

Results Presentation **FY 2019**



FY 2019

HIGHLIGHTS OF THE PERIOD

REVENUE GROWTH

6.6% Increase in € terms

Excellent growth in local currency above 15%

Organic growth over 9% supplemented also by strong inorganic activity

PROFITABILITY IMPROVEMENT

9.7% EBIT Growth

Profitability boosted by new products and general improvement of traditional businesses

Very good performance of the Alarms business

SOUND FINANCIALS

Good Cash Flow generation

Continued improvement in operating cash flow generation and resistant to adverse FX

72% EBITDA conversion ratio and low level of debt

FY 2019

HIGHLIGHTS OF THE PERIOD



New Products in Cash and Security

- Increased market penetration in both business lines
- Annual growth rates above 40% in Cash and 27% in Integrated Security Solutions



Telefónica – Prosegur Partnership

- Approved by the regulatory entity
- Operational structure already in place



USA

- Integration of acquisitions in a very late state
- Organic growth exceeds the forecast



M&A

- Transactions made in USA, Indonesia, Colombia, Brazil, Singapore, Germany, Spain and Argentina
- Divestments in Alarms (India & Turkey) and in Cash (France & South Africa)



Argentina

- Extraordinary additional volumes seasonal growth, enhanced by stable FX in the quarter
- Normal repatriation of benefits

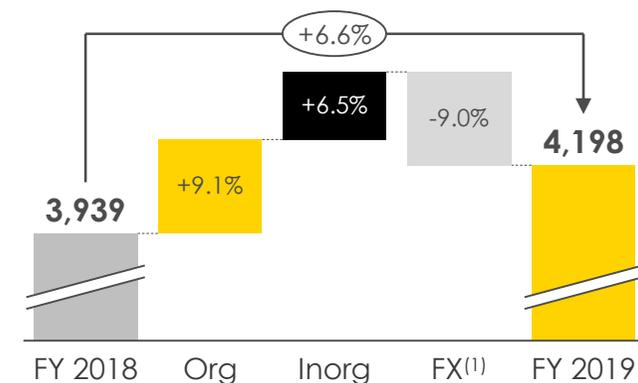


Shares Buy-back programme

- High advanced state
- Acquired treasury stock above 5% of capital in 2019

P&L

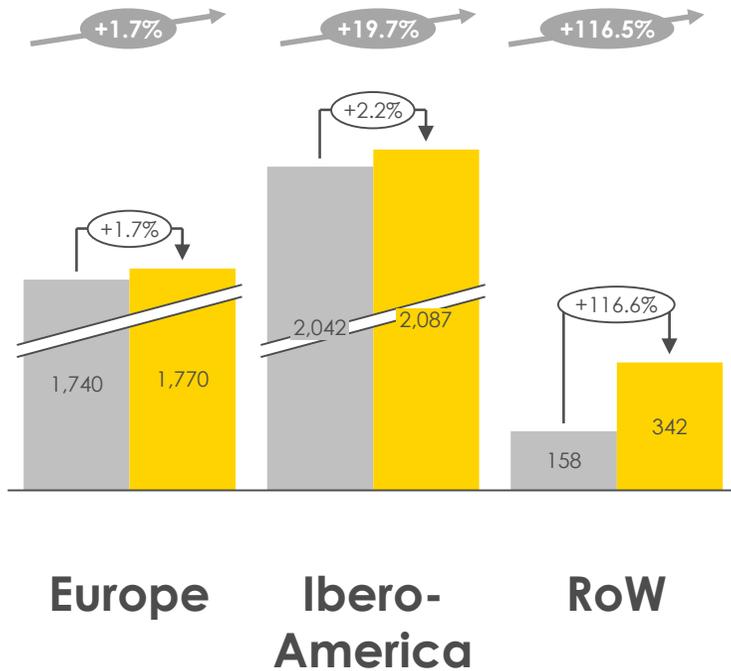
Consolidated Results	FY 2018	FY 2019	% Variation
Sales	3,939	4,198	6.6%
EBITDA	456	536	17.6%
Margin	11.6%	12.8%	
Depreciation	(129)	(178)	
EBITA	327	358	9.5%
Margin	8.3%	8.5%	
Amortization of intangibles	(26)	(28)	
EBIT	301	330	9.7%
Margin	7.7%	7.9%	
Financial result	(21)	(66)	
Profit before tax	280	265	(5.4)%
Margin	7.1%	6.3%	
Tax	(100)	(105)	
Tax rate	35.7%	39.5%	
Net Profit	180	160	(11.0)%
Minority Interest	48	46	
Consolidated Net Profit	132	114	(13.9)%
Earnings per share (Euros per share)	0.2	0.2	



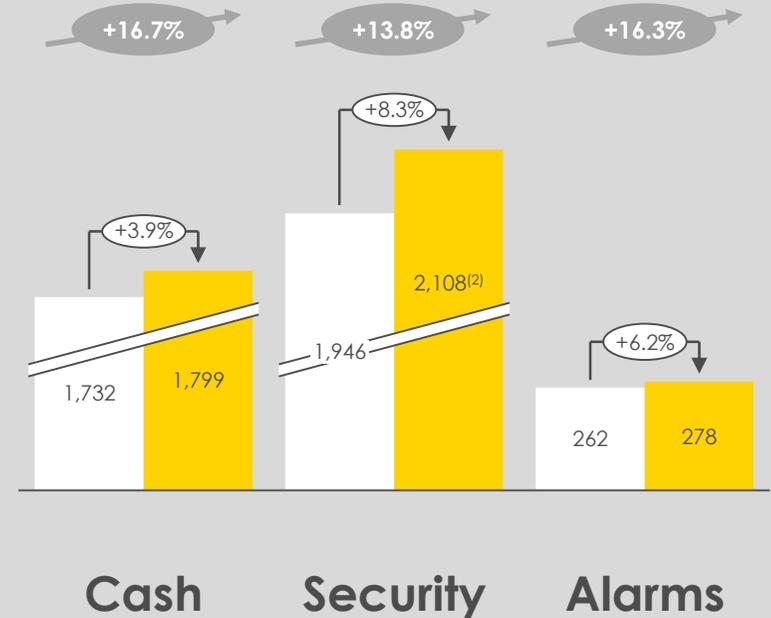
- **Excellent growth in local currency** above 15%
- **EBIT improvement** close to 10%, driven by new products
- **Financial result impacted** by FX

Consolidated Revenues by Region and Business Line

Revenues by Region



Revenues by Business Line

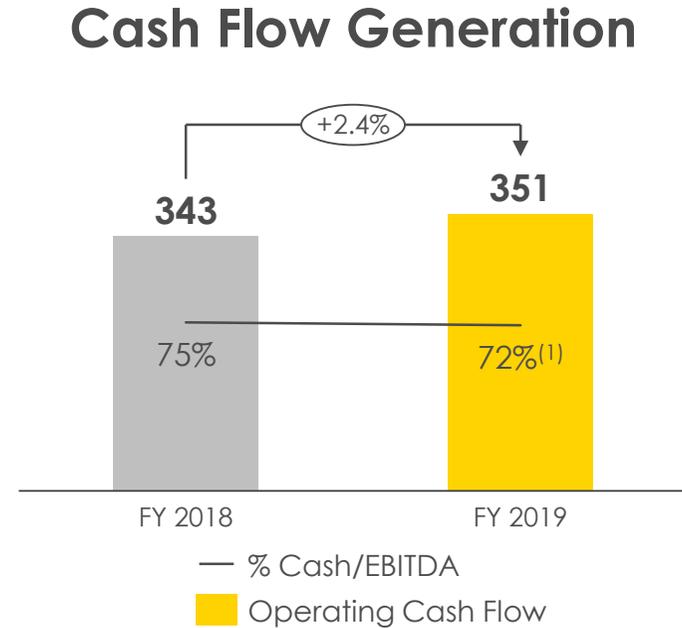
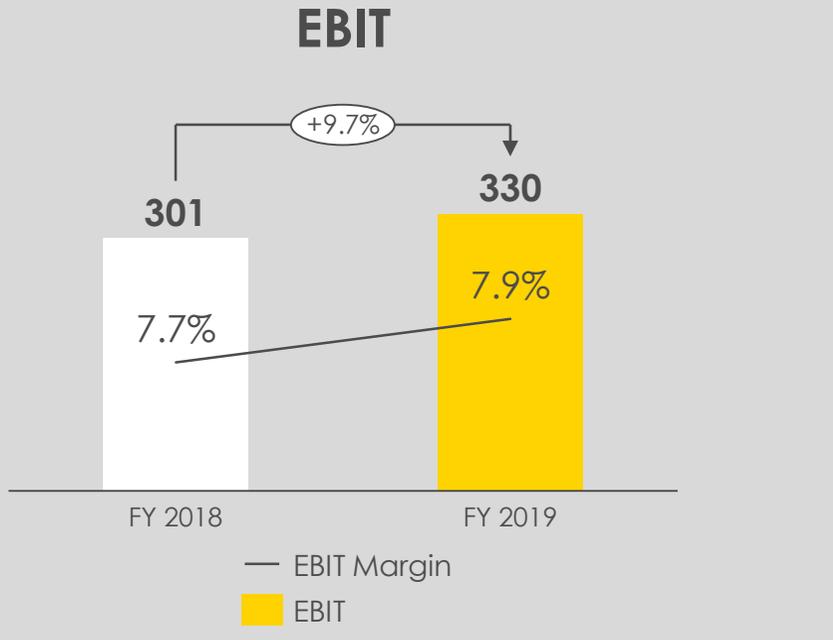


Growth in Local Currency ⁽¹⁾
 Growth in Euros

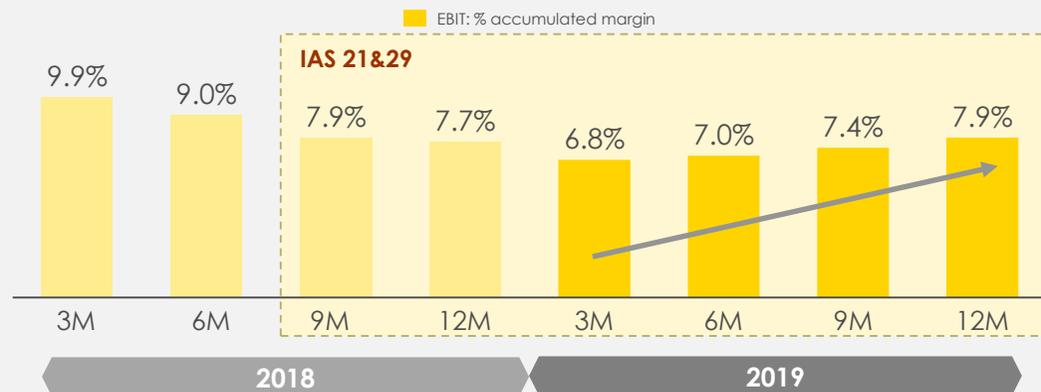
FY 2018
 FY 2019

FY 2018
 FY 2019

Consolidated EBIT and Cash Flow Generation



Continuous improvement in profitability



Results by Business Line

- 1 Cash
- 2 Security
- 3 Alarms



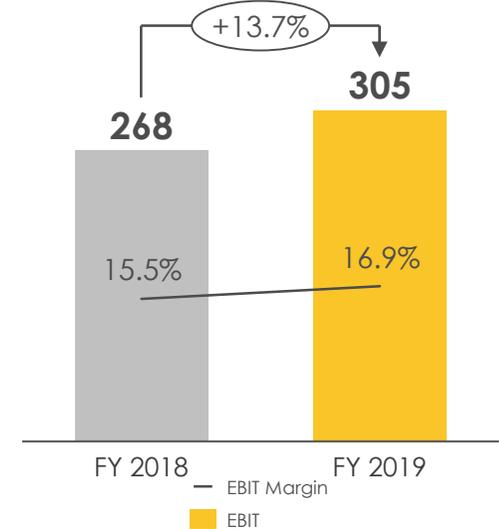
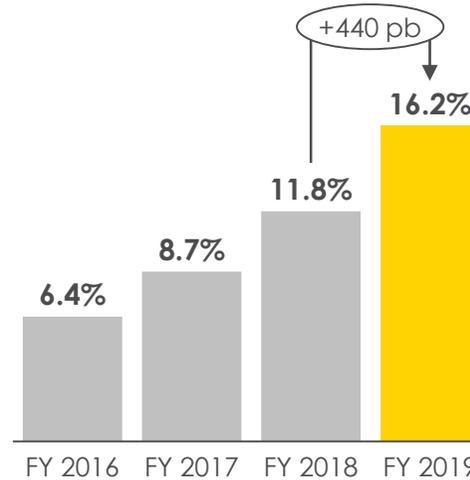
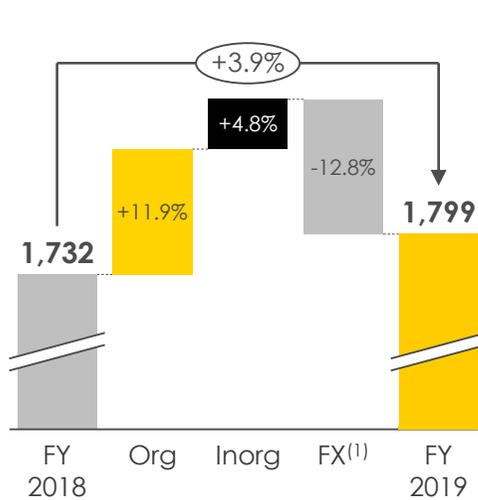
PROSEGUR CASH



Revenues

New Products

Profitability



- **Growth in local currency** close to 17%
- **3.9% Growth** in Euro terms
- **Sustained improvement** in local currency **growth**

- **New products** reach **16.2%** of total sales in 2019
- **NPs revenues** grow by **42% YOY** fuelled by Smart Cash, AVOS and ATMs

- **Continuous improvement of margins** vs. previous quarters
- Divestments in **South Africa** and **France** partially compensate the negative effect **FX**

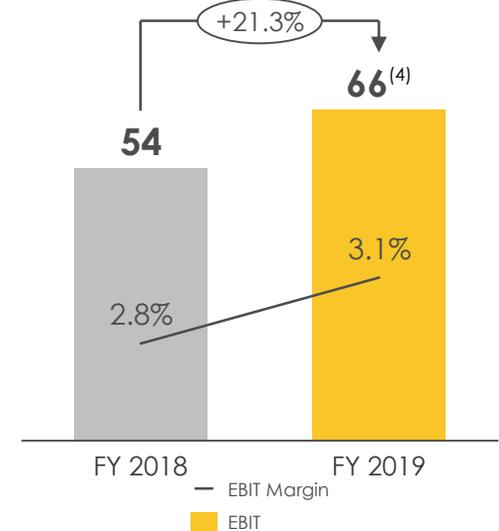
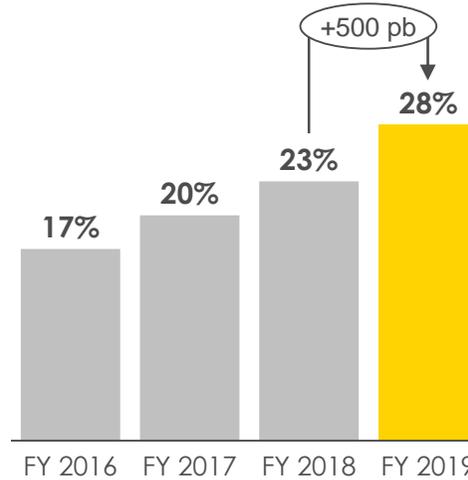
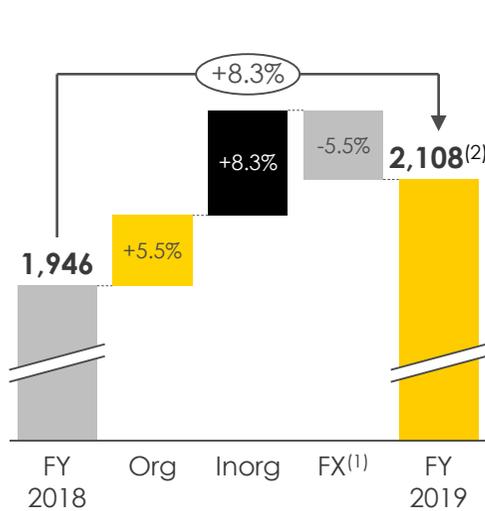
PROSEGUR SECURITY



Revenues

New Products⁽³⁾

Profitability

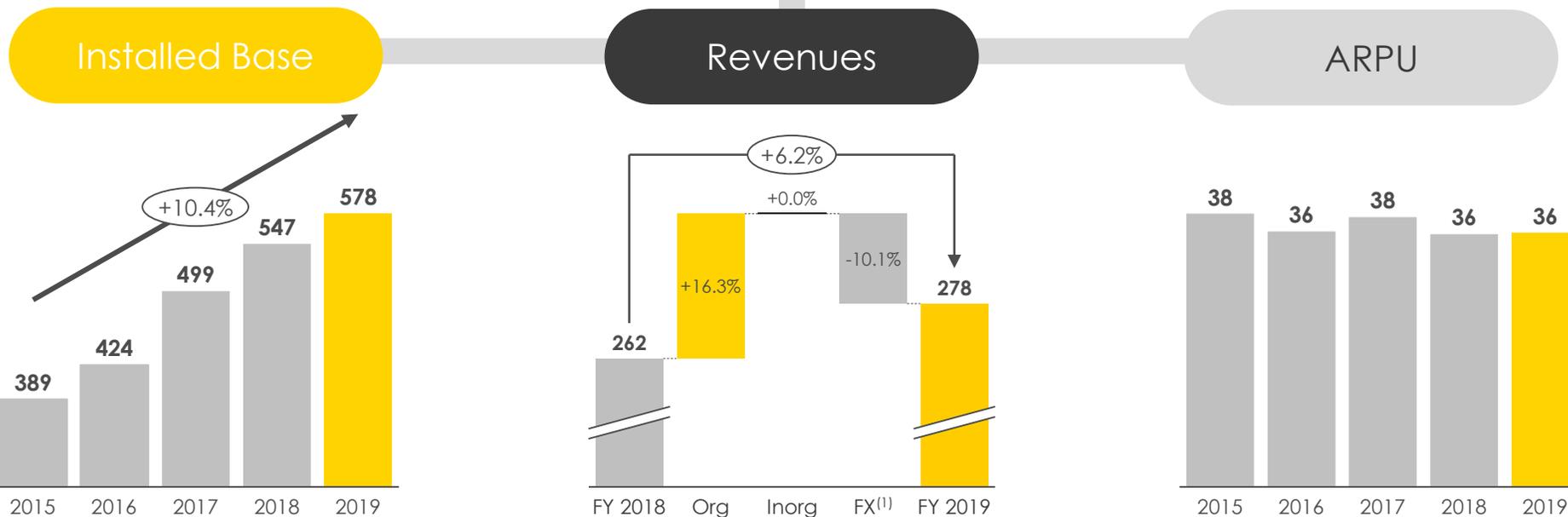


- **Growth in local currency** close to **14%**
- **8.3% strong inorganic growth** driven by **USA**

- **Increased penetration of Integrated Security Solutions** reaching **28%** of current client portfolio
- **Spain leads** growth

- **EBIT increase** due to Brazil and New Products
- Recurrent **profitability improvement** normalizing Cybersecurity, USA integration costs, and restructuring

PROSEGUR ALARMS



- **Installed base increase** close to **6%** over the same period of 2018
- **Surpassing** the average global **growth** of the **industry**

- **Growth** of more than **6%** in **Euros** and **16%** in **local currency**
- Affected by both **macro** and strategic **focus on quality of client portfolio**

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



Financial Information

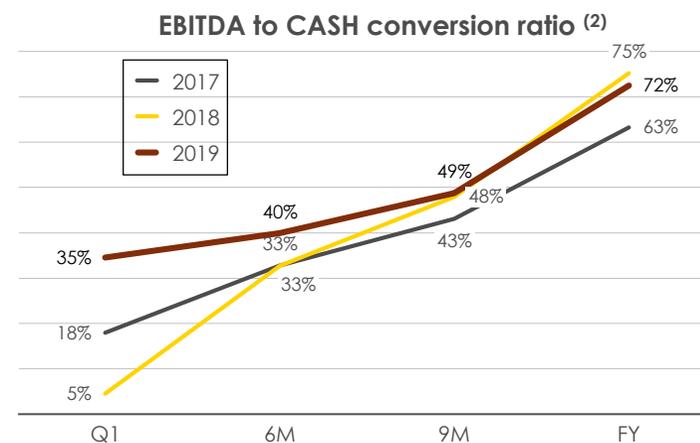
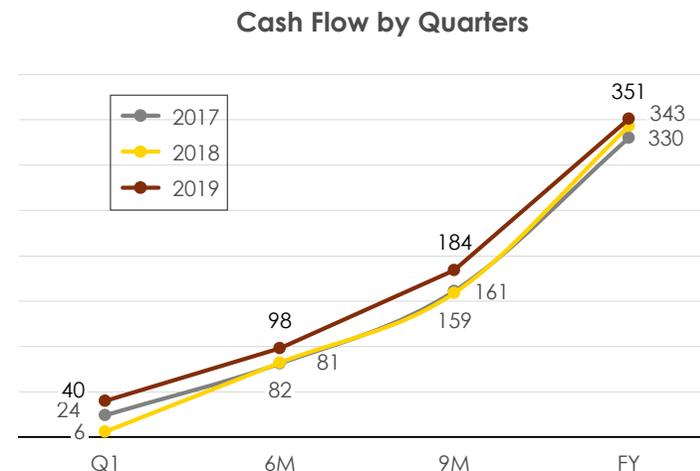
1 Consolidated Cash Flow

2 Financial Position

3 Balance Sheet

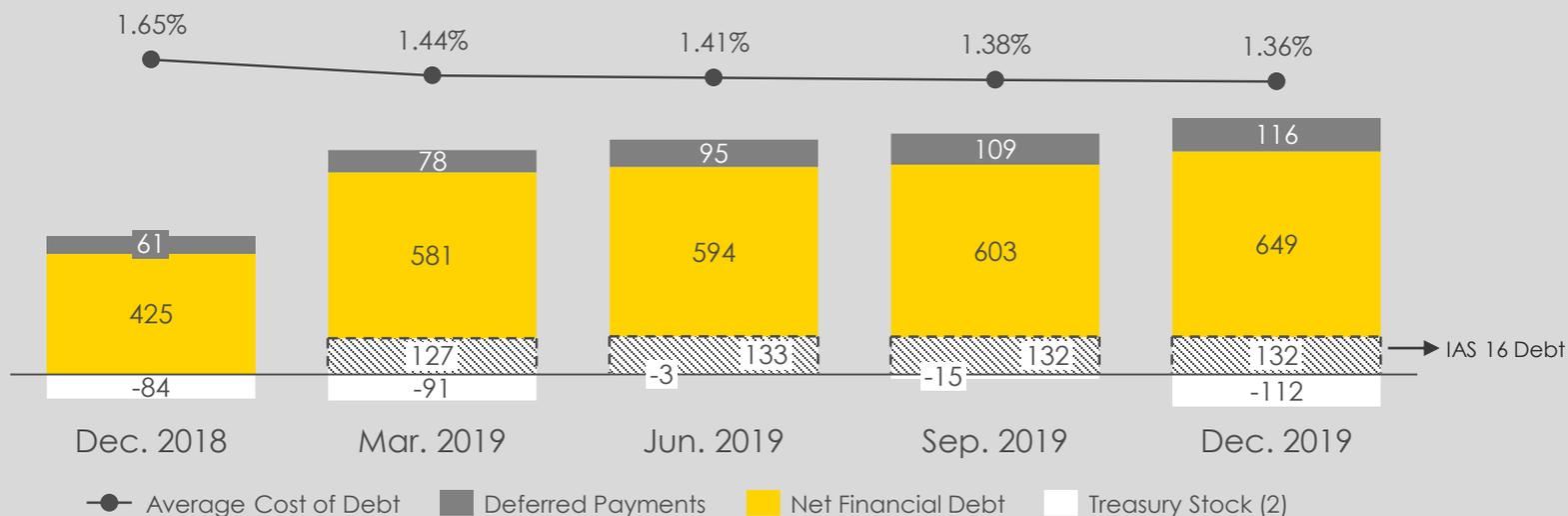
Consolidated Cash Flow

	FY 2018	FY 2019
EBITDA	456	536
Provisions and other non-cash items	14	(12)
Tax on profit (ordinary)	(102)	(114)
Changes in working capital	(5)	(48)
Interests payments	(20)	(11)
Operating cash flow	343	351
Acquisition of property, plant & equipment	(214)	(201)
Payments for acquisitions of subsidiaries	(83)	(146)
Dividend payments	(118)	(107)
Others	(35)	(79)
Cash flow from investing / financing	(450)	(533)
Total net cash flow	(107)	(182)
Initial net financial debt	(252)	(425)
Net increase / (decrease) in cash	(107)	(182)
Exchange rate	(66)	(43)
Final net financial debt	(425)	(649)⁽¹⁾



Financial position

- **Net financial Debt**
 - **Increase of 224 millions of euros⁽¹⁾** vs. December 2018, deriving mainly from inorganic growth initiatives and the shares buy-back programme.
 - Average cost of corporate debt: **reduction of 30 basis points** vs. the same period in 2018 (**1.36%** vs. 1.65%)
- **Rating. Confirmation by S&P of BBB rating, stable Outlook** (October 9, 2019)



Balance Sheet

	FY 2018	FY 2019
Non-current assets	1,721	1,990
Tangible fixed assets and real estate investments	745	881
Intangible assets	842	984
Others	133	125
Current assets	2,099	1,986
Inventory	76	65
Customer and other receivables	975	1,071
Cash and equivalents and other financial assets	1,048	850
TOTAL ASSETS	3,820	3,976
Net equity	1,066	898
Share capital	37	36
Treasury shares	(53)	(108)
Retained earnings and other reserves	1,013	898
Minority interest	69	72
Non-current liabilities	1,676	1,751
Bank borrowings and other financial liabilities	1,392	1,452
Other non-current liabilities	285	299
Current liabilities	1,077	1,327
Bank borrowings and other financial liabilities	151	302
Trade payables and other current liabilities	926	1,025
TOTAL NET EQUITY AND LIABILITIES	3,820	3,976



- **Acquired treasury stock** above **5%** of share capital
- More than **80%** of total Group **debt** is of **long-term nature**

ESG Commitment



Strong commitment with UN Sustainable Development Goals

Several **working initiatives** in the main **ESG** areas

Global objective of reducing armored vehicle fleet **CO2 emissions**



Introduction of electric and hybrid vehicles for shared use throughout the Group, leading the transformation of the Industry



Reduction of paper consumption based on **digital transformation** project (**electronic signature**) in all businesses



New agreement with **electric power supplier** in Spain guaranteeing that **100%** of the electricity supply comes from **renewable sources**



Signature of a new “Equality Plan 3.0”, with new measures to reinforce Prosegur’s commitment against discrimination



“ProCde”: **Integrated global digital platform** for the information and **management on labour accidents** fully operational



Conclusions and Final Remarks

1

Strong revenues growth in both local currency and Euros, despite the **notable translational currency effect**

2

Sustainable profitability improvement in all business lines

3

Good perspectives in **USA**, the **market** with **highest growths and profitability** levels in the **Security** industry

4

Positive evolution of the **Cash** business, with substantial **improvement** in **margins** and growth of **new products**

5

Continuous **improvement** of **margins in Security**, boosted by **Integrated Solutions**, and **improvement** in **Brazil**

6

Excellent profitability of the **Alarms** business. Joint venture with **Telefonica** cleared to go

7

Good Operating Cashflow generation and **reduced** level of **debt**



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