BRINKS CO
Form 10-Q
July 25, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
ý QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2018

¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ________ to ________
Commission file number 001-09148
THE BRINK'S COMPANY
(Exact name of registrant as specified in its charter)

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

1801 Bayberry Court, Richmond, Virginia 23226-8100
(Address of principal executive offices) (Zip Code)
(804) 289-9600
(Registrant's telephone number, including area code)
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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes ý No ¨
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.
(Check one): 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 July 23, 2018, 50,951,815 shares of $1 par value common stock were outstanding.

1

Part I - Financial Information
Item 1. Financial Statements
THE BRINK'S COMPANY
and subsidiaries

Condensed Consolidated Balance Sheets
(Unaudited)

(In millions)	June 30, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	$548.5	614.3
Restricted cash	101.6	112.6
Accounts receivable, net	595.7	642.3
Prepaid expenses and other	151.6	119.0
Total current assets	1,397.4	1,488.2
Property and equipment, net	627.4	640.9
Goodwill	375.0	453.7
Other intangibles	77.0	105.7
Deferred income taxes	227.2	226.2
Other	166.4	144.9
Total assets	$2,870.4	3,059.6
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term borrowings	$41.4	45.2
Current maturities of long-term debt	53.3	51.9
Accounts payable	157.4	174.6
Accrued liabilities	470.4	488.5
Restricted cash held for customers	57.0	74.7
Total current liabilities	779.5	834.9
Long-term debt	1,133.9	1,139.6
Accrued pension costs	188.6	208.8
Retirement benefits other than pensions	359.0	362.8
Deferred income taxes	20.2	25.1
Other	144.1	150.2
Total liabilities	2,625.3	2,721.4
Commitments and contingent liabilities (notes 4, 8 and 13)		
Equity:		
The Brink's Company ("Brink's") shareholders:		
Common stock, par value $1 per share:		
Shares authorized: 100.0		
Shares issued and outstanding: 2018 - 51.0; 2017 - 50.5	51.0	50.5

Capital in excess of par value	631.6	628.6
Retained earnings	467.4	564.9
Accumulated other comprehensive loss	(927.0)	(926.6)
Brink’s shareholders	223.0	317.4
Noncontrolling interests	22.1	20.8
Total equity	245.1	338.2
Total liabilities and equity	$2,870.4	3,059.6

See accompanying notes to condensed consolidated financial statements.

THE BRINK'S COMPANY
and subsidiaries

Condensed Consolidated Statements of Operations
(Unaudited)

(In millions, except for per share amounts)	Three Months Ended June 30, 2018	2017	Six Months Ended June 30, 2018	2017
Revenues	$849.7	805.9	$1,728.8	1,594.3
Costs and expenses:				
Cost of revenues	666.8	628.9	1,360.4	1,239.2
Selling, general and administrative expenses	119.9	122.8	243.0	229.9
Total costs and expenses	786.7	751.7	1,603.4	1,469.1
Other operating income (expense)	(1.3)	(5.9)	1.1	(6.0)
Operating profit	61.7	48.3	126.5	119.2
Interest expense	(15.8)	(6.0)	(30.8)	(10.8)
Loss on deconsolidation of Venezuela operations	(126.7)	—	(126.7)	—
Interest and other income (expense)	(8.1)	(11.4)	(21.2)	(22.6)
Income (loss) from continuing operations before tax	(88.9)	30.9	(52.2)	85.8
Provision for income taxes	18.6	17.3	30.0	31.7
Income (loss) from continuing operations	(107.5)	13.6	(82.2)	54.1
Income (loss) from discontinued operations, net of tax	(0.1)	(0.1)	0.1	(0.1)
Net income (loss)	(107.6)	13.5	(82.1)	54.0
Less net income (loss) attributable to noncontrolling interests	0.3	(0.7)	3.5	5.1
Net income (loss) attributable to Brink's	(107.9)	14.2	(85.6)	48.9
Amounts attributable to Brink's				
Continuing operations	(107.8)	14.3	(85.7)	49.0
Discontinued operations	(0.1)	(0.1)	0.1	(0.1)
Net income (loss) attributable to Brink's	$(107.9)	14.2	$(85.6)	48.9
Income (loss) per share attributable to Brink's common shareholders[(a)]:				
Basic:				
Continuing operations	$(2.11)	0.28	$(1.68)	0.97
Discontinued operations	—	—	—	—
Net income	$(2.11)	0.28	$(1.68)	0.97
Diluted:				
Continuing operations	$(2.11)	0.28	$(1.68)	0.95
Discontinued operations	—	—	—	—

Net income	$(2.11)	0.28	$(1.68)	0.95
Weighted-average shares				
Basic	51.2	50.7	51.0	50.6
Diluted	51.2	51.6	51.0	51.5
Cash dividends paid per common share	$0.15	0.15	$0.30	0.25

(a) Amounts may not add due to rounding.

See accompanying notes to condensed consolidated financial statements.

THE BRINK'S COMPANY
and subsidiaries

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

(In millions)	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Net income (loss)	$(107.6)	13.5	$(82.1)	54.0
Benefit plan adjustments:				
Benefit plan actuarial gains	22.9	11.1	37.7	22.9
Benefit plan prior service credits (costs)	1.1	(0.7)	0.3	(1.2)
Deferred profit sharing	—	0.1	—	0.1
Total benefit plan adjustments	24.0	10.5	38.0	21.8
Foreign currency translation adjustments	(31.8)	5.7	(30.8)	32.9
Unrealized net gains on available-for-sale securities	—	0.5	—	0.7
Gains (losses) on cash flow hedges	0.2	(0.1)	0.6	(0.1)
Other comprehensive income (loss) before tax	(7.6)	16.6	7.8	55.3
Provision for income taxes	3.8	4.4	7.0	8.8
Other comprehensive income (loss)	(11.4)	12.2	0.8	46.5
Comprehensive income (loss)	(119.0)	25.7	(81.3)	100.5
Less comprehensive income (loss) attributable to noncontrolling interests	(0.7)	(2.5)	3.6	4.4
Comprehensive income (loss) attributable to Brink's	$(118.3)	28.2	$(84.9)	96.1

See accompanying notes to condensed consolidated financial statements.

THE BRINK'S COMPANY
and subsidiaries

Condensed Consolidated Statements of Equity

Six Months ended June 30, 2018 and 2017
(Unaudited)

	Attributable to Brink's						
(In millions)	Shares	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Attributable to Noncontrolling Interests	Total
Balance as of December 31, 2016	50.0	$ 50.0	618.1	576.0	(907.0)	17.7	354.8
Net income	—	—	—	48.9	—	5.1	54.0
Other comprehensive income	—	—	—	—	47.2	(0.7)	46.5
Dividends to:							
Brink's common shareholders ($0.25 per share)	—	—	—	(12.6)	—	—	(12.6)
Noncontrolling interests	—	—	—	—	—	(2.6)	(2.6)
Share-based compensation:							
Stock awards and options:							
Compensation expense	—	—	8.5	—	—	—	8.5
Consideration from exercise of stock options	—	—	2.6	—	—	—	2.6
Other share-based benefit transactions	0.4	0.4	(8.8)	—	—	—	(8.4)
Balance as of June 30, 2017	50.4	$ 50.4	620.4	612.3	(859.8)	19.5	442.8

	Attributable to Brink's						
(In millions)	Shares	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Attributable to Noncontrolling Interests	Total
Balance as of December 31, 2017	50.5	$ 50.5	628.6	564.9	(926.6)	20.8	338.2
Cumulative effect of change in accounting principle[(a)]	—	—	—	3.3	(1.1)	—	2.2
Net income (loss)	—	—	—	(85.6)	—	3.5	(82.1)
Other comprehensive income	—	—	—	—	0.7	0.1	0.8
Dividends to:							
Brink's common shareholders ($0.30 per share)	—	—	—	(15.2)	—	—	(15.2)
Noncontrolling interests	—	—	—	—	—	(1.9)	(1.9)
Share-based compensation:							
Stock awards and options:							

Compensation expense	—	—	12.5	—	—	—	12.5
Consideration from exercise of stock options	—	—	0.8	—	—	—	0.8
Other share-based benefit transactions	0.5	0.5	(10.3)	—	—	—	(9.8)
Dispositions of noncontrolling interests	—	—	—	—	—	(0.4)	(0.4)
Balance as of June 30, 2018	51.0	$ 51.0	631.6	467.4	(927.0)	22.1	245.1

(a) Effective January 1, 2018, we adopted the provisions of ASU 2014-09, Revenue From Contracts with Customers, ASU 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities, and ASU 2016-16, Intra-Entity Transfers of Assets Other Than Inventory. We recognized a cumulative effect adjustment to January 1, 2018 retained earnings as a result of adopting each of these standards. See Note 1 for further details of the impact of each standard.

See accompanying notes to condensed consolidated financial statements.

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

	Six Months Ended June 30,	
(In millions)	2018	2017
Cash flows from operating activities:		
Net income (loss)	$(82.1)	54.0
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
(Income) loss from discontinued operations, net of tax	(0.1)	0.1
Depreciation and amortization	77.9	68.5
Share-based compensation expense	12.5	8.5
Deferred income taxes	(9.5)	(7.7)
Gains on sale of property, equipment and marketable securities	(2.0)	(1.0)
Gain on business dispositions	(10.3)	(0.6)
Loss on deconsolidation of Venezuela operations	126.7	—
Impairment losses	2.7	1.0
Retirement benefit funding (more) less than expense:		
Pension	5.1	9.8
Other than pension	8.5	9.0
Remeasurement (gains) losses due to Venezuela currency devaluation	(2.2)	8.4
Other operating	4.8	3.1
Changes in operating assets and liabilities, net of effects of acquisitions:		
Accounts receivable and income taxes receivable	(66.7)	(83.0)
Accounts payable, income taxes payable and accrued liabilities	42.0	41.8
Restricted cash held for customers	4.4	23.4
Customer obligations	5.7	7.1
Prepaid and other current assets	(15.8)	(17.6)
Other	7.5	(0.1)
Net cash provided by operating activities	109.1	124.7
Cash flows from investing activities:		
Capital expenditures	(73.3)	(71.1)
Acquisitions, net of cash acquired	—	(65.0)
Dispositions, net of cash disposed	9.6	1.1
Marketable securities:		
Purchases	(50.1)	(19.3)
Sales	5.5	5.4
Cash proceeds from sale of property and equipment	1.8	1.4
Other	(0.9)	—
Net cash used by investing activities	(107.4)	(147.5)
Cash flows from financing activities:		
Borrowings (repayments) of debt:		
Short-term borrowings	10.5	5.5
Cash supply chain customer debt	(11.7)	1.8
Long-term revolving credit facilities:		
Borrowings	—	398.1
Repayments	—	(290.7)
Other long-term debt:		

Borrowings	1.8	6.8
Repayments	(27.7)	(22.0)
Dividends to:		
Shareholders of Brink’s	(15.2)	(12.6)
Noncontrolling interests in subsidiaries	(1.9)	(2.6)
Proceeds from exercise of stock options	0.8	2.6
Tax withholdings associated with share-based compensation	(11.3)	(8.9)
Other	0.2	1.0
Net cash (used) provided by financing activities	(54.5)	79.0
Effect of exchange rate changes on cash	(24.0)	(0.4)
Cash, cash equivalents and restricted cash:		
Increase (decrease)	(76.8)	55.8
Balance at beginning of period	726.9	239.0
Balance at end of period	$650.1	294.8

See accompanying notes to condensed consolidated financial statements.

THE BRINK'S COMPANY
and subsidiaries

Notes to Condensed Consolidated Financial Statements
(Unaudited)

Note 1 - Basis of presentation

The Brink's Company (along with its subsidiaries, "Brink's" or "we") has three operating segments:
- North America
- South America
- Rest of World

Our unaudited interim condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial reporting and applicable quarterly reporting regulations of the Securities and Exchange Commission (the "SEC"). Accordingly, the unaudited condensed consolidated financial statements do not include all of the information and notes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for interim periods are not necessarily indicative of the results that may be expected for the full year. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes in our Annual Report on Form 10-K for the year ended December 31, 2017.

We have made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these condensed consolidated financial statements. Actual results could differ materially from these estimates. The most significant estimates are related to goodwill and other long-lived assets, pension and other retirement benefit obligations, legal contingencies and deferred tax assets.

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

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

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

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

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

Venezuela
Deconsolidation. Our Venezuelan operations offer transportation and logistics management services for cash and valuables throughout Venezuela. Political and economic conditions in Venezuela, the impact of local laws on our business as well as the currency exchange control regulations and continued reductions in access to U.S. dollars through official currency exchange mechanisms, have resulted in an other-than-temporary lack of exchangeability between the Venezuelan bolivar and the U.S. dollar. These conditions have restricted the ability of our

Venezuelan operations to pay dividends and royalties. It has also restricted the ability for our Venezuela business to settle other operating liabilities which has significantly increased the risk that this business will no longer be self-sustaining.

Our Venezuela operations experienced negative operating cash flows in the first quarter of 2018. As a result, our Venezuela business obtained local currency borrowings in the first and second quarters of 2018 for the first time since the second quarter of 2016. Our Venezuela business is currently seeking additional local financing to support ongoing needs for more bolivars in an environment with significant inflation. It is uncertain as to whether our Venezuela business will be able to obtain the incremental financing in order to operate the business.

Banks provide a vast majority of the business for our Venezuela operations and these banks are limited by law as to how much they can charge their customers in interest. The maximum increase to interest allowable under the law is significantly lower than current and projected inflation rates. Therefore, we do not believe that bank customers will accept increases in our prices that will cover our increase in vendor and labor costs resulting from inflation. Through its restriction by law of interest increases for banks, the Venezuelan government has implemented a defacto price control that affects our business.

The currency exchange regulations, combined with other government regulations, such as price controls and strict labor laws, have significantly limited our ability to make and execute operational decisions at our Venezuelan subsidiaries. With the May 2018 re-election of the President in Venezuela for an additional six-year term, we expect these conditions to continue for the foreseeable future.

As a result of the conditions described above, we have concluded that, effective June 30, 2018, we did not meet the accounting criteria for control over our Venezuelan operations and, as a result, we began reporting the results of our investment in our Venezuelan subsidiaries using the cost method of accounting. This change resulted in a pretax charge of $127 million in the second quarter of 2018. The pretax charge included $106 million of foreign currency translation losses and benefit plan adjustments previously included in accumulated other comprehensive loss. It also included the derecognition of the carrying amounts of our Venezuelan operations’ assets and liabilities, including $32 million of assets and $11 million of liabilities, that are no longer reported in our condensed consolidated balance sheet as of June 30, 2018. We have determined the fair value of our 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. It is anticipated that reporting periods beginning after June 30, 2018 will not include the operating results of our Venezuela operations. In the first six months of 2018 and 2017, we provided immaterial amounts of financial support to our Venezuela operations. Our exposure to future losses resulting from our Venezuelan business is limited to the extent to which we decide to provide U.S. dollars or make future investments in our Venezuelan subsidiaries.

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. Due to the Venezuelan government's restrictions that have prevented us from repatriating funds, 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 2018 and 2017. In the first quarter of 2016, the Venezuelan government implemented the DICOM exchange mechanism and announced that it would allow this exchange mechanism rate to float freely. In the first six months of 2017, the DICOM rate declined approximately 74% (from 674 to 2,640 bolivars to the U.S. dollar). In the first six months of 2018, the rate declined approximately 97% (from 3,345 to 115,000 bolivars to the U.S. dollar). We have received only minimal U.S. dollars through this exchange mechanism. In the first six months of 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. In the first six months of 2017, we recognized a $8.4 million pretax remeasurement loss. The after-tax effect of this loss attributable to noncontrolling interest was $0.9 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 Venezuelan operations were $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 8% of our consolidated revenues for the first six months of 2018. 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 approximately 15% (from 15.9 to 18.6 pesos to the U.S. dollar). In the first six months of 2018, the Argentine peso declined approximately 36% (from 18.6 to 28.9 pesos to the U.S. dollar).

Beginning July 1, 2018, we have designated Argentina's economy as highly inflationary for accounting purposes. As a result, we will consolidate Brink's Argentina using our accounting policy for subsidiaries operating in highly inflationary economies beginning in the third quarter of 2018. Argentine peso-denominated monetary assets and liabilities will be remeasured at each balance sheet date to the currency exchange rate then in effect, with currency remeasurement gains and losses recognized in earnings.

At June 30, 2018, we had net monetary assets denominated in Argentine pesos of $18.2 million, including cash of $5.2 million. At June 30, 2018, we had net nonmonetary assets of $181.5 million, including $98.6 million of goodwill and $34.4 million of equity securities. In highly inflationary economies, the fair market value of equity securities are remeasured at current exchange rates to determine gain or loss to be recorded in net income.

New Accounting Standards

In May 2014, the FASB issued ASU 2014-09, Revenue From Contracts with Customers. Under the new standard, an entity recognizes an amount of revenue to which it expects to be entitled for the transfer of promised goods and services to customers. The standard also requires expanded disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. We adopted this standard effective January 1, 2018 using the modified retrospective method and recognized a cumulative-effect adjustment increasing retained earnings by $1.5 million. The most significant effects of the new standard for us are associated with variable consideration and capitalization of costs to obtain contracts, such as sales commissions. Previously, we recognized the impact of pricing changes in the period they became fixed and determinable and we expensed sales commissions and other costs to obtain contracts as they were incurred. We do not expect a material impact on our future consolidated statements of operations or consolidated balance sheets. However, adoption of the new standard resulted in expanded disclosures related to revenue (see Note 2).

The FASB issued ASU 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities, in January 2016. This new guidance changes the accounting related to the classification and measurement of certain equity investments. Equity investments with readily determinable fair values must be measured at fair value. All changes in fair value will be recognized in net income as opposed to other comprehensive income. We adopted ASU 2016-01 effective January 1, 2018 and recognized a cumulative-effect adjustment increasing retained earnings by $1.1 million.

In October 2016, the FASB issued ASU 2016-16, Intra-Entity Transfers of Assets Other Than Inventory, which changes the timing of when certain intercompany transactions are recognized within the provision for income taxes. We adopted ASU 2016-16 effective January 1, 2018 using the modified retrospective method. As a result, we recognized a cumulative-effect adjustment increasing retained earnings attributable to Brink's by $0.7 million.

The FASB issued ASU 2016-18, Statement of Cash Flows: Restricted Cash, in November 2016. This new guidance requires entities to include restricted cash and restricted cash equivalent balances with cash and cash equivalent balances in the statement of cash flows. As such, inclusion of restricted cash impacts our operating activities, financing activities and the effect of exchange rate changes on cash. We adopted ASU 2016-18 effective January 1, 2018 using the retrospective transition method. The adoption of this ASU changed previously reported amounts in the condensed consolidated statement of cash flows for the six months ended June 30, 2017. Net cash provided by operating activities increased $23.4 million, net cash provided by financing activities increased $1.8 million and the negative effect of exchange rate changes on cash decreased $7.0 million as compared to previously reported amounts for the prior year period.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which will require the recognition of assets and liabilities by lessees for certain leases classified as operating leases under current accounting guidance and also requires expanded disclosures regarding leasing activities. ASU 2016-02 will be effective January 1, 2019 and we are required to use the modified retrospective method to adopt the new standard. We completed the initial assessment phase of the project at the end of 2017 and are currently in progress with our completeness assessment, data extraction, process redesign and system implementation related to the lease tool that has recently been selected. As such, we are not yet in a position to quantify the impact although we expect that adoption will result in a significant increase in total assets and total liabilities.

In August 2017, the FASB issued ASU 2017-12, Derivatives and Hedging: Targeted Improvements to Accounting for Hedging Activities, which amends and simplifies the application of hedge accounting guidance to better portray the economic results of risk management activities in the financial statements. The guidance expands the ability to hedge nonfinancial and financial risk components, reduces complexity in fair value hedges of interest rate risk, eliminates the requirement to separately measure and report hedge ineffectiveness, and eases certain hedge effectiveness assessment requirements. The guidance is effective January 1, 2019 with early adoption permitted. We are currently evaluating the impact of this guidance, including transition elections and required disclosures, on our financial statements and the timing of adoption.

In February 2018, the FASB issued ASU 2018-02, Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income, which allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act of 2017 (“Tax Reform Act”). The guidance is effective January 1, 2019 with early adoption permitted. We are currently evaluating the potential impact of the standard on financial reporting and the timing of adoption.

Note 2 - Revenue from Contracts with Customers

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

Core Services
Cash-in-transit 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. Cash-in-transit services generally involve the secure transportation of cash, securities and other valuables between businesses, financial institutions and central banks. ATM services are generally composed of management services, including cash replenishment and forecasting, remote monitoring, transaction processing, installation and maintenance.

High-Value Services
Our high-value services leverage our brand, global infrastructure and core services and include cash management services, global services and payment services. We offer a variety of cash management services such as currency and coin counting and sorting, deposit preparation and reconciliation, and safe device installation and servicing (including our CompuSafe® service). Our global services business provides secure ground, sea and air transportation and storage of highly-valued commodities including diamonds, jewelry, precious metals and other valuables. We also provide payment services which include bill payment and processing services on behalf of utility companies and other billers plus general purpose reloadable prepaid cards and payroll cards.

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

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

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

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

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

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

Revenue Disaggregated by Reportable Segment and Type of Service

(In millions)	Core Services	High-Value Services	Other Security Services	Total
Three months ended June 30, 2018				
Reportable Segments:				
North America	$ 189.8	134.2	—	324.0
South America	113.9	116.2	3.2	233.3
Rest of World	88.3	128.9	49.6	266.8
Total reportable segments	392.0	379.3	52.8	824.1
Not Allocated to Segments:				
Venezuela	7.7	17.9	—	25.6
Total	$ 399.7	397.2	52.8	849.7
Three months ended June 30, 2017				
Reportable Segments:				
North America	$ 182.9	128.1	—	311.0
South America	97.0	104.6	3.0	204.6
Rest of World	77.1	117.0	49.9	244.0
Total reportable segments	357.0	349.7	52.9	759.6
Not Allocated to Segments:				
Venezuela	24.3	22.0	—	46.3
Total	$ 381.3	371.7	52.9	805.9
Six months ended June 30, 2018				
Reportable Segments:				
North America	$ 379.8	264.3	—	644.1
South America	239.3	242.7	6.1	488.1
Rest of World	181.9	259.3	104.0	545.2
Total reportable segments	801.0	766.3	110.1	1,677.4
Not Allocated to Segments:				
Venezuela	18.4	33.0	—	51.4
Total	$ 819.4	799.3	110.1	1,728.8
Six months ended June 30, 2017				
Reportable Segments:				
North America	$ 355.2	260.4	—	615.6
South America	193.8	206.0	7.0	406.8
Rest of World	155.8	228.0	93.7	477.5
Total reportable segments	704.8	694.4	100.7	1,499.9
Not Allocated to Segments:				

Venezuela	48.4	46.0	—	94.4
Total	$ 753.2	740.4	100.7	1,594.3

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

Certain of our high-value services involve the leasing of assets, such as safes, to our customers along with the regular servicing of those safe devices. Revenues related to the leasing of these assets are recognized in accordance with ASC 840, Leases, but are included in the above table as the amounts are a small percentage of overall revenues.

Contract Balances
Contract Asset
Although payment terms and conditions can vary, for the majority of our customer contracts, we invoice for all of the services provided to the customer within a monthly period. For certain customer contracts, the timing of our performance may precede our right to invoice the customer for the total transaction price. For example, Brink's affiliates in certain countries, primarily in South America, negotiate annual price adjustments with certain customers and, once the price increases are finalized, the pricing changes are made retroactive to services provided in earlier periods. These retroactive pricing adjustments are estimated and recognized as revenue with a corresponding contract asset in the same period in which the related services are performed. As the estimate of the ultimate transaction price changes, we recognize a cumulative catch-up adjustment for the change in estimate.

Contract Liability
For other customer contracts, we may obtain the right to payment or receive customer payments prior to performing the related services under the contract. When the right to customer payments or receipt of payments precedes our performance, we recognize a contract liability.

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

(In millions)	Receivables	Contract Asset	Contract Liability
Opening (January 1, 2018)	$ 642.3	0.4	5.6
Closing (June 30, 2018)	595.7	0.8	4.4
Increase (decrease)	$ (46.6)	0.4	(1.2)

The amount of revenue recognized in the six months ended June 30, 2018 that was included in the January 1, 2018 contract liability balance was $4.9 million. This revenue consists of services provided to customers who had prepaid for those services prior to the current year.

We also recognized revenue of $0.6 million in the six months ended June 30, 2018 from performance obligations satisfied in the prior year. This amount is a result of changes in the transaction price of our contracts with customers.

Contract Costs
Sales commissions directly related to obtaining new contracts with customers qualify for capitalization. These capitalized costs are amortized to expense ratably over the term of the contracts. At June 30, 2018, the net capitalized costs to obtain contracts was $1.6 million, which is included in other assets on the condensed consolidated balance sheet. Amortization expense was not significant and there were no impairment losses recognized related to these contract costs in the first six months of 2018.

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

will be recognized, sometimes referred to as backlog.

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

Impact on Reported Amounts

We adopted ASU 2014-09, Revenue From Contracts with Customers, effective January 1, 2018 using the modified retrospective method. As a result, we recognized a cumulative-effect adjustment to January 1, 2018 retained earnings. Comparative prior year period amounts are reported in accordance with previous accounting standards. The adoption of the new revenue recognition standard impacted our reported amounts in 2018 as follows:

(In millions)	As reported	Impact of New Revenue Recognition Standard	Pro Forma under Old Revenue Recognition Standard
Three months ended June 30, 2018			
Statement of Operations			
Revenues	$849.7	(0.3)	850.0
Operating profit	61.7	(0.7)	62.4
Net income (loss) attributable to Brink's	(107.9)	(0.4)	(107.5)
Six months ended June 30, 2018			
Statement of Operations			
Revenues	$1,728.8	2.7	1,726.1
Operating profit	126.5	0.4	126.1
Net income (loss) attributable to Brink's	(85.6)	0.2	(85.8)
As of June 30, 2018			
Balance Sheet			
Prepaid expenses and other assets	$151.6	0.8	150.8
Other assets	166.4	1.6	164.8
Retained earnings	467.4	1.7	465.7

Note 3 - Segment information

The Brink’s Company offers transportation and logistics management services for cash and valuables throughout the world.

Core services include:
- Cash-in-Transit (“CIT”) Services – armored vehicle transportation of valuables
- ATM Services – replenishing and maintaining customers’ automated teller machines; providing network infrastructure services

High-value services include:
- 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 for banking customers
- 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.

Other security services include:
- 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 identify our operating segments based on how our chief operating decision maker (“CODM”) allocates resources, assesses performance and makes decisions. Our CODM is our President and Chief Executive Officer. Our CODM evaluates performance and allocates resources to our operating segments based on a profit or loss measure which, at the reportable segment level, excludes the following:
- Corporate expenses - former non-segment and regional management costs, currency transaction gains and losses, adjustments to reconcile segment accounting policies to U.S. GAAP, and costs related to global initiatives
- Other items not allocated to segments - certain significant items such as reorganization and restructuring actions that are evaluated on an individual basis by management and are not considered part of the ongoing activities of the business are excluded from segment results. Prior to deconsolidation (see Note 1), results from Venezuela operations were also excluded from our segment results due to the Venezuelan government's restrictions that have prevented us from repatriating funds. We also exclude certain costs, gains and losses related to acquisitions and dispositions of assets and of businesses. Incremental third party costs incurred related to the mitigation of material weaknesses and the implementation and adoption of ASU 2016-02, the new lease accounting standard effective for us January 1, 2019, are also excluded from segment results.

We have three operating segments:
- North America
- South America
- Rest of World.

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

	Revenues		Operating Profit	
	Three Months Ended June 30,		Three Months Ended June 30,	
(In millions)	2018	2017	2018	2017
Reportable Segments:				
North America	$324.0	311.0	$26.1	16.8
South America	233.3	204.6	46.1	36.4
Rest of World	266.8	244.0	26.2	25.4
Total reportable segments	824.1	759.6	98.4	78.6
Reconciling Items:				
Corporate expenses:				
General, administrative and other expenses	—	—	(20.9)	(18.3)
Foreign currency transaction gains (losses)	—	—	(1.7)	1.4
Reconciliation of segment policies to GAAP	—	—	0.4	(0.9)
Other items not allocated to segments:				
Venezuela operations	25.6	46.3	(1.2)	(4.5)
Reorganization and Restructuring	—	—	(4.5)	(5.6)
Acquisitions and dispositions	—	—	(7.4)	(2.4)
Reporting compliance[(a)]	—	—	(1.4)	—
Total	$849.7	805.9	$61.7	48.3

(a) Accounting standard implementation and material weakness mitigation. Additional information provided at page 41.

	Revenues		Operating Profit	
	Six Months Ended June 30,		Six Months Ended June 30,	
(In millions)	2018	2017	2018	2017
Reportable Segments:				
North America	$644.1	615.6	$46.7	27.0
South America	488.1	406.8	101.7	75.6
Rest of World	545.2	477.5	51.8	50.8
Total reportable segments	1,677.4	1,499.9	200.2	153.4
Reconciling Items:				
Corporate expenses:				
General, administrative and other expenses	—	—	(52.0)	(37.5)
Foreign currency transaction gains (losses)	—	—	(2.2)	0.2
Reconciliation of segment policies to GAAP	—	—	1.7	(1.8)
Other items not allocated to segments:				
Venezuela operations	51.4	94.4	2.3	16.6
Reorganization and Restructuring	—	—	(8.2)	(9.7)

Acquisitions and dispositions	—	—	(13.9)	(2.0)
Reporting compliance[a]	—	—	(1.4)	—
Total	$1,728.8	1,594.3	$126.5	119.2

(a) Accounting standard implementation and material weakness mitigation. Additional information provided at page 41.

15

Note 4 - Retirement benefits

Pension plans

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

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

	U.S. Plans		Non-U.S. Plans		Total	
(In millions)	2018	2017	2018	2017	2018	2017
Three months ended June 30,						
Service cost	$—	—	2.6	2.8	2.6	2.8
Interest cost on projected benefit obligation	8.0	8.8	3.3	4.3	11.3	13.1
Return on assets – expected	(13.4)	(13.3)	(2.8)	(2.4)	(16.2)	(15.7)
Amortization of losses	6.9	6.1	1.0	1.3	7.9	7.4
Amortization of prior service cost	—	—	—	0.2	—	0.2
Settlement loss	—	—	0.5	0.5	0.5	0.5
Net periodic pension cost	$1.5	1.6	4.6	6.7	6.1	8.3
Six months ended June 30,						
Service cost	$—	—	5.6	5.7	5.6	5.7
Interest cost on projected benefit obligation	16.0	17.6	7.3	9.1	23.3	26.7
Return on assets – expected	(26.8)	(26.6)	(5.7)	(4.8)	(32.5)	(31.4)
Amortization of losses	14.0	12.4	2.3	2.6	16.3	15.0
Amortization of prior service cost	—	—	0.2	0.4	0.2	0.4
Settlement loss	—	—	1.0	0.8	1.0	0.8
Net periodic pension cost	$3.2	3.4	10.7	13.8	13.9	17.2

We did not make cash contributions to the primary U.S. pension plan in 2017 or the first six months of 2018. Based on assumptions described in our Annual Report on Form 10-K for the year ended December 31, 2017, we do not expect to make any additional contributions to the primary U.S. pension plan.

Retirement benefits other than pensions

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

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

	UMWA Plans		Black Lung and Other Plans		Total	
(In millions)	2018	2017	2018	2017	2018	2017
Three months ended June 30,						
Service cost	$—	—	0.1	0.1	0.1	0.1
Interest cost on accumulated postretirement benefit obligations	4.2	4.7	0.9	0.8	5.1	5.5
Return on assets – expected	(4.2)	(4.1)	—	—	(4.2)	(4.1)
Amortization of losses	5.0	5.0	1.5	1.1	6.5	6.1
Amortization of prior service (credit) cost	(1.2)	(1.2)	0.3	0.3	(0.9)	(0.9)
Net periodic postretirement cost	$3.8	4.4	2.8	2.3	6.6	6.7
Six months ended June 30,						
Service cost	$—	—	0.1	0.1	0.1	0.1
Interest cost on accumulated postretirement benefit obligations	8.7	9.1	1.6	1.5	10.3	10.6
Return on assets – expected	(8.4)	(8.3)	—	—	(8.4)	(8.3)
Amortization of losses	10.5	9.4	2.7	2.0	13.2	11.4
Amortization of prior service (credit) cost	(2.3)	(2.3)	0.6	0.8	(1.7)	(1.5)
Net periodic postretirement cost	$8.5	7.9	5.0	4.4	13.5	12.3

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

Note 5 - Income taxes

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Continuing operations				
Provision for income taxes (in millions)	$18.6	17.3	$30.0	31.7
Effective tax rate	(20.9 %)	56.0%	(57.5 %)	36.9%

Tax Reform
On December 22, 2017, the Tax Reform Act was enacted into law. The Tax Reform Act included 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, included 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. We do not expect a U.S. federal current tax liability for the transition tax due to our high-tax foreign income, but we recorded a provisional $31.1 million foreign tax credit offset with a full valuation allowance related to the transition tax. 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. The Company has not yet adopted an accounting policy related to the provision of deferred taxes related to GILTI. 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. We will continue to collect and analyze data, including the undistributed earnings of foreign subsidiaries and related taxes, interpret the Tax Reform Act and apply the additional guidance and legislative changes to be issued by the U.S. federal and state authorities and may be required to make adjustments to these provisional amounts. We have not recorded any changes to the 2017 provisional amount in the first six months of 2018 and will complete the 2017 accounting for the Tax Reform Act by the end of 2018 in accordance with SAB 118.

2018 Compared to U.S. Statutory Rate
The effective income tax rate on continuing operations in the first six months of 2018 was negative 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 items that cause the rate to be higher than the U.S. statutory rate include the geographical mix of earnings, the seasonality of book losses for which no tax benefit can be recorded, nondeductible expenses in Mexico, taxes on cross border payments and 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 the first six months of 2017 was greater than the 35% U.S. statutory tax rate primarily due to the impact of Venezuela's earnings and related tax expense, including the nondeductible expenses resulting from the currency devaluation, partially offset by the significant tax benefits related to the distribution of share-based payments. The other items that cause the rate to be higher than the U.S. statutory rate include the seasonality of 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 and a French income tax credit.

Note 6 - Acquisitions and Dispositions

Acquisitions

We did not acquire any business operations in the first six months of 2018. In 2017, we acquired six business operations in various countries. We accounted for these acquisitions as business combinations using the acquisition method. Under the acquisition method of accounting, assets acquired and liabilities assumed from these operations are recorded at fair value on the date of acquisition. The condensed consolidated statements of operations include the results of operations for each acquired entity from the date of acquisition.

Maco Transportadora de Caudales S.A. ("Maco Transportadora")
Argentine Cash in Transit ("CIT") and Money Processing business

On July 18, 2017, we acquired 100% of the shares of Maco Transportadora for approximately $205 million. The total purchase price will be paid in cash and approximately $174 million was paid to the sellers through June 30, 2018. The remaining amount will be paid in scheduled installments over the next two years with the final amount based partially on the retention of customer revenue versus a target revenue amount. This contingent consideration arrangement requires us to pay a potential undiscounted amount between $0 to $30 million based on retaining the revenue levels of existing customers at the acquisition date. If there is a shortfall in revenues, a multiple of 2.5 is applied to the revenue shortfall and the contingent consideration to be paid to the former owners is reduced. We used a probability-weighted approach to estimate the fair value of the contingent consideration. The fair value of the contingent consideration reflected in the table below is the present value of the full $30 million potentially payable as of June 30, 2018 as we believe it is unlikely that the contingent consideration payments will be reduced for a revenue shortfall.

The Maco Transportadora business is being integrated into our existing Brink's Argentina operations. Maco Transportadora has approximately 1,450 employees, 4 branches and over 150 armored vehicles across its operations.

We have provisionally estimated fair values for the assets purchased, liabilities assumed and purchase consideration as of the date of the acquisition in the following table. The determination of estimated fair value required management to make significant estimates and assumptions. The amounts reported are considered provisional as we are completing the valuations that are required to allocate the purchase price. As a result, the allocation of the provisional purchase price may change in the future. There have been no significant changes to our fair value estimates of the net assets acquired for Maco Transportadora.

(In millions)	Estimated Fair Value at Acquisition Date
Fair value of purchase consideration	
Cash paid through June 30, 2018	$ 173.9
Fair value of future payments to sellers	1.9
Contingent consideration	28.7
Fair value of purchase consideration	$ 204.5
Fair value of net assets acquired	
Cash	$ 10.3

Accounts receivable	16.6
Other current assets	0.6
Property and equipment, net	2.4
Intangible assets[(a)]	60.2
Goodwill[(b)]	147.6
Other noncurrent assets	0.1
Current liabilities	(11.8)
Noncurrent liabilities	(21.5)
Fair value of net assets acquired	$ 204.5

(a) Intangible assets are composed of customer relationships, trade name and non-competition agreements. Final allocation will be determined once the valuation is complete.

(b) Consists of intangible assets that do not qualify for separate recognition, combined with synergies expected from integrating Maco Transportadora's operations into our existing Brink's Argentina operations. All of the goodwill has been assigned to the South America reporting unit and is not expected to be deductible for tax purposes.

Other acquisitions in 2017

On March 14, 2017, we acquired 100% of the capital stock of American Armored Transport, Inc. ("AATI"). AATI provides secured trucking transportation of high-value cargo throughout the continental United States and is expected to complement our existing tractor trailer business in the United States.

On April 19, 2017, 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"). Pag Facil offers bank correspondent services, bill payment processing and mobile phone top-up services in Brazil and is expected to supplement our existing Brazilian payment services businesses.

On June 29, 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 and will be integrated into our existing Brink’s Chile operations.

On August 14, 2017, we acquired 100% of the capital stock of Maco Litoral, S.A., (“Maco Litoral”) an Argentina-based company which provides CIT and ATM services.

On October 31, 2017, 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"). The Temis business provides CIT and Money Processing services in France and will be integrated into our existing Brink's France operations.

The aggregate purchase price of these five business acquisitions (AATI, Pag Facil, LGS, Maco Litoral and Temis) was approximately $155 million. These five acquired operations employ approximately 1,700 people in the aggregate.

For these five business acquisitions (AATI, Pag Facil, LGS, Maco Litoral and Temis), we have provisionally estimated fair values for the assets purchased and liabilities assumed as of the date of the acquisitions. These estimated amounts are aggregated in the following table. The determination of estimated fair value required management to make significant estimates and assumptions. The amounts reported are considered provisional as we are completing the valuations that are required to allocate the purchase price, as a result, the allocation of the purchase price and the amount of goodwill and intangibles may change in the future. Our fair value estimates of acquisition date goodwill increased approximately $9 million, acquisition date intangible assets decreased approximately $10 million, and acquisition date noncurrent liabilities increased approximately $11 million as compared to our initial estimates in the period of acquisition. There have been no other significant changes to our fair value estimates of the net assets acquired for these acquisitions.
(In millions)