Loomis AB

April 29, 2025

Primary contact

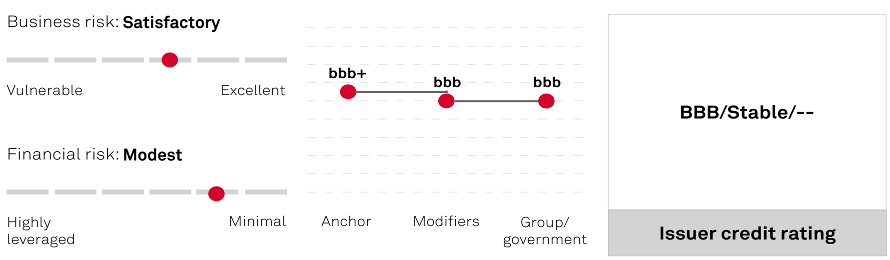
Shruti Kundalia
Frankfurt
49-69-33999211
shruti.kundalia
@spglobal.com

Additional contact

Solene Van Eetvelde
Paris
33-14-420-6684
solene.van.eetvelde
@spglobal.com

This report does not constitute a rating action.

Ratings Score Snapshot



Credit Highlights

Overview

Key strengths	Key risks
Leading cash management service provider that has a No. 1 or No. 2 position in most of its markets and is the No. 2 global player, behind Brink's Co.	Exposure to economic cyclicality could impair revenue growth and profitability.
Growth prospects are underpinned by outsourcing trend while demand for adjacent services, including automated cash management solutions and ATM management services, has enabled Loomis AB to boost recurring revenue to 39% of total revenue in 2024.	Long-term growth risk as the use of cash services slowly declines in developed markets because of increased adoption of electronic payments.
Track record of prudent financial policy, supporting our forecast that S&P Global Ratings-adjusted debt to EBITDA will be stable at about 1.7x.	

The shift toward automated solutions, combined with increasing outsourcing, continues to fuel revenue growth at Loomis. Despite the weak macroeconomic environment forecast for 2025 and 2026, we expect Loomis to achieve organic revenue growth of 4%-5% a year. Automated solutions such as Safepoint, Loomis' smart safe back-office solutions will underpin new clients growth as well as transitioning of some retail customers from traditional cash in transit (CIT) and cash management services (CMS). The ongoing increase in outsourcing by financial institutions and retailers also benefits Loomis. For example, Loomis is increasing its penetration of the small and midsize enterprise (SME) segment as the local bank branches that SMEs relied on for cash management close. Loomis can harness its existing infrastructure and geographical presence to service these clients. In addition, we expect Loomis' digital payment solutions to continue to expand, from a low base. We assume that overall revenue growth will be driven by price increases, complemented by moderate volume growth, but adverse foreign exchange movements will partly erode growth by about 2 percentage points in 2025. Although the macroeconomic environment is likely to weaken, we believe the negative effect on Loomis' earnings could be mitigated by greater use of cash withdrawals during this period of instability, and more outsourcing by companies looking for a cost-efficient way to manage their cash.

We forecast a gradual improvement in profitability and solid cash flow generation in 2025 and 2026. In 2024, adjusted margins at Loomis improved to 20.2% from 19.3% in 2023 as the contribution from higher-margin automated solutions business increased and it recovered from operational issues that had depressed profitability in the previous year. The positive impact was partially offset by ongoing restructuring expenses. We anticipate that adjusted margins will improve by 70 basis points (bps) to 20.9% in 2025 and an additional 40 bps to 21.3% in 2026. This margin expansion will be fueled by top-line growth, an improved business mix, and the benefits of the restructuring initiatives that have been implemented, as well as a drop in one-off restructuring costs. We forecast free operating cash flow (FOCF) of Swedish krona (SEK) 3.5 billion-SEK3.7 billion in 2025 and 2026, supported by an increase in EBITDA; moderate capital expenditure (capex) of about 5.0% of revenue; and limited working capital outflows of SEK50-million-SEK150 million.

Loomis' financial policy supports the rating. Loomis has historically pursued a prudent financial policy and management aims to maintain company-defined long-term leverage at below 2x. The company's capital allocation policy allows it to distribute 40%-60% of net income as dividends; the board of directors has announced dividends of SEK959 million for 2025, which is at the upper end of this range. We assume that the company will also return about SEK600 million-SEK800 million per year to shareholders in the form of share repurchases. Loomis' strategy is to use acquisitions to support expansion of its digital payment solutions, automated solutions, and ATM services, as well as its presence in Latin America, while also strengthening its market positions. Our base case factors in our assumption that the company will spend SEK800 million a year on acquisitions (including a deferred acquisition payment of SEK200 million in 2025, as part of its acquisition of CIMA SpA). As a result, we forecast that adjusted debt to EBITDA will remain 1.6x-1.7x and funds from operations (FFO) to debt will be 45%-47% over the next two years.

Outlook

The stable outlook indicates that we expect Loomis' organic growth to be 4.0%-5.0% a year, fueled by supportive industry trends and EBITDA margins improving toward 21%, and that FOCF will be SEK3.5 billion-SEK3.7 billion a year over the next two years. We also anticipate that the company will maintain a prudent financial policy, so that adjusted leverage is below 2.0x and FFO to debt is about 45% over the next two years.

Downside scenario

We could lower the ratings if Loomis' debt to EBITDA exceeds 2.0x or FFO to debt declines and stays below 45% for a prolonged period. This could occur due to:

- Weaker-than-expected outsourcing trends, more-pronounced decline in usage of cash, or high contract losses; or
- A more-aggressive financial policy, under which the company returns more cash to shareholders or pursues larger acquisitions.

Upside scenario

We could consider raising the rating if Loomis significantly and profitably increased its scale and diversified away from its traditional cash logistics business in developed countries where payment methods may undergo transformation. We could also consider an upgrade if the company adopted a financial policy that supports FFO to debt remaining above 55% and debt to EBITDA being about 1.5x on a sustainable basis.

Our Base-Case Scenario

Assumptions

- U.S. GDP growth of 1.9% in 2025 and 2026; and eurozone GDP growth of 0.9% in 2025 and 1.4% in 2026. Although cash circulation and management is linked to GDP growth, the company's revenue growth is also affected by penetration of cash management services and price escalations. Hence, we expect revenue growth to outpace GDP growth.
- Revenue growth of 4.1% in 2025 and 5.6% in 2026, based on organic growth of about 4%-5%, and acquisitions adding 1.0-1.5 percentage points to growth. We assume the Swedish krona will strengthen against major currencies in 2025, and that this would depress revenue growth by about 2 percentage points.
- Organic revenue growth based on continued growth in automated solutions and more outsourcing of cash management and ATM servicing.
- EBITDA margin improving to 20.9% in 2025 and 21.3% in 2026, from 20.2% in 2024, mainly propelled by growth in higher-margin business, the benefits of the restructuring initiatives that have been implemented, and lower one-off restructuring costs.
- Capex of SEK1.6 billion-SEK1.7 billion in 2025 and 2026 (around 5.0% of revenue). As a percentage of revenue, capex will be lower than in 2024, when spending was elevated due to a post-pandemic investment catch up.
- Shareholder returns of SEK1.5 billion-SEK1.8 billion a year in 2025 and 2026, including share repurchases.
- Annual merger and acquisition investment of about SEK800 million, including the SEK200 million deferred acquisition payment for CIMA in 2025.

Key metrics

Loomis AB--Forecast summary

Period ending	Dec-31-2022	Dec-31-2023	Dec-31-2024	Dec-31-2025	Dec-31-2026	Dec-31-2027	Dec-31-2028
(Mil. SEK)	2022a	2023a	2024a	2025e	2026f	2027f	2028f
Revenue	25,315	28,707	30,442	31,677	33,447	35,158	36,984
Gross profit	8,784	9,635	11,051	11,720	12,503	13,259	13,995
EBITDA (reported)	4,893	5,525	6,136	6,606	7,103	7,582	8,024

Loomis AB--Forecast summary

Plus/(less): Other	9	6	27	27	27	27	27
EBITDA	4,902	5,531	6,163	6,633	7,130	7,609	8,051
Less: Cash interest paid	(379)	(626)	(813)	(599)	(624)	(613)	(611)
Less: Cash taxes paid	(592)	(622)	(482)	(889)	(982)	(1,084)	(1,168)
Plus/(less): Other	--	--	--	--	--	--	--
Funds from operations (FFO)	3,931	4,283	4,868	5,145	5,523	5,912	6,272
EBIT	2,624	2,840	3,127	3,553	3,890	4,216	4,494
Interest expense	293	593	744	608	634	621	619
Cash flow from operations (CFO)	3,645	5,077	5,749	5,149	5,424	5,812	6,119
Capital expenditure (capex)	1,426	1,957	1,665	1,663	1,672	1,758	1,849
Free operating cash flow (FOCF)	2,219	3,120	4,084	3,486	3,751	4,054	4,270
Dividends	628	853	880	960	1,037	1,146	1,264
Share repurchases (reported)	600	200	800	600	800	800	800
Discretionary cash flow (DCF)	991	2,067	2,404	1,926	1,915	2,108	2,206
Debt (reported)	6,033	7,448	7,083	7,083	6,783	6,683	6,583
Plus: Lease liabilities debt	3,866	4,854	6,687	6,995	7,291	7,697	8,093
Plus: Pension and other postretirement debt	250	295	282	282	282	282	282
Less: Accessible cash and liquid Investments	(2,336)	(2,491)	(3,075)	(3,247)	(2,240)	(1,548)	(853)
Plus/(less): Other	(84)	4	(24)	(222)	(222)	(222)	(222)
Debt	7,729	10,110	10,953	10,891	11,894	12,892	13,884
Equity	12,465	12,679	13,631	14,174	14,658	15,270	15,959
FOCF (adjusted for lease capex)	908	1,147	1,457	1,708	1,924	2,030	2,173
Interest expense (reported)	292	577	728	592	618	605	603
Capex (reported)	1,426	1,957	1,665	1,663	1,672	1,758	1,849
Cash and short-term investments (reported)	6,217	7,709	9,165	8,821	8,105	7,695	7,300
Adjusted ratios							
Debt/EBITDA (x)	1.6	1.8	1.8	1.6	1.7	1.7	1.7
FFO/debt (%)	50.9	42.4	44.4	47.2	46.4	45.9	45.2
FFO cash interest coverage (x)	11.4	7.8	7.0	9.6	9.9	10.6	11.3
EBITDA interest coverage (x)	16.7	9.3	8.3	10.9	11.2	12.3	13.0
CFO/debt (%)	47.2	50.2	52.5	47.3	45.6	45.1	44.1
FOCF/debt (%)	28.7	30.9	37.3	32.0	31.5	31.4	30.8
DCF/debt (%)	12.8	20.4	21.9	17.7	16.1	16.4	15.9
Lease capex-adjusted FOCF/debt (%)	11.7	11.3	13.3	15.7	16.2	15.7	15.7
Annual revenue growth (%)	28.4	13.4	6.0	4.1	5.6	5.1	5.2
Gross margin (%)	34.7	33.6	36.3	37.0	37.4	37.7	37.8
EBITDA margin (%)	19.4	19.3	20.2	20.9	21.3	21.6	21.8
Return on capital (%)	14.0	13.2	13.2	14.3	15.1	15.4	15.5
Return on total assets (%)	8.9	8.4	8.2	8.7	9.4	10.0	10.4

Loomis AB--Forecast summary							
EBITDA/cash interest (x)	12.9	8.8	7.6	11.1	11.4	12.4	13.2
EBIT interest coverage (x)	9.0	4.8	4.2	5.8	6.1	6.8	7.3
Debt/debt and equity (%)	38.3	44.4	44.6	43.5	44.8	45.8	46.5
Debt fixed-charge coverage (x)	16.7	9.3	8.3	10.9	11.2	10.6	11.2
Debt/debt and undepreciated equity (%)	38.3	44.4	44.6	43.5	44.8	45.8	46.5

All figures are adjusted by S&P Global Ratings, unless stated as reported. a--Actual. e--Estimate. f--Forecast. SEK--Swedish krona.

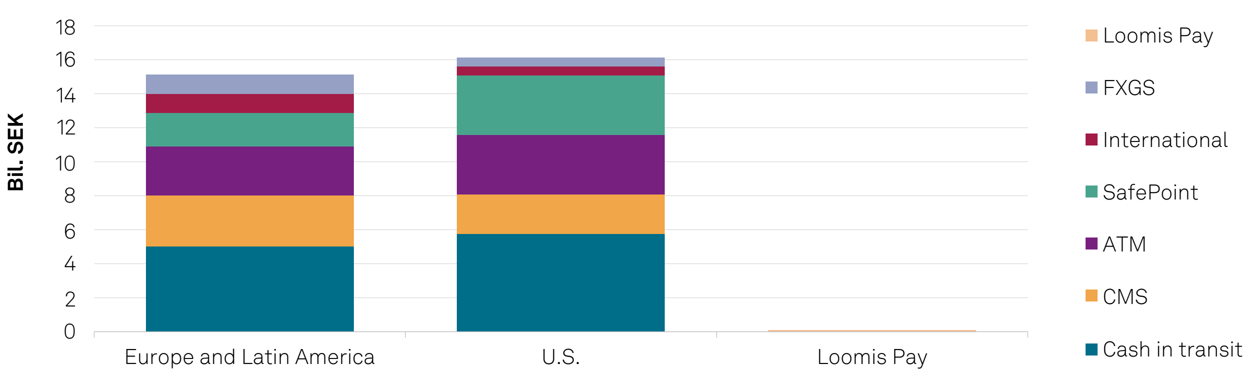
Company Description

Headquartered in Stockholm, Loomis AB is one of the world's leading cash management companies. The company provides solutions including distribution, handling, storage, and recycling of cash and other valuables to financial institutions, central banks, and retailers. It also provides automated cash management solutions to retailers and an end-to-end payment solution that manages all types of payments in one system, called Loomis Pay. The company organizes its business into three segments: Europe and Latin America (contributing 48.3% of revenue in 2024), U.S. (51.3%), and Loomis Pay (0.3%). Loomis Pay is being renamed in 2025 to Loomis SME/Pay.

Loomis has been listed on the OMX Nasdaq in Stockholm since 2008, following the split from Securitas AB in 2008. The company is present in 27 countries and generated SEK30.4 billion in revenue in 2024. Its EBITDA, as reported by the company, was SEK6.6 billion.

Geographic and product diversity tempers concentration in mature markets

Loomis AB's revenue by region and segment (2024)



CMS--Cash management service. SEK--Swedish krona. FXGS--Foreign exchange gold and services. Source: Company disclosures.

Peer Comparison

Loomis competes with Brink's Co. (BB+/Stable/--), Garda World Security Corp. (B/Stable/--), and Prosegur Cash S.A. (BBB/Negative/A-2). Brink's is the largest cash management service provider globally, followed by Loomis and Prosegur Cash. Garda generates only about 30% of its revenue from cash services. All peers benefit from good brand recognition and reputation in their respective markets.

When compared with peers, Loomis is less geographically diversified than Brink's, which complements its operations in developed U.S. and European countries by generating about 26% of revenue in Latin America, and 16.5% of revenue from the rest of the world. Compared to both Loomis and Brink's, Prosegur Cash focuses more on emerging markets; it generates about 62% of its revenue from Latin America. Although this provides more growth opportunities, operating in these countries carries a higher risk and exposes Prosegur Cash to currency fluctuations and hyperinflation.

S&P Global Ratings-adjusted EBITDA margins for Loomis are at the high end of the range for the peer group, at 20%-21%, and compare favorably with those of Brink's Co. (18%-19%) and Prosegur Cash (19%-20%).

Loomis AB--Peer Comparisons

	Loomis AB	Brink's Co. (The)	Garda World Security Corp.	Prosegur Cash S.A.
Foreign currency issuer credit rating	BBB/Stable/--	BB+/Stable/--	B/Stable/--	BBB/Negative/A-2
Local currency issuer credit rating	BBB/Stable/--	BB+/Stable/--	B/Stable/--	BBB/Negative/A-2
Period	Annual	Annual	Annual	Annual
Period ending	2024-12-31	2023-12-31	2024-01-31	2023-12-31
Mil.	SEK	$	C$	EUR
Revenue	30,442	4,875	5,910	1,861
EBITDA	6,163	865	830	337
Funds from operations (FFO)	4,868	550	270	241
Interest	744	227	555	35
Cash interest paid	813	219	501	25
Operating cash flow (OCF)	5,749	835	74	252
Capital expenditure	1,665	203	229	106
Free operating cash flow (FOCF)	4,084	632	(155)	146
Discretionary cash flow (DCF)	2,404	407	(155)	97
Cash and short-term investments	3,438	1,177	131	250
Gross available cash	3,481	1,177	131	250
Debt	10,953	3,253	6,069	923
Equity	13,631	520	59	154
EBITDA margin (%)	20.2	17.7	14.0	18.1
Return on capital (%)	13.2	11.4	6.3	19.8
EBITDA interest coverage (x)	8.3	3.8	1.5	9.6
FFO cash interest coverage (x)	7.0	3.5	1.5	10.5
Debt/EBITDA (x)	1.8	3.8	7.3	2.7
FFO/debt (%)	44.4	16.9	4.4	26.2
OCF/debt (%)	52.5	25.7	1.2	27.3
FOCF/debt (%)	37.3	19.4	(2.6)	15.8
DCF/debt (%)	21.9	12.5	(2.6)	10.5

Business Risk

Loomis is a leading cash management services provider and has No. 1 or No. 2 positions in most of its markets. We estimate its total market share at about 12% (based on the company's cash management revenue as a percentage of the global cash logistics market, which we sized at $24.6 billion in 2023). We consider Loomis to be the No. 2 player in the global cash management industry, behind its U.S. peer Brink's Co. and ahead of Prosegur Cash. Loomis' market position is supported by its strong brand reputation and service quality.

Although digital payments make up an increasing proportion of total payments, the cash logistics market continues to expand because of economic growth, reinforced by inflation and increasing use of outsourcing. The latter, combined with automation and digitalization trends, is facilitating the creation of new smart solutions. Demand for efficient cash management is not only increasing among central banks, large commercial banks, large ATM operators, and large retail chains, but also in smaller enterprises as they focus on cost, safety, and error reduction. Growth factors differ between the U.S. and Europe--retail clients are still underpenetrated in the U.S. Meanwhile, in Europe, we expect the closure of unprofitable bank branches to stimulate demand for cash management services in the retain segment. Loomis achieved average organic growth of 7%-8% in 2023 and 2024, bolstered by adjacent services (ATM, Safepoint, and FXGS), which contributed about 41% of revenue in 2024, up from about 36% in 2021. We forecast organic revenue growth of 4%-5% a year in 2025 and 2026, as GDP growth slows down and inflation moderates.

The company offers a variety of products and services to address the evolving needs of the market. Given the increasing use of digital payments, the company launched Loomis Pay in 2020. This provides a one-stop solution that enables retailers to manage all types of payments. Loomis plans to bundle Loomis Pay with core and adjacent solutions to offer a wider variety of products to clients. This will widen its product offering and allow the company to reach new customer segments, such as SMEs. That said, Loomis Pay still makes only a minimal contribution to revenue, and is only expected to reach break even in 2027.

Loomis provides its services through medium- to long-term contracts that generally combine fixed prices with volume-based pricing components. Its long-term client relationships also support revenue visibility. The growth of its automated cash management and ATM servicing solutions has enabled Loomis to increase its share of steady recurring revenue to 39% of total revenue in 2024. These services are typically sold on long contracts (averaging three to five years) and largely involve fixed monthly payments. Furthermore, integrating smart safes into the customer's processes makes it more difficult for them to switch provider.

Wages are the largest component of Loomis' cost structure, and are exposed to inflation. That said, about 50% of Loomis' cost structure is variable or semi-fixed, which allows the company to manage its margins during downturns. In addition, Loomis largely includes fuel price indexation in its contracts, which mitigates the impact of cost inflation.

The cash handling business depends on local licenses, regulatory approval, and ongoing compliance measures, which creates barriers to entry. However, the industry is also exposed to regulation risk, since any change in government monetary policy can affect the volume or value of the currency in circulation. We view Loomis as less exposed than its peers because it operates mainly in developed markets. Cash management services may, in certain circumstances, be viewed as strategically or politically sensitive businesses. A case in Sweden demonstrated this: a large customer of Loomis' Swedish operations returned to insourcing for

ATM servicing, instead of relying on one nationwide private service provider. Cash management tends to be more cyclical than manned guarding and is affected by economic cycles.

Most of Loomis' revenue comes from the U.S. and Europe. Considering that developed markets have a more stable and predictable economic environment, higher disposable incomes, stronger infrastructure, and a more robust regulatory environment, we consider that Loomis' focus on developed markets supports earnings stability. That said, these markets are exposed to the risk that customers may change their purchasing habits--for example, they may increasingly use digital payment methods and online shopping. Such changes could affect cash volumes and pose risks to Loomis' growth prospects and profitability.

Financial Risk

We assess Loomis' financial risk profile as modest. At year-end 2024, the company's debt comprised SEK7.1 billion of financial debt and SEK6.7 billion of lease liabilities and therefore its S&P Global Ratings-adjusted debt to EBITDA was 1.7x. Loomis' lease liabilities increased meaningfully in 2024, mainly because of the company's smart safes and vehicle rollout, combined with adverse foreign exchange movements. We anticipate that future revenue growth will be accompanied by increasing lease liabilities, and that this will constrain its ability to reduce leverage.

Loomis' financial policy includes maintaining company-defined long-term leverage at below 2x. We anticipate that it will balance mergers and acquisitions, and shareholder returns, to ensure that leverage (including lease liabilities) remains at 1.5x-2.0x on a sustainable basis. Most of its financial debt pays floating interest rates. We forecast that FFO to debt will be slightly above 45% over the next two years, limiting Loomis' capacity to absorb underperformance or pursue a more-aggressive financial policy than we currently factor into our base case.

Debt maturities

As of Dec. 31, 2024, Loomis' debt maturities comprised:

- 2026: SEK1.8 billion
- 2027: SEK1.0 billion
- 2030: SEK4.0 million

The revolving credit facilities remain undrawn and are due in March 2030.

Loomis AB--Financial Summary

Period ending	Dec-31-2022	Dec-31-2023	Dec-31-2024
Reporting period	2022a	2023a	2024a
Display currency (mil.)	SEK	SEK	SEK
Revenue	25,315	28,707	30,442
EBITDA	4,902	5,531	6,163
Funds from operations (FFO)	3,931	4,283	4,868
Interest expense	293	593	744
Cash interest paid	379	626	813
Operating cash flow (OCF)	3,645	5,077	5,749
Capital expenditure	1,426	1,957	1,665

Loomis AB--Financial Summary			
Free operating cash flow (FOCF)	2,219	3,120	4,084
Discretionary cash flow (DCF)	991	2,067	2,404
Cash and short-term investments	2,277	2,589	3,438
Gross available cash	2,834	2,820	3,481
Debt	7,729	10,110	10,953
Common equity	12,465	12,679	13,631
Adjusted ratios			
EBITDA margin (%)	19.4	19.3	20.2
Return on capital (%)	14.0	13.2	13.2
EBITDA interest coverage (x)	16.7	9.3	8.3
FFO cash interest coverage (x)	11.4	7.8	7.0
Debt/EBITDA (x)	1.6	1.8	1.8
FFO/debt (%)	50.9	42.4	44.4
OCF/debt (%)	47.2	50.2	52.5
FOCF/debt (%)	28.7	30.9	37.3
DCF/debt (%)	12.8	20.4	21.9

Reconciliation Of Loomis AB Reported Amounts With S&P Global Adjusted Amounts (Mil. SEK)

	Debt	Shareholder Equity	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow	Dividends	Capital expenditure
Financial year	Dec-31-2024									
Company reported amounts	7,083	13,631	30,442	6,136	3,047	728	6,163	5,749	880	1,665
Cash taxes paid	-	-	-	-	-	-	(482)	-	-	-
Cash interest paid	-	-	-	-	-	-	(813)	-	-	-
Lease liabilities	6,687	-	-	-	-	-	-	-	-	-
Postretirement benefit obligations/ deferred compensation	282	-	-	(2)	(2)	16	-	-	-	-
Accessible cash and liquid investments	(3,075)	-	-	-	-	-	-	-	-	-
Share-based compensation expense	-	-	-	29	-	-	-	-	-	-
Nonoperating income (expense)	-	-	-	-	82	-	-	-	-	-
Debt: Derivatives	(222)	-	-	-	-	-	-	-	-	-
Debt: Earnouts and deferred consideration for business acquisitions	198	-	-	-	-	-	-	-	-	-

Reconciliation Of Loomis AB Reported Amounts With S&P Global Adjusted Amounts (Mil. SEK)

	Debt	Shareholder Equity	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow	Dividends	Capital expenditure
Total adjustments	3,870	-	-	27	80	16	(1,295)	-	-	-
S&P Global Ratings adjusted	**Debt**	**Equity**	**Revenue**	**EBITDA**	**EBIT**	**Interest expense**	**Funds from Operations**	**Operating cash flow**	**Dividends**	**Capital expenditure**
	10,953	13,631	30,442	6,163	3,127	744	4,868	5,749	880	1,665

Liquidity

We assess Loomis' liquidity as strong and forecast that sources will exceed uses by more than 1.5x over the next 12-24 months, despite some significant debt maturities coming due in 2026. In our view, the company has a prudent risk management policy, access to a commercial paper program of SEK3.0 billion, and well-established and solid relationships with banks.

Principal liquidity sources

- Liquid and available cash and cash equivalents of SEK3.1 billion as of Dec. 31, 2024;
- Full availability under a revolving credit facility of approximately SEK4.5 billion as of Dec. 31, 2024; and
- Cash FFO generation of about SEK3.7 billion in 2025 and SEK 4.0 billion in 2026.

Principal liquidity uses

- Debt maturities totaling SEK1.8 billion in 2026;
- Working capital investment of about SEK50 million in 2025 and SEK650 million in 2026, including SEK500 million for intrayear working capital requirements;
- Capex of SEK1.6 billion-SEK1.7 billion in 2025 and 2026;
- Shareholder returns of SEK1.5 billion-SEK1.6 billion in 2025 and 2026, including share repurchases; and
- SEK200 million due in 2025, for the deferred acquisition payment related to the 2023 acquisition of CIMA.

Covenants

Loomis' RCF is subject to a springing net leverage covenant, tested if the issuer credit rating falls below investment grade. The stable outlook on the 'BBB' rating implies that the covenant is unlikely to need testing in 2025 or 2026.

Environmental, Social, And Governance

We consider environment, social, and governance factors to be neutral to our assessment. We understand the company will continue to focus on emission and resource efficiency across its regions and look for electric or alternative, cleaner fuel in markets where possible, as well as continuing to source renewable fuels. Similarly, on the social side, we expect Loomis will continue to invest in training and development, particularly that related to employee health and safety. We view as positive management's deep expertise in the industry, but the company's strategic focus on mature markets exposes it to greater risk of rapid transition to digital payment methods than its peers.

Issue Ratings--Subordination Risk Analysis

Capital structure

As of Dec. 31, 2024, Loomis' reported debt totaled SEK 7.1 billion, all of which was senior unsecured and issued at the company level. This included:

- About SEK300 million in bonds;
- SEK600 million in bank loans;
- A SEK2.5 billion medium-term notes (MTN) program; and
- A SEK3.4 billion Euro MTN program.

Analytical conclusions

We rate Loomis' senior unsecured notes at 'BBB', in line with the issuer credit rating. This is because the company's debt is all unsecured and there are no elements of subordination risk in its capital structure.

Rating Component Scores

Foreign currency issuer credit rating	**BBB/Stable/--**
Local currency issuer credit rating	**BBB/Stable/--**
Business risk	**Satisfactory**
Country risk	Very Low
Industry risk	Intermediate
Competitive position	Satisfactory
Financial risk	**Modest**
Cash flow/leverage	Modest
Anchor	**bbb+**
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Strong (no impact)
Management and governance	Neutral (no impact)
Comparable rating analysis	Negative (-1 notch)
Stand-alone credit profile	**bbb**

Related Criteria

- Criteria | Corporates | General: Sector-Specific Corporate Methodology, April 4, 2024
- Criteria | Corporates | General: Corporate Methodology, Jan. 7, 2024

- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities, Jan. 7, 2024
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Loomis AB's €300 Million Senior Unsecured Notes Rated 'BBB', Sept. 4, 2024
- Research Update: Sweden-Based Loomis AB Assigned 'BBB' Rating; Outlook Stable, May 2, 2024

Ratings Detail (as of April 29, 2025)*	
Loomis AB	
Issuer Credit Rating	BBB/Stable/--
Senior Unsecured	BBB
Issuer Credit Ratings History	
02-May-2024	BBB/Stable/--

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.