

# Results Presentation 1H 2018

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**PROSEGUR**  
Seguridad de confianza



## Highlights of the First Semester

Total revenues of  
**€2,011m**

8.4% organic growth



**M&A** – market entry into new geographies and businesses

EBIT **€181m**

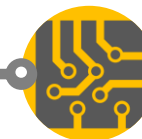


Margin improvement in spite of negative FX impact



**16,000** new connections in Alarms

Operating cash flow stable vs. 1H 2017, despite strong FX devaluation



Driving the **Digital Transformation** of the entire Group

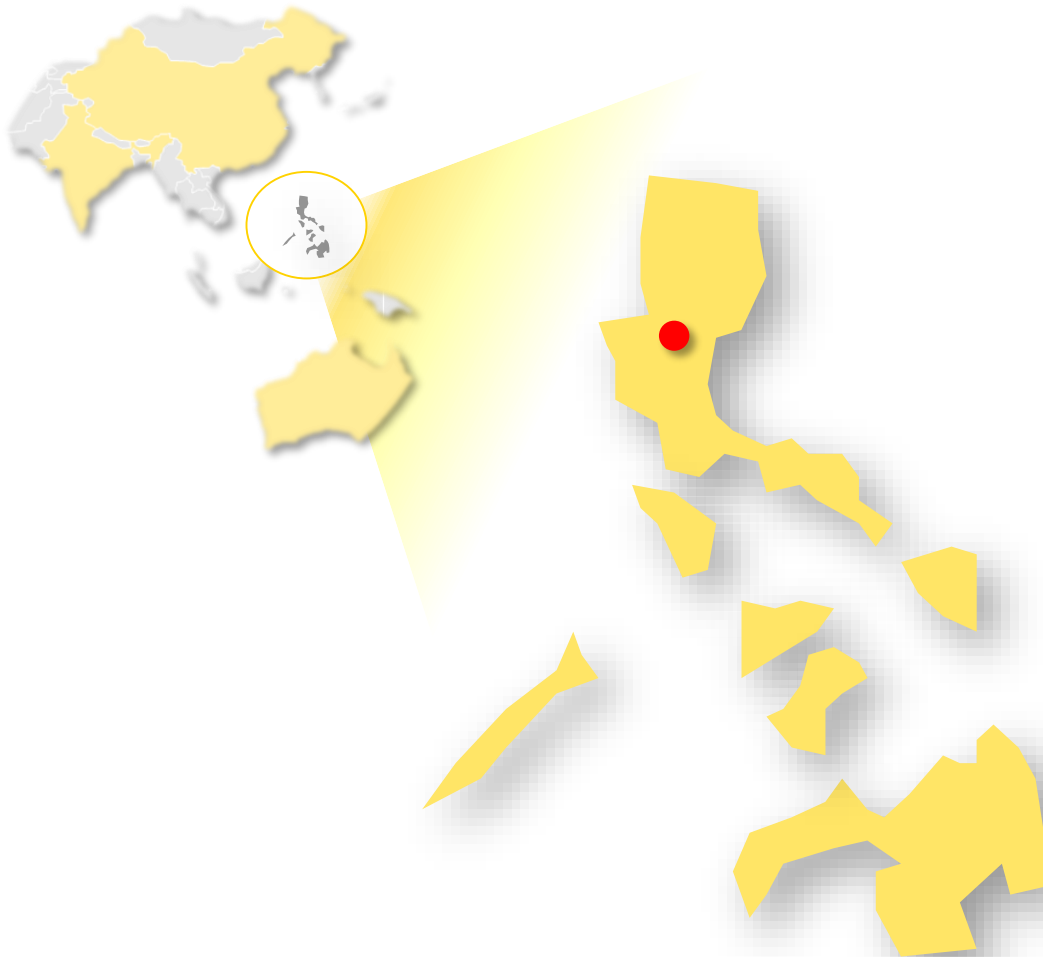
## Expansion into new Geographies – CENTRAL AMERICA



- ◆ Adding 5 new countries to the region
- ◆ Leading competitive positions in countries where the industry is highly consolidated
- ◆ Profitable operations across all countries, yet still with high synergy potential
- ◆ Main operating figures:
  - ◆ Close to 2,000 employees (90% operational staff)
  - ◆ More than 240 armored trucks
  - ◆ Close to 1.5m stops per year
  - ◆ 13 cash handling centers

**Consolidating our leadership position  
across the whole continent**

## Expansion into new Geographies – PHILIPPINES



- ◆ Leader of the domestic cash in transit market in the Philippines since its creation in 2003
- ◆ Cash transport services for banks and retail, IAD (Independent ATM Deployer), outsourcing of ATMs, cash management and leasing
- ◆ Main operating figures:
  - ◆ Over 5,000 people
  - ◆ More than 1,000 armoured trucks
  - ◆ Almost 1,000 ATMs
  - ◆ 5 cash handling centres
- ◆ The Philippines is an economy with one of the highest bancarisation growth rates in the region

**Continued commitment to our growth and market development strategy in emerging economies**

## ...and also in new Businesses – BRASIL



### ● LOGMAIS

- ◆ Pure player in the banking services BPO space
- ◆ 132 branches across Northeast and Southeast parts of the country
- ◆ More than 800 retail customer service offices across the entire country
- ◆ Provides banking services regarding collections and standing orders of invoices for the country's main financial institutions
- ◆ Focus on automation and mechanisation

### ● CONCIL

- ◆ First direct investment of Prosegur's TECH VENTURES fund (initiative similar to corporate venture capital)
- ◆ Brazilian software start-up focused on reconciliation and matching of different payment types used at the point of sale
- ◆ Advanced software technology developed specifically for big data analysis of payment transactions
- ◆ Very solid management team with a deep knowledge of the Brazilian market environment

Consolidated Results	1H 2017(*)	1H 2018	% Change
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In millions of Euros

<b>Sales</b>	2,129	<b>2,011</b>	(5.5)%
<b>EBITDA</b>	247	<b>251</b>	1.4%
<i>Margin</i>	11.6%	12.5%	
Depreciation	(51)	(59)	
<b>EBITA</b>	196	<b>192</b>	(2.0)%
<i>Margin</i>	9.2%	9.5%	
Amortization of intangibles and others	(12)	(11)	
<b>EBIT</b>	183	<b>181</b>	(1.5)%
<i>Margin</i>	8.6%	9.0%	
Financial result	(19)	(5)	
<b>Profit before Taxes</b>	164	<b>176</b>	+7.1%
<i>Margin</i>	7.7%	8.8%	
Taxes	(59)	(64)	
<i>Tax Rate</i>	35.6%	36.6%	
<b>Net Profit</b>	106	<b>112</b>	+5.4%
Minority interests	19	31	
<b>Net consolidated Profit</b>	86	<b>81</b>	(6.6)%
<b>Earnings Per Share (Euros per share)</b>	0.1	<b>0.1</b>	

Revenues affected by **currency devaluation**

More than **8% Growth** in organic terms

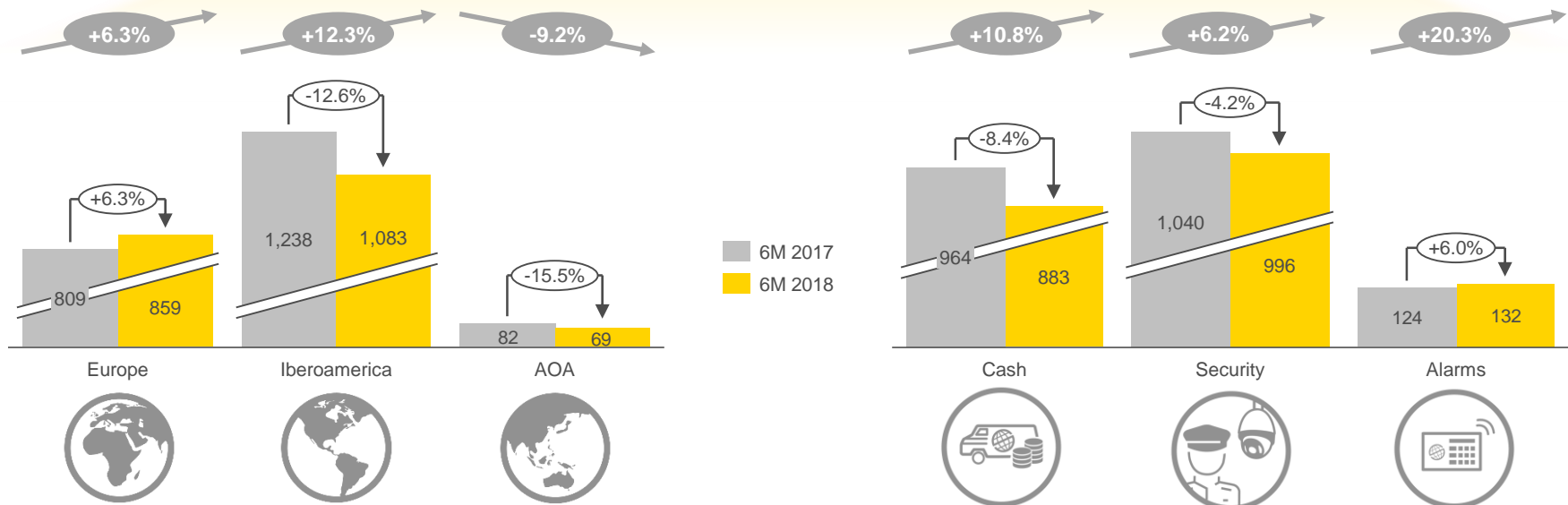
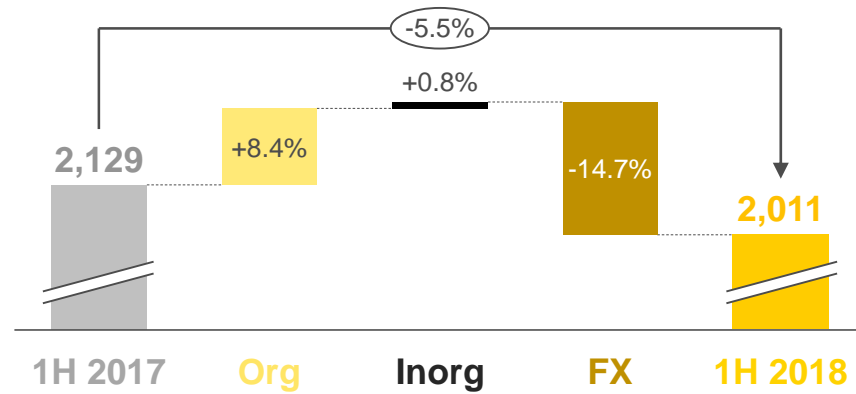
EBIT margin **improves by 40 basis points**, despite the FX impact

**Sustained improvement of Net Profit**, with margin above **5%**

# Consolidated Revenues by Region and Business Line

In millions of Euros

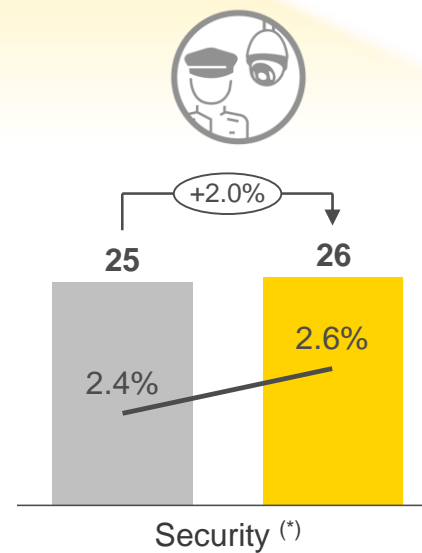
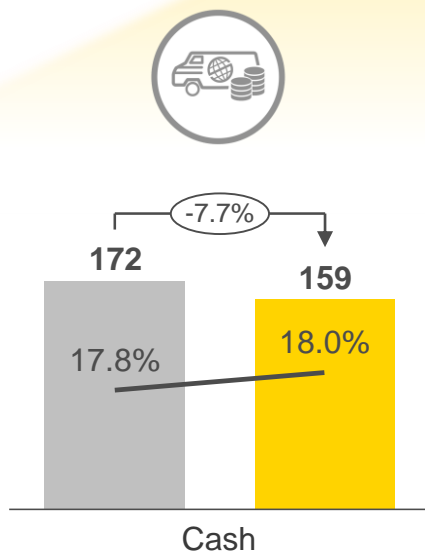
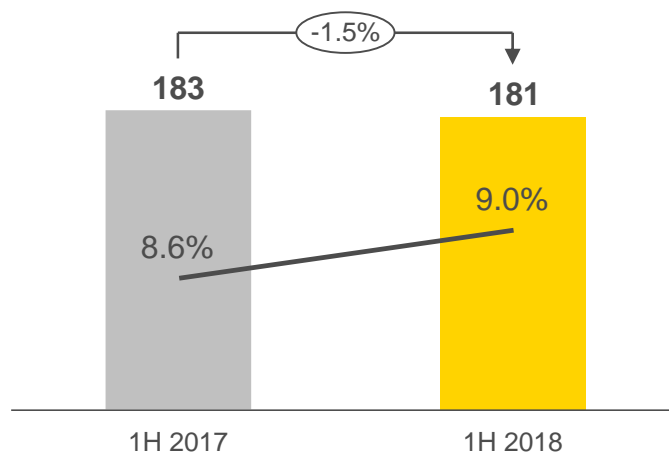
**%** → Growth in Local Currency (\*)  
**%** → Growth in Euros



(\*) Includes organic growth and from acquisitions.

# Consolidated EBIT by Business Line

In millions of Euros

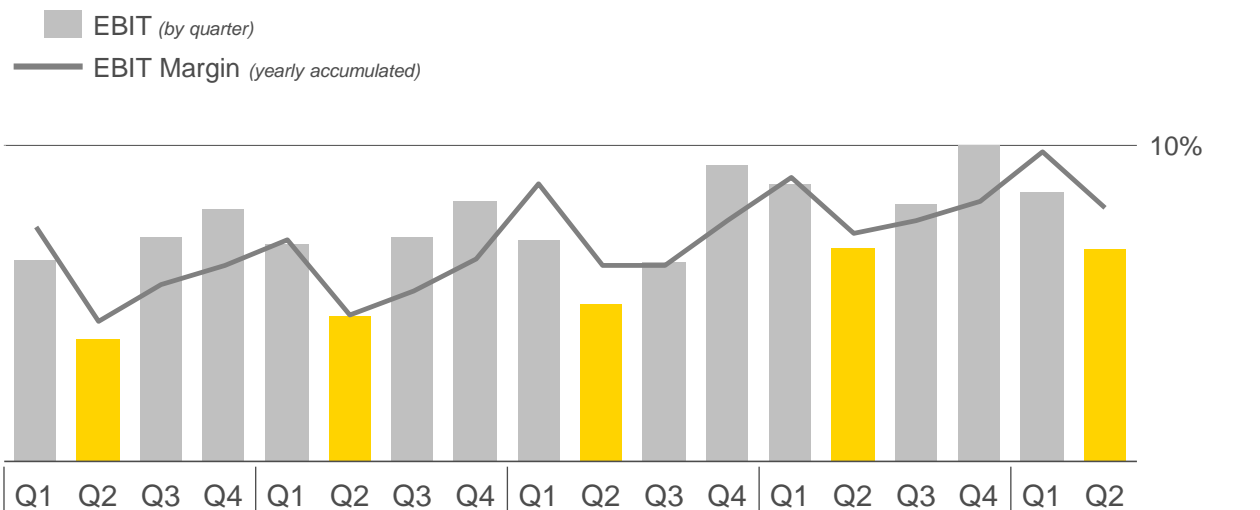


— EBIT Margin  
■ EBIT

(\*) Prosegur Security 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	Q2
	2014				2015				2016				2017				2018 YTD	
<b>Δ Organic Revenues</b>	10.2%				7.6%				12.2%				11.4%				8.4%	
<b>FX-Effect</b>	<b>(11.4)%</b>				<b>(3.0)%</b>				<b>(13.9)%</b>				<b>(1.9)%</b>				<b>(14.7)%</b>	
<b>EBIT Margin (full year)</b>	8.1%				8.2%				8.8%				9.1%				9.0%	

# Results by Business Line

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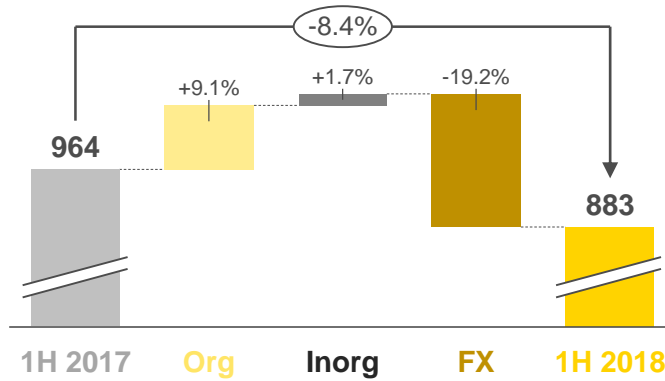
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# PROSEGUR CASH



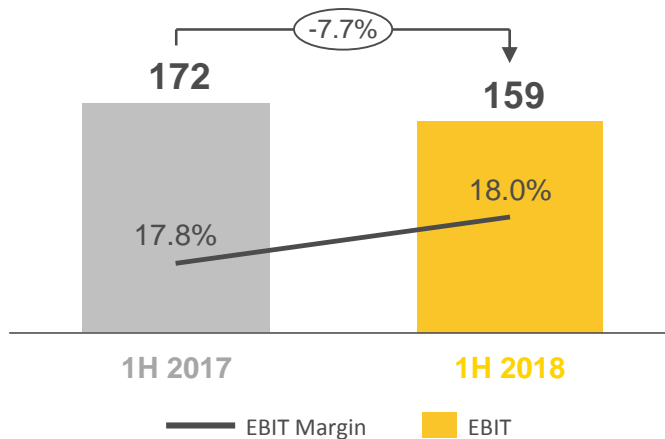
Revenues



Revenue grow in organic terms more than **9%**

Strong negative **FX effect**

EBIT & Margin

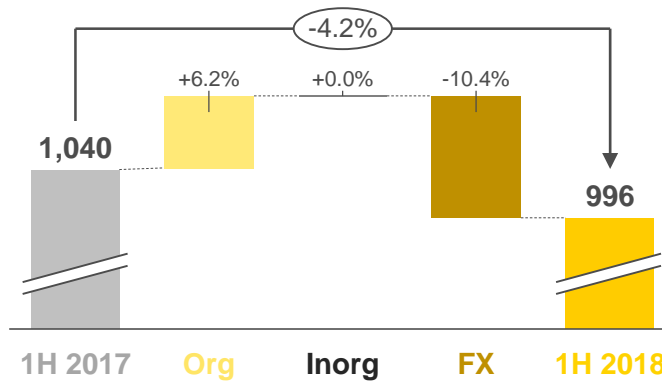


**Margin improvement** evidencing the resilience of our business model to macro-economic headwinds

# PROSEGUR SECURITY



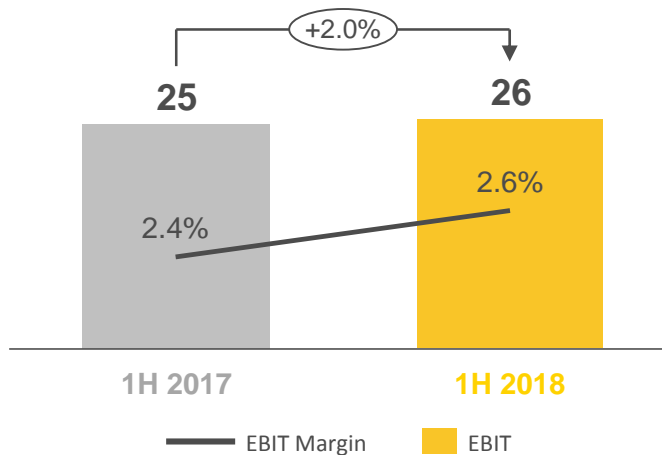
Revenues



Growth in line with **seasonal dynamics** of the Group

Organic **growth of 6.2%**

EBIT(\*) & Margin

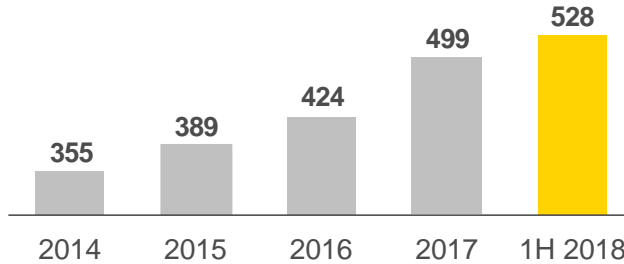


**Continued margin improvement** driven by margin protection measures and increased penetration of technology in our service offering

# PROSECUR ALARMS

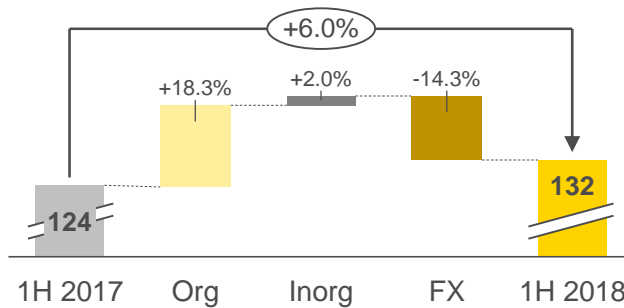


## BTC



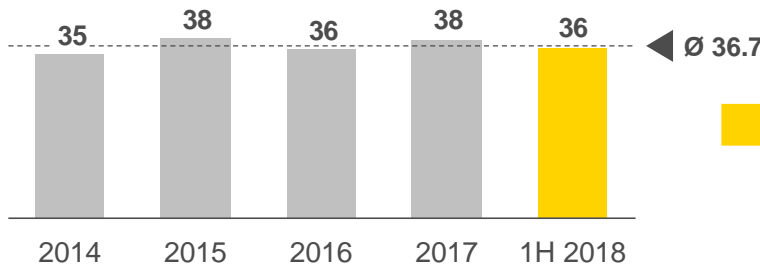
**Growth** in net connections of **15.5%** vs. 1H 2017  
Maintaining growth rates of previous quarters

## Revenues



**Revenue growth** of over 18% in organic terms, **well above** market average in each country

## ARPU



**In line with previous years.** Improving in local currency terms, but negatively affected by the FX effect in Iberoamerica

# Financial Information

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# Consolidated Cash Flow

<i>In millions of Euros</i>	1H 2017 <sup>(*)</sup>	1H 2018
<b>EBITDA</b>	<b>247</b>	<b>251</b>
Provisions and other non-cash items	(3)	(12)
Tax on profit (ordinary)	(89)	(76)
Changes in working capital	(48)	(59)
Interests payments	(27)	(22)
<b>Operating cash flow</b>	<b>81</b>	<b>82</b>
Acquisition of property, plant & equipment	(86)	(94)
Payments for acquisitions of subsidiaries	(33)	(14)
Divident payments	(38)	(69)
Other flows	790	(1)
<b>Cash flow from investing / financing</b>	<b>633</b>	<b>(178)</b>
<b>Total net cash flow</b>	<b>713</b>	<b>(96)</b>
<b>Initial net financial position</b>	<b>(712)</b>	<b>(252)</b>
Net increase / (decrease) in cash	713	(96)
Exchange rate	(14)	(43)
<b>Final net financial position</b>	<b>(13)</b>	<b>(391)</b>

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

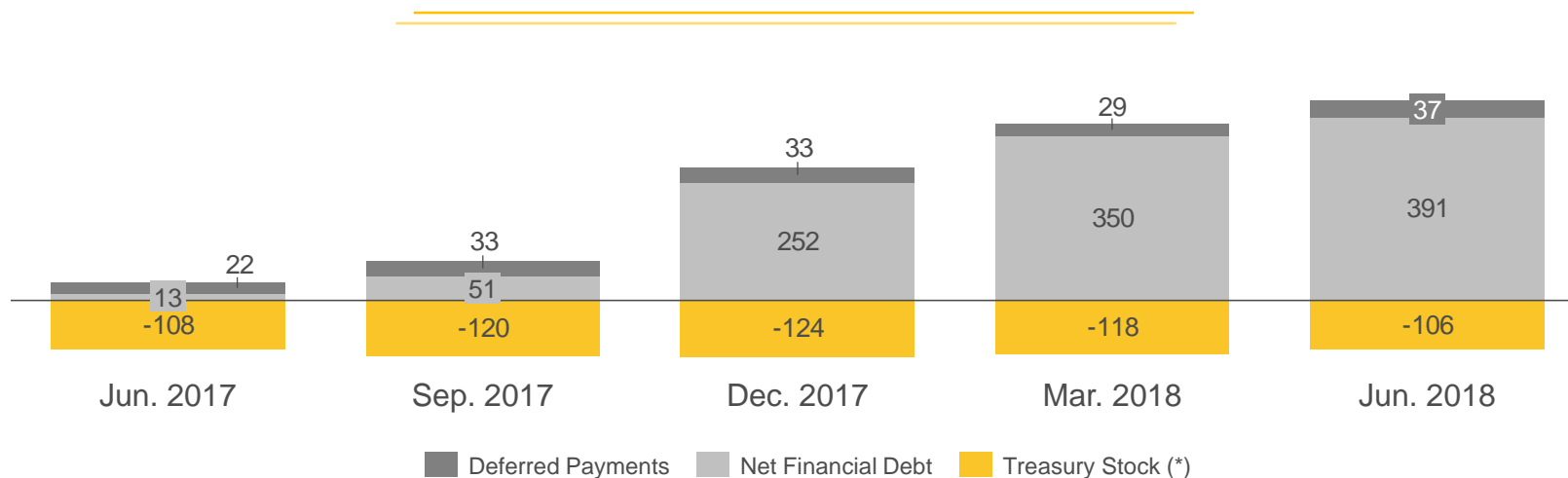
# Total Net Debt

## ◆ Net Financial Debt

- ◆ Increase of **139 million Euros** vs. year-end 2017, maintaining low leverage level
- ◆ Average cost of debt **decreases by 40 basis points** vs. the same period in 2017 (**1.8%** vs. 2.2%)

## ◆ Ratios

- ◆ Net Financial Debt / EBITDA **0.7x**
- ◆ Net Financial Debt / Equity **0.4x**





## Balance Sheet

<i>In millions of Euros</i>	FY 2017	1H 2018
<b>Non-current Assets</b>	<b>1,481</b>	<b>1,506</b>
Tangible fixed assets and real estate investments	587	640
Intangible assets	765	740
Others	128	126
<b>Current Assets</b>	<b>2,343</b>	<b>2,112</b>
Inventory	71	63
Customer and other receivables	1,151	1,031
Cash and equivalents and other financial assets	1,121	1,018
<b>TOTAL ASSETS</b>	<b>3,824</b>	<b>3,618</b>
<b>Net Equity</b>	<b>1,143</b>	<b>1,096</b>
Share capital	37	37
Treasury shares	(53)	(53)
Retained earnings and other reserves	1,085	1,032
Minority interest	74	79
<b>Non-current Liabilities</b>	<b>948</b>	<b>1,626</b>
Bank borrowings and other financial liabilities	717	1,382
Other non-current liabilities	230	243
<b>Current Liabilities</b>	<b>1,733</b>	<b>896</b>
Bank borrowings and other financial liabilities	701	76
Trade payables and other current liabilities	1,031	820
<b>TOTAL NET EQUITY AND LIABILITIES</b>	<b>3,824</b>	<b>3,618</b>

# Driving Digital Transformation



## Standardization, digitalization and automation of all business processes

- Reduction of operating costs
- Improved efficiency of back-office processes



## Upgrading of IT platform and systems to “next generation technologies”

- Improvement of speed and operational scalability
- Faster integration of M&A transactions



## “Augmented” Services

- Embedding “data” and “intelligence” in our processes in order to incorporate “real time” information as well as predictive models in our client service offering



## Promoting an open and innovative approach

- Through our Prosegur Tech-Ventures fund
- Alliances with different international stakeholders and institutions
- Guaranteeing direct access to the latest, most relevant innovations for our different business lines

## — Conclusions and Final Remarks

- ◆ Strong resilience of the business, despite negative FX impact
- ◆ All business lines continue to show positive performance, and are all within their stable growth parameters
- ◆ Expansion to new geographies and entry into new activity lines
- ◆ Profitability keeps improving, with margins very close to our historical maximum
- ◆ The Group's financial discipline continues to contribute efficiencies



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