



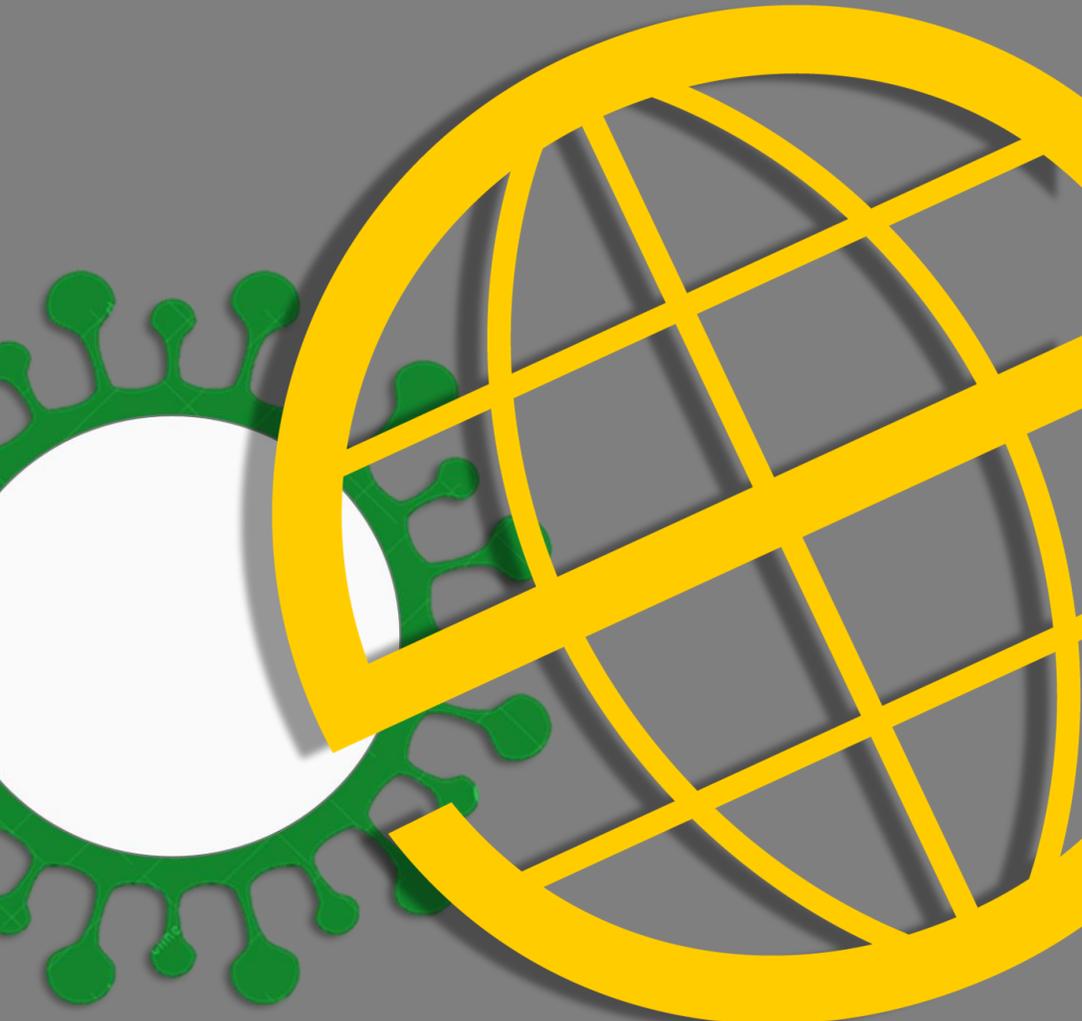
PROSEGUR 6M 2020 Results

31 July 2020

Investors Relations Department



COVID19 IMPACT & RESPONSE



Cash

- **Increased operations in Ibero-America** to support government initiatives
- Strong **reduction in volumes** during confinements, which are **gradually starting to recover**



Security

- The **slowdown in sales** continues due to the effects of business closings, mainly in the **USA and Argentina**
- **France Security deconsolidation**
- **Decrease in profitability in Ibero-America** resulting from **legal restrictions on cost adjustments**



Alarms

- **Temporary commercial activity break** due to confinements
- **Sharp rise of churn rate** in small business clients as a result of close downs



Group

- **Positive** evolution of **cash flow generation** due to **protection measures**
- The **crisis** is not over. We maintain a **cautious position** against possible outbreaks. Mainly in **Ibero-America**

RELEVANT INDICATORS OF THE PERIOD

6M 20



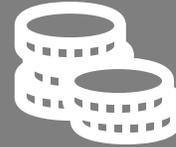
REVENUES

- Total **sales** of **1,775 million**
- Positive **organic growth** of **3.5%**
- **Resilience** to **Covid19** effect above estimates, but **strong FX impact**



PROFITABILTY

- **EBITA 131 million excluding efficiency plans**
- **Subsidies** received due to Covid19: **9 million**
- Profitability **above consensus**. Driven by **slowdown in alarms** and **cost control** measures
- **EBITA** remains affected by **negative FX** and **Covid19** effect



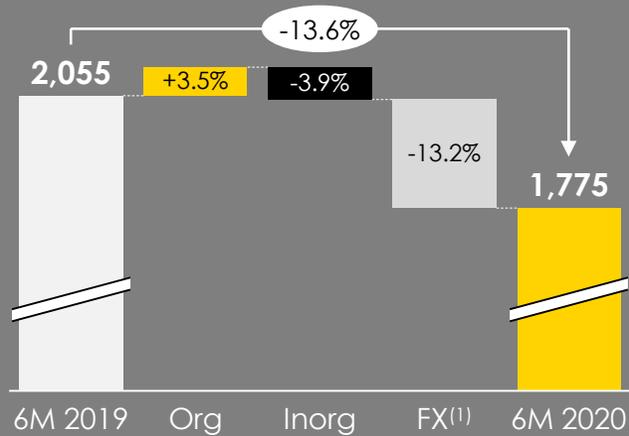
CASH FLOW

- **Strong improvement in operating cash flow**
- **Working Capital** temporarily increased by **control measures** adopted
- Good result of **cash consumption containment measures**
- **Cost base adjustment** according to customers situation
- Reinforcement of **collection policies**



LIQUIDITY & DEBT

- **Protecting** Group's **liquidity**
- **Capex reduction** close to **33%** in the period
- **Dividend reinvestment program** reduces cash outflow
- **Excellent debt maturity profile**



- Positive **organic growth** above **3%** despite the strong **impact of Covid19**
- **Revenues deterioration** is mainly caused by the **negative** translational **currency effect**
- **EBITA** penalized by **Covid19** and **FX** impact

Consolidated Results
 (€ millions)

	6M 2019	6M 2020 ⁽²⁾	% Variation
Sales	2,055	1,775	-13.6%
EBITDA	247	184 ⁽³⁾	-25.3%
Margin	12.0%	10.4%	
Depreciation	(88)	(78)	
EBITA	159	106	-33.3%
Margin	7.7%	6.0%	
Amortization of intangibles	(14)	(14)	
EBIT	145	91	-36.9%
Margin	7.0%	5.2%	
Financial result	(28)	(33)	
Profit before tax	117	58	-50.4%
Margin	5.7%	3.3%	
Tax	(47)	(30)	
Tax rate	39.9%	51.5%	
Net Profit	71	28	-60.0%
Minority Interest	22	6	
Consolidated Net Profit	48	23	-53.2%

⁽¹⁾ Includes exchange rate effect and IAS 21&29

⁽²⁾ Excluding extraordinary results in the period, mainly resulting from the exchange of participations between Prosegur and Telefónica and France Security **4**
⁽³⁾ Reported EBITDA includes €25mm of Cash efficiency programs and €9mm of Covid19 subsidies

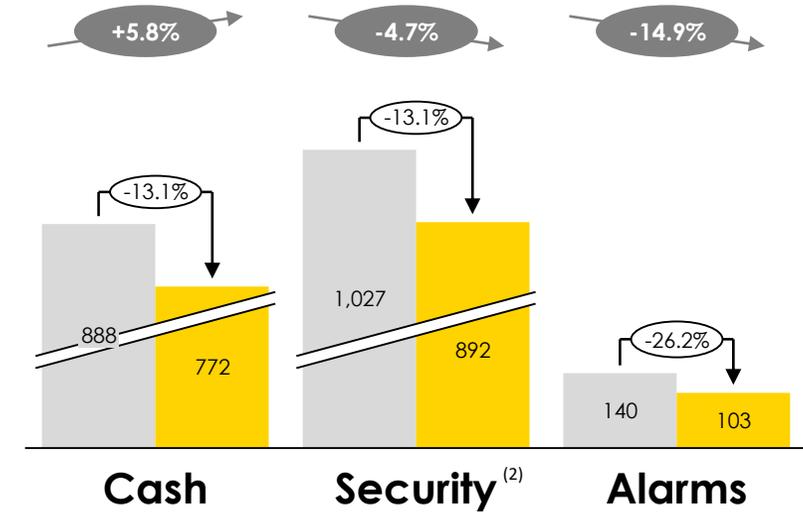
CONSOLIDATED REVENUES BY BUSINESS & REGION

- **Cash** maintains **positive growth** in local currency fueled by increased volumes transported in **Ibero-America**
 - **Security** retains **positive organic growth** despite Covid19, reducing volumes due to **deconsolidation of France (M&A)** and the **negative translational effect of currency**, accentuated by **Brazil**
 - **Alarms** reflects the **commercial break** during the confinements and the **accounting deconsolidation** of the Spanish connections
-
- Geographically, **the biggest reduction** occurs in **Europe and the USA** due to the greater severity of anti-Covid19 measures and **divestment in France**
 - **Ibero-America** grows by **12.6%** in local currency, impaired mainly **by negative FX**
 - **R.o.W.** sustains **double-digit growth** coming from complete incorporation of USA into the consolidated perimeter. **Covid19** has imposed a strong negative effect in the USA

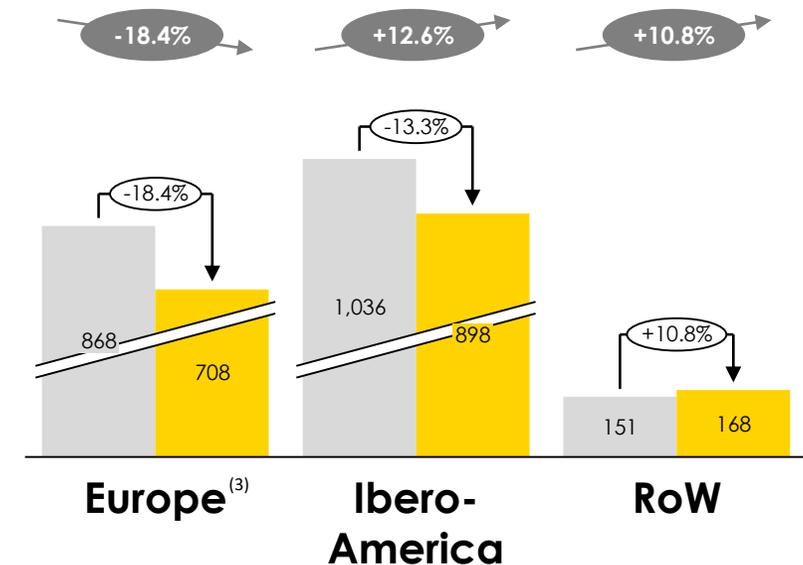
% Local Currency Growth ⁽¹⁾
 % Growth in Euros

■ 6M 2019
 ■ 6M 2020

Revenues by Business

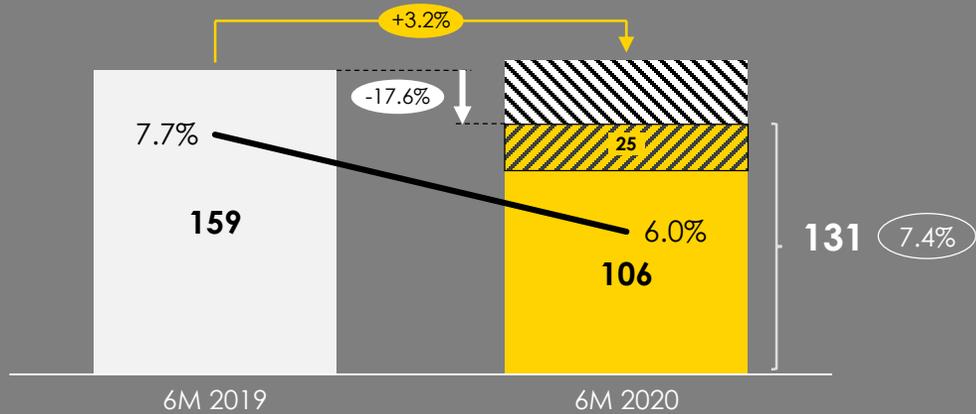


Revenues by Region



CONSOLIDATED PROFITABILITY & CASH FLOW GENERATION

PROFITABILITY

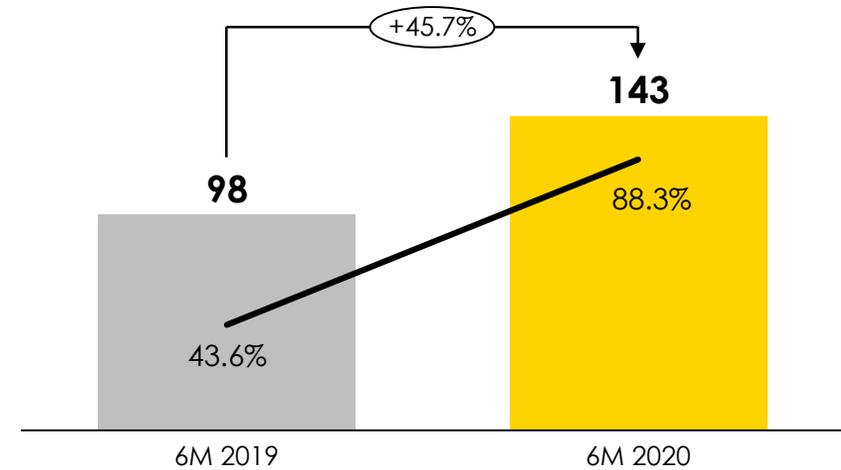


 Growth ex-Covid19
 Underlying EBITA growth

-  EBITA Margin
-  Losses deriving from COVID19 effect
-  CASH Efficiency Plans
-  Recurrent EBITA

Profitability deteriorated mainly due to Covid19 and FX effect

CASH FLOW GENERATION



-  % Cash/EBITDA⁽¹⁾
-  Operating Cash Flow

Significant **temporary improvement** in **operating cash flow generation**, boosted by **efficiencies in collections** and **expenditure containment**

ACCELERATING INNOVATION



SECURITY

- Development of a **complete suite** of tools to monitor **Covid-Free spaces**
 - Capacity Control
 - Thermography
 - Breathing Mask usage detection
 - Minimum distance control
- **Simultaneous implementation in all countries**



Triple-Screening Entry Manager for Fighting COVID-19

Capable of facial recognition, temperature emission and mask detection, this all-in-one device can be integrated with access control, turnstile or used as a standalone monitoring station for entry point screening. To learn more, contact your Prosegur representative today.



- Consolidation of our integrated **SOC (Security Operation Centre) model** with the entry into service of the **Brazil and USA SCOs**
 - 18 global Control Centres
 - More than 9,000 clients with more than 50K connections
 - 180K Cameras in operation
 - 80K remote services/month
- Incorporating and combining proprietary **Artificial Intelligence, Machine Learning and Cloud Computing technology**




CASH



- B2B **cryptographic custody solution** of tokenized digital assets (cryptocurrency, valuable information assets, etc.)
- Excellent integration of **physical and logical security**
- **Currently in operation**



- **New cash management automation system**
- **Complements** the existing **SmartCash** product range
- **Specifically designed for small businesses**
 - **Certifies deposits** in bank account
 - **Allows export of movements** information to third parties
 - **Provides liquidity** for supplier payments
 - **Automatic daily cash conciliation**





Results by Business Line

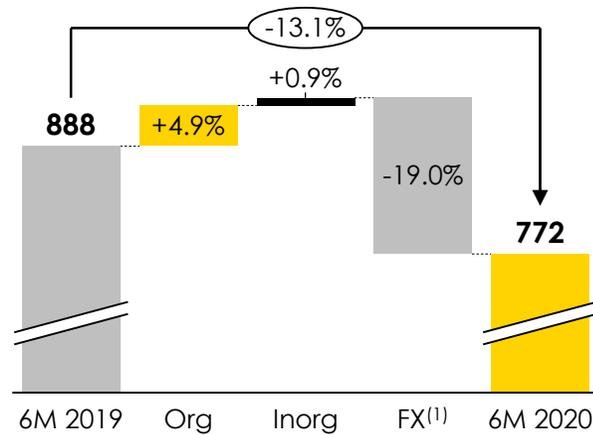
CASH – SECURITY - ALARMS



PROSEGUR CASH

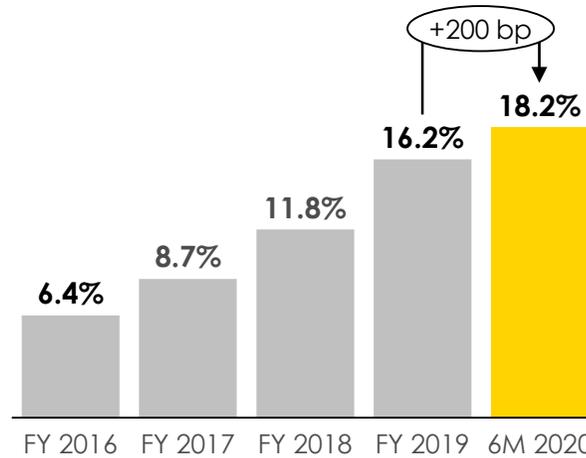


REVENUES



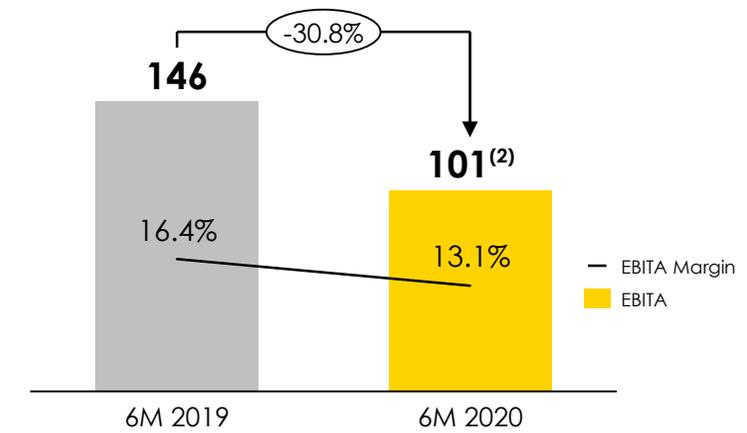
- **5.8% growth** in local currency. **13.5% organic** in Ibero-America
- Europe **suffers the** main deterioration due to the strictness of the **lock downs in retailers**
- **Higher volumes** in Ibero-America, supporting the distribution of **aid programs**
- **Sales figure reduction** mainly explained by **FX**

NEW PRODUCTS



- **New products** remain being **18.2%** of total sales with **positive growth**
- **Brazil** strongly leads the growth of “**Smart Cash**” solutions that grow by **11%**
- **New services are growing**, especially in **Asia**, and with the capacity to continue doing so in the future

PROFITABILITY

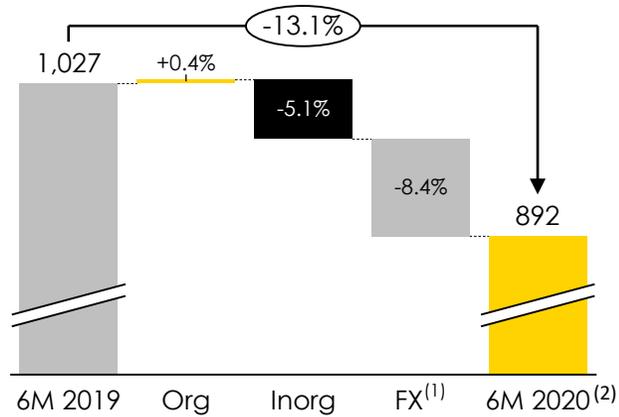


- **Profitability deterioration** explained by:
 - **Lesser volumes** and amounts transported
 - Translational impact of **currency depreciation**

PROSEGUR SECURITY

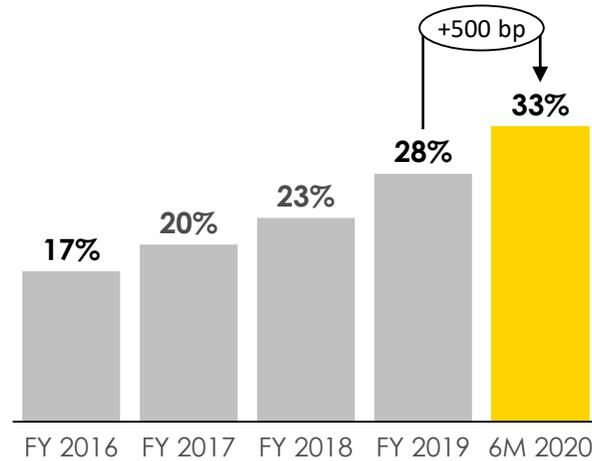


REVENUES



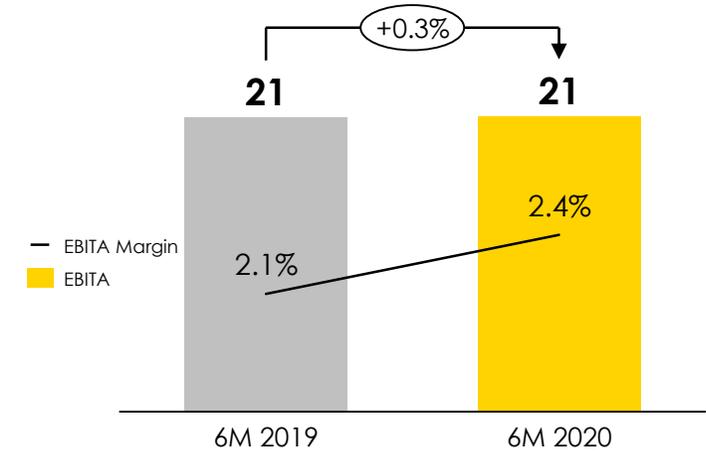
- **Positive organic growth**
- **France deconsolidation** negatively affects **M&A**
- **Improvement of volumes** in **traditional guarding** in **Spain** and **Brazil** and **deterioration in USA** due to high exposure to air transportation sector
- Business line **more affected** in **developed countries** due to more strict confinements regulations

NEW PRODUCTS



- **Strong increase** of the **penetration of Integrated Security Solutions** reaching up to **33%** of total sales
- **High demand** of “**COVID Free**” Solutions
- **Higher volumes** than estimated in **Brazil, Singapore** and **Colombia**

PROFITABILITY⁽³⁾



- **Margin improvements** due to operational **costs adjustment** and **higher added value services**
- **Profitability** affected by:
 - **Labour protection** measures in some **Ibero-American countries**
 - **Service mix temporarily** geared towards more **traditional guarding**
 - **Adverse FX**, mainly in **Brazil**

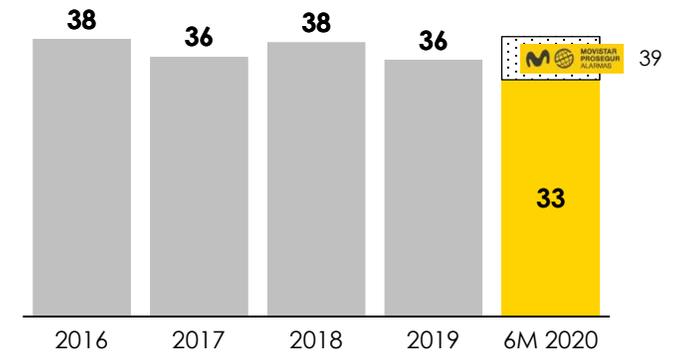
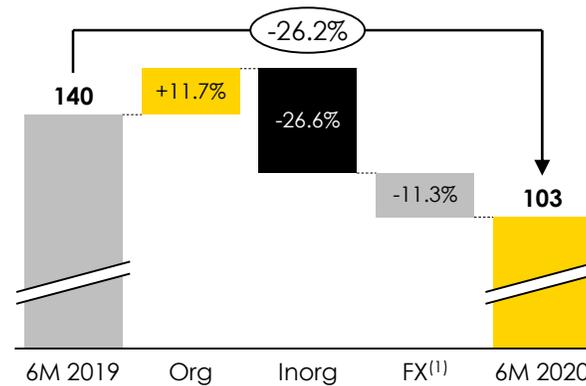
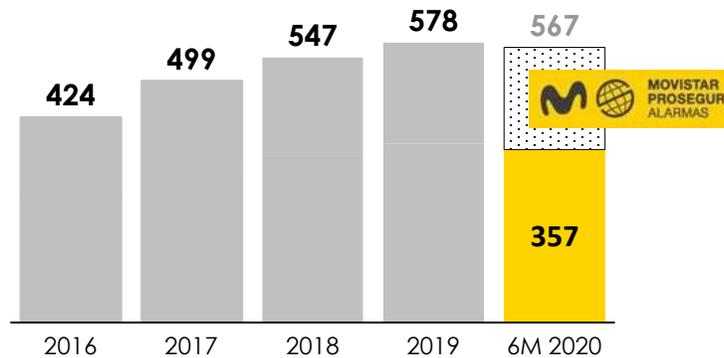
PROSEGUR ALARMS



TOTAL INSTALLED BASE

REVENUES

ARPU



- **Total Base of Contracts** experiences reduction due to **commercial break** during **confinements**
- **Commercial activity** is gradually returning to **pre-Covid19 productivity** levels
- **MPA** resumed **full commercial activity** in mid-June

- **Organic growth** close to **12%**
- **Volume reduction** due to **commercial stoppage**, **deconsolidation of Spain** and **negative FX** in Ibero-America

- **ARPU** remains at **€ 33**, once **deconsolidated Spain**, despite **negative FX** and **commercial stagnation**
- **Strong increase** in **Churn rate** of **small commercial** and **unbanked residential** customers. Especially in **Ibero-America** due to **closings during the pandemic**



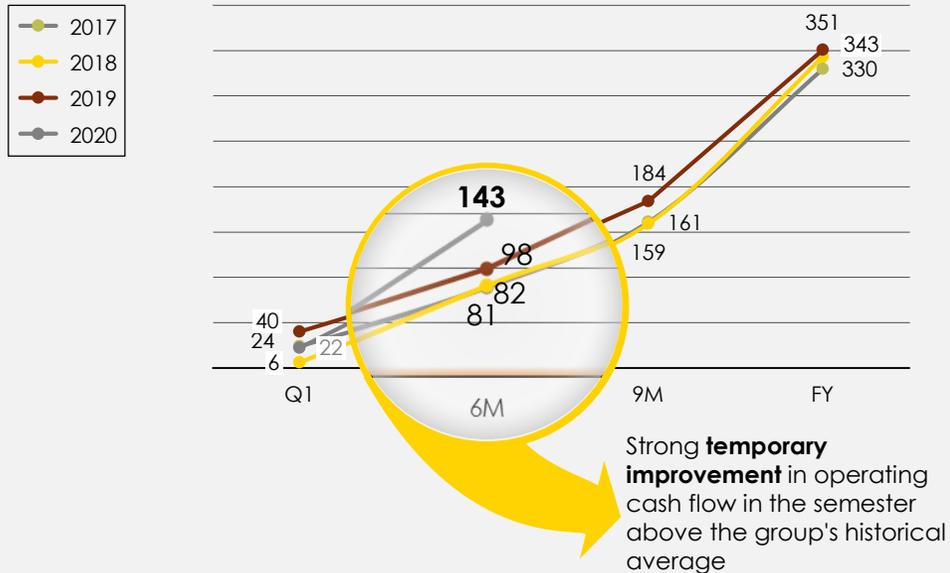
Financial Information

CASH FLOW
FINANCIAL POSITION
BALANCE SHEET



CONSOLIDATED CASH FLOW

Operating Cash Flow by quarters (accumulated)



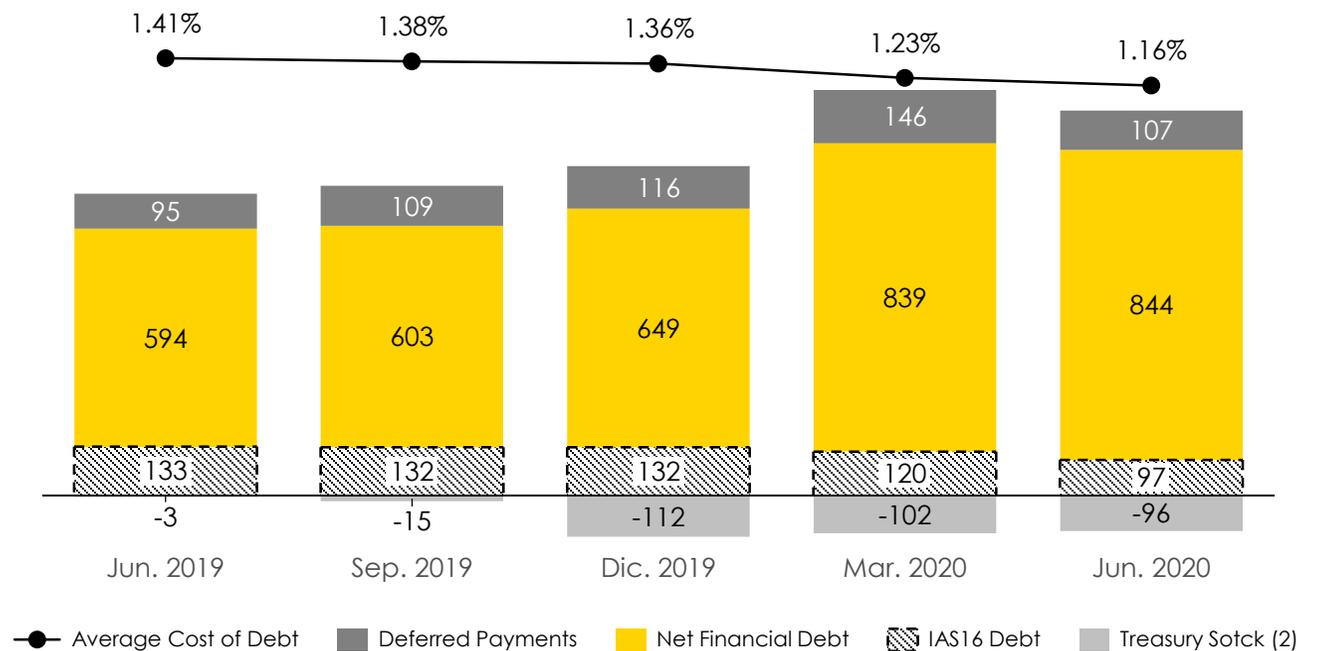
- Improvements in operating cash flow explained by:
 - Improved working capital from **collection efficiency** and **Covid19** impact
 - **Capex** reduction
 - **Dividend reinvestment program**

Amounts in € millions	6M 2019	6M 2020 ⁽¹⁾
EBITDA	247	184
Provisions and other non-cash items	(5)	47
Tax on profit (ordinary)	(63)	(58)
Changes in working capital	(68)	(12)
Interests payments	(13)	(18)
Operating Cash Flow	98	143
Acquisition of property, plant & equipment	(98)	(66)
Payments for acquisitions of subsidiaries	(106)	(83)
Dividend payments	(55)	(38)
Treasury stock	(1)	(63)
Others	(1)	(41)
Cash flow from investing / financing	(261)	(291)
Total net cash flow	(163)	(148)
Initial net financial debt	(425)	(649)
Net increase / (decrease) in cash	(163)	(148)
Exchange rate	(7)	(47)
Net Financial Debt ⁽²⁾	(594)	(844)

⁽¹⁾ Excluding extraordinary results of the exercise, mainly resulting from the exchange of participations between Prosegur and Telefónica and Security France
⁽²⁾ Excludes IAS 16 related debt

FINANCIAL POSITION

- **Containment of net financial debt⁽¹⁾** in the quarter, mainly derived from **cash protection measures**:
 - Dividend reinvestment plan
 - Capex reduction
 - Improvement of working capital
- Average cost of corporate debt: **reduction of 25 basis points** with respect to the same period in fiscal year 2019 (**1.16%** vs. 1.41%)



⁽¹⁾ Excludes IAS 16 - ⁽²⁾ Treasury stock of Prosegur and Prosegur Cash at closing market price of the period
⁽³⁾ Includes IAS 16 debt and excludes extraordinary effects in EBITDA and Security France

BALANCE SHEET

- **Security France** considered as **Available for Sale**
- **Positive result** of the **liquidity protection measures** implemented in March 2020
- Acquisition of **own shares**
- **Excellent debt maturity** profile

In € Millions

	FY 2019	6M 2020
Non-current assets	1,990	2,261
Tangible fixed assets and real estate investments	881	746
Intangible assets	984	919
Others	125	596
Current assets	1,986	2,223
Inventory	65	51
Customer and other receivables	1,071	861
Assets available for sale	-	57
Cash and equivalents and other financial assets	850	1,254
TOTAL ASSETS	3,976	4,484
Net equity	898	931
Share capital	36	36
Treasury shares	(108)	(150)
Retained earnings and other reserves	898	1,002
Minority interest	72	43
Non-current liabilities	1,751	2,296
Bank borrowings and other financial liabilities	1,452	1,960
Other non-current liabilities	299	336
Current liabilities	1,327	1,257
Bank borrowings and other financial liabilities	302	364
Liabilities available for sale	-	71
Trade payables and other current liabilities	1,025	822
TOTAL NET EQUITY AND LIABILITIES	3,976	4,484

FINAL REMARKS



Proud of being essential to you

1

Restate our **recognition and gratitude** to all **our professionals** for their **extraordinary attitude and willingness to help** during this crisis

The **negative effects of Covid19** have been **more intense** in **more developed countries**, but could be of **longer duration** in **emerging** ones

We remain in a **cautious position** regarding its evolution for the **incoming months**

2

Security shows a **more resilient profile** with high demand for “**Covid Free**” solutions

Cash has suffered **volume loss**, but shows a gradual improvement in volumes and productivity

Alarms has been the **most affected** but is **rapidly** recovering **commercial activity**

3

Profitability begins the **recovery path**, as activity normalizes and **expenditure control measures** implemented become evident

Asymmetric dynamics still remain - **Alarms** recovering growth, **Cash** with even less volume in Europe or **Security** with high demand for new services - **which may influence** margins generation in the coming quarters

4

Excellent performance of the entire organization in **managing cost control and cash protection tasks**

Many of these measures **will be permanently incorporated** into the group's **financial discipline**

Some of the **improvements obtained** are of **temporary nature** and are not projectable in subsequent quarters



Environment

- Hybrid vehicle fleet in Spain
- CO2 emissions and fuel consumption reduction

Social

- Homeworking and Protection for employees
- Clients business continuity protection
- Logistic support to communities

Governance

- New Corporate Governance Code
- Long-term Incentive Plan linked to ESG targets

LEGAL DISCLAIMER



This document has been prepared exclusively by Prosegur for use as part of this presentation.

The information contained in this document is provided by Prosegur solely for information purposes, in order to assist parties that may be interested in undertaking a preliminary analysis of it; the information it contains is limited and may be subject to additions or amendments without prior notice.

This document may contain projections or estimates concerning the future performance and results of Prosegur's business.

These estimates derive from expectations and opinions of Prosegur and, therefore, are subject to and qualified by risks, uncertainties, changes in circumstances and other factors that may result in actual results differing significantly from forecasts or estimates. Prosegur assumes no liability nor obligation to update or review its estimates, forecasts, opinions or expectations.

The distribution of this document in other jurisdictions may be prohibited; therefore, the recipients of this document or anybody accessing a copy of it must be warned of said restrictions and comply with them.

This document has been provided for informative purposes only and does not constitute, nor should it be interpreted as an offer to sell, exchange or acquire or a request for proposal to purchase any shares in Prosegur.

Any decision to purchase or invest in shares must be taken based on the information contained in the brochures filled out by Prosegur from time to time



PROSEGUR

Security you can trust

Antonio de Cárcer

Director of Investor Relations

Tel: +34 91 589 83 29

antonio.decarcer@prosegur.com

Cristina Casado

Investor Relations

Tel: +34 91 589 83 47

cristina.casado@prosegur.com