dilution, SEK <sup>2)</sup>	3.33	0.02	5.96	4.88	10.61	9.52
Shareholders' equity per share before and after dilution, SEK	123.34	131.08	123.34	131.08	123.34	116.62
Cash flow from operating activities per share after dilution, SEK	6.23	8.50	12.60	23.20	29.19	39.79
Dividend per share, SEK	6.00	—	6.00	—	11.50	5.50
Number of outstanding shares (millions)	75.2	75.2	75.2	75.2	75.2	75.2
Average number of outstanding shares (millions) <sup>2)</sup>	75.2	75.2	75.2	75.2	75.2	75.2

1) Excluding the IFRS 16 impact.

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

# Parent Company

## PARENT COMPANY SUMMARY STATEMENT OF INCOME

	2021	2020	2020
SEK m	Six months	Six months	Full year
Revenue	279	278	444
Operating income (EBIT)	149	162	241
Income after financial items	225	147	464
Net income for the period	201	120	400

The Parent Company's revenue consists mainly of revenue from subsidiaries in the form of management, trademark and IT fees. The increase in net income is mainly due to higher dividends from subsidiaries.

## PARENT COMPANY SUMMARY BALANCE SHEET

	2021	2020	2020
SEK m	Jun 30	Jun 30	Dec 31
Fixed assets	12,863	12,117	12,687
Current assets	1,411	1,765	1,318
<b>Total assets</b>	<b>14,274</b>	<b>13,882</b>	<b>14,005</b>
Shareholders' equity <sup>1)</sup>	4,916	5,267	5,147
Liabilities	9,358	8,615	8,858
<b>Total shareholders' equity and liabilities</b>	<b>14,274</b>	<b>13,882</b>	<b>14,005</b>

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

	2021	2020	2020
SEK m	Jun 30	Jun 30	Dec 31
Guarantees and other commitments	5,535	4,368	4,585

## Alternative performance measures

### Use of alternative performance measures

To support Group Management and other stakeholders to analyze the Group's financial performance, Loomis reports certain performance measures that are not defined by IFRS. Group Management believes that this information facilitates analysis of the Group's performance. The Loomis Group primarily uses the following alternative performance measures (see also Definitions on page 25 for a full list of measures):

- Real growth and Organic growth in sales
- Operating income (EBITA) and Operating margin (EBITA), %
- Cash flow from operating activities as % of operating income (EBITA)
- Net debt and Net debt/EBITDA
- Capital employed and Return on capital employed
- Return on shareholders' equity

### Real growth and Organic growth in sales

Since Loomis generates most of its revenue in currencies other than the reporting currency (i.e. Swedish kronor, SEK) and exchange rates have historically proved to be relatively volatile, and since the Group has made a number of acquisitions, sales growth is presented both as exchange rate adjusted and adjusted for both exchange rate fluctuations and effects from acquisitions. This makes it possible to analyze and explain growth excluding exchange rate effects and acquisitions.

	2021	2020		
SEK m	Quarter 2	Quarter 2	Growth	Growth, %
Recognized revenue	4,779	4,239	541	12.8
Organic growth			731	17.3
Revenue, acquisitions			231	5.5
Real growth			963	22.7
Exchange rate effects			-422	-10.0

	2021	2020		
SEK m	Six months	Six months	Growth	Growth, %
Recognized revenue	9,262	9,567	-305	-3.2
Organic growth			289	3.0
Revenue, acquisitions			368	3.8
Real growth			657	6.9
Exchange rate effects			-963	-10.1

### Operating income (EBITA) and Operating margin (EBITA), %

Loomis's internal control of operating activities is focused on the operating income that is created within and can be impacted by local operating activities. For this reason Loomis

has chosen to focus on earnings and margins before interest, taxes, amortization of acquisition-related intangible fixed assets, acquisition-related costs and revenue, and items affecting comparability.

	2021	2020	2021	2020	2020
SEK m	Quarter 2	Quarter 2	Six months	Six months	Full year
Operating income (EBIT)	388	96	702	640	1,304
Adding back items affecting comparability	—	46	—	46	200
Adding back acquisition-related costs and revenue	10	32	20	50	163
Adding back amortization of acquisition-related intangible assets	31	28	64	54	109
<b>Operating income (EBITA)</b>	<b>428</b>	<b>202</b>	<b>786</b>	<b>791</b>	<b>1,775</b>
<b>Calculation of operating margin (EBITA), %</b>					
EBITA	428	202	786	791	1,775
Total revenue	4,779	4,239	9,262	9,567	18,813
<b>EBITA/Total revenue, %</b>	<b>9.0</b>	<b>4.8</b>	<b>8.5</b>	<b>8.3</b>	<b>9.4</b>

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

Loomis's main measure of cash flow (cash flow from operating activities) focuses on the current cash flow from operating activities based on EBITA adding back amortization/depreciation and the effect of changes in accounts receivable, as well as changes in other working capital and other items. Cash flow from operating activities reflects the cash flow that the operating activities generate before payments of financial items, income tax, items affecting comparability, acquisitions and divestments, as well as dividends and changes in the Group's net debt. Cash flow from operating activities as a percentage of operating income (EBITA) illustrates the cash conversion that Loomis has, i.e. how recognized earnings have resulted in cash flow.

Loomis provides an alternative presentation of cash flow which includes cash flow from operating activities adjusted for the impact of IFRS 16 Leases. This is presented on page 13 of this report.

### Net debt and Net debt/EBITDA

Net debt is an important concept to understand a company's financing structure and leverage. Net debt is the net of interest-bearing liabilities and assets, and is used together with shareholders' equity to finance the Group's capital employed. Loomis excludes funds within cash processing operations and financing of funds within cash processing operations (so-called stock funding) from the definition of net debt. The financial leverage is measured by calculating net debt as percentage of operating income after adding back amortization and depreciation, i.e. net debt/EBITDA.

#### Reconciliation of Net debt and calculation of Net debt/EBITDA

	2021	2020	2020
SEK m	Jun 30	Jun 30	Dec 31
Short-term loans	1,589	197	199
Long-term loans	4,380	5,668	5,723
<b>Total loans payable</b>	<b>5,969</b>	<b>5,865</b>	<b>5,922</b>
Liquid funds excluding funds in cash processing operations	1,634	2,212	2,056
Other interest-bearing assets	503	436	428
<b>Financial net debt</b>	<b>3,832</b>	<b>3,217</b>	<b>3,438</b>
Lease liabilities	2,888	2,793	2,651
Pension liabilities, net	301	589	530
<b>Net debt</b>	<b>7,021</b>	<b>6,600</b>	<b>6,619</b>

	2021	2020	2020
SEK m	Quarter 2	Quarter 2	Full year
Operating income (EBITA), R12	1,770	2,221	1,775
Adding back depreciation/amortization, R12	1,823	1,920	1,871
EBITDA, R12	3,593	4,140	3,645
<b>Net debt/EBITDA (number of times)</b>	<b>1.95</b>	<b>1.59</b>	<b>1.82</b>

### Capital employed and Return on capital employed, %

Capital employed is a measure of how much capital is tied up in operating activities and that is therefore expected to generate returns in the form of operating income. Capital employed is equivalent to the sum of all financing in the form of net debt and shareholders' equity. Loomis includes funds within cash processing operations and financing of funds within cash processing operations (so-called stock funding) in the definition of capital employed.

#### Reconciliation of capital employed and return on capital employed, %

	2021	2020	2020
SEK m	Jun 30	Jun 30	Dec 31
<b>Fixed assets</b>			
Goodwill	6,836	7,183	6,884
Acquisition-related intangible assets	758	500	486
Other intangible assets	373	242	269
Buildings and land	948	1,004	942
Machinery and equipment	4,201	4,664	4,158
Right-of-use assets	2,873	2,806	2,645
Other operating fixed assets <sup>1)</sup>	840	867	846
<b>Current assets</b>			
Accounts receivable	2,394	2,162	2,199
Other operating current assets <sup>2)</sup>	1,410	1,332	934
Funds in cash processing operations	3,298	3,142	2,746
<b>Long-term liabilities</b>			
Deferred tax liability	-580	-527	-402
Provisions for claims reserves	-365	-461	-389
Other provisions	-107	-101	-106
Other long-term liabilities	-132	-165	-110
<b>Current liabilities</b>			
Accounts payable	-667	-582	-600
Liabilities in cash processing operations	-2,963	-2,785	-2,468
Accrued expenses and prepaid income	-1,644	-1,612	-1,514
Other operating current liabilities <sup>3)</sup>	-1,174	-1,211	-1,127
<b>Capital employed</b>	<b>16,299</b>	<b>16,460</b>	<b>15,392</b>
Operating income (EBITA), R12	1,770	2,221	1,775
<b>Return on capital employed, %</b>	<b>10.9</b>	<b>13.5</b>	<b>11.5</b>

1) Includes the items "Contract assets", "Deferred tax assets" and "Other long-term receivables".

2) Includes the items "Other current receivables", "Current tax assets", and "Prepaid expenses and accrued income".

3) Includes the items "Provisions for claims reserves", "Current tax liabilities", "Other provisions" and "Other current liabilities".

### Return on shareholders' equity

Return on shareholders' equity is an important concept to understand a company's return on the capital that the shareholders have injected and earned. The return is calculated as earnings for the period (rolling 12 months) as a percent of the closing balance for shareholders' equity.

	2021	2020	2020
SEK m	Quarter 2	Quarter 2	Full year
Net income for the period, R12	798	1,267	716
Shareholders' equity	9,278	9,860	8,773
<b>Return on equity, %</b>	<b>8.6</b>	<b>12.8</b>	<b>8.2</b>

## Definitions

<b>Gross margin, %</b>	Gross income as a percentage of total revenue.
<b>Operating income (EBITA)</b>	Earnings Before Interest, Taxes, Amortization of acquisition-related intangible fixed assets, Acquisition-related costs and revenue and Items affecting comparability.
<b>Operating margin (EBITA), %</b>	Earnings Before Interest, Taxes, Amortization of acquisition-related intangible fixed assets, Acquisition-related costs and revenue and Items affecting comparability, as a percentage of revenue.
<b>Operating income (EBITDA)</b>	Earnings Before Interest, Taxes, Depreciation, Amortization of acquisition-related intangible fixed assets, Acquisition-related costs and revenue and Items affecting comparability.
<b>Operating income (EBIT)</b>	Earnings Before Interest and Tax.
<b>Items affecting comparability</b>	Items affecting comparability are reported events and transactions whose impact are important to note when the period's results are compared with previous periods, such as capital gains and capital losses from divestments of significant cash generating units, material write-downs or other significant items affecting comparability.
<b>Real growth, %</b>	Increase in revenue for the period, adjusted for changes in exchange rates, as a percentage of the previous year's revenue.
<b>Organic growth, %</b>	Increase in revenue for the period, adjusted for acquisition/divestitures and changes in exchange rates, as a percentage of the previous year's revenue adjusted for divestitures.
<b>Total growth, %</b>	Increase in revenue for the period as a percentage of the previous year's revenue.
<b>Net margin, %</b>	Net income for the period after tax as a percentage of total revenue.
<b>Earnings per share before dilution</b>	Net income for the period in relation to the average number of outstanding shares during the period.
<b>Earnings per share after dilution</b>	Net income for the period in relation to the average number of outstanding shares after dilution during the period.
<b>Cash flow from operations per share</b>	Cash flow for the period from operations in relation to the number of shares after dilution.
<b>Investments in relation to depreciation</b>	Investments in fixed assets, net, for the period, in relation to depreciation, excluding the IFRS 16 impact.
<b>Investments as a % of total revenue</b>	Investments in fixed assets, net, for the period, as a percentage of total revenue.
<b>Shareholders' equity per share</b>	Shareholders' equity in relation to the number of shares before and after dilution.
<b>Cash flow from operating activities as % of operating income (EBITA)</b>	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.
<b>Return on equity, %</b>	Net income for the period (rolling 12 months) as a percentage of the closing balance of shareholders' equity.
<b>Return on capital employed, %</b>	Operating income (EBITA) (rolling 12 months) as a percentage of the closing balance of capital employed.
<b>Equity ratio, %</b>	Shareholders' equity as a percentage of total assets.
<b>Capital employed</b>	Shareholders' equity with the addition of net debt.
<b>Net debt</b>	Interest-bearing liabilities less interest-bearing assets and liquid funds excluding funds for cash processing activities.
<b>R12</b>	Rolling 12 months.
<b>n/a</b>	Not applicable.
<b>Other</b>	Amounts in tables and other combined amounts have been rounded off on an individual basis. Minor differences due to this rounding-off, may, therefore, appear in the totals.

Outlook 2021

The company is not providing any forecast information for 2021.

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 23, 2021

Alf Göransson  
*Chairman of the Board*

Cecilia Daun Wennborg  
*Board member*

Lars Blecko  
*Board member*

Johan Lundberg  
*Board member*

Jeanette Almberg  
*Board member*

Liv Forhaug  
*Board member*

Sofie Nordén  
*Board member*  
*employee representative*

Chalanja Henningsson  
*Board member*  
*employee representative*

Patrik Andersson  
*President and CEO*

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

- 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 23,000 people and had revenue in 2020 of approximately SEK 19 billion. Loomis is listed on Nasdaq Stockholm Large-Cap list.

### Telephone conference and audio cast

A telephone conference will be held on July 23, 2021 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 9264

USA: + 1 646 722 4956

Sweden: +46 8 505 583 59

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

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

### Future reporting

Interim report

January – September

November 3, 2021

### For further information

Anders Haker, Chief Investor Relations Officer +1 281 795 8580, e-mail: [anders.haker@loomis.com](mailto:anders.haker@loomis.com)

Refer also to the Loomis website: [www.loomis.com](http://www.loomis.com)

This information is information that Loomis AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08.00 a.m. (CEST) on July 23, 2021.

