PROSEGUR
CASH

RESULTS PRESENTATION. FIRST QUARTER 2019

Cash in the media

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The great return of Sweden to cash.
In 2018, cash in circulation grew by 7.23% compared to the previous year. Among the reasons that could explain this phenomenon we highlight: (i) The change in the recommendation of the authorities, which has been able to encourage consumers to return to cash; (ii) The need for a minimum amount of cash in the society; (iii) Renewal of coins and notes by the Central Bank.

Source: Riksbank

Venezuela's power outage. Cash to the rescue.
In an attempt to improve its economy, the Venezuelan government decided, in February 2018, to move away from paper bills by prioritizing digital payments and, since then, has relied heavily on electronic payments. Unfortunately, during crisis, this mean of payment is not up to the resilience that characterices cash, which resists systems failures and power cuts.

Source: Bloomberg

The ECCB performed a pilot test of digital currency but maintained the cash.
The bank has no intention to erase the use of cash noting its convenience and the important role it plays in the economy. ECCB also state that small businesses face real constraints as they are required to pay as much as 3.5% on credit card payments which removes its incentives to offer electronic options.

Source: Eastern Caribbean Central Bank

Amazon says go cash.
Steve Kessel, Senior Vice Prescient of physical stores, announced last April that Amazon Go stores will accept cash alongside its cashier-less technology.
It is a business shift worth celebrating over as it signifies the importance of financial inclusion and the role cash plays in a continuously digitising economy.

Source: CNBC

Agenda

1. **Highlights of the period**

2. Regional dynamics

3. Financial results

4. Conclusions

5. Annex

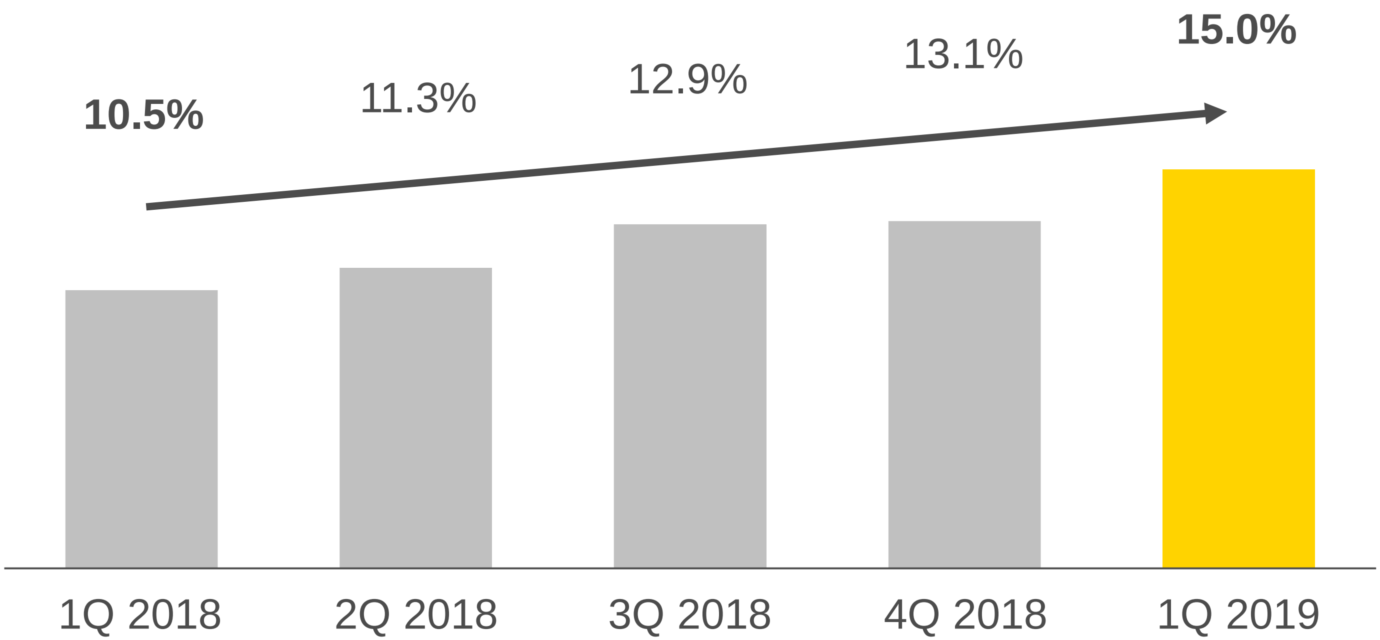
Main themes

1 Macro Environment	• **Strong currency depreciation vs. 1Q 2018** • In addition, **hyperinflation in Argentina** (IAS 21 & 29) since Q3 2018
2 Agility	• **Local currency growth accelerating to 15.0%**[(1)] • **EBIT margin improving in constant currency.** In euro terms, EBIT margin was impacted by forex, indirect costs and Australia and France
3 Consolidation	• **3 acquisitions made during the year** (2 in LatAm and 1 in AOA) • **Agreement to divest our French operations** (to be closed during 3Q 2019)
4 Transformation	• **New products** reached **15.0% of total sales** • **NNPP sales grew 37% in euros** fueled by Smart Cash, AVOS and ATMS
5 Cash Flow Generation	• Free Cash Flow amounted to **29 M€** • **Higher investment in Smart Cash** solutions (+30%). **Solid WC performance**

(1) Includes organic and inorganic growth

Agility

Local (1) growth evolution by quarter



Both our growth and our EBIT margin improved in constant currency

(1) Includes organic and inorganic growth

Consolidation

- **3 transactions** closed **in 2019** (2 in LatAm and 1 in AOA)
- We **strengthen our footprint** and **product portfolio**
- **Agreement to sell our operations in France** (expected to be completed during 3Q 2019)
- **Annual target** of M&A investment for 2019 **between 50M€ - 150 M€**

Transformation

- **New Products sales reached 65 M€ in 1Q 2019** (vs. 47 M€ in 1Q 2018)
- **Growth rate of 37%** (>50% at constant currency)
- **NNPP now representing 15% of total sales** (vs. 10.5% in 1Q 2018)
- **Positive overall performance** of SmartCash solutions, AVOS and ATMs

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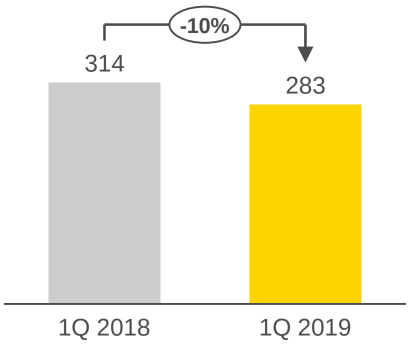
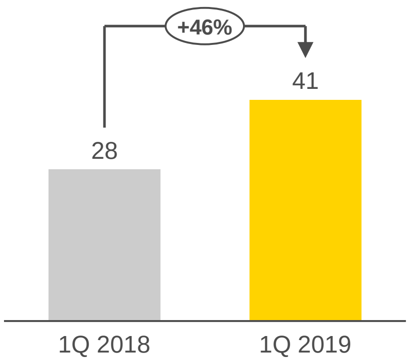
LatAm

Sales (M€)



Org: +10.2%
Inorg: +6.7%
FX(2): (26.9)%

New Products (M€)



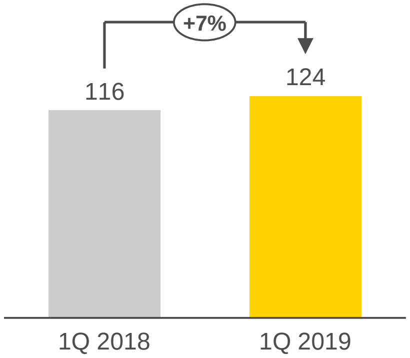
Over sales:
1Q 18: 9.0%
1Q 19: 14.6%

- **65% of Total Prosegur Cash sales** in 1Q 2019(1) (70% in 1Q 2018)
- **Major countries growth slowed down** as a consequence of macroeconomic and political environment
- Greater inorganic contribution due to **new geographies and bolt-on acquisitions**
- **Adverse currency impact** vs. 1Q 2018(3)
- Positive momentum of **SmartCash solutions and AVOS**

(1) 2019 figures according to IAS 21 & 29 (hyperinflation accounting); (2) Includes FX and IAS 21 & 29 impact; (3) Includes IAS 21 & 29

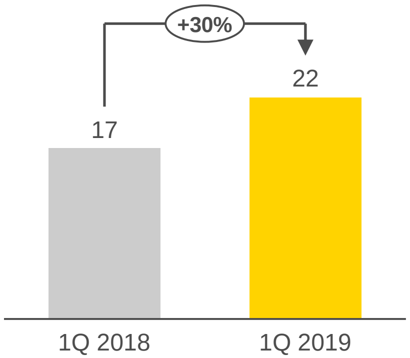
Europe

Sales (M€)



Org: +4.7%
Inorg: +2.3%
FX: 0.0%

New Products (M€)

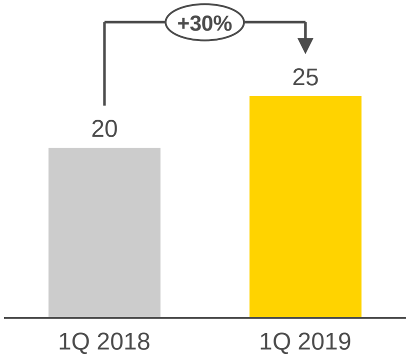


Over sales:
1Q 18: 14.7%
1Q 19: 17.9%

- **29% of Total Prosegur Cash sales** in 1Q 2019 (26% in 1Q 2018)
- **Healthy organic growth** impacted by one-offs
- **Inorganic growth in new services** complementing our traditional business
- **France exit** scheduled for second half 2019 (3Q)
- Development of **AVOS and SmartCash solutions** on track

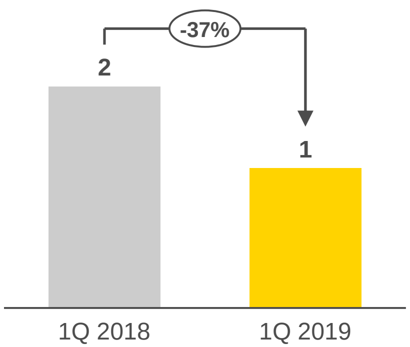
AOA

Sales (M€)



Org: (9.8)%
Inorg: +41.9%
FX: (1.7)%

New Products (M€)



<u>Over sales:</u>
1Q 18: 10.8%
1Q 19: 5.2%

- **6% of Total Prosegur Cash sales** in 1Q 2019 (4% en 1Q 2018)
- **Tough** comparison vs. 1Q 2018 **in Australia**
- Higher inorganic growth coming from the **Philippines**
- **Negative forex impact**, although to a lesser extent than in 2018
- NNPP lowered by the **decrease in ATM services**

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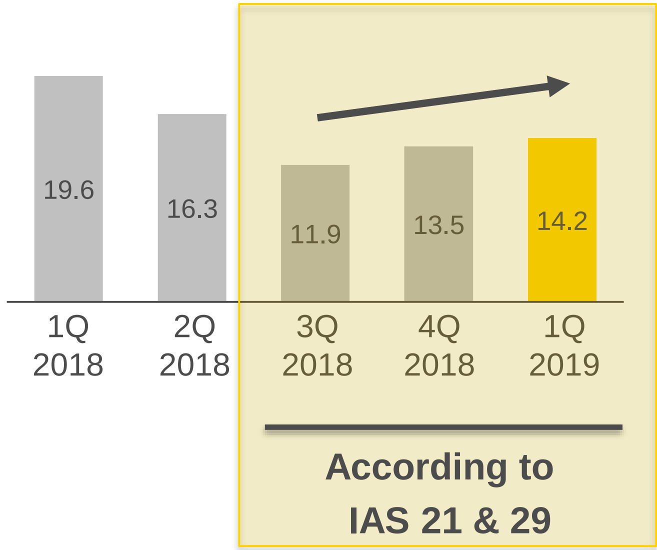
Profit and loss account

Million Euros		1Q 2018	1Q 2019[1]	% VAR
Sales		**450**	**432**	**-3.9%**
EBITDA		**105**	**86**	**-18.1%**
	Margin	*23.3%*	*19.9%*	
Depreciation		(13)	(20)	56.2%
EBITA		**92**	**66**	**-28.5%**
	Margin	*20.5%*	*15.2%*	
Amortization of intangibles		(4)	(4)	11.5%
EBIT		**88**	**61**	**-30.2%**
	Margin	*19.6%*	*14.2%*	
Financial result		6	(10)	-276.0%
EBT		**94**	**51**	**-45.7%**
	Margin	*20.9%*	*11.8%*	
Taxes		(32)	(20)	-37.4%
	Tax rate	*33.6%*	*38.7%*	
Net Profit from continuing operations		**62**	**31**	**-49.8%**
	Margin	*13.9%*	*7.2%*	
Net Consolidated Profit		**62**	**31**	**-49.5%**
	Margin	*13.8%*	*7.2%*	

% EBIT margin evolution



(1) 2019 figures according to IAS 21 & 29 (hyperinflation accounting) and IAS 16 (leasings), in force since 3Q 2018 and 1Q 2019, respectively.

Cash Flow

Million Euros	1Q 2018	1Q 2019[1]
EBITDA	105	86
Provisions and other non-cash items	17	12
Income tax	(26)	(27)
Acquisition of PP&E	(19)	(18)
Changes in working capital	(30)	(24)
Free Cash Flow	**47**	**29**
% Conversion[2]	*82%*	*79%*
Interest payments	(6)	(8)
Payments for acquisitions of subsidiaries	(7)	(19)
Dividend payment	(21)	(29)
Restructuring operations	18	-
Others	-	-
Total Net Cash Flow	**30**	**(29)**

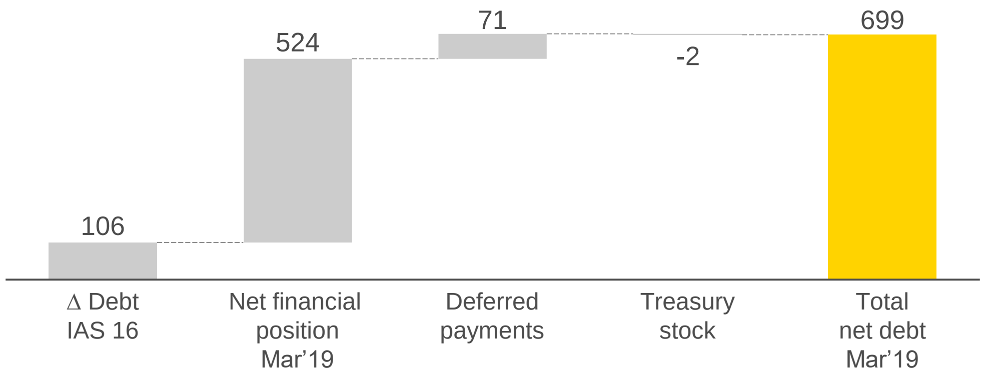
Net financial position (BoP)	**(424)**	**(491)**
Net increase / (decrease) in cash	30	(29)
Exchange rate	(6)	(4)
Net financial position (EoP)	**(400)**	**(524)**

- Provisions and other non-cash affected by **cut-off dates (18M€)**
- **SmartCash** capex **increased +30%**
- **Working capital improvement**
- **Eurobond and RCF** interest expenses **payment**
- **M&A** investment **in LatAm**
- **Second instalment** of dividend **disbursed (25%** vs. 20% in 2018)

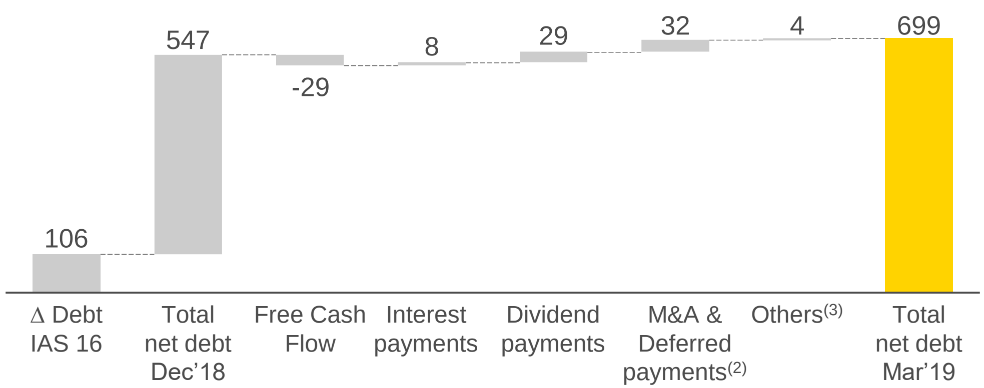
(1) 2019 figures according to IAS 21 & 29 (hyperinflation accounting) and IAS 16 (leasings), in force since 3Q 2018 and 1Q 2019, respectively; (2) Conversion ratio: (EBITDA - Capex) / EBITDA

Total Net Debt

Total net debt reconciliation (Mar’19)



Total net debt variation (Dec’18 vs Mar’19)



Cost of debt reduction
- **1.80%** en 1Q 2019 (2.1% en 1Q 2018)

Higher leverage ratio
- Total net debt to LTM EBITDA[4] **2.2x**

S&P rating unchanged (October 2018)
- Rating BBB, outlook stable

(1) 2018 Total net debt (547 M€) include 491 M€ of net financial position, 58 M€ of deferred payments and 2M€ of treasury stock; (2) Include M&A cash outflow and the variation of deferred payments between 2018 and 2019; (3) Include the fx rate impact and the treasury stock variation; (4) Ratio considers (i) Total net debt as of March 2019 (699) and (ii) LTM EBITDA (321) defined as FY 2018 EBITDA (as reported) – 1Q 2018 EBITDA (as reported) + 1Q 2019 EBITDA (as reported)

Balance sheet

Million Euros	FY 2018	1Q 2019[1]
Non-current assets	**937**	**1,078**
Tangible fixed assets	333	423
Intangible assets	535	569
Others	69	86
Current assets	**769**	**757**
Inventories	20	22
Trade receivables and others	475	470
Cash and cash equivalents	274	264
Non-current assets held for sale	1	1
TOTAL ASSETS	**1,706**	**1,834**
Net Equity	**238**	**240**
Non-current liabilities	**866**	**961**
Financial liabilities	688	751
Other non-current liabilities	178	209
Current liabilities	**602**	**634**
Financial liabilities	132	213
Other liabilities	470	421
Liabilities held for sale	0	0
TOTAL EQUITY AND LIABILITIES	**1,706**	**1,834**

- **Tangible and intangible asset increase** as a result of M&A and the application of IAS 16
- **Higher debt** due to IAS 16

(1) 2019 figures according to IAS 21 & 29 (hyperinflation accounting) and IAS 16 (leasings), in force since 3Q 2018 and 1Q 2019, respectively.

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Final remarks

- Agility
- Consolidation
- Transformation
- Cash Flow generation

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Accounting Standars

IAS 21 & 29	• **Balance:** Restatement of non-monetary assets & liabilities (formerly at historical cost) • **P&L:** (i) Restatement of income statement captions; (ii) Higher D&A due to the restatement of Balance Sheet items; (iii) "Euro" conversion at the end of the period exchange rate (previously at the average exchange rate); • **Cash Flow:** no impact in cash flow generation
IAS 16	• **Balance:** Restatement of asset and liabilities captions. Higher assets and debt due to the capitalization (at present value) of all the future rents already committed • **P&L:** (i) Restatement of income statement captions; (ii) The operating lease expense recorded within the EBITDA is replaced by higher depreciation (straight line depreciation of assets) and higher financial expenses (due to the lease interest); • **Cash Flow:** no impact in cash flow generation

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