



PROSEGUR
CASH



Results Presentation

First semester 2018

Cash in the media

Relevant news of the quarter

The European Union against restricting the use of cash

Under the premise of fighting against the financing of terrorism and tax evasion, the possibility of limiting cash payments comes to the public debate with some recurrence. Recently, The European Commission pointed out the ineffectiveness of these measures.

Source: European Commission

Visa payments down in Europe. Mastercard customers suffer outages around the world

Visa and MasterCard users had technical problems to complete their payment transactions during the months of June and July. The fall of the networks of the card providers highlights the importance of continuing to count on cash as a means of payment.

Source: Financial Times

China and Washington DC stand up for the unbanked population

The People's Bank of China (PBoC) is urging businesses and banks to accept cash.

Additionally, U.S capital wants to pass a bill that would require restaurants to accept cash in a move to protect the unbanked.

Source: Reuters and US Congress

Governments prone to safeguard cash and promote improvements in the cash cycle

Different institutions in Sweden, Norway and the Netherlands have spoken out in favor of not imposing restrictions on the use of cash, recognizing its importance in society.

Source: Swedish Associations, Norwegian Ministry of Finance, Dutch Central Bank

Agenda

1. Highlights of the semester
2. Regional overview
3. Financial results
4. Conclusions
5. Annex I: Income statement reconciliation

Highlights of the semester

Main themes



- Organic growth **9%**
- EBIT margin **17.8% → 18.0%**
- Strong depreciation of currencies in emerging markets



- Acquisitions closed ⁽¹⁾
74 m€ investment
- New geographies: **Central America, Philippines**
- New products: **Banking services**

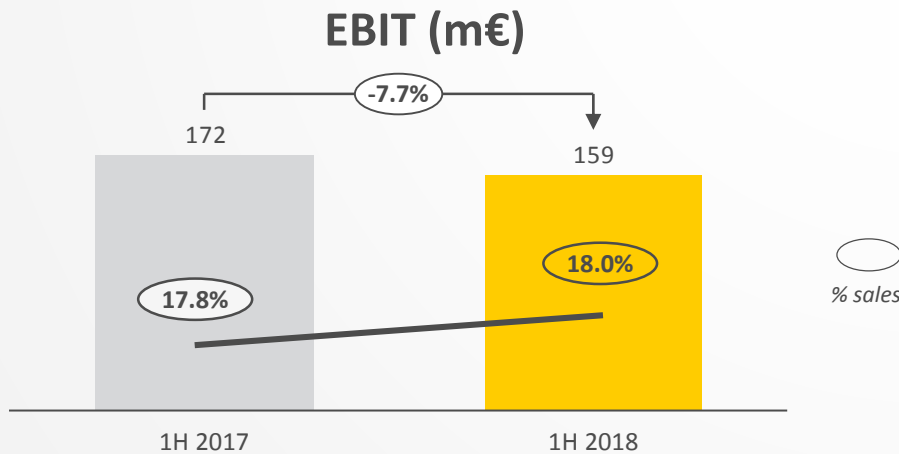
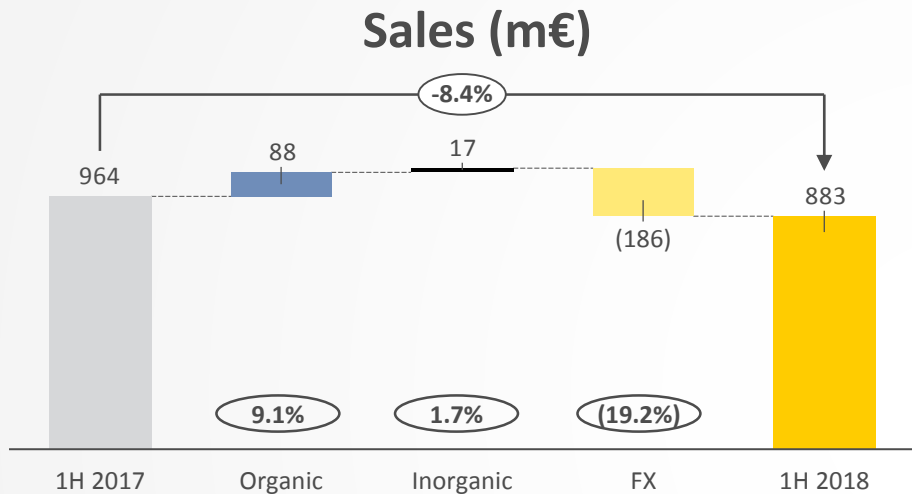


- Increasing as a % of sales **8.2% → 10.8%**
- Growth in key segments: **Retail automation, AVOs, ATMs**

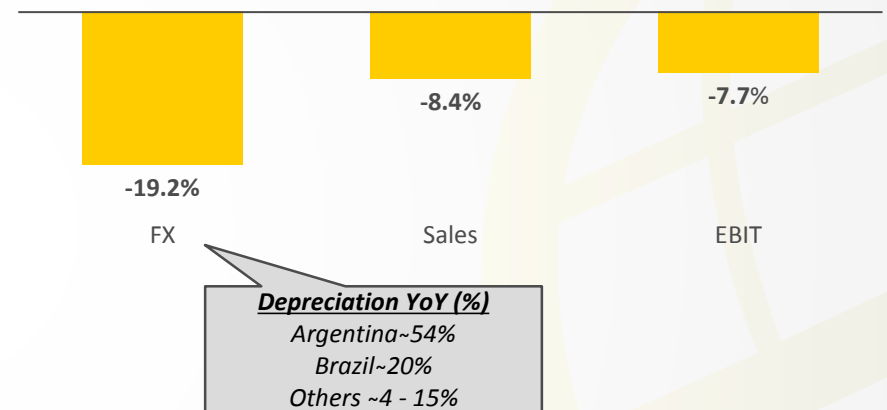
(1) Including post-closing acquisitions: ATPi in the Philippines and Logmais in Brazil. Maximum investment amount including deferred payments

Resilience

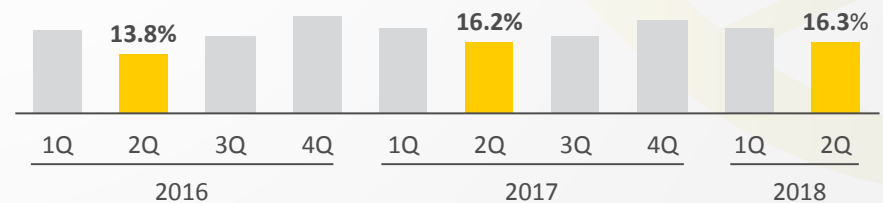
Solid organic growth and margin improvement despite a very adverse currency environment



Severe currency headwinds mitigated through the P&L



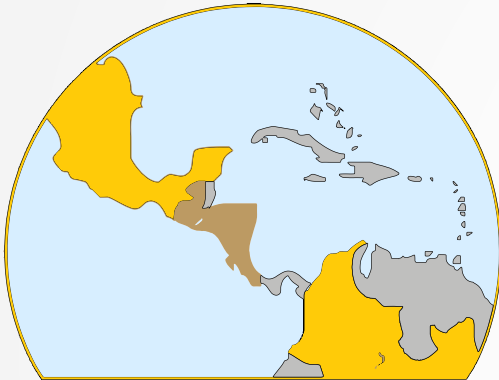
Continuous improvement of EBIT margin



Consolidation

Growth in emerging markets and in new products through M&A

Central America



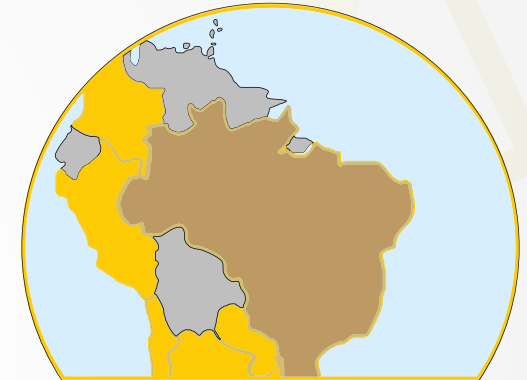
- Regional leadership
- 5 countries
- ~34 m€ sales
- ~2,000 employees
- 240 armored trucks
- 13 cash centers

Philippines



- National leadership
- ~22 m€ sales
- More than 5,000 employees
- Over 1,000 armored trucks
- ~1,000 ATMs
- 5 cash centers

Banking Services Brasil



- Specialized BPO pure player
- 132 branches in NE and SE
- Over 800 retail offices
- More than 390 employees
- ~2,3m transactions per month

74 m€ investment in M&A⁽¹⁾

Annual target 50 – 150 m€

(1) Including post-closing acquisitions: ATPI in the Philippines and Logmais in Brazil. Maximum investment amount including deferred payments

New products

Acceleration of new businesses

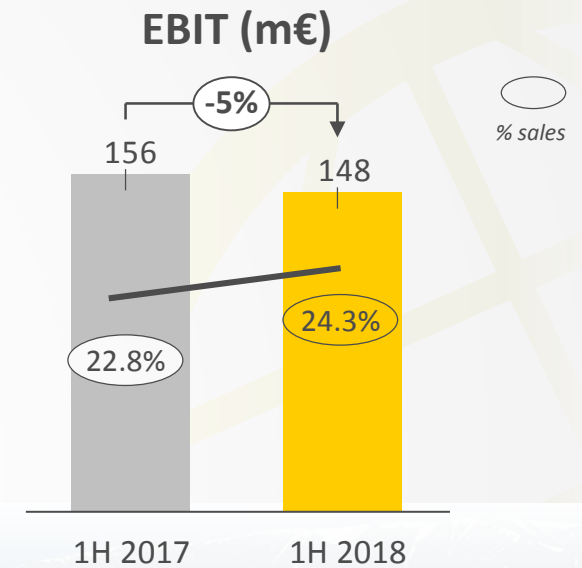
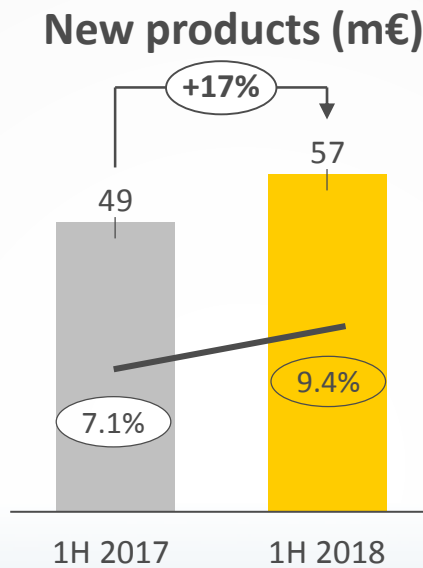
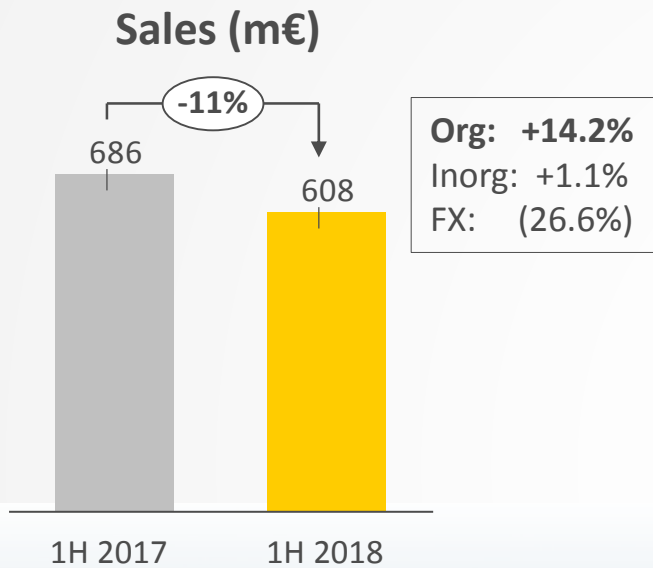


Agenda

1. Highlights of the semester
- 2. Regional overview**
3. Financial results
4. Conclusions
5. Annex I: Income statement reconciliation

LatAm

69% of sales



Comparison vs. previous year affected by **one-offs** in 2017

Healthy organic growth slightly impacted by strikes

Strong currency depreciation, especially in Argentina and Brazil

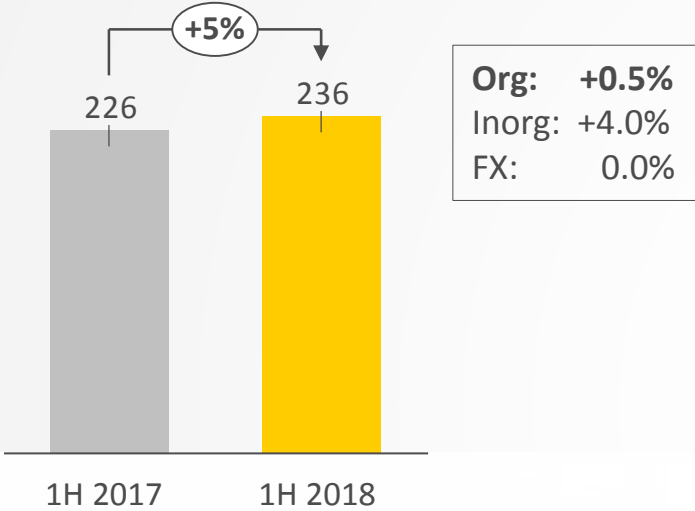
Retail automation, ATMs and valuable cargo

Margin improvement explained by efficiencies and operating leverage

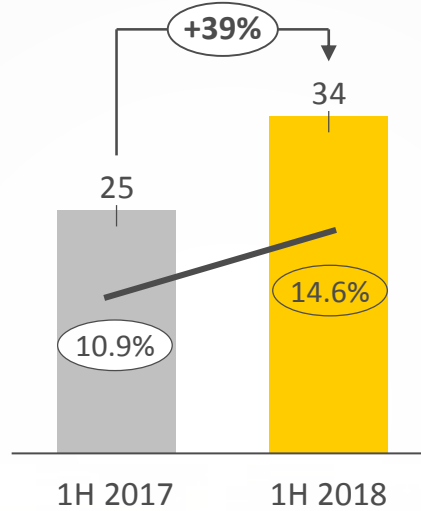
Europe

27% of sales

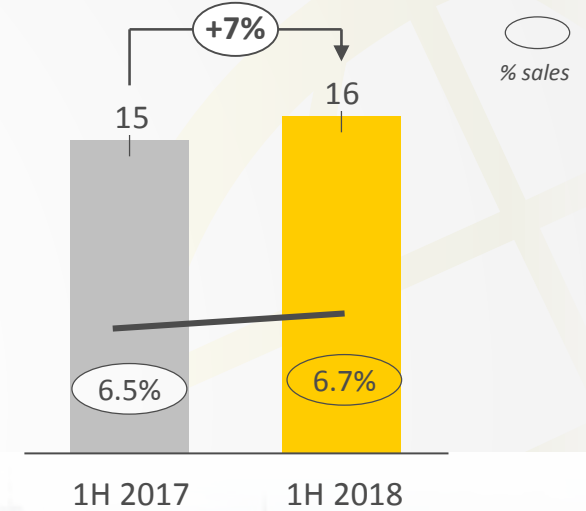
Sales (m€)



New products (m€)



EBIT (m€)



Organic growth weighed down by France

AVOS and retail automation

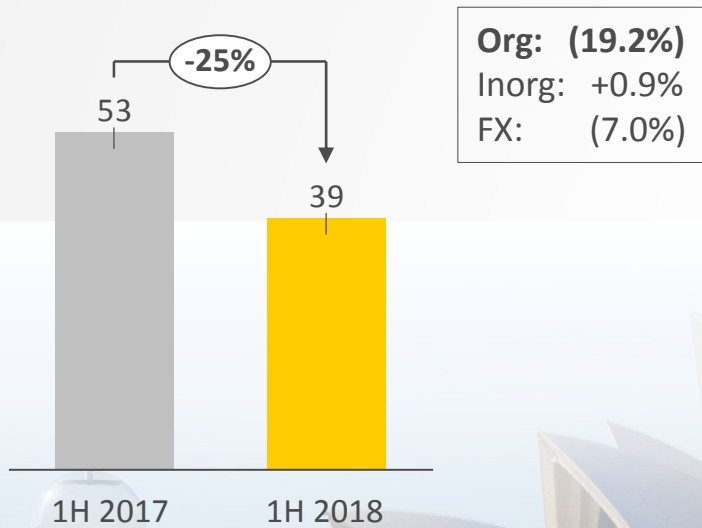
Margin expansion despite the adverse situation in France

2017 M&A complementing our organic growth

Asia, Oceania, Africa (AOA)

4% of sales

Sales (m€)

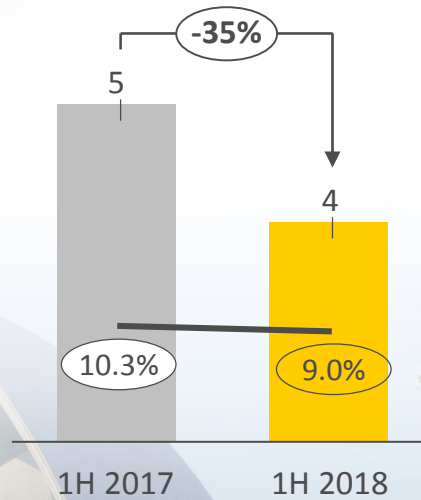


Gradual recovery of volume since the second quarter

Positive contribution coming from 2017 M&A

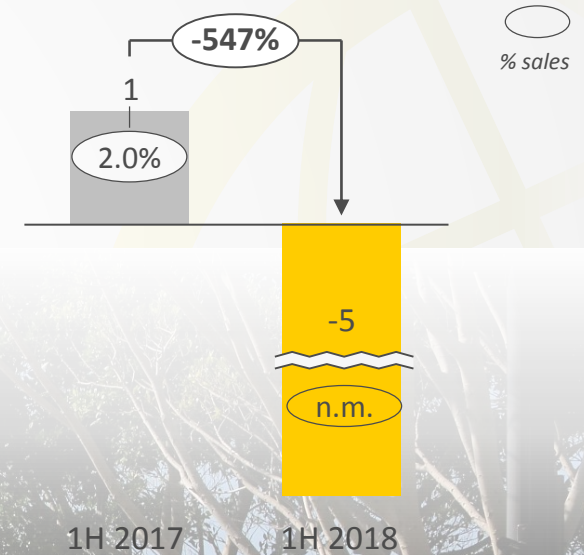
Strong currency depreciation

New products (m€)



Decrease in ATM services and currency effect

EBIT (m€)



Impacted by transition costs in Australia

Agenda

1. Highlights of the semester
2. Regional overview
- 3. Financial results**
4. Conclusions
5. Annex I: Income statement reconciliation

Profit and loss

<i>Million Euros</i>	1H 2017 business (1)	1H 2018 business (1)	% change
Sales	964	883	-8.4%
EBITDA	205	192	-6.4%
<i>Margin</i>	21.3%	21.7%	
Depreciation	(25)	(26)	3.2%
EBITA	180	166	-7.8%
<i>Margin</i>	18.7%	18.8%	
Amortization of intangibles	(8)	(7)	-8.6%
EBIT	172	159	-7.7%
<i>Margin</i>	17.8%	18.0%	
Financial result	4	9	132.5%
EBT	176	168	-4.5%
<i>Margin</i>	18.2%	19.0%	
Taxes	(57)	(56)	-3.0%
<i>Tax rate</i>	32.6%	33.1%	
Net Profit from continuing operations	119	112	-5.3%
<i>Margin</i>	12.3%	12.7%	
Net Consolidated Profit	119	112	-5.9%
<i>Margin</i>	12.3%	12.6%	

Organic growth mitigating currency effect

Efficiency improvements and operating leverage

Positive financial result

(1) Business figures exclude the impact of the intercompany transactions between Prosegur Cash and Prosegur Compañía de Seguridad associated to the IPO restructuring process in 2017. For reconciliation purposes between accounting and business figures please refer to annex I at the end of this presentation.

Cash flow

Million Euros	1H 2017 business	1H 2018 business
EBITDA	205	192
Provisions and other non-cash items	13	(9)
Income tax	(84)	(73)
Acquisition of PP&E	(48)	(43)
Changes in working capital	6	(12)
Free Cash Flow	92	56
<i>% Conversion</i>	<i>77%</i>	<i>78%</i>
Interest payments	(9)	(6)
Payments for acquisitions of subsidiaries	(26)	(18)
Trademark sale	85	-
Real Estate sale	60	-
Brazilian Security business sale	-	18
Dividend payment	-	(45)
Total Net Cash Flow	202	5
Net financial position at the beginning of the period (December)	(611)	(424)
Net increase / (decrease) in cash	202	5
Exchange rate	(8)	(23)
Net financial position at the end of the period (June)	(418)	(442)

Capex ~ 4.8% over sales. Higher investments in **client-oriented** capex

Calendar effect impacting our working capital

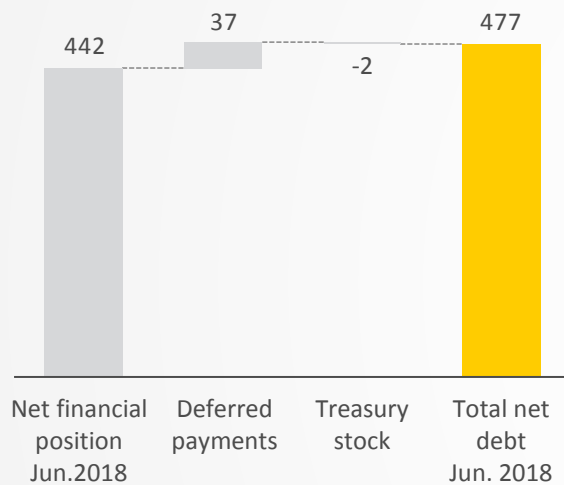
M&A payments within the semester

Dividend cash-out (second and third instalments of the 2017 approved amount)

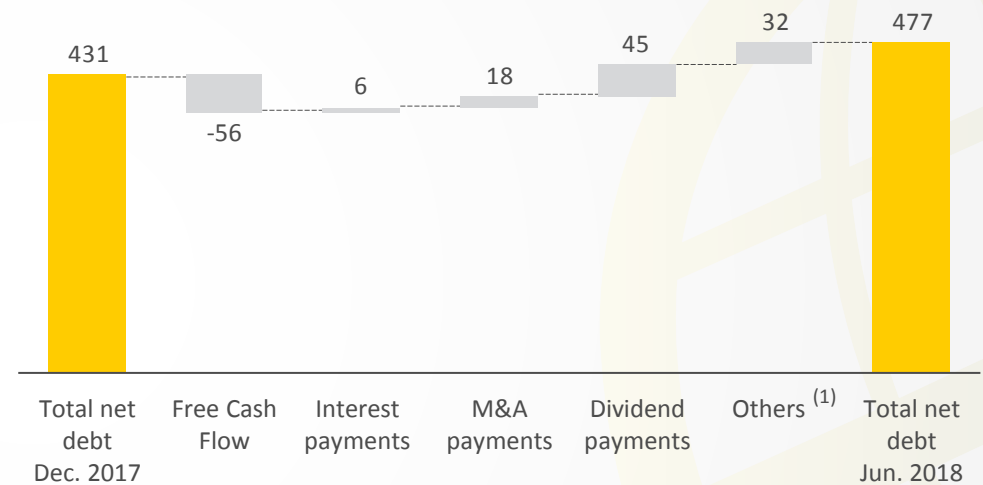
Total net debt

Million Euros

**Total net debt reconciliation
(June 2018)**



**Total net debt variation
(December 2017 vs June 2018)**



Average
Cost of Debt
2.09%

Rating S&P
BBB
Outlook stable

Net debt /
EBITDA LTM
1.1x

(1) Mainly Includes fx rate impact, deferred payments variation and the sale of the Brazilian security business

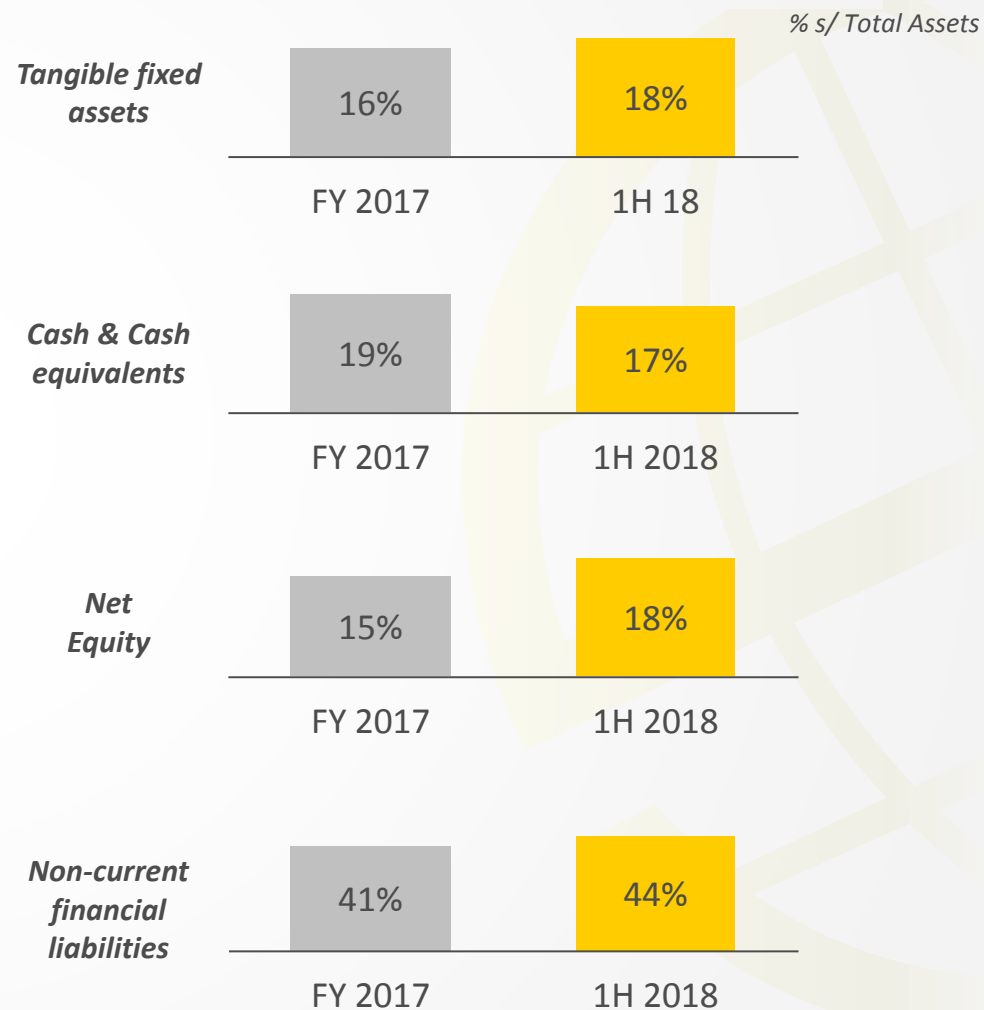
Balance sheet

Million Euros

FY 2017 1H 2018

Non-current assets	830	808
Tangible fixed assets	279	274
Intangible assets	478	466
Others	72	68
Current assets	877	734
Inventories	6	13
Trade receivables and others	508	441
Cash and cash equivalents	318	259
Non-current assets held for sale	46	21
TOTAL ASSETS	1,707	1,543
Net Equity	264	281
Non-current liabilities	851	829
Financial liabilities	697	685
Other non-current liabilities	154	144
Current liabilities	592	432
Financial liabilities	78	54
Other liabilities	488	357
Liabilities held for sale	27	21
TOTAL EQUITY AND LIABILITIES	1,707	1,543

Strengthening of main Balance Sheet items:



Agenda

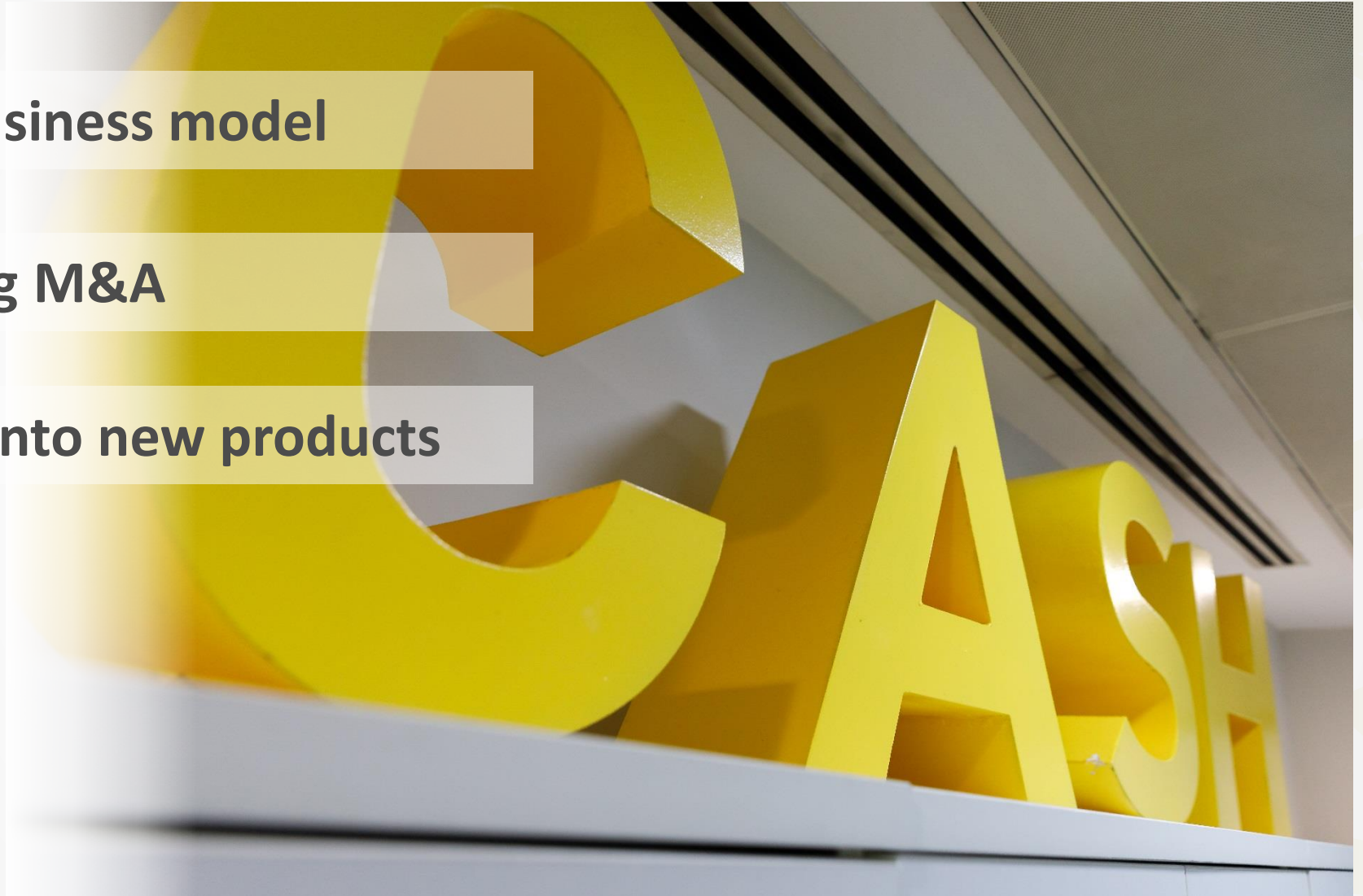
1. Highlights of the semester
2. Regional overview
3. Financial results
- 4. Conclusions**
5. Annex I: Income statement reconciliation

Conclusions

Resilient business model

Accelerating M&A

Expanding into new products



Agenda

1. Highlights of the semester
2. Regional overview
3. Financial results
4. Conclusions
- 5. Annex I: Income statement reconciliation**

Annex

Income statement reconciliation first semester 2018

Million Euros			<u>Trademark</u>		<u>Real Estate</u>		<u>Corporate Restruc. and Others</u>			
	1H 2017 accounting	1H 2018 accounting	1H 2017 not assign.	1H 2018 not assign.	1H 2017 not assign.	1H 2018 not assign.	1H 2017 not assign.	1H 2018 not assign.	1H 2017 business ⁽¹⁾	1H 2018 business ⁽¹⁾
Sales	964	883	-	-	-	-	-	-	964	883
EBITDA	290	192	-85	-	+0	-	-	-	205	192
<i>Margin</i>	30.1%	21.7%							21.3%	21.7%
Depreciation	(25)	(26)	-	-	-	-	-	-	(25)	(26)
EBITA	265	166	-85	-	+0	-	-	-	180	166
<i>Margin</i>	27.5%	18.8%							18.7%	18.8%
Amortization of intangibles	(8)	(7)	-	-	-	-	-	-	(8)	(7)
EBIT	257	159	-85	-	+0	-	-	-	172	159
<i>Margin</i>	26.6%	18.0%							17.8%	18.0%
Financial result	4	9	-	-	-	-	-	-	4	9
EBT	261	168	-85	-	+0	-	-	-	176	168
<i>Margin</i>	27.0%	19.0%							18.2%	19.0%
Taxes	(66)	(56)	+9	-	-	-	-	-	(57)	(56)
<i>Tax rate</i>	25.4%	33.1%							32.6%	33.1%
Net profit from continuing operations	194	112	-76	-	+0	-	-	-	119	112
<i>Margin</i>	20.2%	12.7%							12.3%	12.7%

(1) Business figures exclude the impact of the intercompany transactions between Prosegur Cash and Prosegur Compañía de Seguridad associated to the IPO restructuring process in 2017. Among them we highlight the sale of certain Licensed Trademarks, the sale of real estate assets in Argentina and the sale of the Security Business of Brazil

Legal advice

Disclaimer

This document has been prepared exclusively by Prosegur Cash for use as part of this presentation.

The information contained in this document is provided by Prosegur Cash solely for information purposes, in order to assist parties that may be interested in undertaking a preliminary analysis of it; the information it contains is limited and may be subject to additions or amendments without prior notice.

This document may contain projections or estimates concerning the future performance and results of Prosegur Cash's business. These estimates derive from expectations and opinions of Prosegur Cash and, therefore, are subject to and qualified by risks, uncertainties, changes in circumstances and other factors that may result in actual results differing significantly from forecasts or estimates. Prosegur Cash assumes no liability nor obligation to update or review its estimates, forecasts, opinions or expectations.

The distribution of this document in other jurisdictions may be prohibited; therefore, the recipients of this document or anybody accessing a copy of it must be warned of said restrictions and comply with them.

This document has been provided for informative purposes only and does not constitute, nor should it be interpreted as an offer to sell, exchange or acquire or a request for proposal to purchase any shares in Prosegur Cash. Any decision to purchase or invest in shares must be taken based on the information contained in the brochures filled out by Prosegur Cash from time to time.



Investor Relations (pablo.delamorena@prosegur.com)

