

Results Presentation 9M 2019



9m 19

HIGHLIGHTS OF THE PERIOD

REVENUE GROWTH

Increase close to 10% in euro terms

Comparable interannual periods of IAS 21 & 29 application

Organic growth close to 8% supported also by strong inorganic activity

STABLE PROFITABILITY

7.4% EBIT Margin

Low variation of margins despite the strong Forex effect

Margins mainly affected by M&A, mix effect and Australia

SOUND FINANCIALS

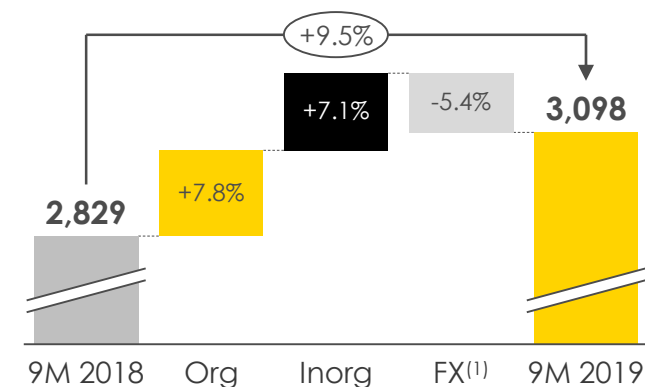
Good Cash Flow generation

Constant operating cash flow generation and resistant to adverse FX

S&P BBB Stable Credit Rating renewal

P&L

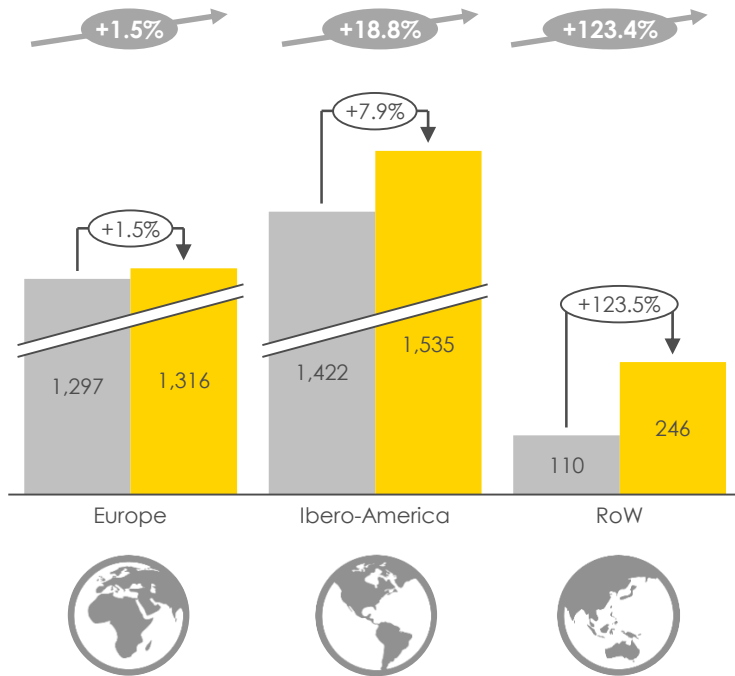
Consolidated Results	9M 2018	9M 2019	% Variation
Sales	2,829	3,098	9.5%
EBITDA	332	378	14.0%
Margin	11.7%	12.2%	
Depreciation	(90)	(129)	
EBITA	242	249	3.2%
Margin	8.6%	8.0%	
Amortization of intangibles	(18)	(21)	
EBIT	224	228	2.2%
Margin	7.9%	7.4%	
Financial result	13	(45)	
Profit before tax	237	183	(22.7)%
Margin	8.4%	5.9%	
Tax	(82)	(65)	
Tax rate	34.7%	35.7%	
Net Profit	155	118	(23.9)%
Minority Interest	39	35	
Consolidated Net Profit	116	83	(28.3)%
Earnings per share (Euros per share)	0.19	0.14	



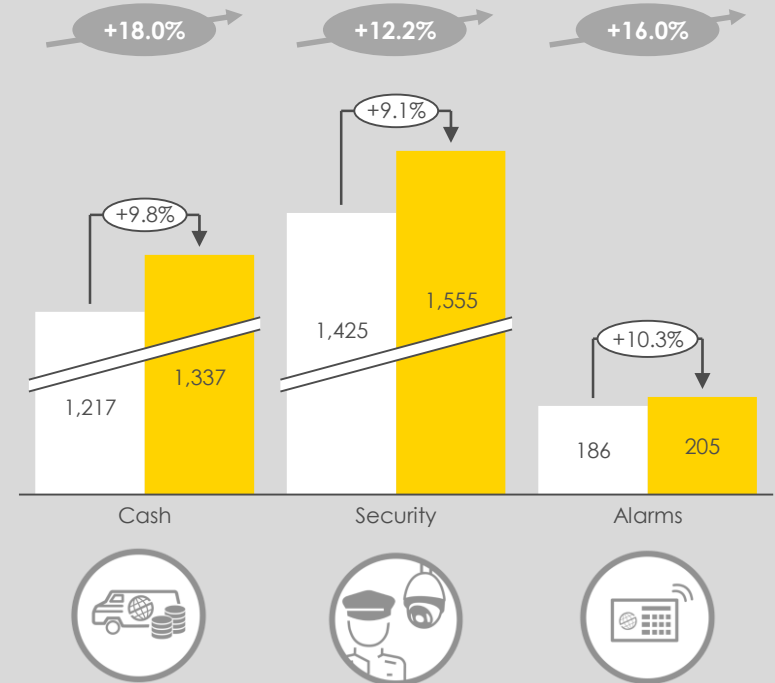
- **Excellent growth in local currency** close to 15%
- **Comparable IAS 21&29** impact
- **Profitability** positively affected by recent **divestments**

Consolidated Revenues by Region and Business Line

Revenues by Region



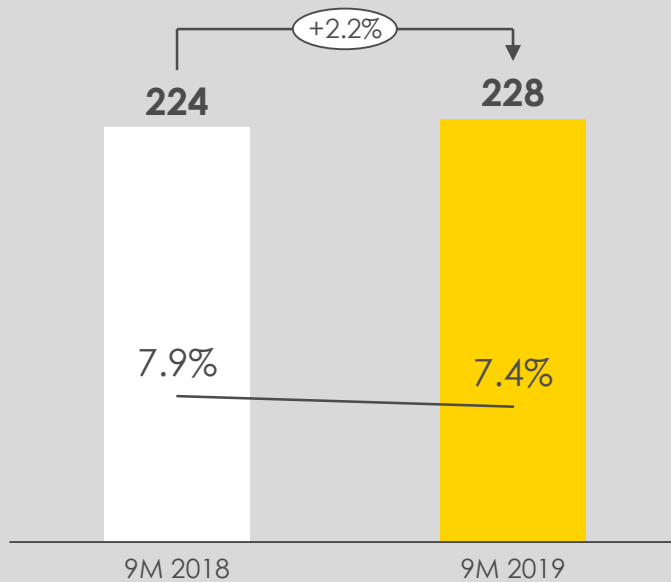
Revenues by Business Line



Growth in Local Currency (¹)
 Growth in Euros
 9M 2018
 9M 2019

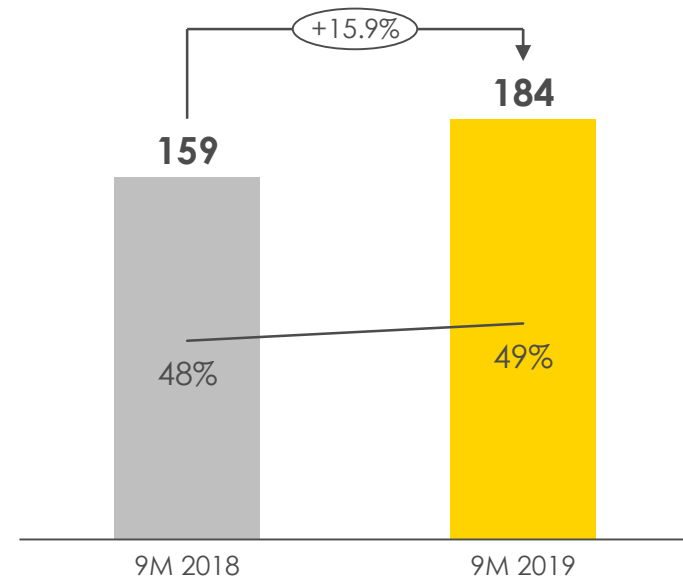
Consolidated EBIT and Cash Flow Generation

EBIT



— EBIT Margin
■ EBIT

Cash Flow Generation



— % Cash/EBITDA
■ Operating Cash Flow

Results by Business Line

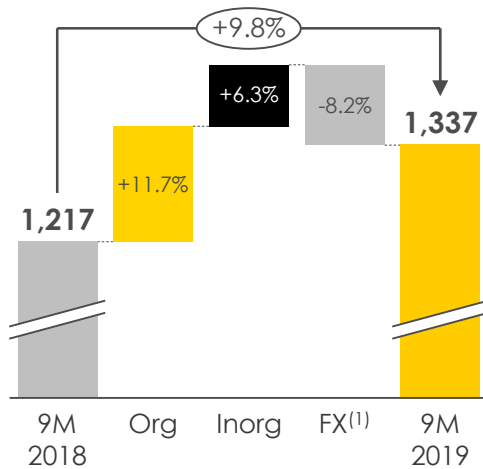
- 1 Cash
- 2 Security
- 3 Alarms



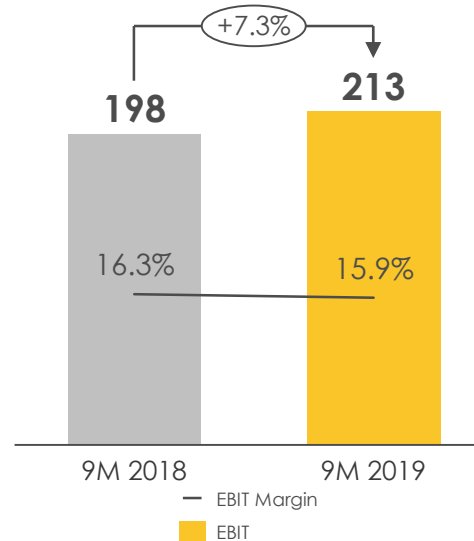
PROSEGUR CASH



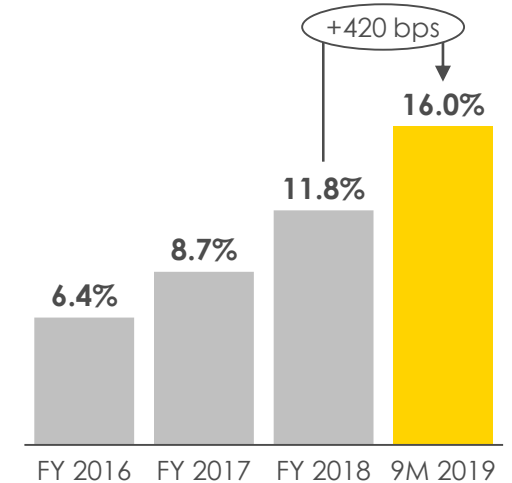
Revenues



Profitability



New Products



- **18% growth** in local currency
- **9.8% growth** in Euro terms
- **Positive contribution** in all markets except Australia

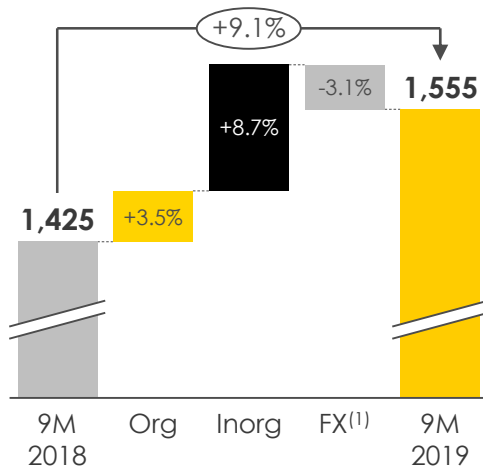
- **Continuous improvement of stand-alone quarterly margins**
- Divestments in **South Africa** and **France** partially compensate the negative effect **FX**

- **New products** reach **16.0%** of total sales in 9M 2019
- Sales of **NPs** grew by **52%** in euros fueled by Smart Cash, AVOS and ATMs

PROSEGUR SECURITY

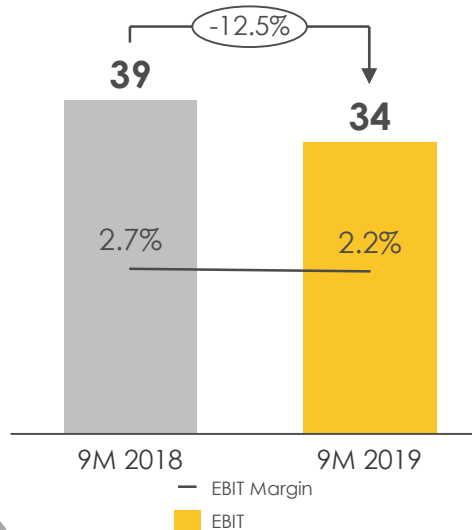


Revenues



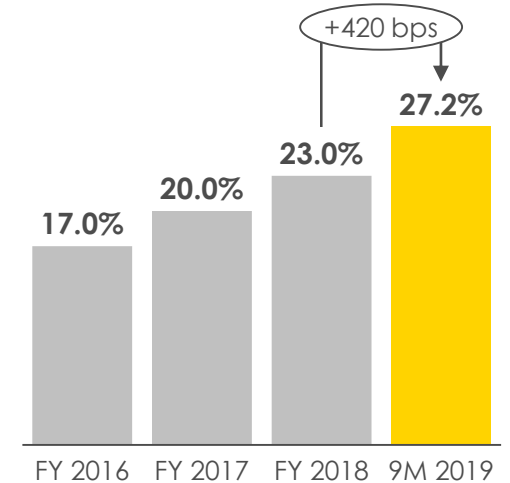
- **Growth in local currency** above 12%
- **Strong inorganic growth** close to 9% driven by **USA**

Profitability⁽²⁾



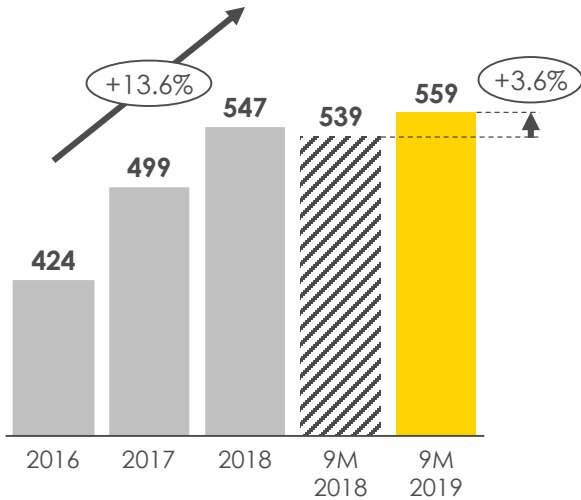
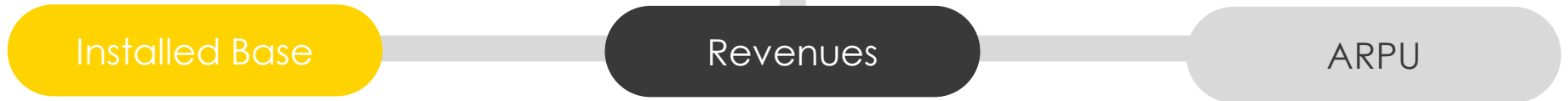
- **Profitability** affected by the **IAS21&29** impact in Argentina, **integration** of acquisitions in **USA** and reorganization in **France**

New Products⁽³⁾

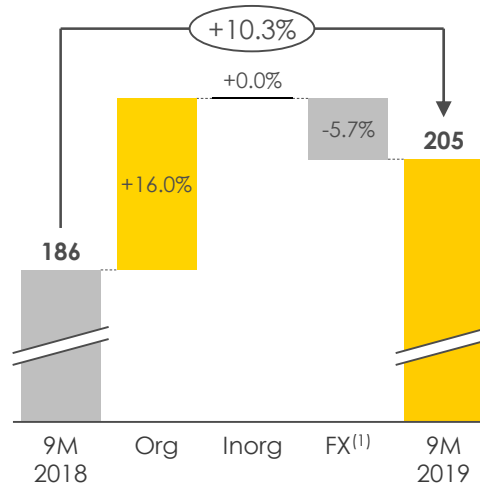


- **Increased penetration** of “Integra” Solutions reaching **27.2%** of current client portfolio
- **Spain leads** growth

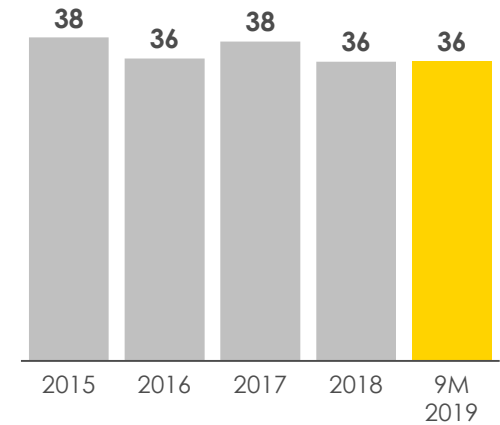
PROSEGUR ALARMS



- Installed base **increase** of **3.6%** over the same period of 2018
- Affected by both **macro** and strategic **focus** on quality of **client portfolio**

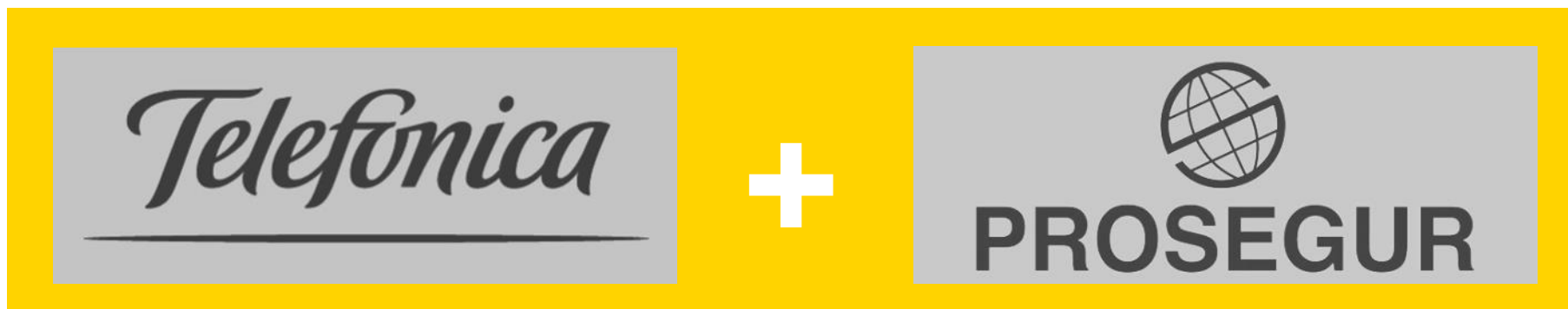


- **Growth** of more than **10%** in Euros and 16% in local **currency**
- **Duplicating** the average global **growth** of the **sector**



- **ARPU of € 36 per month** maintained despite the strong adverse FX.
- Penetration of **“Smart” Platform** exceeding **23%** of the installed base

— Partnership for the Spanish alarm market⁽¹⁾



Excellent opportunity

Low market penetration level

Out of a total of nearly 19 million households, only 9% have currently a professionally monitored alarm

Industry with annual growth exceeding 5%

“Best in class” Alliance

6 million potential clients

The combination of the largest telephone operator in the country, and the leading private security provider with best in class reputation and quality of service

Attractive valuation

50% of the Spanish business valued in 300M

Spain represents close to 40% of Prosegur's total alarms connections

Valuation in the upper range of the current industry benchmark

⁽¹⁾ Operation is pending approval by market regulatory entities



Financial Information

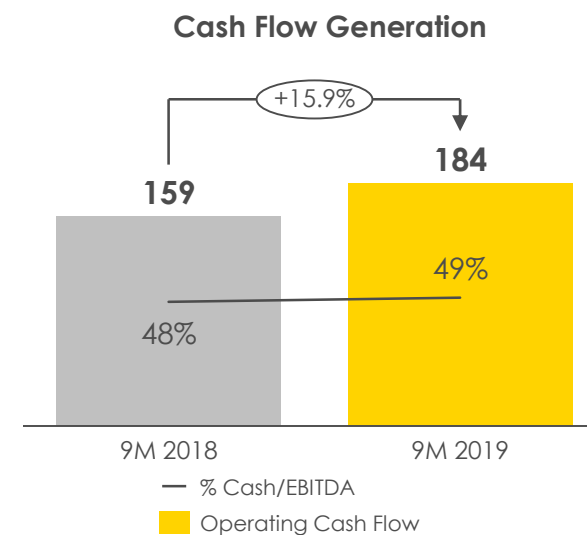
1 Consolidated Cash Flow

2 Financial Position

3 Balance Sheet

Consolidated Cash Flow

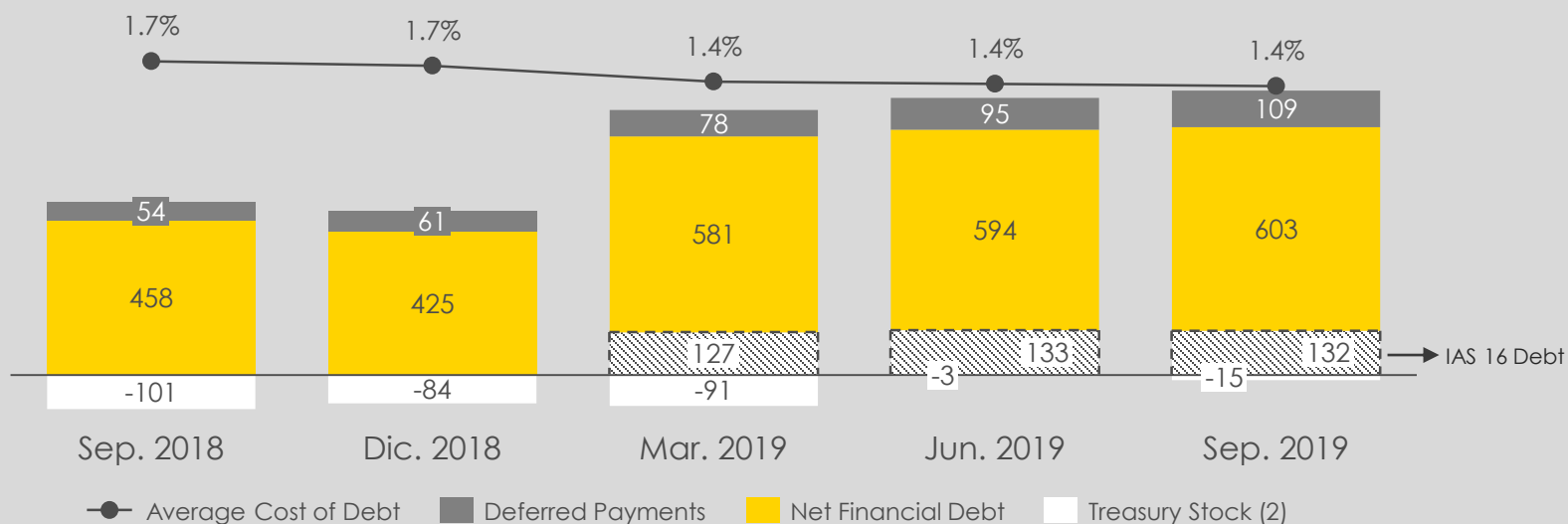
	9M 2018	9M 2019
EBITDA	332	378
Provisions and other non-cash items	37	4
Tax on profit (ordinary)	(96)	(83)
Changes in working capital	(92)	(103)
Interests payments	(22)	(11)
Operating cash flow	159	184
Acquisition of property, plant & equipment	(140)	(143)
Payments for acquisitions of subsidiaries	(54)	(124)
Dividend payments	(92)	(82)
Others	(2)	13
Cash flow from investing / financing	(288)	(336)
Total net cash flow	(129)	(151)
Initial net financial debt	(252)	(425)
Net increase / (decrease) in cash	(129)	(151)
Exchange rate	(77)	(27)
Final net financial debt	(458)	(603)⁽¹⁾



- **Constant improvement** in operating **cash flow generation**
- **EBITDA to cash conversion ratio** close to **50%**

Financial Position

- **Net financial Debt**
 - **Increase** of **178 millions of euros**⁽¹⁾ vs. December 2018, deriving mainly from inorganic growth initiatives.
 - Average cost of debt: **reduction of c. 30 basis points** vs. the same period in 2018 (**1.4%** vs. 1.7%)
- **Rating. Confirmation** by **S&P** of **BBB** rating, **stable Outlook** (October 9, 2019)



Balance Sheet

	FY 2018	9M 2019 ⁽¹⁾
Non-current assets	1,721	1,967
Tangible fixed assets and real estate investments	745	873
Intangible assets	842	954
Others	133	141
Current assets	2,099	2,091
Inventory	76	68
Customer and other receivables	975	1,080
Cash and equivalents and other financial assets	1,048	943
TOTAL ASSETS	3,820	4,058
Net equity	1,066	1,068
Share capital	37	36
Treasury shares	(53)	(14)
Retained earnings and other reserves	1,013	958
Minority interest	69	88
Non-current liabilities	1,676	1,742
Bank borrowings and other financial liabilities	1,392	1,434
Other non-current liabilities	285	308
Current liabilities	1,077	1,248
Bank borrowings and other financial liabilities	151	358
Trade payables and other current liabilities	926	890
TOTAL NET EQUITY AND LIABILITIES	3,820	4,058



- **80%** of total Group debt is of long-term nature

Conclusions and Final Remarks

- 1 **Notable growth** in both local currency and Euros despite the **strong translational currency effect**
- 2 **Complex** macro-political **environment, especially in LatAm.**
Strong additional depreciation of currencies, stressed by **hyperinflationary accounting**
- 3 **Remarkable resiliency** of the **Cash** business, with continued **margin improvement** and innovation
- 4 **Security** business recovery **delayed**
- 5 **Alliance with Telefónica** opens a new phase for the **Alarms** business in **Spain**
- 6 **Stable profitability** despite the adverse environment, backed by **excellent financial strength**



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