BRINKS CO
Form 10-K
February 26, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K
(Mark One)

ý ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2018

OR

¨ 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 (State or other jurisdiction of incorporation or organization)	54-1317776 (I.R.S. Employer Identification No.)
P.O. Box 18100, 1801 Bayberry Court Richmond, Virginia (Address of principal executive offices)	23226-8100 (Zip Code)
Registrant’s telephone number, including area code	(804) 289-9600

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

Title of each class	Name of each exchange on which registered
The Brink’s Company Common Stock, Par Value $1	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ý No ¨

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes ¨ No ý

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 ý 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 (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
Yes ý No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ý
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 definition of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.
Large accelerated filer ý 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 ý
As of February 21, 2019, there were issued and outstanding 49,645,065 shares of common stock. The aggregate market value of shares of common stock held by non-affiliates as of June 30, 2018, was $4,026,184,093.
Documents incorporated by reference: Part III incorporates information by reference from portions of the Registrant's definitive 2019 Proxy Statement to be filed pursuant to Regulation 14A.

THE BRINK'S COMPANY
FORM 10-K
FOR THE YEAR ENDED DECEMBER 31, 2018
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PART I
ITEM 1. BUSINESS

Overview
The Brink's Company is the global leader in total cash management[(a)], route-based logistics and payment solutions including cash-in-transit, ATM services, cash management services, including vault outsourcing, money processing, and intelligent safe services, and international transportation of valuables. Our customers include financial institutions, retailers, government agencies (including central banks), mints, jewelers and other commercial operations around the world. Our global network serves customers in more than 100 countries. We have controlling ownership interests in companies in 41 countries and agency relationships with companies in additional countries. We employ approximately 62,400 people and our operations include approximately 1,200 facilities and 13,500 vehicles.

Brink's was founded in 1859 and The Brink's Company was first incorporated in 1930 under the laws of the State of Delaware (at that time, the Company was named The Pittston Company). It succeeded to the business of a Virginia corporation in 1986 and was renamed The Brink's Company in 2003. Our headquarters are located in Richmond, Virginia. The Brink's Company, along with its subsidiaries, is referred to as "we," "our,", "us," "Brink's," or "the Company" throughout this Form 10-K.

(a) Based on publicly available company data for cash services businesses.

Vision, Mission and Strategy

Our Vision

To be the global leader in total cash management, route-based logistics and payment services.

Our Strategy

Our strategy is to:
- Accelerate profitable growth ("APG")
- Close the gap with operational excellence ("CTG")
- Introduce differentiated services ("IDS")

We will accelerate profitable growth by:
- growing high-value services
- growing account share with existing customers
- increasing our focus on smaller financial institutions
- penetrating the large, unvended retail market
- exploring core and adjacent acquisition opportunities

We have opportunities to grow revenue in higher-margin lines of business such as money processing outsourcing, CompuSafe® services and recyclers, and Brink's global services. Our plan calls for growing revenue with both large and small financial institutions, and increasing penetration of the large and underserved retail market. We also have the financial flexibility to pursue accretive acquisitions in both core and adjacent markets.

Close the gap with operational excellence by:
- exceeding customer expectations
- leading our industry in safety and security
- increasing operational productivity to achieve operational excellence

We are on track in our efforts to improve internal productivity, optimize cost and achieve industry-leading margins.

Introduce differentiated services through:
- leveraging uniform, best-in-class global technology base for logistics and operating systems
- offering end-to-end cash supply chain managed services
- launching a customer portal and app to support value-added, fee-based services

The third component of our strategy is to introduce differentiated services to our customers by strengthening and leveraging our IT capabilities. Our IT strategy and systems will also drive improved service levels and operational efficiencies.

The actions taken to execute the components of our strategy include internal breakthrough initiatives such as more efficient vehicles, one-person crews and more effective IT processes leading to lower operating costs. We have also completed eight acquisitions in our core markets.

Services

We design customized services to meet the cash and valuables supply chain needs of our customers. We enter into contracts with our customers to establish pricing and other terms. Cash-in-transit and ATM contracts usually cover an initial term of at least one year and in many cases one to three years, and generally remain in effect thereafter until canceled by either party. Contracts for cash management services are typically longer. Following are descriptions of our service offerings:

Core Services (49% of total revenues in 2018)

Cash-in-transit ("CIT") and 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. Revenues are affected by the level of economic activity in various markets as well as the volume of business for specific customers. Core services generated approximately $1.7 billion of revenues in 2018 ($1.6 billion in 2017 and $1.5 billion in 2016).

Cash-in-transit services – Serving customers since 1859, our success in CIT is driven by a combination of rigorous security practices, high-quality customer service, risk management and logistics expertise. Cash-in-transit services generally include the secure transportation of:

- cash between businesses and financial institutions, such as banks and credit unions
- cash, securities and other valuables between commercial banks, central banks and investment banking and brokerage firms
- new currency, coins, bullion and precious metals for central banks and other customers

ATM services – We manage 128,400 ATMs worldwide. We provide customers who own and operate ATMs a variety of service options. Basic ATM management services include cash replenishment and first and second line maintenance. We also provide comprehensive 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.

High-Value Services (45% of total revenues in 2018)

Our Core Services, combined with our brand and global infrastructure, provide a broad platform from which we offer additional high-value services, which generated approximately $1.6 billion of revenues in 2018 ($1.5 billion in 2017 and $1.3 billion in 2016).

Global services - Brink’s global services ("BGS") is the leading global provider of secure transport of highly-valued commodities including diamonds, jewelry, precious metals, securities, currency, high-tech devices, electronics and pharmaceuticals. Our specialized diamond and jewelry operations have offices in the world’s major diamond and jewelry centers. Serving customers in more than 100 countries, BGS provides secure transportation services including pick-up, packaging, customs clearance, secure vault storage and inventory management. BGS uses a combination of armored vehicles and secure air and sea transportation.

Cash management services - We offer a variety of cash management services, depending on customers’ unique needs. These include:

- money processing (e.g., counting, sorting, wrapping, checking condition of bills, etc.) and other cash management services
- services related to deploying and servicing “intelligent” safes and safe control devices, including our patented CompuSafe® service
- check imaging services

Other cash management services include cashier balancing, counterfeit detection, account consolidation and electronic reporting. Retail and bank customers use Brink’s to count and reconcile coins and currency, prepare bank deposit

information and replenish coins and currency in specific denominations.

Brink's offers a fully integrated approach to managing customers' supply chain of cash. These services include logistical support from point-of-sale through transport, vaulting, bank deposit and related credit reporting. We also offer a variety of technology applications including online cash tracking, cash inventory management, check imaging for real-time deposit processing, and a variety of other web-based tools that enable banks and other customers to reduce costs while improving service to their customers. We believe the quality and scope of our money processing and information systems differentiate our cash management services from competitive offerings.

Brink’s CompuSafe® service –We manage 34,500 installed Compusafes devices worldwide. Brink’s CompuSafe® service provides an integrated, closed-loop system for minimizing theft and managing cash. We market CompuSafe® services to a variety of cash-intensive customers including convenience stores, gas stations, restaurants, retail chains and entertainment venues. In a majority of instances, once the specialized safe is installed, the customer’s employees deposit currency into the safe’s cassettes, which can only be officially removed by Brink’s personnel or in some instances, securely by customer employees. Upon removal, the cassettes are securely transported to a vault for processing where contents are verified and transferred for deposit. Our CompuSafe® service features currency-recognition and counterfeit-detection technology, multi-language touch screens and in some instances, an electronic interface between the point-of-sale, back-office systems and external banks. Our electronic reporting interface with external banks enables customers to receive same-day credit on their cash balances, even if the cash remains on the customer’s premises.

Vaulting services. Vaulting services combine cash-in-transit services, cash management services, vaulting and electronic reporting technologies to help banks expand into new markets while minimizing investment in vaults and branch

facilities. In addition to providing secure storage, we process deposits, provide check imaging and reconciliation services, perform currency inventory management, process ATM replenishment orders and electronically transmit banking transactions.

Payment services – We provide convenient payment services, including bill payment processing, mobile phone top-up, and Brink's Money™ prepaid cards.

Bill payment processing services include bill payment acceptance and processing services on behalf of utility companies and other billers. Consumers can pay bills, top-up prepaid mobile phones and manage accounts at retail agent locations that we operate on behalf of utility companies, banks and a small number of leased payment locations. This service is offered at over 24,300 locations in Brazil, Colombia, Panama and Mexico.

We offer Brink's Money™ general purpose reloadable prepaid cards and payroll cards to consumers and employers in the U.S. Our general purpose reloadable cards are sold to consumers through our direct-to-consumer marketing efforts while our payroll cards are sold to employers who use them to pay employees electronically. Brink's Money™ cards can be used at stores, restaurants, online retailers, and at ATMs worldwide. This product is targeted to the millions of unbanked and under-banked Americans looking for alternative financial products.

Other Security Services (6% of total revenues in 2018)
Guarding – We protect airports, offices, warehouses, stores, and public venues with or without electronic surveillance, access control, fire prevention and trained patrolling personnel. Other security services generated approximately $0.2 billion of revenues in 2018 ($0.2 billion in 2017 and 2016).

We offer security and guarding services in Luxembourg, Greece and Brazil. A portion of this business involves long-term contracts related primarily to security services at airports and embassies. Generally, guarding contracts are for a one-year period, and the majority of contracts are extended.

Commercial security systems – We provide commercial security system services in designated markets in Europe. Our security system design and installation services include alarms, motion detectors, closed-circuit televisions, digital video recorders, and access control systems, including card and biometric readers, electronic locks, and turnstiles. We may also provide monitoring services after systems have been installed.

Industry and Competition
Brink's competes with large multinational, regional and smaller companies throughout the world. Our largest multinational competitors are G4S plc (U.K.); Loomis AB (Sweden); Prosegur, Compania de Seguridad, S.A. (Spain); and Garda World Security Corporation (Canada).

We believe the primary factors in attracting and retaining customers are security expertise, service quality, and price. Our competitive advantages include:
- brand name recognition
- reputation for a high level of service and security
- risk management and logistics expertise
- global network and customer base
- proven operational excellence, and
- high-quality insurance coverage and financial strength

Although we face competitive pricing pressure in many markets, we resist competing on price alone. We believe our high levels of service, security expertise and value-added solutions differentiate us from competitors.

Insurance Coverage
The availability of high-quality and reliable insurance coverage is an important factor in our ability to attract and retain customers and manage the risks inherent in our business. We purchase insurance coverage for losses in excess of what we consider to be prudent levels of self-insurance. Our insurance policies cover losses from most causes, with the exception of war, nuclear risk and certain other exclusions typical in such policies.

Insurance for security is provided by different groups of underwriters at negotiated rates and terms. Premiums fluctuate depending on market conditions. The security loss experience of Brink's and, to a limited extent, other armored carriers affects our premium rates.

Service Mark and Patents

BRINKS is a registered service mark in the U.S. and certain foreign countries. The BRINKS mark, name and related marks are of material significance to our business. We own patents for safes and related services, iDeposit and Daily Credit processes, including our integrated CompuSafe® service, which expire between 2022 and 2033. These patents provide us with important advantages. However, we are not dependent on the existence of these patents.

We have licensed the Brink's name to a limited number of companies, including a company that provides residential smart home and home security services and a distributor of security products (padlocks, door hardware, etc.) to customers through major retail chains.

Government Regulation

Our U.S. operations are subject to regulation by the U.S. Department of Transportation with respect to safety of operations, equipment and financial responsibility. Intrastate operations in the U.S. are subject to state regulation. Operations outside of the United States are regulated to varying degrees by the countries in which we operate.

Employee Relations

At December 31, 2018, our company had approximately 62,400 full-time and contract employees, including approximately 11,700 employees in the United States (of whom approximately 3,000 were classified as part-time employees) and approximately 50,700 employees outside the United States. At December 31, 2018, Brink's was a party to nine collective bargaining agreements in Canada with various local unions covering approximately 1,400 employees. The agreements have various expiration dates from 2019 to 2022. Outside of Canada, approximately 49% of employees are represented by trade union organizations. We believe our employee relations are satisfactory.

Business Divestitures

Below is a summary of the significant businesses we exited in the last three years. These divestitures did not meet the criteria for classification as discontinued operations. Operating results for these businesses are included in continuing operations for all periods presented, as applicable. We continue to operate our global services business in each of these countries.

- In September 2016, we shut down the remaining operations in the Republic of Ireland and Northern Ireland. During 2016, we incurred approximately $16 million in losses as we exited these operations. These losses included $5 million in severance costs and $2 million in property impairment charges. During 2017, additional losses incurred related to the Ireland operations were not significant.
- We sold a German guarding operation in October 2016.
- We sold a French airport security services business in June 2018 and recognized a gain of approximately $11 million.
- In August 2018, we shut down an operation based in the Netherlands that provided security solutions for domestic and international cargo transportation.

Business Acquisitions

In August 2018, we acquired 100% of the capital stock of Dunbar Armored, Inc. ("Dunbar") for approximately $547 million. Dunbar is a U.S. cash management business. In December 2018, we acquired 60% of the shares of Worldbridge Secure Logistics Co., Ltd. ("Worldbridge"), a Cambodian company that provides CIT and money processing services. In 2017, we acquired six business operations in five countries for an aggregate purchase price of approximately $361 million. Below is a brief description of each of the six business acquisitions completed in 2017:

- In March 2017, we acquired 100% of the capital stock of American Armored Transport, Inc. ("AATI"). AATI provides secured trucking transportation of high-value cargo within the continental United States.
- We acquired 100% of the capital stock of Muitofacil Holding Ltda., a Brazil-based holding company, and its subsidiary, Muitofacil Arrecadacao e Recebimento Ltda. (together "Pag Facil") in April 2017. Pag Facil offers bank correspondent services, bill payment processing and mobile phone top-up services in Brazil.
- In June 2017, we acquired 100% of the capital stock of Global Security S.A. ("LGS"). LGS is a Chilean security company specializing in CIT and ATM services.
- We acquired 100% of the shares of Maco Transportadora de Caudales S.A. ("Maco Transportadora") in July 2017. Maco Transportadora is a CIT and money processing business based in Argentina.
- In August 2017, we acquired 100% of the capital stock of Maco Litoral, S.A., an Argentina-based company which provides CIT and ATM services.
- We acquired 100% of the shares of Temis S.A.S. and its wholly-owned subsidiaries, Les Goelands S.A.S. and Temis Conseil et Formation S.A.R.L (together "Temis") in October 2017. Temis provides CIT and money processing services in France.

See Note 7 to the consolidated financial statements for more detailed information on the acquired assets and liabilities from these acquisitions.

In November 2018, we completed the acquisition of the 42% noncontrolling interest in our consolidated subsidiary, Brink's de Colombia, S.A. We now own 100% of the shares of this subsidiary, and we accounted for this increase in ownership interest as an equity transaction.

In January 2019, we acquired 100% of the capital stock of Rodoban Transportes Aereos e Terrestres Ltda., Rodoban Servicos e Sistemas de Seguranca Ltda., and Rodoban Seguranca e Transporte de Valores Ltda. (together "Rodoban") for approximately $130 million. Rodoban provides CIT, money processing and ATM services primarily in southeastern Brazil.

Reorganization and Restructuring

In the fourth quarter of 2016, management implemented restructuring actions across our global business operations and our corporate functions ("2016 Reorganization and Restructuring"). As a result of these actions, we recognized $18.1 million in related 2016 costs and an additional $17.3 million in 2017 under this restructuring related to severance, asset-related adjustments, a benefit program termination and lease terminations. We recognized an additional $13.0 million of costs in 2018 under this restructuring for severance costs and asset-related adjustments. The actions under the 2016 Reorganization and Restructuring were substantially completed in 2018, with cumulative pretax charges of approximately $48 million. Severance actions reduced our global workforce by approximately 800 positions.

Management initiated a global restructuring of our business in the third quarter of 2015 ("2015 Reorganization and Restructuring"). We recognized $6.5 million of costs in 2016 related to this restructuring for severance costs, contract terminations and lease terminations. The 2015 Reorganization and Restructuring reduced the global workforce by approximately 1,100 positions and resulted in approximately $20 million in 2016 cost savings. The actions under this

program were substantially completed by the end of 2016, with cumulative pretax charges of approximately $18 million.

Executive Leadership and Board of Directors Restructuring

In January 2016, Brink's entered into an agreement (the "Starboard Agreement") with Starboard Value LP and its affiliates ("Starboard"). As a result, our former Chief Executive Officer ("CEO"), Thomas C. Schievelbein, stepped down in May 2016, and two of the Company's directors (including the Company's independent lead director at that time) retired from the Board. Pursuant to the Starboard Agreement, among other things, the Board appointed three new independent directors and delegated to the Board's Corporate Governance and Nominating Committee the responsibility to oversee the Board's process to search for a new CEO. In June 2016, the Board appointed Douglas A. Pertz as the Company's president and CEO and as a member of the Board. In July 2016, Ronald J. Domanico replaced Joseph W. Dziedzic as Chief Financial Officer. In 2016, we recognized $4.3 million in costs related to the Executive Leadership and Board of Directors restructuring, primarily severance costs.

Other Restructurings

Management periodically implements restructuring actions in targeted sections of our business. As a result of these actions, we recognized costs of $4.6 million in 2017 and $7.6 million in 2018, primarily severance costs. For the current restructuring actions, we expect to incur additional costs between $5 million and $7 million in future periods. These estimates will be updated as management targets additional sections of our business.

Available Information and Corporate Governance Documents

The following items are available free of charge on our website (www.brinks.com) as soon as reasonably possible after filing or furnishing them with the Securities and Exchange Commission (the "SEC"):

- Annual reports on Form 10-K
- Quarterly reports on Form 10-Q
- Current reports on Form 8-K, and amendments to those reports

The following documents are also available free of charge on our website:

- Corporate Governance Policies
- Code of Ethics
- The charters of the following committees of our Board of Directors (the "Board"): Audit and Ethics, Compensation and Benefits, Corporate Governance and Nominating, and Finance and Strategy

Printed versions of these items will be mailed free of charge to shareholders upon request. Such requests can be made by contacting the Corporate Secretary at 1801 Bayberry Court, P. O. Box 18100, Richmond, Virginia 23226-8100.

Additional information about the Company may be found elsewhere in this report and the Company's other public filings, which are available without charge through the SEC's website at http://www.sec.gov.

ITEM 1A. RISK FACTORS

We operate in highly competitive industries.

We compete in industries that are subject to significant competition and pricing pressures in most markets. In addition, our business model requires significant fixed costs associated with offering many of our services including costs to operate a fleet of armored vehicles and a network of secure branches. Because we believe we have competitive advantages such as brand name recognition and a reputation for a high level of service and security, we resist competing on price alone. However, continued pricing pressure from competitors or failure to achieve pricing based on the competitive advantages identified above could result in lost volume of business and have an adverse effect on our business, financial condition, results of operations and cash flows. In addition, given the highly competitive nature of our industries, it is important to develop new solutions and product and service offerings to help retain and expand our customer base. Failure to develop, sell and execute new solutions and offerings in a timely and efficient manner could also negatively affect our ability to retain our existing customer base or pricing structure and have an adverse effect on our business, financial condition, results of operations and cash flows.

Decreased use of cash could have a negative impact on our business.

While cash remains the most popular form of consumer payment in the U.S. and globally, the growth of payment options other than cash could reduce the need for services related to cash, thereby affecting our financial results. We are developing new services that offer current and prospective customers with opportunities to streamline their cash processing costs, making cash more competitive with other forms of payment. There is a risk that these initiatives may not offset the risks associated with our traditional cash-based business and that our business, financial condition, results of operations and cash flows could be negatively impacted.

Our strategy may not be successful.

Our strategy has three pillars: accelerate profitable growth, close the gap with competitors and introduce differentiated services. We may not be successful in growing revenue in high-margin lines of business, increasing our market share with existing customers or winning new business with smaller financial institutions and the retail market. Although we are improving productivity and optimizing costs, we may not be able to achieve industry-leading margins. We also may not be successful in strengthening and leveraging our IT capabilities to improve service levels and drive efficiencies. If we are unable to achieve our strategic objectives and anticipated operating profit improvements, our results of operations and cash flows may be adversely affected.

We have significant operations outside the United States.

We currently serve customers in more than 100 countries, including 41 countries where we operate subsidiaries. Seventy-three percent (73%) of our revenues in 2018 came from operations outside the U.S. We expect revenues outside the U.S. to continue to represent a significant portion of total revenues. Business operations outside the U.S. are subject to political, economic and other risks inherent in operating in foreign countries, such as:

- the difficulty of enforcing agreements, collecting receivables and protecting assets through foreign legal systems;
- trade protection measures and import or export licensing requirements;
- difficulty in staffing and managing widespread operations;
- required compliance with a variety of foreign laws and regulations;
- enforcement of our global compliance program in foreign countries with a variety of laws, cultures and customs;
- varying permitting and licensing requirements in different jurisdictions;
- foreign ownership laws;

- changes in the general political and economic conditions in the countries where we operate, particularly in emerging markets;
- threat of nationalization and expropriation;
- higher costs and risks of doing business in a number of foreign jurisdictions;
- laws or other requirements and restrictions associated with organized labor;
- limitations on the repatriation of earnings;
- fluctuations in equity, revenues and profits due to changes in foreign currency exchange rates, including measures taken by governments to devalue official currency exchange rates;
- inflation levels exceeding that of the U.S; and
- inability to collect for services provided to government entities.

We are exposed to certain risks when we operate in countries that have high levels of inflation, including the risk that:

- the rate of price increases for services will not keep pace with the cost of inflation;
- adverse economic conditions may discourage business growth which could affect demand for our services;
- the devaluation of the currency may exceed the rate of inflation and reported U.S. dollar revenues and profits may decline; and
- these countries may be deemed “highly inflationary” for U.S. generally accepted accounting principles (“GAAP”) purposes.

We manage these risks by monitoring current and anticipated political and economic developments, monitoring adherence to our global compliance program and adjusting operations as appropriate. Changes in the political or economic environments of the countries in which we operate could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our business success depends on retaining our leadership team and attracting and retaining qualified personnel.

Our future success depends, in part, on the continuing services and contributions of our leadership team to execute on our strategic plan and to identify and pursue new opportunities. Our future success also depends, in part, on our continued ability to attract and retain highly skilled and qualified personnel. Any turnover in senior management or inability to attract and retain qualified personnel could have a negative effect on our results of operations. Turnover in key leadership positions within the Company may adversely affect our ability to manage the company efficiently and effectively, could be disruptive and distracting to management and may lead to additional departures of current personnel, any of which could have a material adverse effect on our business and results of operations.

We may be unable to achieve, or may be delayed in achieving, our initiatives to drive efficiency and control costs.

We have launched a number of initiatives, including the reorganization and restructuring actions described on page 6, to improve efficiencies and reduce operating costs. Although we have achieved annual cost savings associated with these initiatives, we may be unable to sustain the cost savings that we have achieved. In addition, if we are unable to achieve, or have any unexpected delays in achieving additional cost savings, our results of operations and cash flow may be adversely affected. Even if we meet our goals as a result of these initiatives, we may not receive the expected financial benefits of these initiatives.

We may not be successful in pursuing strategic investments or acquisitions or realize the expected benefits of those transactions because of integration difficulties and other challenges.

While we may identify opportunities for acquisitions and investments to support our growth strategy, as well as divestiture opportunities, our due diligence examinations and positions that we may take with respect to appropriate valuations for acquisitions and divestitures and other transaction terms and conditions may hinder our ability to successfully complete business transactions to achieve our strategic goals. Our ability to realize the anticipated benefits from acquisitions will depend, in part, on successfully integrating each business with our company as well as improving operating performance and profitability through our management efforts and capital investments. The risks to a successful integration and improvement of operating performance and profitability include, among others, failure to implement our business plan, unanticipated issues in integrating operations with ours, unanticipated changes in laws and regulations, labor unrest resulting from union operations, regulatory, environmental and permitting issues, unfavorable customer reactions, the effect on our internal controls and compliance with the regulatory requirements under the Sarbanes-Oxley Act of 2002, and difficulties in fully identifying and evaluating potential liabilities, risks and operating issues. The occurrence of any of these events may adversely affect our expected benefits of any acquisitions and may have a material adverse effect on our financial condition, results of operations or cash flows.

We have significant deferred tax assets in the United States that may not be realized.

Deferred tax assets are future tax deductions that result primarily from the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial statement and income tax purposes. At December 31, 2018, we had $178 million of U.S. deferred tax assets, net of valuation allowances, primarily related to our retirement plan obligations. These future tax deductions may not be realized if tax rules change in the future, or if forecasted U.S. operational results or any other U.S. projected future taxable income is insufficient. Consequently, not realizing our U.S. deferred tax assets may significantly and materially affect our financial condition, results of operations and cash flows.

It is possible that we will incur restructuring charges in the future.

It is possible that we will take restructuring actions in one or more of our markets in the future to reduce expenses. These actions could result in significant restructuring charges at these subsidiaries, including recognizing impairment charges to write down assets, and recording accruals for employee severance and the termination of operating leases. These charges, if required, could significantly and materially affect results of operations and cash flows.

We have significant retirement obligations. Poor investment performance of retirement plan holdings and / or lower interest rates used to discount the obligations could unfavorably affect our liquidity and results of operations.

We have substantial pension and retiree medical obligations, a portion of which have been funded. The amount of these obligations is significantly affected by factors that are not in our control, including interest rates used to determine the present value of future payment streams, investment returns, medical inflation rates, participation rates and changes in laws and regulations. The funded status of the primary U.S. pension plan was approximately 87% as of December 31, 2018. Based on our actuarial assumptions at the end of 2018, we do not expect to make contributions until 2022. A change in assumptions could result in funding obligations that could adversely affect our liquidity and our ability to use our resources to make acquisitions and to otherwise grow our business.

We have $702 million of actuarial losses recorded in accumulated other comprehensive income (loss) at the end of 2018. These losses relate to changes in actuarial assumptions that have increased the net liability for benefit plans. These losses have not been recognized in earnings. These losses will be recognized in earnings in future periods to the extent they are not offset by future actuarial gains. Our projections of future cash requirements and expenses for these plans could be adversely affected if our retirement plans have additional actuarial losses.

Our earnings and cash flow could be materially affected by increased losses of customer valuables.

We purchase insurance coverage for losses of customer valuables for amounts in excess of what we consider prudent deductibles and/or retentions. Insurance is provided by different groups of underwriters at negotiated rates and terms. Coverage is available to us in major insurance markets, although premiums charged are subject to fluctuations depending on market conditions. Our loss experience and that of other companies in our industry affects premium rates. We are not insured for losses below our coverage limits and recognize expense up to these limits for actual losses. Our insurance policies cover losses from most causes, with the exception of war, nuclear risk and various other exclusions typical for such policies. The availability of high-quality and reliable insurance coverage is an important factor in obtaining and retaining customers and managing the risks of our business. If our losses increase, or if we are unable to obtain adequate insurance coverage at reasonable rates, our financial condition, results of operations and cash flows could be materially and adversely affected.

Risks associated with information technology can expose Brink’s to business disruptions, cybersecurity breaches and regulatory violations.

We rely on our information technology ("IT") infrastructure. If there were to be significant problems with our infrastructure, such as IT datacenter or system failure, or failure to develop new technology platforms to support new initiatives and product and service offerings, it could halt or delay our ability to service our customers, hinder our ability to conduct and expand our business and require significant remediation costs. Our data security risks will increase as we employ emerging technologies, mobile applications, third-party service providers and cloud-based services. If any of these risks were to materialize, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, in the normal course of business, we collect, process and retain sensitive and confidential information. Hacking, phishing attacks, ransomware, insider threats, physical breaches or other actions may cause confidential information belonging to Brink’s, its employees or customers to be misused. If risks such as these materialize, we may incur significant challenges and costs related to coordination with third-party service providers in order to resolve related issues. If our third-party providers do not respond in a timely manner to our needs, disaster recovery, business continuity and crisis management activities could be negatively impacted. We have programs in place that are intended to detect, contain and respond to cybersecurity breaches and that provide employee awareness training regarding cyber risks; however, due to evolving and advanced sophisticated attack vectors, cyber attacks remain increasingly difficult to detect and we may not be able to successfully defend against them. Any cybersecurity breach, whether by us or by third-party service providers, could damage our reputation, expose us to the risks of litigation and liability, disrupt our business or otherwise have a material adverse effect on our business, financial condition, results of operations and cash flows.

As a global company we must adhere to applicable laws and regulations in numerous regions regarding data privacy, data protection, and data security. Privacy and data protection laws vary between countries and are subject to interpretation, which may create inconsistent or conflicting requirements. The European Union’s General Data Protection Regulation (“GDPR”) greatly increases the jurisdictional reach of European Union law and became effective in May 2018. GDPR imposes requirements related to the handling of personal data, mandates public disclosure of significant data breaches, and provides for substantial penalties for non-compliance. Our efforts to comply with GDPR and other privacy and data protection laws may impose significant costs that are likely to increase over time, and we could incur substantial penalties or litigation related to violation of existing or future data privacy laws, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Negative publicity to our name or brand could lead to a loss of revenues or profitability.

We are in the security business and our success and longevity are based to a large extent on our reputation for trust and integrity. Our reputation or brand, particularly the trust placed in us by our customers, could be negatively impacted in the event of perceived or actual breaches in our ability to conduct our business ethically, securely and responsibly. In addition, we have licensing arrangements that permit certain entities to use Brink's name and/or other intellectual property in connection with their businesses. If any of these entities experienced an actual or perceived breach in its ability to conduct its business ethically, securely or responsibly, it could have a negative effect on our name and/or brand. Any damage to our brand could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We operate in regulated industries.

Our U.S. operations are subject to regulation by the U.S. Department of Transportation with respect to safety of operations and equipment and financial responsibility. Intrastate operations in the U.S. are subject to regulation by state regulatory authorities and interprovincial operations in Canada are subject to regulation by Canadian and provincial regulatory authorities. Our other international operations are regulated to varying degrees by the countries in which we operate. Many countries have permit requirements for security services and prohibit foreign companies from providing different types of security services.

Changes in laws or regulations could require a change in the way we operate, which could increase costs or otherwise disrupt operations. In addition, failure to comply with any applicable laws or regulations could result in substantial fines or revocation of our operating permits and licenses. If laws and regulations were to change or we failed to comply, our business, financial condition, results of operations and cash flows could be materially and adversely affected.

Our inability to access capital or significant increases in our cost of capital could adversely affect our business.

Our ability to obtain adequate and cost-effective financing depends on our credit quality as well as the liquidity of financial markets. A negative change in our ratings outlook or any downgrade in our credit ratings by the rating agencies could adversely affect our cost and/or access to sources of liquidity and capital. Additionally, such a downgrade could increase the costs of borrowing under available credit lines. Disruptions in the capital and credit markets could adversely affect our ability to access short-term and long-term capital. Our access to funds under current credit facilities is dependent on the ability of the participating banks to meet their funding commitments. Those banks may not be able to meet their funding commitments if they experience shortages of capital and liquidity. Longer disruptions in the capital and credit markets as a result of uncertainty, changing or increased regulation, reduced alternatives, or failures of significant financial institutions could adversely affect our access to capital needed for our business.

We are subject to covenants for our credit facilities and our unsecured notes.

Our senior secured credit facility, senior unsecured notes, letter of credit facilities and bank guarantee facilities contain various financial and other covenants. The financial covenants include a limit on the ratio of net debt to earnings before interest, taxes, depreciation and amortization and a limit on the ratio of earnings before interest, taxes, depreciation and amortization to interest expense. Other 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 organization 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 and limit the ability to change the nature of our business. Although we believe none of these covenants are presently restrictive to operations, the ability to meet financial and other covenants can be affected by changes in our results of operations or financial condition. We cannot provide assurance that we will meet these covenants. A breach of these covenants could result in a default under existing credit facilities. Upon the occurrence of an event of default under any of our credit facilities, the lenders could cause amounts outstanding to be immediately payable and terminate all commitments to extend further credit. The occurrence of these events would have a significant effect on our liquidity and cash flows.

Our effective income tax rate could change.

We operate subsidiaries in 41 countries, all of which have different income tax laws and associated income tax rates. Our effective income tax rate can be significantly affected by changes in the mix of pretax earnings by country and the related income tax rates in those countries. In addition, our effective income tax rate is significantly affected by the ability to realize deferred tax assets, including those associated with net operating losses. Changes in income tax laws, income apportionment, or estimates of the ability to realize deferred tax assets, could significantly affect our effective income tax rate, financial position and results of operations. We are subject to the regular examination of our income tax returns by various tax authorities. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes. There can be no assurance that the outcomes from these examinations will not have a material adverse effect on our business.

We have certain environmental and other exposures related to our former coal operations.

We may incur future environmental and other liabilities in connection with our former coal operations, which could materially and adversely affect our financial condition, results of operations and cash flows.

We may be exposed to certain regulatory and financial risks related to climate change.

Growing concerns about climate change may result in the imposition of additional environmental regulations to which we are subject. Some form of federal regulation may be forthcoming with respect to greenhouse gas emissions (including carbon dioxide) and/or "cap and trade" legislation. The outcome of this legislation may result in new regulation, additional charges to fund energy efficiency activities or other regulatory actions. Compliance with these actions could result in the creation of additional costs to us, including, among other things, increased fuel prices or additional taxes or emission allowances. We may not be able to recover the cost of compliance with new or more stringent environmental laws and regulations from our customers, which could adversely affect our business. Furthermore, the potential effects of climate change and related regulation on our customers are highly uncertain and may adversely affect our operations.

The Company could be negatively affected as a result of the actions of activist or hostile stockholders.

Shareholder activism, which could take many forms and arise in a variety of situations, has been increasing among publicly traded companies. Shareholder activism, including potential proxy contests, requires significant time and attention by management and the Board of Directors, potentially hindering the Company's ability to execute its strategic plan and negatively affecting the trading value of our common stock. Additionally,
shareholder activism could give rise to perceived uncertainties as to the Company's future direction, adversely affect its relationships with key executives, customers and other business partners, or make it more difficult to attract and retain qualified personnel. Also, the Company has been, and may in the future be, required to incur significant legal fees and other expenses related to activist shareholder matters. Any of these impacts could materially and adversely affect the Company and operating results.

Forward-Looking Statements

This document contains both historical and forward-looking information. Words such as “anticipates,” “assumes,” “estimates,” “expects,” “projects,” “predicts,” “intends,” “plans,” “potential,” “believes,” “may,” “should” and similar expressi identify forward-looking information. Forward-looking information in this document includes, but is not limited to, statements regarding future performance of The Brink’s Company and its global operations, including: anticipated savings from reorganization and restructuring activities; the repatriation of cash from operations outside the U.S.; realization of deferred tax assets; the anticipated financial effect of pending litigation; the ability to meet liquidity needs; expenses and payouts for the U.S. retirement plans and the non-U.S. pension and benefit plans and the expected long-term rate of return and funded status of the primary U.S. pension plan; expected liability for and future contributions to the UMWA plans; liability for black lung obligations; the projected impact of future excise tax on the UMWA plans; expected future payments under contractual obligations; and the impact of recent accounting pronouncements. 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 improvement and efficiencies in our core businesses;
- our ability to improve service levels and quality in our core businesses;
- market volatility and commodity price fluctuations;
- 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;
- 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, regulatory issues, currency restrictions and devaluations, restrictions on and cost of repatriating earnings and capital, impact on the Company’s financial results as a result of jurisdictions determined to be highly inflationary, and restrictive government actions, including nationalization;
- labor issues, including negotiations with organized labor and work stoppages;
- 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 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 critical accounting policies;

- the promulgation and adoption of new accounting standards, new government regulations and interpretation of existing standards and regulations.

The 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.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

We have property and equipment in locations throughout the world. Branch facilities generally have office space to support operations, a vault to securely process and store valuables and a garage to house armored vehicles and serve as a vehicle terminal. Many branches have additional space to repair and maintain vehicles.

We own or lease armored vehicles, panel trucks and other vehicles that are primarily service vehicles. Our armored vehicles are of bullet-resistant construction and are specially designed and equipped to provide security for the crew and cargo.

The following table discloses leased and owned facilities and vehicles for Brink's most significant operations as of December 31, 2018.

	Facilities			Vehicles		
	Leased	Owned	Total	Leased	Owned	Total
North America	337	97	434	2,917	3,954	6,871
South America	278	34	312	521	2,333	2,854
Rest of World	402	38	440	1,633	2,121	3,754
Corporate Items	5	—	5	—	—	—
Total	1,022	169	1,191	5,071	8,408	13,479

ITEM 3. LEGAL PROCEEDINGS

For a discussion of legal proceedings, see Note 23 to the consolidated financial statements, "Other Commitments and Contingencies," in Part II, Item 8 of this 10-K.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

Executive Officers of the Registrant

The following is a list as of February 26, 2019, of the names and ages of the executive officers of The Company indicating the principal positions and offices held by each. There are no family relationships among any of the officers named.

Name	Age	Positions and Offices Held	Held Since
Douglas A. Pertz	64	Director, President and Chief Executive Officer	2016
Ronald J. Domanico	60	Executive Vice President, Chief Financial Officer	2016
Michael F. Beech	57	Executive Vice President	2014
Rohan Pal	53	Senior Vice President, Chief Information Officer and Chief Digital Officer	2016
Amit Zukerman	47	Executive Vice President	2014
Simon J. Davis	54	Senior Vice President and Chief Human Resources Officer	2019

Executive and other officers of the Company are elected annually and serve at the pleasure of the Board.

Mr. Pertz was appointed President and Chief Executive Officer of the Company in June 2016. Before joining the Company, Mr. Pertz served as president and CEO of Recall Holdings Limited, a global provider of digital and physical information management and security services, from 2013 until 2016. Prior to joining Recall, Mr. Pertz served as a partner with Bolder Capital, LLC (a private equity firm) from 2011 to 2013.

Mr. Domanico was appointed Executive Vice President and Chief Financial Officer of the Company in July 2016. Mr. Domanico also served as Treasurer from January through April 2017. Before joining Brink's, Mr. Domanico served as senior vice president, strategic initiatives and capital markets at Recall Holdings Limited, a global provider of digital and physical information management and security services. From 2010 to 2014, he was senior vice president and CFO for HD Supply, one of the largest industrial distributors in North America. From 2002 to 2009 Mr. Domanico served as Senior Vice President, Chief Financial Officer and a member of the Board of Directors of Caraustar Industries. Caraustar and certain of its direct and indirect subsidiaries filed voluntary petitions on May 31, 2009 in the United States Bankruptcy Court for the Northern District of Georgia seeking relief under the provisions of chapter 11 of title 11 of the United States Bankruptcy Code. Caraustar's plan of reorganization was confirmed by the Bankruptcy Court in early August 2009, and the company successfully emerged on August 20, 2009.

Mr. Beech was appointed Executive Vice President of the Company in December 2014. He has oversight responsibility for the Company's Brazil and Mexico operations as well as global safety and security. From December 2014 to July 2016, Mr. Beech had oversight responsibility for the Company's operations in the countries that composed the Company's former Largest 5 Markets segments. He served as President, Europe, Middle East and Africa for the Company's operating subsidiary, Brink's, Incorporated, from 2011 to December 2014 and as President, Asia Pacific from 2011 to 2012.

Mr. Pal was appointed Senior Vice President, Chief Information Officer and Chief Digital Officer of the Company in July 2016. Before joining Brink's, Mr. Pal served as senior vice president and chief information officer/chief digital officer at Recall Holdings Limited, a global provider of digital and physical information management and security services, from June 2013 to June 2016.

Mr. Zukerman was appointed as the Company's Executive Vice President in December 2014. He has oversight responsibility for the Company's operations in the 38 countries that comprise the Company's South America and Rest of World segments and its Brink's Global Services business. He served as President, Brink's Global Services and Asia Pacific for the Company's operating subsidiary, Brink's, Incorporated, from 2012 to December 2014.

Mr. Davis was appointed as the Company's Senior Vice President and Chief Human Resources Officer in January 2019. From July 2018 to January 2019, he served as Senior Vice President of Human Resources for Brink's U.S. business. Prior to joining Brink's, Mr. Davis served as Chief Human Resources Officer for Johnson Controls International, a diversified technology company, from 2015 to October 2017. He was Assistant Chief Human Resources Officer at Johnson Controls International from 2014 to 2015 and VP Talent Strategy and Organizational Excellence at Johnson Controls International from 2011 to 2014.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock trades on the New York Stock Exchange under the symbol "BCO." As of February 21, 2019, there were 1,305 shareholders of record of common stock.

Share Repurchase Program
In May 2017, our board of directors authorized a $200 million share repurchase program, which will expire on December 31, 2019. We are not obligated to repurchase any specific dollar amount or number of shares. At December 31, 2018, approximately $106 million remains available under this program. 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.

In December 2018, we entered into an accelerated share repurchase arrangement ("ASR") with a financial institution. In exchange for a $50 million up-front payment at the beginning of the purchase period, the financial institution delivered to us 700,000 shares of our common stock for an average repurchase price of $71.43 per share. The shares received were retired in the period they were delivered to us, and the up-front payment was accounted for as a reduction to shareholders' equity in the consolidated balance sheet. For purposes of calculating earnings per share, we reported the ASR as a repurchase of our common stock in December 2018 and as a forward contract indexed to our common stock. The ASR met all of the applicable criteria for equity classification, and, as a result, was not being accounted for as a derivative instrument.

The ASR purchase period subsequently ended in February 2019 and we received and retired an additional 37,387 shares under the ASR, resulting in an overall average repurchase price of $67.81 per share.

Additionally, during the year ended December 31, 2018, we used $43.5 million to repurchase 610,177 shares at an average repurchase price of $71.22 per share. The shares were retired upon repurchase.

The following table provides information about common stock repurchases by the Company during the quarter then ended December 31, 2018.

Period	(a) Total Number of Shares Purchased[1]	(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
October 1 through October 31, 2018	186,514	$ 66.56	186,514	$ 162,536,745
November 1 through November 30, 2018	86,834	69.03	86,834	156,542,999

December 1 through December 31, 2018	700,000	71.43	700,000	106,542,999

(1) On May 8, 2017, the Company's board of directors authorized the Company to repurchase up to $200 million of common stock from time to time as market conditions warrant and as covenants under existing agreements permit. The program does not require the Company to acquire any specific numbers of shares and may be modified or discontinued at any time. The program will expire on December 31, 2019.

The following graph compares the cumulative 5-year total return provided to shareholders of The Brink's Company's common stock compared to the cumulative total returns of the S&P SmallCap 600 Index and the S&P 600 Commercial & Professional Services Index, as well as the S&P Midcap 400 index and the common stocks of a selected peer group of companies. Given our unique service offerings, we do not believe that any single published industry index is appropriate for comparing shareholder return. Therefore, the peer group used in the performance graph combines publicly traded companies in the logistics services industry that have similar operational characteristics, such as route-based delivery of services. The companies included in the peer group are Cintas Corporation, Iron Mountain, Inc., ServiceMaster Global Holdings, Inc., Stericycle, Inc., UniFirst Corporation and Waste Management, Inc.

The graph tracks the performance of a $100 investment in our common stock and in each index from December 31, 2013, through December 31, 2018. The performance of The Brink's Company's common stock assumes that the shareholder reinvested all dividends received during the period.

*$100 invested on 12/31/13 in stock or index, including reinvestment of dividends
Fiscal Year ending December 31.

Source: Zacks Investment Research, Inc.

Comparison of Five-Year Cumulative Total Return[(a)]

	Years Ended December 31,					
	2013	2014	2015	2016	2017	2018
The Brink's Company	$100.00	72.59	87.03	125.95	242.41	200.76
S&P SmallCap 600 Index	100.00	105.76	103.67	131.20	148.56	135.96
S&P 600 Commercial & Professional Services Index	100.00	99.07	100.35	124.39	139.14	135.51
S&P MidCap 400 Index	100.00	109.77	107.38	129.65	150.71	134.01
Peer Group	100.00	123.33	126.81	148.88	183.74	183.86

(a) For the line designated as "The Brink's Company" the graph depicts the cumulative return on $100 invested in The Brink's Company's common stock at December 31, 2013. The cumulative return for each index is measured on an annual basis for the periods from December 31, 2013, through December 31, 2018, with the value of each index set to $100 on December 31, 2013. Total return assumes reinvestment of dividends. In 2015, we chose the S&P SmallCap 600 Index and the S&P 600 Commercial & Professional Services Index because we believed that these indices broadly measured the performance of small-cap companies in the United States market and for a smaller subset of small-cap companies in the commercial services industry, respectively. In 2018, we changed the indices we provide as appropriate comparisons to the S&P Midcap 400 Index and our custom peer group as we are now included in the S&P Midcap 400 Index and we believe the custom peer group has more similar characteristics to our company for the factors noted above.

ITEM 6. SELECTED FINANCIAL DATA

Five Years in Review
GAAP Basis

(In millions, except for per share amounts)	2018[(a)]	2017[(a)]	2016	2015	2014
Revenues	$3,488.9	3,347.0	3,020.6	3,061.4	3,562.3
Operating profit	274.7	273.9	184.5	96.4	59.4
Income (loss) attributable to Brink's					
Continuing operations	$(33.3)	16.9	36.2	(9.1)	(54.8)
Discontinued operations	—	(0.2)	(1.7)	(2.8)	(29.1)
Net income (loss) attributable to Brink's	$(33.3)	16.7	34.5	(11.9)	(83.9)
Financial Position					
Property and equipment, net	$699.4	640.9	531.0	549.0	669.5
Total assets	3,236.0	3,059.6	1,994.8	1,946.7	2,192.0
Long-term debt, less current maturities	1,471.6	1,139.6	247.6	358.1	373.1
Brink's shareholders' equity	153.7	317.4	337.1	317.9	434.0
Supplemental Information					
Depreciation and amortization	$162.3	146.6	131.6	139.9	161.9
Capital expenditures	155.1	174.5	112.2	101.1	136.1
Earnings (loss) per share attributable to Brink's common shareholders					
Basic:					
Continuing operations	$(0.65)	0.33	0.72	(0.19)	(1.12)
Discontinued operations	—	(0.01)	(0.03)	(0.06)	(0.59)
Net income (loss)	(0.65)	0.33	0.69	(0.24)	(1.71)
Diluted:					
Continuing operations	$(0.65)	0.33	0.72	(0.19)	(1.12)
Discontinued operations	—	(0.01)	(0.03)	(0.06)	(0.59)
Net income (loss)	(0.65)	0.32	0.68	(0.24)	(1.71)
Cash dividends	$0.60	0.55	0.40	0.40	0.40
Weighted-average Shares					
Basic	50.9	50.7	50.0	49.3	49.0
Diluted	50.9	51.8	50.6	49.3	49.0

Non-GAAP Basis*

(In millions, except for per share amounts)	2018	2017	2016	2015	2014
Non-GAAP revenues	$3,437.5	3,192.9	2,908.4	2,976.9	3,350.5
Non-GAAP operating profit	346.9	281.4	215.8	167.5	134.5
Amounts attributable to Brink's					
Non-GAAP income from continuing operations	$179.4	157.2	115.6	87.1	53.3

Non-GAAP diluted EPS – continuing operations	$3.46	3.03	2.28	1.75	1.09

(a) In 2018, we acquired two business operations for an aggregate purchase price of approximately $548 million. In 2017, we acquired six business operations in five countries for an aggregate purchase price of approximately $361 million. We also entered into a new $1.5 billion senior secured credit facility and issued $600 million in senior unsecured notes in 2017. See Note 7 and Note 15 to the consolidated financial statements for more detailed information on the business acquisitions and debt.

*Reconciliations to GAAP results begin on page 34.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

THE BRINK'S COMPANY
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
AS OF DECEMBER 31, 2018 AND 2017
AND FOR EACH OF THE YEARS IN THE THREE-YEAR PERIOD ENDED DECEMBER 31, 2018
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OPERATIONS

The Brink's Company offers secure transportation and route-based logistics management services for cash and valuables throughout the world. These services include:

- Cash-in-transit services – armored vehicle transportation of valuables
- ATM services – replenishing and maintaining customers' automated teller machines; providing network infrastructure services
- Global services – secure international transportation of valuables
- Cash management services
  - Currency and coin counting and sorting; deposit preparation and reconciliations; other cash management services
  - Safe and safe control device installation and servicing (including our patented CompuSafe® service)
  - Vaulting services
  - Check imaging services
- Payment services – bill payment and processing services on behalf of utility companies and other billers at any of our Brink's or Brink's – operated payment locations in Brazil, Colombia, Panama and Mexico and Brink's Money™ general purpose reloadable prepaid cards and payroll 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 and Brazil with or without electronic surveillance, access control, fire prevention and highly trained patrolling personnel

We have the following three reportable segments:

- North America
- South America
- Rest of World.

We believe that Brink's has significant competitive advantages including:

- track record of refining our business portfolio to deliver shareholder value
- medium-term growth drivers from high-value services
- global footprint in a world with increasing security needs
- brand name recognition
- reputation for a high level of service and security
- risk management and logistics expertise
- value-based solutions expertise
- operational excellence
- high-quality insurance coverage and financial strength

We focus our time and resources on service quality, protecting and strengthening our brand, and addressing our risks. Our marketing and sales efforts are enhanced by the "Brink's" brand, so we seek to protect and build its value. Because our services focus on handling, transporting, protecting and managing valuables, we strive to understand and manage risk.

In order to earn an adequate return on capital, we focus on the effective and efficient use of resources in addition to our pricing discipline. We attempt to maximize the amount of business that flows through our branches, vehicles and systems in order to obtain the lowest costs possible without compromising safety, security or service.

Operating results may vary from period to period. Because revenues are generated from charges per service performed or based on the value of goods transported, they can be affected by both the level of economic activity and the volume of business for specific customers. We also periodically incur costs to change the scale of our operations

when volumes increase or decrease. Incremental costs incurred usually relate to increasing or decreasing the number of employees and increasing or decreasing branches or administrative facilities. In addition, security costs can vary depending on performance, the cost of insurance coverage, and changes in crime rates (i.e., attacks and robberies).

Brink’s revenues and related operating profit are generally higher in the second half of the year, particularly in the fourth quarter, due to generally increased economic activity associated with the holiday season.

RESULTS OF OPERATIONS
Analysis of Results: 2018 versus 2017

Consolidated Results

GAAP and Non-GAAP Financial Measures We provide an analysis of our operations below on both a 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 such measures allow investors to evaluate our performance using the same metrics that our management uses to evaluate past performance and prospects for future performance. We do not consider these items to be reflective of our core operating performance due to the variability of such items from period-to-period in terms of size, nature and significance. The non-GAAP adjustments used to reconcile our GAAP results are described in detail on pages 27-29 and are reconciled to comparable GAAP measures on pages 34-36.

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 23.

Years Ended December 31, (In millions, except for per share amounts)	2018	2017	% Change
GAAP			
Revenues	$3,488.9	3,347.0	4
Cost of revenues	2,703.3	2,608.2	4
Selling, general and administrative expenses	509.2	468.2	9
Operating profit	274.7	273.9	—
Income (loss) from continuing operations[a]	(33.3)	16.9	unfav
Diluted EPS from continuing operations[a]	$(0.65)	0.33	unfav
Non-GAAP[b]			
Non-GAAP revenues	$3,437.5	3,192.9	8
Non-GAAP operating profit	346.9	281.4	23
Non-GAAP income from continuing operations[a]	179.4	157.2	14
Non-GAAP diluted EPS from continuing operations[a]	$3.46	3.03	14

(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 34–36.

Deconsolidation of Venezuela
Due to political and economic conditions in Venezuela, in the second quarter of 2018 we determined that we no longer met the accounting criteria for control over our Venezuelan operations. We expect these conditions to continue for the foreseeable future. Consequently, we began reporting the results of our investment in our Venezuelan subsidiaries using the cost method of accounting. We determined the fair value of our cost method investment in, and receivables from, our Venezuelan subsidiaries to be insignificant based on our expectations of dividend payments and settlements of such receivables in future periods. As a result, we deconsolidated our Venezuela subsidiaries and recognized a pretax loss of $126.7 million in the second quarter of 2018. This loss is excluded from our non-GAAP results.

GAAP Basis

Analysis of Consolidated Results: 2018 versus 2017

Consolidated Revenues Revenues increased $141.9 million as organic growth in Venezuela ($1,936.0 million), South America ($145.0 million), North America ($67.1 million), and Rest of World ($11.3 million), and the favorable impact of acquisitions and dispositions ($213.4 million) was partially offset by unfavorable changes in currency exchange rates ($2,230.9 million). A significant portion of the reduction in revenues from currency exchange rates relates to the strengthening of the U.S. dollar against the Venezuela bolivar ($2,038.7 million). Revenues increased on an organic basis due mainly to higher average selling prices in Venezuela and Argentina (including the effects of inflation), organic revenue growth from volume growth and price increases in Mexico and Brazil, and price increases in the U.S. See above for our definition of "organic growth."

Consolidated Costs and Expenses Cost of revenues increased 4% to $2,703.3 million primarily due to the impact of acquisitions and inflation-based organic increases in labor and other operational costs, partially offset by changes in currency exchange rates. Selling, general and administrative costs increased 9% to $509.2 million due primarily to organic increases in compensation costs and the impact of acquisitions, partially offset by changes in currency exchange rates.

Consolidated Operating Profit Operating profit increased $0.8 million due mainly to:

- organic increases in Venezuela ($569.3 million), South America ($68.1 million) and North America ($48.2 million), and
- the favorable operating impact of business acquisitions and dispositions ($28.1 million), excluding intangible asset amortization and acquisition-related charges,

partially offset by:

- unfavorable changes in currency exchange rates ($664.6 million), including the effects of Venezuela devaluations,
- higher costs related to business acquisitions and dispositions ($36.1 million), primarily from the impact of acquisition-related charges and intangible asset amortization in 2018,
- the organic decrease in Rest of World ($4.6 million), and
- higher corporate expenses ($4.4 million on an organic basis).

Consolidated Income from Continuing Operations Attributable to Brink's and Related Per Share Amounts Income from continuing operations attributable to Brink's shareholders in 2018 decreased $50.2 million to negative $33.3 million primarily due to the loss on deconsolidation of Venezuela operations ($126.7 million) and higher interest expense ($34.5 million), partially offset by lower income tax expense ($87.7 million), lower interest and other nonoperating income (expense) ($21.4 million), lower income attributable to noncontrolling interests ($1.1 million) and the operating profit increase mentioned above. The lower income tax expense was primarily driven by the U.S. tax reform charge recognized in the fourth quarter of 2017. Earnings per share from continuing operations was negative $0.65, down from $0.33 in 2017.

Non-GAAP Basis

Analysis of Consolidated Results: 2018 versus 2017

Non-GAAP Consolidated Revenues Non-GAAP revenues increased $244.6 million as organic growth in South America ($145.0 million), North America ($67.1 million), and Rest of World ($11.3 million), and the favorable impact of acquisitions and dispositions ($213.4 million) was partially offset by unfavorable changes in currency exchange rates ($192.2 million). The unfavorable currency impact was driven by the Argentine peso and Brazilian real and was partially offset by the favorable impact of the euro. Non-GAAP revenues increased 7% on an organic basis due mainly to higher average selling prices in Argentina (including the effects of inflation), organic revenue growth from volume growth and price increases in Mexico and Brazil, and price increases in the U.S.

Non-GAAP Consolidated Operating Profit Non-GAAP operating profit increased $65.5 million due mainly to:

- organic increases in South America ($68.1 million) and North America ($48.2 million), and
- the favorable operating impact of business acquisitions and dispositions ($28.1 million),

partially offset by:

- unfavorable changes in currency exchange rates ($69.9 million),
- the organic decrease in Rest of World ($4.6 million), and
- higher corporate expenses ($4.4 million on an organic basis).

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 in 2018 increased $22.2 million to $179.4 million primarily due to the non-GAAP operating profit increase mentioned above and higher interest and other nonoperating income (expense) ($4.0 million), partially offset by higher interest expense ($34.6 million) and higher income tax expense ($12.0 million). Earnings per share from continuing operations was $3.46, up from $3.03 in 2017.

Revenues and Operating Profit by Segment: 2018 versus 2017

(In millions)	2017	Organic Change	Acquisitions / Dispositions[a]	Currency[b]	2018	% Change Total	% Change Organic
Revenues:							
North America	$1,254.2	67.1	152.9	(7.9)	1,466.3	17	5
South America	924.6	145.0	70.1	(212.8)	926.9	—	16
Rest of World	1,014.1	11.3	(9.6)	28.5	1,044.3	3	1
Segment revenues[e]	3,192.9	223.4	213.4	(192.2)	3,437.5	8	7
Other items not allocated to segments[d]	154.1	1,936.0	—	(2,038.7)	51.4	(67)	fav
Revenues - GAAP	$3,347.0	2,159.4	213.4	(2,230.9)	3,488.9	4	65
Operating profit:							
North America	$74.0	48.2	9.3	(1.7)	129.8	75	65
South America	182.8	68.1	15.8	(68.0)	198.7	9	37
Rest of World	115.2	(4.6)	3.0	0.8	114.4	(1)	(4)
Segment operating profit	372.0	111.7	28.1	(68.9)	442.9	19	30
Corporate[c]	(90.6)	(4.4)	—	(1.0)	(96.0)	6	5
Operating profit - non-GAAP	281.4	107.3	28.1	(69.9)	346.9	23	38
Other items not allocated to segments[d]	(7.5)	554.7	(24.7)	(594.7)	(72.2)	unfav	fav
Operating profit (loss) - GAAP	$273.9	662.0	3.4	(664.6)	274.7	—	fav

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 Venezuela devaluations 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) 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.

(d) See pages 27–29 for more information.

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

Analysis of Segment Results: 2018 versus 2017

North America

Revenues increased 17% ($212.1 million) primarily due to the favorable impact of acquisitions ($152.9 million), primarily related to the Dunbar acquisition, and 5% organic growth ($67.1 million), slightly offset by the unfavorable impact of currency exchange rates ($7.9 million) from the Mexican peso. Organic revenue growth increased from price and volume growth in Mexico and price increases in the U.S. Operating profit increased $55.8 million primarily due to organic growth in the U.S. and Mexico and the favorable impact of acquisitions ($9.3 million), primarily related to the Dunbar acquisition. Organic profit growth in the U.S. was driven by price increases and lower labor costs and other productivity improvements. Organic profit growth in Mexico was driven by higher volumes, price increases and labor-related productivity improvements.

South America

Revenues increased $2.3 million due to 16% organic growth ($145.0 million) and the favorable impact of acquisitions ($70.1 million), mostly offset by the unfavorable impact of currency exchange rates ($212.8 million) primarily from the Argentine peso and Brazilian real. The organic growth was driven by inflation-based price increases in Argentina and price and volume growth in Brazil, Chile, and Colombia. Operating profit increased 9% ($15.9 million) driven by organic revenue growth in Argentina, Brazil, Chile, and Colombia and the favorable impact of acquisitions ($15.8 million), partially offset by unfavorable currency exchange rates ($68.0 million) primarily driven by the Argentine peso.

Rest of World

Revenues increased 3% ($30.2 million) due to the favorable impact of currency exchange rates ($28.5 million) primarily from the euro, and 1% organic growth ($11.3 million), partially offset by the unfavorable impact of acquisitions and dispositions ($9.6 million). The organic revenue growth was driven by Israel and Greece, partially offset by a decrease in France due to pricing and volume pressure. Operating profit decreased 1% ($0.8 million) due to an organic decrease ($4.6 million), partially offset by the favorable impact of acquisitions and dispositions ($3.0 million) and currency exchange rates ($0.8 million). The organic decline was primarily related to France, partially offset by growth in the rest of Europe and Asia Pacific.

Analysis of Results: 2017 versus 2016

Consolidated Results

Years Ended December 31,	2017	2016	% Change
(In millions, except for per share amounts)			
GAAP			
Revenues	$3,347.0	3,020.6	11
Cost of revenues	2,608.2	2,391.7	9
Selling, general and administrative expenses	468.2	424.3	10
Operating profit	273.9	184.5	48
Income (loss) from continuing operations[a]	16.9	36.2	(53)
Diluted EPS from continuing operations[a]	$0.33	0.72	(54)
Non-GAAP[b]			
Non-GAAP revenues	$3,192.9	2,908.4	10
Non-GAAP operating profit	281.4	215.8	30
Non-GAAP income from continuing operations[a]	157.2	115.6	36
Non-GAAP diluted EPS from continuing operations[a]	$3.03	2.28	33

(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 34–36.

GAAP Basis

Analysis of Consolidated Results: 2017 versus 2016

Consolidated Revenues Revenues increased $326.4 million as organic growth in Venezuela ($445.5 million), South America ($134.7 million), North America ($33.2 million), and Rest of World ($18.1 million), and the favorable impact of acquisitions and dispositions ($67.6 million) was partially offset by unfavorable changes in currency exchange rates ($372.7 million). A significant portion of the reduction in revenues from currency exchange rates relates to the devaluation of the Venezuela bolivar ($400.8 million). Revenues increased 21% on an organic basis due mainly to higher average selling prices in Venezuela and Argentina (including the effects of inflation) and organic revenue growth in Brazil and Mexico driven by volume growth and price increases.

Consolidated Costs and Expenses Cost of revenues increased 9% to $2,608.2 million due the impact of acquisitions and inflation-based increases on labor and other operational costs, partially offset by productivity improvements. Selling, general and administrative costs increased 10% to $468.2 million due primarily to the impact of acquisitions and higher compensation costs driven by incentive-based compensation, partially offset by changes in currency exchange rates.

Consolidated Operating Profit Operating profit increased $89.4 million due mainly to:

- organic increases in Venezuela ($115.8 million), South America ($52.6 million) and North America ($31.3 million),
- the favorable impact of acquisitions and dispositions ($21.0 million), and
- lower organic impact of costs from reorganization and restructuring actions and acquisition and disposition activities ($18.8 million) included in "Other items not allocated to segments",

partially offset by:

- unfavorable changes in currency exchange rates ($122.2 million), including the effects of Venezuela devaluations, and

- higher corporate expenses ($27.6 million on an organic basis) due to higher incentive-based compensation and security losses

Consolidated Income from Continuing Operations Attributable to Brink's and Related Per Share Amounts Income from continuing operations attributable to Brink's shareholders in 2017 decreased $19.3 million to $16.9 million primarily due to higher income tax expense ($79.2 million) driven by U.S. tax reform, higher interest expense ($11.8 million), and higher interest and other nonoperating income (expense) ($21.1 million). These items were partially offset by the operating profit increase mentioned above. Earnings per share from continuing operations was $0.33, down from $0.72 in 2016.

Non-GAAP Basis

Analysis of Consolidated Results: 2017 versus 2016

Non-GAAP Consolidated Revenues Non-GAAP revenues increased $284.5 million primarily due to organic growth in South America ($134.7 million), North America ($33.2 million), and Rest of World ($18.1 million), as well as the favorable impact of acquisitions and dispositions ($70.4 million) and currency exchange rates ($28.1 million). The favorable currency impact was driven by the Brazilian real and the euro, which was partially offset by the unfavorable impact of the Argentine peso. Non-GAAP revenues increased 6% on an organic basis due mainly to higher average selling prices in Argentina (including the effects of inflation) and organic revenue growth in Brazil and Mexico driven by volume growth and price increases.

Non-GAAP Consolidated Operating Profit Non-GAAP operating profit increased $65.6 million due mainly to:

- organic increases in South America ($52.6 million) and North America ($31.3 million), and
- the favorable impact of acquisitions and dispositions ($19.9 million),

partially offset by:

- higher corporate expenses ($27.6 million on an organic basis) due to higher incentive-based compensation and security losses, and
- unfavorable changes in currency exchange rates ($10.3 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 in 2017 increased $41.6 million to $157.2 million primarily due to the non-GAAP operating profit increase mentioned above, partially offset by the corresponding higher non-GAAP income tax expense ($14.6 million) and higher interest expense ($10.7 million). Non-GAAP earnings per share from continuing operations was $3.03, up from $2.28 in 2016.

Revenues and Operating Profit by Segment: 2017 versus 2016

(In millions)	2016	Organic Change	Acquisitions / Dispositions[a]	Currency[b]	2017	% Change Total	% Change Organic
Revenues:							
North America	$1,210.3	33.2	10.7	—	1,254.2	4	3
South America	718.7	134.7	63.7	7.5	924.6	29	19
Rest of World	979.4	18.1	(4.0)	20.6	1,014.1	4	2
Segment revenues[e]	2,908.4	186.0	70.4	28.1	3,192.9	10	6
Other items not allocated to segments[d]	112.2	445.5	(2.8)	(400.8)	154.1	37	fav
Revenues - GAAP	$3,020.6	631.5	67.6	(372.7)	3,347.0	11	21
Operating profit:							
North America	$40.1	31.3	1.9	0.7	74.0	85	78
South America	122.6	52.6	16.0	(8.4)	182.8	49	43
Rest of World	111.3	(0.3)	2.0	2.2	115.2	4	—
Segment operating profit	274.0	83.6	19.9	(5.5)	372.0	36	31
Corporate[c]	(58.2)	(27.6)	—	(4.8)	(90.6)	56	47
Operating profit - non-GAAP	215.8	56.0	19.9	(10.3)	281.4	30	26
Other items not allocated to segments[d]	(31.3)	134.6	1.1	(111.9)	(7.5)	(76)	fav
Operating profit (loss) - GAAP	$184.5	190.6	21.0	(122.2)	273.9	48	fav

Amounts may not add due to rounding.

See page 23 for footnotes.

Analysis of Segment Results: 2017 versus 2016

North America

Revenues increased 4% ($43.9 million) driven by organic growth of 3% ($33.2 million) and the favorable impact of acquisitions ($10.7 million). Organic revenue growth was primarily driven by price and volume growth in Mexico. Operating profit increased $33.9 million primarily due to organic growth in the U.S. and Mexico. Organic profit growth in the U.S. was driven by lower vehicle costs, labor and other productivity improvements, and lower security losses. Organic profit growth in Mexico was driven by productivity improvements.

South America

Revenues increased 29% ($205.9 million) primarily due to 19% organic growth ($134.7 million), the favorable impact of acquisitions ($63.7 million) and currency exchange rates ($7.5 million) mostly from the Brazilian real, partially offset by a decline in the Argentine peso. The organic growth was driven by inflation-based price increases in Argentina and increased volume growth and price increases in Brazil. Operating profit increased 49% ($60.2 million) driven by organic growth in Argentina and Brazil and the favorable impact of acquisitions ($16.0 million), partially offset by unfavorable currency ($8.4 million) driven by the Argentine peso.

Rest of World

Revenues increased 4% ($34.7 million) due to the favorable impact of currency exchange rates ($20.6 million), primarily from the euro, and 2% organic growth ($18.1 million). The organic revenue growth was driven by Greece and Asia, partially offset by a decrease in France due to pricing pressure. Operating profit increased 4% ($3.9 million) due to the favorable impact of currency ($2.2 million) and acquisitions and dispositions ($2.0 million). Organic growth was down slightly ($0.3 million) due to a decrease in France related to pricing pressure which was partially offset by growth in Asia.

Income and Expense Not Allocated to Segments

Corporate Expenses

Corporate expenses include costs to manage the global business and to perform activities required of public companies, as well as currency transaction gains and losses.

	Years Ended December 31,			% change	
(In millions)	2018	2017	2016	2018	2017
General, administrative and other expenses	$(99.4)	(84.3)	(59.8)	18	41
Foreign currency transaction gains (losses)	(2.2)	(1.1)	3.8	100	unfav
Reconciliation of segment policies to GAAP	5.6	(5.2)	(2.2)	fav	unfav
Corporate items	$(96.0)	(90.6)	(58.2)	6	56

Corporate expenses in 2018 were $5.4 million higher than the prior year primarily due to higher share-based compensation expense and information technology costs. These increased costs were partially offset by lower bad debt expense, resulting from the reconciliation of segment policies to GAAP, and higher royalty income from our brand licensing agreement related to our trademark "Brink's Home Security."

Corporate expenses in 2017 were $32.4 million higher than the prior year primarily due to higher incentive compensation expense and security losses recognized in corporate expenses.

Other Items Not Allocated to Segments

	Years Ended December 31,			% change	
(In millions)	2018	2017	2016	2018	2017
Revenues:					
Venezuela operations	$51.4	154.1	109.4	(67)	41
Acquisitions and dispositions	—	—	2.8	—	(100)
Revenues	$51.4	154.1	112.2	(67)	37
Operating profit:					
Venezuela operations	$2.3	20.4	18.5	(89)	10
Reorganization and Restructuring	(20.6)	(22.6)	(30.3)	(9)	(25)
Acquisitions and dispositions	(41.4)	(5.3)	(19.5)	unfav	(73)
Argentina highly inflationary impact	(8.0)	—	—	unfav	—
Reporting compliance	(4.5)	—	—	unfav	—
Operating profit	$(72.2)	(7.5)	(31.3)	unfav	(76)

2018 versus 2017

The impact of other items not allocated to segments on operating profit was a larger loss ($72.2 million in 2018 versus $7.5 million in the prior year). The change was primarily due to higher charges from acquisitions and dispositions in the current year as 2018 included increases in intangible asset amortization, acquisition-related restructuring charges and transaction costs. We also incurred costs in 2018 related to the integration of our Temis and Dunbar acquisitions into existing Brink's operations. These acquisition-related costs were partially offset by a gain on the sale of real estate in Mexico in 2018. Profits from Venezuela operations decreased significantly in 2018 versus 2017 as political and economic conditions in that country negatively affected our operations and ultimately led to the deconsolidation of our

Venezuelan subsidiaries effective June 30, 2018 (see Note 1 of the consolidated financial statements). In the current year, we also incurred charges related to the impact of highly inflationary accounting in Argentina as well as certain reporting compliance costs that we did not incur in the prior year.

2017 versus 2016

The impact of other items not allocated to segments on operating profit was a smaller loss ($7.5 million in 2017 versus $31.3 million in the prior year). The change was primarily due to lower charges from acquisitions and dispositions in 2017 as the prior year included losses from Ireland operations exited in 2016 as well as a loss on the sale of corporate assets. In addition, 2017 includes a gain on the sale of real estate in Mexico. These favorable items were partially offset by higher amortization expense for acquisition-related intangible assets, severance costs related to recent business acquisitions in Argentina and Brazil and transaction costs related to 2017 business acquisitions. Charges from reorganization and restructuring activities were lower in 2017 and profit from Venezuela operations was higher in 2017.

Venezuela operations Prior to the deconsolidation of our Venezuelan subsidiaries effective June 30, 2018, we excluded from our segment results all of our Venezuela operating results due to the Venezuelan government's restrictions that prevented us from repatriating funds. In light of these unique circumstances, our operations in Venezuela have been largely independent of the rest of our global operations. As a result, the Chief Executive Officer, the Company's Chief Operating Decision maker ("CODM"), assessed segment performance and made resource decisions by segment excluding Venezuela operating results. Additionally, management believed excluding Venezuela from segment results made it possible to more effectively evaluate the company's performance between periods. Prior to the deconsolidation, Venezuela operating results included remeasurement gains and losses on monetary assets and liabilities related to currency devaluations. We recognized remeasurement gains of $2.2 million in 2018 versus remeasurement losses of $9.1 million in 2017 and $4.8 million in 2016.
Factors considered by management in excluding Venezuela results included:

- Continued inability to repatriate cash to redeploy to other operations or dividend to shareholders
- Highly inflationary environment
- Fixed exchange rate policy
- Continued currency devaluations and
- Difficulty raising prices and controlling costs

Reorganization and Restructuring
2016 Restructuring
In the fourth quarter of 2016, management implemented restructuring actions across our global business operations and our corporate functions. As a result of these actions, we recognized $18.1 million in related 2016 costs and an additional $17.3 million in 2017 under this restructuring for costs related to severance, asset-related adjustments, a benefit program termination and lease terminations. We recognized an additional $13.0 million in 2018 under this restructuring for severance costs and asset-related adjustments. The actions under this program were substantially completed in 2018, with cumulative pretax charges of approximately $48 million. Severance actions reduced our global workforce by approximately 800 positions.

Executive Leadership and Board of Directors
In January 2016, we announced Executive Leadership and Board of Directors restructuring actions, and we recognized $4.3 million in charges in 2016 related to these actions.

2015 Restructuring
Brink's initiated a global restructuring of its business in the third quarter of 2015. We recognized $6.5 million in 2016 related to this restructuring for severance costs, contract terminations and lease terminations. The 2015 Reorganization and Restructuring reduced the global workforce by approximately 1,100 positions and resulted in approximately $20 million in 2016 savings. The actions under this program were substantially completed by the end of 2016, with cumulative pretax charges of approximately $18 million.

Other Restructurings
Management periodically implements restructuring actions in targeted sections of our business. As a result of these actions, we recognized costs of $4.6 million in 2017 and $7.6 million in 2018, primarily severance costs. When completed, the current restructuring actions will reduce our workforce by 300 to 400 positions and result in approximately $9 million in annualized cost savings. For the current restructuring actions, we expect to incur additional costs between $5 million and $7 million in future periods. These estimates will 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.

(In millions)	Years Ended December 31, 2018	2017	2016	% change 2018	2017
Reportable Segments:					
North America	$(0.7)	(5.3)	(6.0)	(87)	(12)
South America	(3.9)	(4.6)	(4.6)	(15)	—
Rest of World	(14.9)	(10.1)	(13.2)	48	(23)
Total reportable segments	(19.5)	(20.0)	(23.8)	(3)	(16)
Corporate items	(1.1)	(2.6)	(6.5)	(58)	(60)
Total	$(20.6)	(22.6)	(30.3)	(9)	(25)

Acquisitions and dispositions Part of our strategy is the pursuit of accretive business acquisitions. In 2018, we completed one business acquisition in the U.S. and acquired a controlling interest in a business in Cambodia. We additionally completed the acquisition of the noncontrolling interest in our Colombian subsidiary. In 2017, we completed six business acquisitions in the U.S., Brazil, Chile, Argentina and France. In January 2019, we completed the acquisition of another business in Brazil. Certain acquisition and disposition items that are not considered part of the ongoing activities of the business and are special in nature are consistently excluded from non-GAAP results. These items are described below:

2018 Acquisitions and Dispositions
- Amortization expense for acquisition-related intangible assets was $17.7 million in 2018.
- Integration costs in 2018 related to acquisitions in France and the U.S. were $8.1 million.
- 2018 transaction costs related to business acquisitions were $6.7 million.
- We incurred 2018 severance charges related to our acquisitions in Argentina, France, U.S. and Brazil of $5.0 million.
- Compensation expense related to the retention of key Dunbar employees was $4.1 million in 2018.
- We recognized a net gain in 2018 ($2.6 million, net of statutory employee benefit) on the sale of real estate in Mexico.

2017 Acquisitions and Dispositions
- Amortization expense for acquisition-related intangible assets was $8.4 million in 2017.
- We recognized a net gain in 2017 related to the sale of real estate in Mexico ($7.8 million, net of statutory employee benefit).
- 2017 severance costs were $4.0 million related to our recent acquisitions in Argentina and Brazil.
- Transaction costs were $2.6 million related to acquisitions of new businesses in 2017.
- Currency transaction gains of $1.8 million were recognized in 2017 related to acquisition activity.

2016 Acquisitions and Dispositions
- Due to management's decision in the first quarter of 2016 to exit the Republic of Ireland, the prospective impacts of shutting down this operation were included in items not allocated to segments and were excluded from the operating segments effective March 1, 2016. This activity is also excluded from the consolidated non-GAAP results. Beginning May 1, 2016, due to management's decision to also exit Northern Ireland, the results of shutting down these operations were treated similarly to the Republic of Ireland. 2015 revenues from both Ireland operations were approximately $20 million. Charges included in our full-year 2016 GAAP results include $4.9 million in severance costs, $1.8 million in property impairment charges, lease restructuring charges of $0.5 million and an additional $7.0 million in operating and other exit costs. These costs have been excluded from our segment and our consolidated non-GAAP results. International shipments to and from Ireland will continue to be provided through BGS.
- Amortization expense for acquisition-related intangible assets was $3.6 million in 2016.
- We recognized a $2.0 million loss related to the sale of corporate assets in 2016.

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 second half of 2018, we recognized $8.0 million in pretax charges related to highly inflationary accounting, including currency remeasurement losses of $6.2 million.

Reporting compliance Certain third party compliance costs incurred are excluded from 2018 non-GAAP results. The costs excluded relate to the implementation and January 1, 2019 adoption of the new lease accounting standard ($2.7 million) and the mitigation of material weaknesses ($1.8 million).

Other Operating Income and Expense

Amounts below represent consolidated other operating income and expense.

	Years Ended December 31,			% change	
(In millions)	2018	2017	2016	2018	2017
Foreign currency items:					
Transaction gains (losses)	$(13.9)	(9.2)	1.4	51	unfav
Foreign currency derivative instrument gains (losses)	7.7	0.8	(2.4)	fav	fav
Gains (losses) on sale of property	4.0	9.2	(1.3)	(57)	fav
Impairment losses	(6.5)	(3.4)	(20.6)	91	(83)
Share in earnings (losses) of equity affiliates	1.9	0.4	(1.5)	fav	fav
Royalty income	4.5	1.9	2.6	fav	(27)
Gains on business acquisitions and dispositions	—	0.6	0.1	(100)	fav
Other	0.6	3.0	1.6	(80)	88
Other operating income (expense)	$(1.7)	3.3	(20.1)	unfav	fav

2018 versus 2017

We reported other operating expense of $1.7 million in 2018 versus other operating income of $3.3 million in the prior year. The change was primarily due to higher foreign currency transaction losses in 2018, mainly from remeasurement losses associated with Argentina's highly inflationary accounting. We also recognized lower gains on sale of property as we recognized an $8.4 million gain in Mexico in 2017. Finally, we incurred higher property impairment losses in 2018. These negative factors were partially offset by higher gains on forward currency contracts entered into to hedge currency exposure on intercompany loans. We also recognized additional royalty income in 2018 due to our brand licensing agreement related to our trademark "Brink's Home Security."

2017 versus 2016

We reported other operating income of $3.3 million in 2017 versus other operating expense of $20.1 million in the prior year. The change was primarily due to lower property impairment losses as the prior year included impairment charges resulting from the 2016 restructuring actions. In addition, we recognized an $8.4 million gain in 2017 related to the sale of real estate in Mexico. These positive factors were partially offset by higher foreign currency transaction losses in 2017, primarily from remeasurement losses associated with Venezuela currency devaluation ($9.1 million in 2017 versus $4.8 million in 2016).

Nonoperating Income and Expense

Interest Expense

	Years Ended December 31,			% change	
(In millions)	2018	2017	2016	2018	2017
Interest expense	$66.7	32.2	20.4	unfav	58

Interest expense was higher in 2018 due to higher borrowing levels used to finance the Dunbar acquisition.

Interest expense was higher in 2017 due to higher borrowing levels used to finance the 2017 business acquisitions and business acquisitions completed in 2018.

Loss on deconsolidation of Venezuela operations

	Years Ended December 31,			% change	
(In millions)	2018	2017	2016	2018	2017
Loss on deconsolidation of Venezuela operations	$ 126.7	—	—	100	—

See Note 1 to the consolidated financial statements for more information about the loss on deconsolidation of our Venezuelan operations.

Interest and Other Nonoperating Income (Expense)

	Years Ended December 31,			% change	
(In millions)	2018	2017	2016	2018	2017
Interest income	$6.9	4.1	2.6	68	58
Gain on equity securities	3.2	1.5	0.5	fav	fav
Foreign currency transaction losses[a]	(15.5)	(7.6)	—	unfav	unfav
Derivative instruments	—	1.1	(0.6)	(100)	fav
Retirement benefit cost other than service cost	(39.7)	(47.8)	(40.3)	(17)	19
Prepayment penalties[b]	—	(8.3)	—	(100)	unfav
Interest on Brazil tax claim[c]	—	(1.6)	—	(100)	unfav
Non-income taxes on intercompany billings[d]	(2.6)	(1.3)	(1.0)	100	30
Gain on a disposition of a subsidiary[e]	11.2	—	—	fav	—
Other	(2.3)	(0.3)	(0.3)	unfav	—
Interest and other nonoperating income (expense)	$(38.8)	(60.2)	(39.1)	(36)	54

(a) Prior to the July 1, 2018 highly inflationary designation for accounting purposes, currency transaction losses incurred by Brink's Argentina related to its U.S. dollar-denominated payables to the sellers of Maco Transporatadora and Maco Litoral.
(b) Penalties upon prepayment of Private Placement notes in September 2017 and a term loan in October 2017.
(c) Related to an unfavorable court ruling in 2017 on a non-income tax claim in Brazil. The court ruled that Brink's must pay interest accruing from the initial claim filing in 1994 to the current date. The principal amount of the

claim was approximately $1 million and was recognized in selling, general and administrative expenses in 2017.

(d) Certain of our South American subsidiaries incur non-income taxes related to the billing of intercompany charges. These intercompany charges do not impact South America segment results and are eliminated in our consolidation.

(e) Gain on the sale of our former French airport security services subsidiary in the second quarter of 2018.

Interest and other nonoperating income (expense) was lower in 2018 compared to 2017 primarily due to the gain on disposition of a subsidiary, lower retirement benefit costs and the absence of prepayment penalties and interest on a Brazil tax claim incurred in 2017.

Interest and other nonoperating income (expense) was a higher expense in 2017 compared to 2016 primarily due to prepayment penalties, currency transaction losses related to 2017 business acquisitions, higher retirement benefit costs and interest on a Brazil tax claim.

Income Taxes

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 ("Tax Reform Act") was enacted into law. The Tax Reform Act includes a reduction in the federal tax rate for corporations from 35% to 21% as of January 1, 2018, a one-time transition tax on the cumulative undistributed earnings of foreign subsidiaries as of December 31, 2017, a repeal of the corporate alternative minimum tax, and more extensive limitations on deductibility of performance-based compensation for named executive officers. Other provisions effective as of January 1, 2018, which could materially impact the Company in the near-term, include the creation of a new U.S. minimum tax on foreign earnings called the Global Intangible Low-Taxed Income ("GILTI") and limitations on the deductibility of interest expense.

Due to the timing of the enactment and the complexity involved in applying the provisions of the Tax Reform Act, the Company recorded provisional amounts as of December 31, 2017, in accordance with Staff Accounting Bulletin No. 118 ("SAB 118"). We recorded a provisional one-time non-cash charge of $92 million in the fourth quarter of 2017 to remeasure the deferred tax assets for the new rate and for other legislative changes. In the fourth quarter of 2018, we recorded a benefit of $2.3 million to reverse a component of the provisional one-time non-cash charge as a result of guidance issued by the U.S. authorities.

We filed our 2017 U.S. federal income tax return in October 2018, which did not reflect a U.S. federal current tax liability for the transition tax due to our high-tax foreign income, but we recorded an incremental $1.3 million of foreign tax credits, offset with a full valuation allowance in the fourth quarter of 2018 which was in addition to the provisional $31.1 million foreign tax credit offset with a full valuation allowance related to the transition tax recorded in the fourth quarter of 2017. We did not record a current state tax liability related to the transition tax in accordance with the interpretation of existing state laws and the provisional estimates in the fourth quarter of 2017, but we recorded the state impact of the transition tax of $0.2 million when we filed our tax returns in the fourth quarter of 2018.

We adopted an accounting policy related to the provision of deferred taxes related to GILTI and determined that we would not record deferred taxes with respect to GILTI, but would instead treat GILTI as a current period cost. We did not change our assertion on the determination of which subsidiaries that we consider to be permanently invested and for which we do not expect to repatriate to the U.S. as a result of the Tax Reform Act. The accounting for the Tax Reform Act was completed in the fourth quarter of 2018 in accordance with SAB 118.

Summary Rate Reconciliation – GAAP

(In percentages)	2018	2017	2016
U.S. federal tax rate	21.0 %	35.0 %	35.0 %
Increases (reductions) in taxes due to:			
Venezuela deconsolidation and devaluations	62.4	—	2.9
Foreign rate differential	39.3	(3.7)	(1.6)
Taxes on cross border income, net of credits	22.6	2.6	2.2
Tax on accelerated U.S. income[(a)]	—	(0.2)	—
Adjustments to valuation allowances	13.1	3.4	18.2
Foreign income taxes	18.9	5.1	5.1
Tax reform	(4.9)	47.4	—
French business tax	8.0	2.0	3.0
State income taxes, net	(1.3)	(1.3)	(1.0)
Share-based compensation	(14.4)	(3.5)	(1.4)
Other	—	0.1	0.4
Income tax rate on continuing operations	164.7 %	86.9 %	62.8 %

(a)

In the fourth quarter of 2015, we recognized a $23.5 million increase to current tax expense related to a transaction that accelerated U.S. taxable income. In 2017, we recognized a benefit of $0.4 million related to that transaction.

Summary Rate Reconciliation – Non-GAAP[(a)] (In percentages)	2018	2017	2016
U.S. federal tax rate	21.0%	35.0 %	35.0 %
Increases (reductions) in taxes due to:			
Foreign rate differential	7.6	(3.0)	(3.4)
Adjustments to valuation allowances	2.0	1.3	1.2
French business tax	1.2	1.4	2.0
Other	2.4	(0.5)	2.0
Income tax rate on Non-GAAP continuing operations	34.2%	34.2 %	36.8 %

(a) See pages 34–36 for a reconciliation of non-GAAP results to GAAP.

Overview

Our effective tax rate has varied in the past three years from the statutory U.S. federal rate due to various factors, including

- changes in judgment about the need for valuation allowances
- changes in the geographical mix of earnings
- nontaxable acquisition gains and losses
- changes in laws in the U.S., France, Mexico, and Argentina
- U.S. tax on accelerated taxable income
- changes in the foreign currency rate used to measure Venezuela's tax results
- the deconsolidation of our Venezuela operations
- timing of benefit recognition for uncertain tax positions
- state income taxes
- tax benefit for distributions of share-based payments

We establish or reverse valuation allowances for deferred tax assets depending on all available information including historical and expected future operating performance of our subsidiaries. Changes in judgment about the future realization of deferred tax assets can result in significant adjustments to the valuation allowances. Based on our historical and future expected taxable earnings, we believe it is more-likely-than-not that we will realize the benefit of the deferred tax assets, net of valuation allowances.

Continuing Operations

2018 Compared to U.S. Statutory Rate

The effective income tax rate on continuing operations in 2018 was greater than the 21% U.S. statutory tax rate primarily due to the impact of Venezuela's earnings and the related tax expense, including the largely nondeductible loss on the deconsolidation of the Venezuela operations. The other items that cause the rate to be higher than the U.S. statutory rate include the geographical mix of earnings, book losses for which no tax benefit can be recorded, nondeductible expenses in Mexico, taxes on cross border payments and the characterization of a French business tax as an income tax, partially offset by the significant tax benefits related to the distribution of share-based payments and a French income tax credit.

2017 Compared to U.S. Statutory Rate

The effective income tax rate on continuing operations in 2017 was greater than the 35% U.S. statutory tax rate primarily due to the one-time non-cash tax charge for the remeasurement of the deferred tax assets as a result of U.S. tax reform. The other items that cause the rate to be higher than the U.S. statutory rate include book losses for which no tax benefit can be recorded, nondeductible expenses in Mexico, taxes on cross border payments and the characterization of a French business tax as an income tax, partially offset by the geographical mix of earnings, significant tax benefits related to the distribution of share-based payments and a French income tax credit.

2016 Compared to U.S. Statutory Rate

The effective income tax rate on continuing operations in 2016 was greater than the 35% U.S. statutory tax rate primarily due to the significant losses related to operations in the Republic of Ireland, for which no tax benefit can be recorded, a change in judgment resulting in a valuation allowance against certain U.S. tax attributes with a limited statutory carryforward period that are no longer more-likely-than-not to be realized, and the non-deductible expenses resulting from the currency devaluation in Venezuela. The other items that cause the rate to be higher than the U.S. statutory rate include book losses for which no tax benefit can be recorded, non-deductible expenses in Mexico, taxes on undistributed earnings and the characterization of a French business tax as an income tax, partially offset by the geographical mix of earnings and a French income tax credit.

Noncontrolling Interests

(In millions)	Years Ended December 31,			% change	
	2018	2017	2016	2018	2017
Net income attributable to noncontrolling interests	$5.8	6.9	10.3	(16)	(33)

The decrease in net income attributable to noncontrolling interests to $5.8 million in 2018 was primarily due to lower results from our Venezuelan subsidiaries prior to the deconsolidation of those subsidiaries, effective June 30, 2018. Additionally, after the acquisition of the Colombian noncontrolling interests in the fourth quarter of 2018, we were no longer required to record noncontrolling interest expense for our operations in Colombia.

The decrease in net income attributable to noncontrolling interests to $6.9 million in 2017 was primarily due to higher currency remeasurement charges from the devaluation of Venezuelan currency.

See Note 1 to the consolidated financial statements for more information about the deconsolidation of our Venezuelan subsidiaries.

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 27–29, and are reconciled to comparable GAAP measures below. The full-year Non-GAAP tax rate in each year 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 such measures allow investors to evaluate our performance using the same metrics that our management uses to evaluate past performance and prospects for future performance. We do not consider these items to be reflective of our core operating performance due to the variability of such items from period-to-period in terms of size, nature and significance. 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.

	2018			2017		
	Pre-tax	Tax	Effective tax rate	Pre-tax	Tax	Effective tax rate
Effective Income Tax Rate[a]						
GAAP	$42.5	70.0	164.7 %	$181.5	157.7	86.9 %
Retirement plans[e]	33.2	7.9		34.9	12.6	
Venezuela operations[b]	1.2	(3.9)		(13.5)	(12.7)	
Reorganization and Restructuring[b]	20.6	6.7		22.6	7.6	
Acquisitions and dispositions[b]	47.0	13.8		12.7	4.5	
Prepayment penalties[f]	—	—		8.3	0.2	
Interest on Brazil tax claim[g]	—	—		1.6	0.5	
Tax reform[h]	—	2.1		—	(86.0)	
Tax on accelerated income[d]	—	—		—	0.4	
Argentina highly inflationary impact[b]	7.3	—		—	—	
Reporting compliance[b]	4.5	0.1		—	—	
Loss on deconsolidation of Venezuela operations[i]	126.7	0.1		—	—	
Non-GAAP	$283.0	96.8	34.2 %	$248.1	84.8	34.2 %

	2016		
	Pre-tax	Tax	Effective tax rate
Effective Income Tax Rate[a]			
GAAP	$125.0	78.5	62.8 %
Retirement plans[e]	31.5	11.3	
Venezuela operations[b]	(15.9)	(14.1)	
Reorganization and Restructuring[b]	30.3	7.4	
Acquisitions and dispositions[b]	20.0	1.8	
Deferred tax valuation allowance[c]	—	(14.7)	
Non-GAAP	$190.9	70.2	36.8 %

Amounts may not add due to rounding.

(a) From continuing operations.

(b) See “Other Items Not Allocated To Segments” on pages 27–29 for details. We do not consider these items to be reflective of our core operating performance due to the variability of such items from period-to-period in terms of size, nature and significance.

(c) There was a change in judgment resulting in a valuation allowance against certain tax attributes with a limited statutory carryforward period that are no longer more-likely-than-not to be realized due to lower than expected U.S. operating results, certain non-GAAP pre-tax items, and the timing of tax deductions related to executive leadership transition.

(d) The 2017 non-GAAP tax rate excludes the foreign tax benefit that resulted from a transaction that accelerated U.S. tax in 2015.

(e) 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 related to these non-U.S. plans are also excluded from non-GAAP results.

(f) Penalties upon prepayment of Private Placement notes in September 2017 and a term loan in October 2017.

(g) Related to an unfavorable court ruling in the third quarter of 2017 on a non-income tax claim in Brazil. The court ruled that Brink's must pay interest accruing from the initial claim filing in 1994 to the current date. The principal amount of the claim was approximately $1 million and was recognized in selling, general and administrative expenses in the third quarter of 2017.

(h) Represents the estimated impact of tax legislation enacted into law in the fourth quarter of 2017. This primarily relates to the U.S. tax reform expense from the remeasurement of our net deferred tax assets. The 2018 amount represents a benefit associated with reversing a portion of the 2017 estimated impact as a result of guidance issued by U.S. authorities.

(i) Effective June 30, 2018, we deconsolidated our investment in Venezuelan subsidiaries and recognized a pretax charge of $126.7 million. Post-deconsolidation funding of ongoing costs related to our Venezuelan operations was $0.6 million and was expensed as incurred and reported in interest and other nonoperating income (expense). We do not expect future amounts to be material.

(j) Because we reported a loss from continuing operations on a GAAP basis in 2018, GAAP EPS was calculated using basic shares. However, as we reported income from continuing operations on a non-GAAP basis in 2018, non-GAAP EPS was calculated using diluted shares.

(k) Represents interest accretion on the future payments to the sellers of our Maco Transportadora and Maco Litoral acquisitions.

(l) In addition to the items discussed in “Other Items Not Allocated To Segments” on pages 27–29, includes an $11.2 million pretax gain on the sale of our French airport security business in 2018, acquisition- related pretax currency transaction losses of $15.5 million in 2018 and $7.6 million in 2017, and a $1.3 million acquisition-related pretax gain on a forward currency derivative instrument in 2017.

Non-GAAP reconciled to GAAP

(In millions)	Years Ended December 31, 2018	2017	2016
Revenues:			
GAAP	$3,488.9	3,347.0	3,020.6
Venezuela operations(b)	(51.4)	(154.1)	(109.4)
Acquisitions and dispositions(b)	—	—	(2.8)
Non-GAAP	$3,437.5	3,192.9	2,908.4
Operating profit:			
GAAP	$274.7	273.9	184.5
Venezuela operations(b)	(2.3)	(20.4)	(18.5)
Reorganization and Restructuring(b)	20.6	22.6	30.3
Acquisitions and dispositions(b)	41.4	5.3	19.5
Argentina highly inflationary impact(b)	8.0	—	—
Reporting compliance(b)	4.5	—	—
Non-GAAP	$346.9	281.4	215.8
Interest expense:			
GAAP	$(66.7)	(32.2)	(20.4)
Venezuela operations(b)	0.1	0.1	0.1
Acquisitions and dispositions(b)(k)	1.2	1.1	—
Argentina highly inflationary impact(b)	(0.2)	—	—
Non-GAAP	$(65.6)	(31.0)	(20.3)
Loss on deconsolidation of Venezuela operations:			
GAAP	$(126.7)	—	—
Loss on deconsolidation of Venezuela operations(i)	126.7	—	—
Non-GAAP	$—	—	—
Interest and other nonoperating income (expense):			
GAAP	$(38.8)	(60.2)	(39.1)
Retirement plans(e)	33.2	34.9	31.5
Venezuela operations(b)	3.4	6.8	2.5
Acquisitions and dispositions(b)(l)	4.4	6.3	0.5
Prepayment penalties(f)	—	8.3	—
Interest on Brazil tax claim(g)	—	1.6	—
Argentina highly inflationary impact(b)	(0.5)	—	—
Non-GAAP	$1.7	(2.3)	(4.6)
Provision for income taxes:			
GAAP	$70.0	157.7	78.5
Retirement plans(e)	7.9	12.6	11.3
Venezuela operations(b)	(3.9)	(12.7)	(14.1)
Reorganization and Restructuring(b)	6.7	7.6	7.4
Acquisitions and dispositions(b)(k)(l)	13.8	4.5	1.8
Prepayment penalties(f)	—	0.2	—
Deferred tax valuation allowance(c)	—	—	(14.7)

Interest on Brazil tax claim[(g)]	—	0.5	—
Tax reform[(h)]	2.1	(86.0)	—
Tax on accelerated income[(d)]	—	0.4	—
Reporting compliance[(b)]	0.1	—	—
Loss on deconsolidation of Venezuela operations[(i)]	0.1	—	—
Non-GAAP	$96.8	84.8	70.2
Non-GAAP margin	10.1 %	8.8 %	7.4 %

Amounts may not add due to rounding.

See page 34 for footnote explanations.

Non-GAAP reconciled to GAAP

(In millions, except for per share amounts)	Years Ended December 31, 2018	2017	2016
Net income (loss) attributable to noncontrolling interests:			
GAAP	$5.8	6.9	10.3
Venezuela operations(b)	1.0	(1.6)	(4.4)
Reorganization and Restructuring(b)	—	0.8	(0.8)
Non-GAAP	$6.8	6.1	5.1
Income (loss) from continuing operations attributable to Brink's:			
GAAP	$(33.3)	16.9	36.2
Retirement plans(e)	25.3	22.3	20.2
Venezuela operations(b)	4.1	0.8	2.6
Reorganization and Restructuring(b)	13.9	14.2	23.7
Acquisitions and dispositions(b)	33.2	8.2	18.2
Prepayment penalties(f)	—	8.1	—
Deferred tax valuation allowance(c)	—	—	14.7
Interest on Brazil tax claim(g)	—	1.1	—
Tax reform(h)	(2.1)	86.0	—
Tax on accelerated income(d)	—	(0.4)	—
Argentina highly inflationary impact(b)	7.3	—	—
Reporting compliance(b)	4.4	—	—
Loss on deconsolidation of Venezuela operations(i)	126.6	—	—
Non-GAAP	$179.4	157.2	115.6
Diluted EPS			
GAAP	$(0.65)	0.33	0.72
Retirement plans(e)	0.49	0.43	0.39
Venezuela operations(b)	0.08	0.02	0.05
Reorganization and Restructuring(b)	0.27	0.27	0.47
Acquisitions and dispositions(b)	0.64	0.16	0.37
Prepayment penalties(f)	—	0.16	—
Deferred tax valuation allowance(c)	—	—	0.29
Interest on Brazil tax claim(g)	—	0.02	—
Tax reform(h)	(0.04)	1.66	—
Tax on accelerated income(d)	—	(0.01)	—
Argentina highly inflationary impact(b)	0.14	—	—
Reporting compliance(b)	0.09	—	—
Loss on deconsolidation of Venezuela operations(i)	2.44	—	—
Share adjustment(j)	0.01	—	—
Non-GAAP	$3.46	3.03	2.28

Amounts may not add due to rounding.

See page 34 for footnote explanations.

Foreign Operations

We currently serve customers in more than 100 countries, including 41 countries where we operate subsidiaries.

We are subject to risks customarily associated with doing business in foreign countries, including labor and economic conditions, 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.

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 has reduced our reported dollar revenues and operating profit, which may continue in 2019. See Application of Critical Accounting Policies—Foreign Currency Translation on pages 55–56 for a description of our accounting methods and assumptions used to include our Argentina operations in our consolidated financial statements, and a description of the accounting for subsidiaries operating in highly inflationary economies.

Changes in exchange rates may also affect transactions which are denominated in currencies other than the functional currency. From time to time, we use foreign currency forward and swap contracts to hedge transactional risks associated with foreign currencies, as discussed in Item 7A on page 57. At December 31, 2018, the notional value of our outstanding foreign currency forward and swap contracts was $168.0 million with average contract maturities of approximately two months. These foreign currency forward and swap contracts primarily offset exposures in the euro and the British pound. Additionally, these contracts are not designated as hedges for accounting purposes, and accordingly, changes in their fair value are recorded immediately in earnings. We recognized gains of $7.7 million on these contracts in 2018. At December 31, 2018, the fair value of these outstanding foreign currency forward and swap contracts was not significant.

See Note 1 to the consolidated financial statements for a description of the deconsolidation of Venezuela and of government currency processes and restrictions, the effect on our operations, and how we accounted for currency remeasurement for Venezuelan subsidiaries, prior to the deconsolidation effective June 30, 2018, under the heading, "Venezuela". See Note 1 to the consolidated financial statements for a description of how we account for currency remeasurement for our Argentine subsidiaries, beginning July 1, 2018 under the heading, "Argentina".

LIQUIDITY AND CAPITAL RESOURCES

Overview

Over the last three years, we used cash generated from our operations and borrowings to

- acquire new business operations ($855 million),
- invest in the infrastructure of our business (new facilities, cash sorting and other equipment for our cash management services operations, armored trucks, CompuSafe® units, and information technology) ($442 million),
- repurchase shares of Brink's common stock ($94 million), and
- pay dividends to Brink’s shareholders ($78 million).

Cash flows from operating activities increased by $67.7 million in 2018 as compared to the prior year primarily due to changes in working capital. Cash used for investing activities increased by $277.8 million in 2018 due to amounts paid for business acquisitions. Cash also decreased $32.2 million in 2018 as a result of the strengthening of the U.S. dollar, primarily against currencies including the Argentine peso and the euro. We financed our liquidity needs in 2018 with debt and cash flows from operations.

Cash flows from operating activities increased by $106.1 million in 2017 as compared to the prior year primarily due to higher operating profit. Cash used for investing activities increased by $286.0 million in 2017 due to business acquisitions and higher capital expenditures. Cash also decreased $0.9 million in 2017 as a result of the strengthening of the U.S. dollar, primarily against currencies in Latin America including the Venezuelan bolivar and the Argentine peso. We financed our liquidity needs in 2017 with debt and cash flows from operations.

Operating Activities

	Years Ended December 31,			$ change	
(In millions)	2018	2017	2016	2018	2017
Cash flows from operating activities					
Operating activities - GAAP	$364.1	296.4	190.3	$67.7	106.1
Venezuela operations	(0.4)	(17.3)	(16.4)	16.9	(0.9)
(Increase) decrease in restricted cash held for customers	(44.4)	(44.3)	(22.8)	(0.1)	(21.5)
(Increase) decrease in certain customer obligations[a]	1.7	(6.1)	13.2	7.8	(19.3)
Operating activities - non-GAAP	$321.0	228.7	164.3	$92.3	64.4

(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 Venezuela operations, restricted cash held for customers and the impact of cash received and processed in certain of our secure cash management services operations. 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 consolidated statements of cash flows.

2018 versus 2017

GAAP
Operating cash flows increased by $67.7 million in 2018 compared to 2017. The increase was primarily due to changes in working capital, partially offset by higher amounts paid for interest, a decrease in operating cash provided by Venezuela operations of $16.9 million and changes in customer obligations of certain of our secure cash management services operations (cash held for customers decreased by $1.7 million in 2018 compared to an increase of $6.1 million in 2017).

Non-GAAP
Non-GAAP cash flows from operating activities increased by $92.3 million in 2018 as compared to 2017. The increase was primarily due to changes in working capital, partially offset by higher amounts paid for interest.

2017 versus 2016

GAAP
Operating cash flows increased by $106.1 million in 2017 compared to 2016.The increase was primarily due to higher operating profit and changes in customer obligations of certain of our secure cash management services operations (cash held for customers increased by $6.1 million in 2017 compared to a decrease of $13.2 million in 2016), partially offset by changes in working capital and increases in cash paid for income taxes in 2017.

Non-GAAP
Non-GAAP cash flows from operating activities increased by $64.4 million in 2017 as compared to 2016. The increase was primarily due to higher operating profit, partially offset by changes in working capital and increases in cash paid for income taxes in 2017.

Investing Activities

	Years Ended December 31,			$ change	
(In millions)	2018	2017	2016	2018	2017
Cash flows from investing activities					
Capital expenditures	$(155.1)	(174.5)	(112.2)	$19.4	(62.3)
Acquisitions, net of cash acquired	(520.9)	(225.1)	(0.7)	(295.8)	(224.4)
Dispositions, net of cash disposed	8.4	1.4	(0.6)	7.0	2.0
Marketable securities:					
Purchases	(62.4)	(38.0)	(9.2)	(24.4)	(28.8)
Sales	54.2	38.3	9.1	15.9	29.2
Proceeds from sale of property, equipment and investments	4.0	1.9	4.7	2.1	(2.8)
Other	(0.9)	1.1	—	(2.0)	1.1
Investing activities	$(672.7)	(394.9)	(108.9)	$(277.8)	(286.0)

Cash used by investing activities increased by $277.8 million in 2018 versus 2017. The increase was primarily due to the $521 million in cash paid, net of cash acquired, for the Dunbar acquisition in 2018, versus the six business acquisitions in Argentina, Brazil, Chile, France and the U.S in 2017.

Cash used by investing activities increased by $286.0 million in 2017 versus 2016. The increase was primarily due to business acquisitions in Argentina, France, Brazil, Chile and the U.S. The aggregate purchase price paid, net of cash

acquired and excluding payments of acquisition-related obligations reported as financing activities, was $225.1 million in 2017. Capital expenditures also increased $62.3 million.

Capital expenditures and depreciation and amortization were as follows:

(In millions)	Years Ended December 31, 2018	2017	2016	$ change 2018	2017
Property and Equipment Acquired during the year					
Capital expenditures[(a)]:					
North America	$59.1	86.3	42.0	$(27.2)	44.3
South America	43.3	39.2	24.0	4.1	15.2
Rest of World	37.9	35.9	32.2	2.0	3.7
Corporate items	14.8	8.9	9.0	5.9	(0.1)
Capital expenditures - non-GAAP	155.1	170.3	107.2	(15.2)	63.1
Venezuela	—	4.2	5.0	(4.2)	(0.8)
Capital expenditures - GAAP	$155.1	174.5	112.2	$(19.4)	62.3
Capital leases[(b)]:					
North America	$42.3	47.3	23.2	$(5.0)	24.1
South America	9.6	4.4	6.2	5.2	(1.8)
Capital leases - GAAP and non-GAAP	$51.9	51.7	29.4	$0.2	22.3
Total:					
North America	$101.4	133.6	65.2	$(32.2)	68.4
South America	52.9	43.6	30.2	9.3	13.4
Rest of World	37.9	35.9	32.2	2.0	3.7
Corporate items	14.8	8.9	9.0	5.9	(0.1)
Total property and equipment acquired excluding Venezuela	207.0	222.0	136.6	(15.0)	85.4
Venezuela	—	4.2	5.0	(4.2)	(0.8)
Total property and equipment acquired	$207.0	226.2	141.6	$(19.2)	84.6
Depreciation and amortization[(a)]					
North America	$72.1	68.4	66.8	$3.7	1.6
South America	26.3	23.5	19.0	2.8	4.5
Rest of World	31.3	30.4	29.8	0.9	0.6
Corporate items	11.9	12.0	10.9	(0.1)	1.1
Depreciation and amortization - non-GAAP	141.6	134.3	126.5	7.3	7.8
Venezuela	1.1	1.7	0.7	(0.6)	1.0
Reorganization and Restructuring	1.9	2.2	0.8	(0.3)	1.4
Amortization of intangible assets	17.7	8.4	3.6	9.3	4.8
Depreciation and amortization - GAAP	$162.3	146.6	131.6	$15.7	15.0

(a) Capital expenditures as well as depreciation and amortization related to Venezuela have been excluded from South America and accelerated depreciation related to restructuring activities has been excluded from non-GAAP amounts. Amortization of acquisition-related intangible assets has also been excluded from non-GAAP amounts.

(b) Represents the amount of property and equipment acquired using capital leases. Because the assets are acquired without using cash, the acquisitions are not reflected in the consolidated cash flow statement. 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 capital expenditures and depreciation and amortization from our Venezuela operations, accelerated depreciation from restructuring 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 consolidated statements of cash flows.

Our reinvestment ratio, which we define as the annual amount of property and equipment acquired during the year divided by the annual amount of depreciation, was 1.5 in 2018, 1.7 in 2017, and 1.1 in 2016.

Capital expenditures in 2018 for our operating units were primarily for machinery and equipment, armored vehicles, and information technology. Capital expenditures in 2018 were $19.4 million lower compared to 2017. Total property and equipment acquired in 2018 was $19.2 million lower than the prior year.

Capital expenditures in 2017 for our operating units were primarily for machinery and equipment, armored vehicles, and information technology. Capital expenditures in 2017 were $62.3 million higher compared to 2016. Total property and equipment acquired in 2017 was $84.6 million higher than the prior year.

Corporate capital expenditures in the last three years were primarily for implementing a new finance shared service center and investing in information technology.

Financing Activities

(In millions)	Years Ended December 31, 2018	2017	2016	$ change 2018	2017
Cash flows from financing activities					
Borrowings and repayments:					
Short-term borrowings	$1.3	(125.2)	115.0	$126.5	(240.2)
Cash supply chain customer debt	(15.6)	1.5	19.9	(17.1)	(18.4)
Long-term revolving credit facilities, net	340.0	(58.1)	(112.2)	398.1	54.1
Other long-term debt, net	(54.5)	922.5	(34.2)	(977.0)	956.7
Borrowings (repayments)	271.2	740.7	(11.5)	(469.5)	752.2
Debt financing costs	—	(16.3)	—	16.3	(16.3)
Acquisitions of noncontrolling interests	(21.0)	—	—	(21.0)	—
Payment of acquisition-related obligation	(17.6)	(90.9)	—	73.3	(90.9)
Prepayment penalties	—	(8.3)	—	8.3	(8.3)
Common stock issued	—	—	3.0	—	(3.0)
Repurchase shares of Brink's common stock	(93.5)	—	—	(93.5)	—
Dividends to:					
Shareholders of Brink’s	(30.4)	(27.7)	(19.8)	(2.7)	(7.9)
Noncontrolling interests in subsidiaries	(5.2)	(4.6)	(4.6)	(0.6)	—
Proceeds from exercise of stock options	0.8	2.7	12.2	(1.9)	(9.5)
Tax withholdings associated with share-based compensation	(11.5)	(10.2)	(6.6)	(1.3)	(3.6)
Other	0.6	1.9	2.3	(1.3)	(0.4)
Financing activities	$93.4	587.3	(25.0)	$(493.9)	612.3

2018 versus 2017
Cash provided by financing activities decreased by $493.9 million in 2018 compared to 2017 as net borrowings decreased compared to the prior year period. Additionally, we used $93.5 million to repurchase shares of our common stock in 2018. See "Capitalization" section below.

2017 versus 2016
Cash provided by financing activities increased by $612.3 million in 2017 compared to 2016 due to increased borrowing under our senior secured credit facility and our senior unsecured notes, which were issued in October 2017. The increased borrowings were used to fund acquisition activity in Argentina, France, Brazil, Chile and the U.S. during 2017. The increase in borrowings was partially offset by repayments of short-term borrowings.

Common stock issued
We received $3.0 million in 2016 when our CEO and CFO purchased a combined 100,440 shares of our common stock.

Dividends
We paid dividends to Brink’s shareholders of $0.15 per share in each of the last seven quarters. In each of the five previous quarters, we paid dividends of $0.10 per share to Brink's shareholders. 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.

Effect of Exchange Rate Changes on Cash and Cash Equivalents

Changes in currency exchange rates reduced the amount of cash and cash equivalents by $32.2 million during 2018, compared to a reduction of $0.9 million in 2017 and $15.7 million in 2016. The decrease in 2018 was due to further strengthening of the U.S. dollar, primarily against the Argentine peso, the Venezuelan bolivar and the euro. The decrease in 2017 was due to the strengthening of the U.S. dollar, primarily against currencies in Latin America including the Venezuelan bolivar and the Argentine peso. The decrease in 2016 was caused by strengthening of the U.S. dollar, primarily against currencies in Latin America including the Venezuelan bolivar and the Argentine peso. See Note 1 of the consolidated financial statements for more information.

Capitalization

We use a combination of debt, leases and equity to capitalize our operations.

As of December 31, 2018, debt as a percentage of capitalization (defined as total debt and equity) was 90% compared to 79% at December 31, 2017. The ratio increased in 2018 because our debt increased and our equity decreased versus the prior year. Our debt in 2018 increased primarily from the borrowings under the senior secured revolving facility. These debt proceeds were used in part to pay for the Dunbar acquisition. Our equity decreased in 2018 primarily due to share repurchases, a reported net loss and dividend payments.

Summary of Debt, Equity and Other Liquidity Information

	Amount available under credit facilities	Outstanding balance		
	December 31,	December 31,		
(In millions)	2018	2018	2017	$ change[a]
Debt:				
Short-term borrowings				
Restricted cash borrowings[b]	—	10.5	27.0	(16.5)
Other	—	18.4	18.2	0.2
Total Short-term borrowings	$ —	$28.9	45.2	(16.3)
Long-term debt				
Senior Secured - Revolving Facility	660.0	340.0	—	340.0
Senior Secured - Term Loan A	—	466.9	491.4	(24.5)
Senior Unsecured Notes	—	592.0	591.2	0.8
Letter of Credit Facilities	39.3	—	—	—
Other	—	5.7	12.0	(6.3)
Capital leases	—	120.5	96.9	23.6
Total Long-term debt	$ 699.3	$1,525.1	1,191.5	$333.6
Total Debt	$ 699.3	$1,554.0	1,236.7	$317.3
Total equity		$166.6	338.2	$(171.6)

(a) In addition to cash borrowings and repayments, the change in the debt balance also includes changes in currency exchange rates.

(b) These 2018 and 2017 amounts are for short-term borrowings related to cash borrowed under lending arrangements used in the process of managing customer cash supply chains, which is currently classified as restricted cash and not available for general corporate purposes. See Note 20 for more details.

Reconciliation of Net Debt to U.S. GAAP Measures

(In millions)	December 31, 2018	2017	$ change
Debt:			
Short-term borrowings	$28.9	45.2	$(16.3)
Long-term debt	1,525.1	1,191.5	333.6
Total Debt	1,554.0	1,236.7	317.3
Restricted cash borrowings[a]	(10.5)	(27.0)	16.5
Total Debt without restricted cash borrowings	1,543.5	1,209.7	333.8
Less:			
Cash and cash equivalents	343.4	614.3	(270.9)
Amounts held by cash management services operations[b]	(14.1)	(16.1)	2.0
Cash and cash equivalents available for general corporate purposes	329.3	598.2	(268.9)
Net Debt	$1,214.2	611.5	$602.7

(a) Restricted cash borrowings are related to cash borrowed under lending arrangements used in the process of managing customer cash supply chains, which is currently classified as restricted cash and not available for general corporate purposes.

(b) 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.

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 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 December 31, 2018, and December 31, 2017. Net Debt excluding cash and debt in Venezuelan operations was $615 million at December 31, 2017.

Net Debt at the end of 2018 increased by $603 million when compared to Net Debt at the end of 2017 primarily due to the funding of business acquisitions and share repurchases.

Liquidity Needs

Our operating liquidity needs are typically financed by cash from operations, short-term borrowings and the revolving credit facility (our debt facilities are described below). We have certain limitations and considerations related to the cash and borrowing capacity that are reported in our consolidated financial statements. As of December 31, 2018, $660 million was available under the revolving credit facility. Based on our current cash on hand, amounts available under our credit facilities and current projections of cash flows from operations, we believe that we will be able to meet our liquidity needs for more than the next twelve months.

Limitations on dividends from foreign subsidiaries. A significant portion of our operations are outside the U.S. which may make it difficult to or costly to repatriate additional cash for use in the U.S. See Item 1A., Risk Factors, for more

information on the risks associated with having businesses outside the U.S.

Cash and Cash Equivalents

At December 31, 2018, we had $343.4 million in cash and cash equivalents, compared to $614.3 million at December 31, 2017. The $270.9 million decrease in cash is primarily attributed to the $521 million in cash paid, net of cash acquired, for the Dunbar acquisition in 2018, offset by additional proceeds received from our senior secured revolving facility. We plan to use the current cash and cash equivalents for working capital needs, capital expenditures, acquisitions and other general corporate purposes. At December 31, 2018, the cash and cash equivalents were invested in money market accounts.

Equity

Common Stock

At December 31, 2018, we had 100 million shares of common stock authorized and 49.7 million shares issued and outstanding.

Preferred Stock

At December 31, 2018, we had the authority to issue up to 2 million shares of preferred stock, par value $10 per share.

Share Repurchase Program

In May 2017, our board of directors authorized a $200 million share repurchase program, which will expire on December 31, 2019. We are not obligated to repurchase any specific dollar amount or number of shares, and, at December 31, 2018, approximately $106 million remains available under this program. 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.

In December 2018, we entered into an ASR with a financial institution. In exchange for a $50 million up-front payment at the beginning of the purchase period, the financial institution delivered to us 700,000 shares of our common stock for an average repurchase price of $71.43 per share. The shares received were retired in the period they were delivered to us, and the up-front payment was accounted for as a reduction to shareholders' equity in the consolidated balance sheet. For purposes of calculating earnings per share, we reported the ASR as a repurchase of our common stock in December 2018 and as a forward contract indexed to our common stock. The ASR met all of the applicable criteria for equity classification, and, as a result, was not being accounted for as a derivative instrument.

The ASR purchase period subsequently ended in February 2019 and we received and retired an additional 37,387 shares under the ASR, resulting in an overall average repurchase price of $67.81 per share.

Additionally, during the year ended December 31, 2018, we used $43.5 million to repurchase, in the open market, 610,177 shares at an average repurchase price of $71.22 per share. These shares were retired upon repurchase.

Off Balance Sheet Arrangements

We have operating leases that are described in the notes to the consolidated financial statements. We use operating leases to lower our cost of financings. We believe that operating leases are an important component of our capital structure.

Contractual Obligations

The following table reflects our contractual obligations as of December 31, 2018.

	Estimated Payments Due by Period						
(In millions)	2019	2020	2021	2022	2023	Later Years	Total
Contractual obligations:							
Long-term debt obligations	$28.4	26.3	25.0	733.7	—	601.0	1,414.4
Capital lease obligations	25.1	23.5	21.7	19.7	16.2	14.3	120.5
Interest payments on debt and capital leases[(a)]	70.0	68.1	67.0	61.4	31.9	105.5	403.9
Operating lease obligations	103.4	79.9	57.5	41.0	32.0	130.3	444.1
Acquisition-related payments[(b)]	20.4	—	—	—	—	—	20.4
Purchase obligations	20.3	5.7	3.4	1.9	1.9	1.2	34.4
Other long-term liabilities reflected on the Company's balance sheet under GAAP:							
Primary U.S. pension plan	—	—	—	17.3	28.3	48.5	94.1
Other retirement obligations:							
UMWA plans	—	—	—	—	—	568.5	568.5
Black lung and other plans	9.1	8.1	7.4	7.0	6.6	76.4	114.6
Workers compensation and other claims	22.3	16.4	16.5	16.9	17.5	22.1	111.7
Other	2.3	0.8	0.8	0.8	0.8	6.4	11.9
Total	$301.3	228.8	199.3	899.7	135.2	1,574.2	3,338.5

(a) Estimated future interest payments on our long term debt are based on the outstanding borrowings as of December 31, 2018, the respective maturity dates of the debt agreements and the interest rates in effect at December 31, 2018. We use interest rate swaps to modify the characteristics of certain of our debt obligations. The net effect of these swaps may be to increase or decrease the actual amount of our cash interest payment obligations.

(b) Remaining undiscounted amounts due under the contracts, assuming no reduction for any potential seller's indemnified losses.

U.S. primary pension plan. Pension benefits provided to eligible U.S. employees were frozen on December 31, 2005, and benefits 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 2018. There are approximately 14,000 beneficiaries in the plan.

Based on our current assumptions, we do not expect to make contributions until 2022.

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 are approximately 3,200 beneficiaries in the UMWA plans. The company does not expect to make contributions to these plans until 2025, based on our actuarial assumptions.

Black Lung plans. 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 are approximately 800 black lung beneficiaries.

Non-U.S. defined-benefit pension plans. We have various defined-benefit pension plans covering eligible current and former employees of some of our international operations. See Note 4 for information about these non-U.S. plans' benefit obligation and estimated future benefit payments over the next 10 years.

Assumptions for U.S. Retirement Obligations

We have made various assumptions to estimate the amount of payments to be made in the future. The most significant 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

The Contractual Obligations table above represents payments projected to be paid with our corporate funds and does not represent payments projected to be made to beneficiaries with retirement plan assets.

Funded Status of U.S. Retirement Plans

(In millions)	Actual 2018	Projected 2019	2020	2021	2022	2023
Primary U.S. pension plan						
Beginning funded status	$(102.3)	(106.8)	(94.3)	(81.4)	(68.0)	(36.4)
Net periodic pension credit[(a)]	22.0	16.9	15.7	15.4	15.7	16.6
Payment from Brink's	—	—	—	—	17.3	28.3
Benefit plan actuarial gain (loss)	(26.5)	(4.4)	(2.8)	(2.0)	(1.4)	(0.1)
Ending funded status	$(106.8)	(94.3)	(81.4)	(68.0)	(36.4)	8.4
UMWA plans						
Beginning funded status	$(294.3)	(297.4)	(304.1)	(311.8)	(320.7)	(330.8)
Net periodic postretirement cost[(a)]	(0.4)	(6.7)	(7.7)	(8.9)	(10.1)	(11.5)
Benefit plan actuarial gain (loss)	(1.4)	—	—	—	—	—
Other	(1.3)	—	—	—	—	—
Ending funded status	$(297.4)	(304.1)	(311.8)	(320.7)	(330.8)	(342.3)
Black lung plans						
Beginning funded status	$(67.0)	(67.9)	(63.0)	(58.3)	(54.0)	(50.0)
Net periodic postretirement cost[(a)]	(2.5)	(2.7)	(2.4)	(2.3)	(2.2)	(1.9)
Payment from Brink's	8.1	7.6	7.1	6.6	6.2	5.7
Benefit plan actuarial gain (loss)	(6.5)	—	—	—	—	—
Ending funded status	$(67.9)	(63.0)	(58.3)	(54.0)	(50.0)	(46.2)

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

Summary of Total Expenses Related to All U.S. Retirement Liabilities

This table summarizes actual and projected expense (income) related to U.S. retirement liabilities. These expenses are not allocated to segment results.

(In millions)	Actual 2018	Projected 2019	2020	2021	2022	2023
Primary U.S. pension plan	$ 5.5	2.7	5.5	5.2	4.3	4.0
UMWA plans	16.1	22.6	22.6	22.9	23.2	23.7
Black lung plans	9.8	7.0	6.6	6.2	5.7	5.3
Total	$ 31.4	32.3	34.7	34.3	33.2	33.0

Summary of Total Payments from U.S. Plans to Participants

This table summarizes actual and estimated payments from the plans to participants.

(In millions)	Actual 2018	Projected 2019	2020	2021	2022	2023
Payments from U.S. Plans to participants						
Primary U.S. pension plan	$ 48.3	51.0	51.1	51.1	51.0	51.0
UMWA plans	28.6	33.5	33.6	33.6	34.2	34.0

Black lung plans	8.1	7.6	7.1	6.6	6.2	5.7
Total	$ 85.0	92.1	91.8	91.3	91.4	90.7

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Summary of Projected Payments from Brink's to U.S. Plans

This table summarizes estimated payments from Brink's to U.S. retirement plans.

(In millions)	Projected Payments to Plans from Brink's Primary U.S. Pension Plan	UMWA Plans	Black Lung Plans	Total
Projected payments				
2019	$—	—	7.6	7.6
2020	—	—	7.1	7.1
2021	—	—	6.6	6.6
2022	17.3	—	6.2	23.5
2023	28.3	—	5.7	34.0
2024	23.8	—	5.3	29.1
2025	18.6	1.0	4.9	24.5
2026	6.1	32.3	4.6	43.0
2027	—	31.6	4.3	35.9
2028	—	31.1	4.0	35.1
2029	—	30.3	3.8	34.1
2030	—	29.4	3.5	32.9
2031	—	28.5	3.3	31.8
2032	—	27.7	3.0	30.7
2033 and thereafter	—	356.6	29.1	385.7
Total projected payments	$94.1	568.5	99.0	761.6

The amounts in the tables above are based on a variety of estimates, including actuarial assumptions as of December 31, 2018. 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.

Contingent Matters

During the fourth quarter of 2018, we became aware of an investigation initiated by the Chilean Fiscalía Nacional Económica (the Chilean antitrust agency) related to potential anti-competitive practices among competitors in the cash logistics industry in Chile. Because no legal proceedings have been initiated against Brink's Chile, we cannot estimate the probability of loss or any range of possible loss at this time. It is possible, however, that Brink's Chile could become the subject of legal or administrative claims or proceedings that could result in a loss in a future period.

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.

APPLICATION OF CRITICAL ACCOUNTING POLICIES

The application of accounting principles requires the use of assumptions, estimates and judgments. We make assumptions, estimates and judgments based on, among other things, knowledge of operations, markets, historical trends and likely future changes, similarly situated businesses and, when appropriate, the opinions of advisors with relevant knowledge and experience. Reported results could have been materially different had we used a different set of assumptions, estimates and judgments.

Deferred Tax Asset Valuation Allowance

Deferred tax assets result primarily from net operating losses, tax credit carryforwards, and the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial statement and income tax purposes, as determined under enacted tax laws and rates. The 2017 U.S. tax reform law had a significant impact on the deferred tax asset.

Accounting Policy
We establish valuation allowances, in accordance with the Financial Accounting Standards Board ("FASB") ASC Topic 740, Income Taxes, when we estimate it is not more likely than not that a deferred tax asset will be realized. We decide to record valuation allowances primarily based on an assessment of positive and negative evidence including historical earnings and future taxable income that incorporates prudent, feasible tax-planning strategies. We assess deferred tax assets on an individual jurisdiction basis. Changes in tax statutes, the timing of deductibility of expenses or expectations for future performance could result in material adjustments to our valuation allowances, which would increase or decrease tax expense. Our valuation allowances are as follows.

Valuation Allowances

	December 31,	
(In millions)	2018	2017
U.S.	$84.1	80.0
Non-U.S.	16.6	18.9
Total	$100.7	98.9

Application of Accounting Policy

U.S. Deferred Tax Assets
We had $220 million of net deferred tax assets at December 31, 2018, of which $178 million related to U.S. jurisdictions.

In 2018, excluding the effects of the Tax Reform Act, we concluded that we were not more-likely-than-not to realize assets related to certain attributes with a limited statutory carryforward and we recorded a $4 million valuation allowance through income from continuing operations.

In 2017, the Tax Reform Act reduced the federal tax rate for corporations from 35% to 21%, beginning January 1, 2018. As a result, we remeasured our deferred tax assets considering the new rate and recognized a provisional $88 million reduction to net deferred tax assets through income from continuing operations in the fourth quarter of 2017. We recorded an estimated $31 million foreign tax credit carryforward related to the transition tax included in the Tax Reform Act, which was offset by a full valuation allowance. Excluding the effects of the Tax Reform Act, we also concluded that we were not more-likely-than-not to realize assets related to certain attributes with a limited statutory

carryforward and recorded a $7 million valuation allowance through income from continuing operations. In the fourth quarter of 2018, when we filed our U.S. tax returns, we recorded an incremental $1.3 million foreign tax credit carryforward related to the transition tax included in the Tax Reform Act, which was offset by a full valuation allowance.

We used various estimates and assumptions to evaluate the need for the valuation allowance in the U.S. These included

- projected revenues and operating income for our U.S. entities,
- projected royalties and management fees paid to U.S. entities from subsidiaries outside the U.S.,
- projected GILTI inclusion in our U.S. taxable income
- estimated required contributions to our U.S. retirement plans,
- the estimated impact of U.S. tax reform, and
- interest rates on projected U.S. borrowings.

Our projections assumed continued growth of our revenues and operating profit both in the U.S. and outside the U.S. Had we used different assumptions, we might have made different conclusions about the need for valuation allowances. For example, if we did not have growth in either the U.S. or non-U.S. jurisdictions with respect to the GILTI inclusions or using different assumptions, we might have concluded that we require a full valuation allowance offsetting our U.S. deferred tax assets.

Non-U.S. Deferred Tax Assets

In 2018, we did not change our judgment about the need for valuation allowances for deferred tax assets in certain non-U.S. jurisdictions as a result of changes in operating results and the outlook about the future operating performance in those jurisdictions. In 2017, we recognized a

tax benefit of $1.8 million through income from continuing operations from a change in judgment about the need for valuation allowances for deferred tax assets in certain non-U.S. jurisdictions.

Business Acquisitions

Accounting Policy

In the years ended December 31, 2018 and 2017, we completed a total of eight business acquisitions. When we acquire a controlling interest in an entity that is determined to meet the definition of a business, we apply the acquisition method described in FASB ASC Topic 805, Business Combinations. Using the acquisition method, we allocate the total purchase price to the assets acquired and the liabilities assumed based on their estimated fair values at the acquisition date. Any excess purchase price over the fair value of the assets acquired and the liabilities assumed is recognized as goodwill.

Application of Accounting Policy

The purchase price allocation process requires us to make significant estimates and assumptions, primarily related to intangible assets. The allocation of the purchase consideration transferred may be subject to revision based on the final determination of fair values during the measurement period. We use all available information to make these fair value determinations and, for material business acquisitions, we engage an outside valuation specialist to assist in the fair value determination of the acquired intangible assets.

We typically use an income method to estimate the fair value of intangible assets, which is based primarily on future cash flow projections. The forecasted cash flows also reflect significant assumptions related to expected customer attrition rates, revenue growth rates, market participant synergies and discount rates applied to the cash flows. Unanticipated events and circumstances may occur which may affect the accuracy or validity of such assumptions. The estimated fair values assigned to assets acquired and liabilities assumed in a purchase price allocation can have a significant effect on future results of operations. For example, a higher fair value assigned to intangible assets results in higher amortization expense, which results in lower net income.

Goodwill, Other Intangible Assets and Property and Equipment Valuations

Accounting Policy

At December 31, 2018, we had property and equipment of $699.4 million, goodwill of $678.6 million and other intangible assets of $228.9 million, net of accumulated depreciation and amortization. We review these assets for possible impairment using the guidance in FASB ASC Topic 350, Intangibles - Goodwill and Other, for goodwill and other intangible assets and FASB ASC Topic 360, Property, Plant and Equipment, for property and equipment. Our review for impairment requires the use of significant judgments about the future performance of our operating subsidiaries. Due to the many variables inherent in the estimates of the fair value of these assets, differences in assumptions could have a material effect on the impairment analyses.

Application of Accounting Policy

Goodwill
We review goodwill for impairment annually and whenever events or circumstances make it more likely than not that impairment may have occurred. Application of the goodwill impairment test requires judgment, including the identification of reporting units, assignment of assets and liabilities to reporting units, assignment of goodwill to reporting units, and determination of the fair value of each reporting unit.

Under U.S. GAAP, the annual impairment test may be either a quantitative test or a qualitative assessment. The qualitative assessment can be performed in order to determine whether facts and circumstances support a determination that reporting unit fair values are greater than their carrying values.

For 2018, we elected to forego the optional qualitative assessment and we performed a quantitative goodwill impairment test instead. We estimated the fair value of each reporting unit using projections of cash flows and compared to its carrying value. We completed the annual goodwill impairment test as of October 1, 2018. With one exception, we concluded that the fair value of each reporting unit substantially exceeded its carrying value by a range of 57% to 236%. For the France reporting unit, which has $91.2 million of goodwill at December 31, 2018, fair value exceeded carrying value by approximately 9%.

Finite-lived Intangible Assets and Property and Equipment
We review finite-lived intangible assets and property and equipment for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. To determine whether impairment has occurred, we compare estimates of the future undiscounted net cash flows of groups of assets to their carrying value.

Estimates of Future Cash Flows
We made significant assumptions when preparing financial projections of cash flow used in our impairment analyses, including assumptions of future results of operations, capital requirements, income taxes, long-term growth rates for determining terminal value, and discount rates. Our projections assumed continued growth of our revenues and operating profit both in the U.S. and outside the U.S. Our conclusions regarding asset impairment may have been different if we had used different assumptions.

Retirement and Postemployment Benefit Obligations

We provide benefits through defined benefit pension plans and retiree medical benefit plans and under statutory requirements.

Accounting Policy

We account for pension and other retirement benefit obligations under FASB Accounting Standards Update ("ASU") Topic 715, Compensation – Retirement Benefits. We account for postemployment benefit obligations, including workers' compensation obligations, under FASB ASC Topic 712, Compensation – Nonretirement Postemployment Benefits.

To account for these benefits, we make assumptions of expected return on assets, discount rates, inflation, demographic factors and changes in the laws and regulations covering the benefit obligations. Because of the inherent volatility of these items and because the obligations are significant, changes in the assumptions could have a material effect on our liabilities and expenses related to these benefits.

Our most significant retirement plans include our primary U.S. pension plan and the retiree medical plans of our former coal business that were collectively bargained with the United Mine Workers of America (the "UMWA"). The critical accounting estimates that determine the carrying values of liabilities and the resulting annual expense are discussed below.

Application of Accounting Policy

Discount Rate Assumptions
For plans accounted under FASB ASC Topic 715, we discount estimated future payments using discount rates based on market conditions at the end of the year. In general, our liability changes in an inverse relationship to interest rates. That is, the lower the discount rate, the higher the associated plan obligation.

U.S. Plans
For our largest retirement plans, including the primary U.S. pension and UMWA plans and black lung obligations, we derive the discount rates used to measure the present value of benefit obligations using the cash flow matching method. Under this method, we compare the plan's projected payment obligations by year with the corresponding yields on a Mercer yield curve. Each year's projected cash flows are then discounted back to their present value at the measurement date and an overall discount rate is determined. The overall discount rate is then rounded to the nearest tenth of a percentage point.

We used Mercer's Above-Mean Curve to determine the discount rates for retirement cost and the year-end benefit obligation. To derive the Above-Mean Curve, Mercer uses only those bonds with a yield higher than the mean yield of the same portfolio of high quality bonds. The Above-Mean Curve reflects the way an active investment manager would select high-quality bonds to match the cash flows of the plan.

Non-U.S. Plans
We use the same cash flow matching method to derive the discount rates for our major non-U.S. retirement plans. Where the cash flow matching method is not possible, rates of local high-quality long-term government bonds are used to estimate the discount rate.

The discount rates for the primary U.S. pension plan, UMWA retiree medical plans and black lung obligations were:

	Primary U.S. Plan	UMWA Plans	Black Lung

	2018	2017	2016	2018	2017	2016	2018	2017	2016
Discount rate:									
Retirement cost	3.7%	4.3%	4.5%	3.6%	4.1%	4.4%	3.5%	3.9%	4.2%
Benefit obligation at year end	4.4%	3.7%	4.3%	4.3%	3.6%	4.1%	4.2%	3.5%	3.9%

Sensitivity Analysis

The discount rate we select at year end materially affects the valuations of plan obligations at year end and the calculations of net periodic expenses for the following year. The tables below compare hypothetical plan obligation valuations for our largest plans as of December 31, 2018, actual expenses for 2018 and projected expenses for 2019 assuming we had used discount rates that were one percentage point lower or higher.

Plan Obligations at December 31, 2018

(In millions)	Hypothetical 1% lower	Actual	Hypothetical 1% higher
Primary U.S. pension plan	$ 889.6	793.4	713.8
UMWA plans	532.1	479.1	434.6

Actual 2018 and Projected 2019 Expense (Income)

(In millions, except for percentages)		Hypothetical sensitivity analysis for discount rate assumption			Hypothetical sensitivity analysis for discount rate assumption	
	Actual	1% lower	1% higher	Projected	1% lower	1% higher
Years Ending December 31,	2018	2018	2018	2019	2019	2019
Primary U.S. pension plan						
Discount rate assumption	3.7 %	2.7 %	4.7 %	4.4 %	3.4 %	5.4 %
Retirement cost	$ 5.5	11.7	0.1	$ 2.7	8.8	(3.1)
UMWA plans						
Discount rate assumption	3.6 %	2.6 %	4.6 %	4.3 %	3.3 %	5.3 %
Retirement cost	$ 16.1	17.4	14.9	$ 22.6	23.8	21.4

Expected-Return-on-Assets Assumption

Our expected-return-on-assets assumption, which materially affects our net periodic benefit cost, reflects the long-term average rate of return we expect the plan assets to earn. We select the expected-return-on-assets assumption using advice from our investment advisor considering each plan's asset allocation targets and expected overall investment manager performance and a review of the most recent long-term historical average compounded rates of return, as applicable. We selected 7.25% as the expected-return-on-assets assumption for our primary U.S. pension plan and 8.25% for our UMWA retiree medical plans for actual 2018 expense. We selected 7.00% as the expected-return-on-assets assumption for our primary U.S. pension plan and 8.00% for our UMWA retiree medical plans for projected 2019 expense.

The twenty to thirty year compound annual return of our primary U.S. pension plan has averaged from 6.0% to 8.5%.

Sensitivity Analysis

Effect of using different expected-rate-of-return assumptions. Our 2018 and projected 2019 expense would have been different if we had used different expected-rate-of-return assumptions. For every hypothetical change of one percentage point in the assumed long-term rate of return on plan assets (and holding other assumptions constant), our actual 2018 and projected 2019 expense would be as follows:

(In millions, except for percentages)		Hypothetical sensitivity analysis for expected-return-on asset assumption			Hypothetical sensitivity analysis for expected-return-on asset assumption	
	Actual	1% lower	1% higher	Projected	1% lower	1% higher
Years Ending December 31,	2018	2018	2018	2019	2019	2019
Expected-return-on-asset assumption						
Primary U.S. pension plan	7.25 %	6.25 %	8.25 %	7.00 %	6.00 %	8.00 %
UMWA plans	8.25 %	7.25 %	9.25 %	8.00 %	7.00 %	9.00 %

Primary U.S. pension plan	$5.5	12.9	(1.9)	$ 2.7	9.9	(4.5)
UMWA plans	16.1	18.1	14.1	22.6	24.3	21.0

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Effect of improving or deteriorating actual future market returns. Our funded status at December 31, 2019, and our 2020 expense will be different from currently projected amounts if our projected 2019 returns are better or worse than the returns we have assumed for each plan.

(In millions, except for percentages)		Hypothetical sensitivity analysis of 2019 asset return better or worse than expected	
Years Ending December 31,	Projected	Better return	Worse return
Return on investments in 2019			
Primary U.S. pension plan	7.00 %	14.00 %	— %
UMWA plans	8.00 %	16.00 %	— %
Projected Funded Status at December 31, 2019			
Primary U.S. pension plan	$ (94)	(48)	(141)
UMWA plans	(304)	(291)	(317)
2020 Expense[(a)]			
Primary U.S. pension plan	$ 6	4	7
UMWA plans	23	20	25

(a) Actual future returns on investments will not affect our earnings until 2020 since the earnings in 2019 will be based on the "expected return on assets" assumption.

Effect of using fair market value of assets to determine expense. For our defined-benefit pension plans, we calculate expected investment returns by applying the expected long-term rate of return to the market-related value of plan assets. In addition, our plan asset actuarial gains and losses that are subject to amortization are based on the market-related value.

The market-related value of the plan assets is different from the actual or fair market value of the assets. The actual or fair market value is, at a point in time, the value of the assets that is available to make payments to pensioners and to cover any transaction costs. The market-related value recognizes changes in fair value from the expected value on a straight-line basis over five years. This recognition method spreads the effects of year-over-year volatility in the financial markets over several years.

Our expenses related to our primary U.S. pension plan would have been different if our accounting policy were to use the fair market value of plan assets instead of the market-related value to recognize investment gains and losses.

(In millions)	Based on market-related value of assets			Hypothetical[(a)]		
	Actual	Projected	Projected			
Years Ending December 31,	2018	2019	2020	2018	2019	2020
Primary U.S. pension plan expense	$ 5.5	2.7	5.5	$ 3.2	15.1	11.8

(a) Assumes that our accounting policy was to use the fair market value of assets instead of the market-related value of assets to determine our expense related to our primary U.S. pension plan.

For our UMWA plans, we calculate expected investment returns by applying the expected long-term rate of return to the fair market value of the assets at the beginning of the year. This method is likely to cause the expected return on assets, which is recorded in earnings, to fluctuate more than had we used the accounting methodology of our defined-benefit pension plans.

Medical Inflation Assumption

We estimate the trend in healthcare cost inflation to predict future cash flows related to our retiree medical plans. Our assumption is based on recent plan experience and industry trends.

For the UMWA plans, our largest retiree medical plans, we have assumed a medical inflation rate of 6.5% for 2019, and we project this rate to decline to 5% in 2026 and hold at 5% thereafter. Our overall medical inflation rate assumption, including the assumption that medical inflation rates will gradually decline over the next seven years and hold at 5%, is based on macroeconomic assumptions of gross domestic growth rates, the excess of national health expenditures over other goods and services, and population growth. Our assumption of a medical inflation rate of 6.5% for 2019 is based on our recent actual experience. The average annual medical inflation rate of the Company over the last five to eleven years ranged from 5.6% to 6.7%.

If we had assumed that medical inflation rates were one percentage point higher in each future year, the plan obligation for these plans at December 31, 2018, would have been approximately $65.8 million higher and the expense for 2018 would have been $2.4 million higher. If we had assumed that the medical inflation rates were one percentage point lower, the plan obligation at December 31, 2018, would have been approximately $56.3 million lower and the related 2018 expenses would have been $2.0 million lower.

If we had projected medical inflation rates to decline from 6.4% to 4.5% by 2028, instead of our projected decline from 6.5% to 5% by 2026, the plan obligation for the UMWA retiree medical benefit plan would have been $12.8 million lower for 2018 and our expense would be $1.5 million lower for 2019.

Excise Tax on Administrators by Patient Protection and Affordable Care Act
A 40% excise tax will be imposed on high-cost health plans (“Cadillac plans”). The Tax Reform Act delayed the effective date of the excise tax on Cadillac plans to 2022. The tax will apply to plan costs that exceed a certain threshold level for individuals and for families, which will be indexed to inflation. Even though the tax is not assessed directly to an employer but rather to the benefits plan administrator, the cost is expected to be passed through to plan sponsors as higher premiums or higher claims administration fees, increasing the plan sponsor’s obligations. Our plan obligations at December 31, 2018, include $30.5 million related to this tax. We are currently unable to reduce the benefit levels of our UMWA medical plans to avoid this excise tax because these benefit levels are required by the Coal Industry Retiree Health Benefit Act of 1992.

Workers’ Compensation
Besides the effects of changes in medical costs, worker’s compensation costs are affected by the severity and types of injuries, changes in state and federal regulations and their application and the quality of programs which assist an employee’s return to work. Our liability for future payments for workers’ compensation claims is evaluated annually with the assistance of an actuary.

Numbers of Participants
Mortality tables. We use the Mercer modified RP-2014 base table and the Mercer modified MP-2018 projection scale, with a Blue Collar adjustment factor for the majority of our U.S. retirement plans and a White Collar adjustment factor for our nonqualified U.S. pension plan.

Number of participants. The number of participants by major plan in the past five years is as follows:

	Number of participants				
Plan	2018	2017	2016	2015	2014
UMWA plans	3,200	3,300	3,600	3,700	3,900
Black Lung	800	760	750	700	700
U.S. pension	14,000	14,200	14,800	15,000	15,200

Because we are no longer operating in the coal industry, we anticipate that the number of participants in the UMWA retirement medical plan will decline over time due to mortality. Because the U.S. pension plan has been frozen, the number of its participants will also decline over time.

Foreign Currency Translation

The majority of our subsidiaries outside the U.S. conduct business in their local currencies. Our financial results are reported in U.S. dollars, which include the results of these subsidiaries.

Accounting Policy

Our accounting policy for foreign currency translation is different depending on whether the economy in which our foreign subsidiary operates has been designated as highly inflationary. Economies with a three-year cumulative inflation rate of more than 100% are considered highly inflationary. Subsequent reductions in cumulative inflation rates below 100% do not change the method of translation unless the reduction is deemed to be other than temporary.

Non-Highly Inflationary Economies
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.

Highly Inflationary Economies
Foreign subsidiaries that operate in highly inflationary countries must use the reporting currency (the U.S. dollar) as the functional currency. Local-currency monetary assets and liabilities are remeasured into dollars 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.

Application of Accounting Policy

Venezuela

Highly Inflationary Accounting. The economy in Venezuela has had significant inflation in the last several years. Prior to deconsolidation as of June 30, 2018, we reported our Venezuelan results using our accounting policy for subsidiaries operating in highly inflationary economies. Results from our Venezuelan operations prior to the June 30, 2018 deconsolidation are included in items not allocated to segments and are excluded from the operating segments.

Remeasurement rates during 2016. In the first quarter of 2016, the Venezuelan government announced that it would replace the SIMADI exchange mechanism with the DICOM exchange mechanism and would allow the DICOM exchange mechanism rate to float freely. From March 31, 2016 through the end of 2016, the rate declined 59%. We received only minimal U.S. dollars through this exchange mechanism. We recognized a $4.8 million pretax remeasurement loss in 2016. However, the after-tax effect in 2016 attributable to noncontrolling interest was income of $2.7 million.

Remeasurement rates during 2017. During 2017, the DICOM exchange rate declined 80%. We received only minimal U.S. dollars through this exchange mechanism. In 2017, we recognized a $9.1 million pretax remeasurement loss. The after-tax effect of this loss attributable to noncontrolling interest was $1.0 million.

Remeasurement rates during 2018. Prior to deconsolidation as of June 30, 2018, in the first six months of 2018, the DICOM rate declined approximately 97%. We received only minimal U.S. dollars through this exchange mechanism. Prior to deconsolidation as of June 30, 2018, we recognized a $2.2 million pretax remeasurement gain. The after-tax effect of this gain attributable to noncontrolling interest was $2.0 million.

Items related to our Venezuelan operations were as follows:

- Our investment in our Venezuelan operations on an equity-method basis was $23.1 million at December 31, 2017.
- Our Venezuelan operations had net payables to other Brink's affiliates of $2.7 million at December 31, 2017.
- Our Venezuelan operations had net nonmonetary assets of $23.0 million at December 31, 2017.
- Our bolivar-denominated net monetary liabilities were $2.3 million (including $3.4 million of cash and cash equivalents) at December 31, 2017.
- Accumulated other comprehensive losses attributable to Brink's shareholders related to our operations in Venezuela were approximately $114.9 million at December 31, 2017.

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 7% of our consolidated revenues for the year ended December 31, 2018 and 7% and 5% of our consolidated revenues for the years ended December 31, 2017 and 2016, respectively. The operating environment in Argentina continues to present business challenges, including ongoing devaluation of the Argentine peso and significant inflation. For the year ended

December 31, 2017, the Argentine peso declined by approximately 15% (from 15.9 to 18.6 pesos to the U.S. dollar). For the year ended December 31, 2018, the Argentine peso declined approximately 50% (from 18.6 to 37.6 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 now 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 second half of 2018, we recognized a $6.2 million pretax remeasurement loss. At December 31, 2018, Argentina's economy remains highly inflationary for accounting purposes.

At December 31, 2018, we had net monetary assets denominated in Argentine pesos of $24.4 million, including cash of $19.2 million. At December 31, 2018, we had net nonmonetary assets of $148.2 million, including $99.8 million of goodwill. At December 31, 2018, we had no equity securities denominated in Argentine pesos.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We currently serve customers in more than 100 countries, including 41 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. These financial exposures are monitored and managed by us as an integral part of our overall risk management program.

We may periodically use various derivative and non-derivative financial instruments, as discussed below, to hedge our interest rate and foreign currency exposures when appropriate. The risk that counterparties to these instruments may be unable to perform is minimized by limiting the counterparties used to major financial institutions with investment grade credit ratings. We do not expect to incur a loss from the failure of any counterparty to perform under the agreements. We do not use derivative financial instruments for purposes other than hedging underlying financial exposures.

The sensitivity analyses discussed below for the market risk exposures were based on the facts and circumstances in effect at December 31, 2018. Actual results will be determined by a number of factors that are not under management's control and could vary materially from those disclosed.

Interest Rate Risk

We use both fixed and floating rate debt and leases to finance our operations. Floating rate obligations, including both the term loan facility and the revolving credit facility under our senior secured credit facility, expose us to fluctuations in cash flows due to changes in the general level of interest rates. Fixed rate obligations, including our senior unsecured notes, are subject to fluctuations in fair values as a result of changes in interest rates.

Our floating rate debt typically is based on an underlying floating rate component as well as a fixed rate margin component. Based on the contractual interest rates on our floating rate debt at December 31, 2018, a hypothetical 10% increase in rates would increase cash outflows by approximately $2.4 million over a twelve-month period. In other words, the weighted-average interest rate on our floating rate instruments (including any fixed rate margin component) was 4.5% per annum at December 31, 2018. If the underlying floating rate component were to increase by 10%, our average rate on this debt would increase by 0.3 percentage points to 4.8%. The effect on the fair values of our unsecured senior notes of a hypothetical 10% decrease in the yield curve from year-end 2018 levels would result in a $25.0 million increase in the fair value of our unsecured senior notes.

Foreign Currency Risk

We have exposure to the effects of foreign currency exchange rate fluctuations on the results of all of our foreign operations. Our foreign operations generally use local currencies to conduct business, but their results are reported in U.S. dollars.

We are also exposed periodically to the foreign currency rate fluctuations that affect transactions not denominated in the functional currency of our domestic and foreign operations. To mitigate these exposures, we enter into foreign currency forward and swap contracts from time to time. At December 31, 2018, the notional value of our outstanding foreign currency forward and swap contracts was $168.0 million with average contract maturities of approximately two months. These contracts primarily offset exposures in the euro and the British pound. Additionally, these contracts are not designated as hedges for accounting purposes, and accordingly, changes in their fair value are recorded immediately in earnings. We do not use derivative financial instruments to hedge investments in foreign subsidiaries since such investments are long-term in nature.

The effects of a hypothetical simultaneous 10% appreciation in the U.S. dollar from the 2018 levels against all other currencies of countries in which we have continuing operations are as follows:

(In millions)	Hypothetical Effects Increase/ (decrease)
Effect on Earnings:	
Translation of 2018 earnings into U.S. dollars [a]	$ (25.2)
Transaction gains (losses)[b]	(3.3)
Effect on Other Comprehensive Income (Loss):	
Translation of net assets of foreign subsidiaries	(86.5)

(a) Excludes our Venezuela operations which we deconsolidated effective June 30, 2018. See Note 1 to the consolidated financial statements.
(b) Net of outstanding foreign currency swap and forward contracts.

The hypothetical foreign currency effects above detail the consolidated effect attributable to Brink's of a simultaneous change in the value of a large number of foreign currencies relative to the U. S. dollar. The foreign currency exposure effect related to a change in an individual currency could be significantly different.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
THE BRINK'S COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2018 AND 2017
AND FOR EACH OF THE YEARS IN THE THREE-YEAR PERIOD ENDED DECEMBER 31, 2018
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MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting is designed to provide reasonable assurance to our management and board of directors regarding the preparation and fair presentation of published financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2018. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in "Internal Control – Integrated Framework (2013)."

Management excluded from its assessment the internal control over financial reporting at Dunbar Armored Inc. ("Dunbar"), which was acquired on August 13, 2018 and whose financial statements constitute 5% of total assets and 4% of revenues of the consolidated financial statement amounts as of and for the year ended December 31, 2018.

Based on this assessment, our management believes that, as of December 31, 2018, our internal control over financial reporting is effective based on the COSO criteria.

Deloitte & Touche LLP, the independent registered public accounting firm which audits our consolidated financial statements, has issued an attestation report on our internal control over financial reporting. Deloitte's attestation report appears on page 60.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of The Brink's Company

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of The Brink's Company and subsidiaries (the “Company”) as of December 31, 2018, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control - Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2018, of the Company and our report dated February 26, 2019, expressed an unqualified opinion on those financial statements.

As described in Management’s Annual Report on Internal Control Over Financial Reporting, management excluded from its assessment the internal control over financial reporting at Dunbar Armored Inc. ("Dunbar"), which was acquired on August 13, 2018 and whose financial statements constitute 5% of total assets and 4% of revenues of the consolidated financial statement amounts as of and for the year ended December 31, 2018. Accordingly, our audit did not include the internal control over financial reporting at Dunbar.

Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed 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. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Richmond, Virginia
February 26, 2019

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of The Brink’s Company

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of The Brink's Company and subsidiaries (the "Company") as of December 31, 2018 and 2017, the related consolidated statements of operations, comprehensive income (loss), equity and cash flows, for each of the two years in the period ended December 31, 2018, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2018 in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 26, 2019, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ DELOITTE & TOUCHE LLP

Richmond, Virginia
February 26, 2019

We have served as the Company’s auditor since 2017.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
The Brink’s Company:

We have audited the accompanying consolidated statements of operations, comprehensive income (loss), equity, and cash flows of The Brink’s Company and subsidiaries (the Company) for the year ended December 31, 2016. These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the results of operations of the Company and its cash flows for the year ended December 31, 2016, in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP

Richmond, Virginia
February 23, 2017, except for Notes 3 and 4,
as to which the date is September 29, 2017, and the fifth
paragraph under New Accounting Standards in Note 1,
as to which the date is February 26, 2019

THE BRINK'S COMPANY
and subsidiaries

Consolidated Balance Sheets

(In millions, except for per share amounts)	December 31, 2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	$343.4	614.3
Restricted cash	136.1	112.6
Accounts receivable (net of allowance: 2018 - $10.1; 2017 - $11.2)	599.5	642.3
Prepaid expenses and other	127.5	119.0
Total current assets	1,206.5	1,488.2
Property and equipment, net	699.4	640.9
Goodwill	678.6	453.7
Other intangibles	228.9	105.7
Deferred income taxes	236.5	226.2
Other	186.1	144.9
Total assets	$3,236.0	3,059.6
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term borrowings	$28.9	45.2
Current maturities of long-term debt	53.5	51.9
Accounts payable	174.6	174.6
Accrued liabilities	502.1	488.5
Restricted cash held for customers	90.3	74.7
Total current liabilities	849.4	834.9
Long-term debt	1,471.6	1,139.6
Accrued pension costs	196.9	208.8
Retirement benefits other than pensions	366.1	362.8
Deferred income taxes	16.7	25.1
Other	168.7	150.2
Total liabilities	3,069.4	2,721.4
Commitments and contingent liabilities (notes 4, 5, 15, 17, 23 and 24)		
Equity:		
The Brink's Company ("Brink's") shareholders:		
Common stock, par value $1 per share:		
Shares authorized: 100.0		
Shares issued and outstanding: 2018 - 49.7; 2017 - 50.5	49.7	50.5

Capital in excess of par value	628.2	628.6
Retained earnings	429.1	564.9
Accumulated other comprehensive income (loss):		
Benefit plan adjustments	(572.1)	(601.0)
Foreign currency translation	(382.0)	(327.4)
Unrealized gains on available-for-sale securities	—	1.1
Gains on cash flow hedges	0.8	0.7
Accumulated other comprehensive loss	(953.3)	(926.6)
Brink's shareholders	153.7	317.4
Noncontrolling interests	12.9	20.8
Total equity	166.6	338.2
Total liabilities and equity	$3,236.0	3,059.6

See accompanying notes to consolidated financial statements.

THE BRINK'S COMPANY
and subsidiaries

Consolidated Statements of Operations

(In millions, except for per share amounts)	Years Ended December 31, 2018	2017	2016
Revenues	$3,488.9	3,347.0	3,020.6
Costs and expenses:			
Cost of revenues	2,703.3	2,608.2	2,391.7
Selling, general and administrative expenses	509.2	468.2	424.3
Total costs and expenses	3,212.5	3,076.4	2,816.0
Other operating income (expense)	(1.7)	3.3	(20.1)
Operating profit	274.7	273.9	184.5
Interest expense	(66.7)		