

Third Quarter 2021 Earnings Presentation.

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Cash in the media

Almost 90% Spaniards believe cash payments should be guaranteed

“Cash importance perception reached 95% among Spaniards, much higher than that of other payment methods, and is considered essential for the most vulnerable groups in society, as revealed by the survey carried out by GAD3 for Denaria. The defense of cash is something transversal in Spanish society, where 83% of the population totally opposes the acceptance of only card payments”.

Source: ABC

U.S. senator warns that stablecoins should be backed by cash

“According to Cynthia Lummis, stable currency reserves should be 100% backed by cash and cash equivalents, and banks or money market funds should become issuers”.

Source: Bloomberg

App and network crashes highlight the importance of protecting the mix of payment systems

“Numerous incidents, recently messaging networks and systems, in June PayPal, Amazon, Twitch or Financial Times and weeks before a fire in a data storage center, put the focus back on the vulnerability of the system and the dependence of excessive digitization to such failures and security breaches that are increasingly common, the Denaria Platform experts outlined”.

Source: Servimedia

Cash in circulation increased in the Euro zone in the first year of the pandemic

“The increase in precautionary demand for cash more than offset the decline in transactional demand. Fears about the role of cash in the transmission of COVID-19 relaxed its use as a means of payment. An ECB study subsequently confirmed that it is safe to use cash despite COVID-19”.

Source : Cashessentials. ECB

Highlights of the Period





Highlights

Activity recovery

Sales and Margin comeback

Transformation progress

Financial discipline

Commitment to Corporate Governance

Q3 confirms QoQ⁽¹⁾ improvement on Q2



PERFORM

Sales +12%

EBITA +40%
12.9%
%/Sales (+250bp)

FCF +42%
(37 M€ Q3)

Leverage 2.5X

Rating S&P: BBB stable

Aenor: G++



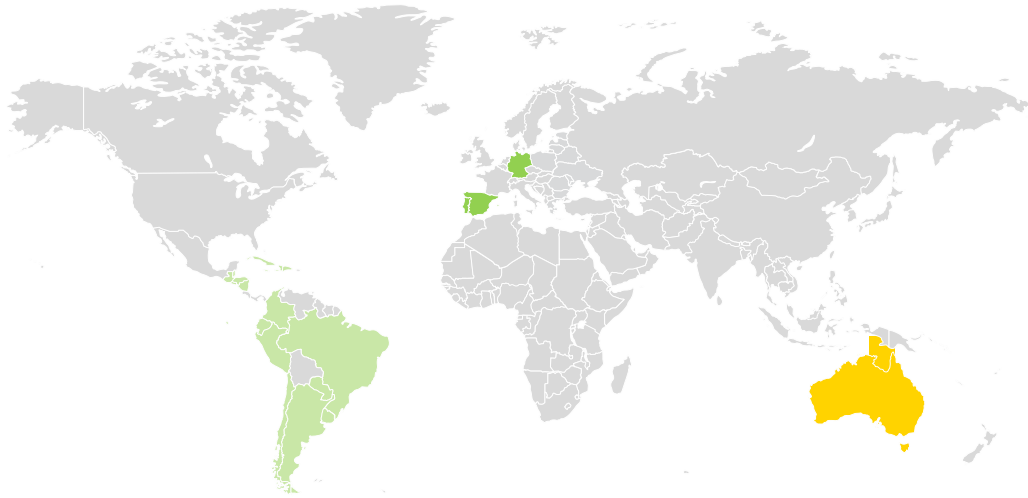
TRANSFORM

New Products sales +15%

% / total sales 21.2%
(+50bp)

(1) QoQ: Q3 2021 vs Q2 2021.

Confinements ending



Covid restrictions easing

Edición Latam. Reapertura argentina

Buenos Aires elimina las restricciones a bares y restaurantes

1 OCTUBRE, 2021



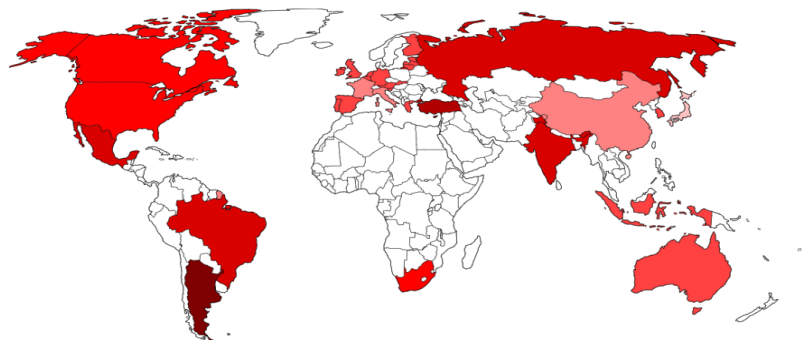
Los estadios de fútbol podrán albergar el 100% de su capacidad a partir de este fin de semana

Underlying inflationary trend

Price Pressure

Inflation in G-20 economies is predicted to accelerate to 3.7% this year

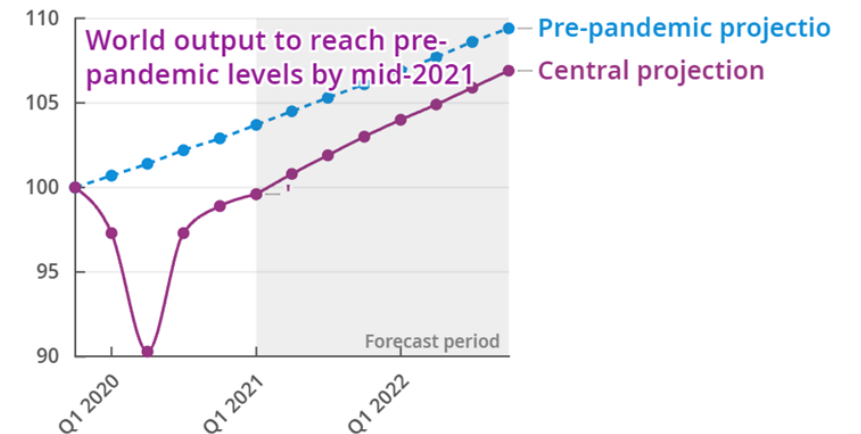
2021 inflation rate: <0% 0%-2% 2%-3% 3%-5% 5%-7.5% >15% >45%



Source: Organization for Economic Cooperation and Development
Note: Mapped data show annual inflation rates for distinct economies. Euro countries (except Germany, France, Italy, Spain) show average for 19-country currency region

GDP expectations narrowing Covid gap

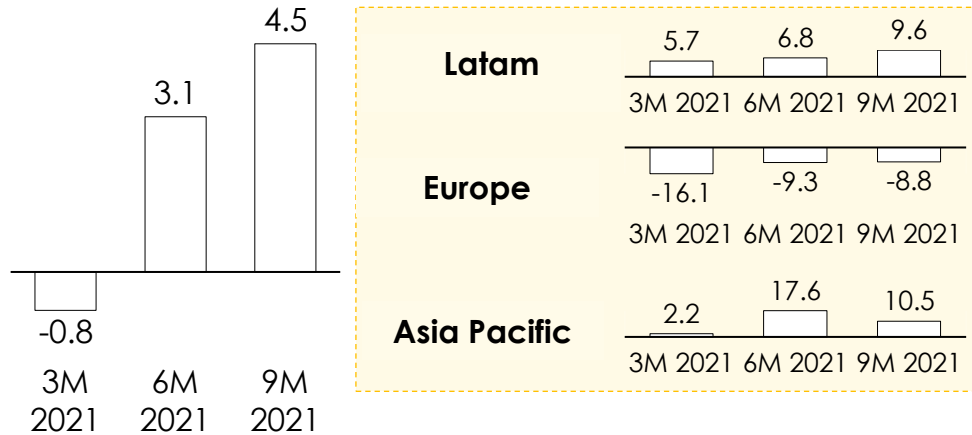
World GDP index (Q4 2019=100)



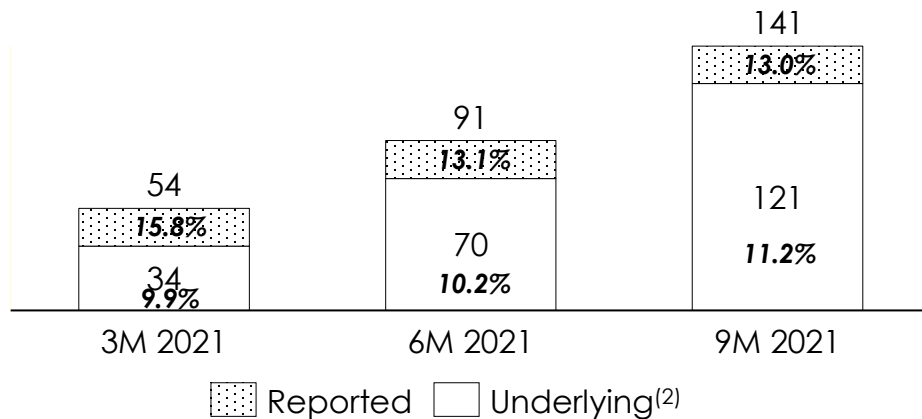


Resilience and efficiency

Accumulated local growth⁽¹⁾ (%)



Accumulated EBITA margin (M€, %)



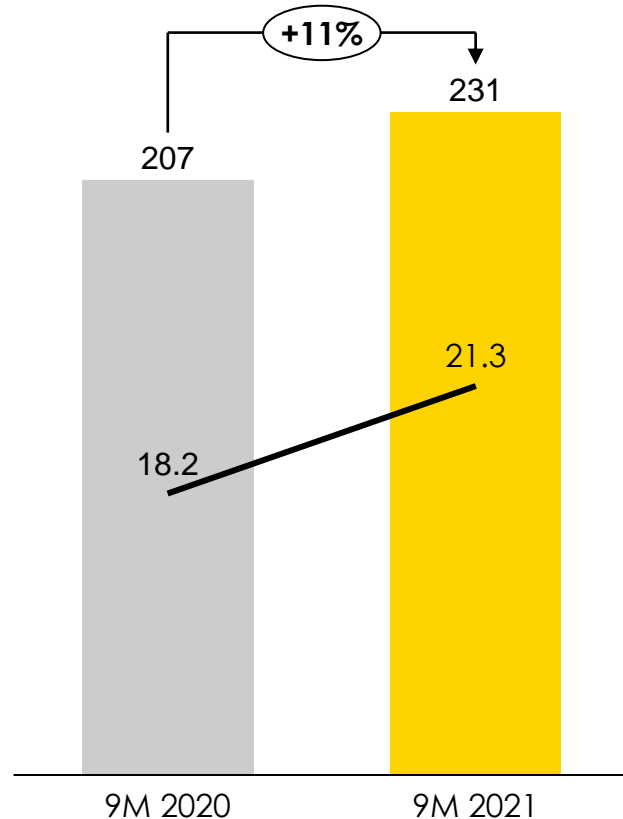
Reported Underlying⁽²⁾

- Steady improvement of growth in local currency.
- Latin America and Europe continue to progress vs 6M 2021 (QoQ improvement € +14% y +13% respectively).
- AOA impacted by “lockdowns” (QoQ in € -8%).
- Underlying margins gradually improving on a sustained basis (+250pb QoQ).
- Looking forward, economic environment with higher consumption and rising inflation.

(1) Includes organic and inorganic growth; (2) Underlying EBITA excludes capital gains from 2021 divestments (20 M€).



New Products (M€, Penetration in %)⁽¹⁾



- **Continuing growth** (+11% YoY / +15% QoQ) despite AVOS divestment (+28% YoY ex-AVOS).
- **Increased penetration** reaching 21.3% (+315pb YoY; +495pb YoY ex-AVOS).
- **Penetration grows** +50pb QoQ (Redpagos already consolidating).
- **16 M€ invested in Digital Transformation** (+36% YoY), to keep growing.

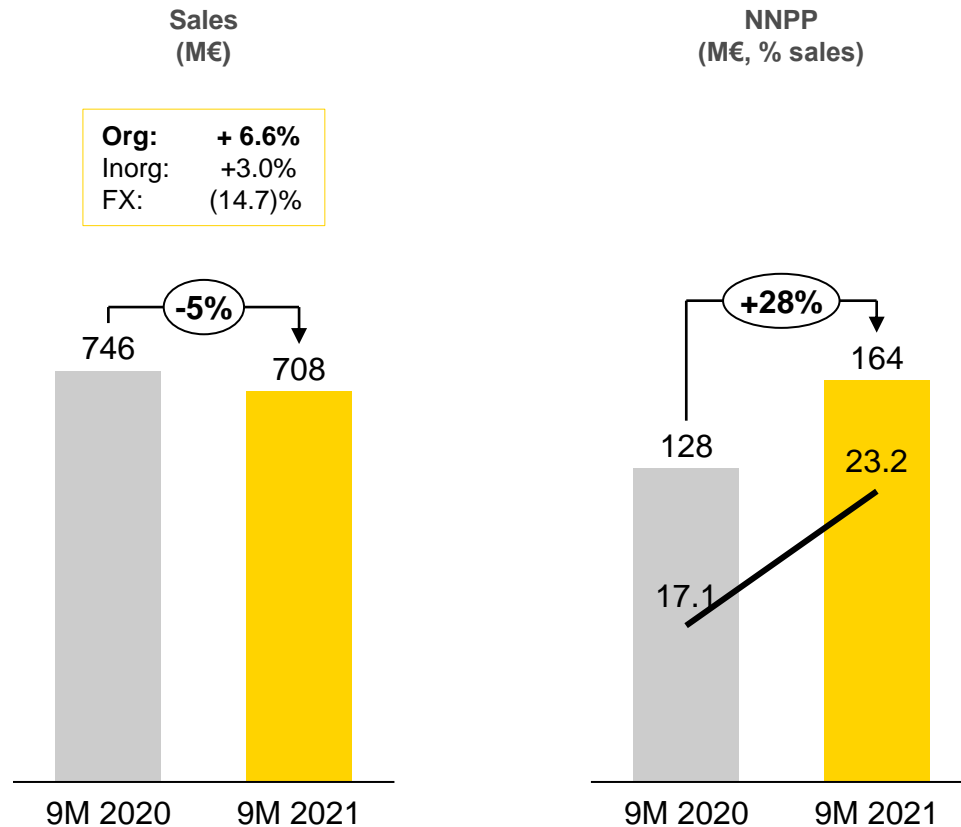
(1) 2018-2021 figures reported as per IAS 21 & 29 (hyperinflation accounting).

Regional Dynamics





Represents 65% of the group's sales

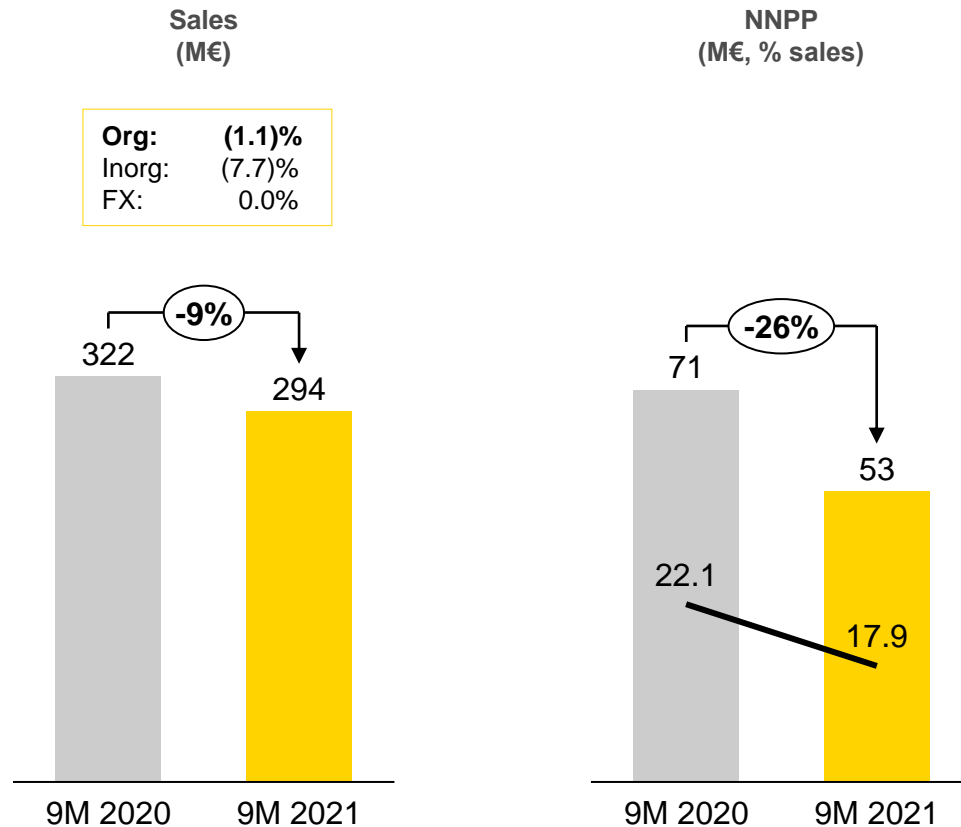


- **Cumulative organic growth accelerating** (+5.2% in 6M 2021) and QoQ improvement in € (+14%).
- **Adverse currency impact more moderate** as the year progresses.
- **New Products continue to grow** (+28%) increasing their relative weight (+610bp).

(1) Figures according to IAS 21 & 29 (hyperinflation accounting); (2) Includes FX and IFRS 21 & 29 impact.



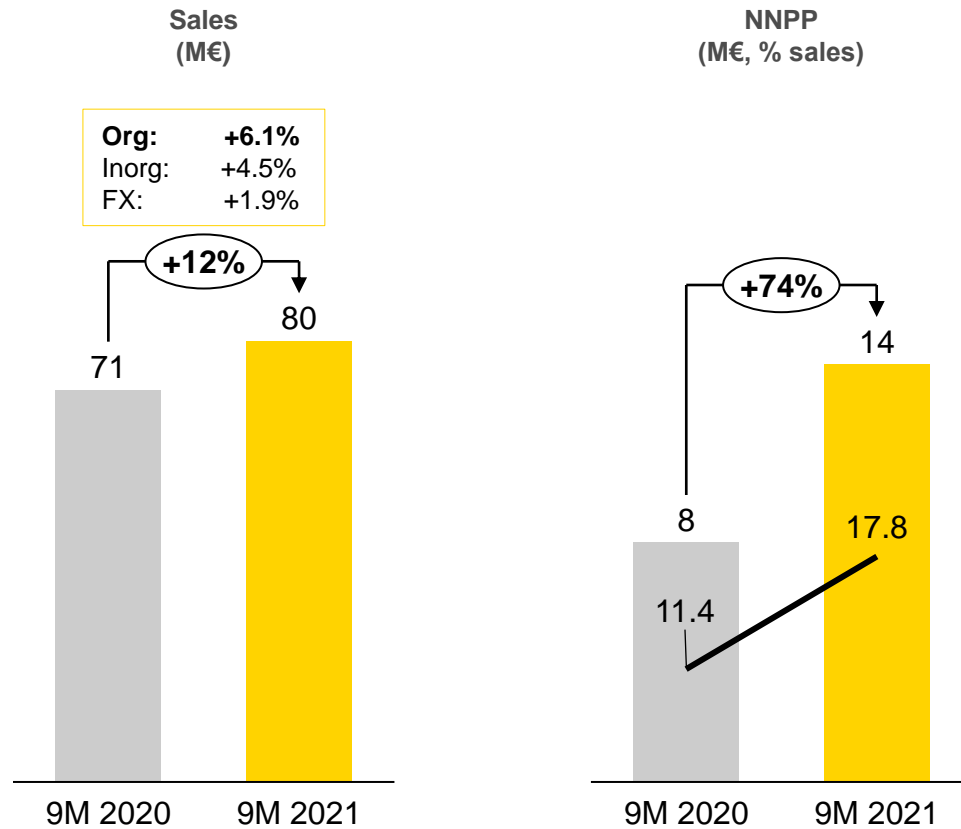
Represents 27% of the group's sales



- **Cumulative organic growth continued improvement** (-2.5% in 6M 2021) and QoQ improvement in € (+13%).
- **Inorganic growth and NNPP evolution impacted by AVOS divestment** at the end of 1Q 2021 (NNPP growth +17% ex-AVOS).
- **NNPP account for 17.9% of sales** (ex-AVOS, +210bp increase in penetration).



Represents 8% of the group's sales



- **Slightly lower organic growth than in 6M 2021** due to the severe lockdowns impact in 3Q 2021.
- Positive currency impact.
- **NNPPs maintain upward trend (+74%)** and reach 17.8% penetration.

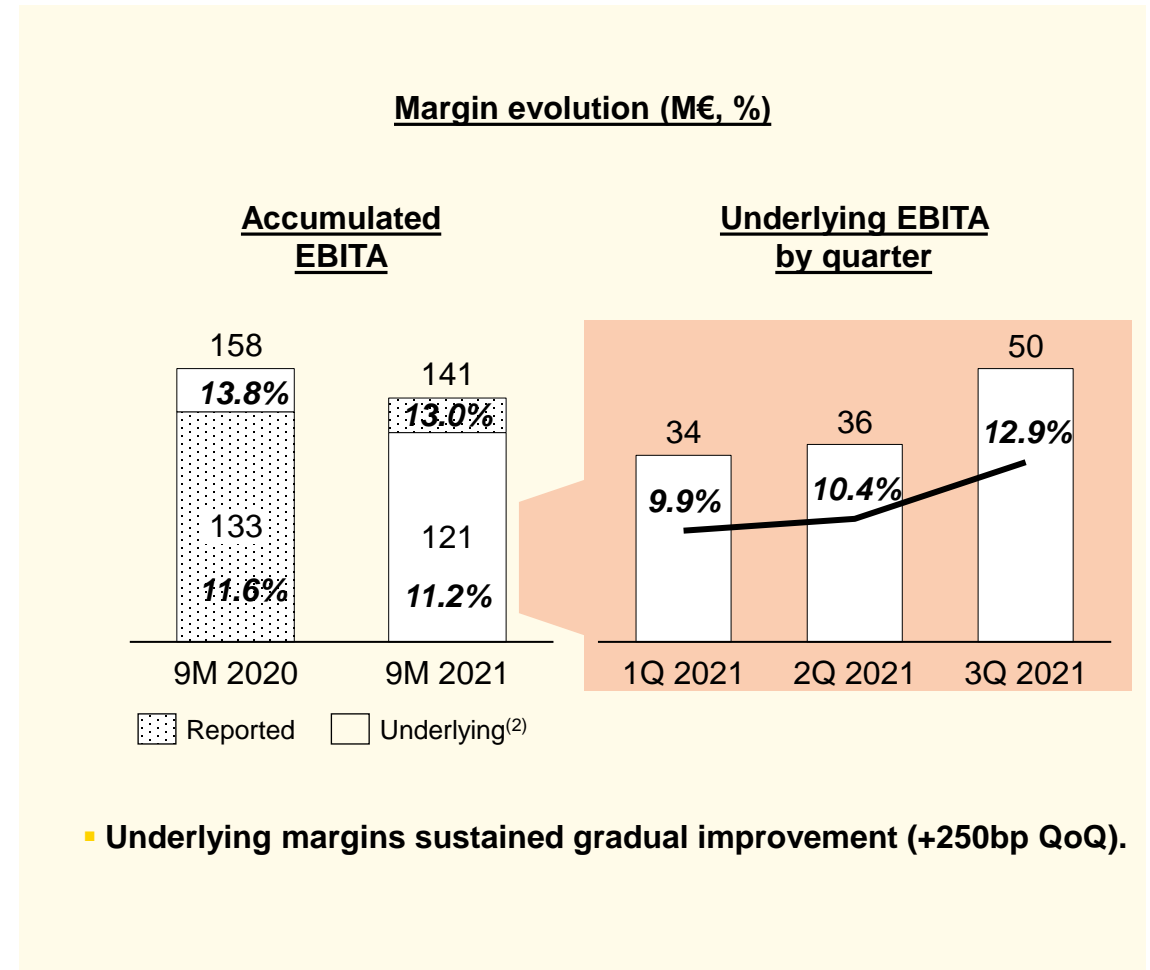
Financial Results





Profit and Loss Account⁽¹⁾

Million Euros	9M 2020	9M 2021	VAR %
Sales	1,140	1,082	(5.0)%
EBITDA	198	210	6.2%
<i>Margin</i>	17.4%	19.4%	
Depreciation	(65)	(69)	
EBITA	133	141	6.3%
<i>Margin</i>	11.6%	13.0%	
Amortization of intangibles	(16)	(15)	
EBIT	117	126	8.0%
<i>Margin</i>	10.2%	11.6%	
Financial result	(28)	(34)	
EBT	89	91	3.1%
<i>Margin</i>	7.8%	8.4%	
Taxes	(47)	(52)	
<i>Tax rate</i>	53.1%	56.5%	
Net Consolidated Profit	42	40	(4.5)%
<i>Margin</i>	3.7%	3.7%	

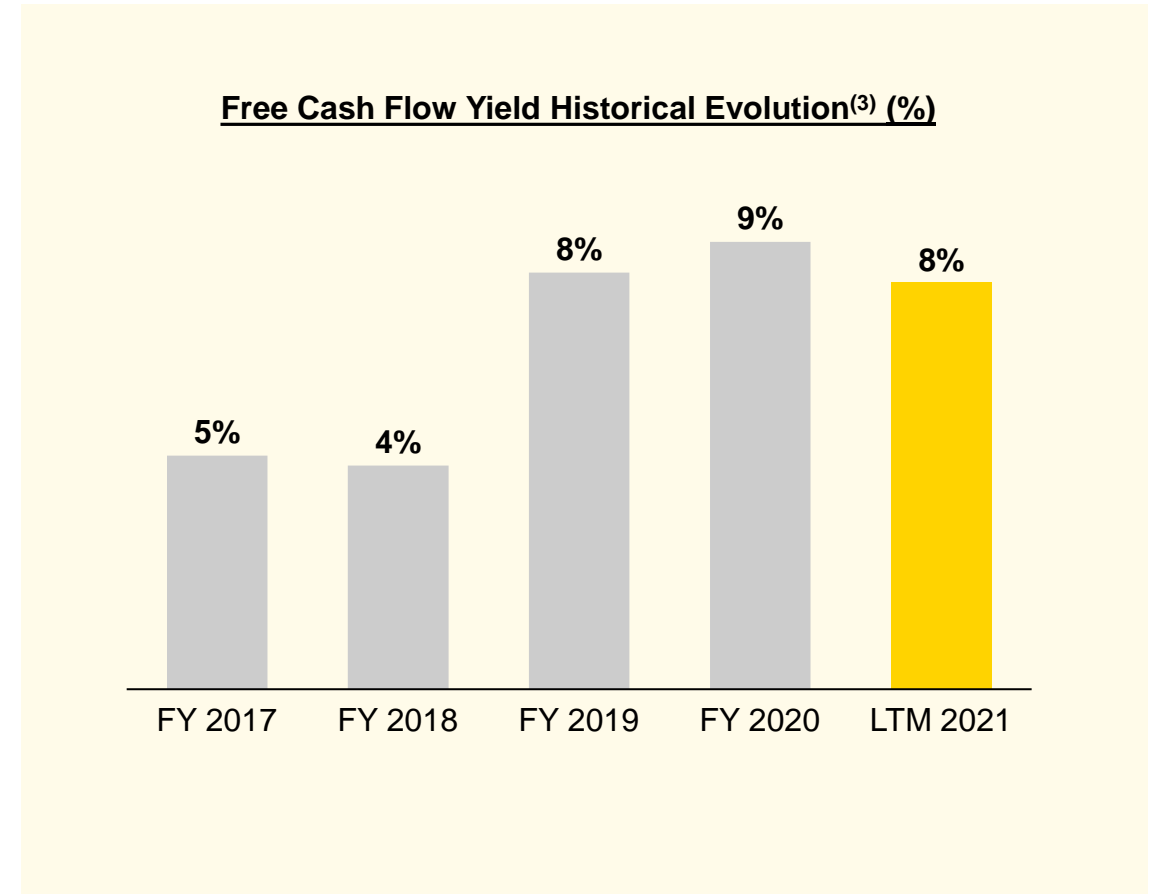


(1) Figures according to IFRS 21 & 29 (hyperinflation accounting) and IFRS 16 (leases); (2) 2020 excludes efficiency plans (25 M€) and 2021 excludes AVOS capital gain (20 M€).



Cash Flow⁽¹⁾

<i>Million Euros</i>	9M 2020	9M 2021
EBITDA	198	210
Provisions and other items	38	(6)
Income tax	(63)	(33)
Acquisition of PP&E	(46)	(42)
Changes in working capital	1	(27)
Free Cash Flow	129	102
<i>% Conversion⁽²⁾</i>	77%	80%
Interest payments	(13)	(12)
M&A payments	(100)	(10)
Dividend & Treasury stock	(41)	(56)
Others	(41)	(34)
Total Net Cash Flow	(67)	(9)

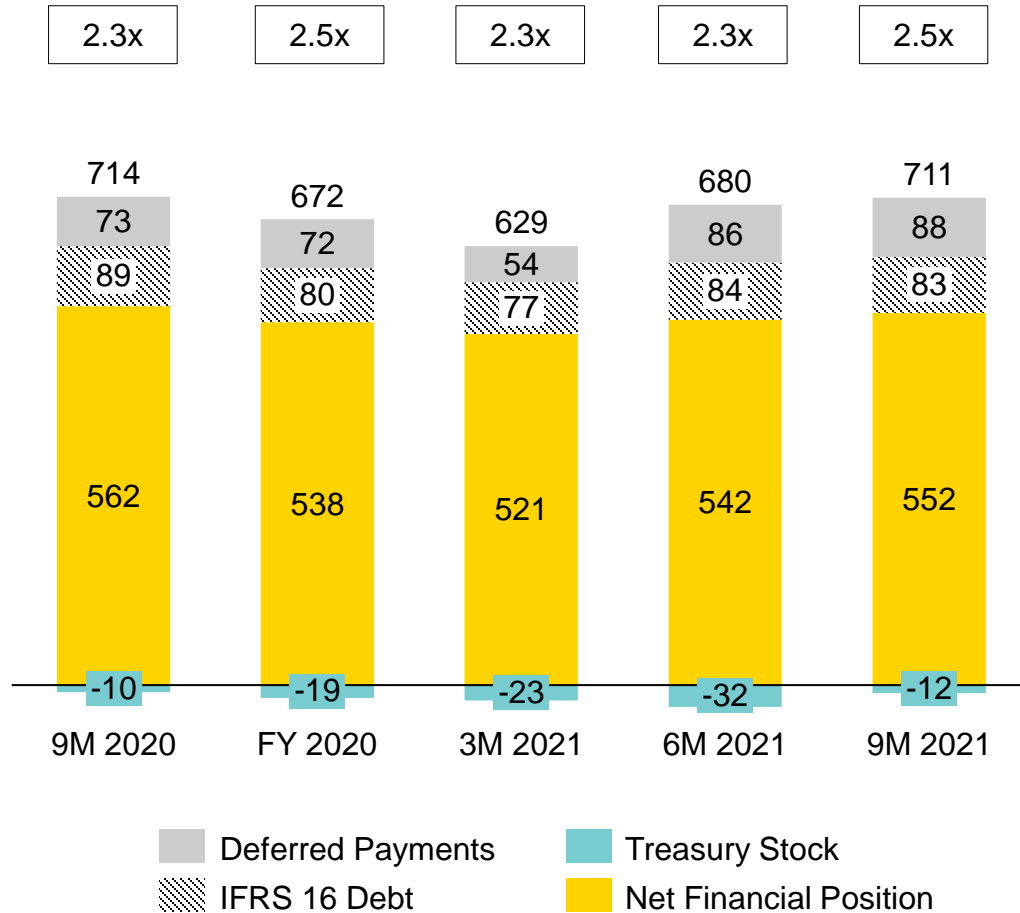


(1) Figures according to IFRS 21 & 29 (hyperinflation accounting) and IFRS 16 (leases); (2) Conversion ratio: (EBITDA - Capex) / EBITDA; (3) FCF Yield = FCF as reported / EV at the EoP (excluding IFRS 16 impact).



Total Net Debt

Total Net Debt and (Total Net Debt / EBITDA LTM)



- **3Q 2021 Net Debt increase** mainly due to **treasury stock amortization**.
- **Leverage ratio** maintained **flat** at 2.5x compared to FY 2020.
- **Credit rating confirmed by S&P** (BBB with stable outlook).

Final Remarks

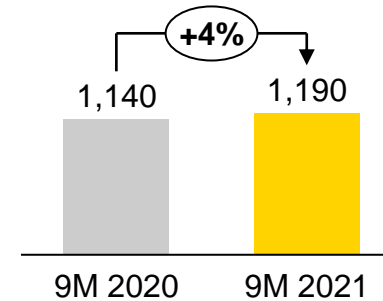




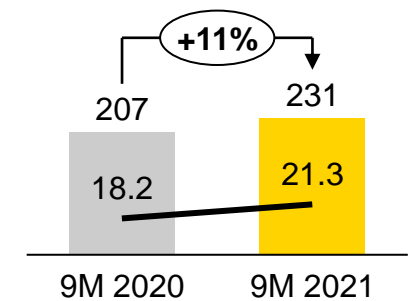
Final Remarks

- 1 **Gradual business recovery.** Quarterly sales growth in a positive economic environment with rising inflation.
- 2 **Transformation continues.** New Products grow +12% to 21.3% of sales, as a result of the multiple initiatives underway.
- 3 **Underlying EBITA margin sustained improvement,** every quarter as a result of efficiency initiatives.
- 4 **Financial discipline.** Preserving cash generation and renewing S&P's BBB with stable outlook rating.
- 5 **Corporate governance.** Commitment to good governance, achieving G++ recognition from AENOR.

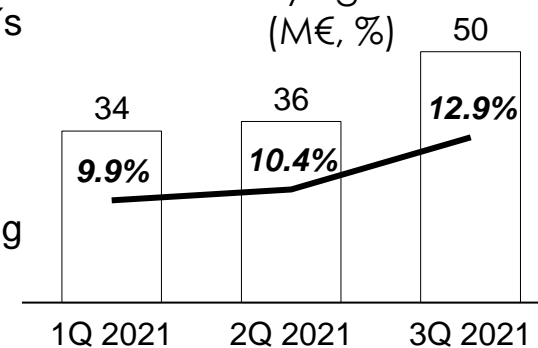
Sales in constant currency(1)



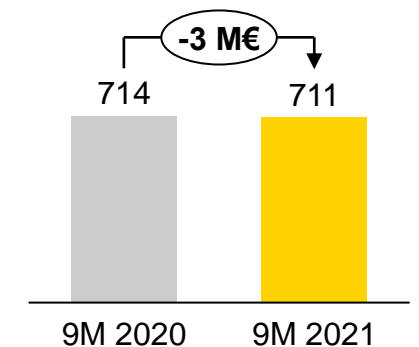
New Products (M€, %)



Underlying EBITA(2) (M€, %)



Total Net Debt



(1) 6M 2021 Sales at constant exchange rates; (2) Excludes AVOS capital gain (20 M€).

Q3 2021 Results Presentation.

Q&A



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