

Second Quarter 2021 Results Presentation.

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Cash in the media

United States: The hidden costs of payment apps.

*“A new report by U.S. Public Interest Research Group, finds that **complaints submitted to the Consumer Financial Protection Bureau about payment apps, such as PayPal, Venmo and Square, surged during the pandemic**”.*

Source: Consumer Financial Protection Bureau

Walmart enables shoppers to pay bills in cash.

*“U.S. retail giant Walmart **has partnered with fintechs PayNearMe and Green Dot to provide its customers with a new way to pay their bills in cash at its 4,000 stores starting in August.**”.*

Source: Walmart

U.K. retailers, consumers, and banks commit to access to cash.

*“Sarah John, Bank of England’s chief cashier, said that **by signing up to this pledge, businesses are helping to ensure that everyone in the UK is able to use the form of payment that best meets their needs**”.*

Source: Which?

The fall of Fastly highlights the fragility of electronic payment methods.

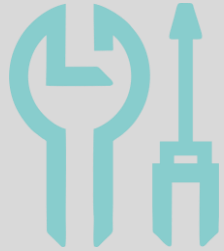
*“After these new incidents, experts point out the **importance of maintaining hybrid systems that combine physical and virtual capabilities** without giving predominance to either of them due to the high impact they can have in areas such as finance”.*

Source: Expansion

Highlights of the Period



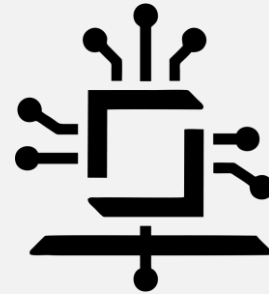
Perform & Transform



Resilience and Efficiency

- **Local growth⁽¹⁾ gradually improves** reaching 3.1% in 6M 2021.
- **The EBITA margin for the period reached 13.1%. The underlying EBITA margin continues to advance** to 10.2%.

(1) Includes organic and inorganic growth.



Transformation

- **New Products increased and accounted for 21.4% of sales** (18.2% in 6M 2020).
- **Strategic alliance with Euronet** to develop ATMs in Ibero-America and **acquisition of a CORBAN** in Uruguay.

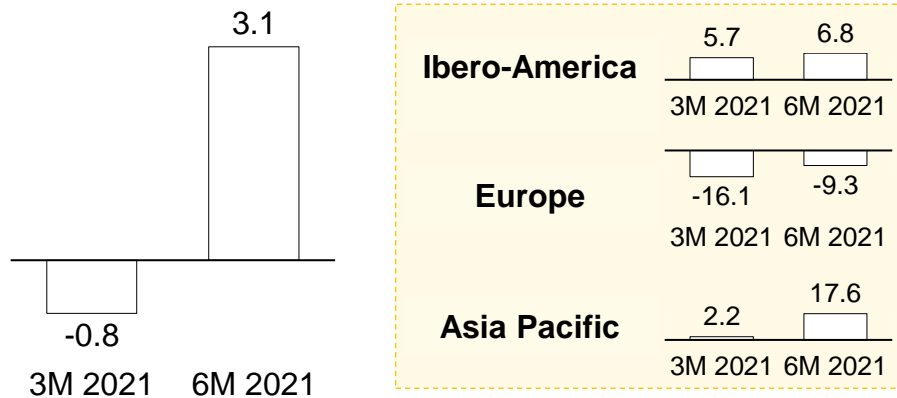


Cash Management

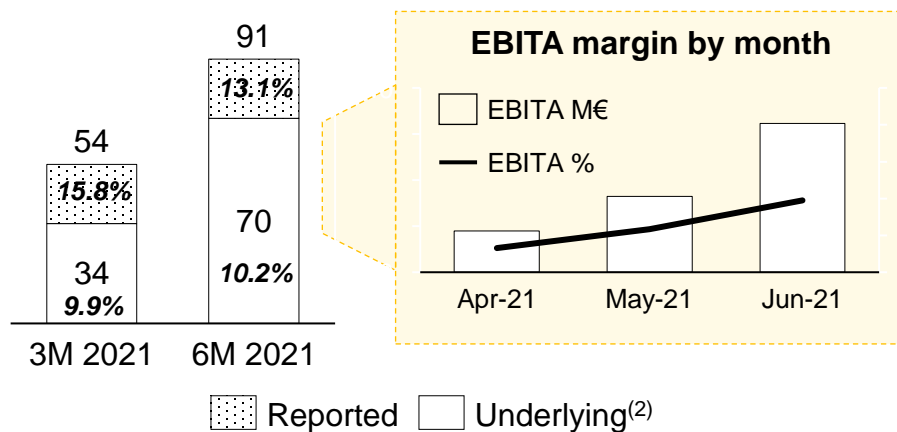
- **Solid operating cash flow generation** (65 M€ FCF) with a conversion ratio of 79%.
- **Stable leverage ratio** despite inorganic activity in que quarter.



Accumulated local growth⁽¹⁾ (%)



Accumulated EBITA margin (M€, %)

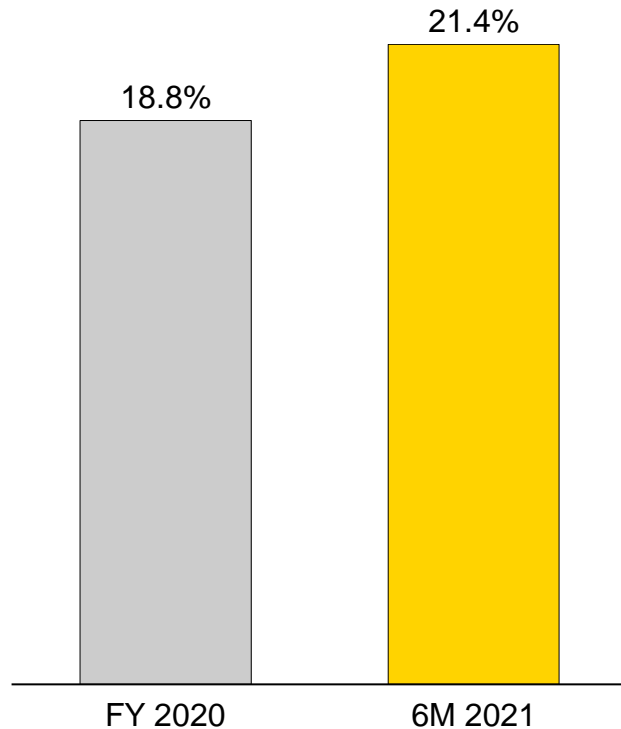


- Local currency growth improved in all our geographies during the second quarter of the year.
- Underlying margins expanded during the quarter and the year.
- Going forward, we should benefit from lower restrictions in Europe and the vaccination campaign progress in LatAm.

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



New Products (% of sales)⁽¹⁾



- **Positive growth dynamics in all geographies.**
- **Penetration of new solutions continues to increase and reached 21.4% in 6M 2021, despite the deconsolidation of AVOS.**
- **RedPagos acquisition to replace the AVOS divested business.**
- **Digital Transformation disbursement amounted to 10 M€ (+28% vs 6M 2020) and we expect it to increase significantly throughout the year.**

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

ATM Network management: Alliance with Euronet



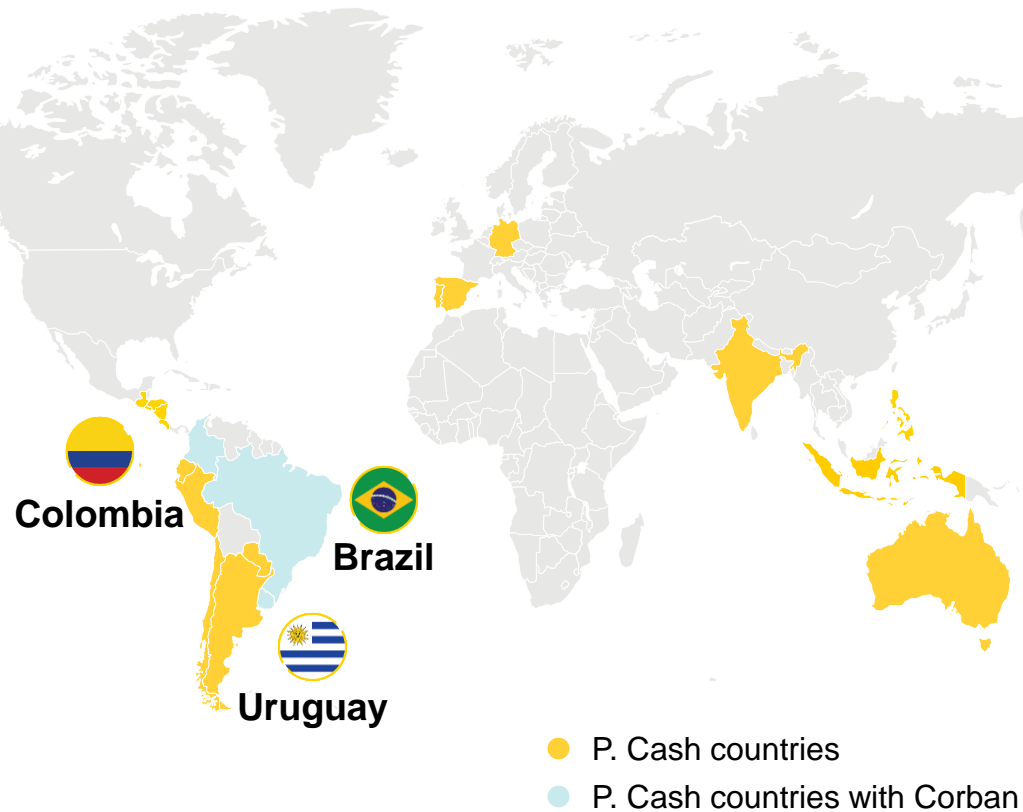
PROSEGUR
CASH

**Joint Venture to provide
comprehensive ATM outsourcing
services to Ibero-America**

May 2021

- We are expanding our presence in Latin America to become a **relevant player in the ATM network management arena**.
- Our aim is **to own, deploy and manage** independent ATM networks, **as well as to provide services** to outsourced ATMs of financial institutions.
- Unbeatable position to benefit from the ATM outsourcing trend in a **regional market with more than 300,000 ATMs**.

CORBAN: Redpagos acquisition in Uruguay

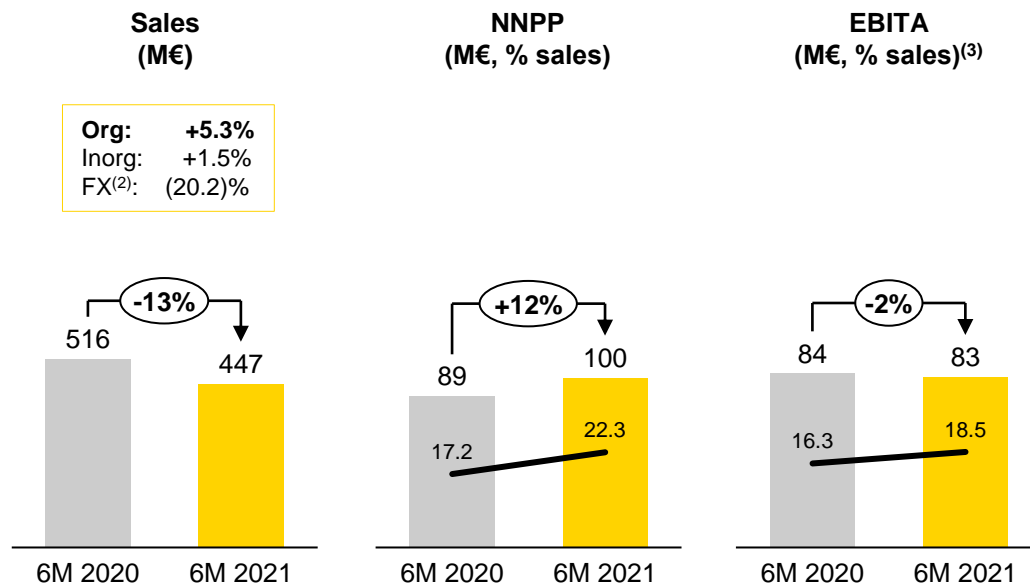


- This acquisition **complements our existing operations and strengthens** the New Products area in the region .
- In addition, it allows us to **keep evolving in the transformation strategy** of our services.
- Redpagos posted **55 M€ of sales in FY 2020** and has a **wide network of almost 500 offices** across the country, mainly oriented to the **management of collections and payments.**

Regional Dynamics



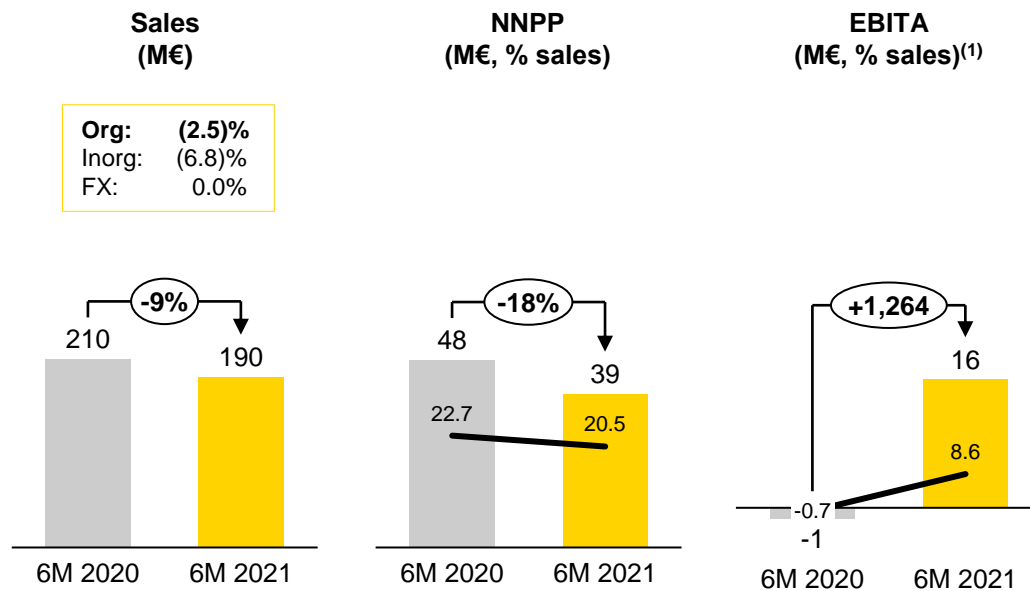
Represents 65% of the group's sales



- **Organic growth acceleration in the second quarter** (+ 4.7% in 1Q 2021) despite the tough comparable base versus the previous year.
- **New Products**, that incorporate RedPagos since June, reached **22.3% of sales**.
- **Profitability still affected by currency depreciation, lockdowns and the different mix of services.**

(1) Figures according to IAS 21 & 29 (hyperinflation accounting); (2) Includes FX and IFRS 21 & 29 impact; (3) Underlying 6M 2020 EBITA margin excluding efficiency plans amounts to 20.5%.

Represents 27% of the group's sales

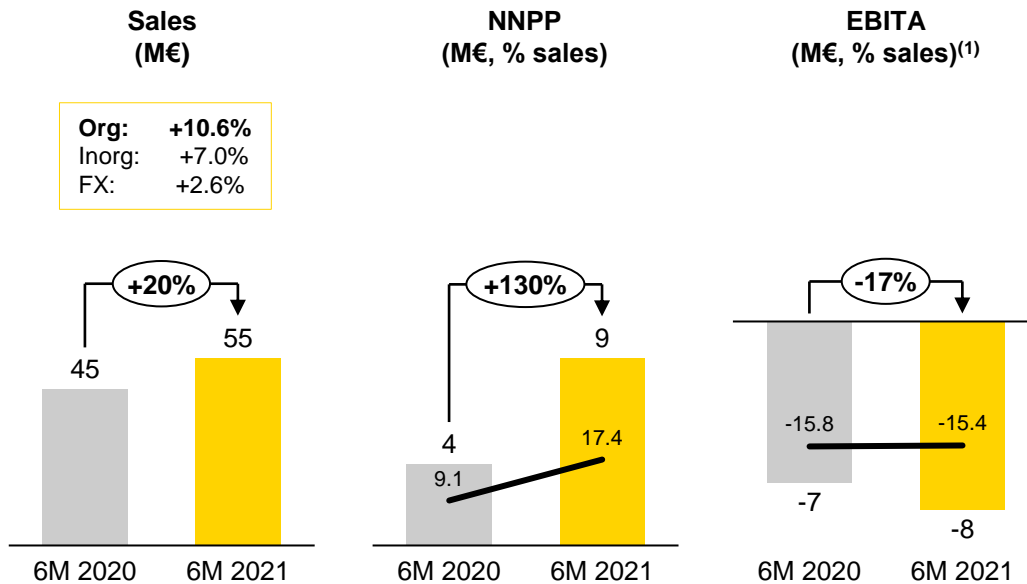


- **Organic growth improved in the second quarter** (-16.5% in 1Q 2021) due to the severe confinements implemented in the same period of 2020.
- **New Products**, that exclude AVOS since the end of 1Q, **continued to grow in the rest of services and represented 20.5% of sales.**
- **Profitability ex-AVOS reflected a lower level of activity** during the first quarter of 2021.

(1) Underlying 6M 2020 EBITA margin excluding efficiency plans amounts to 0.7%. Underlying 6M 2021 EBITA margin excluding AVOS capital gain amounts to -2.1%.



Represents 8% of the group's sales



- **Organic growth raised in the second quarter** (-10.2% in 1Q 2021) due to commercial efforts and a milder comparable base in 2020.
- **New Products favorable trend remained**, allowing them to double and reach 17.4% of sales.
- **Profitability impacted by the lower level of activity** during the first quarter of 2021 and the termination of the “**Job Keeper**” Program in Australia.

(1) Underlying 6M 2020 EBITA margin excluding efficiency plans amounts to -14.5%.

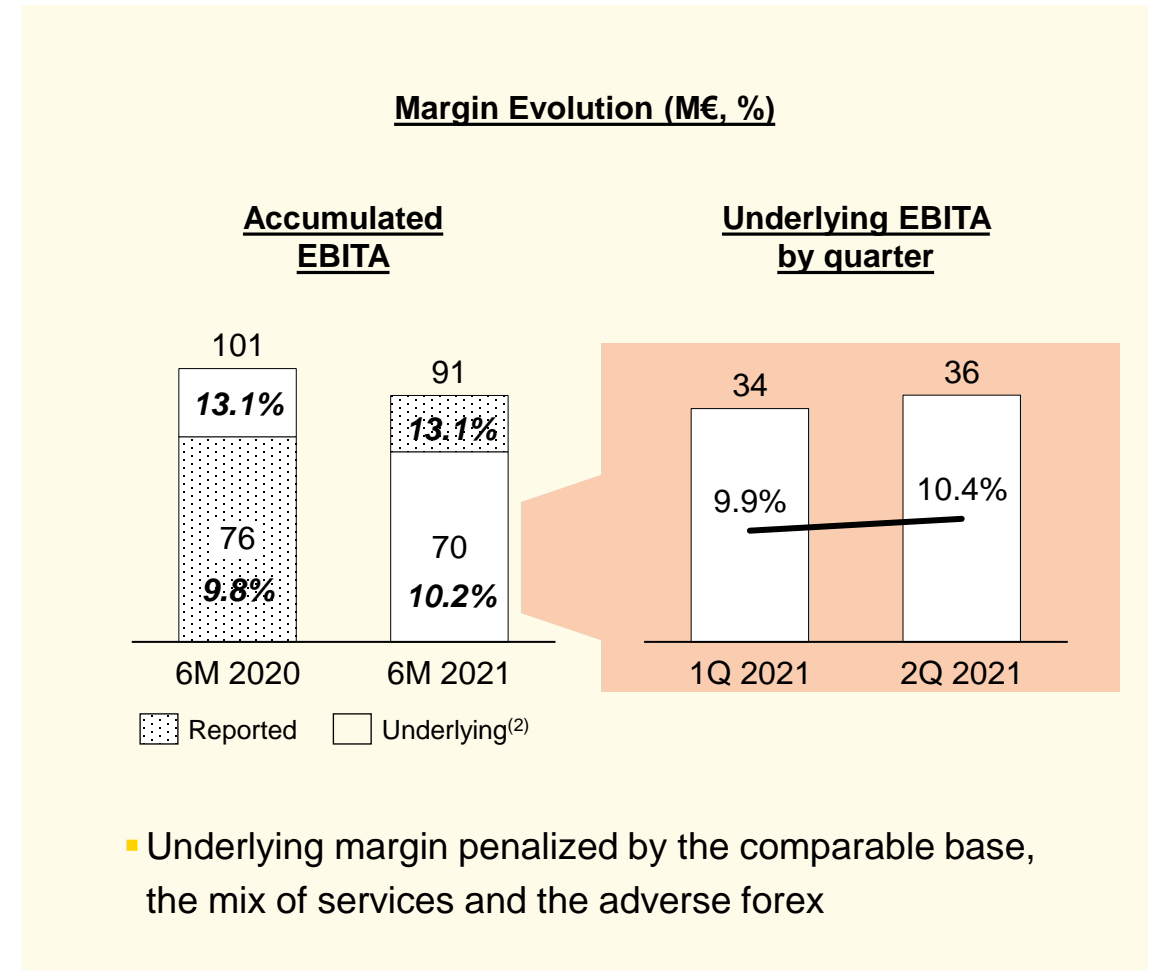
Financial Results





Profit and Loss Account⁽¹⁾

| <i>Million Euros</i> | 6M 2020 | 6M 2021 | VAR % |
|--------------------------------|------------|------------|----------------|
| Sales | 772 | 692 | (10.3)% |
| EBITDA | 120 | 137 | 14.2% |
| <i>Margin</i> | 15.5% | 19.7% | |
| Depreciation | (44) | (46) | |
| EBITA | 76 | 91 | 19.5% |
| <i>Margin</i> | 9.8% | 13.1% | |
| Amortization of intangibles | (10) | (10) | |
| EBIT | 66 | 81 | 23.1% |
| <i>Margin</i> | 8.5% | 11.7% | |
| Financial result | (23) | (19) | |
| EBT | 42 | 61 | 45.1% |
| <i>Margin</i> | 5.5% | 8.9% | |
| Taxes | (21) | (31) | |
| <i>Tax rate</i> | 49.4% | 50.3% | |
| Net Consolidated Profit | 22 | 31 | 41.3% |
| <i>Margin</i> | 2.8% | 4.4% | |

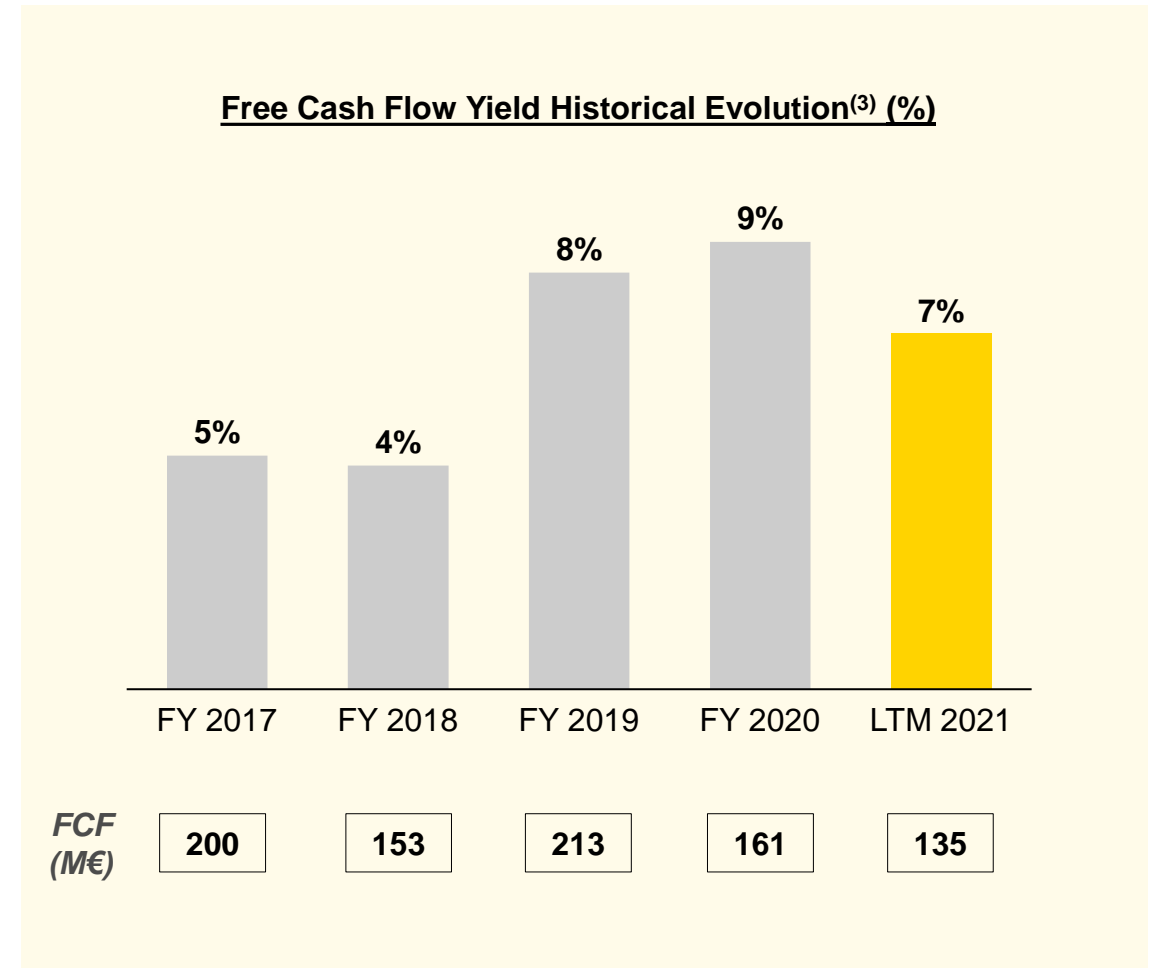


(1) Figures according to IFRS 21 & 29 (hyperinflation accounting) and IFRS 16 (leases); (2) 2020 excludes efficiency plans (25 M€) and 2021 excludes AVOS capital gain (20 M€).



Cash Flow⁽¹⁾

| <i>Million Euros</i> | 6M 2020 | 6M 2021 |
|-----------------------------------|-------------|------------|
| EBITDA | 120 | 137 |
| Provisions and other items | 47 | 2 |
| Income tax | (43) | (24) |
| Acquisition of PP&E | (30) | (29) |
| Changes in working capital | (2) | (21) |
| Free Cash Flow | 91 | 65 |
| <i>% Conversion⁽²⁾</i> | 75% | 79% |
| Interest payments | (11) | (11) |
| M&A payments | (81) | (3) |
| Dividend & Treasury stock | (29) | (40) |
| Others | (38) | (20) |
| Total Net Cash Flow | (69) | (8) |

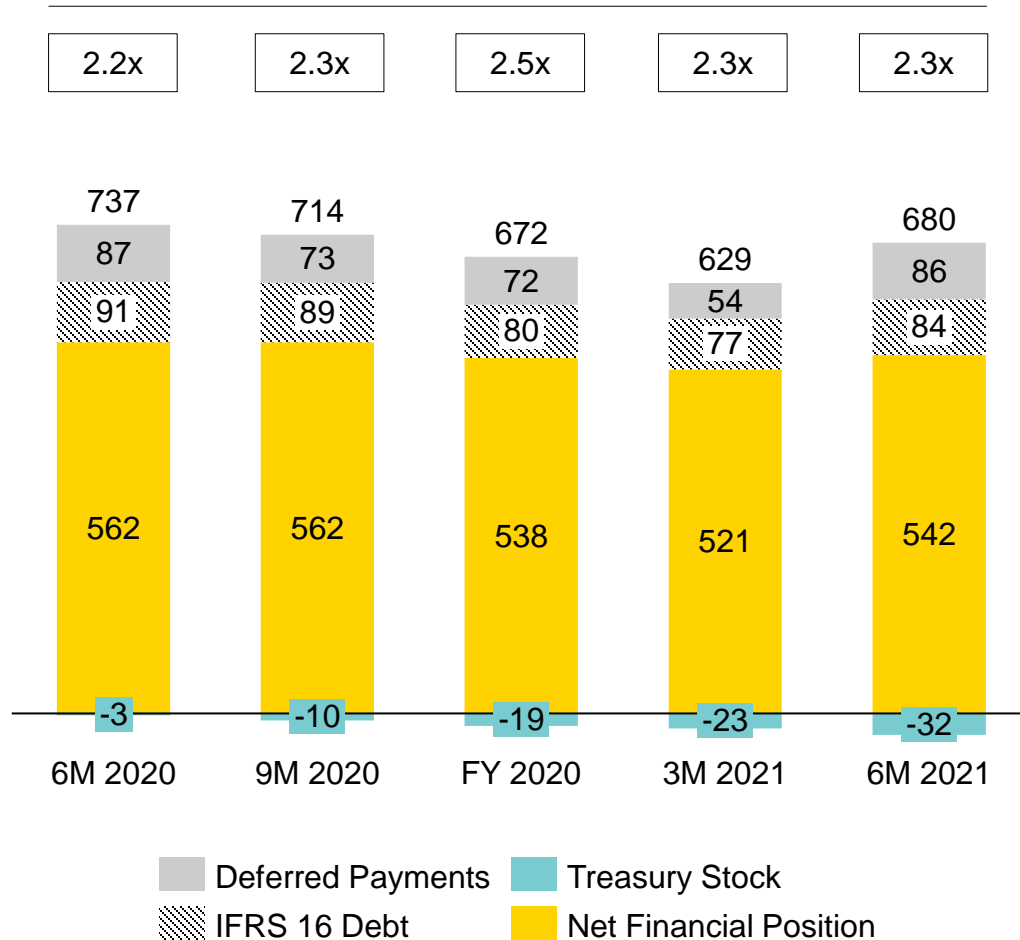


(1) Figures according to IFRS 21 & 29 (hyperinflation accounting) and IFRS 16 (leases); (2) Conversion ratio: (EBITDA - Capex) / EBITDA; (3) FCF Yield = FCF as reported / EV at the EoP (excluding IFRS 16 impact).



Total Net Debt

Leverage and Total Net Debt



- **Net Debt increased mainly due to inorganic activity carried out during the quarter.**
- **Leverage ratio remained stable** vs the previous quarter and improved vs. FY 2020.
- **No relevant changes in our debt profile**, which does not have significant maturities until 2026.

Final Remarks





New Director Plan on Sustainability 2021 - 2023

Ethics, Transparency and Governance

- **Corporate Governance**
- Sustainability Committee
- Non-financial information Internal Control
- Exemplary Behaviour
- Normative Compliance

Environment

- **Carbon Neutral**
- Circular Economy
- Renewable Energy Sources
- Sustainable Mobility
- Energy Efficiency

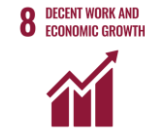
People

- **Training**
- Social Inclusion
- Diversity
- Human Rights
- Social Action through our Foundation

Safe Workplace

- **Zero Serious Work Accidents**
- Wellness
- Innovation
- Regular & Specific Health and Safety Committees

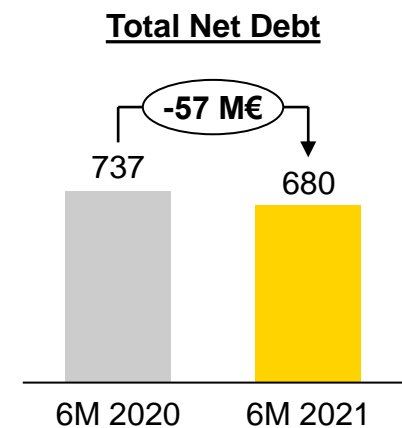
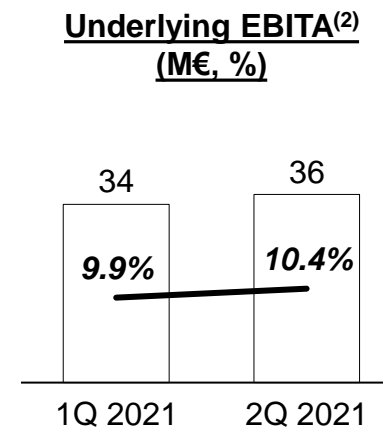
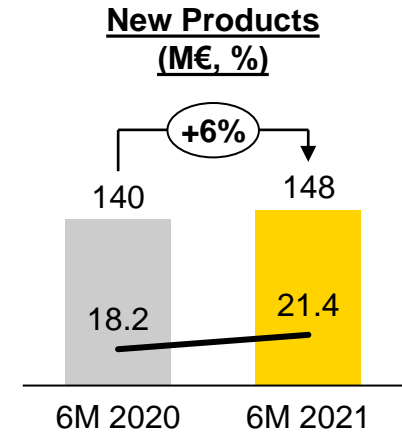
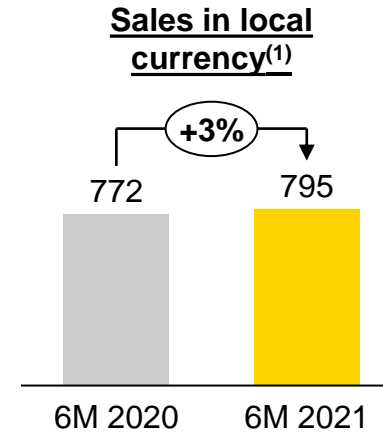
Direct Application





Key takeaways

- 1 **Business resilience.** Lockdowns are beginning to ease in some countries.
- 2 **Excellent evolution of our new solutions,** which keep gaining weight within our sales.
- 3 **Progressive improvement in the underlying EBITA margin,** which should carry on during the next quarters.
- 4 **Financial discipline.** Focus on cash generation and net debt reduction.



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



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Q&A



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