



Brink's Reports Third-Quarter Results

October 26, 2022

*Adjusted EBITDA and EPS Guidance Affirmed, Outlook Updated to Reflect FX Translation
Global Restructuring Expected to Yield \$40 Million in Profit Growth in 2023
Balanced Capital Allocation Strategy Includes NoteMachine Acquisition and Continued Share Repurchases*

3Q Highlights:

- Revenue up 6%, reflecting 13% organic growth
- Operating profit: GAAP down (20)% to \$60M; non-GAAP up 9% to \$127M
- Operating margin: GAAP 5.2%; non-GAAP 11.2%
- GAAP net income up 1% to \$19M; adjusted EBITDA up 11% to \$189M
- EPS: GAAP up 8% to \$0.41; non-GAAP up 18% to \$1.34

RICHMOND, Va., Oct. 26, 2022 (GLOBE NEWSWIRE) -- The Brink's Company (NYSE:BCO), the global leader in total cash management, route-based secure logistics and payment solutions, today announced third-quarter results.

Mark Eubanks, president and CEO, said: "Our third-quarter and year-to-date non-GAAP results include double-digit organic growth in revenue, operating profit, adjusted EBITDA and EPS-- demonstrating the resiliency of our business. To drive continued profit growth and mitigate the potential impact of a sustained economic slowdown, we will remain sharply focused on the optimization of our operating model. To that end, we are proactively executing a restructuring plan that is expected to yield approximately \$40 million in sustainable fixed cost reductions in 2023.

"We remain on track to achieve the mid-point of our guidance for adjusted EBITDA and EPS, with revenue and operating profit now expected to be at the low end of the range due primarily to the impact of foreign exchange translation. Our recent share repurchases, which continued into October, demonstrate our confidence that we will continue to deliver strong growth in revenue, profit and cash flow. We look forward to sharing our 2023 guidance when we release fourth-quarter results in February." (See page 2 for a summary of 2022 guidance.)

Third-quarter results are summarized in the following table:

(In millions, except for per share amounts)

	Third-Quarter 2022 (vs. 2021)					
	GAAP		Non-GAAP		Constant Currency Change ^(b)	
		Change		Change		
Revenue	\$ 1,137	6%	\$ 1,137	6%		14%
Operating Profit	\$ 60	(20%)	\$ 127	9%		23%
Operating Margin	5.2%	(170 bps)	11.2%	40 bps		90 bps
Net Income / Adjusted EBITDA ^(a)	\$ 19	1%	\$ 189	11%		22%
EPS	\$ 0.41	8%	\$ 1.34	18%		37%

(a) The non-GAAP financial metric, adjusted EBITDA, is presented with its corresponding GAAP metric, net income attributable to Brink's.

(b) Constant currency represents 2022 Non-GAAP results at 2021 exchange rates.

2022 Guidance^(d) (Unaudited)

(In millions, except for percentages, per share amounts and revenues)

	2022 GAAP Outlook ^(b)	Reconciling Items ^(a)	2022 Non-GAAP Outlook ^(a)	Non-GAAP % Change vs. 2021
Revenues	\$ ~4.52B	—	~4.52B	~8%
Operating profit		~379	~545	~16%
EPS from continuing operations attributable to Brink's	\$ ~3.83	~1.92	~5.75	~21%
Operating profit margin	~8.4%	~3.7%	~12.1%	~90 bps
Free cash flow before dividends ^(c)			~255	~4%
Adjusted EBITDA			~775	~14%
Adjusted EBITDA margin			~17.1%	~80 bps

Amounts may not add due to rounding.

- (a) The 2022 Non-GAAP outlook amounts exclude certain forecasted Non-GAAP adjusting items, such as intangible asset amortization and U.S. retirement plan costs. We have not forecasted the impact of highly inflationary accounting on our Argentina operations in 2022 or other potential Non-GAAP adjusting items for which the timing and amounts are currently under review, such as future restructuring actions. We have also not forecasted changes in cash held for customer obligations or proceeds from the sale of property, equipment and investments in 2022. The 2022 Non-GAAP outlook amounts for operating profit, EPS from continuing operations, free cash flow before dividends and Adjusted EBITDA cannot be reconciled to GAAP without unreasonable effort. We cannot reconcile these amounts to GAAP because we are unable to accurately forecast the impact of highly inflationary accounting on our Argentina operations in 2022 or other potential Non-GAAP adjusting items for which the timing and amounts are currently under review, such as future restructuring actions. We are also unable to forecast changes in cash held for customer obligations or proceeds from the sale of property, equipment and investments in 2022.
- (b) The 2022 GAAP outlook excludes any forecasted impact from highly inflationary accounting on our Argentina operations as well as other potential Non-GAAP adjusting items for which the timing and amounts are currently under review, such as future restructuring actions.
- (c) Excludes our initial investment in France to support the take-over of the BPCE ATM network.
- (d) Excludes the impact of the Note Machine acquisition which is expected to be accretive in the fourth-quarter of 2022.

NoteMachine Acquisition

On October 3, Brink's announced its acquisition of NoteMachine, one of the leading ATM networks in the United Kingdom, for approximately \$179 million or 5.0 times adjusted EBITDA. For the fiscal year ended June 30, 2022, NoteMachine generated revenue of approximately \$131 million and adjusted EBITDA of approximately \$36 million at exchange rates as of September 30, 2022. The acquisition is expected to be accretive to earnings in the fourth quarter of 2022 by approximately \$0.04 per share.

Share Repurchases

In the third quarter of 2022 and through October 24, 2022, Brink's repurchased a total of 825,725 shares of its common stock for an aggregate of \$45 million and an average price per share of \$54.60 under its previously authorized \$250 million share repurchase program. The company has approximately \$205 million remaining under its current authorization.

Conference Call

Brink's will host a conference call on October 26 at 8:30 a.m. ET to review third-quarter results. Interested parties can listen by calling 888-349-0094 (in the U.S.) or 412-902-0124 (international). Participants can preregister at <https://dpregrister.com/sreg/10171548/f4954bc5d0> to receive a direct dial-in number for the call. The call also will be accessible live via webcast on the Brink's website (www.brinks.com). A replay of the call will be available through November 02, 2022 at 877-344-7529 (in the U.S.) or 412-317-0088 (international). The conference number is 4404011. An archived version of the webcast will be available online in the Investor Relations section of <http://investors.brinks.com>.

The Brink's Company and subsidiaries

(In millions, except for per share amounts) (Unaudited)

Third-Quarter 2022 vs. 2021

GAAP	3Q'21	Organic Change	Acquisitions / Dispositions ^(a)	Currency ^(b)	3Q'22	% Change	
						Total	Organic
Revenues:							
North America	\$ 361	38	3	(1)	401	11	11
Latin America	289	41	1	(29)	301	4	14
Europe	238	18	—	(37)	220	(8)	8
Rest of World	188	45	—	(18)	215	15	24
Segment revenues^(c)	\$ 1,076	143	4	(85)	1,137	6	13
Revenues - GAAP	\$ 1,076	143	4	(85)	1,137	6	13
Operating profit:							
North America	\$ 25	13	1	—	38	53	51
Latin America	65	12	—	(10)	67	3	18
Europe	28	2	—	(4)	26	(8)	7
Rest of World	32	20	—	(4)	48	51	64
Segment operating profit	150	47	1	(18)	179	20	31
Corporate ^(d)	(34)	(21)	—	3	(52)	55	62
Operating profit - non-GAAP	\$ 116	26	1	(16)	127	9	22
Other items not allocated to segments ^(e)	(42)	1	(20)	(7)	(67)	61	(3)
Operating profit - GAAP	\$ 74	27	(19)	(23)	60	(20)	37
GAAP interest expense	(28)				(35)	26	
GAAP interest and other income (expense)	(1)				6	fav	

GAAP provision for income taxes	23	9	(63)
GAAP noncontrolling interests	4	3	(15)
GAAP income from continuing operations ^(f)	19	19	1
GAAP EPS ^(f)	\$ 0.38	0.41	8
GAAP weighted-average diluted shares	50.3	47.5	(6)

Non-GAAP ^(g)	3Q'21	Organic Change	Acquisitions / Dispositions ^(a)	Currency ^(b)	3Q'22	% Change	
						Total	Organic
Segment revenues - GAAP/non-GAAP	\$ 1,076	143	4	(85)	1,137	6	13
Non-GAAP operating profit	116	26	1	(16)	127	9	22
Non-GAAP interest expense	(27)				(34)	26	
Non-GAAP interest and other income (expense)	3				7	fav	
Non-GAAP provision for income taxes	31				32	3	
Non-GAAP noncontrolling interests	4				3	(13)	
Non-GAAP income from continuing operations ^(f)	57				64	12	
Non-GAAP EPS ^(f)	\$ 1.14				1.34	18	
Non-GAAP weighted-average diluted shares	50.3				47.5	(6)	

Amounts may not add due to rounding.

(a) Non-GAAP amounts include the impact of prior year comparable period results for acquired and disposed businesses. GAAP results also include the impact of acquisition-related intangible amortization, restructuring and other charges, and disposition related gains/losses.

(b) The amounts in the "Currency" column consist of the effects of Argentina devaluations under highly inflationary accounting and the sum of monthly currency changes. Monthly currency changes represent the accumulation throughout the year of the impact on current period results from changes in foreign currency rates from the prior year period.

(c) Segment revenues equal our total reported non-GAAP revenues.

(d) Corporate expenses are not allocated to segment results. Corporate expenses include salaries and other costs to manage the global business and to perform activities required of public companies.

(e) See pages 7-8 for more information.

(f) Attributable to Brink's.

(g) Non-GAAP results are reconciled to applicable GAAP results on pages 9-12.

(h) As disclosed in the first quarter of 2021, an accrual adjustment was made that resulted in a positive \$12.3 million for the North America segment with a corresponding offset to Corporate expense, resulting in no impact to consolidated operating profit for the quarter.

The Brink's Company and subsidiaries

(In millions, except for per share amounts) (Unaudited)

Nine Months Ended September 30, 2022 vs. 2021

GAAP	2021	Organic Change	Acquisitions / Dispositions ^(a)	Currency ^(b)	2022	% Change	
						Total	Organic
Revenues:							
North America	\$ 1,035	100	38	(2)	1,171	13	10
Latin America	832	117	3	(53)	899	8	14
Europe	683	66	3	(83)	669	(2)	10
Rest of World	552	82	6	(34)	606	10	15
Segment revenues^(c)	\$ 3,102	365	50	(172)	3,345	8	12
Revenues - GAAP	\$ 3,102	365	50	(172)	3,345	8	12
Operating profit:							
North America ^(h)	\$ 98	(9)	7	—	97	(2)	(9)

Latin America	180	33	—	(19)	194	8	18
Europe	57	14	—	(8)	63	10	24
Rest of World	94	33	1	(7)	121	28	35
Segment operating profit	430	70	8	(34)	475	10	16
Corporate ^{(d)(h)}	(114)	(7)	—	8	(112)	(2)	6
Operating profit - non-GAAP	\$ 317	64	8	(26)	363	15	20
Other items not allocated to segments ^(e)	(107)	(11)	(11)	(15)	(145)	35	10
Operating profit - GAAP	\$ 209	53	(3)	(41)	218	4	25
GAAP interest expense	(83)				(95)	14	
GAAP interest and other income (expense)	(2)				8	fav	
GAAP provision (benefit) for income taxes	59				(3)	fav	
GAAP noncontrolling interests	10				9	(4)	
GAAP income from continuing operations ^(f)	56				126	fav	
GAAP EPS ^(f)	\$ 1.11				2.63	fav	
GAAP weighted-average diluted shares	50.4				47.9	(5)	

<u>Non-GAAP</u> ^(g)	2021	Organic Change	Acquisitions / Dispositions ^(a)	Currency ^(b)	2022	% Change	
						Total	Organic
Segment revenues - GAAP/non-GAAP	\$ 3,102	365	50	(172)	3,345	8	12
Non-GAAP operating profit	317	64	8	(26)	363	15	20
Non-GAAP interest expense	(82)				(94)	15	
Non-GAAP interest and other income (expense)	14				13	(13)	
Non-GAAP provision for income taxes	84				90	8	
Non-GAAP noncontrolling interests	10				9	(8)	
Non-GAAP income from continuing operations ^(f)	155				182	17	
Non-GAAP EPS ^(f)	\$ 3.08				3.80	23	
Non-GAAP weighted-average diluted shares	50.4				47.9	(5)	

Amounts may not add due to rounding.

See page 3 for footnote explanations.

The Brink's Company and subsidiaries
(In millions) (Unaudited)

Selected Items - Condensed Consolidated Balance Sheets

December 31, 2021 September 30, 2022

Assets

Cash and cash equivalents	\$	710.3	1,019.0
Restricted cash		376.4	329.9
Accounts receivable, net		701.8	787.7
Right-of-use assets, net		299.1	293.4
Property and equipment, net		865.6	844.8
Goodwill and intangibles		1,902.9	1,789.5
Deferred tax assets, net		239.4	276.5
Other		471.2	592.6
		<u> </u>	<u> </u>
Total assets	\$	5,566.7	5,933.4

Liabilities and Equity

Accounts payable		211.2	193.5
Debt		2,966.7	3,371.7
Retirement benefits		541.5	503.3
Accrued liabilities		877.3	888.3
Lease liabilities		241.8	240.1
Other		475.6	417.3
		<u> </u>	<u> </u>
Total liabilities		5,314.1	5,614.2
Equity		<u> </u>	<u> </u>
		252.6	319.2
		<u> </u>	<u> </u>
Total liabilities and equity	\$	5,566.7	5,933.4

Selected Items - Condensed Consolidated Statements of Cash Flows

	Nine Months Ended September 30,	
	2021	2022
Net cash provided by operating activities	\$ 273.6	200.5
Net cash used by investing activities	(390.3)	(112.1)
Net cash provided by financing activities	234.6	291.9
Effect of exchange rate changes on cash	(38.3)	(118.1)
Cash, cash equivalents and restricted cash:		
Increase	79.6	262.2
Balance at beginning of period	942.9	1,086.7
Balance at end of period	\$ 1,022.5	1,348.9

Supplemental Cash Flow Information

Capital expenditures	\$	(113.7)	(131.5)
Acquisitions, net of cash acquired		(313.6)	(14.2)
Depreciation and amortization		178.1	179.9
Cash paid for income taxes, net		(55.9)	(101.6)

About The Brink's Company

The Brink's Company (NYSE:BCO) is the global leader in total cash management, route-based secure logistics and payment solutions including cash-in-transit, ATM services, cash management services (including vault outsourcing, money processing and intelligent safe services), and international transportation of valuables. Our customers include financial institutions, retailers, government agencies, mints, jewelers and other commercial operations. Our global network of operations in 53 countries serves customers in more than 100 countries. For more information, please visit our website at www.brinks.com or call 804-289-9709.

Forward-Looking Statements

This release contains forward-looking information. Words such as "anticipate," "assume," "estimate," "expect," "target" "project," "predict," "intend," "plan," "believe," "potential," "may," "should" and similar expressions may identify forward-looking information. Forward-looking information in these materials includes, but is not limited to: 2022 outlook, including revenue, operating profit, adjusted EBITDA, earnings per share, and free cash flow (and drivers thereof), the impact of the NoteMachine acquisition on Brink's results, acquisition-related synergies, expected share repurchase activity, the impact of the global restructuring plan, strategic targets and initiatives, expected economic recovery, and the impact of macroeconomic factors. Forward-looking information in this document is subject to known and unknown risks, uncertainties and contingencies, which are difficult to predict or quantify, and which could cause actual results, performance or achievements to differ materially from those that are anticipated.

Forward-looking information in this document is subject to known and unknown risks, uncertainties and contingencies, which are difficult to predict or quantify, and which could cause actual results, performance or achievements to differ materially from those that are anticipated. These risks, uncertainties and contingencies, many of which are beyond our control, include, but are not limited to: our ability to improve profitability and execute further cost and operational improvement and efficiencies in our core businesses; our ability to improve service levels and quality in our core businesses; market volatility and commodity price fluctuations; general economic issues, including supply chain disruptions, fuel price increases, changes in interest rates, and interest rate increases; seasonality, pricing and other competitive industry factors; investment in information technology ("IT") and its impact on revenue and profit growth; our ability to maintain an effective IT infrastructure and safeguard confidential information, including from a cybersecurity incident; our ability to effectively develop and implement solutions for our customers; risks associated with operating in foreign countries, including changing political, labor and economic conditions (including political conflict or unrest), regulatory issues (including the imposition of international sanctions, including by the U.S. government), currency restrictions and devaluations, restrictions on and cost of repatriating earnings and capital, impact on the Company's financial results as a result of jurisdictions determined to be highly inflationary, and restrictive government actions, including nationalization; labor issues, including labor shortages negotiations with organized labor and work stoppages; pandemics (including the ongoing Covid-19 pandemic and related impact to and restrictions on the actions of businesses and consumers, including suppliers and customers), acts of terrorism, strikes or other extraordinary events that negatively affect global or regional cash commerce; anticipated cash needs in light of our current liquidity position and the impact of Covid-19 on our liquidity; the strength of the U.S. dollar relative to foreign currencies and foreign currency exchange rates; our ability to identify, evaluate and complete acquisitions and other strategic transactions and to successfully integrate acquired companies; costs related to dispositions and product or market exits; our ability to obtain appropriate insurance coverage, positions taken by insurers relative to claims and the financial condition of insurers; safety and security performance and loss experience; employee and environmental liabilities in connection with former coal operations, including black lung claims; the impact of the American Rescue Plan Act and Patient Protection and Affordable Care Act on legacy liabilities and ongoing operations; funding requirements, accounting treatment, and investment performance of our pension plans, the VEBA and other employee benefits; changes to estimated liabilities and assets in actuarial assumptions; the nature of hedging relationships and counterparty risk; access to the capital and credit markets; our ability to realize deferred tax assets; the outcome of pending and future claims, litigation, and administrative proceedings; public perception of our business, reputation and brand; changes in estimates and assumptions underlying critical accounting policies; the promulgation and adoption of new accounting standards, new government regulations and interpretation of existing standards and regulations.

This list of risks, uncertainties and contingencies is not intended to be exhaustive. Additional factors that could cause our results to differ materially from those described in the forward-looking statements can be found under "Risk Factors" in Item 1A of our Annual Report on Form 10-K for the period ended December 31, 2021, and in related disclosures in our other public filings with the Securities and Exchange Commission. The forward-looking information included in this document is representative only as of the date of this document and The Brink's Company undertakes no obligation to update any information contained in this document.

The Brink's Company and subsidiaries
Segment Results: 2021 and 2022 (Unaudited)
(In millions, except for percentages)

	Revenues									
	2021					2022				
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	Nine Months	
Revenues:										
North America	\$ 317.1	356.8	360.7	372.5	1,407.1	\$ 368.8	401.6	400.6	1,171.0	
Latin America	269.7	272.8	289.3	294.2	1,126.0	291.3	306.3	301.1	898.7	
Europe	214.4	230.8	238.0	234.1	917.3	222.1	226.7	220.0	668.8	
Rest of World	176.5	188.4	187.5	197.4	749.8	191.8	199.3	215.0	606.1	
Segment revenues - GAAP and Non-GAAP	\$ 977.7	1,048.8	1,075.5	1,098.2	4,200.2	\$ 1,074.0	1,133.9	1,136.7	3,344.6	

	Operating Profit									
	2021					2022				
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	Nine Months	
Operating profit:										
North America ^(a)	\$ 32.3	41.1	25.0	50.0	148.4	\$ 24.4	34.1	38.2	96.7	
Latin America	58.7	57.1	64.6	76.9	257.3	63.0	64.7	66.5	194.2	
Europe	10.6	18.7	28.1	32.4	89.8	14.8	22.4	25.9	63.1	
Rest of World	30.4	31.9	31.9	37.3	131.5	33.1	39.5	48.3	120.9	
Corporate ^(a)	(41.9)	(38.2)	(33.7)	(42.7)	(156.5)	(23.2)	(36.7)	(52.1)	(112.0)	
Non-GAAP	90.1	110.6	115.9	153.9	470.5	112.1	124.0	126.8	362.9	

Other items not allocated to segments^(b)

Reorganization and Restructuring	(6.6)	(15.1)	(14.0)	(7.9)	(43.6)	(11.7)	(2.7)	(19.6)	(34.0)
Acquisitions and dispositions	(18.7)	(20.5)	(16.6)	(16.1)	(71.9)	(15.2)	(15.4)	(35.7)	(66.3)
Argentina highly inflationary impact	(3.9)	(2.6)	(2.3)	(3.1)	(11.9)	(6.1)	(9.0)	(12.0)	(27.1)
Change in allowance estimate	—	—	—	—	—	(16.7)	0.4	0.3	(16.0)
Chile antitrust matter	—	—	(9.5)	—	(9.5)	—	(0.8)	(0.3)	(1.1)

Internal loss	0.8	0.9	0.7	18.7	21.1	—	—	—	—
GAAP	\$ 61.7	73.3	74.2	145.5	354.7	\$ 62.4	96.5	59.5	218.4

	Margin								
	2021					2022			
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	Nine Months
Margin:									
North America	10.2%	11.5	6.9	13.4	10.5	6.6%	8.5	9.5	8.3
Latin America	21.8	20.9	22.3	26.1	22.9	21.6	21.1	22.1	21.6
Europe	4.9	8.1	11.8	13.8	9.8	6.7	9.9	11.8	9.4
Rest of World	17.2	16.9	17.0	18.9	17.5	17.3	19.8	22.5	19.9
Non-GAAP	9.2	10.5	10.8	14.0	11.2	10.4	10.9	11.2	10.9
Other items not allocated to segments ^(b)	(2.9)	(3.5)	(3.9)	(0.8)	(2.8)	(4.6)	(2.4)	(6.0)	(4.4)
GAAP	6.3%	7.0	6.9	13.2	8.4	5.8%	8.5	5.2	6.5

(a) In the first quarter of 2021, we changed the method for calculating the allowance for doubtful accounts of the North America segment's U.S. business. This change in method resulted in a \$12.3 million operating profit increase in the segment, which was offset by a \$12.3 million increase to Corporate expense, resulting in no impact to consolidated operating profit for the quarter. Historically, all Brink's business units followed an internal Company policy for determining an allowance for doubtful accounts and the allowances were then reconciled to the required U.S. GAAP estimated consolidated allowance, with any differences reported as part of Corporate expense. Other than for the U.S. business, the reconciling differences were not significant. We changed the U.S. calculation of the allowance in order to more closely align it with the U.S. GAAP consolidated calculation and to minimize reconciling differences, resulting in the offsetting \$12.3 million adjustments to align the methods.

(b) See explanation of items on page 8.

The Brink's Company and subsidiaries

Other Items Not Allocated To Segments (Unaudited)

(In millions)

Brink's measures its segment results before income and expenses for corporate activities and for certain other items. See below for a summary of the other items not allocated to segments.

Reorganization and Restructuring

2022 Global Restructuring Plan

In the third quarter of 2022, management began a restructuring plan across our global business operations. The actions were taken to enable growth, reduce costs and related infrastructure, and to mitigate the potential impact of external economic conditions. As a result of actions taken in the quarter, we recognized \$17.5 million in the third quarter of 2022 under this restructuring, primarily severance costs. For the restructuring actions that were approved as of September 30, 2022, we expect to incur additional costs between \$6 million and \$10 million in future periods, primarily severance costs.

Other Restructurings

Management periodically implements restructuring actions in targeted sections of our business. As a result of these actions, we recognized \$16.5 million net costs in the first nine months of 2022, primarily severance costs. The majority of the costs from 2022 restructuring plans result from the exit of a line of business in a specific geography with most of the remaining costs due to management initiatives to address the COVID-19 pandemic. We recognized \$43.6 million net costs in 2021, primarily severance costs. For the restructuring actions that have not yet been completed, we expect to incur additional costs between \$4 million and \$6 million in future periods.

Due to the unique circumstances around these charges, these management-directed items have not been allocated to segment results and are excluded from non-GAAP results.

Acquisitions and dispositions Certain acquisition and disposition items that are not considered part of the ongoing activities of the business and are special in nature are consistently excluded from non-GAAP results. These items are described below:

2022 Acquisitions and Dispositions

- Amortization expense for acquisition-related intangible assets was \$37.4 million in the first nine months of 2022.
- We recognized \$12.4 million in charges in Argentina in the first nine months of 2022 for expected payments to union workers of the Maco Transportadora and Maco Litoral businesses (together "Maco"). Although the Maco operations were acquired in 2017, formal antitrust approval was obtained in 2021, which triggered negotiation and approval of the expected payments in 2022.
- Net charges of \$7.8 million for post-acquisition adjustments to indemnification assets related to previous business acquisitions.
- We incurred \$2.9 million in integration costs, primarily related to PAI and G4S, in the first nine months of 2022.
- Transaction costs related to business acquisitions were \$2.7 million in the first nine months of 2022.
- Restructuring costs related to acquisitions were \$0.2 million in the first nine months of 2022.
- Compensation expense related to the retention of key PAI employees was \$2.6 million in the first nine months of 2022.

2021 Acquisitions and Dispositions

- Amortization expense for acquisition-related intangible assets was \$47.7 million in 2021.
- We incurred \$10.5 million in integration costs, primarily related to G4S, in 2021.
- Transaction costs related to business acquisitions were \$6.5 million in 2021.
- Restructuring costs related to acquisitions were \$5.3 million in 2021.
- Compensation expense related to the retention of key PAI employees was \$1.8 million in 2021.

Argentina highly inflationary impact Beginning in the third quarter of 2018, we designated Argentina's economy as highly inflationary for accounting purposes. As a result, Argentine peso-denominated monetary assets and liabilities are now remeasured at each balance sheet date to the currency exchange rate then in effect, with currency remeasurement gains and losses recognized in earnings. In addition, nonmonetary assets retain a higher historical basis when the currency is devalued. The higher historical basis results in incremental expense being recognized when the nonmonetary assets are consumed. In the first nine months of 2022, we recognized \$27.1 million in pretax charges related to highly inflationary accounting, including currency remeasurement losses of \$24.4 million. In 2021, we recognized \$11.9 million in pretax charges related to highly inflationary accounting, including currency remeasurement losses of \$9.0 million. These amounts are excluded from non-GAAP results.

Change in allowance estimate In the first quarter of 2022, we refined our global methodology of estimating the allowance for doubtful accounts. Our previous method to estimate currently expected credit losses in receivables (the allowance) was weighted significantly to a review of historical loss rates and specific identification of higher risk customer accounts. It also considered current and expected economic conditions, particularly the effects of the coronavirus (COVID-19) pandemic, in determining an appropriate allowance. As many of our regions begin to recover from the pandemic, we have re-assessed those earlier assumptions and estimates. Our updated method now also includes an estimated allowance for accounts receivable significantly past due in order to adjust for at-risk receivables not captured in our previous method. As part of the analysis under the updated estimation methodology, we noted an increase in accounts receivable significantly past due, particularly in the U.S., and we recorded an additional allowance of \$16.7 million. In the second quarter and third quarter of 2022, the additional allowance was reduced by \$0.7 million as a result of collections. Due to the fact that management has excluded these amounts when evaluating internal performance, we have excluded this charge from segment and non-GAAP results.

Chile antitrust matter In October 2021, the Chilean antitrust agency filed a complaint alleging that Brink's Chile (as well as competitor companies) engaged in collusion in 2017 and 2018 and requested that the court approve a fine of \$30.5 million. The Company has not had access to the investigative file nor to its evidence supporting the allegations. Based on available information to date, we recorded a charge of \$9.5 million in the third quarter of 2021 in connection with this matter. In the first nine months of 2022, we recognized an additional \$1.1 million adjustment to our estimated loss as a result of a change in currency rates. Due to its special nature, this charge has not been allocated to segment results and is excluded from non-GAAP results.

Internal loss A former non-management employee in our U.S. global services operations embezzled funds from Brink's in prior years. In an effort to cover up the embezzlement, the former employee intentionally misstated the underlying accounts receivable subledger data. As a result, we estimated an increase to bad debt expense of \$26.7 million through the end of 2020. In 2021, we recognized a decrease in bad debt expense of \$3.7 million, primarily related to collection of these receivables. We also recognized \$1.3 million of legal charges in 2021 as we attempted to collect additional insurance recoveries related to these receivables losses. In the fourth quarter of 2021, we successfully collected \$18.8 million of insurance recoveries related to these internal losses. In the first nine months of 2022, we did not incur any charges related to the internal loss. Due to the unusual nature of this internal loss and the related errors in the subledger data, along with the fact that management has excluded these amounts when evaluating internal performance, we have excluded these net charges from segment and non-GAAP results.

The Brink's Company and subsidiaries

Non-GAAP Results Reconciled to GAAP (Unaudited)

(In millions, except for percentages and per share amounts)

Non-GAAP results described in this press release are financial measures that are not required by or presented in accordance with U.S. generally accepted accounting principles ("GAAP"). The purpose of the Non-GAAP results is to report financial information from the primary operations of our business by excluding the effects of certain income and expenses that do not reflect the ordinary earnings of our operations. The specific items excluded have not been allocated to segments, are described on page 8 and in more detail in our Form 10-Q, and are reconciled to comparable GAAP measures below. In addition, we refer to non-GAAP constant currency amounts, which represent current period results and forecasts at prior period exchange rates.

Non-GAAP results adjust the quarterly Non-GAAP tax rates so that the Non-GAAP tax rate in each of the quarters is equal to the full-year estimated Non-GAAP tax rate. The full-year Non-GAAP tax rate in both years excludes certain pretax and income tax amounts. Amounts reported for prior periods have been updated in this report to present information consistently for all periods presented.

The 2022 Non-GAAP outlook amounts for operating profit, EPS from continuing operations, free cash flow before dividends and Adjusted EBITDA cannot be reconciled to GAAP without unreasonable effort. We cannot reconcile these amounts to GAAP because we are unable to accurately forecast the impact of highly inflationary accounting on our Argentina operations or other potential Non-GAAP adjusting items for which the timing and amounts are currently under review, such as future restructuring actions. We are also unable to forecast changes in cash held for customer obligations or proceeds from the sale of property, equipment and investments in 2022. The impact of highly inflationary accounting and other potential Non-GAAP adjusting items could be significant to our GAAP results.

The Non-GAAP financial measures are intended to provide investors with a supplemental comparison of our operating results and trends for the periods presented. Our management believes these measures are also useful to investors as such measures allow investors to evaluate our performance using the same metrics that our management uses to evaluate past performance and prospects for future performance. We do not consider these items to be reflective of our operating performance as they result from events and circumstances that are not a part of our core business. Additionally, non-GAAP results are utilized as performance measures in certain management incentive compensation plans. Non-GAAP results should not be considered as an alternative to revenue, income or earnings per share amounts determined in accordance with GAAP and should be read in conjunction with their GAAP counterparts. Non-GAAP financial measures may not be comparable to non-GAAP financial measures presented by other companies.

Non-GAAP Results Reconciled to GAAP

	YTD '21			YTD '22		
	Pre-tax income	Income taxes	Effective tax rate	Pre-tax income	Income taxes	Effective tax rate
Effective Income Tax Rate						
GAAP	\$ 124.6	59.2	47.5%	\$ 131.8	(3.3)	(2.5)%
Retirement plans ^(c)	20.3	4.9		6.5	2.1	
Reorganization and Restructuring ^(a)	35.7	9.2		34.0	6.1	
Acquisitions and dispositions ^(a)	52.6	3.4		63.1	14.5	
Argentina highly inflationary impact ^(a)	8.8	(0.9)		29.0	(0.5)	
Change in allowance estimate ^(a)	—	—		16.0	3.8	
Valuation allowance on tax credits ^(f)	—	—		—	52.8	
Chile antitrust matter ^(a)	9.5	—		1.1	0.3	
Internal loss ^(a)	(2.4)	(0.8)		—	—	
Income tax rate adjustment ^(b)	—	8.6		—	14.5	
Non-GAAP	\$ 249.1	83.6	33.6%	\$ 281.5	90.3	32.1%

Amounts may not add due to rounding.

(a) See "Other Items Not Allocated To Segments" on pages 7-8 for details. We do not consider these items to be reflective of our operating performance as they result from events and circumstances that are not a part of our core business.

(b) Non-GAAP income from continuing operations and non-GAAP EPS have been adjusted to reflect an effective income tax rate in each interim period equal to the full-year non-GAAP effective income tax rate. The full-year non-GAAP effective tax rate is estimated at 32.1% for 2022 and was 33.6% for 2021.

(c) Our U.S. retirement plans are frozen and costs related to these plans are excluded from non-GAAP results. Certain non-U.S. operations also have retirement plans. Settlement charges and curtailment gains related to these non-U.S. plans and costs related to our frozen non-U.S. retirement plans are also excluded from non-GAAP results.

(d) There is no difference between GAAP and non-GAAP share-based compensation amounts for the periods presented.

(e) Due to the impact of Argentina highly inflationary accounting, there was a \$0.6 million non-GAAP adjustment for a loss in the first quarter of 2022, a \$0.9 million non-GAAP adjustment for a loss in the second quarter of 2022 and a \$0.5 million non-GAAP adjustment for a loss in the third quarter of 2022. There is no difference between GAAP and non-GAAP marketable securities gain and loss amounts for the other periods presented.

(f) In the first nine months of 2022, we released a portion of our valuation allowance on certain U.S. deferred tax assets primarily related to foreign tax credit carryforward attributes. The valuation allowance release was due to new foreign tax credit regulations published by the U.S. Treasury in January 2022.

(g) There was a change in judgement resulting in a valuation allowance against certain tax attributes with a limited statutory carryforward period that are no longer more-likely-than-not to be realized due to lower than expected Canada operating results.

(h) Adjusted EBITDA is defined as non-GAAP income from continuing operations excluding the impact of non-GAAP interest expense, non-GAAP income tax provision, non-GAAP depreciation and amortization, non-GAAP share-based compensation and non-GAAP marketable securities (gain) loss.

The Brink's Company and subsidiaries
Non-GAAP Results Reconciled to GAAP (Unaudited) - continued

(In millions, except for percentages and per share amounts)

	2021					2022			
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	Nine Months
Revenues:									
GAAP	\$ 977.7	1,048.8	1,075.5	1,098.2	4,200.2	\$1,074.0	1,133.9	1,136.7	3,344.6
Non-GAAP	\$ 977.7	1,048.8	1,075.5	1,098.2	4,200.2	\$1,074.0	1,133.9	1,136.7	3,344.6
Operating profit (loss):									
GAAP	\$ 61.7	73.3	74.2	145.5	354.7	\$ 62.4	96.5	59.5	218.4
Reorganization and Restructuring ^(a)	6.6	15.1	14.0	7.9	43.6	11.7	2.7	19.6	34.0
Acquisitions and dispositions ^(a)	18.7	20.5	16.6	16.1	71.9	15.2	15.4	35.7	66.3
Argentina highly inflationary impact ^(a)	3.9	2.6	2.3	3.1	11.9	6.1	9.0	12.0	27.1
Change in allowance estimate ^(a)	—	—	—	—	—	16.7	(0.4)	(0.3)	16.0
Chile antitrust matter ^(a)	—	—	9.5	—	9.5	—	0.8	0.3	1.1
Internal loss ^(a)	(0.8)	(0.9)	(0.7)	(18.7)	(21.1)	—	—	—	—
Non-GAAP	\$ 90.1	110.6	115.9	153.9	470.5	\$ 112.1	124.0	126.8	362.9
Operating margin:									
GAAP margin	6.3%	7.0%	6.9%	13.2%	8.4%	5.8%	8.5%	5.2%	6.5%

Non-GAAP margin	9.2%	10.5%	10.8%	14.0%	11.2%	10.4%	10.9%	11.2%	10.9%
Interest expense:									
GAAP	\$ (27.2)	(28.2)	(27.6)	(29.2)	(112.2)	\$ (27.9)	(32.4)	(34.7)	(95.0)
Acquisitions and dispositions ^(a)	0.3	0.5	0.3	0.2	1.3	0.4	0.3	0.3	1.0
Non-GAAP	\$ (26.9)	(27.7)	(27.3)	(29.0)	(110.9)	\$ (27.5)	(32.1)	(34.4)	(94.0)
Interest and other income (expense):									
GAAP	\$ (5.5)	4.6	(0.7)	(5.4)	(7.0)	\$ (1.3)	3.4	6.3	8.4
Retirement plans ^(c)	6.4	6.7	7.2	9.5	29.8	3.1	1.8	1.6	6.5
Acquisitions and dispositions ^(a)	0.2	(1.2)	(3.3)	(0.1)	(4.4)	(0.7)	(1.7)	(1.8)	(4.2)
Argentina highly inflationary impact ^(a)	—	—	—	0.4	0.4	0.6	0.9	0.4	1.9
Non-GAAP	\$ 1.1	10.1	3.2	4.4	18.8	\$ 1.7	4.4	6.5	12.6
Taxes:									
GAAP	\$ 13.6	22.7	22.9	61.1	120.3	\$ (41.1)	29.3	8.5	(3.3)
Retirement plans ^(c)	1.9	1.8	1.2	2.8	7.7	0.7	0.7	0.7	2.1
Reorganization and Restructuring ^(a)	1.6	3.7	3.9	2.5	11.7	1.2	1.1	3.8	6.1
Acquisitions and dispositions ^(a)	0.5	1.7	1.2	(0.9)	2.5	0.8	1.0	12.7	14.5
Argentina highly inflationary impact ^(a)	(0.3)	(0.3)	(0.3)	(0.2)	(1.1)	(0.2)	(0.3)	—	(0.5)
Change in allowance estimate ^(a)	—	—	—	—	—	4.0	(0.1)	(0.1)	3.8
Valuation allowance on tax credits ^(f)	—	—	—	—	—	58.3	(3.3)	(2.2)	52.8
Chile antitrust matter ^(a)	—	—	—	—	—	—	0.2	0.1	0.3
Internal loss ^(a)	(0.4)	(0.3)	(0.1)	(0.5)	(1.3)	—	—	—	—
Deferred tax valuation allowance ^(g)	—	—	—	(12.8)	(12.8)	—	—	—	—
Income tax rate adjustment ^(b)	4.7	1.9	2.0	(8.6)	—	4.0	2.3	8.2	14.5
Non-GAAP	\$ 21.6	31.2	30.8	43.4	127.0	\$ 27.7	30.9	31.7	90.3
Noncontrolling interests:									
GAAP	\$ 2.7	3.0	4.0	2.4	12.1	\$ 2.9	3.0	3.4	9.3
Retirement plans ^(c)	—	—	—	—	—	—	0.1	—	0.1
Reorganization and Restructuring ^(a)	0.1	0.4	—	—	0.5	—	—	—	—
Acquisitions and dispositions ^(a)	0.5	(0.1)	0.2	0.3	0.9	0.3	0.2	0.3	0.8
Income tax rate adjustment ^(b)	(0.7)	0.4	(0.3)	0.6	—	(0.4)	(0.1)	(0.3)	(0.8)
Non-GAAP	\$ 2.6	3.7	3.9	3.3	13.5	\$ 2.8	3.2	3.4	9.4

Amounts may not add due to rounding.

See page 9 for footnote explanations.

	2021					2022			
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	Nine Months
Income (loss) from continuing operations attributable to Brink's:									
GAAP	\$ 12.7	24.0	19.0	47.4	103.1	\$ 71.4	35.2	19.2	125.8
Retirement plans ^(c)	4.5	4.9	6.0	6.7	22.1	2.4	1.0	0.9	4.3
Reorganization and Restructuring ^(a)	4.9	11.0	10.1	5.4	31.4	10.5	1.6	15.8	27.9
Acquisitions and dispositions ^(a)	18.2	18.2	12.2	16.8	65.4	13.8	12.8	21.2	47.8
Argentina highly inflationary impact ^(a)	4.2	2.9	2.6	3.7	13.4	6.9	10.2	12.4	29.5
Change in allowance estimate ^(a)	—	—	—	—	—	12.7	(0.3)	(0.2)	12.2
Valuation allowance on tax credits ^(f)	—	—	—	—	—	(58.3)	3.3	2.2	(52.8)
Chile antitrust matter ^(a)	—	—	9.5	—	9.5	—	0.6	0.2	0.8
Internal loss ^(a)	(0.4)	(0.6)	(0.6)	(18.2)	(19.8)	—	—	—	—
Deferred tax valuation allowance ^(g)	—	—	—	12.8	12.8	—	—	—	—
Income tax rate adjustment ^(b)	(4.0)	(2.3)	(1.7)	8.0	—	(3.6)	(2.2)	(7.9)	(13.7)
Non-GAAP	\$ 40.1	58.1	57.1	82.6	237.9	\$ 55.8	62.2	63.8	181.8

Adjusted EBITDA^(h):

Net income (loss) attributable to Brink's - GAAP	\$ 12.7	23.9	19.0	49.6	105.2	\$ 71.3	35.1	19.2	125.6
Interest expense - GAAP	27.2	28.2	27.6	29.2	112.2	27.9	32.4	34.7	95.0
Income tax provision - GAAP	13.6	22.7	22.9	61.1	120.3	(41.1)	29.3	8.5	(3.3)
Depreciation and amortization - GAAP	54.8	61.7	61.6	61.4	239.5	61.0	60.3	58.6	179.9
EBITDA	<u>\$ 108.3</u>	<u>136.5</u>	<u>131.1</u>	<u>201.3</u>	<u>577.2</u>	<u>\$ 119.1</u>	<u>157.1</u>	<u>121.0</u>	<u>397.2</u>
Discontinued operations - GAAP	—	0.1	—	(2.2)	(2.1)	0.1	0.1	—	0.2
Retirement plans ^(c)	6.4	6.7	7.2	9.5	29.8	3.1	1.7	1.6	6.4
Reorganization and Restructuring ^(a)	6.4	14.6	13.7	8.1	42.8	11.7	2.7	19.5	33.9
Acquisitions and dispositions ^(a)	8.5	6.6	0.4	3.3	18.8	1.5	1.0	21.4	23.9
Argentina highly inflationary impact ^(a)	3.4	2.1	1.7	2.9	10.1	6.0	9.3	11.6	26.9
Change in allowance estimate ^(a)	—	—	—	—	—	16.7	(0.4)	(0.3)	16.0
Chile antitrust matter ^(a)	—	—	9.5	—	9.5	—	0.8	0.3	1.1
Internal loss ^(a)	(0.8)	(0.9)	(0.7)	(18.7)	(21.1)	—	—	—	—
Income tax rate adjustment ^(b)	0.7	(0.4)	0.3	(0.6)	—	0.4	0.1	0.3	0.8
Share-based compensation ^(d)	7.6	11.1	9.2	6.1	34.0	7.1	14.9	14.3	36.3
Marketable securities (gain) loss ^(e)	(3.4)	(10.8)	(2.1)	(0.1)	(16.4)	(0.3)	(0.8)	(0.7)	(1.8)
Adjusted EBITDA	<u>\$ 137.1</u>	<u>165.6</u>	<u>170.3</u>	<u>209.6</u>	<u>682.6</u>	<u>\$ 165.4</u>	<u>186.5</u>	<u>189.0</u>	<u>540.9</u>

EPS:

GAAP	\$ 0.25	0.47	0.38	0.97	2.06	\$ 1.48	0.73	0.41	2.63
Retirement plans ^(c)	0.09	0.10	0.12	0.14	0.44	0.05	0.02	0.02	0.09
Reorganization and Restructuring costs ^(a)	0.10	0.22	0.20	0.11	0.63	0.22	0.03	0.33	0.58
Acquisitions and dispositions ^(a)	0.36	0.36	0.24	0.34	1.31	0.29	0.27	0.45	1.00
Argentina highly inflationary impact ^(a)	0.08	0.06	0.05	0.08	0.27	0.14	0.21	0.26	0.62
Change in allowance estimate ^(a)	—	—	—	—	—	0.26	(0.01)	—	0.26
Valuation allowance on tax credits ^(f)	—	—	—	—	—	(1.21)	0.07	0.05	(1.10)
Chile antitrust matter ^(a)	—	—	0.19	—	0.19	—	0.01	—	0.02
Internal loss ^(a)	(0.01)	(0.01)	(0.01)	(0.37)	(0.40)	—	—	—	—
Deferred tax valuation allowance ^(g)	—	—	—	0.26	0.26	—	—	—	—
Income tax rate adjustment ^(b)	(0.08)	(0.05)	(0.03)	0.16	—	(0.07)	(0.05)	(0.17)	(0.29)
Non-GAAP	<u>\$ 0.79</u>	<u>1.15</u>	<u>1.14</u>	<u>1.68</u>	<u>4.75</u>	<u>\$ 1.16</u>	<u>1.30</u>	<u>1.34</u>	<u>3.80</u>

Depreciation and Amortization:

GAAP	\$ 54.8	61.7	61.6	61.4	239.5	\$ 61.0	60.3	58.6	179.9
Reorganization and Restructuring costs ^(a)	(0.1)	(0.1)	(0.3)	0.2	(0.3)	—	—	(0.1)	(0.1)
Acquisitions and dispositions ^(a)	(9.9)	(12.8)	(12.7)	(12.4)	(47.8)	(12.7)	(12.5)	(12.2)	(37.4)
Argentina highly inflationary impact ^(a)	(0.5)	(0.5)	(0.6)	(0.6)	(2.2)	(0.7)	(0.6)	(0.8)	(2.1)
Non-GAAP	<u>\$ 44.3</u>	<u>48.3</u>	<u>48.0</u>	<u>48.6</u>	<u>189.2</u>	<u>\$ 47.6</u>	<u>47.2</u>	<u>45.5</u>	<u>140.3</u>

Amounts may not add due to rounding.

See page 9 for footnote explanations.

**Nine Months Ended
September 30, 2022**

Free cash flow before dividends:

Cash flows from operating activities		
Operating activities - GAAP	\$	200.5
Decrease in restricted cash held for customers		4.4
Increase in certain customer obligations ^(a)		(4.0)
Operating activities - non-GAAP	\$	200.9
Capital expenditures - GAAP		(131.5)
Proceeds from sale of property, equipment and investments		3.3
Free cash flow before dividends	\$	72.7

(a) To adjust for the change in the balance of customer obligations related to cash received and processed in certain of our secure Cash Management Services operations. The title to this cash transfers to us for a short period of time. The cash is generally credited to customers' accounts the following day and we do not consider it as available for general corporate purposes in the management of our liquidity and capital resources.

Free cash flow before dividends is a supplemental financial measure that is not required by, or presented in accordance with GAAP. The purpose of this non-GAAP measure is to report financial information excluding the change in restricted cash held for customers, the impact of cash received and processed in certain of our secure cash management services operations, capital expenditures, payments made to G4S for net intercompany receivables from the acquired subsidiaries, and to include proceeds from the sale of property, equipment and investments. We believe this measure is helpful in assessing cash flows from operations, enables period-to-period comparability and is useful in predicting future cash flows. This non-GAAP measure should not be considered as an alternative to cash flows from operating activities determined in accordance with GAAP and should be read in conjunction with our condensed consolidated statements of cash flows.

Contact:

Investor Relations
804.928.1680