

FCC Cash Flow Automation Project

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Project Update and Timing

Timing:

- Currently evaluating – Q4 2024 or Q1 2025

Project Update – Completed Steps:

- We have been working with Grant Thornton over the last few months to make updates to the FCC Cash Flow Module to map B/S activity to the appropriate cash flow line items. This includes creating new movements to separate certain activities and changing default movements to map to the correct cash flow lines.

Project Update – In Process:

- Local Ledger Updates – We are also working with certain countries that have specific activities that need to be separated out for cash flows to update local ledgers to track this type of activity separately.
- Historical Data – We are also updating and reloading historical data for 2023 and 2024 quarters to allow for more accurate comparisons to PY when we go live.
- Country Mapping Updates – We will be making updates to the country mapping tables in FCC for the various default movement changes and new default movements. We will need to work in conjunction with countries to ensure a smooth transition with this and may request that entities hold off on making any changes to your mapping tables until these updates are complete.

How Cash Flows are Automated

Each balance sheet account has a default movement in FCC. These movements are mapped to the appropriate cash flow line item.

Example:

Name	Description	Default Movement	Cash Flow Line Item
A120100	Accounts Receivable - Trade	Mvmts_AcctsReceivable	(Increase)/Decrease in Accounts Receivable
A120103	Accounts Receivable - Other 3rd Party	Mvmts_AcctsReceivable	(Increase)/Decrease in Accounts Receivable
A120105	Accounts Receivable - Provisional Credit	Mvmts_AcctsReceivable	(Increase)/Decrease in Accounts Receivable
A120106	Accounts Receivable - Change Orders	Mvmts_AcctsReceivable	(Increase)/Decrease in Accounts Receivable
A125100	Accounts Receivable - Intercompany	Mvmts_Intercompany	Intercompany Activity
A125300	AR - Interco Financing	Mvmts_Intercompany	Intercompany Activity
A210000	Accounts Payable Trade	Mvmts_AcctsPayable	Increase/(Decrease) in Accounts Payable
A210050	HI USD Accounts Payable Trade	Mvmts_AcctsPayable	Increase/(Decrease) in Accounts Payable
A210500	Lease Accel-A/P Clearing	Mvmts_AcctsPayable	Increase/(Decrease) in Accounts Payable
A210510	Lease Accel-A/P-Other	Mvmts_AcctsPayable	Increase/(Decrease) in Accounts Payable
A215100	Accounts Payable - Intercompany	Mvmts_Intercompany	Intercompany Activity
A215300	Accounts Payable - Intercompany Financing	Mvmts_Intercompany	Intercompany Activity

How Cash Flows are Automated

- Balance Sheet Accounts that are designated as RF_Input allow for rollforward activity to be populated in FCC each month, rather than ending balance loaded.
- These movement dimensions are mapped to different cash flow line items based on US GAAP requirements.

Examples:

Balance Sheet Category	Movement Dimensions	Cash Flow Line Item	Cash Flow Category
Fixed Assets			
	Mvmts_PPE_Additions	Capital Expenditures	Investing Activities
	Mvmts_PPE_Additions_Lease	Non-Cash Items	Non-cash Items
	Mvmts_PPE_Deletions	Proceeds from Sale of Fixed Assets	Investing Activities
	Mvmts_PPE_Writeoff	Impairment Losses	Operating Activities
	Mvmts_PPE_PurchAcc	Acquisitions	Investing Activities
	Mvmts_PPE_Transfers	Other Operating Activity	Operating Activities
	Mvmts_PPE_Other	Other Operating Activity	Operating Activities
	Mvmts_PPEAD_Additions	Depreciation and Amortization Expense	Operating Activities
Long-term Debt			
	Mvmts_LTRCBorrowings	Revolving Credit Facilities - Borrowings	Financing Activities
	Mvmts_LTRCRepayments	Revolving Credit Facilities - Repayments	Financing Activities
	Mvmts_OLTDBorrowings	Other LT Debt - Borrowings	Financing Activities
	Mvmts_OLTDRepayments	Other LT Debt - Repayments	Financing Activities
	Mvmts_LessorDebtFinancing	Other LT Debt - Borrowings (Proceeds from failed sale leasebacks)	Financing Activities
	Mvmts_DebtFinanceCost	Other Operating Activities	Operating Activities
	Mvmts_Debt_Other	Other Operating Activities	Operating Activities
	Mvmts_Debt_Transfers	Other Operating Activities	Operating Activities
	Mvmts_Debt_Additions_Lease	Non-cash Items	Non-cash Items
Marketable Securities/Investments			
	Mvmts_AFSSecPurchases	Marketable Securities - Purchases	Investing Activities
	Mvmts_AFSSecSales	Marketable Securities - Sales	Investing Activities
	Mvmts_GainOnMarketableSecurities	(Gain)/Loss on Sale of Marketable Securities	Operating Activities
	Mvmts_OCIAFS_Arising	Non-cash Items	Non-cash Items

How Cash Flows are Automated - Monthly Edit Checks

- It is important to ensure you are using the correct movement dimensions for each type of activity in order to have accurate cash flow information.
- Monthly Edit Checks are designed for entities to review the activity in the various movement dimensions that impact cash flows to ensure activity is reflected correctly.
- We will be adding additional edit checks and cash flow validations to the Monthly Edit Checks template once we go live. Stay tuned for updates and additional training to be provided.
- **Best Practice** – After initial load to FCC, refresh the Edit Checks file and review activity for any issues. Make corrections in FCC prior to final signoff.
 - It is better to make the changes prior to finalizing monthly close rather than explain why there are issues with the edit checks. The goal is to refresh the Edit Checks and have no issues to explain.
 - If mapping issues are material enough, we may ask you to demote and reload with corrections made, or post an FCC Topside journal to correct.

Key Movement Dimensions that impact Free Cash Flow

The Free Cash Flow (FCF) calculation starts with Cash Flows from Operating Activities.

It is important to ensure all **Investing** and **Financing** Activities are identified and mapped correctly, as this will then “squeeze out” the Cash Flows from Operating Activities.

Summarized from Q3 2024 10-Q:

Cash Flows provided from Operating Activities	\$ 56.2
Decrease in restricted cash held for customers	100.6
Decrease in customer obligations	69.7
Capital expenditures	(159.9)
Proceeds from sale of fixed assets	12.0
Proceeds from lessor debt financing	19.4
Free Cash Flows	\$ 98.0

We will provide reports for both (1) the US GAAP calculation (shown above) and (2) the FP&A calculation (starting with EBITDA) that will reconcile to the US GAAP calculation.

Key Movement Dimensions that impact Free Cash Flow - Investing Activities

Investing activities include making and collecting loans and acquiring and disposing of debt or equity instruments, PP&E and other productive assets (assets held for or used in the production of goods or services by the entity, other than materials that are part of the entity's inventory). Investing activities exclude acquiring and disposing of certain loans or other debt or equity instruments that are acquired specifically for resale, as discussed in ASC 340.

Investing Activities

(In millions)	Nine Months Ended September 30,		\$ change
	2024	2023	
Cash flows from investing activities			
Capital expenditures	\$ (159.9)	(133.1)	(26.8)
Acquisitions, net of cash acquired	(14.4)	—	(14.4)
Dispositions, net of cash disposed	—	1.1	(1.1)
Marketable securities:			
Purchases	(59.3)	(58.3)	(1.0)
Sales	42.8	48.7	(5.9)
Proceeds from sale of property and equipment	12.0	5.7	6.3
Net change in loans held for investment	5.4	(12.3)	17.7
Other	(8.0)	(0.6)	(7.4)
Discontinued operations	—	0.9	(0.9)
Investing activities	\$ (181.4)	(147.9)	(33.5)

Capital Expenditures – see Slide 10

Acquisitions and Dispositions – Initial purchase accounting entries and adjustments only. Consult with BCO.

Purchases and Sales of Marketable Securities

Proceeds from sale of fixed assets – see Slide 11

Change in loans held for investment – This applies when we are the lessor in a failed sale-leaseback.

Other – May include acquisition of customer contracts, certain hedge related cash flows, etc. Consult with BCO Accounting team if you believe your entity has activity that should be reflected as investing activities.

Excerpt from Q3 2024 10-Q filing



Key Movement Dimensions that impact Free Cash Flow - Financing Activities

Financing activities include obtaining resources from owners and providing them with a return on, and a return of, their investment; receiving restricted resources that by donor stipulation must be used for long-term purposes; borrowing money and repaying amounts borrowed, or otherwise settling the obligation; and obtaining and paying for other resources obtained from creditors on long-term credit.

Short Term Debt Borrowings – net activity

Revolving Debt Borrowings and Repayments – Borrowings and Repayments shown gross

Other LT Debt Borrowings and Repayments – Borrowings and Repayments shown gross

- These borrowings include proceeds from failed sale leasebacks and Repayments include finance lease debt payments.

Acquisition of noncontrolling interest

Debt Financing Costs Paid (Corporate only)

Dividends Paid (to Brink's Shareholders and Noncontrolling Interests)

Acquisition related financing activities

- Acquisition related cash flows that are more than 90 days after the acquisition date are classified as Financing Activities. Examples include deferred purchase price payments and working capital adjustments.

Other common stock related activity (Corporate only)

Financing Activities

<i>(In millions)</i>	Nine Months Ended September 30,		\$ change
	2024	2023	
Cash flows from financing activities			
Borrowings and repayments:			
Short-term borrowings	\$ (6.7)	76.6	(83.3)
Long-term revolving credit facilities, net	(32.9)	(72.6)	39.7
Other long-term debt, net	330.3	(54.7)	385.0
Borrowings (repayments)	290.7	(50.7)	341.4
Acquisition of noncontrolling interest	(0.2)	(0.6)	0.4
Debt financing costs	(10.5)	—	(10.5)
Repurchase shares of Brink's common stock	(125.3)	(105.7)	(19.6)
Dividends to:			
Shareholders of Brink's	(31.3)	(29.7)	(1.6)
Noncontrolling interests in subsidiaries	(5.2)	(6.5)	1.3
Acquisition-related financing activities:			
Payment of acquisition related obligation	(0.8)	(10.5)	9.7
Tax withholdings associated with share-based compensation	(17.9)	(7.6)	(10.3)
Other	—	3.9	(3.9)
Financing activities	\$ 99.5	(207.4)	306.9

Excerpt from Q3 2024 10-Q filing

Key Movement Dimensions that impact Free Cash Flow - Capital Expenditures

Capex Category	Balance Sheet Accounts	FCC Movement Dimension	Description
Fixed Asset Additions (Owned Assets)	A160000 A160550 A160100 A160600 A160200 A160815 A160300 A160700 A160400 A160810 A160410 A160820 A160424 A160610 A160450 A160604 A160460 A160430 A160500 A160440 (Excludes finance lease asset accounts)	Mvmnts_PPE_Additions	This movement dimension should be used for purchases of owned fixed assets. *Finance lease additions should be recorded to Mvmnts_PPE_Additions_Lease
Capex Not Yet Paid	A210060 – Accounts Payable – PPE	Mvmnts_Capex_NotPaid	This account and default movement dimension should be used for any fixed asset additions that were unpaid at month end.
Purchases of Smartsafes Held for Sale <i>(Please consult with Corporate Accounting if you believe this is applicable to your entity)</i>	A130100 – Smartsafes Held for Sale	Mvmnts_Capex_AHFS	Smartsafes that are purchased with the intention to enter into a sale leaseback agreement should be recorded to this movement dimension and will be included in Capex. *The liability for any unpaid portion of these purchases should be recorded in A210060 similar to Fixed Asset purchases not yet paid.

Key Movement Dimensions that impact Free Cash Flow - Proceeds From Sale of Fixed Assets / Lessor Debt Financing

Category	Balance Sheet Accounts	FCC Movement Dimension	Description
Fixed Asset Deletions	All PP&E accounts	Mvmts_PPE_Deletions	This movement dimension should be used for assets that are sold to a third party.
Gain/Loss on Sale of Fixed Assets	A922005 – Gain (Loss) on Sale of Fixed Assets	N/A	Record any gain/loss on sale of fixed assets to this P&L account. FCC will automatically adjust the activity in the Sale of Fixed Assets line for the activity in this P&L account to net out to cash received.
Sales of Smartsafes Held for Sale <i>(Please consult with Corporate Accounting if you believe this is applicable to your entity)</i>	A130100 – Smartsafes Held for Sale	If Lease In is Operating Lease: Mvmts_CashProceedSale_Other If Lease In is Financing Lease: Mvmts_LessorDebtFinancing	Smartsafes that are sold as part of a sale leaseback should be recorded through one of these movements, depending on the classification of the lease in.

Non-Cash Items

Definition: For cash flow purposes, a non-cash entry is an entry that only impacts balance sheet accounts. Entries impacting P&L accounts would not be considered non-cash entries for cash flows.

Examples:

1. Reclass from non-current B/S account to current B/S account
2. Balance sheet gross up impacting both an asset and liability account
 - a. Finance lease additions (Debit PPE, Credit Debt)
 - b. Unpaid Capex (Debit PPE, Credit AP)
 - c. Accrual of prepayments (Debit Prepaid Assets, Credit AP)
3. OCI Activity impacting other B/S accounts

Any non-cash items over \$1m USD should be reported in the Quarterly and Year End Non-Cash Transactions A-Schedule.

Cash Flow Reports/Forms to be Available at Go Live

- ❖ Summary Cash Flow Statement – with comparison to prior period
- ❖ Cash Flow Statement – drilldown by account
- ❖ Cash Flow Statement – drilldown by entity
- ❖ Free Cash Flows – with comparison to prior period
 - ❖ Reports will be available in two formats:
 - ❖ FCF starting with Operating Cash Flows
 - ❖ FCF starting with EBITDA
- ❖ Working Capital Forms (to be available in excel similar to other Global Forms):
 - ❖ Accounts Receivable
 - ❖ Accounts Payable
 - ❖ Accrued Liabilities
 - ❖ Prepaid Assets
 - ❖ Other LT Assets
 - ❖ Other LT Liabilities
 - ❖ Other Operating

Example Working Capital Form

Each Working Capital crosswalk will include the following:

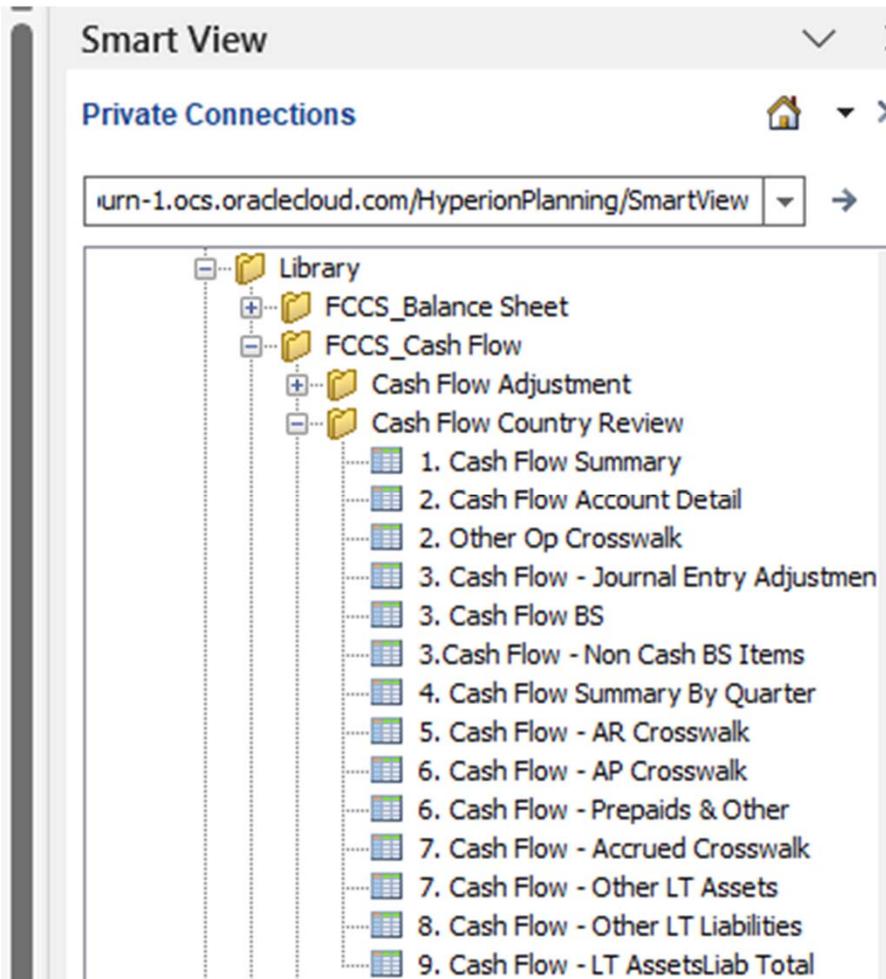
- Balances as of the current period end
- Balances of the prior year end
- The amounts in each movement to reconcile to the Summary Cash Flow report
- All FCC accounts that comprise that line item of the Summary Cash Flow report

POV 6. Cash Flow - AP Crosswalk - epm103-test-brinks.epm.us-ashburn-1.ocs.oraclecloud.com_BRINKS_1

US400:US400-Brink's Incorporated | Entity Currency | FCCS_Intercompany Top | FCCS_Total Data Source | FCCS_Entity Total | Total Cost Center | Total Services | Total Customer

	A	B	C	D	E	G	H
		FCCS_Movements	FCCS_Movements	FCCS_CashFlow	Movements - Accounts Payable		
1							
2		FY24	FY23	FY24	FY24		
3		Jun	Dec	Jun	Jun		
4		FCCS_YTD	FCCS_YTD	FCCS_YTD	FCCS_YTD		
5		Actual	Actual	Actual	Actual	Check	
6	A210000-Accounts Payable Trade	41,700,867.31	38,981,250.39	(2,719,616.92)	2,719,616.92	-	
7	A210500-Lease Accel-A/P Clearing	-	-	-	-	-	
8	A210510-Lease Accel-A/P-Other	-	-	-	-	-	
9	A210090-Accounts Payable Other	628,382.67	628,382.67	-	-	-	
10	A220100-Income Taxes Withheld from Employees	14,654.03	16,565.37	1,911.34	(1,911.34)	-	
11	A220110-Other Employee Withholdings	190,140.09	(65,863.93)	(256,004.02)	256,004.02	-	
12	A220116-401K Employee Withholding	-	-	-	-	-	
13	A220129-Executive Deferral Plan	9,825.38	14,017.67	4,192.29	(4,192.29)	-	
14	A220305-Executive Supplemental Savings	3,802.53	1,005.13	(2,797.40)	2,797.40	-	
15	A215100-Accounts Payable - Intercompany	4,581,401,952.28	4,091,036,075.40	(490,365,876.88)	490,365,876.88	-	
16	Total	4,623,949,624.29	4,130,611,432.70	(493,338,191.59)	493,338,191.59	-	
17							
18	FCC Subtotal Reconciliation:						
19	Accounts payable	4,623,949,624.29	4,130,611,432.70	(493,338,191.59)	493,338,191.59		
20							
21	Excluding:						
22							
23	Check		0	0	0	0	
24							
25							
26							

Example Working Capital Form



- ❖ Working capital forms will be available via the Smartview panel (like other Forms)
- ❖ The Field Operations team is working with the FP&A team to develop a cash flow workbook (in Forms and in Smartview) for local teams to easily run the Forms each period

Training Resources



1. FCC Chart of Accounts and Movement Definitions
2. Learn Once, Globally – FAQs on Fixed Asset Accounting
3. Country Edit Checks Training



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Accounting Global Resource Library

Welcome to the Accounting Global Resource Library!

This is our central repository for Global Accounting Policies and Procedures, as well as, Learn Once Globally case studies. This site focuses on providing the necessary resources for implementation and compliance with required global accounting policies. This site will be updated frequently with both policy updates and implementation of additional policies. Refer to this site frequently as these updates are released.

Explore the site and review the accounting policies utilizing the Learn Once Globally Case Studies for detailed examples of policy implementation. In addition, there are supporting documents for the accounting policies that can be found in the supporting documents pane, or by downloading the policy and searching for attachments.

If you have any questions or suggestions for improvements, please contact Jackie Galiano, JGaliano@brinkscorporate.com.

[Global Accounting Policies & Procedures](#)
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We are currently working through updating these resources and will provide to everyone before we go live with the cash flow module. More info and dates to come.



Questions & Answers



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