



1st Half 2016 Results Presentation



PROSEGUR
Security you can trust

1

GROWTH

- Sales grow by nearly 13% at constant FX rate
- Exponential growth of the alarm business
- Brazil, Spain and Argentina perform well despite seasonality
- Good growths in the rest of LatAm countries

2

PROFITABILITY

- Consolidation of the profitability improvement
- EBIT margin grows to 8.1%
- Focus on the turnaround of the SIS business in LatAm

3

FINANCIAL SOUNDNESS

- Excellent cash generation
- Cash repatriation from Argentina continues
- The finance cost of debt keeps decreasing

Main highlights

Improvement strategy of the Integrated Security Solutions business From Manned Guarding to Surveillance



Traditional Guarding is evolving from a service based on the cost per hour...

- Commoditized
- Low margins
- Low perception of added value

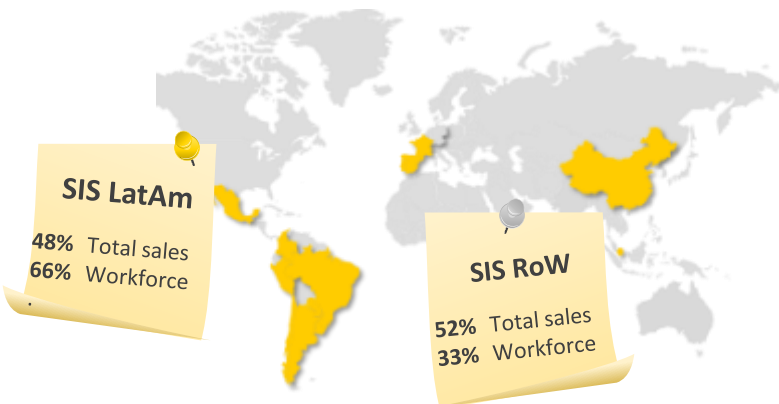


... towards a more sophisticated combination of **"on-demand"** services and **remote monitoring** capabilities

- Higher margins
- Higher length of the contracts
- Measured by added value, not by price

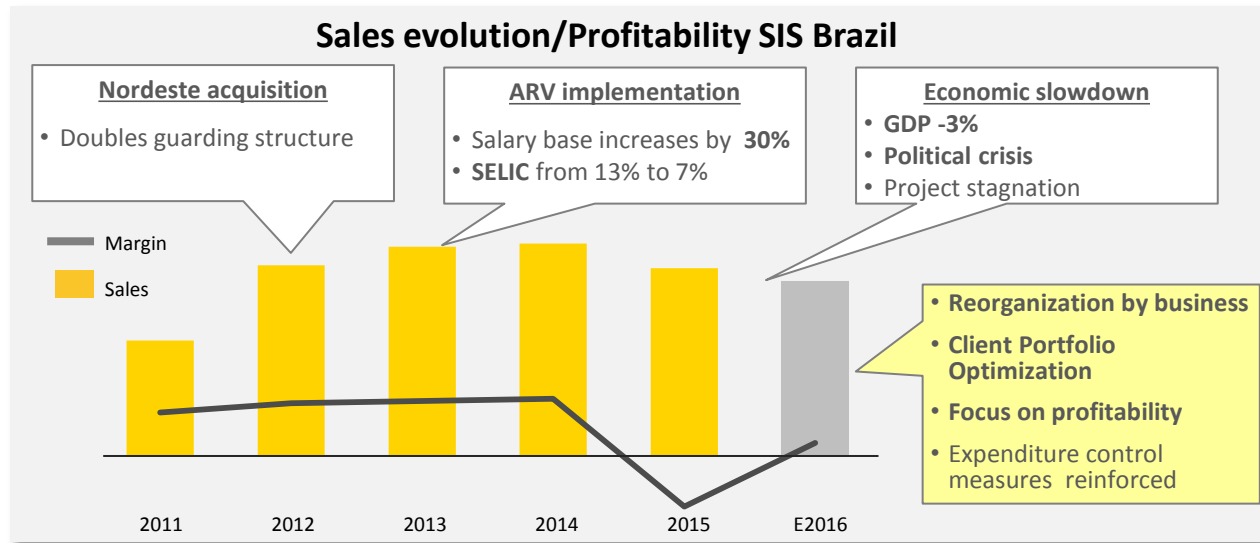


SIS shows different cost structures depending of the region



- Currently, in its traditional markets, Prosecur is leader in profitability and service, due to the penetration of new solutions that combine both guarding and technology
- The SIS platform in LatAm, due to its recent incorporation to the Group and the situation of the labor and technology markets, is still in the process of optimizing and improving margins

Improvement strategy of the Integrated Security Solutions business Brazil Focus

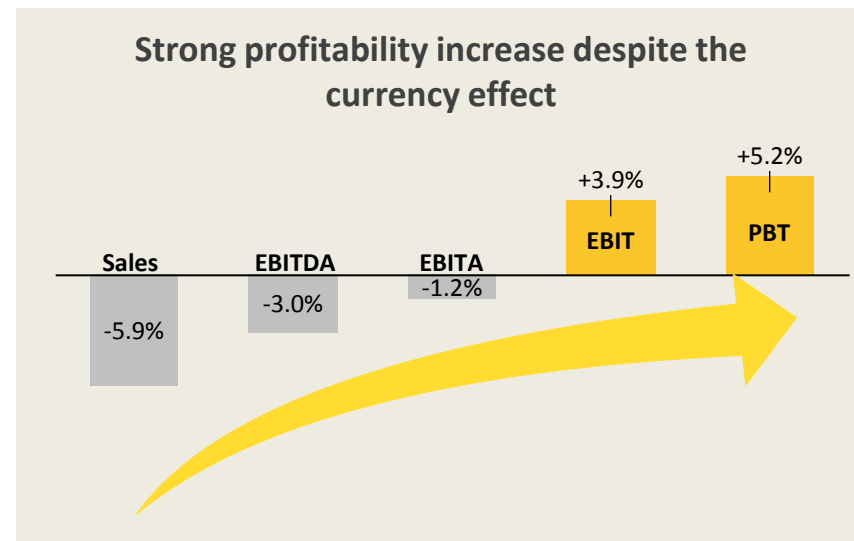


Change strategies

- Internal benchmark application for transferring best practices
- Increase of the technology mix in the proposal
- Client portfolio optimization
- Labor claims management
- Expenditure control

P&L

Consolidated Results <i>Million Euros</i>	1H 2015	1H 2016
Sales	1,953	1,837
EBITDA	210	203
<i>Margin</i>	10.7%	11.1%
Depreciation	-47	-43
EBITA	163	160
Amortization of intangible and other	-20	-12
EBIT	143	148
<i>Margin</i>	7.3%	8.1%
Financial Result	-23	-22
Profit before taxes	120	126
<i>Margin</i>	6.1%	6.8%
Taxes	-43	-45
<i>Tax rate</i>	35.6%	35.8%
Net Profit	77	81
Minority interests	-0.6	0.0
Net consolidated profit	78	81
EPS <i>(Euros per share)</i>	0.13	0.13

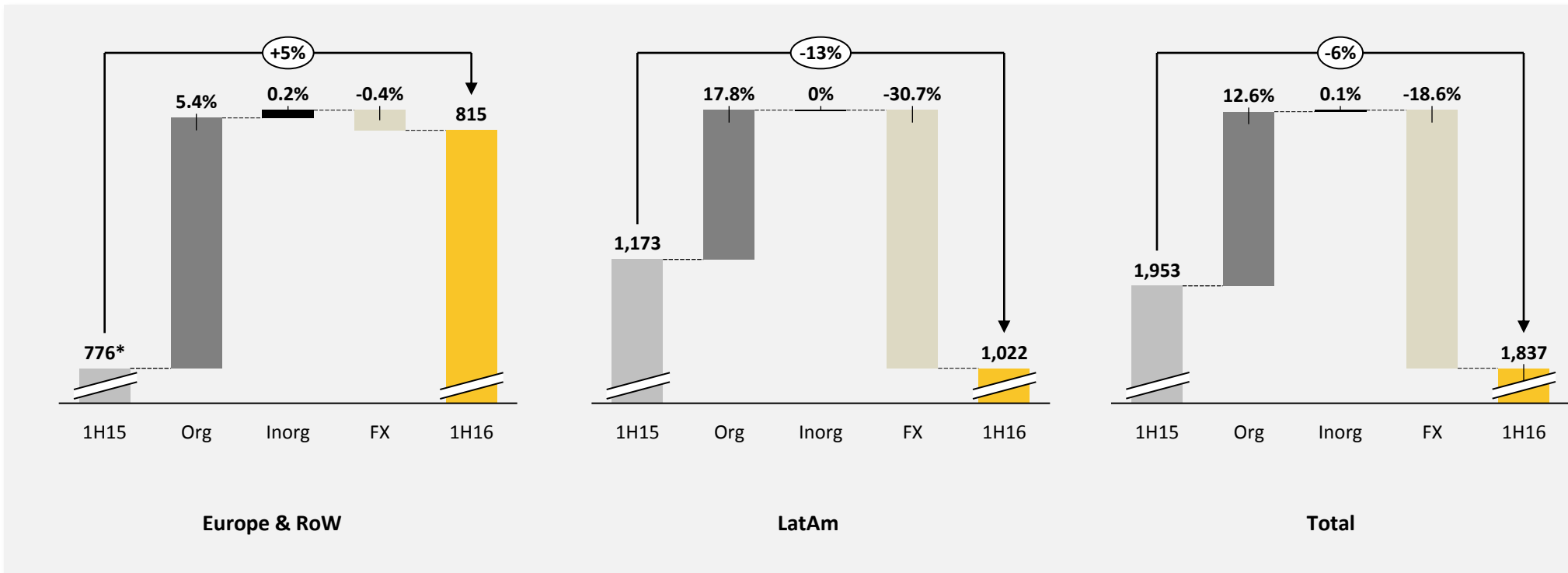


- Sales grow organically by almost 13%
- EBIT margin keeps growing to 8.1%
- Net Consolidated Profit increases by 4.1% reaching 81 Million Euros

Sales Evolution



Million Euros

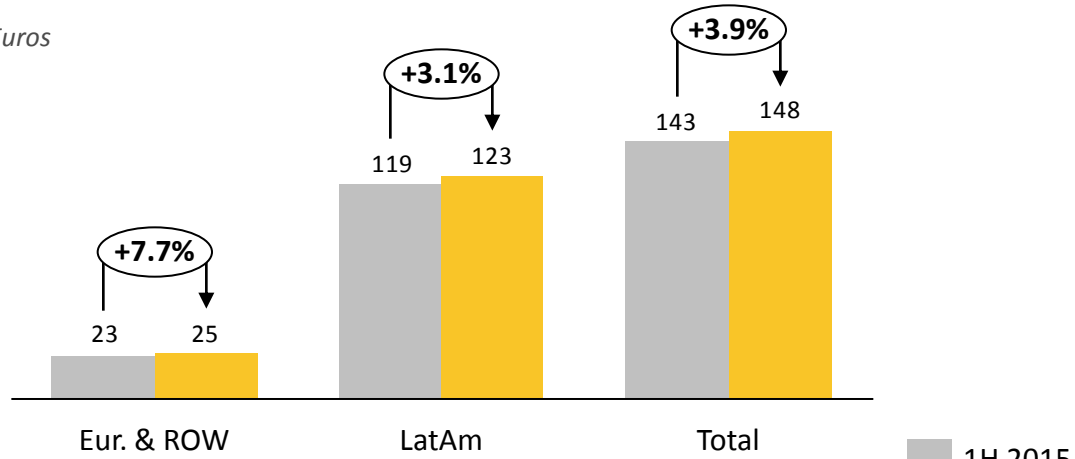


* In a comparable base

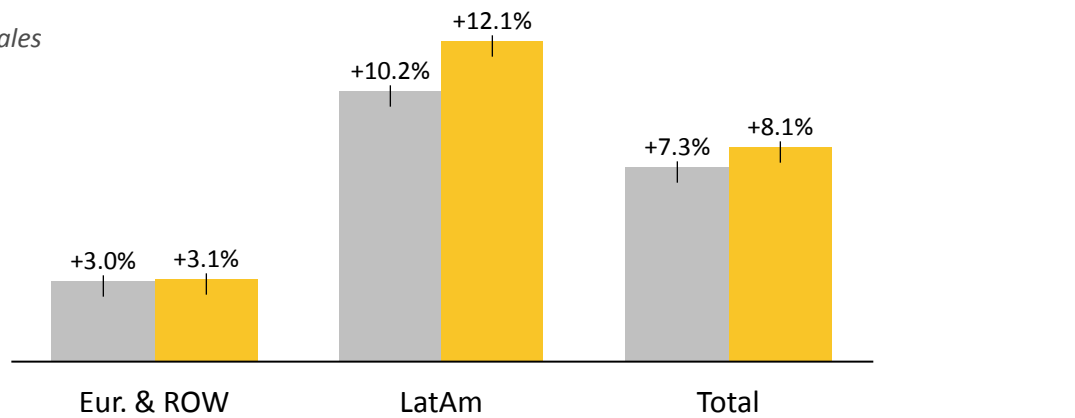
EBIT



Million Euros



% over sales



- EBIT improves in all regions steadily
- Good improvement of margins in LatAm

1H 2016

Results by Region and Business Line

Business Line

- SIS
- Cash Management
- Alarms

Europe & RoW

- Germany
- Spain
- France
- Portugal
- Australia
- China
- Singapore
- India
- South Africa

LatAm

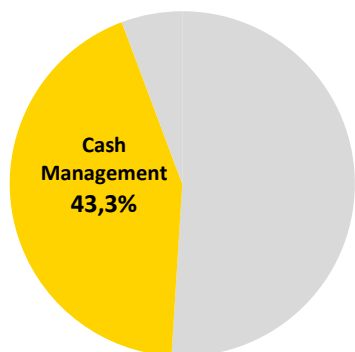
- Argentina
- Brazil
- Chile
- Colombia
- Peru
- Mexico
- Uruguay
- Paraguay

Cash Management business evolution

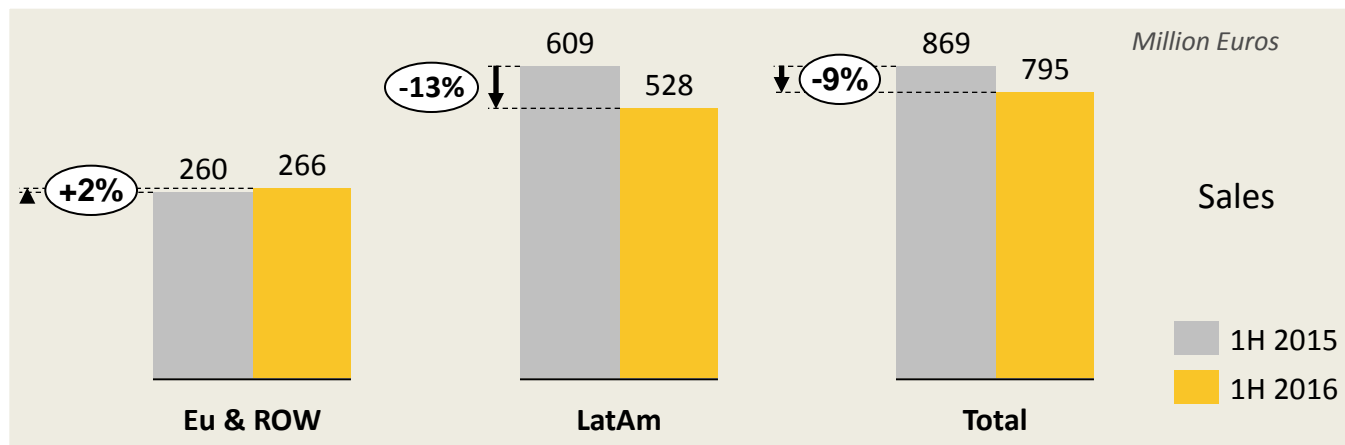


Cash in transit
 Cash handling
 ATM management
 Forecasting and planning
 Cash automation
 B.P.O.

- Increase of Business Process Outsourcing (B.P.O.) solutions in **Europe & RoW**
- Strong sales growth in **LatAm** at local currency. Deterioration due to the **adverse exchange rates** in the region
- **Organic growth** in LatAm above 17%



PROSEGUR
 Total sales

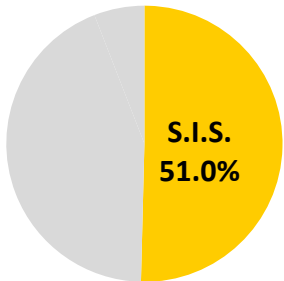


Integrated Security Solutions business evolution

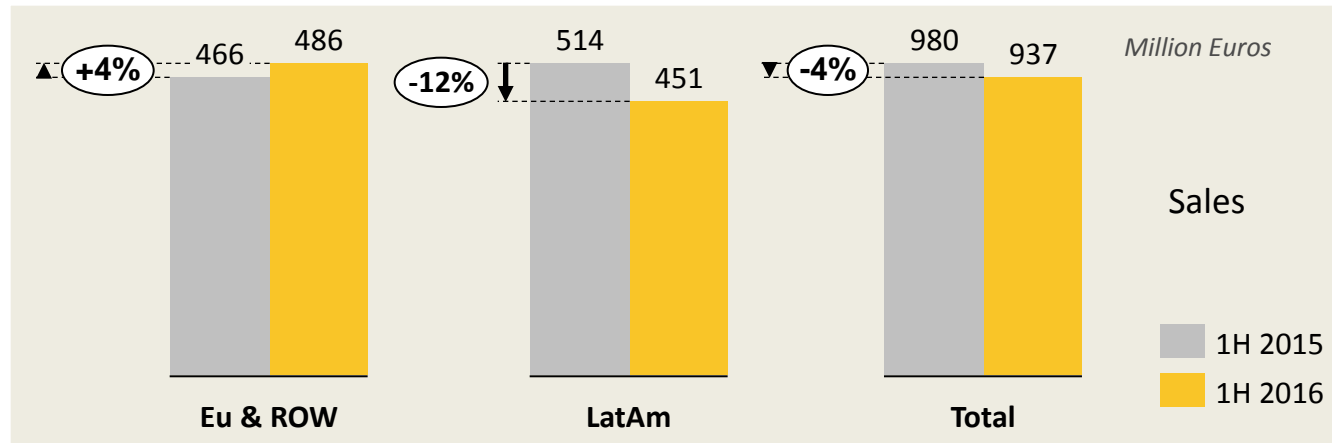


Dynamic Guarding
Monitoring
Integrated Services
Control Centers
Fire Protection
Cyber Security

- **Europe & RoW** region keeps growing despite the termination of some contracts and the political uncertainty
- Increased penetration of integrated systems of monitoring and guarding
- Deployment of operations of **Cybersecurity** services
- Organic growth in LatAm reaches 17%



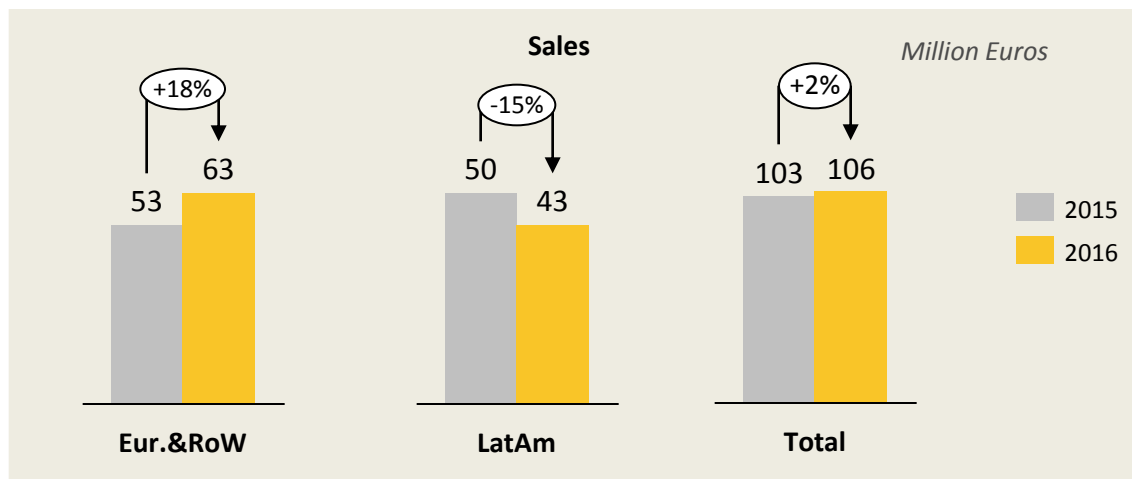
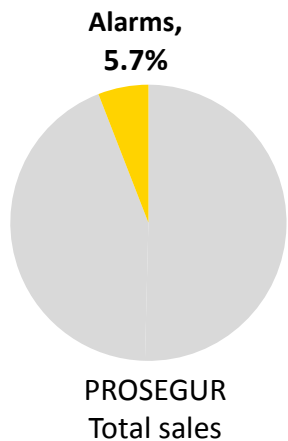
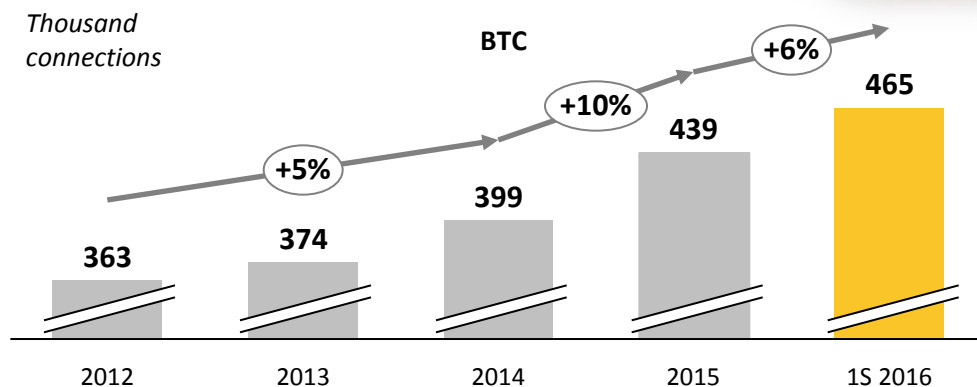
PROSEGUR
Total Sales



Alarms business evolution



- Residential
- Business
- Vehicle tracking
- Access control
- Elderly assistance

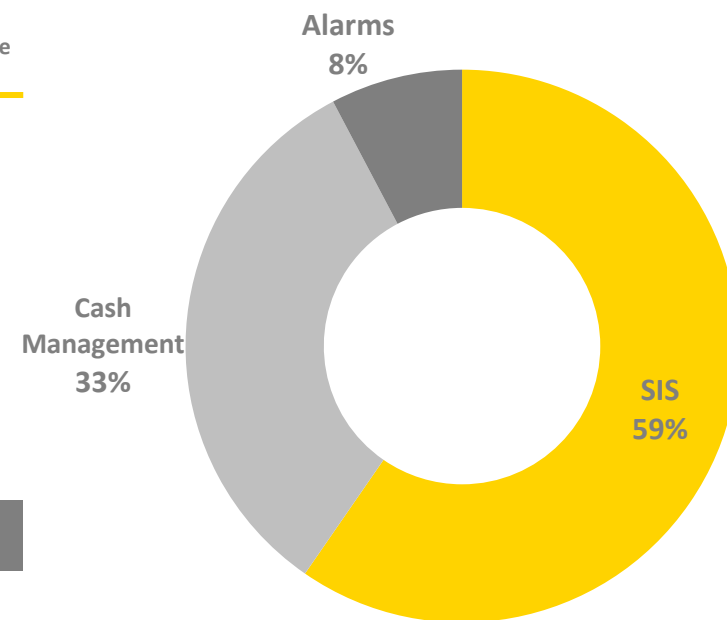


- Excellent **growth** in Europe & ROW
- Sales growth in **LatAm** affected by the currency impact
- BTC keeps growing above the market average and reaches **465,000 connections**
- **ARPU** remains stable at 35 €/month

Europe & RoW



Million Euros	1H 2015	1H 2016	Var.	Organic	Inorganic	Exchange rate
Spain	430	461	7.2%	7.2%		
France*	105	109	3.9%	3.9%		
Germany	102	107	4.6%	4.6%		
Portugal	72	72	0.0%	-0.1%	0.1%	
ROW**	67	67	-0.2%	2.9%	2.0%	-5.2%
Total	779	815	4.7%	4.9%	0.2%	-0.4%
EBIT	23	25	7,7%			
<i>Margin</i>	3.0%	3.1%				



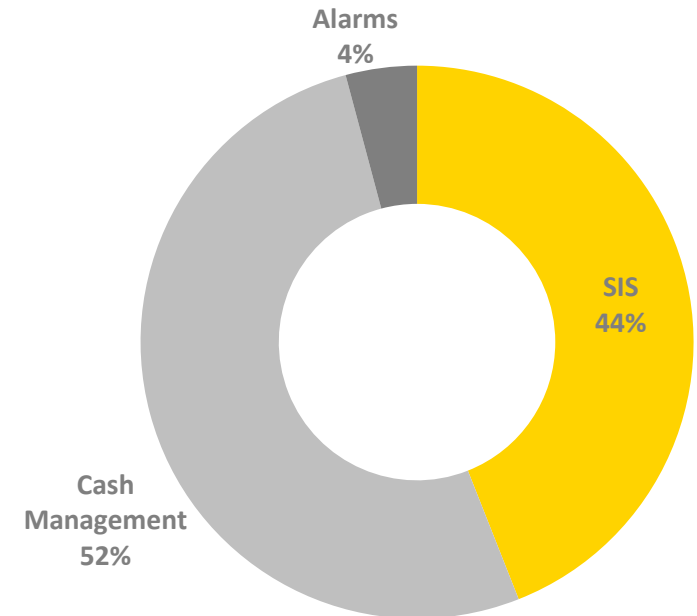
* Includes Luxembourg

** Includes Singapore, China (in a comparable base) and Australia

LatAm



Million Euros	1H 2015	1H 2016	Var.	Organic	Inorganic	Exchange rate
Brazil	473	397	-16.1%	4.7%		-20.8%
Argentina Area*	461	397	-13.9%	36.0%		-49.9%
Peru	85	84	-1.3%	7.6%		-8.9%
Chile	74	74	0.1%	11.1%		-11.1%
Colombia	58	50	-12.9%	9.4%		-22.3%
Mexico	22	19	-14.8%	1.8%		-16.6%
Total	1,173	1,022	-12.9%	17.8%		-30.7%
EBIT	119	123	3.1%			
Margin	10.2%	12.1%				



* Includes Uruguay and Paraguay

Financial Information



Net Profit

Consolidated Cash Flow

Net Debt

Balance Sheet

Net Profit



Consolidated Results		1H 2015	1H 2016	Var.
<i>Million Euros</i>				
EBIT		143	148	3.9%
Financial Result		-23	-22	
Profit before tax		120	126	5.2%
	<i>Margin</i>	6.1%	6.8%	
Tax		-43	-45	
	<i>Tax rate</i>	35.6%	35.8%	
Net Profit		77	81	
Minority interests		-0.6	0.0	
Net consolidated profit		78	81	4.1%
	<i>Margin</i>	4.0%	4.4%	
EPS		0.13	0.13	
<i>(Euros per share)</i>				

- Net consolidated profit grows by 4.1%

Consolidated Cash Flow

Consolidated cash flow

Million Euros

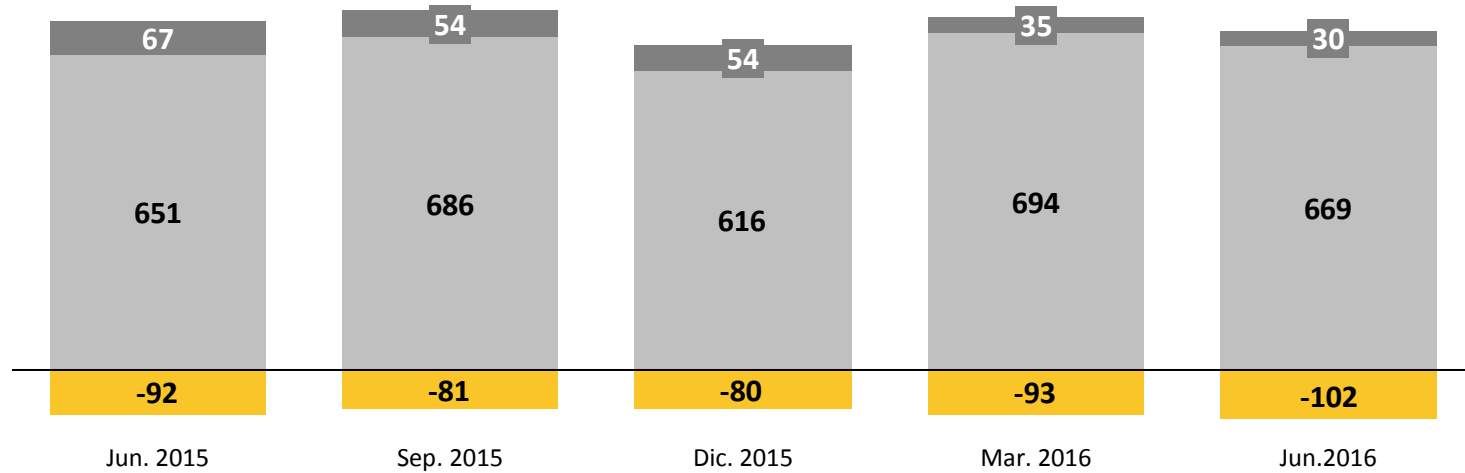
	1H 2015	1H 2016
EBITDA	210	203
Provisions and other non cash items	52	49
Tax on profit	(73)	(52)
Changes in working capital	(66)	(68)
Interest payments	(19)	(20)
Operating cash flow	104	112
Acquisition of property, plant and equipment	(97)	(61)
Payments for acquisition of subsidiaries	(27)	(58)
Dividend payment	(32)	(32)
Other flows from investment/ financing activities	(3)	-
Cash flow from investment/ financing	(159)	(151)
Total net cash flow	(55)	(39)
Initial net financial position (31/12/2013-14)	(597)	(616)
Net increase/ (decrease) in cash	(55)	(39)
Exchange rate	1	(14)
Final net financial position (30/06/2014-15)	(651)	(669)

Total Net Debt



Million Euros

- Deferred payments
- Net financial position
- Treasury stock at current price



- In comparison with the end of 2015 net debt has increased by **8 Million Euros**
- Average cost of debt for the period **2.9%**
 - **Ratio Total Net Debt/ EBITDA (annualized)** **1.3**
 - **Ratio Total Net Debt/ Equity** **0.8**

Balance Sheet

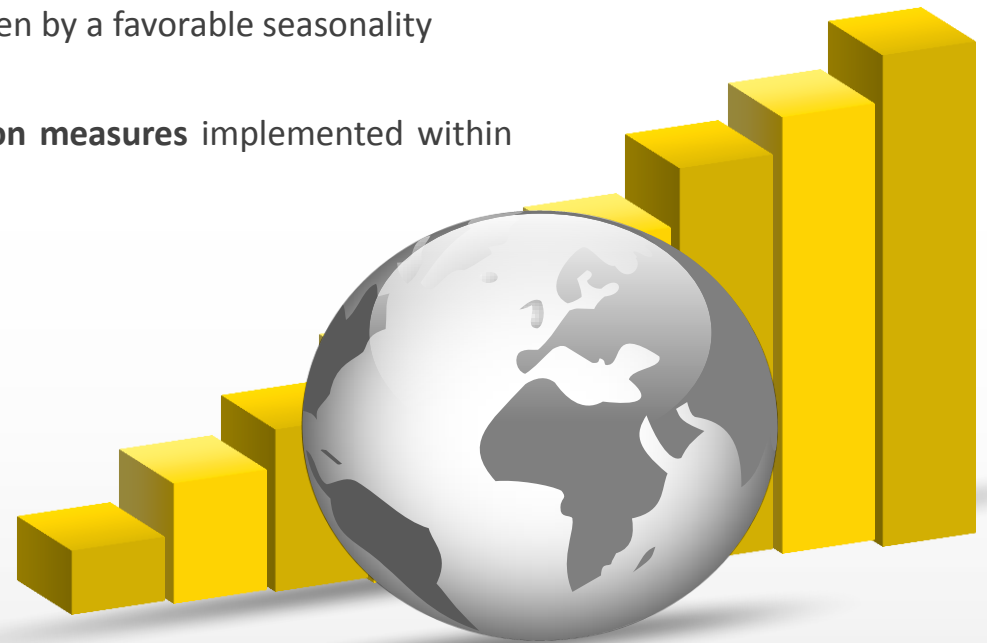


<i>Million Euros</i>	<i>FY 2015</i>	<i>1H 2016</i>
Non current assets	1,481	1,552
Tangible fixed assets	467	495
Intangible assets	740	769
Other	274	289
Current assets	1,294	1,324
Inventories	70	86
Customer and other receivables	907	975
Cash and equivalents and other financial assets	317	263
ASSETS	2,775	2,876
Net equity	700	733
Share capital	37	37
Treasury shares	(53)	(53)
Accumulated difference and other reserves	716	749
Non current liabilities	912	912
Banks borrowings and other financial liabilities	617	590
Other financial liabilities	295	322
Current liabilities	1,163	1,231
Bank borrowings and other financial liabilities	338	376
Trade and other payables	825	855
TOTAL NET EQUITY AND LIABILITIES	2,775	2,876

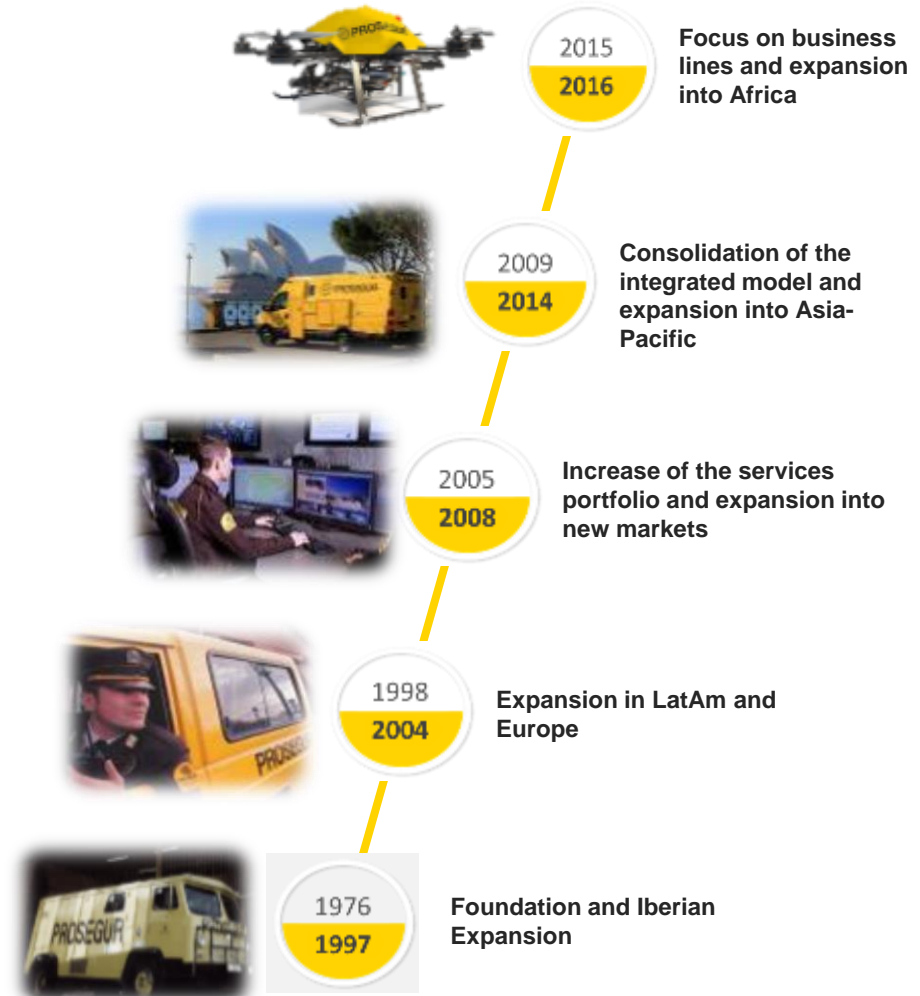
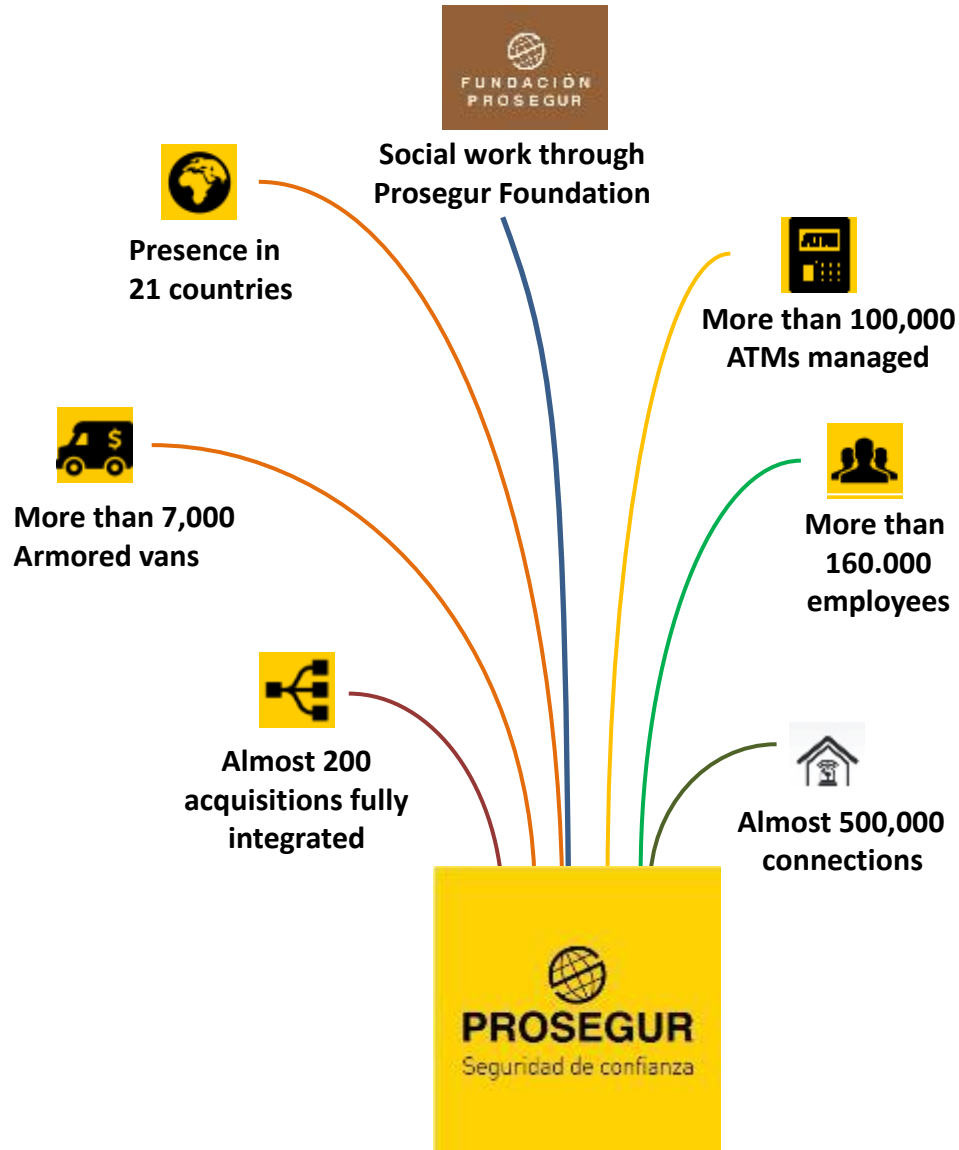
Main highlights and outlook for 2016



- 🌐 The **growth and profitability** dynamics seen during the first quarter are maintained
- 🌐 Great growth **potential** for the **SIS business in LatAm** at medium term
- 🌐 Excellent **growth of the alarm business** in all regions driven by a favorable seasonality
- 🌐 Good response of **margins** to the **profitability protection measures** implemented within the Group
- 🌐 Strong structural improvement of the **cash generation**



40th Anniversary



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PROSEGUR

Security you can trust

Antonio de Cárcer

Head of Investor Relations

Tel: +34 91 589 83 29

antonio.decarcer@prosegur.com

María Pérez-Mosso

Investor Relations

Tel: +34 91 589 55 06

maria.perez-mosso@prosegur.com