



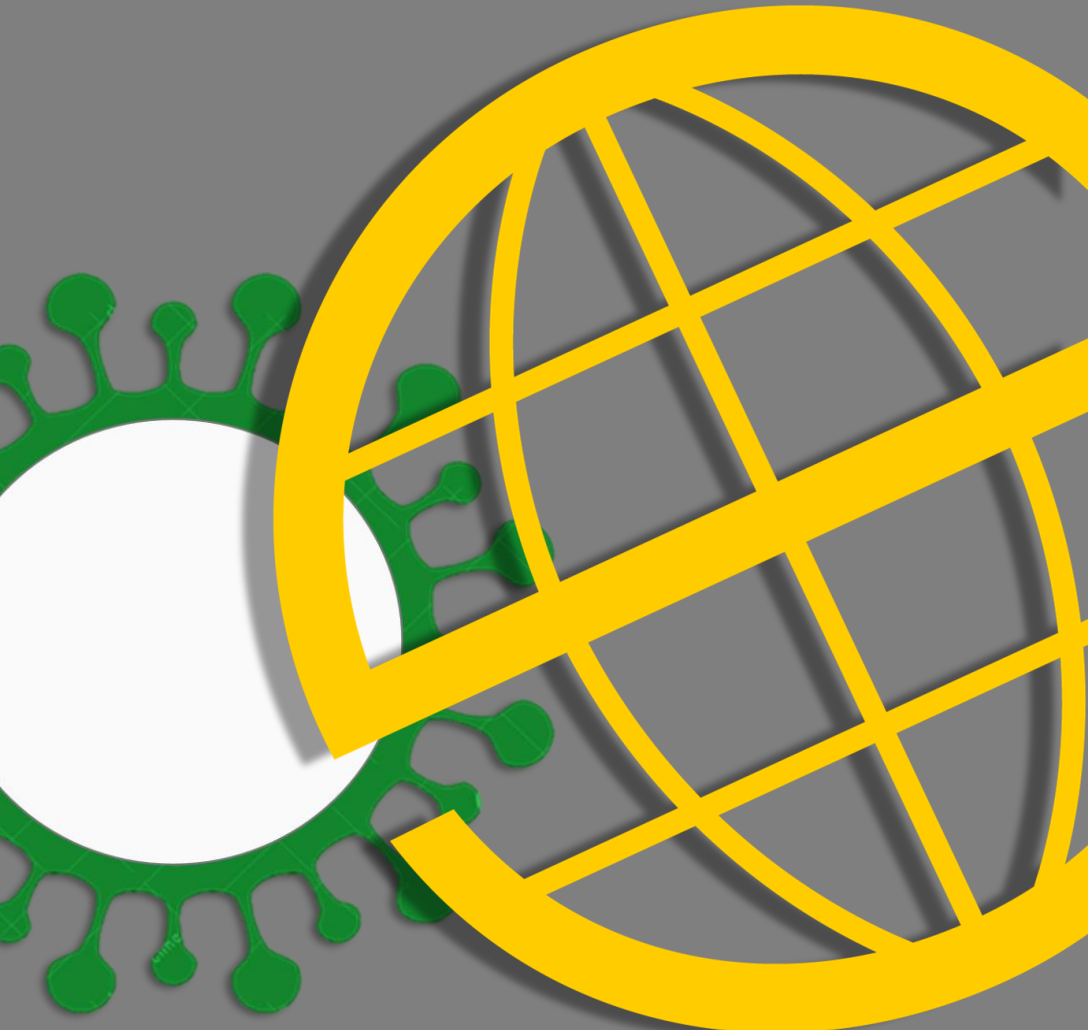
PROSEGUR Q1 2020 Results

26 Mayo 2020

Investors Relations Department



COVID19 IMPACT & RESPONSE



- **Full collaboration with Government and Authorities**
 - Assignment of our **logistical capacity**
 - Support for **extraordinary healthcare** operations
- **Temporary asymmetrical effects on businesses** that are hard to project in the future
 - **Loss of volumes in Security and Cash** from close of non-food shops, banking offices and lower business activity in general
 - **Alarms:** Commercial **slowdown** due to **confinement**
 - **Increase in Security and Cash** services in Food Retail in Europe
 - **Increased ATM** services in **Cash**
 - **New activities** in **monitoring** and **technology**
- Absolute **focus on cash protection** and **spending containment** measures

RELEVANT INDICATORS OF THE PERIOD

Q1 20

 REVENUES	 PROFITABILITY	 CASH FLOW	 BALANCE
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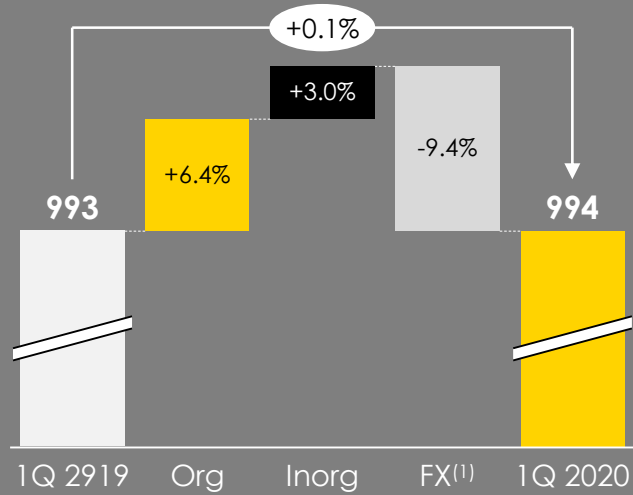
- Total **sales** of **994 million**
- Positive **local currency growth** of **9.4%**
- **Matching Q1 2019** despite **Covid19 effect** and increased **adverse FX**

- **EBITA 53** million
- Profitability affected by **Covid19** and additional negative **FX**
- By isolating these two effects, **EBITA** would have shown a **positive evolution**

- Implementation of **strong cash consumption containment** measures
- **Dividend reinvestment plan** with treasury stock shares
- **Stable** operating **cash flow**

- Protecting Group **Liquidity**
- **Limited leveraging level** with long-term maturities
- Efficient **natural hedging policies** to minimize currency risk

P&L



- **Organic** growth above 6%
- **Reinforced by M&A** in Ecuador, Brazil, Colombia and Spain
- **EBITA** penalised by **Covid19** and **FX** impact

Consolidated Results (€ millions)

	1Q 2019	1Q 2020 ⁽²⁾	% Variation
Sales	993	994	0.1%
EBITDA	116	98	-15.0%
Margin	11.7%	9.9%	
Depreciation	(43)	(45)	
EBITA	73	53	-27.0%
Margin	7.4%	5.4%	
Amortization of intangibles	(6)	(7)	
EBIT	67	46	-31.1%
Margin	6.8%	4.7%	
Financial result	(14)	(12)	
Profit before tax	53	34	-36.1%
Margin	5.4%	3.4%	
Tax	(23)	(15)	
Tax rate	43.2%	44.7%	
Net Profit	30	19	-37.7%
Minority Interest	9	8	
Consolidated Net Profit	22	11	-47.8%
Earnings per share (Euros per share)	0.04	0.02	

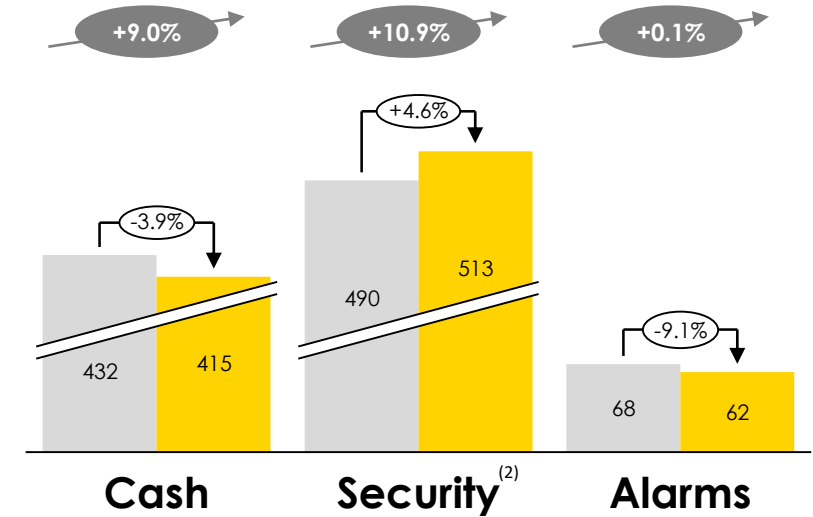
CONSOLIDATED REVENUES BY BUSINESS & REGION

- **Cash** is the business with **volumes most affected** by combination of **Covid19** effects and increased **adverse FX**
 - **Security** reflects the **effect of M&A** and **extraordinary volumes** in retail, but also shows additional negative **Covid19** effect
 - **Alarms** reflects the **accounting deconsolidation** of Spanish connections
-
- Geographically, **the biggest impact of Covid19** is in **Spain**, cushioned by **better situation in Germany** and **Cash/Security** volume **mix effect**
 - **Ibero-America** reduces volume due to **increased negative FX**
 - **R.o.W.** grows strongly driven by **US, Philippines and Indonesia**

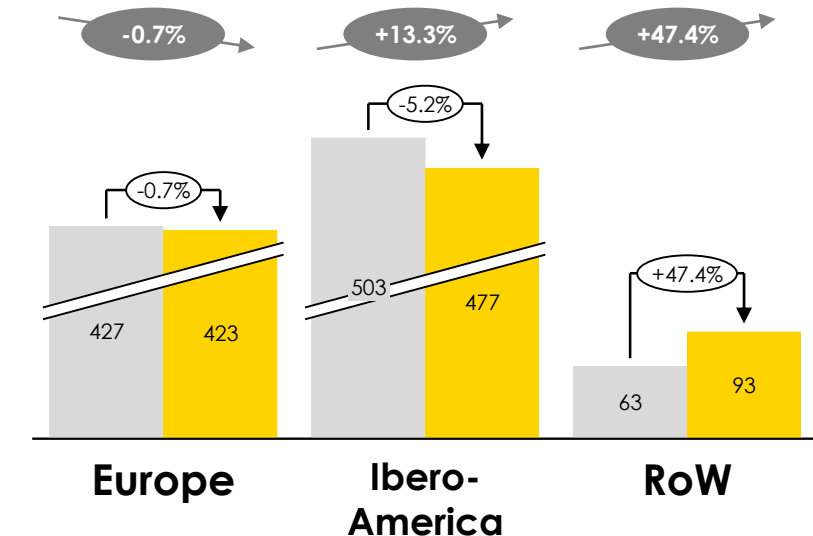
Local Currency Growth ⁽¹⁾
Growth in Euros

1Q 2019
1Q 2020

Revenues by Business

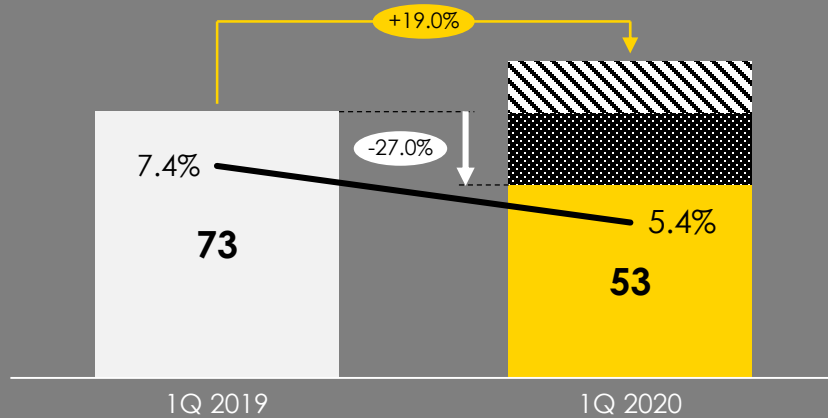






Revenues by Region





CONSOLIDATED PROFITABILITY & CASH FLOW GENERATION

PROFITABILITY

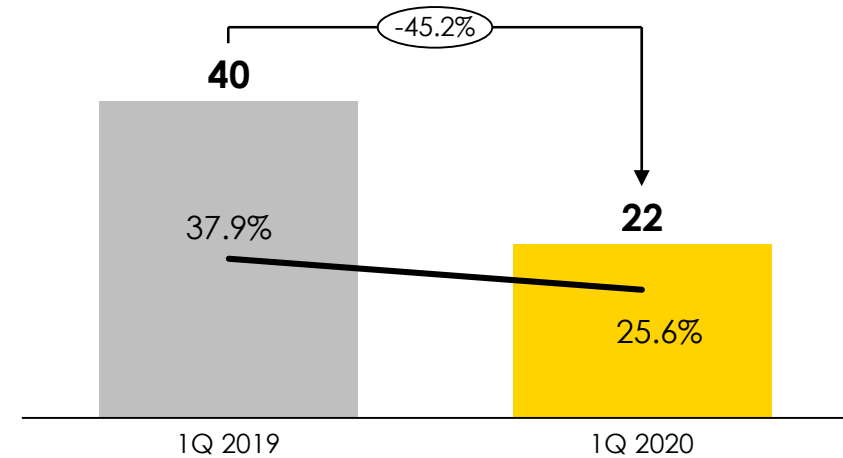




-  EBITDA Margin
-  Loses deriving from COVID19 effect
-  Loses deriving from negative FX
-  Recurrent EBITA(1)

 Growth ex-Covid19 y FX
 Reported growth

Profitability deteriorates mainly by Covid19 and FX effect

CASH FLOW GENERATION



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

Cash flow generation has been affected by the **additional negative FX** since the beginning of the year



Results by Business Line

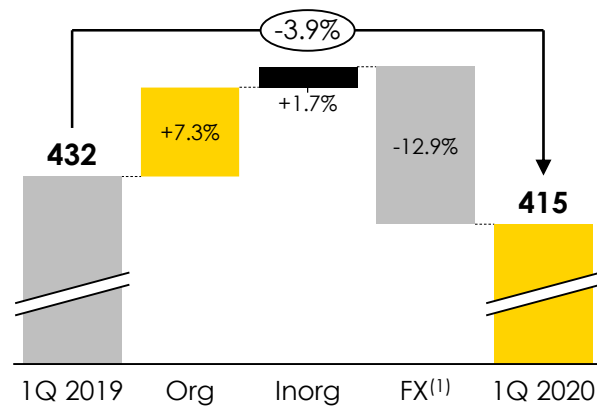
CASH – SECURITY - ALARMS



PROSEGUR CASH

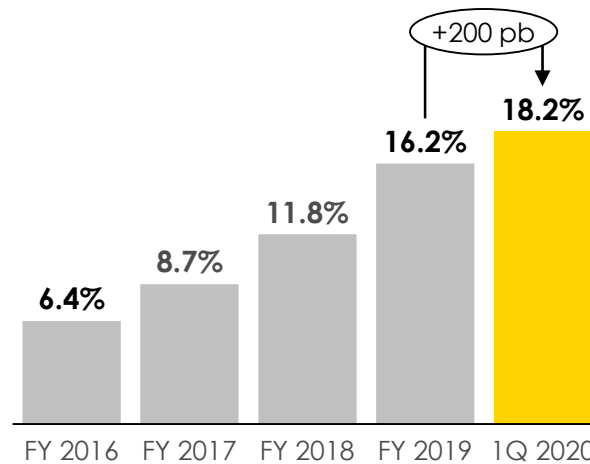


REVENUES



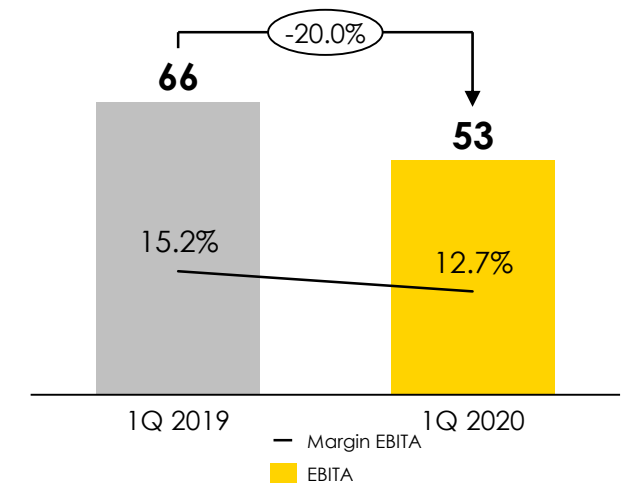
- **9%** growth in **local currency**
- Initiated operations in **Ecuador** and **divestment in Mexico**
- **Negative FX** increased over the period

NEW PRODUCTS



- **New products** reach **18.2%** of total sales in 1Q 2020
- The current situation increases customer incentives to **outsource business processes**
- **New services grow**, and able to continue doing so in the future

PROFITABILITY

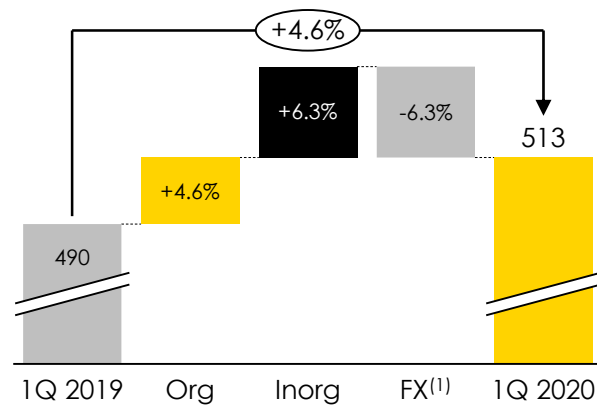


- **Profitability deterioration** explained by:
 - Less volume and amount transported
 - Currency impact
- Temporary **dilutive effect** of the **new M&A** (potential synergies not yet captured)

PROSEGUR SECURITY

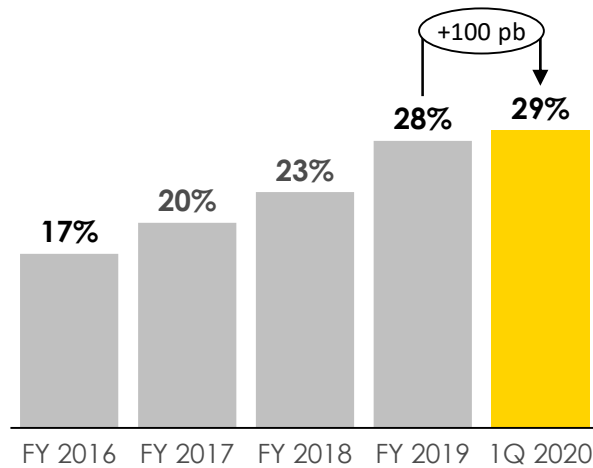


REVENUES⁽²⁾



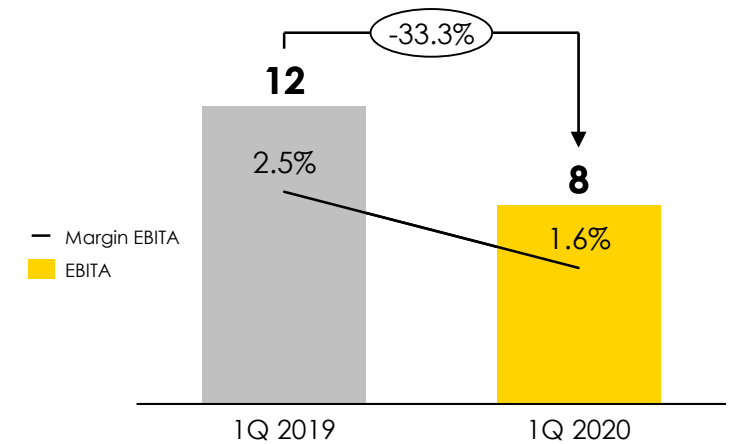
- **11% growth in local currency** and close to **5% in Euro terms**
- **Additional services** in **food retail** and **healthcare support**
- Notable drop in **sports events** services
- **Strong 6.3% U.S.-boosted inorganic growth**

NEW PRODUCTS



- **Continuing to increase penetration** of **Integrated Security Solutions** to **29%** of the customer portfolio
- **Reinforced investment** in this line of products via **M&A of technology** company in **Spain**
- Higher volumes in **Spain, Colombia and Brazil**

PROFITABILITY⁽³⁾

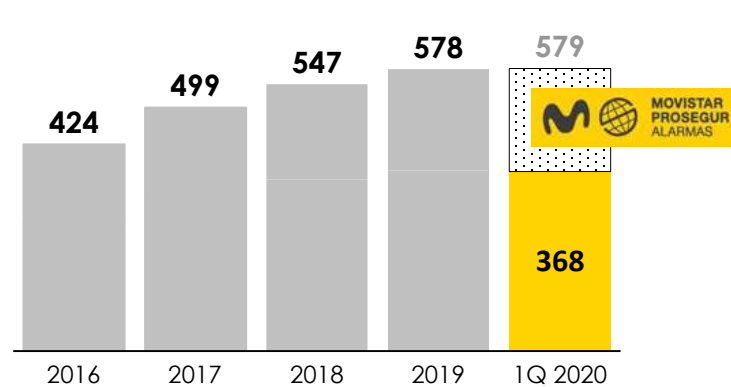


- **Profitability** affected by:
 - **Loss of sporadic services** with better margins (sporting events)
 - **Mix effect** by lower weight of **Spain** in the overall volumes
 - **Adverse FX**, mainly in **Brazil**

PROSEGUR ALARMS

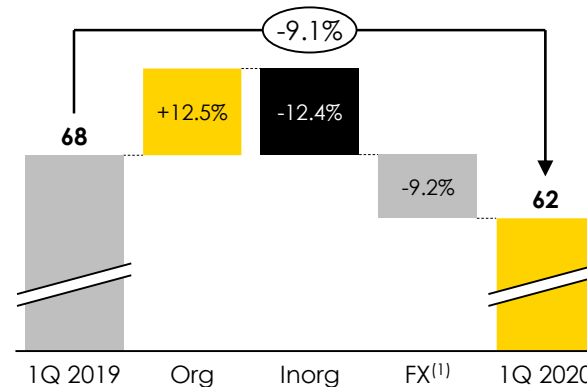


TOTAL INSTALLED BASE



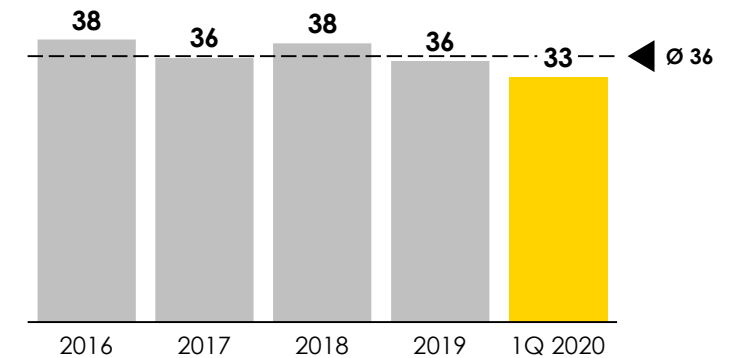
- **Total Contract Base** captures the **deconsolidation** of Spain's alarms, now operated by **Movistar Prosegur Alarms**
- Negative **Covid19 confinement effect** on **new additions** to base in all countries.

REVENUES



- **Organic growth** greater than **12%**
- **Volume reduction** by **deconsolidation of Spain** and **negative FX** in Ibero-America

ARPU



- Slight **deterioration of ARPU** due to **Spain extraction** and increased effect FX
- **Churn stays stable** with no noticeable negative effects



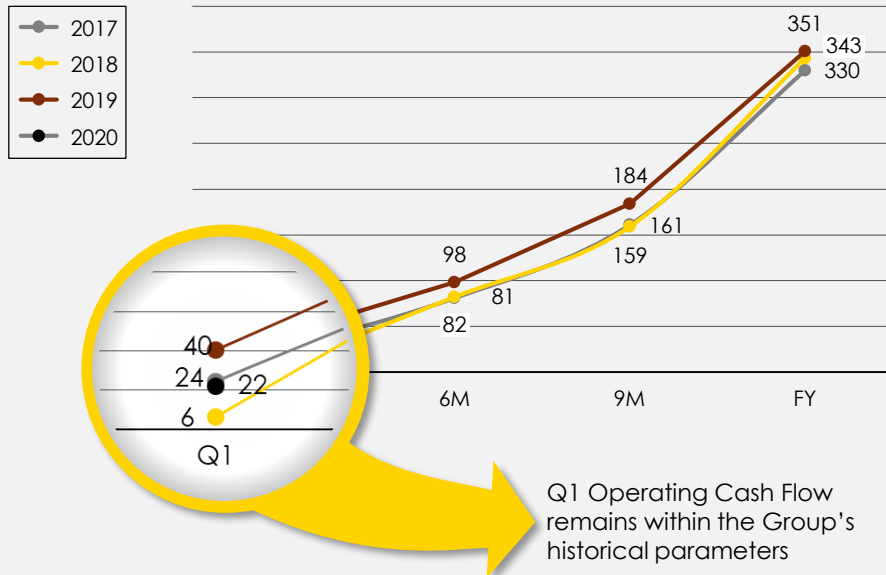
Financial Information

CASH FLOW
FINANCIAL POSITION
BALANCE SHEET



CONSOLIDATED CASH FLOW

Operating Cash Flow by quarters (accumulated)



- **Impact on operating cash flow explained by:**
 - **EBITDA** reduction
 - **Working Capital** affected by Digital Transformation
 - **Alliance with Telefónica** of non-cash effect

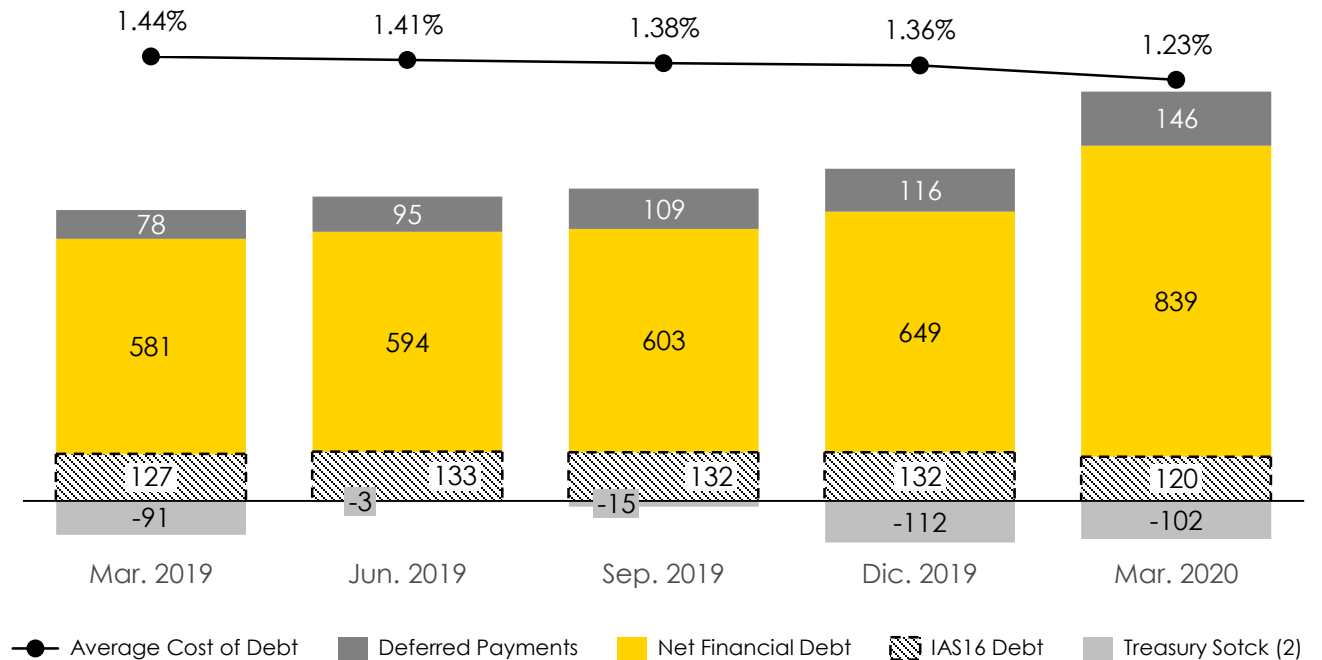
Amounts in € millions	1Q 2019	1Q 2020 ⁽¹⁾
EBITDA	116	98
Provisions and other non-cash items	18	26
Tax on profit (ordinary)	(31)	(18)
Changes in working capital	(48)	(68)
Interests payments	(15)	(16)
Operating Cash Flow	40	22
Acquisition of property, plant & equipment	(42)	(40)
Payments for acquisitions of subsidiaries	(99)	(35)
Dividend payments	(27)	(25)
Treasury stock	-	(48)
Others	(21)	(47)
Cash flow from investing / financing	(189)	(195)
Total net cash flow	(149)	(173)
Initial net financial debt	(425)	(649)
Net increase / (decrease) in cash	(149)	(173)
Exchange rate	(7)	(17)
Financial Net Debt ⁽²⁾	(581)	(839)

⁽¹⁾ Excluding extraordinary results of the exercise, mainly resulting from the exchange of participations between Prosegur and Telefónica

⁽²⁾ Excludes IAS 16 related debt

FINANCIAL POSITION

- Increase of **EUR 190 million** ⁽¹⁾ vs. December 2019 mainly deriving from:
 - **inorganic growth** operations
 - **Treasury shares buyback** program
- Average cost of corporate debt:
 - 21 basis point reduction** compared to the same period for the 2019 financial year (**1.23%** vs. 1.44%)



⁽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

BALANCE SHEET

- Significant **increase** in **financial assets** resulting from the alliance with **Telefónica**
- Disposition of existing **credit lines** as a measure of prevention and **guarantee of immediate liquidity**
- **Timely impairment** of **intangible assets** associated with the **Security Business**

In € Millions

	FY 2019	1Q 2020
Non-current assets	1,990	2,293
Tangible fixed assets and real estate investments	881	784
Intangible assets	984	1,177
Others	125	332
Current assets	1,986	2,229
Inventory	65	53
Customer and other receivables	1,071	1,002
Cash and equivalents and other financial assets	850	1,174
TOTAL ASSETS	3,976	4,522
Net equity	898	974
Share capital	36	36
Treasury shares	(108)	(155)
Retained earnings and other reserves	898	1,041
Minority interest	72	52
Non-current liabilities	1,751	2,259
Bank borrowings and other financial liabilities	1,452	1,924
Other non-current liabilities	299	335
Current liabilities	1,327	1,289
Bank borrowings and other financial liabilities	302	357
Trade payables and other current liabilities	1,025	932
TOTAL NET EQUITY AND LIABILITIES	3,976	4,522

FINAL REMARKS



1

Recognition to all our professionals and the **excellent work** they are doing ensuring the **safety and tranquillity** of our clients **and society**

Our entire staff has been **selflessly and exemplarily** adapted to this situation

2

Security shows a **more resilient profile**

Cash has suffered **greater volume loss**, but has a **faster recovery potential**

Alarms is **less affected**

3

The Covid19 crisis has had very **asymmetrical effects on businesses** that could be reversed when confinements and business closures normalize

The current situation **does not allow us to offer realistic estimates** for the following quarters

4

There are **risks and opportunities** for all different businesses

- **Remote Thermal Scanning**, Artificial Intelligent **behaviour pattern recognition** and **hygienic measures** verification systems will become **highly demanded**
- **Cash: Accelerating** the sale of **new solutions**

5

Strong **spending control** and **Cash Flow protection**

- **Maximum austerity**
- Strengthening **collection policies**
- Adequacy of **labour costs** to existing **levels of activity**
- Stock **dividend reinvestment** offer

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