



**PROSEGUR**



# Results Presentation **FY 2022**

**28/February/2023**

Investor Relations department



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# PERFORM

**+19.3%**  
**REVENUE**

**+30.7%**  
**EBITA**

**+57.8%**  
**EPS**

**+6.7%**  
**CASH**



- **25% local currency growth**
- **Double digit organic growth** in all regions
- Excellent **inflation transfer to prices** in all markets
- **6 M&A operations** for an aggregated **EV close to 100 million**

- Strong **profitability increase** in the main business lines
- **Sequential and progressive margin** improvement

- Derived from the **extraordinary improvement in EBIT and tax rate reduction**
- **Dividend** payment anticipated

- **Excellent recovery of cash flow** generated despite increases in working capital consumption
- **Stable leverage** level at **2.3x**
- **Very low cost of debt**





# TRANSFORM



## Cash

- **New Products** already represent **25.6% of revenue**
- **M&A focused** on New Products
  - CORBAN
  - FOREX



## Security

- Launch of the “**Hybrid Security**” concept
  - Integrating guarding services and technology in a single model
- Inauguration of the new **iSOC Madrid**
  - Globalizing the services of monitoring, security and data management



## Alarms

- **Globalizing the platform of Artificial Intelligence** for service management
- **New mobility services**



## AVOS & Cipher

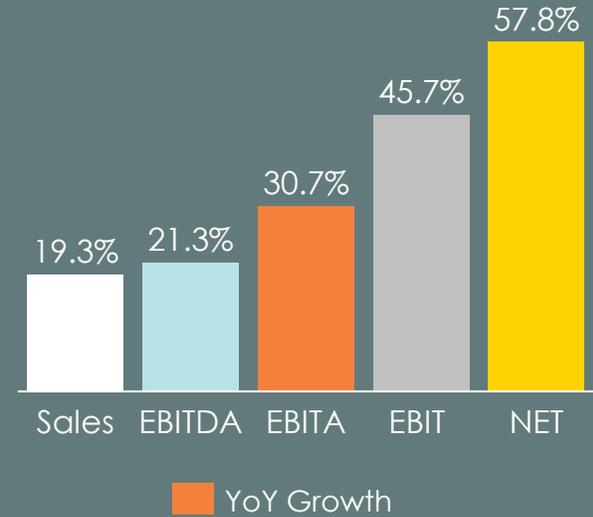
- **Strong increase in technological solutions** AVOS-Tech
- **Pioneering in robotization**

## Consolidated Results

(Amount in € million)

	Q4 2021	Q4 2022	% Variation	FY 2021 <sup>(1)</sup>	FY 2022	% Variation
<b>SALES</b>	<b>963</b>	<b>1,027</b>	6.6%	<b>3,498</b>	<b>4,174</b>	19.3%
Organic Growth	+10.4%	+26.4%	↑	+5.4%	+22.4%	↑
Inorganic Growth	+13.8%	+3.3%	↑	+0.3%	+2.7%	↑
FX	+2.9%	-23.2%	↓	-4.7%	-5.7%	↓
<b>EBITDA</b>	<b>107</b>	<b>114</b>	6.4%	<b>386</b>	<b>468</b>	21.3%
Margin	11.1%	11.1%		11.0%	11.2%	
Depreciation	(44)	(40)		(163)	(177)	
<b>EBITA</b>	<b>63</b>	<b>74</b>	16.7%	<b>223</b>	<b>291</b>	30.7%
Margin	6.6%	7.2%		6.4%	7.0%	
Amortization of intangibles and impairments	(26)	(12)		(49)	(37)	
<b>EBIT</b>	<b>37</b>	<b>62</b>	68.4%	<b>174</b>	<b>253</b>	45.7%
Margin	3.8%	6.0%		5.0%	6.1%	
Financial Result	(15)	(30)		(35)	(63)	
Profit before tax	22	32	47.2%	139	191	37.4%
Margin	2.3%	3.1%		4.0%	4.6%	
Tax	(28)	(24)		(95)	(107)	
Tax rate				68.6%	56.0%	
Net Profit	(6)	9	248.9%	44	84	92.3%
Minority Interest	(1)	(3)		(3)	(19)	
<b>CONSOLIDATED NET PROFIT</b>	<b>(4)</b>	<b>5</b>	220.2%	<b>41</b>	<b>65</b>	57.8%

## Value Creation

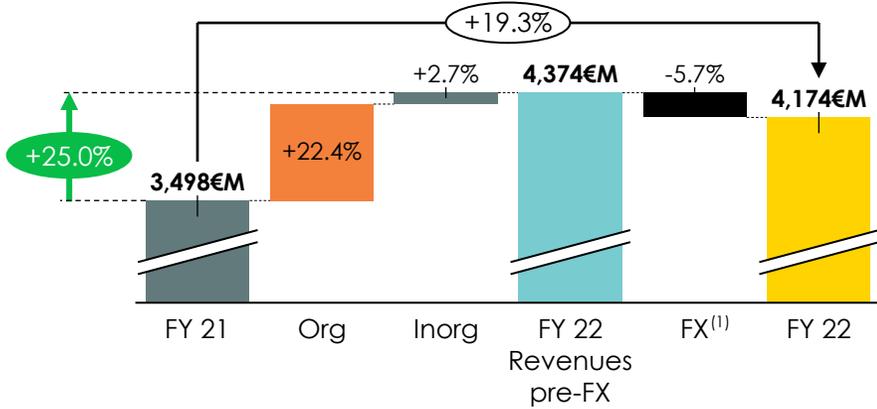


- Significant gradual improvements in all lines of the income statement
- Currency Effect increased in 4Q whilst there was no significant impact in the full year

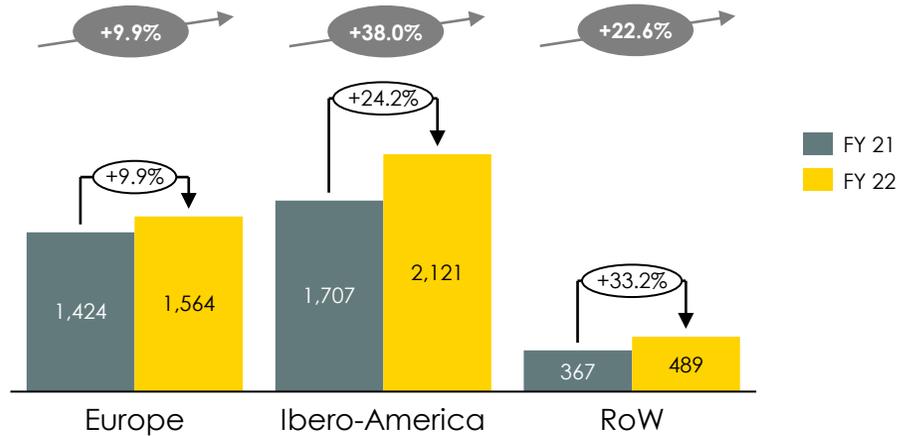
<sup>(1)</sup> Includes impairments of Australia

# INCOME STATEMENT

## REVENUES



## REVENUES PER REGION

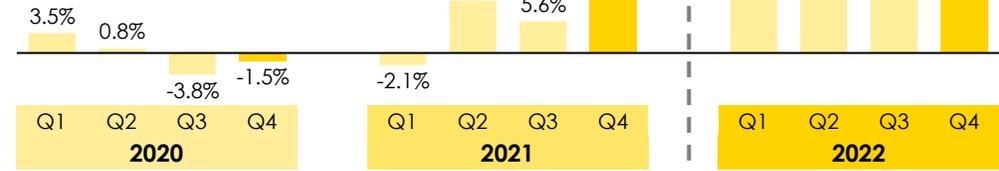


% Growth in Local Currency (Includes organic growth and acquisitions)

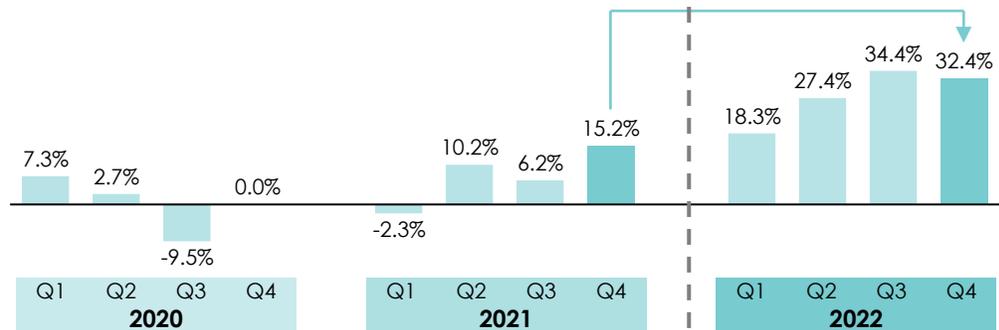
% Growth in Euros

## Organic growth by isolated quarters (YoY)

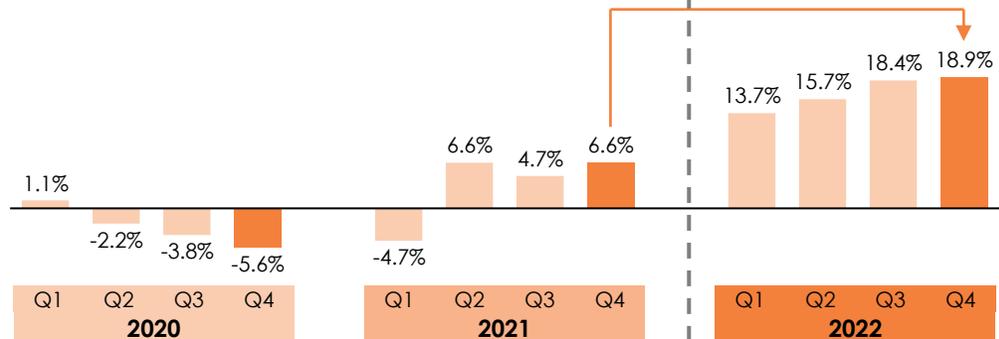
### PROSEGUR



### PROSEGUR CASH



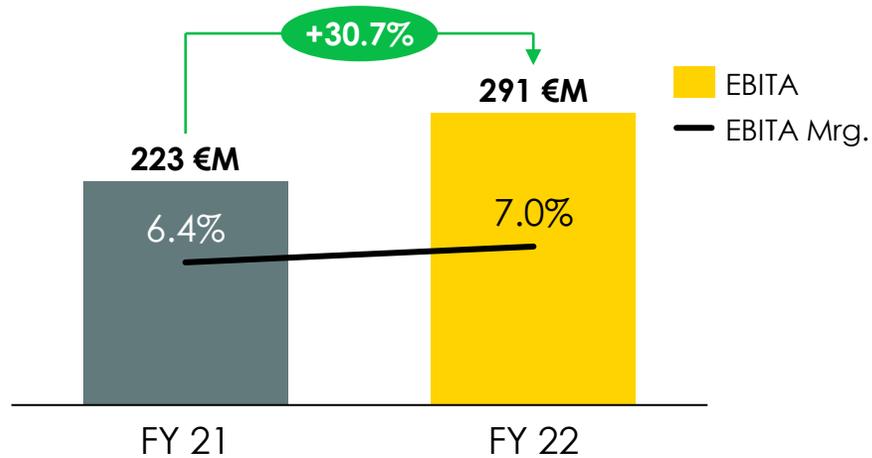
### PROSEGUR SECURITY



<sup>(1)</sup> Includes FX and IFRS 21&29 effects



# CONSOLIDATED PROFIT

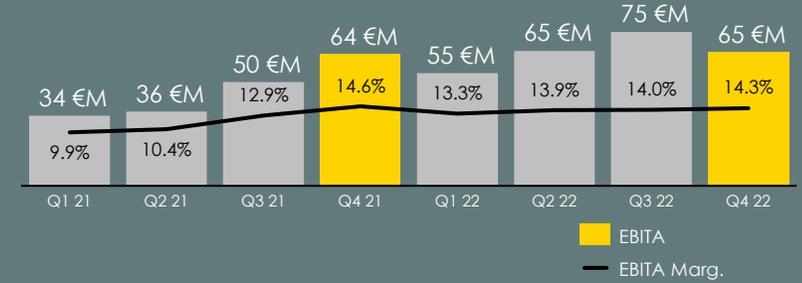


- EBITA increase of more than 30%
- Cash, improves its margins quarter by quarter throughout the year, reaching strategic objectives ahead of time
- Security maintains sequential improvement driven by new solutions and still supporting growth investments in USA
- Prosegur Alarms continues to increase its profitability and MPA remains above 50% despite the aggressive commercial campaigns applied in the year

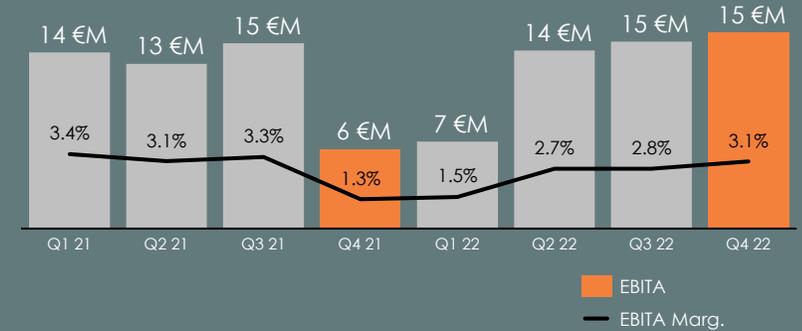
## Quarterly revenue evolution for each business



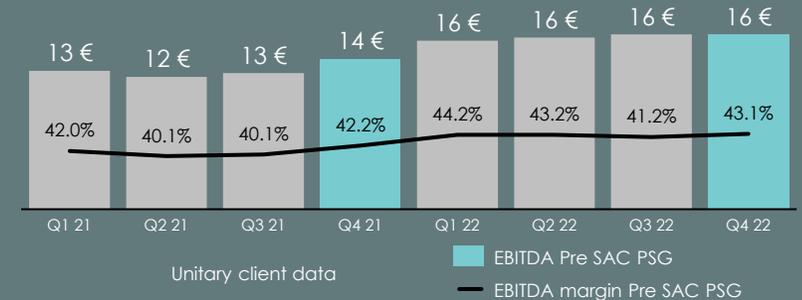
### PROSEGUR CASH



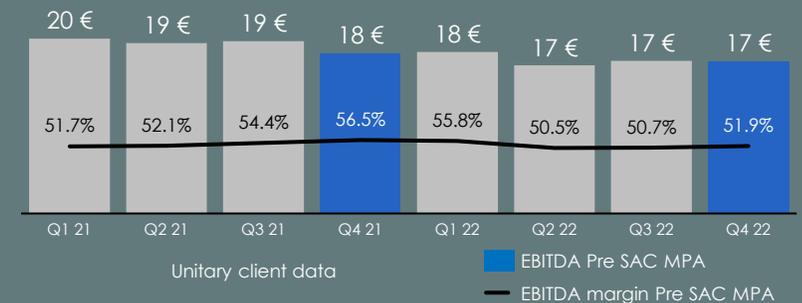
### PROSEGUR SECURITY



### PROSEGUR ALARMS



### MOVISTAR PROSEGUR ALARMAS

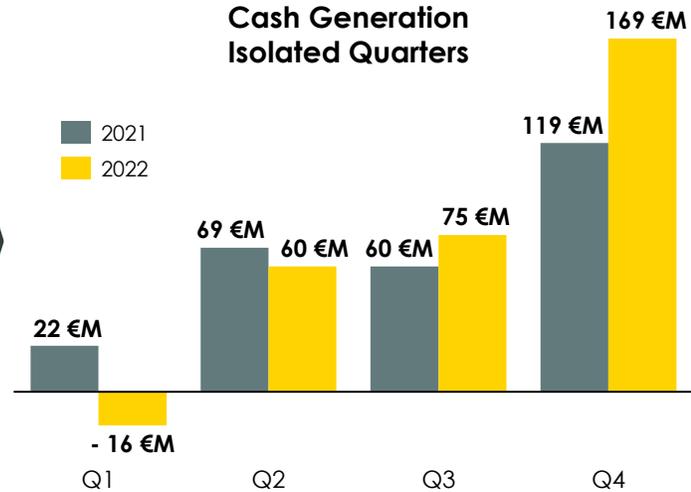




# CONSOLIDATED CASH FLOW

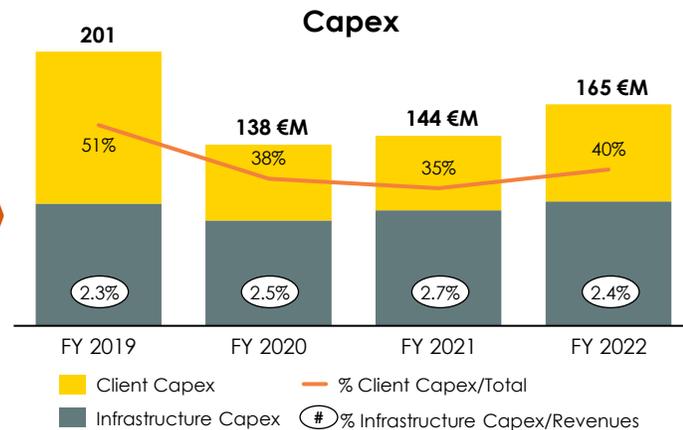
## Excellent Cash Generation

- Improvement close to 7% compared to 2021
- Despite the increases in working capital consumption derived from the strong volume growth at the beginning of the year



## Capex

- Increase in Client Capex up to 40% of investments
- Infrastructure Capex remains below 2.5% of sales



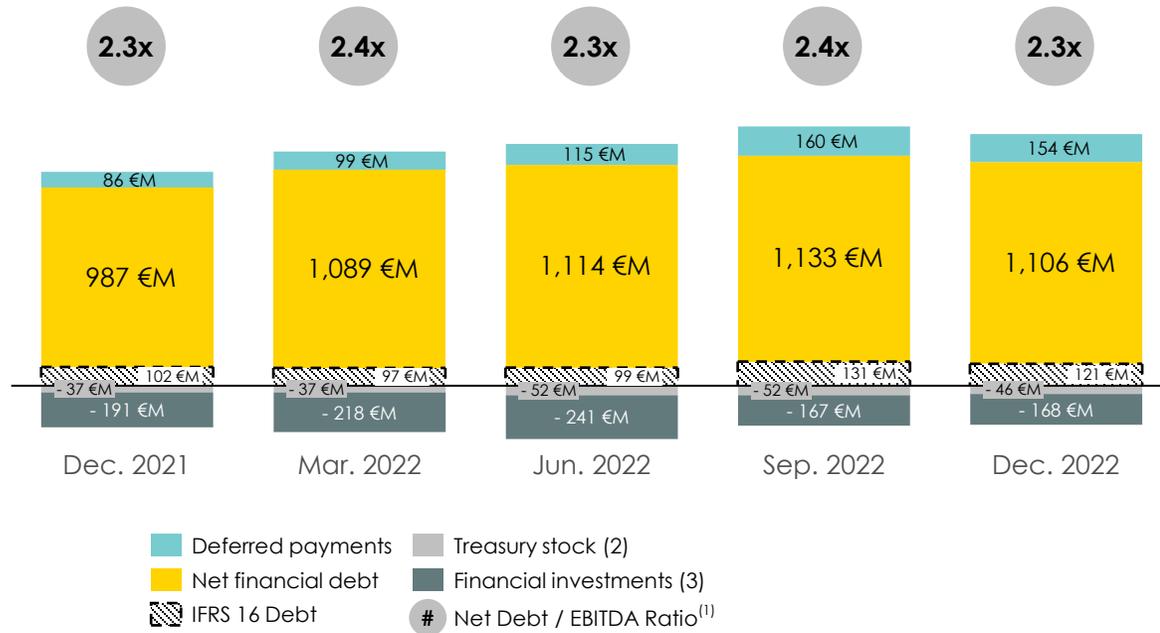
Amounts €M

	FY 2021	FY 2022
<b>EBITDA</b>	<b>386</b>	<b>468</b>
Provisions and other non-cash items	(29)	13
Tax on profit	(57)	(95)
Changes in working capital	(14)	(93)
Interest payments	(17)	(5)
<b>Operating cash Flow</b>	<b>270</b>	<b>288</b>
Acquisition of property, plant & equipment	(144)	(165)
Payments for acquisitions of subsidiaries	(85)	(51)
Dividend payments	(81)	(104)
Treasury stock & Others	(32)	(37)
<b>Cash Flow from investing / financing</b>	<b>(342)</b>	<b>(359)</b>
<b>Total Net Cash flow</b>	<b>(73)</b>	<b>(70)</b>
<b>Initial net financial debt</b>	<b>(889)</b>	<b>(987)</b>
Net increase / (decrease) in cash	(73)	(70)
Exchange rate	(24)	(49)
<b>Net Financial debt <sup>(1)</sup></b>	<b>(987)</b>	<b>(1,106)</b>
Financial Investments <sup>(2)</sup>	191	168
<b>Adjusted Net Financial debt</b>	<b>(796)</b>	<b>(939)</b>

<sup>(1)</sup> Excludes IFRS 16 debt

<sup>(2)</sup> Telefónica shares at market value at the end of the period

# FINANCIAL POSITION AND ABBREVIATED BALANCE SHEET



- ▶ **Debt reduction** in the quarter even though there has been a dividend increase in the year
- ▶ **Very low average cost of Corporate Debt (1.61%) with long-term maturities (2026/29)**
- ▶ **84% of the debt is at a fixed interest rate**

<sup>(1)</sup> Includes net financial debt, IFRS 16 debt, and financial investments

<sup>(2)</sup> Treasury stock Prosegur and Prosegur Cash at the market price at the end of the period

<sup>(3)</sup> Telefónica shares at market value at the end of the period

Amounts in €M

	FY 2021	FY 2022
<b>Non-current assets</b>	<b>2,351</b>	<b>2,553</b>
Tangible fixed assets and real estate investments	765	833
Intangible assets	981	1,105
Others	606	614
<b>Current assets</b>	<b>1,465</b>	<b>2,277</b>
Inventory	65	87
Customer and other receivables	814	892
Non-current assets held for sale	-	121
Cash and equivalents and other financial assets	586	1,177
<b>TOTAL ASSETS</b>	<b>3,816</b>	<b>4,830</b>
<b>Net equity</b>	<b>711</b>	<b>790</b>
Share capital	33	33
Treasury shares	(29)	(30)
Retained earnings and other reserves	689	754
Minority interest	18	34
<b>Non-current liabilities</b>	<b>1,809</b>	<b>1,965</b>
Bank borrowings and other financial liabilities	1,505	1,601
Other non-current liabilities	303	365
<b>Current liabilities</b>	<b>1,297</b>	<b>2,075</b>
Bank borrowings and other financial liabilities	277	1,037
Non-current liabilities held for sale	-	83
Trade payables and other current liabilities	1,020	955
<b>TOTAL NET EQUITY AND LIABILITIES</b>	<b>3,816</b>	<b>4,830</b>



# Results by Business





# PROSEGUR CASH



## Growth

- ▶ **Revenues** increase by 23.3%
- ▶ **Solid double-digit organic growth** in all regions, with **strong volume recovery**



## Efficiency

- ▶ **EBITA increase** of more than **40%** with **sequential improvement in margins** quarter over quarter
- ▶ **185% growth** in net profit

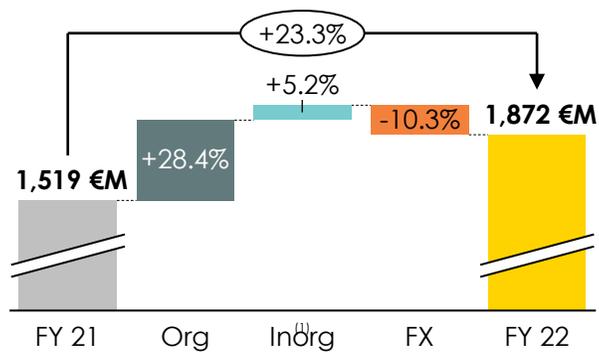


## Innovation

- ▶ **Improvement of 55%** in sales of **New Products**
- ▶ **Launch of the Forex area** through the acquisition of **ChangeGroup** and a strong performance of Corban and Cash Today



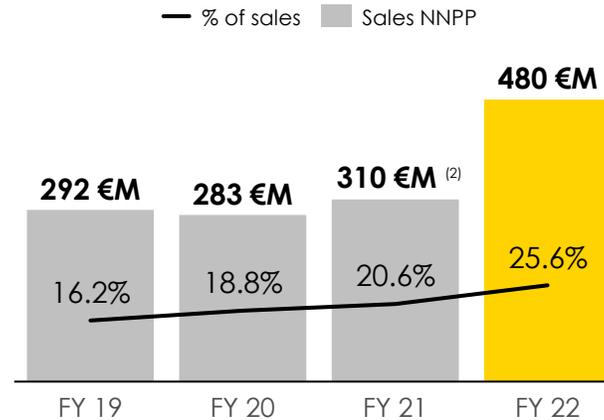
## REVENUES



- ▶ **Organic growth** above 28%
- ▶ **Positive inorganic growth** due to M&A operations in **LatAm and Europe**
- ▶ Higher **FX** impact in the stand-alone quarter
- ▶ **Inflationary** environment **positive** for the business



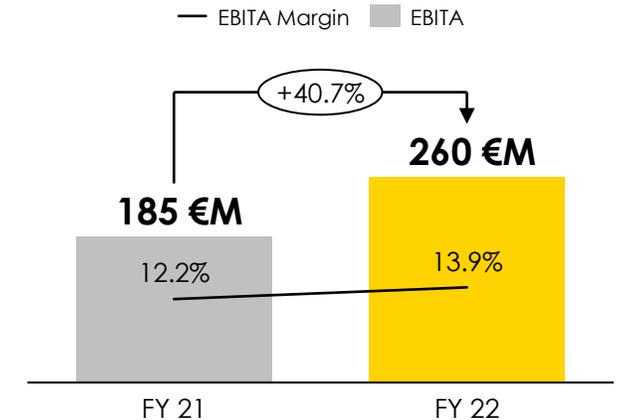
## NEW PRODUCTS



- ▶ **Growth of +55%** over 2021
- ▶ **Acceleration** in the penetration of **New Products** up to **25.6%** with an **increase in sales** in all regions
- ▶ **Strong performance** of **Cash Today, Corban** and **Forex** solutions



## PROFITABILITY



- ▶ Excellent **EBITA** growth of **40.7%**
- ▶ Achieving **strategic objectives**
- ▶ **Margin improvement**, derived from **operational efficiencies** absorbing increased volumes

(1) Includes FX and IFRS 21&29 effects

(2) Excludes AVOS sale in 2021



# PROSEGUR SECURITY



## Growth

- ▶ Revenue growth above 16%
- ▶ Increase in net commercial production +53% (net new sales)



## Efficiency

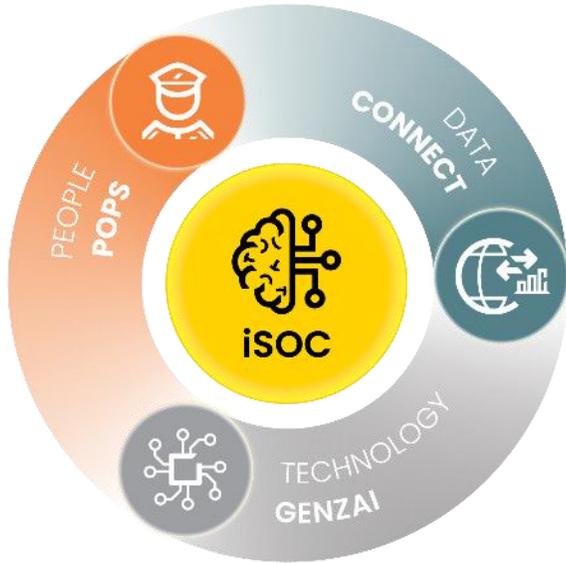
- ▶ Gross margin grows close to 30% with a relative improvement of more than 100bps
- ▶ EBITA improves by 13.5% compared to 2021



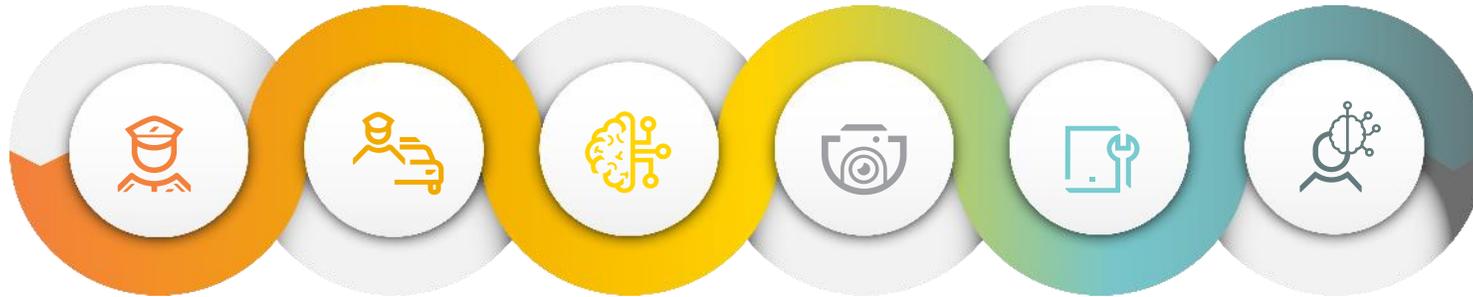
## Innovation

- ▶ Launch of the “Hybrid Security” concept
- ▶ iSOC inauguration

# What is Hybrid Security?



- ▲ **New model of security solutions** that combine **different components** of our portfolio of services to provide greater value than the sum of each of the parts.
- ▲ Merging **People + Technology + Data**
- ▲ Supported by global technology platforms **iSOC (intelligent Security Operations Centers)**



**Guarding**

**Mobile guarding**

**iSOC**

**SES & PCI**

**Maintenance**

**Intelligence & Consulting**

▲ Guarding

▲ Dynamic guarding

▲ iSOC

▲ SES

▲ Preventive

▲ Consulting

▲ Ancillary

▲ Custody of goods in transit

▲ CRA

▲ PCI

▲ Corrective

▲ Global Risk Services

▲ Bodyguards

▲ GPS

▲ EAS

▲ Connect +

▲ VIP



The **iSOC** acts as the **brain of all the operations**, coordinating the three pillars of hybrid security at all times.



**People as priority**  
**POPS**



**Technology as an enabler**  
**GENZAI**



**Data as differential value**  
**CONNECT**



## Clients

- ▲ **+5,000** clients
- ▲ **+50** of our main clients have a customized **BI service**
- ▲ **+50,000 connected** centers, growth of 14% in 2022
- ▲ Ability to work in coordination with other iSOCs, expanding our **global network of 13 centers**



## Services

- ▲ **Video Surveillance Service:** +15,000 centers (growth of 11% in 2022)
- ▲ **Process Supervision:** +10,000 centers, (growth of 40% in 2022)
- ▲ **Fire SOC:** +1,600 centers connected to our new service launched in 2022
- ▲ **Air Mobile Surveillance :** A combination of Dynamic Surveillance, Drones and SOC



## Technology

- ▲ **+15,000 mobile devices** in operating centers
- ▲ **+18 million** recorded task data
- ▲ **+20,000 GPS** connected to our iSOC, (growth of 25%)
- ▲ **250,000 cámaras** and **500,000 sensors** connected to our iSOC

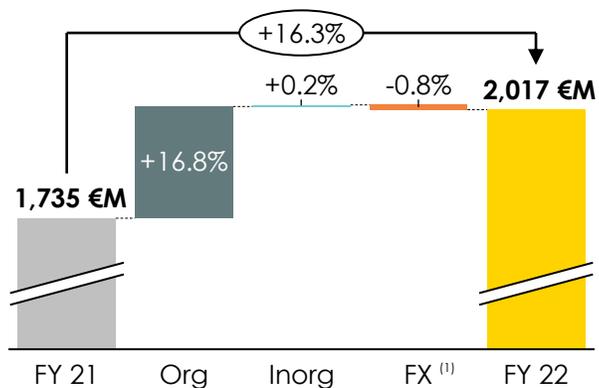


Spain, Portugal, Brazil, Peru, Mexico, Colombia, Paraguay, Argentina, Uruguay, Chile, USA, Singapur, China





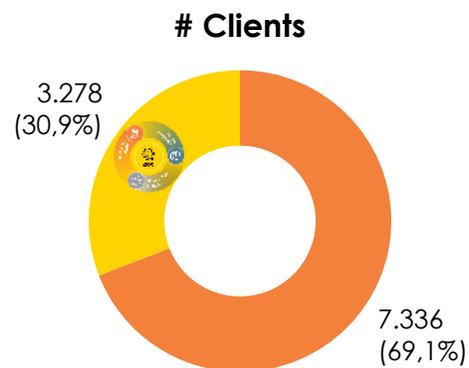
## REVENUES



- **Positive Organic growth** close 17%
- **Positive growth** in all regions
- Growth led by: **United States (+44%)**, Brazil (+28%) and Singapur (+18%)



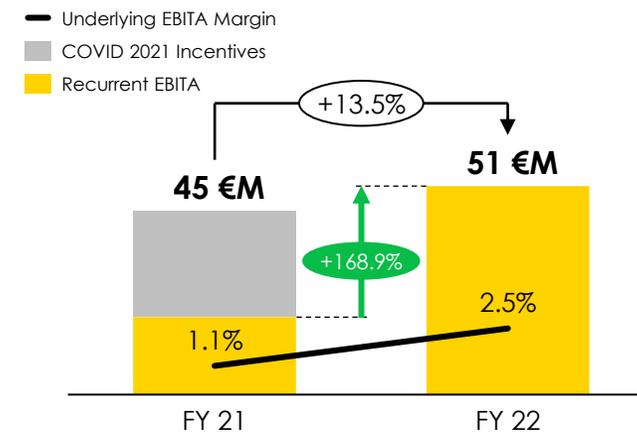
## HYBRID SECURITY



- **31% of our customer base** has **Hybrid Solutions**
- **Different degrees of hybridization** of clients with a **tendency to gradually increase** the number of services



## PROFITABILITY<sup>(2)</sup>



- **Extraordinary improvement of the recurring EBITA** isolating the positive effects derived from "Job Keeping" programs in 2021
- **Positive progression** despite **strong investments in technological transformation** and growth in the **USA**

<sup>(1)</sup> Includes FX and IFRS 21&29 effects  
<sup>(2)</sup> Exclude Overhead Costs



# PROSEGUR ALARMS



**Growth**

- The **Total Contract Base** grows by about **15%** compared to 2021 reaching **805,000 connections**
- **199,000 new subscriptions** in the year (+15.9%)
- **PSG** – Organic **subscriptions growth of 28%**
- **MPA** – Organic **subscriptions growth of 12.4%**



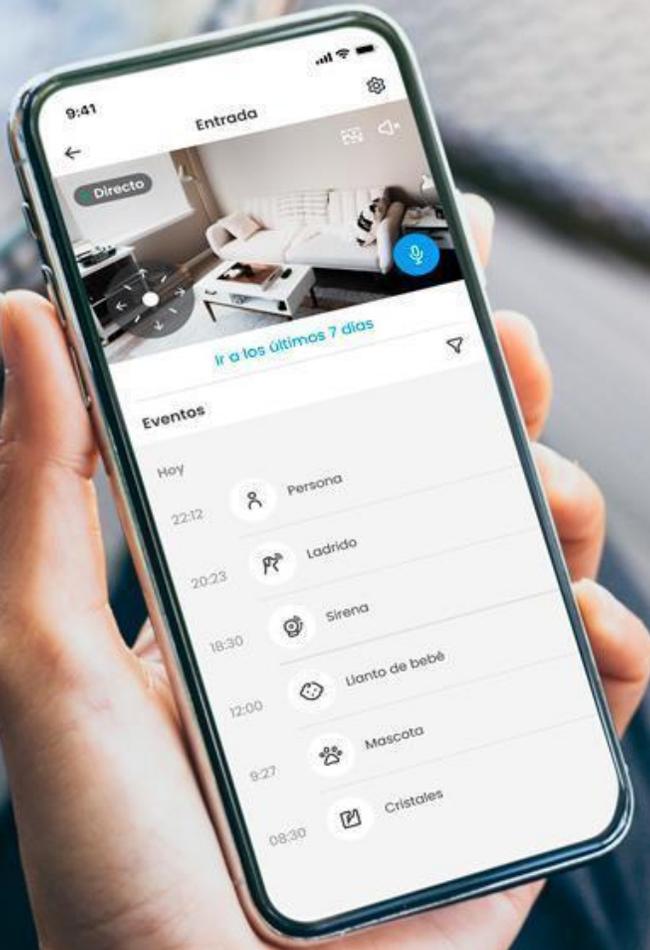
**Efficiency**

- **Strong improvement of ARPU and Churn in Prosegur (+20% and -1.2%)**
- **Strong improvement of NPS in Movistar Prosegur Alarmas**
- **EBITDA PreSAC profitability increase** in both units

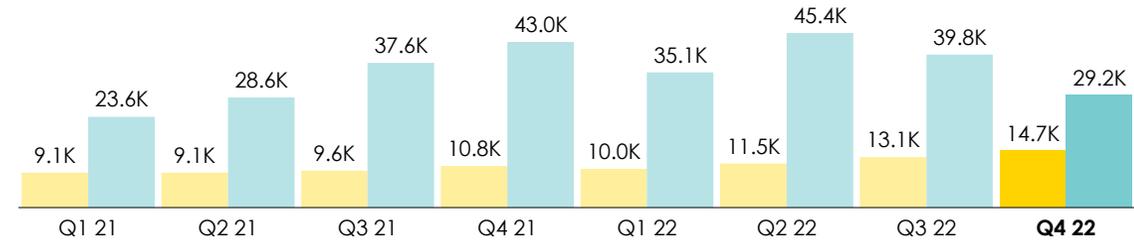


**Innovation**

- **VMS Platform** (Video Management System) common to all countries, generating **savings of more than 60%** in video operating costs
- The **GenzAi Home platform** with **intelligent video management** based on Artificial Intelligence already exceeds **70,000 clients**



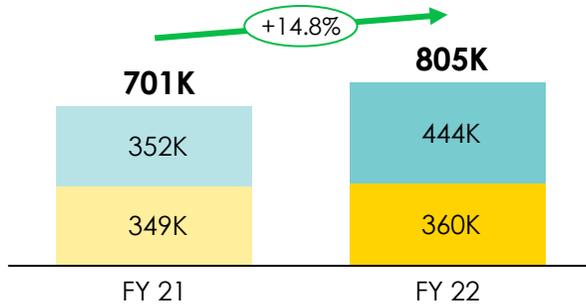
**New Subscriptions per quarter**



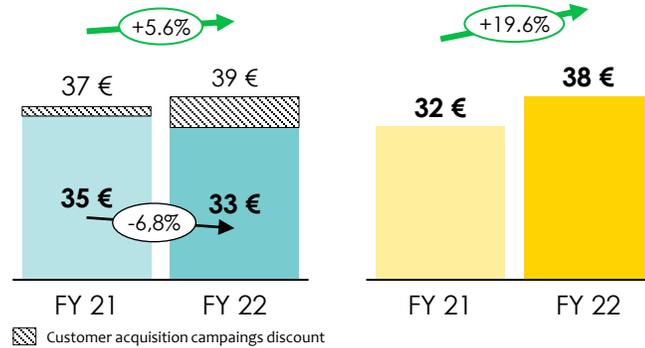
# MAIN BUSINESS INDICATORS

## Business Indicators

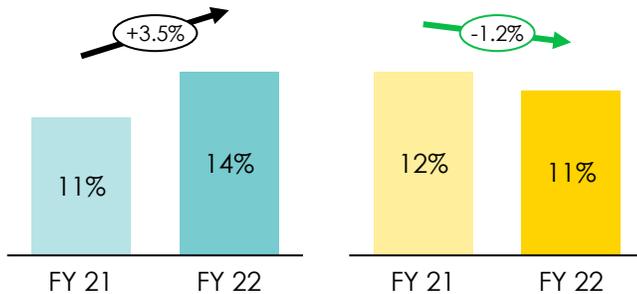
### BTC



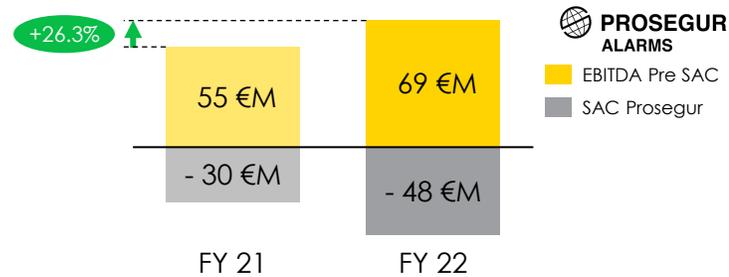
### ARPU



### Churn Rate

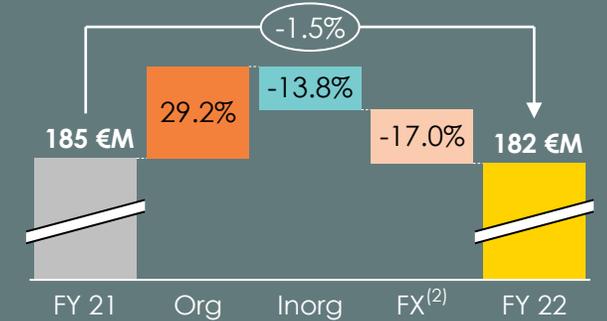


### Operating CashFlow

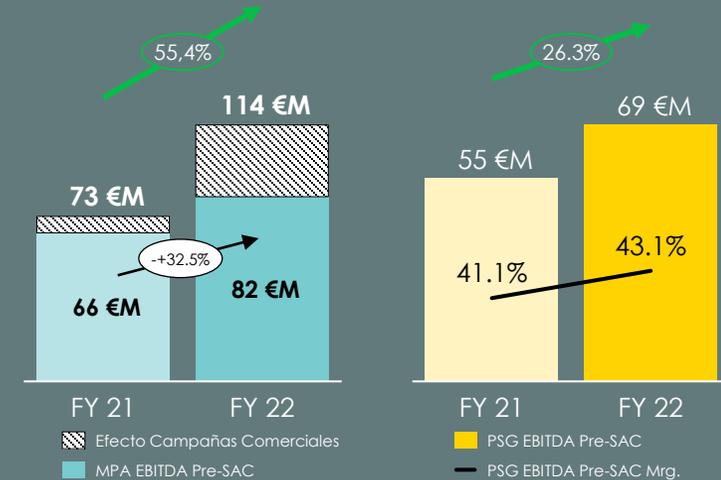


## Financial Indicators

### Revenues <sup>(1)</sup>



### Profitability



<sup>(1)</sup> Sales of alarms belonging exclusively to Prosegur. Movistar Prosegur Alarms sales are not included

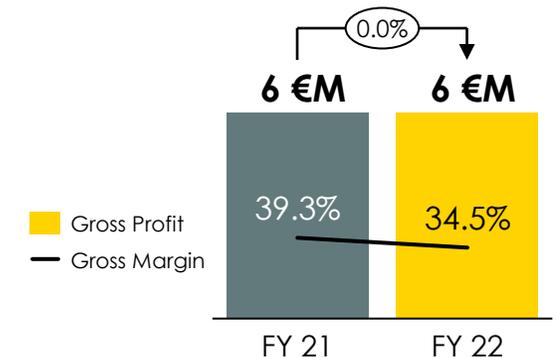
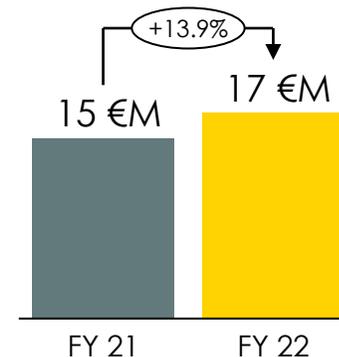
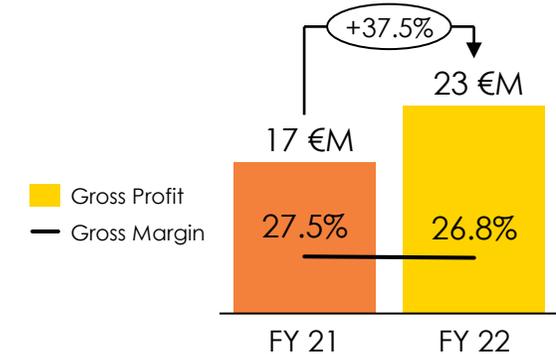
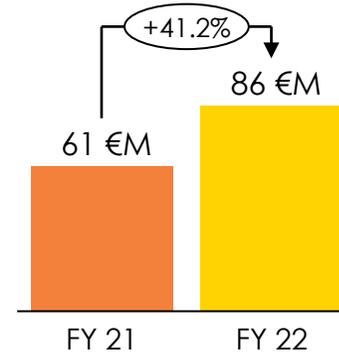
<sup>(2)</sup> Includes exchange rate effect and IFRS 21 and 29



- Geographic diversification thanks to the **acquisition** of **Solunegocios** (+31% inorganic growth)
- **Increase of technology revenues** from AVOS-Tech in more than 76%
- **Empowering own software** in banking and insurance clients, robotization technologies, Big Data, BI & Data Science and process transformation



- **Creation** of “**Cipher Labs**” and “**Cipher Platform**” to streamline the creation and packaging of solutions
- **Excellent progression** and **sales growth** in the year
- **Margins** reflecting investments in transformation





**ESG**





# ESG COMMITMENT

# E

# S

# G

## Reducción of emissions

- ▲ Compensation of 48,000 equivalent tons of CO2 in 2022
- ▲ Progress in energy efficiency in Spain, Portugal and Brazil
- ▲ 100% use of renewable energy in Spain

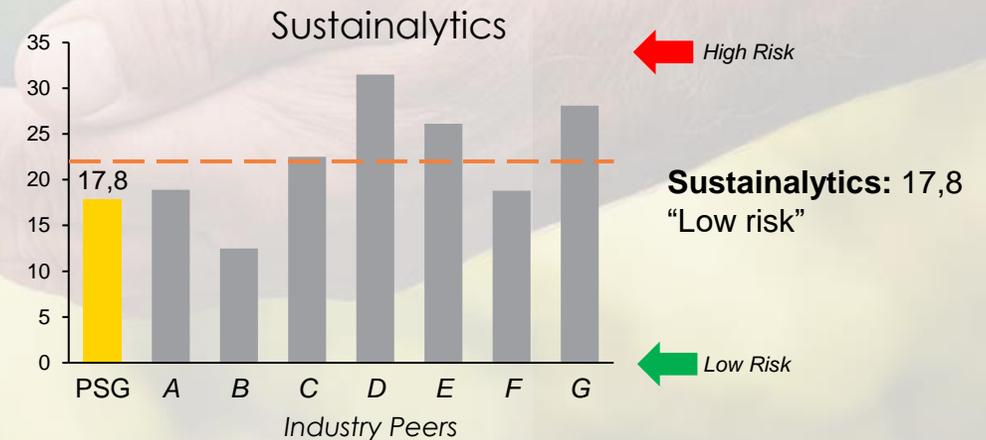
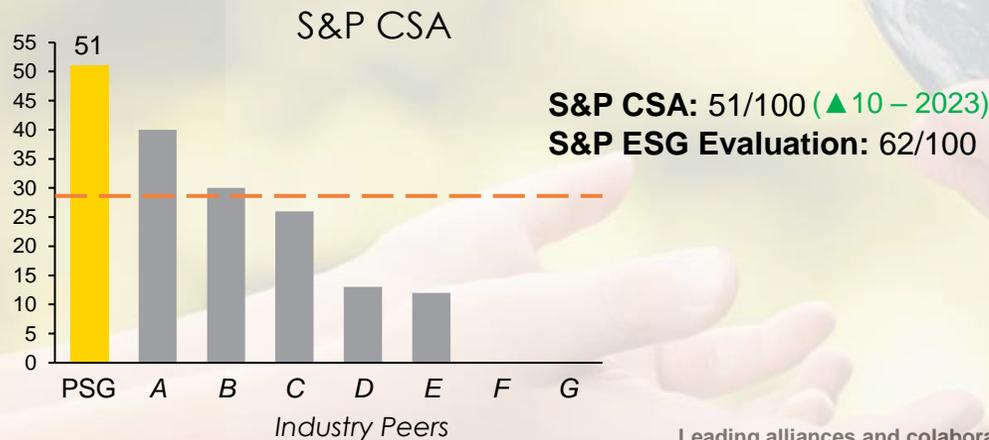
## Health and Security - Training

- ▲ Women's Empowerment Principles adoption
- ▲ Risk homologation and monitoring program for more than 23,000 suppliers partnering with GoSupply

## Corporate Commitment

- ▲ New code of ethics with a greater focus on sustainability, transparency and innovation
- ▲ New anti-corruption policy

**ESG Criteria embeded in the Corporate culture, demonstrated by S&P Global Ratings ESG assessment**  
**Commitment to work with the highest Corporate governance standards, recognized by AENOR.**



Leading alliances and collaborations:





# FINAL CONCLUSIONS AND OUTLOOK





## Conclusions

- ▶ **Very satisfactory annual results** that show the **solidness of the business model** and Prosegur's **capacity to make the most out of macro conditions.**
- ▶ **Strong sales growth and profitability with high value creation.** All business lines grow above regional inflationary growth and **margins continue increasing.**
- ▶ **Entry into new markets** through **new products** with presence being expanded to a total of **31 countries.**
- ▶ **Investments in digital transformation** have been intense but very profitable, as demonstrated by the **speed of growth of new products** in all business lines that **ensure the future growth of the company.**
- ▶ The **expectations for 2023 are positive.** With **business dynamics very similar** to those of 2022, although with greater uncertainty in the evolution of **FX.**
- ▶ **Focus** for 2023 will be on **reducing the level of leverage, developing New Cash Products, increasing profitability in Security** and **new strategic alliances in Alarms.**



**¿Q&A?**





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