UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2022

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________ to ________

Commission file number 001-09148

THE BRINK'S COMPANY
(Exact name of registrant as specified in its charter)

Virginia	54-1317776
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1801 Bayberry Court, Richmond, Virginia 23226-8100

(Address of principal executive offices) (Zip Code)

(804) 289-9600

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $1.00 per share	BCO	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☒ Accelerated Filer ☐ Non-Accelerated Filer ☐ Smaller Reporting Company ☐ Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

As of October 21, 2022, 46,449,606 shares of $1 par value common stock were outstanding.

Part I - Financial Information
Item 1. Financial Statements

THE BRINK'S COMPANY
and subsidiaries

Condensed Consolidated Balance Sheets
(Unaudited)

(In millions, except for per share amounts)	September 30, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,019.0	710.3
Restricted cash	329.9	376.4
Accounts receivable, net	787.7	701.8
Prepaid expenses and other	310.1	211.0
Total current assets	2,446.7	1,999.5
Right-of-use assets, net	293.4	299.1
Property and equipment, net	844.8	865.6
Goodwill	1,342.2	1,411.7
Other intangibles	447.3	491.2
Deferred tax assets, net	276.5	239.4
Other	282.5	260.2
Total assets	$ 5,933.4	5,566.7
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term borrowings	$ 20.7	9.8
Current maturities of long-term debt	81.8	115.2
Accounts payable	193.5	211.2
Accrued liabilities	888.3	877.3
Restricted cash held for customers	163.6	215.5
Total current liabilities	1,347.9	1,429.0
Long-term debt	3,269.2	2,841.7
Accrued pension costs	187.7	219.3
Retirement benefits other than pensions	315.6	322.2
Lease liabilities	240.1	241.8
Deferred tax liabilities	47.6	49.2
Other	206.1	210.9
Total liabilities	5,614.2	5,314.1
Commitments and contingent liabilities (notes 4, 8 and 14)		
Equity:		
The Brink's Company ("Brink's") shareholders:		
Common stock, par value $1 per share:		
Shares authorized: 100.0		
Shares issued and outstanding: 2022 - 46.7; 2021 - 47.4	46.7	47.4
Capital in excess of par value	677.4	670.6
Retained earnings	399.2	312.9
Accumulated other comprehensive loss	(920.6)	(907.9)
Brink's shareholders	202.7	123.0
Noncontrolling interests	116.5	129.6
Total equity	319.2	252.6
Total liabilities and equity	$ 5,933.4	5,566.7

See accompanying notes to condensed consolidated financial statements.

THE BRINK’S COMPANY
and subsidiaries

Condensed Consolidated Statements of Operations
(Unaudited)

(In millions, except for per share amounts)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Revenues	**$ 1,136.7**	**1,075.5**	**$ 3,344.6**	**3,102.0**
Costs and expenses:				
Cost of revenues	880.7	837.6	2,587.9	2,415.6
Selling, general and administrative expenses	180.8	161.9	519.9	472.0
Total costs and expenses	1,061.5	999.5	3,107.8	2,887.6
Other operating income (expense)	(15.7)	(1.8)	(18.4)	(5.2)
Operating profit	**59.5**	**74.2**	**218.4**	**209.2**
Interest expense	(34.7)	(27.6)	(95.0)	(83.0)
Interest and other nonoperating income (expense)	6.3	(0.7)	8.4	(1.6)
Income from continuing operations before tax	31.1	45.9	131.8	124.6
Provision (benefit) for income taxes	8.5	22.9	(3.3)	59.2
Income from continuing operations	**22.6**	**23.0**	**135.1**	**65.4**
Loss from discontinued operations, net of tax	—	—	(0.2)	(0.1)
Net income	**22.6**	**23.0**	**134.9**	**65.3**
Less net income attributable to noncontrolling interests	3.4	4.0	9.3	9.7
Net income attributable to Brink’s	**19.2**	**19.0**	**125.6**	**55.6**
Amounts attributable to Brink’s				
Continuing operations	19.2	19.0	125.8	55.7
Discontinued operations	—	—	(0.2)	(0.1)
Net income attributable to Brink’s	**$ 19.2**	**19.0**	**$ 125.6**	**55.6**
Income per share attributable to Brink’s common shareholders[(a)]:				
Basic:				
Continuing operations	$ 0.41	0.38	$ 2.65	1.12
Net income	$ 0.41	0.38	$ 2.64	1.12
Diluted:				
Continuing operations	$ 0.41	0.38	$ 2.63	1.11
Net income	$ 0.40	0.38	$ 2.62	1.10
Weighted-average shares				
Basic	47.4	49.8	47.5	49.9
Diluted	47.5	50.3	47.9	50.4
Cash dividends paid per common share	**$ 0.20**	**0.20**	**$ 0.60**	**0.55**

(a) Amounts may not add due to rounding.

See accompanying notes to condensed consolidated financial statements.

THE BRINK’S COMPANY
and subsidiaries

Condensed Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)

(In millions)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Net income	$ 22.6	23.0	$ 134.9	65.3
Benefit plan adjustments:				
Benefit plan actuarial gains	10.1	23.0	33.3	37.4
Benefit plan prior service costs	(1.3)	(1.2)	(3.8)	(3.0)
Deferred profit sharing	—	(0.5)	—	(0.5)
Total benefit plan adjustments	8.8	21.3	29.5	33.9
Foreign currency translation adjustments	(42.2)	(41.2)	(72.7)	(49.3)
Unrealized net gain on available-for-sale securities	0.7	—	—	—
Gains on cash flow hedges	12.2	2.9	37.4	12.8
Other comprehensive loss before tax	(20.5)	(17.0)	(5.8)	(2.6)
Provision for income taxes	12.6	7.4	17.5	15.1
Other comprehensive loss	(33.1)	(24.4)	(23.3)	(17.7)
Comprehensive income (loss)	(10.5)	(1.4)	111.6	47.6
Less comprehensive income (loss) attributable to noncontrolling interests	(0.6)	2.7	(1.2)	6.6
Comprehensive income (loss) attributable to Brink's	$ (9.9)	(4.1)	$ 112.8	41.0

See accompanying notes to condensed consolidated financial statements.

THE BRINK'S COMPANY
and subsidiaries

Condensed Consolidated Statements of Equity
(Unaudited)

	Nine Months ended September 30, 2022							
(In millions)	Shares		Common Stock	Capital in Excess of Par Value	Retained Earnings	AOCI*	Noncontrolling Interests	Total
Balance as of December 31, 2021	47.4	$	47.4	670.6	312.9	(907.9)	129.6	252.6
Net income	—		—	—	71.3	—	2.9	74.2
Other comprehensive income (loss)	—		—	—	—	50.9	(1.5)	49.4
Dividends to:								
Brink's common shareholders ($0.20 per share)	—		—	—	(9.5)	—	—	(9.5)
Noncontrolling interests	—		—	—	—	—	(1.2)	(1.2)
Share-based compensation:								
Stock awards and options:								
Compensation expense	—		—	7.1	—	—	—	7.1
Other share-based benefit transactions	0.2		0.2	(3.0)	—	—	—	(2.8)
Balance as of March 31, 2022	47.6	$	47.6	674.7	374.7	(857.0)	129.8	369.8
Net income	—		—	—	35.1	—	3.0	38.1
Other comprehensive loss	—		—	—	—	(34.6)	(5.0)	(39.6)
Shares repurchased	(0.5)		(0.5)	(8.0)	8.5	—	—	—
Dividends to:								
Brink's common shareholders ($0.20 per share)	—		—	—	(9.4)	—	—	(9.4)
Noncontrolling interests	—		—	—	—	—	(1.6)	(1.6)
Share-based compensation:								
Stock awards and options:								
Compensation expense	—		—	14.9	—	—	—	14.9
Other share-based benefit transactions	0.1		0.1	(5.5)	(0.1)	—	—	(5.5)
Balance as of June 30, 2022	47.2	$	47.2	676.1	408.8	(891.6)	126.2	366.7
Net income	—		—	—	19.2	—	3.4	22.6
Other comprehensive loss	—		—	—	—	(29.1)	(4.0)	(33.1)
Shares repurchased[(a)]	(0.5)		(0.5)	(10.7)	(19.3)	—	—	(30.5)
Dividends to:								
Brink's common shareholders ($0.20 per share)	—		—	—	(9.4)	—	—	(9.4)
Noncontrolling interests	—		—	—	—	—	(4.1)	(4.1)
Share-based compensation:								
Stock awards and options:								
Compensation expense	—		—	14.3	—	—	—	14.3
Other share-based benefit transactions	—		—	0.4	(0.1)	—	—	0.3
Capital contributions from noncontrolling interest	—		—	—	—	—	0.1	0.1
Acquisitions of noncontrolling interests	—		—	(2.7)	—	0.1	(5.2)	(7.8)
Acquisitions with noncontrolling interests	—		—	—	—	—	0.1	0.1
Balance as of September 30, 2022	46.7	$	46.7	677.4	399.2	(920.6)	116.5	319.2

(a) During the third quarter ended September 30, 2022, we repurchased a total of 501,560 shares of our common stock for an aggregate of $27.3 million in cash. On the last two days of September 2022, our agent broker purchased additional shares of our common stock in the open market. We are obligated to pay $3.2 million to repurchase those shares and, as of September 30, 2022, this obligation has been reported as a current liability and a corresponding reduction to equity in our condensed consolidated financial statements. See Note 12 for further details.

* *Accumulated other comprehensive income (loss)*

Condensed Consolidated Statements of Equity, continued
(Unaudited)

	Nine Months ended September 30, 2021							
(In millions)	Shares	Common Stock		Capital in Excess of Par Value	Retained Earnings	AOCI*	Noncontrolling Interests	Total
Balance as of December 31, 2020	49.5	$	49.5	671.8	407.5	(1,000.0)	73.7	202.5
Cumulative effect of change in accounting principle[(a)]	—		—	—	0.5	—	—	0.5
Net income	—		—	—	12.7	—	2.7	15.4
Other comprehensive loss	—		—	—	—	(40.7)	(2.1)	(42.8)
Dividends to:								
Brink's common shareholders ($0.15 per share)	—		—	—	(7.4)	—	—	(7.4)
Noncontrolling interests	—		—	—	—	—	(0.4)	(0.4)
Share-based compensation:								
Stock awards and options:								
Compensation expense	—		—	7.6	—	—	—	7.6
Consideration from exercise of stock options	—		—	2.3	—	—	—	2.3
Other share-based benefit transactions	0.2		0.2	(4.2)	—	—	—	(4.0)
Acquisitions with noncontrolling interests	—		—	—	—	—	51.4	51.4
Balance as of March 31, 2021	49.7	$	49.7	677.5	413.3	(1,040.7)	125.3	225.1
Net income	—		—	—	23.9	—	3.0	26.9
Other comprehensive income	—		—	—	—	49.2	0.3	49.5
Dividends to:								
Brink's common shareholders ($0.20 per share)	—		—	—	(10.0)	—	—	(10.0)
Noncontrolling interests	—		—	—	—	—	(1.1)	(1.1)
Share-based compensation:								
Stock awards and options:								
Compensation expense	—		—	11.1	—	—	—	11.1
Other share-based benefit transactions	0.1		0.1	(0.1)	—	—	—	—
Acquisitions with noncontrolling interests	—		—	—	—	—	1.1	1.1
Balance as of June 30, 2021	49.8	$	49.8	688.5	427.2	(991.5)	128.6	302.6
Net income	—		—	—	19.0	—	4.0	23.0
Other comprehensive loss	—		—	—	—	(23.1)	(1.3)	(24.4)
Shares repurchased	(0.7)		(0.7)	(9.3)	(40.0)	—	—	(50.0)
Dividends to:								
Brink's common shareholders ($0.20 per share)	—		—	—	(9.9)	—	—	(9.9)
Noncontrolling interests	—		—	—	—	—	(3.5)	(3.5)
Share-based compensation:								
Stock awards and options:								
Compensation expense	—		—	9.2	—	—	—	9.2
Other share-based benefit transactions	—		—	2.3	(0.1)	—	—	2.2
Capital contributions from noncontrolling interest	—		—	—	—	—	0.1	0.1
Acquisitions with noncontrolling interests	—		—	—	—	—	(0.3)	(0.3)
Balance as of September 30, 2021	49.1	$	49.1	690.7	396.2	(1,014.6)	127.6	249.0

(a) Effective January 1, 2021, we adopted the provisions of ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes.* We recognized a cumulative effect adjustment to January 1, 2021 retained earnings as a result of adopting this standard. See Note 1 for further details.

* *Accumulated other comprehensive income (loss)*

See accompanying notes to condensed consolidated financial statements.

THE BRINK'S COMPANY
and subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(In millions)	Nine Months Ended September 30, 2022	2021
Cash flows from operating activities:		
Net income	$ 134.9	65.3
Adjustments to reconcile net income to net cash used by operating activities:		
Loss from discontinued operations, net of tax	0.2	0.1
Depreciation and amortization	179.9	178.1
Share-based compensation expense	36.3	27.9
Deferred income taxes	(57.3)	(6.2)
(Gain) loss on sale of property, equipment and marketable securities	0.8	(16.3)
Impairment losses	7.9	7.5
Retirement benefit funding (more) less than expense:		
Pension	(4.7)	7.9
Other than pension	2.8	9.9
Remeasurement losses due to Argentina currency devaluations	24.4	6.6
Other operating	29.7	(4.4)
Changes in operating assets and liabilities, net of effects of acquisitions:		
Accounts receivable and income taxes receivable	(175.7)	(52.0)
Accounts payable, income taxes payable and accrued liabilities	108.7	50.6
Restricted cash held for customers	(4.4)	12.7
Customer obligations	4.0	10.0
Prepaid and other current assets	(79.8)	(13.5)
Other	(7.2)	(10.6)
Net cash provided by operating activities	200.5	273.6
Cash flows from investing activities:		
Capital expenditures	(131.5)	(113.7)
Acquisitions, net of cash acquired	(14.2)	(313.6)
Marketable securities:		
Purchases	(18.3)	(2.7)
Sales	7.7	34.8
Cash proceeds from sale of property and equipment	3.3	5.7
Cash proceeds from settlement of cross currency swap	64.3	—
Net change in loans held for investment	(23.3)	—
Acquisition of customer contracts	—	(0.8)
Other	(0.1)	—
Net cash used by investing activities	(112.1)	(390.3)
Cash flows from financing activities:		
Borrowings (repayments) of debt:		
Short-term borrowings	11.5	(5.9)
Long-term revolving credit facilities:		
Borrowings	5,036.1	1,899.2
Repayments	(4,819.1)	(1,493.4)
Other long-term debt:		
Borrowings	213.2	2.9
Repayments	(63.7)	(87.3)
Acquisition of noncontrolling interest	(7.8)	—
Cash received from acquisition related settlements	—	6.3
Cash paid for acquisition related settlements and obligations	(2.8)	(3.9)
Debt financing costs	(5.5)	(0.4)
Repurchase shares of Brink's common stock	(27.3)	(50.0)
Dividends to:		
Shareholders of Brink's	(28.3)	(27.3)
Noncontrolling interests in subsidiaries	(6.9)	(5.0)
Proceeds from exercise of stock options	—	2.3
Tax withholdings associated with share-based compensation	(10.2)	(5.5)
Other	2.7	2.6
Net cash provided by financing activities	291.9	234.6
Effect of exchange rate changes on cash	(118.1)	(38.3)
Cash, cash equivalents and restricted cash:		
Increase (decrease)	262.2	79.6
Balance at beginning of period	1,086.7	942.9
Balance at end of period	$ 1,348.9	1,022.5

See accompanying notes to condensed consolidated financial statements.

Note 1 - Basis of presentation

The Brink’s Company (along with its subsidiaries, “Brink’s”, the “Company”, “we”, “us” or “our”) has four operating segments:
- North America
- Latin America
- Europe
- Rest of World

Our unaudited interim condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial reporting and applicable quarterly reporting regulations of the Securities and Exchange Commission (the “SEC”). Accordingly, the unaudited condensed consolidated financial statements do not include all of the information and notes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for interim periods are not necessarily indicative of the results that may be expected for the full year. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes in our Annual Report on Form 10-K for the year ended December 31, 2021.

Use of Estimates
In accordance with GAAP, we have made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these condensed consolidated financial statements. Actual results could differ materially from these estimates. The most significant estimates are related to goodwill, intangibles and other long-lived assets, pension and other retirement benefit assets and obligations, legal contingencies, allowance for doubtful accounts, deferred tax assets and purchase price allocations.

In the first quarter of 2022, we further 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 first quarter of 2022. In the second and third quarters of 2022, the additional allowance was reduced by $0.7 million as a result of collections. Due to the fact that management has excluded this amount when evaluating internal performance, we have excluded it from segment results.

While most of our locations noted improved economics in 2021 and into the first nine months of 2022, our current estimates could be materially adversely affected in future periods by the COVID-19 pandemic. The COVID-19 pandemic began to have an adverse impact on our results of operations in the quarter ended March 31, 2020 as a result of reduced customer volumes, changes to our operating procedures and increases in our costs to provide services. We have taken and continue to take actions to adjust the way we operate and reduce our costs through restructuring activities and operational changes to address these impacts and align to future anticipated revenue levels.

We are continually assessing the impact that the COVID-19 pandemic, and the actions taken in response to it, will have on our employees, businesses and segments, customers and vendors and the industries that we serve. The full impact depends on many factors that are uncertain or not yet identifiable. We expect these factors will continue to impact our financial condition and our results of operations for a duration that is currently unknown. We will continue to monitor developments affecting our condensed consolidated financial statements, including indicators that goodwill or other long-lived assets may be impaired, increases in valuation allowances for doubtful accounts or deferred tax assets may be necessary or other accruals that may increase or be necessary resulting from actions taken to reduce our cost structure or conserve our liquidity. As noted above, we increased our allowance for doubtful accounts based on a re-assessment of our estimate and the aging of receivables in the wake of the pandemic.

Consolidation
The condensed consolidated financial statements include our controlled subsidiaries. Control is determined based on ownership rights or, when applicable, based on whether we are considered to be the primary beneficiary of a variable interest entity. See "Venezuela" section below for further information. For controlled subsidiaries that are not wholly-owned, the noncontrolling interests are included in net income and in total equity.

Investments in businesses that we do not control, but for which we have the ability to exercise significant influence over operating and financial policies, are accounted for under the equity method and our proportionate share of income or loss is recorded in other operating income (expense). Investments in businesses for which we do not have the ability to exercise significant influence over operating and financial policies are accounted for at fair value, if readily determinable, with changes in fair value recognized in net income. For equity investments that do not have a readily determinable fair value, we measure these investments at cost minus impairment, if any, plus or minus changes from observable price changes. All intercompany accounts and transactions have been eliminated in consolidation.

Foreign Currency Translation

Our condensed consolidated financial statements are reported in U.S. dollars. Our foreign subsidiaries maintain their records primarily in the currency of the country in which they operate. The method of translating local currency financial information into U.S. dollars depends on whether the economy in which our foreign subsidiary operates has been designated as highly inflationary or not. Economies with a three-year cumulative inflation rate of more than 100% are considered highly inflationary.

Assets and liabilities of foreign subsidiaries in non-highly inflationary economies are translated into U.S. dollars using rates of exchange at the balance sheet date. Translation adjustments are recorded in other comprehensive income (loss). Revenues and expenses are translated at rates of exchange in effect during the year. Transaction gains and losses are recorded in net income.

Foreign subsidiaries that operate in highly inflationary countries use the U.S. dollar as their functional currency. Local currency monetary assets and liabilities are remeasured into U.S. dollars using rates of exchange as of each balance sheet date, with remeasurement adjustments and other transaction gains and losses recognized in earnings. Other than nonmonetary equity securities, nonmonetary assets and liabilities do not fluctuate with changes in local currency exchange rates to the dollar. For nonmonetary equity securities traded in highly inflationary economies, the fair market value of the equity securities are remeasured at the current exchange rates to determine gain or loss to be recorded in net income. Revenues and expenses are translated at rates of exchange in effect during the year.

Argentina

We operate in Argentina through wholly owned subsidiaries and a smaller controlled subsidiary (together "Brink's Argentina"). Revenues from Brink's Argentina represented approximately 5% of our consolidated revenues for the first nine months of 2022 and 4% of our consolidated revenues for the first nine months of 2021.

The operating environment in Argentina continues to present business challenges, including ongoing devaluation of the Argentine peso and significant inflation. In the first nine months of 2022 and 2021, the Argentine peso declined approximately 30% (from 103.1 to 147.1 pesos to the U.S. dollar) and approximately 15% (from 84.0 to 99.0 pesos to the U.S. dollar), respectively. For the year ended December 31, 2021, the Argentine peso declined approximately 19% (from 84.0 to 103.1 pesos to the U.S. dollar).

Beginning July 1, 2018, we designated Argentina's economy as highly inflationary for accounting purposes. As a result, we consolidated Brink's Argentina using our accounting policy for subsidiaries operating in highly inflationary economies beginning with the third quarter of 2018. Argentine peso-denominated monetary assets and liabilities are remeasured at each balance sheet date using the currency exchange rate then in effect, with currency remeasurement gains and losses recognized in earnings. In the first nine months of 2022, we recognized a $24.4 million pretax remeasurement loss. In the first nine months of 2021, we recognized a $6.6 million pretax remeasurement loss.

At September 30, 2022, Argentina's economy remains highly inflationary for accounting purposes. At September 30, 2022, we had net monetary assets denominated in Argentine pesos of $62.0 million (including cash of $66.4 million). At September 30, 2022, we had net nonmonetary assets of $162.8 million (including $99.8 million of goodwill, $1.7 million in equity securities denominated in Argentine pesos and $21.0 million in debt securities denominated in Argentine pesos).

At December 31, 2021, we had net monetary assets denominated in Argentine pesos of $60.1 million (including cash of $52.9 million) and net nonmonetary assets of $155.3 million (including $99.8 million of goodwill, $8.2 million in equity securities denominated in Argentine pesos and $4.3 million in debt securities denominated in Argentine pesos).

During September 2019, the Argentine government announced currency controls on both companies and individuals. The Argentine central bank issued details as to how the exchange control procedures would operate in practice. Under these procedures, central bank approval is required for many transactions, including dividend repatriation abroad.

We have previously elected to use other market mechanisms to convert Argentine pesos into U.S. dollars. Conversions under these other market mechanisms generally settle at rates that are less favorable than the rates at which we remeasure the financial statements of Brink’s Argentina. We did not have any such conversion losses in the nine months ended September 30, 2022 or September 30, 2021.
Although the Argentine government has implemented currency controls, Brink’s management continues to provide guidance and strategic oversight, including budgeting and forecasting for Brink’s Argentina. We continue to control our Argentina business for purposes of consolidation of our financial statements and continue to monitor the situation in Argentina.

Venezuela

Our Venezuelan operations offer transportation and route-based logistics management services for cash and valuables throughout Venezuela. Currency exchange regulations, combined with other government regulations, such as price controls and strict labor laws, significantly limit our ability to make and execute operational decisions at our Venezuelan subsidiaries. As a result of these conditions, we do not meet the accounting criteria for control over our Venezuelan operations and, as a result, we report the results of our investment in our Venezuelan subsidiaries using the cost method of accounting, the basis of which approximates zero. Prior to the imposition of the U.S. government sanctions in 2019, we provided immaterial amounts of financial support to our Venezuela operations. We continue to monitor the situation in Venezuela, including the imposition of sanctions by the U.S. government targeting Venezuela.

Goodwill
Goodwill is recognized for the excess of the purchase price over the fair value of tangible and identifiable intangible net assets of businesses acquired. We review goodwill for impairment annually, as of October 1, and whenever events or circumstances in interim periods indicate that it is more likely than not that an impairment may have occurred. Impairment indicators were reviewed as of September 30, 2022 and we concluded that there were no indicators that would more likely than not reduce the fair value of a reporting unit below its carrying amount. We will continue to monitor results in future periods to determine whether any indicators of impairment exist that would cause us to perform an impairment review.

Restricted Cash
In France and Malaysia, we offer services to certain of our customers where we manage some or all of their cash supply chains. In connection with these offerings, we take temporary title to certain customers' cash, which is included as restricted cash in our financial statements due to customer agreement or regulation. In addition, in accordance with a revolving credit facility, as of September 30, 2022, we are required to maintain a restricted cash reserve of $22.5 million ($15.0 million at December 31, 2021) and, due to this contractual restriction, we have classified these amounts as restricted cash in our condensed consolidated balance sheet.

New Accounting Standards
In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, which removes certain exceptions for recognizing deferred taxes for investments, performing intraperiod tax allocations and calculating income taxes in interim periods. The ASU also adds guidance to reduce complexity in certain areas, including recognizing deferred taxes for tax goodwill and allocating taxes to members of a consolidated group. ASU 2019-12 was effective for us on January 1, 2021. We recognized a cumulative-effect adjustment increasing retained earnings by $0.5 million on January 1, 2021.

Note 2 - Revenue from Contracts with Customers

Performance Obligations
We provide various services to meet the needs of our customers and we group these service offerings into three broad categories: Core Services, High-Value Services and Other Security Services.

Core Services
Cash-in-transit ("CIT") and basic ATM services are core services we provide to customers throughout the world. We charge customers per service performed or based on the value of goods transported. CIT services generally involve the secure transportation of cash, securities and other valuables between businesses, financial institutions and central banks. Basic ATM management services include cash replenishment, treasury management and first and second line maintenance.

High-Value Services
Our high-value services leverage our brand, global infrastructure and core services and include cash management services, tech-enabled solutions (including digital retail solutions and ATM managed services), global services and payment services. We offer a variety of cash management services such as currency and coin counting and sorting, deposit preparation and reconciliation, as well as digital retail solutions that leverage Brink's-managed tech-enabled safes and software platforms (including our Brink’s Complete™ and CompuSafe® services). We provide ATM managed services for customers using Brink's-owned machines as well as machines owned by third parties. These comprehensive services for ATM management may include cash replenishment, replenishment forecasting, cash optimization, ATM remote monitoring, service call dispatching, transaction processing, installation services, and first and second line maintenance. Our global services business provides secure ground, sea and air transportation and storage of highly-valued commodities including diamonds, jewelry, precious metals and other valuables. We also provide payment services which include bill payment and processing services on behalf of utility companies and other service providers plus general purpose reloadable prepaid cards and payroll cards.

Other Security Services
Our other security services feature the protection of airports, offices, warehouses, stores, and public venues in Europe, Rest of World and Latin America.

For performance obligations related to the services described above, we generally satisfy our obligations as each action to provide the service to the customer occurs. Because the customers simultaneously receive and consume the benefits from our services, these performance obligations are deemed to be satisfied over time. We use an output method, units of service provided, to recognize revenue because that is the best method to represent the transfer of our services to the customer at the agreed upon rate for each action.

Although not as significant as our service offerings, we also sell goods to customers from time to time, such as safe devices. In those transactions, we satisfy our performance obligation at a point in time. We recognize revenue when the goods are delivered to the customer as that is the point in time that best represents when control has transferred to the customer.

Our contracts with customers describe the services we can provide along with the fees for each action to provide the service. We typically send invoices to customers for all of the services we have provided within a monthly period and payments are generally due within 30 to 60 days of the invoice date.

Although our customer contracts specify the fees for each action to provide service, the majority of the services stated in our contracts do not have a defined quantity over the contract term. Accordingly, the transaction price is considered variable as there is an unknown volume of services that will be rendered over the course of the contract. We recognize revenue for these services in the period in which they are provided to the customer based on the contractual rate at which we have the right to invoice the customer for each action.

Some of our contracts with customers contain clauses that define the level of service that the customer will receive. The service level agreements (“SLA”) within those contracts contain specific calculations to determine whether the appropriate level of service has been met within a specific period, which is typically a month. We estimate SLA penalties and recognize the amounts as a reduction to revenue.

Taxes collected from customers and remitted to governmental authorities are not included in revenues in the condensed consolidated statements of operations.

Revenue Disaggregated by Reportable Segment and Type of Service

(In millions)		Core Services	High-Value Services	Other Security Services	Total
Three months ended September 30, 2022					
Reportable Segments:					
North America	$	198.7	201.9	—	400.6
Latin America		175.8	119.2	6.1	301.1
Europe		94.2	92.0	33.8	220.0
Rest of World		54.5	148.1	12.4	215.0
Total reportable segments	$	523.2	561.2	52.3	1,136.7
Three months ended September 30, 2021					
Reportable Segments:					
North America	$	178.1	182.6	—	360.7
Latin America		171.0	113.3	5.0	289.3
Europe		119.4	81.8	36.8	238.0
Rest of World		56.6	117.6	13.3	187.5
Total reportable segments	$	525.1	495.3	55.1	1,075.5
Nine months ended September 30, 2022					
Reportable Segments:					
North America	$	579.9	591.1	—	1,171.0
Latin America		528.3	352.6	17.8	898.7
Europe		298.1	269.2	101.5	668.8
Rest of World		162.6	405.7	37.8	606.1
Total reportable segments	$	1,568.9	1,618.6	157.1	3,344.6
Nine months ended September 30, 2021					
Reportable Segments:					
North America	$	534.0	500.6	—	1,034.6
Latin America		495.2	323.3	13.3	831.8
Europe		346.8	230.9	105.5	683.2
Rest of World		166.7	348.1	37.6	552.4
Total reportable segments	$	1,542.7	1,402.9	156.4	3,102.0

The majority of our revenues from contracts with customers are earned by providing services and these performance obligations are satisfied over time. Smaller amounts of revenues are earned from selling goods, such as safes, to customers where the performance obligations are satisfied at a point in time.

Certain of our high-value services involve the leasing of assets, such as safes, to our customers along with the regular servicing of those safe devices. Revenues related to the leasing of these assets are recognized in accordance with applicable lease guidance, but are included in the above table as the amounts are a small percentage of overall revenues.

Contract Balances

Contract Assets

Although payment terms and conditions can vary, for the majority of our customer contracts, we invoice for all of the services provided to the customer within a monthly period. For certain customer contracts, the timing of our performance may precede our right to invoice the customer for the total transaction price. For example, Brink's affiliates in certain countries, primarily in Latin America, negotiate annual price adjustments with certain customers and, once the price increases are finalized, the pricing changes are made retroactive to services provided in earlier periods. These retroactive pricing adjustments are estimated and recognized as revenue with a corresponding contract asset in the same period in which the related services are performed. As the estimate of the ultimate transaction price changes, we recognize a cumulative catch-up adjustment for the change in estimate. In our Rest of World segment, certain Brink's affiliates provide services to specific customers and, per contract, a portion of the consideration is retained by the customers until the contract is completed. The retention amounts are reported as contract assets until we have the right to bill the customer for these amounts. Contract assets expected to be collected within one year ($4.3 million at September 30, 2022) are included in prepaid expenses and other on the condensed consolidated balance sheet. Amounts not expected to be billed and collected within one year ($4.3 million at September 30, 2022) are reported in other assets on the condensed consolidated balance sheet.

Contract Liabilities
For other customer contracts, we may obtain the right to payment or receive customer payments prior to performing the related services under the contract. When the right to customer payments or receipt of payments precedes our performance, we recognize a contract liability, which is included in accrued liabilities on the condensed consolidated balance sheet.

The opening and closing balances of receivables, contract assets and contract liabilities related to contracts with customers are as follows:

(In millions)		Receivables	Contract Assets	Contract Liabilities
Opening (January 1, 2022)	$	701.8	6.3	17.9
Closing (September 30, 2022)		787.7	8.6	13.9
Increase (decrease)	$	85.9	2.3	(4.0)

The amount of revenue recognized in the nine months ended September 30, 2022 that was included in the January 1, 2022 contract liabilities balance was $15.0 million. This revenue consists of services provided to customers who had prepaid for those services prior to the current year.

Revenue recognized in the nine months ended September 30, 2022 from performance obligations satisfied in the prior year was not significant. This revenue is a result of changes in the transaction price of our contracts with customers.

Contract Costs
Sales commissions directly related to obtaining new contracts with customers are capitalized when incurred and are then amortized to expense ratably over the term of the contracts. At September 30, 2022, the net capitalized costs to obtain contracts was included in other assets on the condensed consolidated balance sheet. The capitalized amounts at September 30, 2022 and December 31, 2021 were $3.6 million and $2.0 million, respectively. The amortization expense in the first nine months of 2022 and 2021 was not significant in either period.

Practical Expedients
For the majority of our contracts with customers, we invoice a fixed amount for each unit of service we have provided. These contracts provide us with the right to invoice for an amount or rate that corresponds to the value we have delivered to our customers. The volume of services that will be provided to customers over the term is not known at inception of these contracts. Therefore, while the rate per unit of service is known, the transaction price itself is variable. For this reason, we recognize revenue from these contracts equal to the amount for which we have the contractual right to invoice the customers. Because we are not required to estimate variable consideration related to the transaction price in order to recognize revenue, we are also not required to estimate the variable consideration to provide certain disclosures. As a result, we have elected to use the optional exemption related to the disclosure of transaction prices, amounts allocated to remaining performance obligations and the future periods in which revenue will be recognized, sometimes referred to as backlog.

We have also elected to use the practical expedient for financing components related to our contract liabilities. We do not recognize interest expense on contracts for which the period between our receipt of customer payments and our service to the customer is one year or less.

Note 3 - Segment information

We identify our operating segments based on how our chief operating decision maker (“CODM”) allocates resources, assesses performance and makes decisions. Our CODM is our President and Chief Executive Officer. Our CODM evaluates performance and allocates resources to each operating segment based on a profit or loss measure which, at the reportable segment level, excludes the following:

- Corporate expenses - include corporate headquarters costs, regional management costs, currency transaction gains and losses, adjustments to reconcile segment accounting policies to GAAP, and costs related to global initiatives.
- Other items not allocated to segments - certain significant items such as reorganization and restructuring actions that are evaluated on an individual basis by management and are not considered part of the ongoing activities of the business are excluded from segment results. We also exclude certain costs, gains and losses related to acquisitions and dispositions of assets and of businesses. Brink's Argentina is consolidated using our accounting policy for subsidiaries operating in highly inflationary economies. We have excluded from our segment results the impact of highly inflationary accounting in Argentina, including currency remeasurement losses. Net charges related to a change in the methodology for estimating the allowance for doubtful accounts have been excluded from segment results. We have also excluded from our segment results net charges related to an internal loss in our U.S. global services operations. The net impact of the internal losses has included estimated bad debt expense for uncollectible receivables as well as legal costs to recover losses from insurance. The charges related to the internal losses have been offset by collections of previously reserved receivables and insurance recoveries. Finally, we have also excluded from our segment results estimated charges related to an antitrust legal matter in our Brink's Chile operations.

We manage our business in the following four segments:

- North America – operations in the U.S. and Canada, including the Brink’s Global Services ("BGS") line of business,
- Latin America – operations in Latin American countries where we have an ownership interest, including the BGS line of business. This segment includes operations in Mexico, which was previously reported in the North America segment,
- Europe – total operations in European countries that primarily provide services outside of the BGS line of business, and
- Rest of World – operations in the Middle East, Africa and Asia. This segment also includes total operations in European countries that primarily provide BGS services and BGS activity in Latin American countries where we do not have an ownership interest.

Prior to 2021, all business units within the operating segments followed an internal Brink's accounting policy for determining an allowance for doubtful accounts and recognizing bad debt expense. The allowance amounts reported by the operating segments were then reconciled to the required U.S. GAAP estimated consolidated allowance amount, and any differences were reported as part of Corporate expenses. During the first quarter of 2021, we changed the allowance calculation method of the U.S. business within the North America operating segment, in order to more closely align it with U.S. GAAP requirements. Differences between U.S. GAAP and existing internal policy were not significant for all other business units within the operating segments, and so no other changes were made, and reconciling amounts for those units will continue to be reported as part of Corporate expense. For the North America segment, the impact of this change in reporting was to reduce the segment allowance and to increase segment operating profit by $12.3 million in the first quarter of 2021. There was no net impact to condensed consolidated results, as a corresponding offsetting adjustment occurred on Corporate expenses.

The following table summarizes our revenues and segment profit for each of our reportable segments and reconciles these amounts to consolidated revenues and operating profit:

	Revenues Three Months Ended September 30,		Operating Profit Three Months Ended September 30,	
(In millions)	2022	2021	2022	2021
Reportable Segments:				
North America	$ 400.6	360.7	38.2	25.0
Latin America	301.1	289.3	66.5	64.6
Europe	220.0	238.0	25.9	28.1
Rest of World	215.0	187.5	48.3	31.9
Total reportable segments	1,136.7	1,075.5	178.9	149.6
Reconciling Items:				
Corporate expenses:				
General, administrative and other expenses	—	—	(57.0)	(34.8)
Foreign currency transaction gains (losses)	—	—	3.6	1.4
Reconciliation of segment policies to GAAP[a]	—	—	1.3	(0.3)
Other items not allocated to segments:				
Reorganization and Restructuring[b]	—	—	(19.6)	(14.0)
Acquisitions and dispositions[c]	—	—	(35.7)	(16.6)
Argentina highly inflationary impact[d]	—	—	(12.0)	(2.3)
Change in allowance estimate[e]	—	—	0.3	—
Chile antitrust matter[f]	—	—	(0.3)	(9.5)
Internal loss[g]	—	—	—	0.7
Total	$ 1,136.7	1,075.5	$ 59.5	74.2

	Revenues Nine Months Ended September 30,		Operating Profit Nine Months Ended September 30,	
(In millions)	2022	2021	2022	2021
Reportable Segments:				
North America	$ 1,171.0	1,034.6	96.7	98.4
Latin America	898.7	831.8	194.2	180.4
Europe	668.8	683.2	63.1	57.4
Rest of World	606.1	552.4	120.9	94.2
Total reportable segments	3,344.6	3,102.0	474.9	430.4
Reconciling Items:				
Corporate expenses:				
General, administrative and other expenses	—	—	(125.4)	(103.4)
Foreign currency transaction gains (losses)	—	—	9.4	1.4
Reconciliation of segment policies to GAAP[a]	—	—	4.0	(11.8)
Other items not allocated to segments:				
Reorganization and Restructuring[b]	—	—	(34.0)	(35.7)
Acquisitions and dispositions[c]	—	—	(66.3)	(55.8)
Argentina highly inflationary impact[d]	—	—	(27.1)	(8.8)
Change in allowance estimate[e]	—	—	(16.0)	—
Chile antitrust matter[f]	—	—	(1.1)	(9.5)
Internal loss[g]	—	—	—	2.4
Total	$ 3,344.6	3,102.0	$ 218.4	209.2

(a) This line item includes adjustments to bad debt expense and a Mexico profit sharing plan accrual reported by the segments to the estimated consolidated amounts required by U.S. GAAP.
(b) Management periodically implements restructuring actions in targeted sections of our business. Due to the unique circumstances around the charges related to these actions, they have not been allocated to segment results.
(c) 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 segment results. These items include amortization expense for acquisition-related intangible assets and integration, transaction and restructuring costs related to business acquisitions.
(d) We have designated Argentina's economy as highly inflationary for accounting purposes. Currency remeasurement gains and losses related to peso-denominated monetary assets and liabilities as well as incremental expense related to nonmonetary assets are excluded from segment results.
(e) Represents impact of a change in our methodology to estimate our allowance for doubtful accounts in the first quarter of 2022. See Note 1 and Note 10 for further details.
(f) See details regarding the Chile antitrust matter at Note 14.
(g) Represents net credits related to an internal loss in our U.S. global services operations. The credits result from collection of previously reserved accounts receivable.

Note 4 - Retirement benefits

Pension plans

We have various defined-benefit pension plans covering eligible current and former employees. Benefits under most plans are based on salary and years of service.

The components of net periodic pension cost for our pension plans were as follows:

		U.S. Plans		Non-U.S. Plans		Total	
(In millions)		2022	2021	2022	2021	2022	2021
Three months ended September 30,							
Service cost	$	—	—	2.0	2.1	2.0	2.1
Interest cost on projected benefit obligation		5.8	5.3	3.2	3.0	9.0	8.3
Return on assets – expected		(12.1)	(11.8)	(3.2)	(3.1)	(15.3)	(14.9)
Amortization of losses		5.9	8.4	0.5	1.7	6.4	10.1
Amortization of prior service credit		—	—	(0.1)	—	(0.1)	—
Settlement loss		—	—	0.1	0.3	0.1	0.3
Net periodic pension cost	$	(0.4)	1.9	2.5	4.0	2.1	5.9
Nine months ended September 30,							
Service cost	$	—	—	6.1	6.8	6.1	6.8
Interest cost on projected benefit obligation		17.2	15.9	9.8	9.0	27.0	24.9
Return on assets – expected		(36.5)	(35.5)	(9.5)	(9.3)	(46.0)	(44.8)
Amortization of losses		18.0	25.4	1.5	5.0	19.5	30.4
Amortization of prior service cost		—	—	(0.1)	(0.1)	(0.1)	(0.1)
Curtailment gain		—	—	—	(0.6)	—	(0.6)
Settlement loss		—	—	0.6	1.0	0.6	1.0
Net periodic pension cost	$	(1.3)	5.8	8.4	11.8	7.1	17.6

We did not make cash contributions to the primary U.S. pension plan in 2021 or the first nine months of 2022. Based on current assumptions described in our Annual Report on Form 10-K for the year ended December 31, 2021, we do not expect to make contributions to the primary U.S. pension plan in the foreseeable future.

Retirement benefits other than pensions

We provide retirement healthcare benefits for eligible current and former U.S., Canadian, and Brazilian employees. Retirement benefits related to our former U.S. coal operations include medical benefits provided by the Pittston Coal Group Companies Employee Benefit Plan for United Mine Workers of America Represented Employees (the "UMWA plans") as well as costs related to Black Lung obligations.

The components of net periodic postretirement cost related to retirement benefits other than pensions were as follows:

	UMWA Plans		Black Lung and Other Plans		Total	
(In millions)	2022	2021	2022	2021	2022	2021
Three months ended September 30,						
Interest cost on accumulated postretirement benefit obligations	$ 2.5	2.4	0.9	0.8	3.4	3.2
Return on assets – expected	(3.3)	(3.1)	—	—	(3.3)	(3.1)
Amortization of losses	2.4	4.3	1.8	2.3	4.2	6.6
Amortization of prior service cost	(1.2)	(1.2)	(0.1)	—	(1.3)	(1.2)
Net periodic postretirement cost	$ 0.4	2.4	2.6	3.1	3.0	5.5
Nine months ended September 30,						
Service cost	$ —	—	0.1	0.1	0.1	0.1
Interest cost on accumulated postretirement benefit obligations	7.8	7.3	2.7	2.4	10.5	9.7
Return on assets – expected	(9.9)	(9.2)	—	—	(9.9)	(9.2)
Amortization of losses	7.7	13.3	5.5	6.7	13.2	20.0
Amortization of prior service cost	(3.5)	(3.5)	(0.2)	(0.2)	(3.7)	(3.7)
Net periodic postretirement cost	$ 2.1	7.9	8.1	9.0	10.2	16.9

The components of net periodic pension cost and net periodic postretirement cost other than the service cost component are included in interest and other nonoperating income (expense) in the condensed consolidated statements of operations.

Note 5 - Income taxes

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Continuing operations				
Provision (benefit) for income taxes (in millions)	$ 8.5	22.9	$ (3.3)	59.2
Effective tax rate	27.3 %	49.9 %	(2.5 %)	47.5 %

2022 Compared to U.S. Statutory Rate
The effective income tax rate on continuing operations in the first nine months of 2022 was less than the 21% U.S. statutory rate primarily due to the release of valuation allowances on U.S. tax credits deemed realizable as a result of the issuance of U.S. final foreign tax credit regulations, offset by the geographical mix of earnings, the seasonality of book losses for which no tax benefit can be recorded, nondeductible expenses in Mexico, taxes on cross border payments and U.S. taxable income limitations, and the characterization of a French business tax as an income tax.

2021 Compared to U.S. Statutory Rate
The effective income tax rate on continuing operations in the first nine months of 2021 was greater than the 21% U.S. statutory rate primarily due to the geographical mix of earnings, the seasonality of book losses for which no tax benefit can be recorded, nondeductible expenses in Mexico, taxes on cross border payments and U.S. taxable income limitations, and the characterization of a French business tax as an income tax.

Valuation Allowance-Tax Credits
In the first quarter of 2022, we concluded that it is more likely than not that a substantial amount of the U.S. deferred tax assets for U.S. foreign tax credit and general business credit carryforwards that previously required a valuation allowance would be realized. Our conclusion was based upon an analysis of the final foreign tax credit regulations that the U.S. Treasury published in the Federal Register on January 4, 2022. Based upon this analysis, we determined a significant amount of the post-2021 foreign withholding taxes will now be ineligible for U.S. foreign income tax credit treatment and therefore we are forecasting that our U.S. operations will no longer annually be generating new foreign tax credits in excess of its annual foreign tax credit utilization limit. As a result, we expect to be able to utilize a substantial amount of our foreign tax credit and general business tax credit carryforwards to offset future tax prior to their expiration. Accordingly, we reversed a substantial amount of our valuation allowance on our net U.S. deferred tax assets, resulting in a $52.8 million benefit in our provision for income taxes for the nine months ended September 30, 2022. Due to the novel approach that the final regulations impose, it is possible that further developments in foreign country or U.S. tax laws could occur and may require us to change our assessment of the ultimate amounts we consider more-likely-than-not to be realized.

Additionally, as a result of the decision to terminate the cross currency swap contracts in July 2022 (see Note 8), the realization of the gain results in an additional source of future taxable income expected to utilize a further portion of foreign tax credit carryforward. Consequently, we reversed $9.9 million in valuation allowance for the nine months ended September 30, of 2022 in other comprehensive income.

Note 6 - Acquisitions and Dispositions

Acquisitions
We account for business combinations using the acquisition method. Under the acquisition method of accounting, assets acquired and liabilities assumed from these operations are recorded at fair value on the date of acquisition. The condensed consolidated statements of operations include the results of operations for each acquired entity from the date of acquisition.

PAI, Midco, Inc. Acquisition
On April 1, 2021, we acquired 100% of the capital stock of PAI Midco, Inc., which directly or indirectly owns 100% of the ownership interests in four additional entities (collectively, "PAI"), for approximately $216 million. PAI was the largest privately-held provider of ATM services in the U.S. and generated approximately $94 million in revenues in 2020.

We estimated fair values for the assets purchased, liabilities assumed and purchase consideration as of the date of the acquisition. The determination of estimated fair value required management to make significant estimates and assumptions. We finalized our purchase price accounting for PAI in the first quarter of 2022. There were no material changes in the first quarter of 2022 to the amounts previously disclosed.

G4S ("G4S") Acquisitions
On February 26, 2020, we announced that we agreed to acquire the majority of the cash management operations of U.K.-based G4S, with closings planned in multiple phases in 2020. In March 2020, we acquired 100% of the capital stock of G4S International Logistics Group Limited ("G4Si"), a company which directly or indirectly owns controlling interests in multiple businesses providing secure international transportation of valuables. From the second quarter of 2020 through the first quarter of 2021, we acquired cash management operations from G4S located in the Netherlands, Belgium, Ireland, Hong Kong, Cyprus, Romania, the Czech Republic, Malaysia, the Dominican Republic, the Philippines, Indonesia, Estonia, Latvia, Lithuania, Macau, Luxembourg and Kuwait. For the majority of these acquisitions, we acquired 100% of the ownership interests. In Malaysia, the Dominican Republic, the Philippines, Indonesia and Kuwait, we acquired ownership interests of less than 100%. We believe that we meet the accounting criteria for consolidating these subsidiaries. In the aggregate, the purchase consideration for the G4S acquisitions as of September 30, 2022 was $826 million. We have also paid G4S approximately $114 million for net intercompany receivables from the acquired subsidiaries. The G4S businesses acquired generated approximately $800 million in annual revenues in 2019.

There is contingent consideration related to the acquisition of the Malaysia operations. The consideration will be paid when minimum dividend distributions are received by Brink's relating to cash on the balance sheets of the Malaysia subsidiaries as of the acquisition date. We used a probability-weighted approach to estimate the fair value of the contingent consideration. The fair value of the contingent consideration at the acquisition date was the full $22 million that remains potentially payable as of September 30, 2022 as we believe it is unlikely that the contingent consideration payments will be reduced.

We estimated fair values for the assets purchased, liabilities assumed and purchase consideration as of the date of the acquisition. The determination of estimated fair value required management to make significant estimates and assumptions. We finalized our purchase price accounting in 2021 for the businesses we acquired in 2020. For the remaining businesses acquired from G4S in 2021, we finalized our purchase accounting in the first quarter of 2022. There were no material changes in the first quarter of 2022 to the amounts previously disclosed.

Touchpoint 21 Acquisition
In January 2022, PAI acquired net assets from Touchpoint 21 LLC, an ATM and cash management solutions company operating in Texas and Oklahoma. We have determined that this acquisition represents a business combination and we have recorded acquired assets and liabilities at estimated fair value. The purchase consideration is approximately $15 million.

Argentina Union Payments
In the third quarter of 2017, we acquired 100% of the shares of Maco Transportadora de Caudales S.A. ("Maco Transportadora") and Maco Litoral, S.A. ("Maco Litoral" and, together with Maco Transportadora, "Maco"). Maco Transportadora is a CIT and money processing business and Maco Litoral provides CIT and ATM services. Both businesses operate in Argentina.

Although the Maco operations were acquired by Brink's Argentina in 2017, the National Antitrust Authority did not formally approve the business acquisitions until 2021. The approval was issued conditioned on the divestiture of certain armored vehicles and relocation of other armored vehicles. These actions were completed in 2022. Upon the acquisition approval by the National Antitrust Authority, the national teamster unions demanded that Maco employees be paid severance benefits as if the employees had been terminated in 2022 and then immediately rehired by Brink's Argentina without their seniority.

Brink's Argentina management finalized negotiations with the Maco Transportadora union and has agreed to pay amounts to the union members. Brink's Argentina management is negotiating with the Maco Litoral union and expects to make similar payments to the union members. In the third quarter of 2022, we recognized a $12.4 million charge in connection with these negotiations. Due to the fact that management has excluded this amount when evaluating internal performance, we have excluded it from segment results.

Acquisition Costs
We have incurred $2.7 million in transaction costs related to business acquisitions in the first nine months of 2022 (compared to $5.4 million in the first nine months of 2021). These costs are classified in the condensed consolidated statements of operations as selling, general and administrative expenses.

Note 7 - Accumulated other comprehensive income (loss)

Other comprehensive income (loss), including the amounts reclassified from accumulated other comprehensive loss into earnings, was as follows:

	Amounts Arising During the Current Period		Amounts Reclassified to Net Income (Loss)		
(In millions)	Pretax	Income Tax	Pretax	Income Tax	Total Other Comprehensive Income (Loss)
Three months ended September 30, 2022					
Amounts attributable to Brink's:					
Benefit plan adjustments	$ (0.6)	0.2	9.4	(2.2)	6.8
Foreign currency translation adjustments[b]	(36.8)	(7.3)	(1.4)	0.3	(45.2)
Unrealized gains (losses) on available-for-sale securities	0.7	(0.9)	—	—	(0.2)
Gains (losses) on cash flow hedges	12.0	(2.7)	0.2	—	9.5
	(24.7)	(10.7)	8.2	(1.9)	(29.1)
Amounts attributable to noncontrolling interests:					
Foreign currency translation adjustments	(4.0)	—	—	—	(4.0)
	(4.0)	—	—	—	(4.0)
Total					
Benefit plan adjustments[a]	(0.6)	0.2	9.4	(2.2)	6.8
Foreign currency translation adjustments[b]	(40.8)	(7.3)	(1.4)	0.3	(49.2)
Unrealized gains (losses) on available-for-sale securities[c]	0.7	(0.9)	—	—	(0.2)
Gains (losses) on cash flow hedges[d]	12.0	(2.7)	0.2	—	9.5
	$ (28.7)	(10.7)	8.2	(1.9)	(33.1)
Three months ended September 30, 2021					
Amounts attributable to Brink's:					
Benefit plan adjustments	$ 6.0	(1.1)	15.3	(3.6)	16.6
Foreign currency translation adjustments[b]	(38.4)	(2.3)	(1.5)	0.4	(41.8)
Gains (losses) on cash flow hedges	5.8	(2.2)	(2.9)	1.4	2.1
	(26.6)	(5.6)	10.9	(1.8)	(23.1)
Amounts attributable to noncontrolling interests:					
Foreign currency translation adjustments	(1.3)	—	—	—	(1.3)
	(1.3)	—	—	—	(1.3)
Total					
Benefit plan adjustments[a]	6.0	(1.1)	15.3	(3.6)	16.6
Foreign currency translation adjustments[b]	(39.7)	(2.3)	(1.5)	0.4	(43.1)
Gains (losses) on cash flow hedges[d]	5.8	(2.2)	(2.9)	1.4	2.1
	$ (27.9)	(5.6)	10.9	(1.8)	(24.4)

(In millions)		Amounts Arising During the Current Period Pretax	Income Tax	Amounts Reclassified to Net Income (Loss) Pretax	Income Tax	Total Other Comprehensive Income (Loss)
Nine months ended September 30, 2022						
Amounts attributable to Brink's:						
Benefit plan adjustments	$	0.4	0.3	29.1	(6.9)	22.9
Foreign currency translation adjustments[b]		(57.8)	(2.9)	(4.4)	1.0	(64.1)
Unrealized losses on available-for-sale securities		—	(1.0)	—	—	(1.0)
Gains (losses) on cash flow hedges		25.8	(4.5)	11.6	(3.5)	29.4
		(31.6)	(8.1)	36.3	(9.4)	(12.8)
Amounts attributable to noncontrolling interests:						
Foreign currency translation adjustments		(10.5)	—	—	—	(10.5)
		(10.5)	—	—	—	(10.5)
Total						
Benefit plan adjustments[a]		0.4	0.3	29.1	(6.9)	22.9
Foreign currency translation adjustments[b]		(68.3)	(2.9)	(4.4)	1.0	(74.6)
Unrealized losses on available-for-sale securities[c]		—	(1.0)	—	—	(1.0)
Gains (losses) on cash flow hedges[d]		25.8	(4.5)	11.6	(3.5)	29.4
	$	(42.1)	(8.1)	36.3	(9.4)	(23.3)
Nine months ended September 30, 2021						
Amounts attributable to Brink's:						
Benefit plan adjustments	$	(12.3)	3.9	46.5	(11.9)	26.2
Foreign currency translation adjustments[b]		(43.9)	(4.3)	(2.6)	0.6	(50.2)
Gains (losses) on cash flow hedges		4.4	(1.4)	8.4	(2.0)	9.4
		(51.8)	(1.8)	52.3	(13.3)	(14.6)
Amounts attributable to noncontrolling interests:						
Benefit plan adjustments		(0.3)	—	—	—	(0.3)
Foreign currency translation adjustments		(2.8)	—	—	—	(2.8)
		(3.1)	—	—	—	(3.1)
Total						
Benefit plan adjustments[a]		(12.6)	3.9	46.5	(11.9)	25.9
Foreign currency translation adjustments[b]		(46.7)	(4.3)	(2.6)	0.6	(53.0)
Gains (losses) on cash flow hedges[d]		4.4	(1.4)	8.4	(2.0)	9.4
	$	(54.9)	(1.8)	52.3	(13.3)	(17.7)

(a) The amortization of actuarial losses and prior service cost is part of total net periodic retirement benefit cost when reclassified to net income. Net periodic retirement benefit cost also includes service cost, interest cost, expected return on assets, and settlement losses. Total service cost is allocated between cost of revenues and selling, general and administrative expenses on a plan-by-plan basis and the remaining net periodic retirement benefit cost items are allocated to interest and other nonoperating expense:

(In millions)		Three Months Ended September 30, 2022	2021		Nine Months Ended September 30, 2022	2021
Total net periodic retirement benefit cost included in:						
Cost of revenues	$	1.5	1.8	$	4.8	5.5
Selling, general and administrative expenses		0.5	0.3		1.4	1.4
Interest and other nonoperating expense		3.1	9.3		11.1	27.6

(b) 2022 foreign currency translation adjustment amounts arising during the three months ended September 30, 2022 reflect primarily the devaluation of the British pound and the Brazilian real. 2021 foreign currency translation adjustment amounts arising during the three months ended September 30, 2021 reflect primarily the devaluation of the Brazilian real, the Mexican peso and the Chilean peso. 2022 foreign currency translation adjustment amounts arising during the nine months ended September 30, 2022 reflect primarily the devaluation of the British pound, the euro, and the Chilean peso, partially offset by appreciation of the Mexican peso. 2021 foreign currency translation adjustment amounts arising during the nine months ended September 30, 2021 reflect primarily the devaluation of the euro, the Chilean peso, the Mexican peso and the Brazilian real.

(c) Gains and losses on sales of available-for-sale debt securities are reclassified from accumulated other comprehensive income (loss) to the condensed consolidated statements of operations when the gains or losses are realized. Pretax amounts are classified in the condensed consolidated statements of operations as interest and other income (expense).

(d) Pretax gains and losses on cash flow hedges are classified in the condensed consolidated statements of operations as:
- other operating income (expense) ($6.2 million loss in the three months ended September 30, 2022 and $5.6 million gain in the three months ended September 30, 2021; as well as $0.3 million gain in the nine months ended September 30, 2022 and no gains or losses in the nine months ended September 30, 2021) and
- interest expense ($0.5 million of expense in the three months ended September 30, 2022 and $2.7 million of expense in the three months ended September 30, 2021; as well as $5.4 million of expense in the nine months ended September 30, 2022 and $8.4 million of expense in the nine months ended September 30, 2021).

The changes in accumulated other comprehensive loss attributable to Brink’s are as follows:

(In millions)		Benefit Plan Adjustments	Foreign Currency Translation Adjustments	Unrealized Losses on Available-for-Sale Securities	Gains (Losses) on Cash Flow Hedges	Total
Balance as of December 31, 2021	$	(474.0)	(425.7)	(0.1)	(8.1)	(907.9)
Other comprehensive income (loss) before reclassifications		0.7	(60.7)	(1.0)	21.3	(39.7)
Amounts reclassified from accumulated other comprehensive loss to net income		22.2	(3.4)	—	8.1	26.9
Other comprehensive income (loss) attributable to Brink's		22.9	(64.1)	(1.0)	29.4	(12.8)
Acquisitions of noncontrolling interests		—	0.1	—	—	0.1
Balance as of September 30, 2022	$	(451.1)	(489.7)	(1.1)	21.3	(920.6)

Note 8 - Fair value of financial instruments

Investments in Marketable Securities

We have investments in mutual funds, equity securities and available for sale debt securities that are carried at fair value in the condensed financial statements. For these investments, fair value was based on quoted market prices, which we have categorized as a Level 1 valuation.

Fixed-Rate Debt

The fair value and carrying value of our material fixed-rate debt, excluding any unamortized debt issuance costs, are as follows:

(In millions)		September 30, 2022	December 31, 2021
$600 million senior unsecured notes			
Carrying value	$	600.0	600.0
Fair value		508.5	625.7
$400 million senior unsecured notes			
Carrying value		400.0	400.0
Fair value		364.1	414.8

Pricing inputs for nonpublic debt are often not observable. The fair value estimates of our senior notes reflect unobservable estimates and assumptions, which we have categorized as a Level 3 valuation. Our fair value estimates were based on the present value of future cash flows, discounted at rates for public debt at the measurement date. The rates for public debt were additionally adjusted for a factor which represented the change in the interest spreads between the inception rates and the public debt rates at the measurement date.

Forward and Swap Contracts

We have outstanding foreign currency forward and swap contracts to hedge transactional risks associated with foreign currencies. At September 30, 2022, the notional value of our short term outstanding foreign currency forward and swap contracts was $460 million, with average maturities of approximately one month. These foreign currency forward and swap contracts primarily offset exposures in the euro, the Mexican peso, and the Chilean peso and are not designated as hedges for accounting purposes. Accordingly, changes in their fair value are recorded immediately in earnings.

At September 30, 2022, the fair value of our short term foreign currency contracts was a net asset of approximately $8.2 million, of which $10.7 million was included in prepaid expenses and other and $2.5 million was included in accrued liabilities on the condensed consolidated balance sheet. At December 31, 2021, the fair value of these foreign currency contracts was a net asset of approximately $1.9 million, of which $3.4 million was included in prepaid expenses and other and $1.5 million was included in accrued liabilities on the condensed consolidated balance sheet.

Amounts under these contracts were recognized in other operating income (expense) as follows:

		Three Months Ended September 30,			Nine Months Ended September 30,	
		2022	2021		2022	2021
Derivative instrument gains (losses) included in other operating income (expense)	$	25.4	6.3	$	58.4	14.5

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In the first quarter of 2019, we entered into a long term cross currency swap contract to hedge exposure in Brazilian real, which is designated as a cash flow hedge for accounting purposes. Accordingly, changes in the fair value of the cash flow hedge are initially recorded in the gains (losses) on cash flow hedges component of accumulated other comprehensive income (loss). We immediately reclassify from accumulated other comprehensive income (loss) to earnings an amount to offset the remeasurement recognized in earnings associated with the respective intercompany loan. Additionally, we reclassify amounts from accumulated other comprehensive income (loss) to interest expense amounts that are associated with the interest rate differential between a U.S. dollar denominated intercompany loan and a Brazilian real denominated intercompany loan.

At September 30, 2022, the notional value of this long term contract was $59 million with a weighted-average maturity of 0.8 years. At September 30, 2022, the fair value of the long term cross currency swap contract was a $16.7 million net asset, of which $7.2 million is included in prepaid expenses and other and $9.5 million is included in other assets on the condensed consolidated balance sheet. At December 31, 2021, the fair value of the long term cross currency swap contract was a $26.3 million net asset, of which a $5.8 million asset was included in prepaid expenses and other and a $20.5 million asset was included in other assets on the condensed consolidated balance sheet.

Amounts under this contract were recognized in other operating income (expense) to offset transaction gains or losses and in interest expense as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	2022	2021	2022	2021
Derivative instrument gains (losses) included in other operating income (expense)	$ 0.3	5.7	$ (6.2)	0.1
Offsetting transaction gains (losses)	(0.3)	(5.7)	6.2	(0.1)
Derivative instrument losses included in interest expense	(0.3)	(0.3)	(1.0)	(1.1)
Net derivative instrument gains (losses)	—	5.4	(7.2)	(1.0)

In the first quarter of 2019, we entered into ten interest rate swaps that hedge cash flow risk associated with changes in variable interest rates and that are designated as cash flow hedges for accounting purposes. Accordingly, changes in the fair value of these cash flow hedges are initially recorded in the gains (losses) on cash flow hedges component of accumulated other comprehensive income (loss). We reclassify amounts from accumulated other comprehensive income (loss) into earnings in the same periods that the hedged debt affects earnings.

At September 30, 2022, the notional value of these contracts was $400 million with a remaining weighted-average maturity of 0.7 years. At September 30, 2022, the fair value of these interest rate swaps was a net asset of $9.6 million of which $7.2 million was included in prepaid expenses and other and $2.4 million was included in other assets on the condensed consolidated balance sheet. At December 31, 2021, the fair value of these interest rate swaps was a net liability of $13.9 million, of which $8.3 million was included in accrued liabilities and $5.6 million was included in other liabilities on the condensed consolidated balance sheet.

In the first quarter of 2022, we entered into four forward-starting interest rate swaps that hedge cash flow risk associated with changes in variable interest rates and that were designated as cash flow hedges for accounting purposes. The forward-starting interest rate swaps had a maturity date in July 2030 and had a mandatory settlement scheduled to occur in July 2022. In July 2022, an amendment was executed to terminate the four forward-starting interest rates swaps and concurrently enter into three forward-starting interest rate swaps with an amended maturity in June 2027. We designated these interest rates swaps as cash flow hedges for accounting purposes. Accordingly, the changes in the fair value of these cash flow hedges are initially recorded in the gains (losses) on cash flow hedges component of accumulated other comprehensive income (loss). We reclassify amounts from accumulated other comprehensive income (loss) into earnings in the same periods that the hedged debt affects earnings.

As of the July 2022 termination date of the four previous interest rate swaps, a cumulative net gain of $9.2 million was recorded in accumulated other comprehensive income (loss). This amount will be reclassified to earnings as forecasted interest payments occur through the original maturity date in July 2030. The three new interest rate swaps had an inception date fair value equal to a $9.2 million asset, approximating the settlement value of the four previous interest rate swaps. Instead of receiving cash upon termination of the previous swaps, we elected to negotiate a lower off-market fixed rate for the three new interest rate swaps. This inception date fair value will be amortized to earnings on a ratable and systematic basis through the maturity date of the new interest rate swaps in June 2027.

At September 30, 2022, the notional value of these contracts was $200 million with a remaining weighted-average maturity of 2.4 years. At September 30, 2022, the fair value of these interest rate swaps was a net asset of $17.8 million of which $4.8 million was included in prepaid expenses and other and $13.0 million was included in other assets on the condensed consolidated balance sheet.

In the second quarter of 2021, we entered into ten cross currency swaps to hedge a portion of our net investments in certain of our subsidiaries with euro functional currencies. As net investment hedges for accounting purposes, we elected to use the spot method to assess effectiveness for these derivatives that are designated as net investment hedges. Accordingly, changes in fair value attributable to changes in the undiscounted spot rates are recorded in the foreign currency translation adjustments component of accumulated other comprehensive income (loss) and will remain there until the hedged net investments are sold or substantially liquidated. We have elected to exclude the spot-forward difference from the assessment of hedge effectiveness and are amortizing this amount separately on a straight-line basis over the term of these cross currency swaps.

In July 2022, we terminated these cross currency swap contracts and received $67 million in cash for the fair value of the derivative assets at the settlement date. We subsequently entered into a total of nine cross currency swaps with a total notional of $400 million to hedge a portion of our net investment in certain of our subsidiaries with euro functional currencies. Swaps with a total notional of $215 million will terminate in May 2026 and swaps with a total notional of $185 million will terminate in April 2031. We have designated these swaps as net investment hedges for accounting purposes.

At September 30, 2022, the total notional value of these cross currency swap contracts was $400 million with a remaining weighted average maturity of 2.4 years for the cross currency swaps maturing in May 2026 and a remaining weighted average maturity of 6.1 years for the cross currency swaps maturing in April 2031. At September 30, 2022, the fair value of these cross currency swaps was a net asset of $11.3 million of which $5.6 million was included in prepaid expenses and other and $5.7 million was included in other assets on the condensed consolidated balance sheet. At December 31, 2021, the fair value of these cross currency swaps was a net asset of $28.5 million, of which $6.0 million was included in prepaid expenses and other and $22.5 million was included in other assets on the condensed consolidated balance sheet.

The effect of the interest rate swaps and the amortization of the spot-forward difference on the net investment hedges cross currency swaps is included in interest expense as follows:

		Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)		2022	2021	2022	2021
Interest rate swaps designated as cash flow hedges	$	0.2	2.4	4.4	7.3
Cross currency swaps designated as net investment hedges		(1.3)	(1.5)	(4.4)	(2.6)
Net derivative instrument (gains) losses included in interest expense	$	(1.1)	0.9	—	4.7

The fair values of these forward and swap contracts are based on the present value of net future cash payments and receipts, as well as inputs related to forward interest rates and forward currency rates that are derived principally from, or corroborated by, observable market data, which we have categorized as a Level 2 valuation.

Other Financial Instruments
Other financial instruments include cash and cash equivalents, accounts receivable, floating rate debt, accounts payable and accrued liabilities. The financial statement carrying amounts of these items approximate the fair value.

There were no transfers in or out of any of the levels of the valuation hierarchy in the first nine months of 2022.

Note 9 - Debt

(In millions)		September 30, 2022	December 31, 2021
Debt:			
Short-term borrowings	$	20.7	9.8
Total short-term borrowings	$	20.7	9.8
Long-term debt			
Bank credit facilities:			
Term loan A[a]	$	1,385.9	1,224.7
Senior unsecured notes[b]		991.5	989.8
Revolving Credit Facility		679.9	495.0
Other [c]		111.0	68.9
Financing leases		182.7	178.5
Total long-term debt	$	3,351.0	2,956.9
Total debt	$	3,371.7	2,966.7
Included in:			
Current liabilities	$	102.5	125.0
Noncurrent liabilities		3,269.2	2,841.7
Total debt	$	3,371.7	2,966.7

(a) Amounts outstanding are net of unamortized debt costs of $5.3 million as of September 30, 2022 and $3.7 million as of December 31, 2021.
(b) Amounts outstanding are net of unamortized debt costs of $8.5 million as of September 30, 2022 and $10.2 million as of December 31, 2021.
(c) Other facilities include $78.9 million related to the Brink's Capital credit facility at September 30, 2022, compared to $57.5 million at December 31, 2021. The facility had $3,689.0 million in borrowings and $3,667.6 million in repayments in the first nine months of 2022, which is reflected in the long-term revolving credit facilities movement in the consolidated statements of cash flows.

Long-Term Debt

Senior Secured Credit Facility
In June 2022, we amended our senior secured credit facility (the “Senior Secured Credit Facility”) with Bank of America, N.A. as administrative agent. After the amendment, the Senior Secured Credit Facility consisted of a $1 billion revolving credit facility (the "Revolving Credit Facility") and $1.4 billion of term loans (the "Term Loans").

All loans under the Revolving Credit Facility and the Term Loans mature on June 23, 2027. Principal payments for the Term Loans are due quarterly in an amount equal to 0.625% of the initial loan amount for the first eight quarterly installment payments and 1.25% for subsequent payments with a final lump sum payment due on June 23, 2027. Interest rates for the Senior Secured Credit Facility are based on the Secured Overnight Financing Rate ("SOFR") plus a margin or an alternate base rate plus a margin. The Revolving Credit Facility allows us to borrow money or issue letters of credit (or otherwise satisfy credit needs) on a revolving basis over the term of the facility. As of September 30, 2022, $320 million was available under the Revolving Credit Facility. The obligations under the Senior Secured Credit Facility are secured by a first-priority lien on all or substantially all of the assets of the Company and certain of its domestic subsidiaries, including a first-priority lien on equity interests of certain of the Company’s direct and indirect subsidiaries. The Company and certain of its domestic subsidiaries also guarantee the obligations under the Senior Secured Credit Facility.

The margin on both SOFR and alternate base rate borrowings under the Senior Secured Credit Facility is based on the Company’s total net debt leverage ratio. The margin on SOFR borrowings, which can range from 1.25% to 1.75%, was 1.50% at September 30, 2022. The margin on alternate base rate borrowings, which can range from 0.25% to 0.75%, was 0.50% as of September 30, 2022. We also pay an annual commitment fee on the unused portion of the Revolving Credit Facility based on the Company’s total net leverage ratio. The commitment fee, which can range from 0.15% to 0.28%, was 0.23% as of September 30, 2022.

Senior Unsecured Notes
In June 2020, we issued at par five-year senior unsecured notes (the "2020 Senior Notes") in the aggregate principal amount of $400 million. The 2020 Senior Notes will mature on July 15, 2025 and bear an annual interest rate of 5.5%. The 2020 Senior Notes are general unsecured obligations guaranteed by certain of the Company’s existing and future U.S. subsidiaries, which are also guarantors under the Senior Secured Credit Facility.

In October 2017, we issued at par ten-year senior unsecured notes (the "2017 Senior Notes" and together with the 2020 Senior Notes, the "Senior Notes") in the aggregate principal amount of $600 million. The 2017 Senior Notes will mature on October 15, 2027 and bear an annual interest rate of 4.625%. The 2017 Senior Notes are general unsecured obligations guaranteed by certain of the Company’s existing and future U.S. subsidiaries, which are also guarantors under the Senior Secured Credit Facility.

The Senior Notes have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any other jurisdiction and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. The notes were offered in the United States only to persons reasonably believed to be qualified institutional buyers in reliance on the exception from registration set forth in Rule 144A under the Securities Act and outside the United States to non-U.S. persons pursuant to Regulation S under the Securities Act.

The aggregate proceeds from the Senior Secured Credit Facility and the 2017 Senior Notes were used in part to repay certain prior indebtedness and certain fees and expenses related to the closing of certain transactions. Borrowings were used for working capital needs, capital expenditures, acquisitions and other general corporate purposes. The aggregate proceeds from the 2020 Senior Notes were used in part to repay certain existing indebtedness incurred in connection with the G4S acquisition, finance the remaining G4S acquisition transactions and pay certain fees and expenses related to the transactions. Remaining net proceeds from the 2020 Senior Notes were used for working capital needs, capital expenditures, acquisitions and other general corporate purposes.

Letter of Credit Facilities and Bank Guarantee Facilities

We have three committed letter of credit facilities totaling $71 million, of which approximately $12 million was available at September 30, 2022. At September 30, 2022, we had undrawn letters of credit and guarantees of $59 million issued under these facilities. The $15 million facility expires in April 2025, the $32 million facility expires in October 2025 and the $24 million facility expires in May 2027.

We have two uncommitted letter of credit facilities totaling $55 million, of which approximately $28 million was available at September 30, 2022. At September 30, 2022, we had undrawn letters of credit and guarantees of $27 million issued under these facilities. The $40 million facility expires in March 2023. The $15 million facility has no expiration date.

The Senior Secured Credit Facility is also available for issuance of letters of credit and bank guarantees.

The Senior Secured Credit Facility, Senior Unsecured Notes, the Letter of Credit Facilities and Bank Guarantee Facilities contain various financial and other covenants. The financial covenants, among other things, limit our ability to provide liens, restrict fundamental changes, limit transactions with affiliates and unrestricted subsidiaries, restrict changes to our fiscal year and to organizational documents, limit asset dispositions, limit the use of proceeds from asset sales, limit sale and leaseback transactions, limit investments, limit the ability to incur debt, restrict certain payments to shareholders, limit negative pledges, limit the ability to change the nature of our business, provide for a maximum consolidated net leverage ratio and provide for minimum coverage of interest costs. If we were not to comply with the terms of our various financing agreements, the repayment terms could be accelerated and the commitments could be withdrawn. An acceleration of the repayment terms under one agreement could trigger the acceleration of the repayment terms under the other financing agreements. We were in compliance with all covenants at September 30, 2022.

Note 10 - Credit losses

We are exposed to credit losses primarily through sales of our Core and High-Value services to customers with operations in the U.S. as well as customers in more than 100 countries outside the U.S. We typically invoice our customers on a monthly basis and payment terms are generally between 30 and 60 days.

We assess currently expected credit losses in our financial assets on a pool basis by aggregating financial assets with similar risk characteristics. We have pooled financial assets by geographic location because of the similarities within each location such as customers, payment terms, and services offered. Loss experience is monitored for each pool and we determine historical loss rates for each pool. These historical loss rates are the main assumption used in estimating expected credit losses over the life of the financial assets. We also considered current and expected economic conditions, particularly the effects of the pandemic, in determining an appropriate allowance.

We monitor the aging of accounts receivables by country and write off any accounts that are deemed uncollectible. We also monitor any significant economic events to identify any current or expected trends and risks within a pool that could impact the collectability of outstanding accounts receivables balances that were not contemplated or relevant during a previous period.

In the first quarter of 2022, as many of our regions begin to recover from the ongoing COVID-19 pandemic, we re-assessed earlier assumptions and estimates, and we further refined our methodology of estimating the allowance for doubtful accounts. Our updated method now also includes an estimated allowance for accounts receivables 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 and third quarters of 2022, the additional allowance was reduced by $0.7 million as a result of collections.

The following table is a rollforward of the allowance for doubtful accounts for the nine month period ended September 30, 2022.

Allowance for doubtful accounts:

(In millions)		
December 31, 2021	$	16.9
Provision for uncollectible accounts receivable		22.7
Other		5.0
Write-offs and recoveries		(6.6)
Foreign currency exchange effects		(1.4)
September 30, 2022	$	36.6

Note 11 - Share-based compensation plans

We have share-based compensation plans to attract and retain employees and nonemployee directors and to more closely align their interests with those of our shareholders.

We have outstanding share-based awards granted to employees under the 2013 Equity Incentive Plan ("2013 Plan") and the 2017 Equity Incentive Plan (the "2017 Plan"). These plans permit grants of restricted stock, restricted stock units, performance stock, performance units, stock appreciation rights, stock options, as well as other share-based awards to eligible employees. The 2013 Plan and the 2017 Plan also permit cash awards to eligible employees. The 2017 Plan became effective May 2017. No further grants of awards will be made under the 2013 Plan, although awards previously granted remain outstanding.

We also have outstanding deferred stock units granted to directors under the 2017 Plan. Share-based awards were previously granted to directors and remain outstanding under the Non-Employee Director's Equity Plan and the Directors' Stock Accumulation Plan, which has expired.

Outstanding awards at September 30, 2022 include performance share units, restricted stock units, deferred stock units, performance-based stock options, time-based stock options and certain awards that will be settled in cash.

Compensation Expense

Compensation expense is measured using the fair-value-based method. Prior to 2020, for employee and director awards considered equity grants, compensation expense is recognized from the award or grant date to the earlier of the retirement-eligible date or the vesting date. In 2020, the retirement eligibility provisions for many employee awards were changed on a go-forward basis to require a six month notification period prior to actual retirement. For the 2020 awards, we recognized expense from the grant date to six months after the participant's retirement eligible date. In 2021, the retirement eligibility provisions were changed to require a minimum of a one year service period in order to meet the retirement eligible conditions. For the 2021 and 2022 awards, we recognize expense from the grant date to the earlier of the retirement-eligible date (provided it is not less than one year from the grant date) or the vesting date.

For awards considered liability awards, compensation cost is based on the change in the fair value of the instrument for each reporting period and the percentage of the requisite service that has been rendered.

Compensation expenses are classified as selling, general and administrative expenses in the condensed consolidated statements of operations. Compensation expenses for the share-based awards were as follows:

	Compensation Expense Three Months Ended September 30,		Compensation Expense Nine Months Ended September 30,	
(in millions)	2022	2021	2022	2021
Performance share units	$ 10.5	6.2	$ 26.3	18.7
Restricted stock units	3.3	2.4	8.7	7.0
Deferred stock units and fees paid in stock	0.3	0.4	1.0	1.0
Performance-based stock options	—	—	—	0.3
Time-based vesting stock options	0.1	0.2	0.3	0.9
Cash based awards	0.1	0.2	1.2	0.8
Share-based payment expense	14.3	9.4	37.5	28.7
Income tax benefit	(3.4)	(2.1)	(8.7)	(6.5)
Share-based payment expense, net of tax	$ 10.9	7.3	$ 28.8	22.2

Performance-Based Stock Options
In 2018, 2017 and 2016, we granted performance-based stock options that have a service condition as well as a market condition. In addition, some of the awards granted in 2016 contained a non-financial performance condition. We measured the fair value of these performance-based options at the grant date using a Monte Carlo simulation model.

The following table summarizes performance-based stock option activity during the first nine months of 2022:

	Shares *(in thousands)*		Weighted-Average Grant-Date Fair Value
Outstanding balance as of December 31, 2021	946.5	$	10.25
Expired[(a)]	(15.3)		17.92
Exercised	(485.0)		5.91
Outstanding balance as of September 30, 2022	446.2	$	14.70

(a) Although the service condition had been met, these 2018 performance options expired in accordance with the terms of the underlying award agreement.

Time-Based Stock Options
We granted time-based stock options that contain only a service condition. We measure the fair value of these time-based options at the grant date using a Black-Scholes-Merton option pricing model.

The following table summarizes time-based stock option activity during the first nine months of 2022:

	Shares *(in thousands)*		Weighted-Average Grant-Date Fair Value
Outstanding balance as of December 31, 2021	177.1	$	21.42
Expired	(15.5)		21.51
Outstanding balance as of September 30, 2022	161.6	$	21.41

Restricted Stock Units ("RSUs")
We granted RSUs that contain only a service condition. We measure the fair value of RSUs based on the price of Brink's stock at the grant date, adjusted for a discount for dividends not received or accrued during the vesting period.

The following table summarizes RSU activity during the first nine months of 2022:

	Shares *(in thousands)*		Weighted-Average Grant-Date Fair Value
Nonvested balance as of December 31, 2021	251.1	$	74.37
Granted	238.6		64.60
Forfeited	(34.3)		70.52
Vested	(78.4)		77.12
Nonvested balance as of September 30, 2022	377.0	$	67.97

Performance Share Units ("PSUs")
We granted Internal Metric PSUs ("IM PSUs") and Relative Total Shareholder Return PSUs ("TSR PSUs").

IM PSUs contain a performance condition as well as a service condition. We measure the fair value of these PSUs based on the price of Brink's stock at the grant date, adjusted for a discount for dividends not received or accrued during the vesting period. For the IM PSUs granted in 2021, the performance period is from January 1, 2021 to December 31, 2022. For IM PSUs granted in 2022, the performance period is from January 1, 2022 to December 31, 2024.

TSR PSUs contain a market condition as well as a service condition. We measure the fair value of PSUs containing a market condition at the grant date using a Monte Carlo simulation model. For the TSR PSUs granted in 2020, the service period is from January 1, 2020 to December 31, 2022. For the TSR PSUs granted in 2021, the service period is from January 1, 2021 to December 31, 2023. For the TSR PSUs granted in 2022, the service period is from January 1, 2022 to December 31, 2024.

The following table summarizes all PSU activity during the first nine months of 2022:

	Shares *(in thousands)*	Weighted-Average Grant-Date Fair Value
Nonvested balance as of December 31, 2021	661.0	$ 81.75
Granted	288.0	67.13
Forfeited or expired[(a)]	(74.7)	82.82
Vested[(b)]	(142.9)	77.61
Nonvested balance as of September 30, 2022	731.4	$ 76.70

(a) Although the service condition had been met, 23.6 thousand TSR PSUs granted in 2019 expired in accordance with the market condition terms of the underlying award agreement. These units had a weighted average grant-date fair value of $105.57 per share.
(b) The vested PSUs presented are based on the target amount of the award. In accordance with the terms of the underlying award agreements, the actual shares earned and distributed for the performance period ended December 31, 2021 were 144.4 thousand, compared to target shares of 142.9 thousand.

Deferred Stock Units ("DSUs")
We granted DSUs to our nonemployee directors. We measure the fair value of DSUs at the grant date, based on the price of Brink's stock, and, if applicable, adjusted for a discount for dividends not received or accrued during the vesting period.

DSUs granted after 2014 will be paid out in shares of Brink's stock approximately one year after the grant date, provided that the director has not elected to defer the distribution of shares until a later date. DSUs granted prior to 2015, in general, will be paid out in shares of stock following separation from service.

The following table summarizes all DSU activity during the first nine months of 2022:

	Shares *(in thousands)*	Weighted-Average Grant-Date Fair Value
Nonvested balance as of December 31, 2021	14.3	$ 78.74
Granted	18.6	54.67
Vested	(13.0)	79.79
Nonvested balance as of September 30, 2022	19.9	$ 55.59

Note 12 - Capital Stock

Common Stock
At September 30, 2022, we had 100 million shares of common stock authorized and 46.7 million shares issued and outstanding.

Dividends
We paid regular quarterly dividends on our common stock during the last three years. On July 29, 2022, the Board declared a regular quarterly dividend of 20 cents per share payable on September 1, 2022 to shareholders of record on August 8, 2022. The payment of future dividends is at the discretion of the Board of Directors and is dependent on our future earnings, financial condition, shareholder equity levels, cash flow, business requirements and other factors.

Preferred Stock
At September 30, 2022, we had the authority to issue up to 2.0 million shares of preferred stock with a par value of $10 per share.

Share Repurchase Program
On October 27, 2021, we announced that our Board of Directors authorized a $250 million share repurchase program that expires on December 31, 2023 (the "2021 Repurchase Program"). This authorization replaces our previous $250 million repurchase program, authorized by the Board in February 2020 (the "2020 Repurchase Program"), which expired on December 31, 2021, with no amount remaining available.

Under the 2021 Repurchase Program, we are not obligated to repurchase any specific dollar amount or number of shares. The timing and volume of share repurchases may be executed at the discretion of management on an opportunistic basis, or pursuant to trading plans or other arrangements. Share repurchases under this program may be made in the open market, in privately negotiated transactions, or otherwise.

During the third quarter ended September 30, 2022, we repurchased a total of 501,560 shares of our common stock for an aggregate of $27.3 million and an average price of $54.36 per share. These shares were retired upon repurchase. At September 30, 2022, $223 million remained available under the 2021 Repurchase Program.

Under the 2020 Repurchase Program, we entered into an accelerated share repurchase arrangement ("ASR") in the fourth quarter of 2021 and repurchased 1,742,160 shares in November 2021 in exchange for a $150 million upfront payment to a financial institution. Under this ASR, the purchase period had a scheduled termination date of June 1, 2022. In April 2022, the financial institution elected to early terminate this ASR and an additional 546,993 shares were repurchased. In total, 2,289,153 shares were repurchased under this ASR at an average repurchase price of $65.53.

Shares Used to Calculate Earnings per Share

(In millions)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Weighted-average shares:				
Basic[(a)]	47.4	49.8	47.5	49.9
Effect of dilutive stock awards and options	0.1	0.5	0.4	0.5
Diluted	47.5	50.3	47.9	50.4
Antidilutive stock awards and options excluded from denominator[(b)]	0.5	0.2	0.7	0.2

(a) We have deferred compensation plans for directors and certain of our employees. Some amounts owed to participants are denominated in common stock units. Each unit represents one share of common stock. The number of shares used to calculate basic earnings per share includes the weighted-average common stock units credited to employees and directors under the deferred compensation plans. Additionally, nonvested units containing only a service requirement are also included in the computation of basic weighted-average shares when the requisite service period has been completed. Accordingly, included in basic shares are 0.2 million in the three months and 0.3 million in the nine months ended September 30, 2022, and 0.3 million in the three months and 0.3 million in the nine months ended September 30, 2021.

(b) Under the November 2021 ASR, based on our stock prices from November 1, 2021 to March 31, 2022, we would have received additional shares under the ASR if the settlement date had been March 31, 2022. Because the ASR settlement date did not occur until April 2022 and because any anticipated receipt of additional shares of our common stock would have been antidilutive, no amounts were included in the computation of diluted EPS.The antidilutive impact from the first quarter of 2022 will continue to have year-to-date antidilutive impact for the remainder of 2022.

Note 13 - Supplemental cash flow information

(In millions)	Nine Months Ended September 30, 2022		2021
Cash paid for:			
Interest	$	88.7	78.7
Income taxes, net		101.6	55.9

Argentina Currency Conversions
We have elected in the past and could continue in the future to repatriate cash from Brink's Argentina using different means to convert Argentine pesos into U.S. dollars. Conversions under these other market mechanisms generally settle at rates that are less favorable than the rates at which we remeasure the financial statements of Brink's Argentina. The net cash flows from these transactions are treated as operating cash flows as the financial instruments are purchased specifically for resale and are generally sold within a short period of time from the date of purchase. We did not have any such conversions in the first nine months of 2022 or 2021.

Non-cash Investing and Financing Activities
We acquired $43.7 million in armored vehicles and other equipment under financing lease arrangements in the first nine months of 2022 compared to $57.7 million in armored vehicles and other equipment acquired under financing lease arrangements in the first nine months of 2021.

Loans Held for Investment
In France, as part of an ATM managed services contract for a large customer, we purchase the ATMs at the beginning of the contract. However, since these ATMs are specifically for the benefit of the customer and transfer back to the customer at the end of the contract, this is recorded as a financing transaction. As a result, the loan to the customer, net of payments received, is treated as investing cash flows.

Restricted Cash (Cash Supply Chain Services)
In France, we offer services to certain of our customers where we manage some or all of their cash supply chains. Providing this service requires our French subsidiary to take temporary title to the cash received from the management of our customers' cash supply chains until the cash is returned to the customers. The cash for which we have temporary title is restricted and cannot be used for any other purpose other than to service our customers who participate in this service offering. Prior to the third quarter of 2020, as part of this service offering, we entered into lending arrangements with some of our customers. Cash borrowed under these lending arrangements was used in the process of managing these customers' cash supply chains, was restricted and could not be used for any other purpose other than to service these customers.

In Malaysia, we offer ATM replenishment services to certain of our financial institution customers. Providing this service requires our Malaysia subsidiary to take temporary title to the cash received in advance of ATM replenishment. The cash for which we have temporary title is restricted and cannot be used for any other purpose other than to service our customers who participate in this service offering.

In accordance with a revolving credit facility, we are required to maintain a restricted cash reserve of $22.5 million ($15.0 million at December 31, 2021) and, due to this contractual restriction, we have classified these amounts as restricted cash.

At September 30, 2022, we held $329.9 million of restricted cash ($163.6 million represented restricted cash held for customers and $140.9 million represented accrued liabilities). At December 31, 2021, we held $376.4 million of restricted cash ($215.5 million represented restricted cash held for customers and $139.9 million represented accrued liabilities).

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the condensed consolidated balance sheets that sum to the total of the same such amounts shown in the condensed consolidated statements of cash flows.

(In millions)	September 30, 2022		December 31, 2021
Cash and cash equivalents	$	1,019.0	710.3
Restricted cash		329.9	376.4
Total, cash, cash equivalents, and restricted cash in the condensed consolidated statements of cash flows	$	1,348.9	1,086.7

Note 14 - Contingent matters

In August 2020, the Company received a subpoena issued in connection with an investigation being conducted by the U.S. Department of Justice (the "DOJ"). The Company is fully cooperating with the investigation and has responded to requests from the DOJ for documents and other information, primarily related to cross-border shipments of cash and things of value and anti-money laundering compliance. Given that the investigation is still ongoing and that no civil or criminal claims have been brought to date, the Company cannot predict the outcome of the investigation, the timing of the ultimate resolution of the matter, or reasonably estimate the possible range of loss, if any, that may result from this matter. Accordingly, no accruals have been made with respect to this matter.

At the end of the fourth quarter of 2018, we became aware of an investigation initiated by the Chilean Fiscalía Nacional Económica (the Chilean antitrust agency) ("FNE") related to potential anti-competitive practices among competitors in the cash logistics industry in Chile. In October 2021, the FNE filed a complaint before the Chilean antitrust court 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 FNE's investigative file nor to its evidence supporting the allegations. The Company intends to vigorously defend itself against the FNE's complaint. Based on available information to date, the Company 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.

In addition, we are involved in various other lawsuits and claims in the ordinary course of business. We are not able to estimate the loss or range of losses for some of these matters. We have recorded accruals for losses that are considered probable and reasonably estimable. Except as otherwise noted, we do not believe that it is reasonably possible the ultimate disposition of any of the lawsuits currently pending against the Company could have a material adverse effect on our liquidity, financial position or results of operations.

Note 15 - 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, which primarily consisted of 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.

The following table summarizes the changes in the accrued liability for costs incurred, payments and utilization, and foreign currency exchange effects of the 2022 Global Restructuring Plan:

(In millions)	Severance Costs	Other	Total
Balance as of January 1, 2022	$ —	—	—
Expense	15.7	1.8	17.5
Payments and utilization	(3.1)	(1.8)	(4.9)
Foreign currency exchange effects	(0.2)	—	(0.2)
Balance as of September 30, 2022	$ 12.4	—	12.4

Other Restructurings

Management periodically implements restructuring actions in targeted sections of our business. As a result of these actions, we recognized net costs of $35.7 million in the first nine months of 2021, primarily severance costs. 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 resulted 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. 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.

The following table summarizes the changes in the accrued liability for costs incurred, payments and utilization, accrual adjustments and foreign currency exchange effects of other restructurings:

(In millions)		Severance Costs	Other	Total
Balance as of January 1, 2022	$	11.0	—	11.0
Expense		15.7	5.1	20.8
Payments and utilization		(15.1)	(5.1)	(20.2)
Accrual adjustment		(4.3)	—	(4.3)
Foreign currency exchange effects		(1.2)	—	(1.2)
Balance as of September 30, 2022	$	6.1	—	6.1

Note 16 - Subsequent Events

Acquisition of ATM Services Provider

On October 3, 2022, we acquired NoteMachine Limited and four of its direct and indirect subsidiaries (together "NoteMachine"). We paid approximately $177 million in cash on the acquisition date. The final purchase consideration will be determined when we complete the purchase price accounting. In addition to purchase consideration, we are currently unable to disclose the fair value of net assets acquired by major asset class, including estimates of goodwill and intangible assets, due to the recent closing of the transaction. NoteMachine is based in the United Kingdom and manages a portfolio of ATMs. This acquisition expands the footprint of Brink's ATM managed services business worldwide.

Share Repurchases

Under the 2021 Repurchase Program, from October 3, 2022 through October 24, 2022, we repurchased a total of 324,165 shares of our common stock for an aggregate of $17.8 million and an average price of $54.98 per share. These shares were retired upon repurchase.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Brink’s Company (along with its subsidiaries, “Brink’s”, the “Company”, “we”, “us” or “our”) offers transportation and logistics management services for cash and valuables throughout the world. These services include:

- Cash-in-transit (“CIT”) services – armored vehicle transportation of valuables
- Basic ATM services – replenishing and maintaining customers' automated teller machines; providing network infrastructure services
- Global services – secure international transportation of valuables
- Cash management services
  - Money processing (e.g., counting, sorting, wrapping, checking condition of bills) and other cash management services
  - Digital cash payment services that provide advance credit for cash deposited in Brink's-provided tech-enabled safe devices and other services related to deploying and servicing "intelligent" safes and safe control devices (including our patented CompuSafe® service)
  - Check imaging services
- Vaulting services – combines cash-in-transit services, cash management services, vaulting and electronic reporting technologies for banks
- ATM managed services – services for ATM management, including cash replenishment, replenishment forecasting, cash optimization, ATM remote monitoring, service call dispatching, transaction processing, installation services, and first and second line maintenance
- Payment services – bill payment and processing services on behalf of utility companies and other service providers at any of our Brink’s or Brink’s-operated payment locations in Latin America and Brink’s Money™ general purpose reloadable prepaid cards and corporate debit cards in the U.S.
- Commercial security systems services – design and installation of security systems in designated markets in Europe
- Guarding services – protection of airports, offices, and certain other locations in Europe, Rest of World and Latin America with or without electronic surveillance, access control, fire prevention and highly trained patrolling personnel

We identify our operating segments based on how our chief operating decision maker (“CODM”) allocates resources, assesses performance and makes decisions. Our CODM is our President and Chief Executive Officer. Our CODM evaluates performance and allocates resources to each operating segment based on an operating profit or loss measure, excluding income and expenses not allocated to segments.

We manage our business in following four segments:

- North America – operations in the U.S. and Canada, including the Brink’s Global Services ("BGS") line of business,
- Latin America – operations in Latin American countries where we have an ownership interest, including the BGS line of business. This segment includes operations in Mexico, which was previously reported in the North America segment,
- Europe – total operations in European countries that primarily provide services outside of the BGS line of business, and
- Rest of World – operations in the Middle East, Africa and Asia. This segment also includes total operations in European countries that primarily provide BGS services and BGS activity in Latin American countries where we do not have an ownership interest.

RESULTS OF OPERATIONS

COVID-19 Pandemic Impact

We continue to monitor developments related to the ongoing coronavirus (COVID-19) pandemic, which has created global volatility, uncertainty and economic disruption for Brink's, our customers and vendors, and the markets in which we do business. We have taken and continue to take steps to mitigate the potential risks to our employees, our customers and our business around the world. We are focused on three priorities:

- Protecting our people and providing essential services to our customers;
- Preserving cash and optimizing profitability; and
- Positioning Brink’s to be stronger on the other side of the crisis.

The COVID-19 pandemic began to have a material adverse impact on our results of operations in the quarter ended March 31, 2020. During 2020, 2021 and continuing into 2022, health conditions and economic activity in the countries in which we operate have been significantly impacted by government, customer and consumer actions in response to the pandemic. These actions have led to reduced customer volumes, changes to our operating procedures, labor shortages and increases to our costs to provide services. We have taken and continue to take actions to adjust the way we operate and reduce our costs through restructuring activities and operational changes to address these impacts and align to future anticipated revenue levels.

We are continually assessing the impact that the COVID-19 pandemic, and the actions taken in response to it, will have on our employees, businesses and segments, customers and vendors and the industries that we serve. The full impact depends on many factors that are uncertain or not yet identifiable. We expect these factors will continue to impact our financial condition and our results of operations for a duration that is currently unknown.

In addition, we cannot predict whether future developments associated with the COVID-19 pandemic will have a materially adverse effect on our long-term liquidity position. We believe we continue to have sufficient liquidity to meet our current obligations. The COVID-19 pandemic continues, however, to be an evolving situation, and we cannot predict the extent or duration of the ongoing COVID-19 pandemic, the effects of it on the global, national or local economy, including the impacts on our ability to access capital, or its effects on our business, financial position, results of operations, and cash flows.

We will continue to monitor developments affecting our employees, customers and operations and take additional steps to address the business impact of the COVID-19 pandemic, as necessary.

Refer to the “Liquidity and Capital Resources” section below for further discussion.

Consolidated Review

GAAP and Non-GAAP Financial Measures
We provide an analysis of our operations below on both a U.S. generally accepted accounting principles ("GAAP") and non-GAAP basis. The purpose of the non-GAAP information is to report our operating profit, income from continuing operations and earnings per share without certain income and expense items that do not reflect the regular earnings of our operations. 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 they 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 core operating performance. The non-GAAP adjustments used to reconcile our GAAP results are described on pages 44–46 and are reconciled to comparable GAAP measures on pages 50–52.

Definition of Organic Growth
Organic growth represents the change in revenues or operating profit between the current and prior period, excluding the effect of acquisitions and dispositions and changes in currency exchange rates. See definitions on page 40.

(In millions, except for per share amounts)		Three Months Ended September 30, 2022	2021	% Change	Nine Months Ended September 30, 2022	2021	% Change
GAAP							
Revenues	$	1,136.7	1,075.5	6	3,344.6	3,102.0	8
Cost of revenues		880.7	837.6	5	2,587.9	2,415.6	7
Selling, general and administrative expenses		180.8	161.9	12	519.9	472.0	10
Operating profit		59.5	74.2	(20)	218.4	209.2	4
Income from continuing operations[(a)]		19.2	19.0	1	125.8	55.7	fav
Diluted EPS from continuing operations[(a)]	$	0.41	0.38	8	2.63	1.11	fav
Non-GAAP[(b)]							
Non-GAAP revenues	$	1,136.7	1,075.5	6	3,344.6	3,102.0	8
Non-GAAP operating profit		126.8	115.9	9	362.9	316.6	15
Non-GAAP income from continuing operations[(a)]		63.8	57.1	12	181.8	155.3	17
Non-GAAP diluted EPS from continuing operations[(a)]	$	1.34	1.14	18	3.80	3.08	23

(a) Amounts reported in this table are attributable to the shareholders of Brink's and exclude earnings related to noncontrolling interests.
(b) Non-GAAP results are reconciled to the applicable GAAP results on pages 50–52.

GAAP Basis
Analysis of Consolidated Results: Third Quarter 2022 versus Third Quarter 2021

Consolidated Revenues Revenues increased $61.2 million due to organic increases in Rest of World ($45.4 million), Latin America ($40.6 million), North America ($38.4 million), and Europe ($18.4 million) and the favorable impact of acquisitions ($3.5 million), partially offset by the unfavorable impact of currency exchange rates ($85.1 million). The unfavorable currency impact was driven primarily by the euro and the Argentine peso. Revenues increased 13% on an organic basis primarily due to higher volume and inflation-based price increases. See above for our definition of "organic growth."

Consolidated Costs and Expenses Cost of revenues increased 5% to $880.7 million primarily due to higher labor and other operational costs, driven by volume and wage increases, and the impact of acquisitions, partially offset by the impact of currency exchange rates. Selling, general and administrative costs increased 12% to $180.8 million primarily due to organic increases in labor and other administrative costs and increased restructuring costs, partially offset a charge in the third quarter of 2021 related to a potential fine for a Chile antitrust matter and the impact of currency exchange rates.

Consolidated Operating Profit Operating profit decreased $14.7 million due mainly to:
- higher corporate expenses on an organic basis ($21.0 million),
- higher costs related to business acquisitions and dispositions ($19.7 million), including the impact of acquisition-related charges and intangible asset amortization in 2022, included in "Other items not allocated to segments",
- unfavorable changes in currency exchange rates ($22.8 million), driven by the Argentine peso and the euro, and
- higher costs incurred related to reorganization and restructuring ($5.6 million) included in "Other items not allocated to segments,"

partially offset by:
- organic increases in Rest of World ($20.3 million), North America ($12.7 million), Latin America ($11.9 million), and Europe ($2.1 million),
- lower costs related to the estimated loss of a potential fine for a Chile antitrust matter ($9.2 million) included in "Other items not allocated to segments", and

- the favorable operating impact of business acquisitions ($0.6 million), excluding intangible amortization and acquisition-related charges.

Consolidated Income from Continuing Operations Attributable to Brink's and Related Per Share Amounts Income from continuing operations attributable to Brink's shareholders increased $0.2 million to $19.2 million due to lower income tax expense ($14.4 million), higher interest and other non-operating income ($7.0 million), and lower non-controlling interest ($0.6 million), mostly offset by the decrease in operating profit mentioned above and higher interest expense ($7.1 million). Earnings per share from continuing operations was $0.41, up from $0.38 in the third quarter of 2021.

Analysis of Consolidated Results: Nine Months 2022 versus Nine Months 2021

Consolidated Revenues Revenues increased $242.6 million due to organic increases in Latin America ($117.2 million), North America ($100.4 million), Rest of World ($81.6 million), and Europe ($65.5 million) and the favorable impact of acquisitions ($50.3 million), partially offset by the unfavorable impact of currency exchange rates ($172.4 million). The unfavorable currency impact was driven primarily by the euro and the Argentine peso. Revenues increased 12% on an organic basis primarily due to higher volume and inflation-based price increases. See above for our definition of "organic growth."

Consolidated Costs and Expenses Cost of revenues increased 7% to $2,587.9 million primarily due to higher labor and other operational costs, driven by volume and wage increases, and the impact of acquisitions, partially offset by the impact of currency exchange rates. Selling, general and administrative costs increased 10% to $519.9 million primarily due to organic increases in labor and other administrative costs, the unfavorable impact of a change in allowance estimate ($16.7 million) recorded in the first-quarter 2022 due to a modification in our methodology to estimate the allowance for doubtful accounts, and increased restructuring costs, partially offset by the impact of currency exchange rates.

Consolidated Operating Profit Operating profit increased $9.2 million due mainly to:
- organic increases in Rest of World ($32.7 million), Latin America ($32.6 million), and Europe ($13.6 million),
- lower costs related to the estimated loss of a potential fine for a Chile antitrust matter ($8.4 million) included in "Other items not allocated to segments", and
- favorable operating impact of business acquisitions ($8.3 million), excluding intangible amortization and acquisition-related charges,

partially offset by:
- unfavorable changes in currency exchange rates ($40.7 million), driven by the Argentine peso and the euro,
- the unfavorable impact of a change in allowance estimate ($16.7 million) recorded in the first-quarter 2022 due to a modification in our methodology to estimate the allowance for doubtful accounts included in "Other items not allocated to segments,"
- higher costs related to business acquisitions and dispositions ($11.3 million), including the impact of acquisition-related charges and intangible asset amortization in 2022, included in "Other items not allocated to segments",
- an organic decrease in North America ($8.5 million), and
- higher corporate expenses on an organic basis ($6.6 million).

Consolidated Income from Continuing Operations Attributable to Brink's and Related Per Share Amounts Income from continuing operations attributable to Brink's shareholders increased $70.1 million to $125.8 million due to lower income tax expense ($62.5 million), higher interest and other non-operating income ($10.0 million), the increase in operating profit mentioned above, and lower non-controlling interest ($0.4 million), partially offset by higher interest expense ($12.0 million). Earnings per share from continuing operations was $2.63, up from $1.11 in the first nine months of 2021.

Non-GAAP Basis
Analysis of Consolidated Results: Third Quarter 2022 versus Third Quarter 2021

Non-GAAP Consolidated Revenues Non-GAAP revenues increased $61.2 million due to organic increases in Rest of World ($45.4 million) Latin America ($40.6 million), North America ($38.4 million), and Europe ($18.4 million), and the favorable impact of acquisitions ($3.5 million), partially offset by the unfavorable impact of currency exchange rates ($85.1 million). The unfavorable currency impact was driven primarily by the euro and the Argentine peso. Revenues increased 13% on an organic basis primarily due to higher volume and inflation-based price increases. See above for our definition of "organic growth."

Non-GAAP Consolidated Operating Profit Non-GAAP operating profit increased $10.9 million due mainly to:
- organic increases in Rest of World ($20.3 million), North America ($12.7 million), Latin America ($11.9 million), and Europe ($2.1 million) and
- the favorable operating impact of business acquisitions ($0.6 million), excluding intangible amortization and acquisition-related charges,

partially offset by:
- higher corporate expenses on an organic basis ($21.0 million) and
- unfavorable changes in currency exchange rates ($15.7 million), driven primarily by the Argentine peso and the euro.

Non-GAAP Consolidated Income from Continuing Operations Attributable to Brink's and Related Per Share Amounts Non-GAAP income from continuing operations attributable to Brink's shareholders increased $6.7 million to $63.8 million due to the operating profit increase mentioned above, higher interest and other non-operating income ($3.3 million), and lower non-controlling interest ($0.5 million), partially offset by higher interest expense ($7.1 million) and higher income tax expense ($0.9 million). Earnings per share from continuing operations was $1.34, up from $1.14 in the third quarter of 2021.

Analysis of Consolidated Results: Nine Months 2022 versus Nine Months 2021

Non-GAAP Consolidated Revenues Non-GAAP revenues increased $242.6 million due to organic increases in Latin America ($117.2 million), North America ($100.4 million), Rest of World ($81.6 million), and Europe ($65.5 million) and the favorable impact of acquisitions ($50.3 million), partially offset by the unfavorable impact of currency exchange rates ($172.4 million). The unfavorable currency impact was driven primarily by the euro and the Argentine peso. Revenues increased 12% on an organic basis primarily due to higher volume and inflation-based price increases. See above for our definition of "organic growth."

Non-GAAP Consolidated Operating Profit Non-GAAP operating profit increased $46.3 million due mainly to:

- organic increases in Rest of World ($32.7 million), Latin America ($32.6 million), and Europe ($13.6 million) and
- the favorable operating impact of business acquisitions ($8.3 million), excluding intangible amortization and acquisition-related charges,

partially offset by:

- unfavorable changes in currency exchange rates ($25.8 million), driven primarily by the Argentine peso and the euro,
- an organic decrease in North America ($8.5 million), and
- higher corporate expenses on an organic basis ($6.6 million).

Non-GAAP Consolidated Income from Continuing Operations Attributable to Brink's and Related Per Share Amounts Non-GAAP income from continuing operations attributable to Brink's shareholders increased $26.5 million to $181.8 million due to the operating profit increase mentioned above and lower non-controlling interest ($0.8 million), partially offset by higher interest expense ($12.1 million), higher income tax expense ($6.7 million), and lower interest and other non-operating income ($1.8 million). Earnings per share from continuing operations was $3.80, up from $3.08 in the first nine months of 2021.

Revenues and Operating Profit by Segment: Third Quarter 2022 versus Third Quarter 2021

(In millions)	3Q'21	Organic Change	Acquisitions / Dispositions[(a)]	Currency[(b)]	**3Q'22**	% Change Total	% Change Organic
Revenues:							
North America	$ 360.7	38.4	2.6	(1.1)	**400.6**	11	11
Latin America	289.3	40.6	0.6	(29.4)	**301.1**	4	14
Europe	238.0	18.4	0.3	(36.7)	**220.0**	(8)	8
Rest of World	187.5	45.4	—	(17.9)	**215.0**	15	24
Segment revenues[(c)]	1,075.5	142.8	3.5	(85.1)	**1,136.7**	6	13
Revenues - GAAP	$ 1,075.5	142.8	3.5	(85.1)	**1,136.7**	6	13
Operating profit:							
North America	$ 25.0	12.7	0.5	—	**38.2**	53	51
Latin America	64.6	11.9	0.1	(10.1)	**66.5**	3	18
Europe	28.1	2.1	—	(4.3)	**25.9**	(8)	7
Rest of World	31.9	20.3	—	(3.9)	**48.3**	51	64
Segment operating profit	149.6	47.0	0.6	(18.3)	**178.9**	20	31
Corporate[(d)]	(33.7)	(21.0)	—	2.6	**(52.1)**	55	62
Operating profit - non-GAAP	115.9	26.0	0.6	(15.7)	**126.8**	9	22
Other items not allocated to segments[(e)]	(41.7)	1.2	(19.7)	(7.1)	**(67.3)**	61	(3)
Operating profit - GAAP	$ 74.2	27.2	(19.1)	(22.8)	**59.5**	(20)	37

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 of 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 by public companies.
(e) See pages 44–46 for more information.
(f) In the first quarter of 2021, North America operating profit benefited $12.3 million from a change in our method to calculate the allowance for doubtful accounts, with an offsetting higher expense at Corporate. There was no net impact on consolidated operating profit. See further discussion below in Analysis of Segment Results.

Analysis of Segment Results: Third Quarter 2022 versus Third Quarter 2021

North America

Revenues increased 11% ($39.9 million) primarily due to a 11% organic increase ($38.4 million) and the favorable impact of acquisitions ($2.6 million). Organic revenue increased primarily due to price increases in the U.S. Operating profit increased $13.2 million, primarily due to a 51% organic increase ($12.7 million) and the favorable impact of acquisitions ($0.5 million). The organic increase resulted primarily from price increases, which outpaced the impact of labor and other cost increases, and lower losses. The increase was partially offset by several adjustments related to legal settlements and various insurance-related costs in the U.S.

Latin America

Revenues increased 4% ($11.8 million) primarily due to a 14% organic increase ($40.6 million) and the favorable impact of acquisitions ($0.6 million), partially offset by the unfavorable impact of currency exchange rates ($29.4 million), primarily from the Argentine, Colombian, and Chilean peso. The organic increase was primarily driven by inflation-based price increases in Argentina and Mexico. Operating profit was up 3% ($1.9 million) primarily due to a 18% organic increase ($11.9 million) and the favorable impact of acquisitions ($0.1 million), partially offset by the unfavorable impact of currency exchange rates ($10.1 million). The organic profit increase was driven by inflation-based price increases in Argentina and the benefit of labor and other operational cost saving actions throughout the segment. The increase was partially offset by the impact of a $4.5 million non-income tax credit experienced by Brazil in the third quarter of 2021. Our Brazil operations received a favorable court decision related to non-income taxes paid in prior years and will be able to recover the overpayments, plus interest, by reducing payments on future tax obligations.

Europe

Revenues decreased 8% ($18.0 million) due to the unfavorable impact of currency exchange rates ($36.7 million), partially offset by a 8% organic increase ($18.4 million) and the favorable impact of acquisitions ($0.3 million). The unfavorable currency impact was driven by the euro. The organic increase was primarily due to organic volume growth in France, including the impact of the partial implementation of an ATM managed services contract for a large customer and price increases across the segment. Operating profit decreased $2.2 million to $25.9 million primarily due to the unfavorable impact of currency exchange rates ($4.3 million), partially offset by a 7% organic increase ($2.1 million). The organic increase was primarily driven by the impact of labor and other operational cost saving actions throughout the segment. and was partially offset by lower government COVID-19 assistance in several countries.

Rest of World

Revenues increased 15% ($27.5 million) due to a 24% organic increase ($45.4 million), partially offset by the unfavorable impact of currency exchange rates ($17.9 million). The organic increase was primarily due to global services growth. The unfavorable currency impact was driven by most currencies throughout the segment. Operating profit increased $16.4 million due to a 64% organic increase ($20.3 million), partially offset by the unfavorable impact of currency exchange rates ($3.9 million). The organic increase was primarily due to global services growth, the impact of labor and other operational cost saving actions, and higher government COVID-19 assistance in Hong Kong.

Revenues and Operating Profit by Segment: Nine Months 2022 versus Nine Months 2021

(In millions)		YTD '21	Organic Change	Acquisitions / Dispositions[(a)]	Currency[(b)]	**YTD '22**	% Change Total	% Change Organic
Revenues:								
North America	$	1,034.6	100.4	38.4	(2.4)	**1,171.0**	13	10
Latin America		831.8	117.2	2.7	(53.0)	**898.7**	8	14
Europe		683.2	65.5	2.9	(82.8)	**668.8**	(2)	10
Rest of World		552.4	81.6	6.3	(34.2)	**606.1**	10	15
Segment revenues[(c)]		3,102.0	364.7	50.3	(172.4)	**3,344.6**	8	12
Revenues - GAAP	$	3,102.0	364.7	50.3	(172.4)	**3,344.6**	8	12
Operating profit:								
North America[(f)]	$	98.4	(8.5)	6.8	—	**96.7**	(2)	(9)
Latin America		180.4	32.6	0.3	(19.1)	**194.2**	8	18
Europe		57.4	13.6	0.4	(8.3)	**63.1**	10	24
Rest of World		94.2	32.7	0.8	(6.8)	**120.9**	28	35
Segment operating profit		430.4	70.4	8.3	(34.2)	**474.9**	10	16
Corporate[(d)(f)]		(113.8)	(6.6)	—	8.4	**(112.0)**	(2)	6
Operating profit - non-GAAP		316.6	63.8	8.3	(25.8)	**362.9**	15	20
Other items not allocated to segments[(e)]		(107.4)	(10.9)	(11.3)	(14.9)	**(144.5)**	35	10
Operating profit - GAAP	$	209.2	52.9	(3.0)	(40.7)	**218.4**	4	25

Amounts may not add due to rounding.

See page 40 for footnote explanations.

Analysis of Segment Results: Nine Months 2022 versus Nine Months 2021

North America

Revenues increased 13% ($136.4 million) primarily due to a 10% organic increase ($100.4 million) and the favorable impact of acquisitions ($38.4 million), partially offset by the unfavorable impact of currency exchange rates ($2.4 million) from the Canadian dollar. Organic revenue increased primarily due to price increases in the U.S. Operating profit decreased $1.7 million, primarily due to a 9% organic decrease ($8.5 million) partially offset by the favorable impact of acquisitions ($6.8 million). The organic decrease resulted primarily from several adjustments related to various insurance-related costs, legal settlements, and bad-debt reversals in the U.S., and lower government COVID-19 assistance in Canada. The decrease was partially offset by price increases which outpaced the impact of labor and other cost increases.

The change in bad debt expense was driven by a first quarter of 2021 change to the allowance for doubtful accounts calculation method for the segment's U.S. business, which resulted in a $12.3 million operating profit increase, and which was offset by a $12.3 million increase to Corporate expense, resulting in no impact to consolidated operating profit for the first 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.

A change in estimation methodology resulted in a $16.7 million incremental bad debt expense recorded in the first quarter of 2022 that was associated with U.S. aged receivables. In the second quarter and in the third quarter of 2022, the additional allowance was reduced by $0.7 million as a result of collections. However, as discussed in Note 1 this amount was recorded as part of "Other items not allocated to segments" and is not included in the North America segment results.

Latin America

Revenues increased 8% ($66.9 million) primarily due to a 14% organic increase ($117.2 million) and the favorable impact of acquisitions ($2.7 million), partially offset by the unfavorable impact of currency exchange rates ($53.0 million), primarily from the Argentine, Colombian, and Chilean peso and partially offset by the Brazilian real. The organic increase was driven by inflation-based price increases and volume growth in Argentina and Mexico. Operating profit was up 8% ($13.8 million) primarily due to a 18% organic increase ($32.6 million) and the favorable impact of acquisitions ($0.3 million), partially offset by unfavorable currency ($19.1 million). The organic increase was driven by inflation-based price increases which outpaced the impact of labor and other cost increases in Argentina and Mexico, as well as the benefit of labor and other operational cost saving actions throughout the segment.

Europe

Revenues decreased 2% ($14.4 million) due to the unfavorable impact of currency exchange rates ($82.8 million), partially offset by a 10% organic increase ($65.5 million) and the favorable impact of acquisitions ($2.9 million). The unfavorable currency impact was driven by the euro. The organic increase was primarily due to organic growth in France, including the impact of the partial implementation of an ATM managed services contract for a large customer, and throughout most of the segment. Operating profit increased $5.7 million primarily due to an organic increase ($13.6 million) and the favorable impact of acquisitions ($0.4 million), partially offset by the unfavorable impact of currency exchange rates ($8.3 million). The organic increase was primarily driven by volume growth and the impact of labor and other operational cost saving actions throughout the segment. This growth was partially offset by lower government COVID-19 assistance in several countries.

Rest of World

Revenues increased 10% ($53.7 million) due to a 15% organic increase ($81.6 million) and the favorable impact of acquisitions ($6.3 million), partially offset by the unfavorable impact of currency exchange rates ($34.2 million). The organic increase was primarily due to global services growth. The currency impact was driven by most currencies throughout the segment. Operating profit increased $26.7 million primarily due to a 35% organic increase ($32.7 million) and the favorable impact of acquisitions ($0.8 million), partially offset by the unfavorable impact of currency exchange rates ($6.8 million), driven by most currencies throughout the segment. The organic increase was primarily due to global services growth, the impact of labor and other operational cost saving actions and higher government COVID-19 assistance in Hong Kong.

Income and Expense Not Allocated to Segments

Corporate Expenses

		Three Months Ended September 30,		%		Nine Months Ended September 30,		%
(In millions)		2022	2021	change		2022	2021	change
General, administrative and other expenses	$	(57.0)	(34.8)	64	$	(125.4)	(103.4)	21
Foreign currency transaction gains (losses)		3.6	1.4	fav		9.4	1.4	fav
Reconciliation of segment policies to GAAP		1.3	(0.3)	fav		4.0	(11.8)	fav
Corporate expenses	$	(52.1)	(33.7)	55	$	(112.0)	(113.8)	(2)

Corporate expenses include corporate headquarters costs, regional management costs, currency transaction gains and losses, costs related to global initiatives and adjustments to reconcile segment accounting policies to U.S. GAAP.

Corporate expenses for the first nine months of 2022 decreased $1.8 million versus the prior year period primarily driven by lower bad debt expense ($15.0 million) included in Corporate expense as part of the reconciliation of segment accounting policies to U.S. GAAP (see further discussion of bad debt expense in the next paragraph below). In addition, there were higher foreign currency transaction gains in the current year period ($8.0 million) and reduced expenses related to developing new service offerings ($2.7 million). These lower costs were offset by an increase in incentive compensation, including share-based and bonus accruals ($23.3 million) as well as higher net charges related to insurance and security losses ($7.8 million).

Prior to the first quarter of 2021, all Brink's business units followed an internal accounting policy for determining an allowance for doubtful accounts. The allowances were then reconciled to the required U.S. GAAP estimated consolidated allowance, with any differences reported as part of Corporate expense. In the first nine months of 2021, the Corporate reconciling adjustment was an increase of Corporate expense of $13.1 million. The 2021 adjustment was primarily from a change in the first quarter of 2021 to the allowance calculation method of the North America segment's U.S. business. This change resulted in a $12.3 million increase to Corporate expense offset by a $12.3 million operating profit increase in the North America segment, resulting in no impact to consolidated operating profit for the first quarter of 2021. 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. Other than for the U.S. business, the reconciling differences were not significant. The bad debt expense increase excludes the impact of the internal loss in our U.S. global services operations described on the next page.

Other Items Not Allocated to Segments

		Three Months Ended September 30,		%		Nine Months Ended September 30,		%
(In millions)		2022	2021	change		2022	2021	change
Operating profit:								
Reorganization and Restructuring	$	(19.6)	(14.0)	40	$	(34.0)	(35.7)	(5)
Acquisitions and dispositions		(35.7)	(16.6)	unfav		(66.3)	(55.8)	19
Argentina highly inflationary impact		(12.0)	(2.3)	unfav		(27.1)	(8.8)	unfav
Change in allowance estimate		0.3	—	fav		(16.0)	—	unfav
Chile antitrust matter		(0.3)	(9.5)	(97)		(1.1)	(9.5)	(88)
Internal loss		—	0.7	(100)		—	2.4	(100)
Operating profit	$	(67.3)	(41.7)	61	$	(144.5)	(107.4)	35

Reorganization and Restructuring

2022 Global Restructuring Plan

In the third quarter of 2022, management began a restructuring program 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. When completed, the current restructuring actions are expected to reduce our workforce by 2,000 to 2,400 positions and result in annualized cost savings of $35 million to $45 million.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. Additional restructuring actions are expected to occur as part of this program as management continues to evaluate and identify improvement opportunities.

Other Restructurings

Management periodically implements restructuring actions in targeted sections of our business. As a result of these actions, we recognized net costs of $35.7 million in the first nine months of 2021, primarily severance costs. 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. When completed, the current restructuring actions are expected to reduce our workforce by 1,200 to 1,400 positions and result in annualized cost savings of $15 million to $20 million. 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. These estimates are expected to be updated as management targets additional sections of our business.

Due to the unique circumstances around these charges, they have not been allocated to segment results and are excluded from non-GAAP results. Charges related to the employees, assets, leases and contracts impacted by these restructuring actions were excluded from the segments and corporate expenses as shown in the table below.

	Three Months Ended September 30,		%	Nine Months Ended September 30,		%
(In millions)	2022	2021	change	2022	2021	change
Reportable Segments:						
North America	$ (5.1)	0.4	unfav	$ (12.6)	0.1	unfav
Latin America	(8.2)	(3.3)	unfav	(13.5)	(6.7)	unfav
Europe	(5.3)	(10.8)	(51)	(7.5)	(26.5)	(72)
Rest of World	(1.0)	(0.7)	43	(1.1)	(3.0)	(63)
Total reportable segments	(19.6)	(14.4)	36	(34.7)	(36.1)	(4)
Corporate items	—	0.4	(100)	0.7	0.4	75
Total	$ (19.6)	(14.0)	40	$ (34.0)	(35.7)	(5)

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 segment and 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 $35.3 million in the first nine months of 2021.
- We incurred $8.8 million in integration costs, primarily related to G4S, in the first nine months of 2021.
- Transaction costs related to business acquisitions were $5.4 million in the first nine months of 2021.
- Restructuring costs related to acquisitions were $5.1 million in the first nine months of 2021.
- Compensation expense related to the retention of key PAI employees was $1.2 million in the first nine months of 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 the first nine months of 2021, we recognized $8.8 million in pretax charges related to highly inflationary accounting, including currency remeasurement losses of $6.6 million. These amounts are excluded from segment and 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 these amounts from segment and non-GAAP results.

Chile antitrust matter In the first nine months of 2022, we recognized an additional $1.1 million adjustment to our estimated loss related to a potential fine as a result of a change in currency rates. Due to the special nature of this matter, this charge has not been allocated to segment results and is excluded from non-GAAP results. See Note 14 for details.

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 the first nine months of 2021, we recognized a decrease in bad debt expense of $3.5 million, primarily related to collection of these receivables. We also recognized $1.1 million of legal charges in the first nine months of 2021 as we attempted to collect additional insurance recoveries related to these receivable 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.

Foreign Operations

We currently serve customers in more than 100 countries, including 53 countries where we operate subsidiaries.

We are subject to risks customarily associated with doing business in foreign countries, including labor and economic conditions, the imposition of international sanctions, including by the U.S. government, political instability, controls on repatriation of earnings and capital, nationalization, expropriation and other forms of restrictive action by local governments. Changes in the political or economic environments in the countries in which we operate could have a material adverse effect on our business, financial condition and results of operations. The future effects, if any, of these risks are unknown. In April 2019, the U.S. government sanctioned the Venezuela central bank and, as a result, the Company has ceased support of the Venezuela business.

Our international operations conduct a majority of their business in local currencies. Because our financial results are reported in U.S. dollars, they are affected by changes in the value of various local currencies in relation to the U.S. dollar. Recent strengthening of the U.S. dollar relative to certain currencies has reduced some of our reported U.S. dollar revenues and operating profit and may continue through the end of 2022.

At September 30, 2022, Argentina's economy remains highly inflationary for accounting purposes. At September 30, 2022, we had net monetary assets denominated in Argentine pesos of $62.0 million (including cash of $66.4 million) and net nonmonetary assets of $162.8 million (including $99.8 million of goodwill, $1.7 million in equity securities denominated in Argentine pesos and $21.0 million in debt securities denominated in Argentine pesos).

During September 2019, the Argentine government announced currency controls on both companies and individuals. Under the exchange procedures implemented by the central bank, approval is required for many transactions, including dividend repatriation abroad.

We have previously elected to use other market mechanisms to convert Argentine pesos into U.S. dollars. Conversions under these other market mechanisms generally settle at rates that are less favorable than the rates at which we remeasure the financial statements of Brink’s Argentina. We did not have any such conversion losses in the nine months ended September 30, 2022 or September 30, 2021.

Although the Argentine government has implemented currency controls, Brink’s management continues to provide guidance and strategic oversight, including budgeting and forecasting for Brink’s Argentina. We continue to control our Argentina business for purposes of consolidation of our financial statements and continue to monitor the situation in Argentina.

Changes in exchange rates may also affect transactions that are denominated in currencies other than the functional currency. From time to time, we use short term foreign currency forward and swap contracts to hedge transactional risks associated with foreign currencies. At September 30, 2022, the notional value of our short term outstanding foreign currency forward and swap contracts was $460 million with average contract maturities of approximately one month. These short term foreign currency forward and swap contracts primarily offset exposures in the euro, the Mexican peso and the Chilean peso. Additionally, these short term contracts are not designated as hedges for accounting purposes, and accordingly, changes in their fair value are recorded immediately in earnings. At September 30, 2022, the fair value of our short term foreign currency contracts was a net asset of approximately $8.2 million, of which $10.7 million was included in prepaid expenses and other and $2.5 million was included in accrued liabilities on the condensed consolidated balance sheet. At December 31, 2021, the fair value of these foreign currency contracts was a net asset of approximately $1.9 million, of which $3.4 million was included in prepaid expenses and other and $1.5 million was included in accrued liabilities on the condensed consolidated balance sheet.

Amounts under these contracts were recognized in other operating income (expense) as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	2022	2021	2022	2021
Derivative instrument gains (losses) included in other operating income (expense)	$ 25.4	6.3	$ 58.4	14.5

We also have a long term cross currency swap contract to hedge exposure in Brazilian real, which is designated as a cash flow hedge for accounting purposes. Accordingly, changes in the fair value of the cash flow hedge are initially recorded in the gains (losses) on cash flow hedges component of accumulated other comprehensive income (loss). We immediately reclassify from accumulated other comprehensive income (loss) to earnings an amount to offset the remeasurement recognized in earnings associated with the respective intercompany loan. Additionally, we reclassify amounts from accumulated other comprehensive income (loss) to interest expense amounts that are associated with the interest rate differential between a U.S. dollar denominated intercompany loan and a Brazilian real denominated intercompany loan.

At September 30, 2022, the notional value of this long term contract was $59 million with a weighted-average maturity of approximately 0.8 years. At September 30, 2022, the fair value of the long term cross currency swap contract was a $16.7 million net asset, of which $7.2

million is included in prepaid expenses and other and $9.5 million is included in other assets on the condensed consolidated balance sheet. At December 31, 2021, the fair value of the long term cross currency swap contract was a $26.3 million net asset, of which a $5.8 million asset is included in prepaid expenses and other and a $20.5 million asset is included in other assets on the condensed consolidated balance sheet.

Amounts under this contract were recognized in other operating income (expense) to offset transaction gains or losses and in interest expense as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	2022	2021	2022	2021
Derivative instrument gains (losses) included in other operating income (expense)	$ 0.3	5.7	$ (6.2)	0.1
Offsetting transaction gains (losses)	(0.3)	(5.7)	6.2	(0.1)
Derivative instrument losses included in interest expense	(0.3)	(0.3)	(1.0)	(1.1)
Net derivative instrument gains (losses)	—	5.4	(7.2)	(1.0)

In the second quarter of 2021, we entered into ten cross currency swaps to hedge a portion of our net investments in certain of our subsidiaries with euro functional currencies. We elected to use the spot method to assess effectiveness for these derivatives that are designated as net investment hedges. Accordingly, changes in fair value attributable to changes in the undiscounted spot rates are recorded in the foreign currency translation adjustments component of accumulated other comprehensive income (loss) and will remain there until the hedged net investments are sold or substantially liquidated. We have elected to exclude the spot-forward difference from the assessment of hedge effectiveness and are amortizing this amount separately on a straight-line basis over the term of these cross currency swaps.

In July 2022, we terminated these cross currency swap contracts and received $67 million in cash as settlement. We subsequently entered into a total of nine cross currency swaps with a total notional of $400 million to hedge a portion of our net investment in certain of our subsidiaries with euro functional currencies. Swaps with a total notional of $215 million will terminate in May 2026 and swaps with a total notional of $185 million will terminate in April 2031. We have designated these swaps as net investment hedges for accounting purposes.

At September 30, 2022, the notional value of these cross currency swap contracts was $400 million with a remaining weighted average maturity of 2.4 years for the cross currency swaps maturing in May 2026 and a remaining weighted average maturity of 6.1 years for the cross currency swaps with maturity in April 2031. At September 30, 2022, the fair value of these currency swaps was a net asset of $11.3 million, of which $5.6 million was included in prepaid expenses and other and $5.7 million was included in other assets on the condensed consolidated balance sheet.

The effect of the amortization of the spot-forward difference on the net investment hedges cross currency swaps is included in interest expense as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	2022	2021	2022	2021
Net derivative instrument gains included in interest expense	$ (1.3)	(1.5)	(4.4)	(2.6)

See Note 1 to the condensed consolidated financial statements for a description of how we account for currency remeasurement for Argentine subsidiaries, beginning July 1, 2018 under the heading, "Argentina".

Other Operating Income (Expense)

Other operating income (expense) includes amounts included in segment results as well as income and expense not allocated to segments.

(In millions)	Three Months Ended September 30, 2022	2021	% change	Nine Months Ended September 30, 2022	2021	% change
Foreign currency items:						
Transaction losses	$ (32.7)	(6.5)	unfav	$ (73.4)	(19.8)	unfav
Derivative instrument gains	25.4	6.3	fav	58.4	14.5	fav
Gains (losses) on sale of property and other assets	(0.1)	—	unfav	1.4	(1.4)	fav
Impairment losses	(4.9)	(5.0)	(2)	(7.9)	(7.5)	5
Indemnification asset adjustments	(7.8)	—	unfav	(7.8)	—	unfav
Share in earnings of equity affiliates	0.5	0.3	67	1.3	0.7	86
Royalty income	2.1	1.5	40	7.2	4.0	80
Other gains	1.8	1.6	13	2.4	4.3	(44)
Other operating income (expense)	$ (15.7)	(1.8)	unfav	$ (18.4)	(5.2)	unfav

Other operating income (expense) was a $15.7 million expense in the third quarter of 2022 versus a $1.8 million expense in the prior year period. The change from the prior year period was primarily due to acquisition-related indemnification asset adjustments and higher net losses from foreign currency items in the current period.

Other operating income (expense) was a $18.4 million expense in the first nine months of 2022 versus a $5.2 million expense in the prior year period. The change from the prior year period was primarily due to acquisition-related indemnification asset adjustments and higher net losses from foreign currency items in the current period.

Nonoperating Income and Expense

Interest expense

(In millions)	Three Months Ended September 30, 2022	2021	% change	Nine Months Ended September 30, 2022	2021	% change
Interest expense	$ 34.7	27.6	26	$ 95.0	83.0	14

Interest expense was higher in the third quarter and first nine months of 2022 primarily due to higher borrowing levels to fund general corporate initiatives including the $200 million in share repurchases completed over the prior twelve months and other working capital needs.

Interest and other nonoperating income (expense)

(In millions)	Three Months Ended September 30, 2022	2021	% change	Nine Months Ended September 30, 2022	2021	% change
Interest income	$ 8.1	3.3	fav	$ 17.0	8.0	fav
Gain (loss) on equity securities	0.3	2.1	(86)	(0.2)	16.3	unfav
Foreign currency transaction gains (losses)	1.6	0.6	fav	3.9	0.5	fav
Retirement benefit cost other than service cost	(3.1)	(9.3)	(67)	(11.1)	(27.6)	(60)
Acquisition-related gains	—	0.4	(100)	—	0.4	(100)
Penalties and interest on non-income taxes[(a)]	—	—	—	—	(1.7)	(100)
Non-income taxes on intercompany billings[(b)]	(0.6)	(2.0)	(70)	(1.8)	(3.3)	(45)
Interest on non-income tax credits[(c)]	—	1.2	(100)	—	1.2	(100)
Earn-out liability adjustment[(d)]	—	—	—	—	1.3	(100)
Other	—	3.0	(100)	0.6	3.3	(82)
Interest and other nonoperating income (expense)	$ 6.3	(0.7)	fav	$ 8.4	(1.6)	fav

(a) Represents penalties and interest on non-income taxes that have not yet been paid.
(b) Certain of our Latin American subsidiaries incur non-income taxes related to the billing of intercompany charges. These intercompany charges do not impact the Latin America segment results and are eliminated in our consolidation.
(c) Represents interest on non-income tax credits related to our business operations in Brazil. In the third quarter of 2021, our Brazil operations received a favorable court decision related to non-income taxes paid in prior years and will be able to recover the overpayments, plus interest, by reducing payments on future tax obligations.
(d) Adjustment to the liability for contingent consideration pertaining to a 2019 business acquisition.

Income Taxes

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Continuing operations				
Provision (benefit) for income taxes (in millions)	$ 8.5	22.9	$ (3.3)	59.2
Effective tax rate	27.3 %	49.9 %	(2.5 %)	47.5 %

Valuation Allowance-Tax Credits
In the first quarter of 2022, we concluded that it is more likely than not that a substantial amount of the U.S. deferred tax assets for U.S. foreign tax credit and general business credit carryforwards that previously required a valuation allowance would be realized. Our conclusion was based upon an analysis of the final foreign tax credit regulations that the U.S. Treasury published in the Federal Register on January 4, 2022. Based upon this analysis, we determined a significant amount of the post-2021 foreign withholding taxes will now be ineligible for U.S. foreign income tax credit treatment and therefore we are forecasting that Brink’s U.S. operations will no longer annually be generating new foreign tax credits in excess of its annual foreign tax credit utilization limit. As a result, we expect to be able to utilize a substantial amount of our foreign tax credit and general business tax credit carryforwards to offset future tax prior to their expiration. Accordingly, we reversed a substantial amount of our valuation allowance on our net U.S. deferred tax assets, resulting in a $52.8 million benefit in our provision for income taxes for the nine months ended September 30, 2022. Due to the novel approach that the final regulations impose, it is possible that further developments in foreign country or U.S. tax laws could occur and may require us to change our assessment of the ultimate amounts we consider more-likely-than-not to be realized.

Effective Tax Rate
Our effective tax rate may fluctuate materially from these estimates due to changes in pre-tax earnings, permanent book-tax differences, changes in the expected amount and geographical mix of earnings, changes in current or deferred taxes due to legislative changes, changes in valuation allowances or accruals for contingencies, changes in distributions of share-based payments, changes in U.S. taxable income, and other factors.

Noncontrolling Interests

	Three Months Ended September 30,		%	Nine Months Ended September 30,		%
(In millions)	2022	2021	change	2022	2021	change
Net income attributable to noncontrolling interests	$ 3.4	4.0	(15)	$ 9.3	9.7	(4)

The decrease in net income attributable to noncontrolling interests in the three months ended September 30, 2022, is primarily attributable to lower third quarter 2022 operating results reported by certain subsidiaries that are not wholly-owned. The net income attributable to noncontrolling interests in the nine months ended September 30, 2022 is consistent with the net income attributable to noncontrolling interests in the nine months ended September 30, 2021.

Non-GAAP Results Reconciled to GAAP

Non-GAAP results described in this filing are financial measures that are not required by or presented in accordance with 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 in detail on pages 44–46, and are reconciled to comparable GAAP measures below.

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 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 they 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.

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

Amounts may not add due to rounding.

(a) From continuing operations.

(b) See “Other Items Not Allocated To Segments” on pages 44–46 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.

(c) 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.

(d) 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.

(e) In the first quarter 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.

Non-GAAP Results Reconciled to GAAP

	Three Months Ended September 30,			Nine Months Ended September 30,		
(In millions, except for percentages and per share amounts)		2022	2021		2022	2021
Revenues:						
GAAP	$	1,136.7	1,075.5	$	3,344.6	3,102.0
Non-GAAP	$	1,136.7	1,075.5	$	3,344.6	3,102.0
Operating profit:						
GAAP	$	59.5	74.2	$	218.4	209.2
Reorganization and restructuring[b]		19.6	14.0		34.0	35.7
Acquisitions and dispositions[b]		35.7	16.6		66.3	55.8
Argentina highly inflationary impact[b]		12.0	2.3		27.1	8.8
Change in allowance estimate[b]		(0.3)	—		16.0	—
Chile antitrust matter[b]		0.3	9.5		1.1	9.5
Internal loss[b]		—	(0.7)		—	(2.4)
Non-GAAP	$	126.8	115.9	$	362.9	316.6
Operating margin:						
GAAP margin		5.2 %	6.9 %		6.5 %	6.7 %
Non-GAAP margin		11.2 %	10.8 %		10.9 %	10.2 %
Interest expense:						
GAAP	$	(34.7)	(27.6)	$	(95.0)	(83.0)
Acquisitions and dispositions[b]		0.3	0.3		1.0	1.1
Non-GAAP	$	(34.4)	(27.3)	$	(94.0)	(81.9)
Interest and other nonoperating income (expense):						
GAAP	$	6.3	(0.7)	$	8.4	(1.6)
Retirement plans[d]		1.6	7.2		6.5	20.3
Acquisitions and dispositions[b]		(1.8)	(3.3)		(4.2)	(4.3)
Argentina highly inflationary impact[b]		0.4	—		1.9	—
Non-GAAP	$	6.5	3.2	$	12.6	14.4
Provision (benefit) for income taxes:						
GAAP	$	8.5	22.9	$	(3.3)	59.2
Retirement plans[d]		0.7	1.2		2.1	4.9
Reorganization and restructuring[b]		3.8	3.9		6.1	9.2
Acquisitions and dispositions[b]		12.7	1.2		14.5	3.4
Argentina highly inflationary impact[b]		—	(0.3)		(0.5)	(0.9)
Change in allowance estimate[b]		(0.1)	—		3.8	—
Valuation allowance on tax credits[e]		(2.2)	—		52.8	—
Chile antitrust matter[b]		0.1	—		0.3	—
Internal loss[b]		—	(0.1)		—	(0.8)
Income tax rate adjustment[c]		8.2	2.0		14.5	8.6
Non-GAAP	$	31.7	30.8	$	90.3	83.6
Net income (loss) attributable to noncontrolling interests:						
GAAP	$	3.4	4.0	$	9.3	9.7
Retirement plans[d]		—	—		0.1	—
Reorganization and restructuring[b]		—	—		—	0.5
Acquisitions and dispositions[b]		0.3	0.2		0.8	0.6
Income tax rate adjustment[c]		(0.3)	(0.3)		(0.8)	(0.6)
Non-GAAP	$	3.4	3.9	$	9.4	10.2

Amounts may not add due to rounding.

See page 50 for footnote explanations.

(In millions, except for percentages and per share amounts)	Three Months Ended September 30, 2022	2021	Nine Months Ended September 30, 2022	2021
Income (loss) from continuing operations attributable to Brink's:				
GAAP	$ 19.2	19.0	$ 125.8	55.7
Retirement plans[d]	0.9	6.0	4.3	15.4
Reorganization and restructuring[b]	15.8	10.1	27.9	26.0
Acquisitions and dispositions[b]	21.2	12.2	47.8	48.6
Argentina highly inflationary impact[b]	12.4	2.6	29.5	9.7
Change in allowance estimate[b]	(0.2)	—	12.2	—
Valuation allowance on tax credits[e]	2.2	—	(52.8)	—
Chile antitrust matter[b]	0.2	9.5	0.8	9.5
Internal loss[b]	—	(0.6)	—	(1.6)
Income tax rate adjustment[c]	(7.9)	(1.7)	(13.7)	(8.0)
Non-GAAP	$ 63.8	57.1	$ 181.8	155.3
Diluted EPS:				
GAAP	$ 0.41	0.38	$ 2.63	1.11
Retirement plans[d]	0.02	0.12	0.09	0.31
Reorganization and restructuring[b]	0.33	0.20	0.58	0.52
Acquisitions and dispositions[b]	0.45	0.24	1.00	0.96
Argentina highly inflationary impact[b]	0.26	0.05	0.62	0.19
Change in allowance estimate[b]	—	—	0.26	—
Valuation allowance on tax credits[e]	0.05	—	(1.10)	—
Chile antitrust matter[b]	—	0.19	0.02	0.19
Internal loss[b]	—	(0.01)	—	(0.03)
Income tax rate adjustment[c]	(0.17)	(0.03)	(0.29)	(0.16)
Non-GAAP	$ 1.34	1.14	$ 3.80	3.08

Amounts may not add due to rounding.

See page 50 for footnote explanations.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Cash flows from operating activities decreased by $73.1 million in the first nine months of 2022 as compared to the first nine months of 2021. Cash used for investing activities decreased by $278.2 million in the first nine months of 2022 compared to the first nine months of 2021. We financed our liquidity needs in the first nine months of 2022 with existing cash and cash flows from long-term debt.

Operating Activities

(In millions)	Nine Months Ended September 30, 2022	2021	$ change
Cash flows from operating activities			
Operating activities - GAAP	$ 200.5	273.6	(73.1)
(Increase) decrease in restricted cash held for customers	4.4	(12.7)	17.1
(Increase) decrease in certain customer obligations[a]	(4.0)	(10.0)	6.0
G4S intercompany payments	—	2.6	(2.6)
Operating activities - non-GAAP	$ 200.9	253.5	(52.6)

(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.

Non-GAAP cash flows from operating activities 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 cash flows from restricted cash held for customers, the impact of cash received and processed in certain of our secure cash management services operations and the impact of payments made to G4S for net intercompany receivables from the acquired subsidiaries. We believe this measure is helpful in assessing cash flows from operations, enables period-to-period comparability and is useful in predicting future operating 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.

GAAP

Cash flows from operating activities decreased by $73.1 million in the first nine months of 2022 compared to the same period in 2021. The decrease was attributed to working capital changes, higher amounts paid for income taxes (we had $101.6 million in cash payments for taxes in 2022 as compared to $55.9 million in 2021), changes in customer obligations related to certain of our secure cash management services operations (certain customer obligations increased by $4.0 million in 2022 compared to an increase of $10.0 million in 2021), and restricted cash held for customers (restricted cash held for customers decreased by $4.4 million in 2022 compared to a increase of $12.7 million in 2021), offset by higher operating profit.

Non-GAAP

Non-GAAP cash flows from operating activities decreased by $52.6 million in the first nine months of 2022 as compared to the same period in 2021. The decrease was attributed to working capital changes and higher amounts paid for income taxes, offset by higher operating profit.

Investing Activities

(In millions)	Nine Months Ended September 30, 2022		Nine Months Ended September 30, 2021	$ change
Cash flows from investing activities				
Capital expenditures	$	(131.5)	(113.7)	(17.8)
Acquisitions, net of cash acquired		(14.2)	(313.6)	299.4
Marketable securities:				
Purchases		(18.3)	(2.7)	(15.6)
Sales		7.7	34.8	(27.1)
Proceeds from sale of property and equipment		3.3	5.7	(2.4)
Proceeds from settlement of cross currency swap		64.3	—	64.3
Acquisition of customer contracts		—	(0.8)	0.8
Net change in loans held for investment		(23.3)	—	(23.3)
Other		(0.1)	—	(0.1)
Investing activities	$	(112.1)	(390.3)	278.2

Cash used by investing activities decreased by $278.2 million in the first nine months of 2022 versus the first nine months of 2021. The decrease was primarily due to decreased payments related to the G4S and PAI acquisitions in 2021 and proceeds from the settlement of the euro cross currency swaps, as discussed in Note 8, offset by increases in cash used for the net purchase and sales of marketable securities and net change in loans held for investment, as discussed in Note 13.

Capital expenditures and depreciation and amortization were as follows:

(In millions)		Nine Months Ended September 30, 2022	2021	$ change	Full Year 2021
Property and equipment acquired during the period					
Capital expenditures:[a]					
North America	$	29.6	27.5	2.1	40.4
Latin America		39.0	27.3	11.7	45.0
Europe		32.8	36.7	(3.9)	50.6
Rest of World		25.5	18.1	7.4	26.0
Corporate		4.6	4.1	0.5	5.9
Capital expenditures - GAAP and non-GAAP	$	131.5	113.7	17.8	167.9
Financing leases:[b]					
North America	$	30.1	34.9	(4.8)	50.6
Latin America		8.8	5.7	3.1	14.2
Europe		4.7	17.0	(12.3)	20.6
Rest of World		0.1	0.1	—	0.5
Financing leases - GAAP and non-GAAP	$	43.7	57.7	(14.0)	85.9
Total:					
North America	$	59.7	62.4	(2.7)	91.0
Latin America		47.8	33.0	14.8	59.2
Europe		37.5	53.7	(16.2)	71.2
Rest of World		25.6	18.2	7.4	26.5
Corporate		4.6	4.1	0.5	5.9
Total property and equipment acquired	$	175.2	171.4	3.8	253.8
Depreciation and amortization[a]					
North America	$	51.6	51.0	0.6	68.7
Latin America		36.8	34.2	2.6	46.2
Europe		27.8	30.7	(2.9)	41.4
Rest of World		17.7	17.5	0.2	23.2
Corporate		6.4	7.2	(0.8)	9.7
Depreciation and amortization - non-GAAP	$	140.3	140.6	(0.3)	189.2
Argentina highly inflationary impact		2.1	1.6	0.5	2.2
Reorganization and Restructuring		0.1	0.5	(0.4)	0.3
Acquisitions and dispositions		—	0.1	(0.1)	0.1
Amortization of intangible assets		37.4	35.3	2.1	47.7
Depreciation and amortization - GAAP	$	179.9	178.1	1.8	239.5

(a) Incremental depreciation related to highly inflationary accounting in Argentina, accelerated depreciation related to restructuring activities and acquisition-related integration activities, and amortization of acquisition-related intangible assets have been excluded from non-GAAP amounts.
(b) Represents the amount of property and equipment acquired using financing leases. Because the assets are acquired without using cash, the acquisitions are not reflected in the condensed consolidated statements of cash flows. Amounts are provided here to assist in the comparison of assets acquired in the current year versus prior years.

Non-GAAP capital expenditures and non-GAAP depreciation and amortization are supplemental financial measures that are not required by, or presented in accordance with GAAP. The purpose of these non-GAAP measures is to report financial information excluding incremental depreciation resulting from highly inflationary accounting in Argentina, accelerated depreciation from restructuring activities and acquisition-related integration activities, and amortization of acquisition-related intangible assets. We believe these measures are helpful in assessing capital expenditures and depreciation and amortization, enable period-to-period comparability and are useful in predicting future investing cash flows. These non-GAAP measures should not be considered as alternatives to capital expenditures and depreciation and amortization determined in accordance with GAAP and should be read in conjunction with our condensed consolidated statements of cash flows.

Our reinvestment ratio, which we define as the annual amount of property and equipment acquired during the period divided by the annual amount of depreciation, was 1.4 for the 12 months ending September 30, 2022 compared to 1.2 for the 12 months ending September 30, 2021.

Capital expenditures in the first nine months of 2022 were primarily for cash devices, information technology, armored vehicles and machinery and equipment.

Financing Activities

(In millions)	Nine Months Ended September 30, 2022	2021	$ change
Cash flows from financing activities			
Borrowings and repayments:			
Short-term borrowings	$ 11.5	(5.9)	17.4
Long-term revolving credit facilities, net	217.0	405.8	(188.8)
Other long-term debt, net	149.5	(84.4)	233.9
Borrowings (repayments)	378.0	315.5	62.5
Acquisition of noncontrolling interest	(7.8)	—	(7.8)
Debt financing costs	(5.5)	(0.4)	(5.1)
Repurchase shares of Brink's common stock	(27.3)	(50.0)	22.7
Dividends to:			
Shareholders of Brink’s	(28.3)	(27.3)	(1.0)
Noncontrolling interests in subsidiaries	(6.9)	(5.0)	(1.9)
Acquisition-related financing activities:			
Settlement of acquisition related contingencies	—	6.3	(6.3)
Payment of acquisition-related obligation	(2.8)	(3.9)	1.1
Proceeds from exercise of stock options	—	2.3	(2.3)
Tax withholdings associated with share-based compensation	(10.2)	(5.5)	(4.7)
Other	2.7	2.6	0.1
Financing activities	$ 291.9	234.6	57.3

Debt borrowings and repayments
Cash flows from financing activities increased by $57.3 million in the first nine months of 2022 compared to the first nine months of 2021 as net borrowings increased compared to the prior nine month period.

Dividends
We paid dividends to Brink’s shareholders of $0.60 per share or $28.3 million in the first nine months of 2022 compared to $0.55 per share or $27.3 million in the first nine months of 2021. Future dividends are dependent on our earnings, financial condition, shareholders’ equity levels, our cash flow and business requirements, as determined by the Board of Directors.

Reconciliation of Net Debt to U.S. GAAP Measures

(In millions)		September 30, 2022	December 31, 2021
Debt:			
Short-term borrowings	$	20.7	9.8
Long-term debt		3,351.0	2,956.9
Total Debt		3,371.7	2,966.7
Less:			
Cash and cash equivalents		1,019.0	710.3
Amounts held by Cash Management Services operations[(a)]		(38.1)	(34.7)
Cash and cash equivalents available for general corporate purposes		980.9	675.6
Net Debt[(b)]	$	2,390.8	2,291.1

(a) Title to cash received and processed in certain of our secure Cash Management Services operations 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 and in our computation of Net Debt.
(b) Included within Net Debt is net cash from our Argentina operations of $67 million at September 30, 2022 and $54 million at December 31, 2021 (see Note 1 to the condensed consolidated financial statements for a discussion of currency controls in Argentina).

Net Debt is a supplemental non-GAAP financial measure that is not required by or presented in accordance with GAAP. We use Net Debt as a measure of our financial leverage. We believe that investors also may find Net Debt to be helpful in evaluating our financial leverage. Net Debt should not be considered as an alternative to Debt determined in accordance with GAAP and should be reviewed in conjunction with our condensed consolidated balance sheets. Set forth above is a reconciliation of Net Debt, a non-GAAP financial measure, to Debt, which is the most directly comparable financial measure calculated and reported in accordance with GAAP, as of September 30, 2022, and December 31, 2021.

Net Debt increased by $100 million primarily to fund general corporate initiatives including the $200 million in share repurchases completed over the prior twelve months and other working capital needs.

Liquidity Needs
Our liquidity needs include not only the working capital requirements of our operations but also investments in our operations, business development activities, payments on outstanding debt, dividend payments and share repurchases.

Our liquidity needs are typically financed by cash from operations, short-term debt and the available borrowing capacity under our Revolving Credit Facility (our debt facilities are described in more detail in Note 9 to the condensed consolidated financial statements, including certain limitations and considerations related to the cash and borrowing capacity). As of September 30, 2022, $320 million was available under the Revolving Credit Facility. Based on our current cash on hand, cash generated from operations, and amounts available under our credit facilities, we believe that we will be able to meet our liquidity needs for the next 12 months.

Limitations on dividends from foreign subsidiaries. A significant portion of our operations are outside the U.S. which may make it difficult or costly to repatriate cash for use in the U.S. See "Risk Factors" in Item 1A of our annual report on Form 10-K for the year ended December 31, 2021, for more information on the risks associated with having businesses outside the U.S.

Our conclusion that we will be able to fund our cash requirements for the next 12 months by using existing capital resources, cash on hand, and cash generated from operations does not take into account any potential material worsening of economic conditions as a result of the ongoing COVID-19 pandemic, and material increases in inflation, that would adversely affect our business. The anticipated cash needs of our business could change significantly if we pursue and complete additional business acquisitions, if our business plans change, if events, including economic disruptions, arising from the ongoing COVID-19 pandemic worsen, or if other economic conditions change, such as material increases in inflation, from those currently prevailing or from those now anticipated, such as higher inflation or if other unexpected circumstances arise that may have a material effect on the cash flow or profitability of our business, including material negative changes in the health and welfare of our employees or changes in the condition of our customers or suppliers, and the operating performance or financial results of our business. Any of these events or circumstances, including any new business opportunities, could involve significant additional funding needs in excess of the identified currently available sources and could require us to raise additional debt or equity funding to meet those needs. Our ability to raise additional capital, if necessary, is subject to a variety of factors that we cannot predict with certainty, including:

- our future profitability;
- the quality of our accounts receivable;
- our relative levels of debt and equity;
- the volatility and overall condition of the capital markets; and
- the market prices of our securities.

Equity

On October 27, 2021, we announced that the Board authorized a $250 million share repurchase program that expires on December 31, 2023 (the "2021 Repurchase Program"). This authorization replaces our previous $250 million repurchase program, authorized by the Board in February 2020 (the "2020 Repurchase Program"), which expired on December 31, 2021, with no amount remaining available.

Under the 2021 Repurchase Program, we are not obligated to repurchase any specific dollar amount or number of shares. The timing and volume of share repurchases may be executed at the discretion of management on an opportunistic basis, or pursuant to trading plans or other arrangements. Share repurchases under this program may be made in the open market, in privately negotiated transactions, or otherwise.

During the third quarter ended September 30, 2022, we used $27.3 million to repurchase, in the open market, 501,560 shares at an average repurchase price of $54.36 per share. These shares were retired upon repurchase. At September 30, 2022, $223 million remained available under the 2021 Repurchase Program.

Under the 2020 Repurchase Program, we entered into an accelerated share repurchase arrangement ("ASR") in the fourth quarter of 2021 and repurchased 1,742,160 shares in November 2021 in exchange for a $150 million upfront payment to a financial institution. Under this ASR, the purchase period had a scheduled termination date of June 1, 2022. In April 2022, the financial institution elected to early terminate this ASR and we repurchased an additional 546,993 shares. In total, 2,289,153 shares were repurchased under this ASR at an average repurchase price of $65.53.

U.S. Retirement Liabilities

Assumptions for U.S. Retirement Obligations

The amounts in the tables below are based on a variety of estimates, including actuarial assumptions as of the most recent measurement date. The assumptions used to estimate our U.S. retirement obligations can be found in our Annual Report on Form 10-K for the year ended December 31, 2021. The estimated amounts will change in the future to reflect payments made, investment returns, actuarial revaluations, and other changes in estimates. Actual amounts could differ materially from the estimated amounts and will be updated at December 31, 2022.

Our most significant actuarial assumptions include:

- Changing discount rates and other assumptions in effect at measurement dates (normally December 31)
- Investment returns of plan assets
- Addition of new participants (historically immaterial due to freezing of pension benefits and exit from coal business)
- Mortality rates
- Change in laws

Funded Status of U.S. Retirement Plans

	Actual	Actual	Projected				
(In millions)	2021	Nine Months 2022	4th Quarter 2022	2023	2024	2025	2026
Primary U.S. pension plan							
Beginning funded status	$ (151.1)	(65.8)	(46.3)	(42.6)	(18.2)	8.8	38.6
Net periodic pension credit[(a)]	26.5	19.5	6.5	27.1	29.5	31.1	32.3
Benefit plan experience gain (loss)	58.8	—	(2.8)	(2.7)	(2.5)	(1.3)	(1.6)
Ending funded status	$ (65.8)	(46.3)	(42.6)	(18.2)	8.8	38.6	69.3
UMWA plans							
Beginning funded status	$ (272.1)	(219.4)	(216.3)	(216.5)	(214.7)	(213.6)	(213.3)
Net periodic postretirement cost[(a)]	2.5	2.1	0.8	1.8	1.1	0.3	(0.4)
Benefit plan experience gain	50.2	—	—	—	—	—	—
Other	—	1.0	(1.0)	—	—	—	—
Ending funded status	$ (219.4)	(216.3)	(216.5)	(214.7)	(213.6)	(213.3)	(213.7)
Black lung plans							
Beginning funded status	$ (105.0)	(101.3)	(96.9)	(94.1)	(87.3)	(80.9)	(75.0)
Net periodic postretirement cost[(a)]	(2.3)	(2.0)	(0.7)	(2.4)	(2.2)	(2.1)	(1.9)
Payment from Brink’s	7.9	6.4	3.5	9.2	8.6	8.0	7.4
Benefit plan experience loss	(1.9)	—	—	—	—	—	—
Ending funded status	$ (101.3)	(96.9)	(94.1)	(87.3)	(80.9)	(75.0)	(69.5)

(a) Excludes amounts reclassified from accumulated other comprehensive income (loss).

Primary U.S. Pension Plan
Pension benefits provided to eligible U.S. employees were frozen on December 31, 2005, and are not provided to employees hired after 2005 or to those covered by a collective bargaining agreement. We did not make cash contributions to the primary U.S. pension plan in 2021 or the first nine months of 2022. There are approximately 10,800 beneficiaries in the plan.

Based on our current assumptions, we do not expect to make contributions in the foreseeable future.

UMWA Plans
Retirement benefits related to former coal operations include medical benefits provided by the Pittston Coal Group Companies Employee Benefit Plan for UMWA Represented Employees. There were approximately 2,700 beneficiaries in the UMWA plans as of December 31, 2021. The Company does not need to make additional contributions to these plans until 2032 based on actuarial assumptions.

Black Lung
Under the Federal Black Lung Benefits Act of 1972, Brink's is responsible for paying lifetime black lung benefits to miners and their dependents for claims filed and approved after June 30, 1973. There were approximately 800 black lung beneficiaries as of December 31, 2021.

Summary of Expenses Related to All U.S. Retirement Liabilities through 2026

This table summarizes actual and projected expense related to U.S. retirement liabilities.

	Actual	Actual	Projected					
(In millions)	2021	Nine Months	4th Quarter 2022	FY2022	2023	2024	2025	2026
Primary U.S. pension plan	$ 7.4	(1.5)	(0.4)	(1.9)	(6.5)	(13.8)	(18.1)	(21.1)
UMWA plans	10.3	2.1	0.4	2.5	5.1	5.2	5.4	10.4
Black lung plans	10.9	7.4	2.4	9.8	9.4	8.8	8.1	7.5
Total	$ 28.6	8.0	2.4	10.4	8.0	0.2	(4.6)	(3.2)

Summary of Payments from Brink's to U.S. Plans and Payments from U.S. Plans to Participants through 2026

This table summarizes actual and projected payments from Brink's to U.S. retirement plans and from the plans to participants.

	Actual	Actual	Projected					
(In millions)	2021	Nine Months 2022	4th Quarter 2022	FY2022	2023	2024	2025	2026
Payments from Brink's to U.S. Plans								
Black lung plans	$ 7.9	6.4	3.5	9.9	9.2	8.6	8.0	7.4
Total	$ 7.9	6.4	3.5	9.9	9.2	8.6	8.0	7.4
Payments from U.S. Plans to participants								
Primary U.S. pension plan	$ 46.3	33.3	14.1	47.4	47.4	47.3	47.2	47.2
UMWA plans	22.9	18.0	8.6	26.6	26.5	26.2	26.0	25.6
Black lung plans	7.9	6.4	3.5	9.9	9.2	8.6	8.0	7.4
Total	$ 77.1	57.7	26.2	83.9	83.1	82.1	81.2	80.2

Contingent Matters

See Note 14 to the condensed consolidated financial statements for information about contingent matters at September 30, 2022.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We serve customers in more than 100 countries, including 53 countries where we operate subsidiaries. These operations expose us to a variety of market risks, including the effects of changes in interest rates and foreign currency exchange rates. In addition, we consume various commodities in the normal course of business, exposing us to the effects of changes in the prices of such commodities. These financial and commodity exposures are monitored and managed by us as an integral part of our overall risk management program. Our risk management program seeks to reduce the potentially adverse effects that the volatility of certain markets may have on our operating results. We have not had any material change in our market risk exposures in the nine months ended September 30, 2022.

Item 4. Controls and Procedures

Pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer (“CEO”), who is our principal executive officer, and our Executive Vice President and Chief Financial Officer (“CFO”), who is our principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined under Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based upon that evaluation, as of the end of the period covered by this report, our CEO and CFO concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act, is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Changes in internal control over financial reporting.
There has been no change in our internal control over financial reporting during the quarter ended September 30, 2022 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Forward-looking information
This document contains both historical and forward-looking information. Words such as “anticipates,” “assumes,” “estimates,” “expects,” “projects,” “predicts,” “intends,” “plans,” “potential,” “believes,” “could,” “may,” “should” and similar expressions may identify forward looking information. Forward-looking information in this document includes, but is not limited to, statements concerning: the impact of the ongoing COVID-19 pandemic on our business, employees, customers, operating results and financial position; difficulty in repatriating cash; continued strengthening of the U.S. dollar; anticipated costs of our reorganization and restructuring activities, including 2022 global restructuring activities; our ability to consummate acquisitions and integrate their operations successfully; collection of receivables related to the internal loss in the U.S. global services operations; support for our Venezuela business; changes in allowance calculation methods; the impact of foreign currency forward and swap contracts; our effective tax rate; the ability to meet liquidity needs; expenses and payouts for the U.S. retirement plans and the funded status of the primary pension plan; expected liability for and future contributions to the UMWA plans; liability for black lung obligations; the effect of pending legal matters, including the Chile antitrust matter; the impacts of the operating environment in Argentina; and expected future payments under contractual obligations. Forward-looking information in this document is subject to known and unknown risks, uncertainties, and contingencies, which are difficult to 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 improvements 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, inflation and changes in interest rates;
- seasonality, pricing and other competitive industry factors;
- investment in information technology 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 our financial results as a result of jurisdictions' higher-than-expected inflation and those 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 impacts 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, environmental and other liabilities in connection with former coal operations, including black lung claims;
- the impact of the 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 our critical accounting policies; and
- 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 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.

Part II - Other Information

Item 1. Legal Proceedings

For a discussion of legal proceedings, see Note 14 to the condensed consolidated financial statements, “Contingent Matters,” in Part I, Item 1 of this Form 10-Q.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information about common stock repurchases by the Company during the quarter ended September 30, 2022:

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet be Purchased Under the Plans or Programs
July 1 through July 31, 2022	—	$ —	—	$ 250,000,000
August 1 through August 31, 2022	156,722	(1)	156,722	240,969,460
September 1 through September 30, 2022	344,838	(1)	501,560	222,736,436

(1) In the fourth quarter of 2021, we entered into a $250 million share repurchase program that expires on December 31, 2023. Shares repurchases under this program may be made in the open market, in privately negotiated transactions, or otherwise. In July 2022, the Company entered into an agreement to repurchase shares of common stock in the open market. In the third quarter of 2022, a total of 501,560 shares of common stock was repurchased for an aggregate of $27.3 million and an average price of $54.36 per share.

Item 6. Exhibits

Exhibit Number	
31.1	Certification of Mark Eubanks, President and Chief Executive Officer (Principal Executive Officer) of The Brink's Company, pursuant to Rules 13a-14(a) and 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Kurt B. McMaken, Executive Vice President and Chief Financial Officer (Principal Financial Officer) of The Brink's Company, pursuant to Rules 13a-14(a) and 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Mark Eubanks, President and Chief Executive Officer (Principal Executive Officer) of The Brink's Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Kurt B. McMaken, Executive Vice President and Chief Financial Officer (Principal Financial Officer) of The Brink's Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	Interactive Data File (Quarterly Report on Form 10-Q, for the quarterly period ended September 30, 2022, furnished in Inline eXtensible Business Reporting Language (iXBRL)). The instance document does not appear in the interactive data file because its iXBRL tags are embedded within the iXBRL document. Attached as Exhibit 101 to this report are the following documents formatted in iXBRL: (i) the Condensed Consolidated Balance Sheets at September 30, 2022, and December 31, 2021, (ii) the Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2022 and 2021, (iii) the Condensed Consolidated Statements of Comprehensive Income (Loss) for the three and nine months ended September 30, 2022 and 2021, (iv) the Condensed Consolidated Statements of Equity for the nine months ended September 30, 2022 and 2021, (v) the Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2022 and 2021 and (vi) the Notes to the Condensed Consolidated Financial Statements. Users of this data are advised pursuant to Rule 406T of Regulation S-T that this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Securities and Exchange Act of 1934, and otherwise is not subject to liability under these sections.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE BRINK’S COMPANY

October 26, 2022

By: /s/ Kurt B. McMaken
Kurt B. McMaken
(Executive Vice President and
Chief Financial Officer)
(principal financial officer)

EXHIBIT 31.1

I, Mark Eubanks, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 of The Brink's Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 26, 2022

/s/ Mark Eubanks
Mark Eubanks
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

I, Kurt B. McMaken, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 of The Brink’s Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 26, 2022

/s/ Kurt B. McMaken
Kurt B. McMaken
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of The Brink's Company (the "Company") for the period ended September 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark Eubanks, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Mark Eubanks
Mark Eubanks
President and Chief Executive Officer
(Principal Executive Officer)

October 26, 2022

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of The Brink’s Company (the “Company”) for the period ended September 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Kurt B. McMaken, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Kurt B. McMaken
Kurt B. McMaken
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

October 26, 2022

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.