

# Results Presentation Q1 2018

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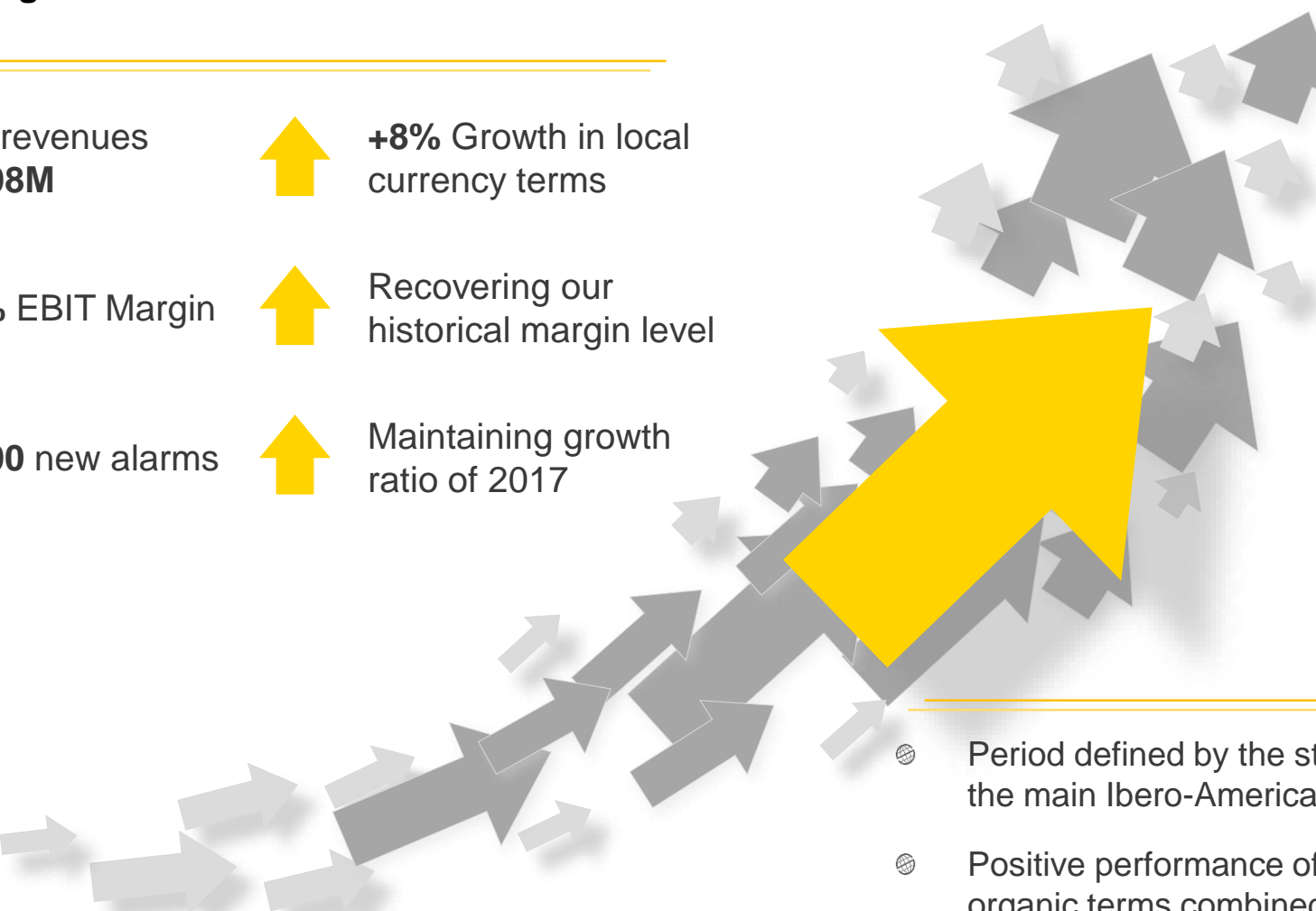
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## Highlights of the First Quarter

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- 🌐 Total revenues **€1,008M**  **+8%** Growth in local currency terms
- 🌐 **9.9%** EBIT Margin  Recovering our historical margin level
- 🌐 **13,000** new alarms  Maintaining growth ratio of 2017

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- 🌐 Period defined by the strong depreciation of the main Ibero-American currencies
  - 🌐 Positive performance of all business lines in organic terms combined with improved profitability
  - 🌐 Increased focus on profitability across all geographies and activities

# P&L

In millions of Euros

Consolidated Results	1Q 2017 <sup>(*)</sup>	Q1 2018	% Change
<b>SALES</b>	<b>1,067</b>	<b>1,008</b>	(5.5)%
<b>EBITDA</b>	<b>134</b>	<b>133</b>	(0.2)%
<i>Margin</i>	12.5%	13.2%	
Depreciation	(26)	(28)	
<b>EBITA</b>	<b>108</b>	<b>105</b>	(2.6)%
<i>Margin</i>	9.5%	10.4%	
Amortization of intangible and other	(6)	(6)	
<b>EBIT</b>	<b>102</b>	<b>99</b>	(2.2)%
<i>Margin</i>	9.5%	9.9%	
Financial Result	(13)	(0)	
<b>Profit Before Taxes</b>	<b>89</b>	<b>99</b>	+11.8%
<i>Margin</i>	8.3%	9.8%	
Taxes	(32)	(36)	
<i>Tax Rate</i>	35.7%	36.6%	
<b>Net Profit</b>	<b>57</b>	<b>63</b>	+10.1%
Minority interests	4	17	
<b>Net Consolidated profit</b>	<b>53</b>	<b>46</b>	(14.0)%
<b>EPS (Earnings per share)</b>	<b>0.1</b>	<b>0.1</b>	

➔ Sales **growth** affected by negative exchange rate impact

➔ Sustained **improvement of margins**

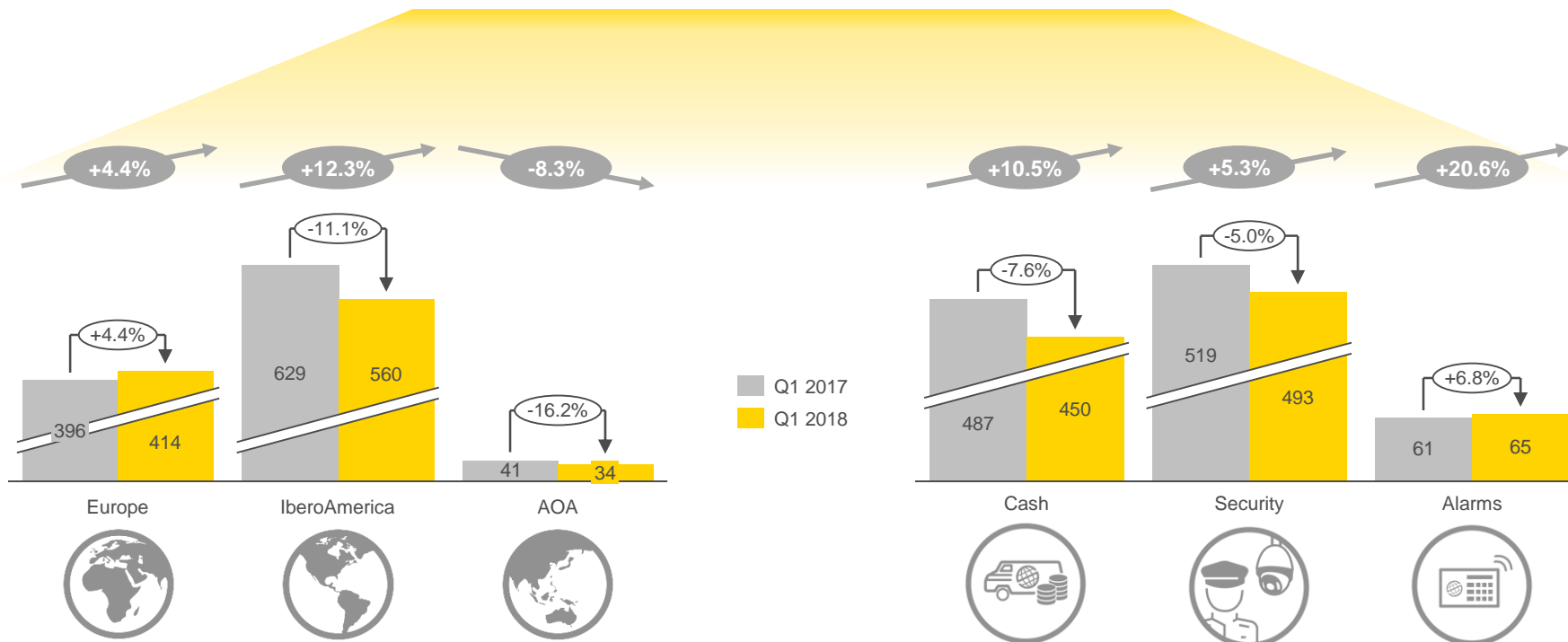
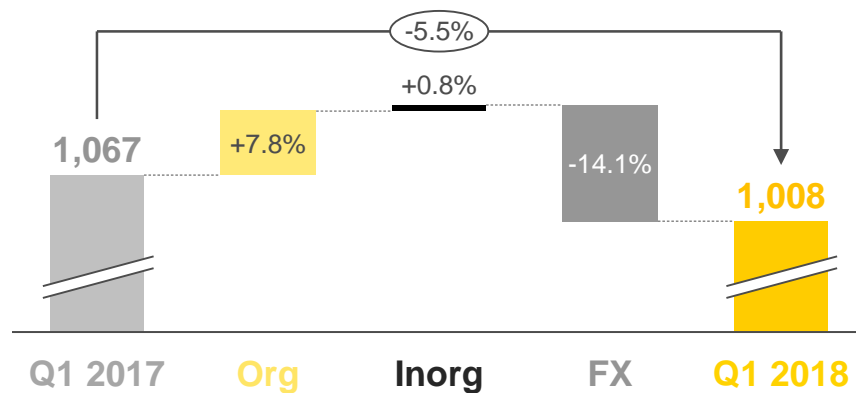
➔ Strong **growth of Net Profit** by more than **10%**

(\*) Figures exclude extraordinary non-recurring costs and taxes related to the CASH IPO.

## Consolidated Revenues by Region and Business Line

In millions of Euros

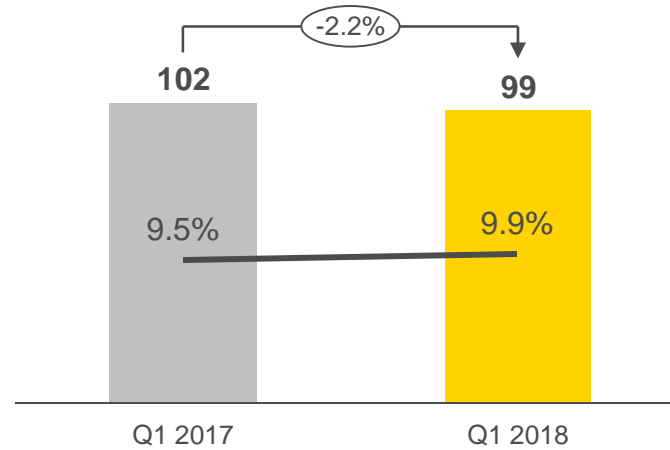
Growth in Local Currency terms (\*)  
 Growth in Euros



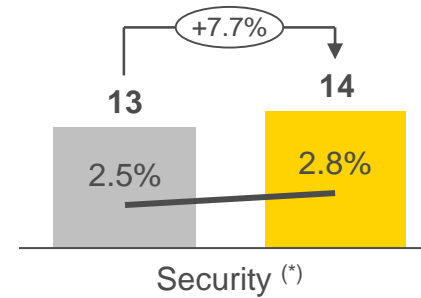
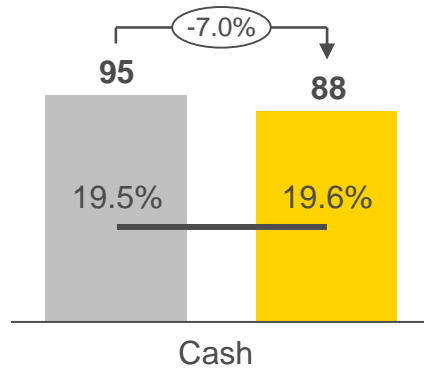
(\*) Includes both organic and inorganic growth.

# Consolidated EBIT by Business Line

In millions of Euros

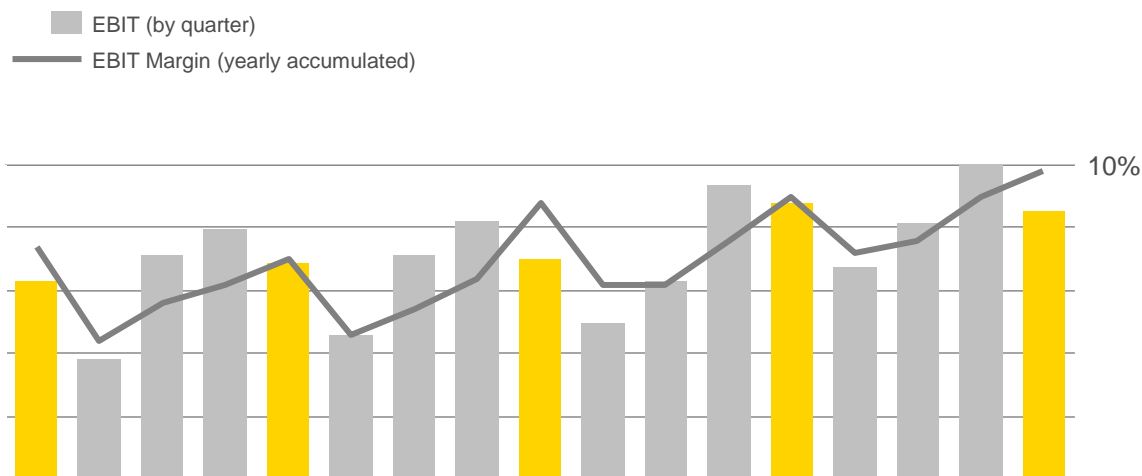


— EBIT Margin  
■ EBIT



(\*) Security EBIT excluding Overhead Costs.

## Profitability keeps improving, regardless of Currency Fluctuations



	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	2014				2015				2016				2017				2018
<b>Δ Organic Revenues</b>	10.2%				7.6%				12.2%				11.4%				7.8%
<b>Impact FX-Effect</b>	<b>(11.4)%</b>				<b>(3.0)%</b>				<b>(13.9)%</b>				<b>(1.9)%</b>				<b>(14.1)%</b>
<b>EBIT Margin (full year)</b>	<b>8.1%</b>				<b>8.2%</b>				<b>8.8%</b>				<b>9.5%</b>				<b>9.9%</b>

# Results by Business Line

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**PROSEGUR**

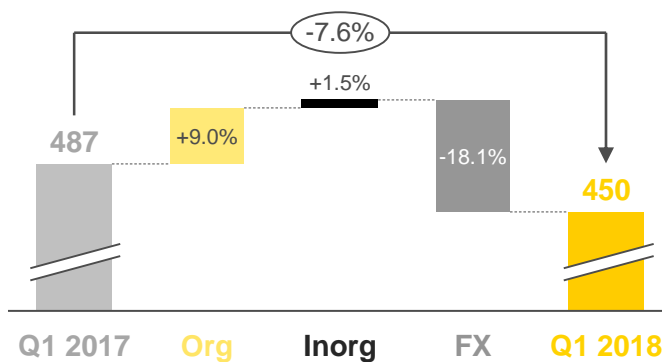
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# PROSEGUR CASH

In millions of Euros

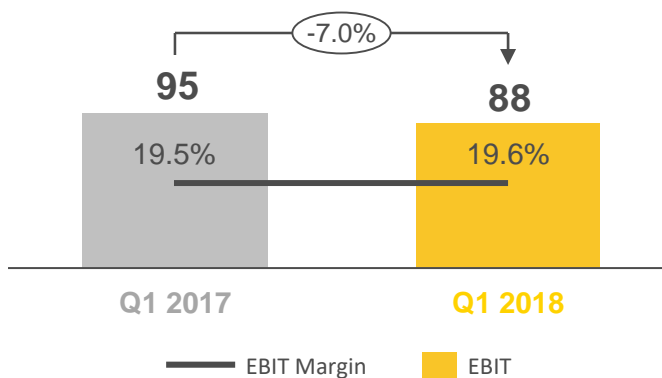


## Revenues



Growth of **10.5%** in local currency terms.  
Strong impact of **foreign currency devaluation**

## EBIT & Margin



**Margin improvement** driven by new product solutions that continue to grow in sales

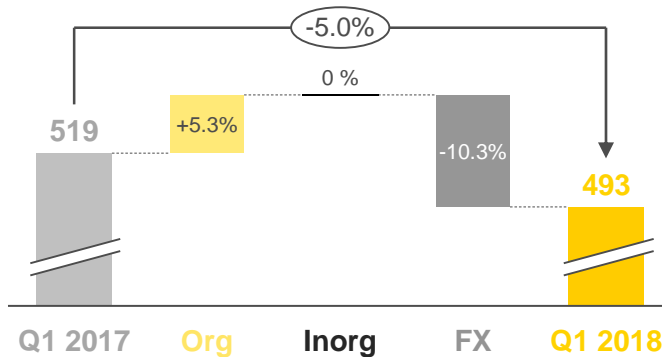


# PROSEGUR SECURITY

In millions of Euros

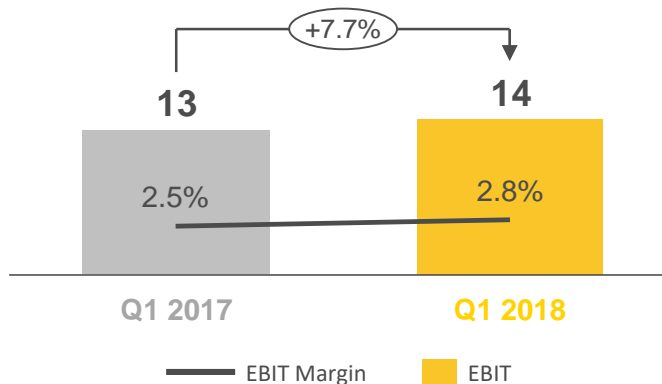


Revenues



➔ **Overall growth.** Negative FX-impact largely in Ibero-America, but improving above GDP in organic terms. **Driven** mainly by Europe

EBIT & Margin

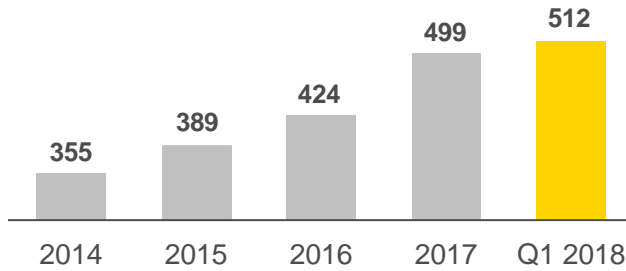


➔ **Strong improvement.** Brazil maintains the recovery dynamics of 2017 while the remaining geographies also increase profitability

# PROSEGUR ALARMS

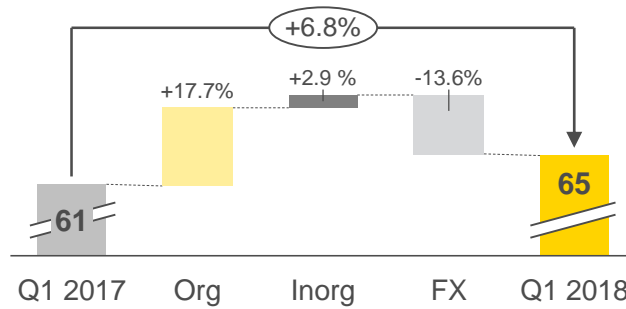


**BTC**



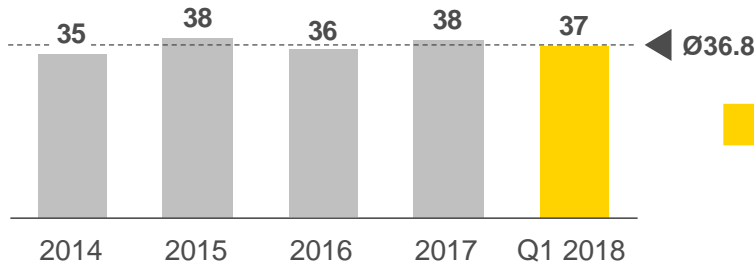
**Growth** in net connections **in line** with the same period in 2017 (**16%** vs. Q1 2017)

**Revenues**



**Sales growth** sustained at ratios above **20%** (in local currency terms)

**ARPU**



**Stable.** Affected by FX in Ibero-America, but **improving** in organic terms

# Financial Information

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## Consolidated Cash Flow

In millions of Euros

	1Q 2017 <sup>(*)</sup>	1Q 2018
<b>EBITDA</b>	<b>134</b>	<b>133</b>
Provisions and other non-cash items	3	(15)
Tax on profit (ordinary)	(37)	(18)
Changes in working capital	(53)	(86)
Interests payments	(23)	(8)
<b>Operating cash flow</b>	<b>24</b>	<b>6</b>
Acquisition of property, plant & equipment	(44)	(41)
Payments for acquisitions of subsidiaries	(15)	(1)
Dividend payments	(21)	(47)
Other flows	748	(2)
<b>Cash flow from investment / financing</b>	<b>667</b>	<b>(90)</b>
<b>Total net cash flow</b>	<b>692</b>	<b>(84)</b>
<b>Initial net financial position</b>	<b>(712)</b>	<b>(252)</b>
Net increase / (decrease) in cash	692	(84)
Exchange rate	4	(13)
<b>Final net financial position</b>	<b>(17)</b>	<b>(350)</b>

(\*) Figures exclude extraordinary non-recurring costs and taxes related to the CASH IPO.

# Total Net Debt

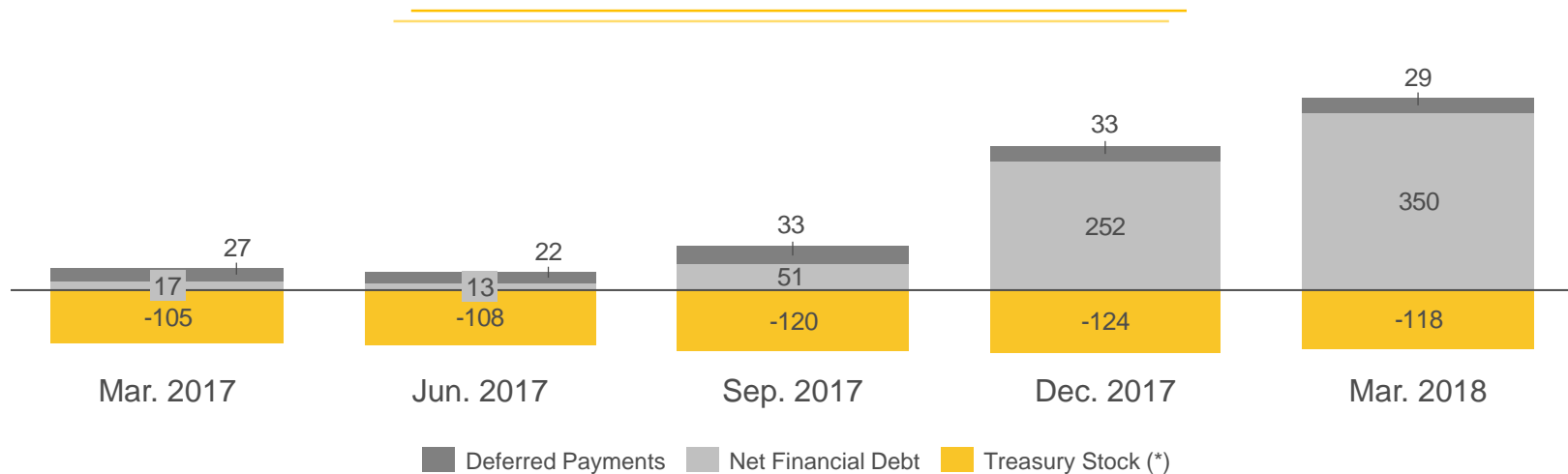
In millions of Euros

## ◆ Net Financial Debt

- ◆ **Increase of 98 million Euros** vs. year-end 2017, maintaining low leverage levels
- ◆ Average cost of debt remains **stable: 2.0%** vs. 2.1% in Q1 2017

## ◆ Ratios

- ◆ Net Financial Debt / EBITDA: **0.7x**
- ◆ Net Financial Debt / Equity: **0.3x**



(\* ) Treasury stock of PROSEGUR and Prosegur CASH at closing market price of the period.

## Balance Sheet

In millions of Euros

	<i>FY 2017</i>	<i>Q1 2018</i>
<b>Non-current Assets</b>	<b>1,481</b>	<b>1,516</b>
Tangible fixed assets	587	637
Intangible assets	765	748
Others	128	131
<b>Current Assets</b>	<b>2,343</b>	<b>2,832</b>
Inventory	71	72
Customer and other receivables	1,151	1,163
Cash and equivalents and other financial assets	1,121	1,598
<b>TOTAL ASSETS</b>	<b>3,824</b>	<b>4,348</b>
<b>Net Equity</b>	<b>1,143</b>	<b>1,157</b>
Share capital	37	37
Treasury Shares	(53)	(53)
Retained earnings and other reserves	1,085	1,092
Minority interest	74	81
<b>Non-Current Liabilities</b>	<b>948</b>	<b>1,659</b>
Bank borrowings and other financial liabilities	717	1,402
Other non-current liabilities	230	258
<b>Current Liabilities</b>	<b>1,733</b>	<b>1,533</b>
Bank borrowings and other financial liabilities	701	589
Trade payables and other current liabilities	1,031	944
<b>TOTAL NET EQUITY AND LIABILITIES</b>	<b>3,824</b>	<b>4,348</b>

## Expansion and Inorganic Growth



**Alarms**



Inorganic growth geared towards **density improvement** of our client portfolio



**Security**



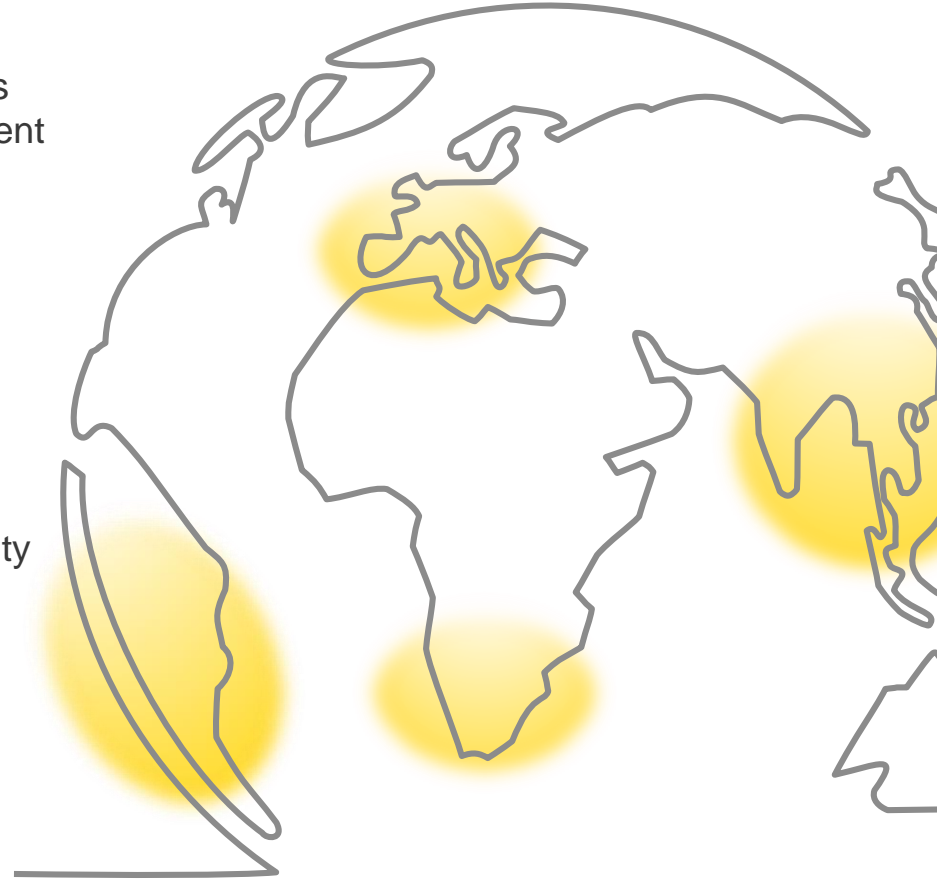
Main focus on **Technology and Cybersecurity** as well as minority stakes in cutting-edge Start-Ups



**Cash**



Increasing market share in **existing footprint** and expanding into **new geographies**



## Conclusions and Final Remarks

- All business lines continue evolving positively and are all within their stable growth parameters
- Profitability continues to improve, driven by new products across all activities, and by the recovery of Security in Brazil
- Strong business resiliency, despite the impact of exchange rates
- Continued increase in efficiencies of support units through further progress in digital transformation projects
- Inorganic growth developments under way in all areas and geographies







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