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Q2 24 Results Presentation

30/July/2024

Investor Relations Department





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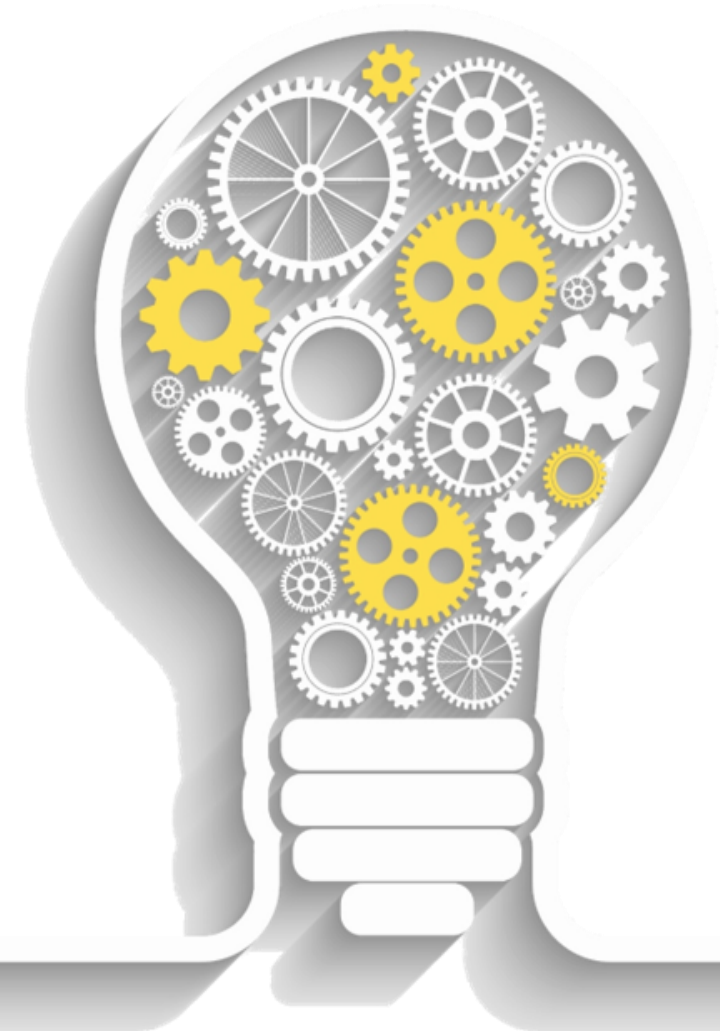
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SIGNIFICANT MILESTONES OF THE PERIOD

Growth ▶



Revenues
2,348 €M
+6.9% YoY

- ▲ Sales growth of 6.9%, mainly driven by organic growth
- ▲ Positive growth in all the group's geographies
- ▲ Sales increase 8.1% excluding sales of the Australian operation in 6M 23 and India in 6M 24

◀ Profitability



EBITA
147 €M
6M 2024

- ▲ Cash continues to be impacted by the currency effect, restructuring costs in Australia and higher operating expenses due to the investment in Forex
- ▲ Security continues on a positive trend with a 30% increase in profitability
- ▲ Alarms shows sustainable growth, with improvements in key operating indicators

Free Cash Flow ▶



Free Cash Flow
(44 €M)
6M 2024

- ▲ Cash temporarily impacted by calendar effect (20 working days Jun-24 vs 22 working days Jun-23)
- ▲ Higher volume impacts working capital. Repricing ends in H2

◀ Diversification



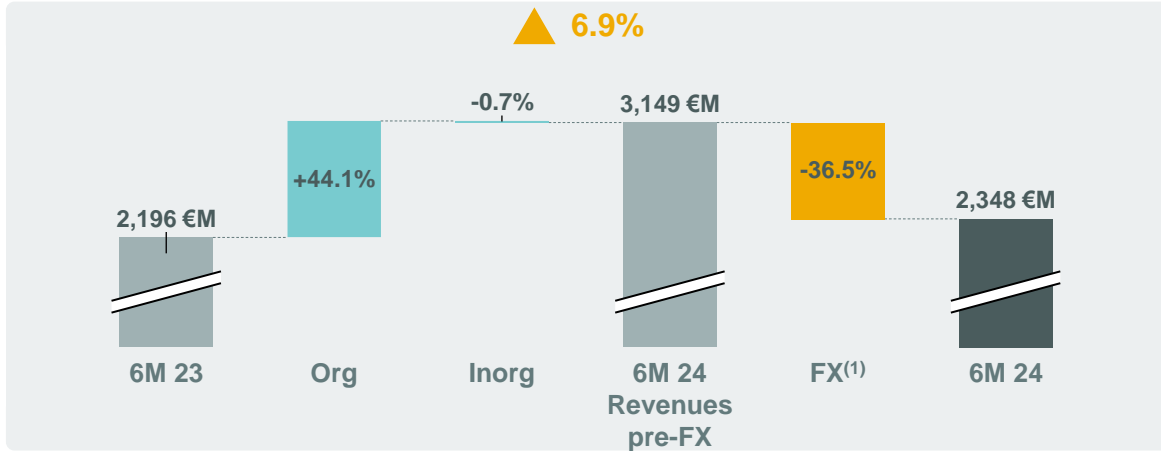
Expansion CAPEX
44 €M
6M 2024

- ▲ Capex de expansión controlado equivalente al 1,9% de las ventas
- ▲ Excelente comportamiento de los Productos de Transformación en Cash, superando el 32% de las ventas

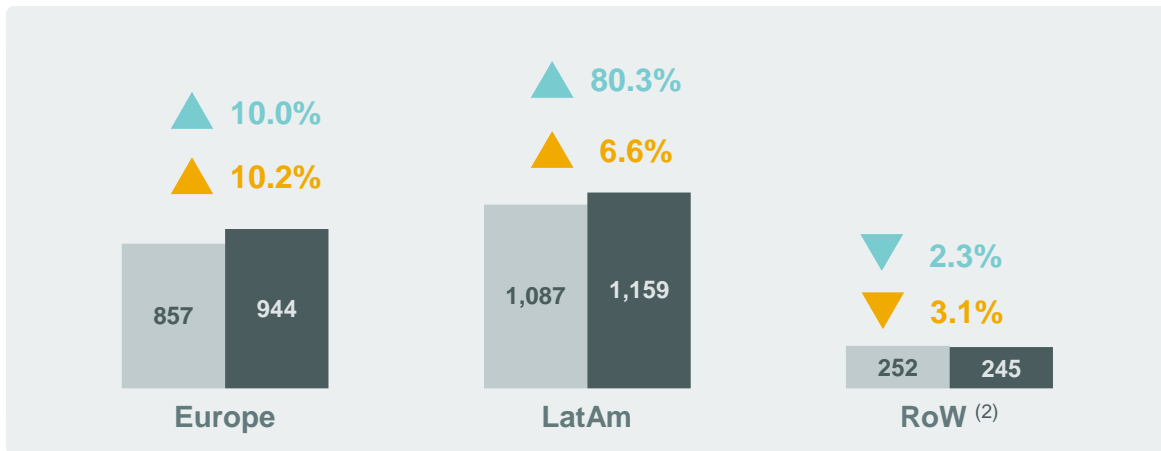


Revenues Growth

Revenues

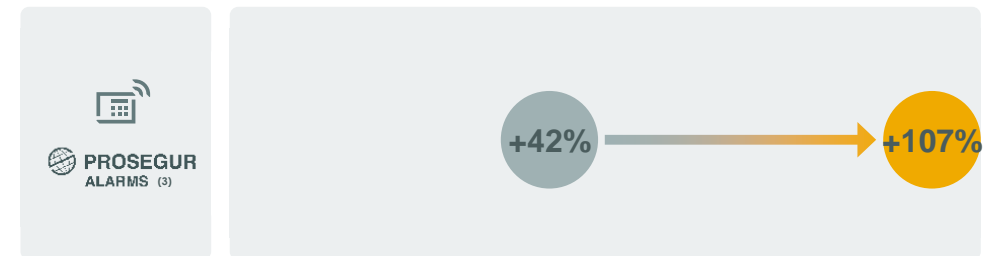
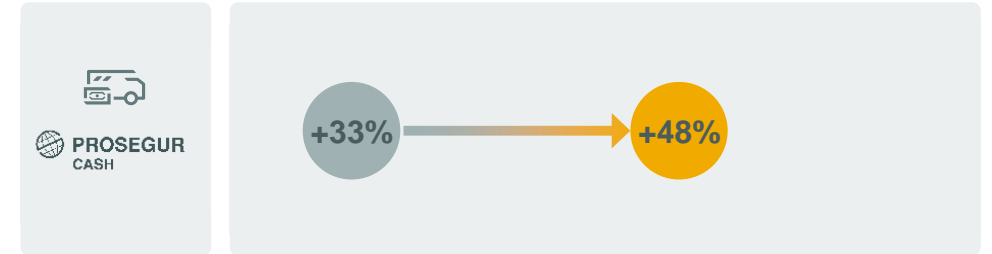


Revenues per Region



▲ Growth in Euros ▲ Growth in Local Currency

Organic Growth by Business Line



■ 6M 23 ■ 6M 24

⁽¹⁾ Includes FX and IAS 21 & 29 effects

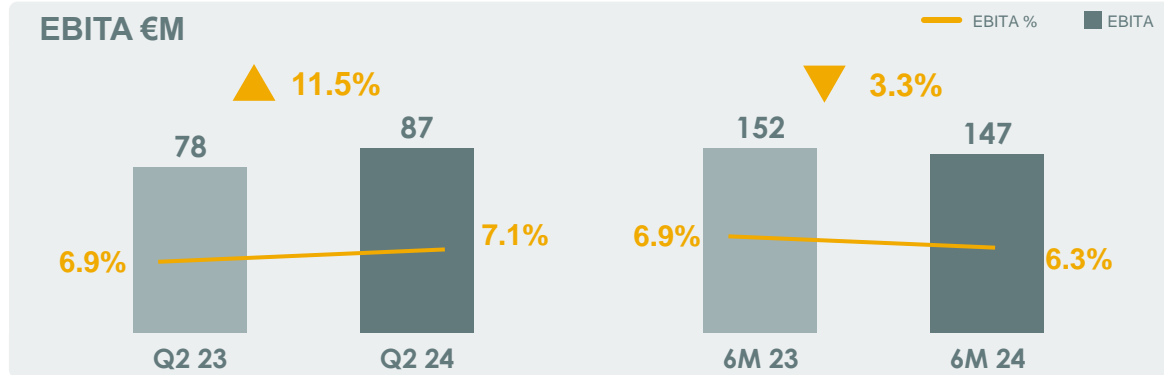
⁽²⁾ ROW sales for 1H 23 excludes Australia

⁽³⁾ Prosegur Alarms excludes MPA



Profitability

Consolidated Profitability



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Cash

Profitability affected by FX impact, investment in the Forex business, restructuring costs of the Australian operation and seasonality of repricing

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Security

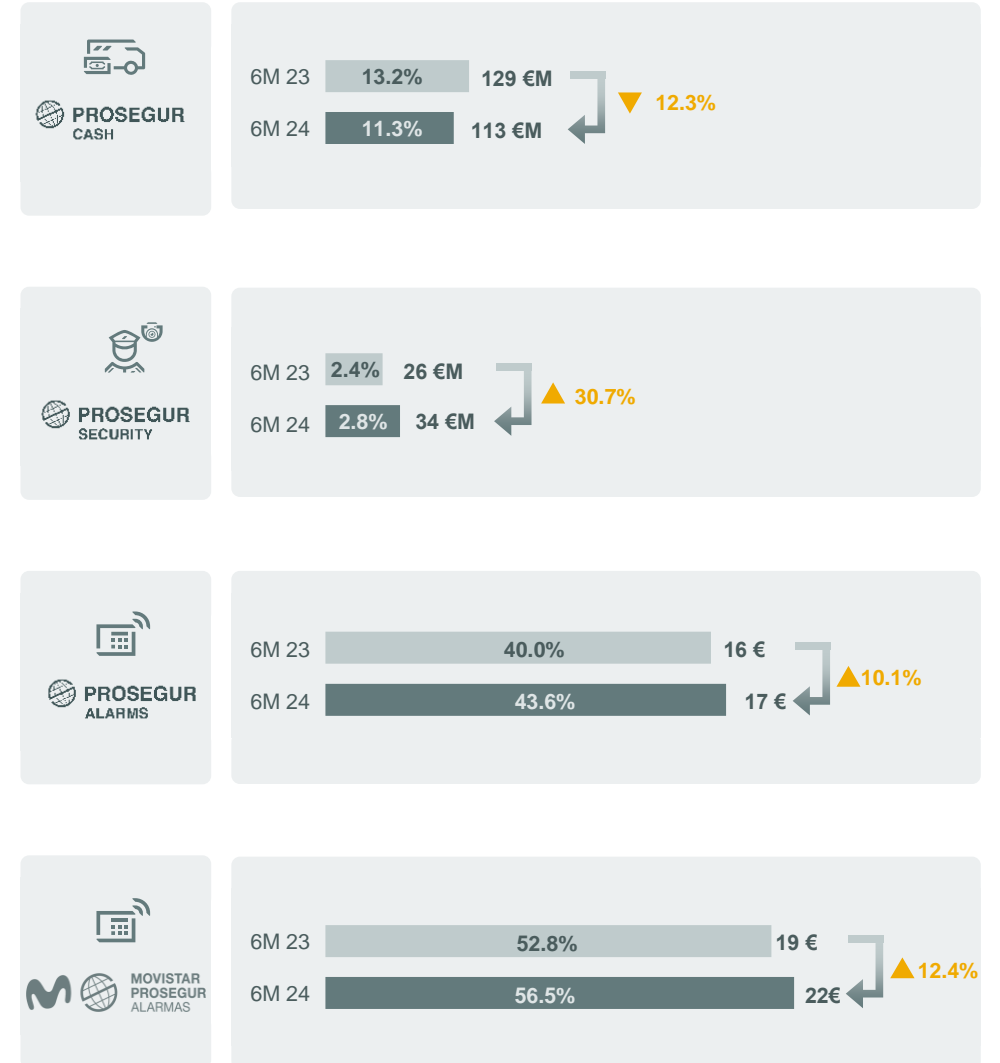
Exceptional improvement in profitability, reaching a margin of 2.8% during the period, 40 bps higher than last year. Unfinished repricing





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Alarms y MPA

Unitary service margin continues to increase at both MPA and Prosegur Alarms.

Profitability by Business Line



Amounts in €M		6M 2023	6M 2024	Variation
	SALES	2,196.0	2,347.5	6.9%
	Organic Growth	+26.8%	+44.1%	▲
	Inorganic Growth	+2.1%	-0.7%	▼
	FX	-19.2%	-36.5%	▼
	EBITDA	243.7	255.6	4.9%
	<i>Margin</i>	11.1%	10.9%	
	Depreciation	(92.0)	(108.8)	
	EBITA	151.7	146.9	(3.2%)
	<i>Margin</i>	6.9%	6.3%	
	Amortization of intangibles and impairments	(18.4)	(17.5)	
	EBIT	133.3	129.3	(3.0%)
	<i>Margin</i>	6.1%	5.5%	
	Financial results	(39.6)	(60.2)	
	Profit Before Tax	93.8	69.2	(26.2%)
	<i>Margin</i>	4.3%	2.9%	
	Tax	(50.5)	(33.4)	
	<i>Tax rate</i>	53.9%	48.3%	
	Net Profit	43.2	35.8	(17.3%)
	Minority interest	(7.7)	(8.2)	
	CONSOLIDATED NET PROFIT	35.5	27.6	(22.2%)

Sales
+6.9%

Despite the loss of two working days in June

EBITDA
+4.9%

Compared to the previous year

Tax Rate
▼ 561bps
Significant improvement during the period

Net Profit
+50%

Isolating the effect of hyperinflation

- ▲ The consolidated 6M account is impacted by the result from inflation exposure
- ▲ Excluding hyperinflation, the financial result improves by 20%, resulting in a net result with an improvement of 50%
- ▲ The cash impact of the financial result is reduced by 14%

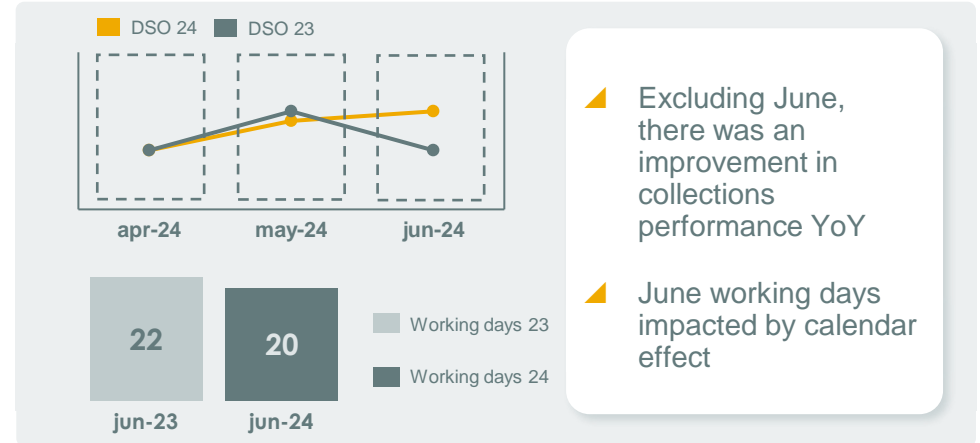


Consolidated Cash Flow

Amounts in €M

	6M 2023	6M 2024
EBITDA	244	256
Provisions and other non-cash items	(4)	(7)
Tax on profit	(49)	(59)
Changes in working capital	(84)	(118)
Interest payments	(21)	(28)
Operating Cash Flow	86	45
Acquisition of property, plant & equipment	(86)	(89)
Free Cash Flow	(0)	(44)
Payments for acquisitions of subsidiaries	(25)	(35)
Dividend payments	(6)	(5)
Treasury stock & others	(31)	(22)
Total Net Cash Flow	(62)	(107)
Initial Net Financial Debt	(1,106)	(1,243)
Net increase / (decrease) in cash	(62)	(107)
Exchange rate	(25)	(10)
Net Financial Debt ⁽¹⁾	(1,193)	(1,360)
Financial investments ⁽²⁾	184	196
Adjusted Net Financial Debt	(1,008)	(1,164)

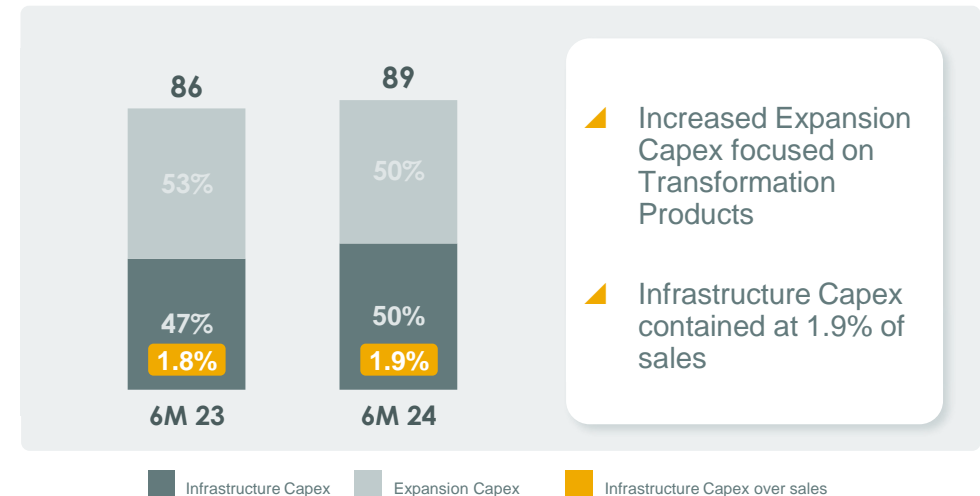
Working Capital



▲ Excluding June, there was an improvement in collections performance YoY

▲ June working days impacted by calendar effect

Capex



▲ Increased Expansion Capex focused on Transformation Products

▲ Infrastructure Capex contained at 1.9% of sales

⁽¹⁾ Excludes IAS 16 debt

⁽²⁾ Telefónica shares at market value at the end of the period

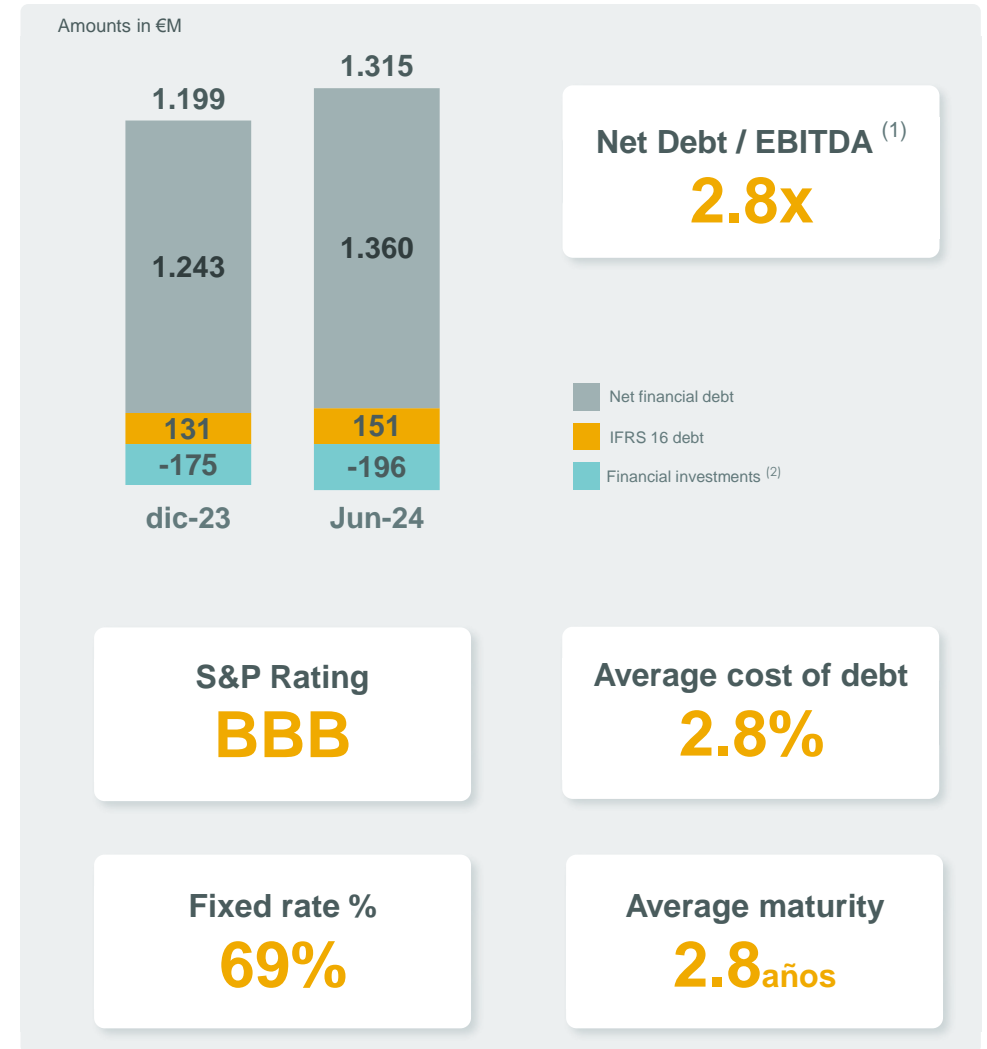


Financial Position and Abbreviated Balance Sheet

Amounts in €M

	FY 2023	6M 2024
Non-current assets	2,570	2,757
Tangible fixed assets and real estate investments	801	905
Intangible assets	1,087	1,184
Others	683	667
Current assets	1,474	1,631
Inventory	72	84
Customer and other receivables	957	1,123
Cash and equivalents and other financial assets	445	424
TOTAL ASSETS	4,044	4,388
Net equity	718	842
Share capital	33	33
Treasury shares	(30)	(28)
Retained earnings and other reserves	678	758
Minority interest	36	79
Non-current liabilities	1,995	2,007
Bank borrowings and other financial liabilities	1,647	1,661
Other non-current liabilities	348	346
Current liabilities	1,332	1,539
Bank borrowings and other financial liabilities	361	500
Trade payables and other current liabilities	971	1,039
TOTAL NET EQUITY AND LIABILITIES	4,044	4,388

Amounts in €M



⁽¹⁾ Includes net financial debt, IAS 16 debt, and financial investments

⁽²⁾ Telefónica shares at market value at the end of the period

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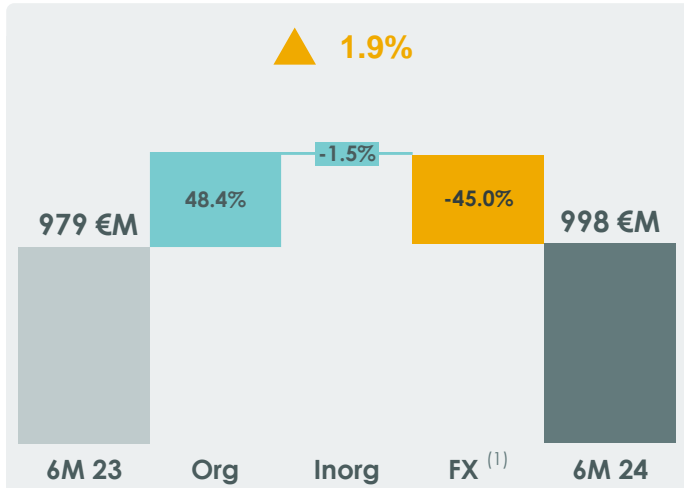


**Results by
Business**





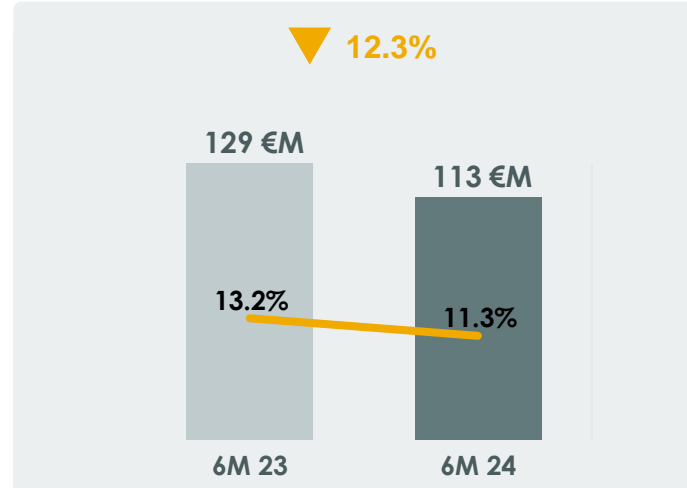
Revenues



Organic growth
YoY
48%

- ▲ Solid organic growth of over 48%, supported by strong price and volume contribution
- ▲ Improved geographic and product diversification
- ▲ 4.4% increase excluding Australia and India

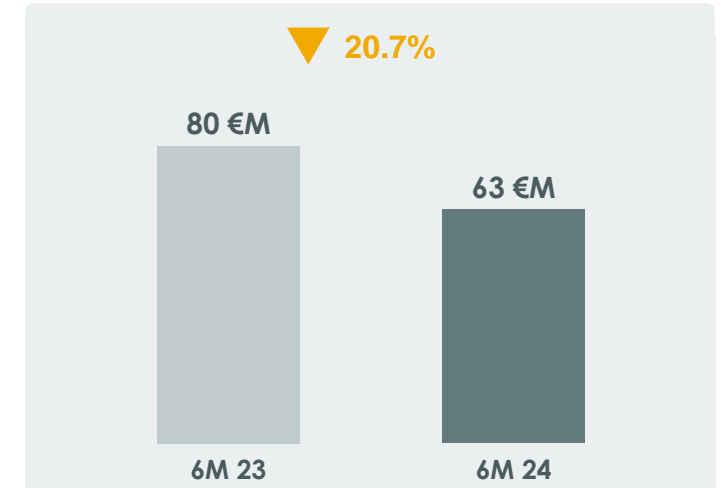
EBITA



Transformation Products
Over sales
32%

- ▲ EBITA margin of 11.3%, impacted by Fx, Forex growth, restructuring costs in Australia and seasonal repricing
- ▲ Transformation Products now exceed 32% of sales

Operating Cash Flow



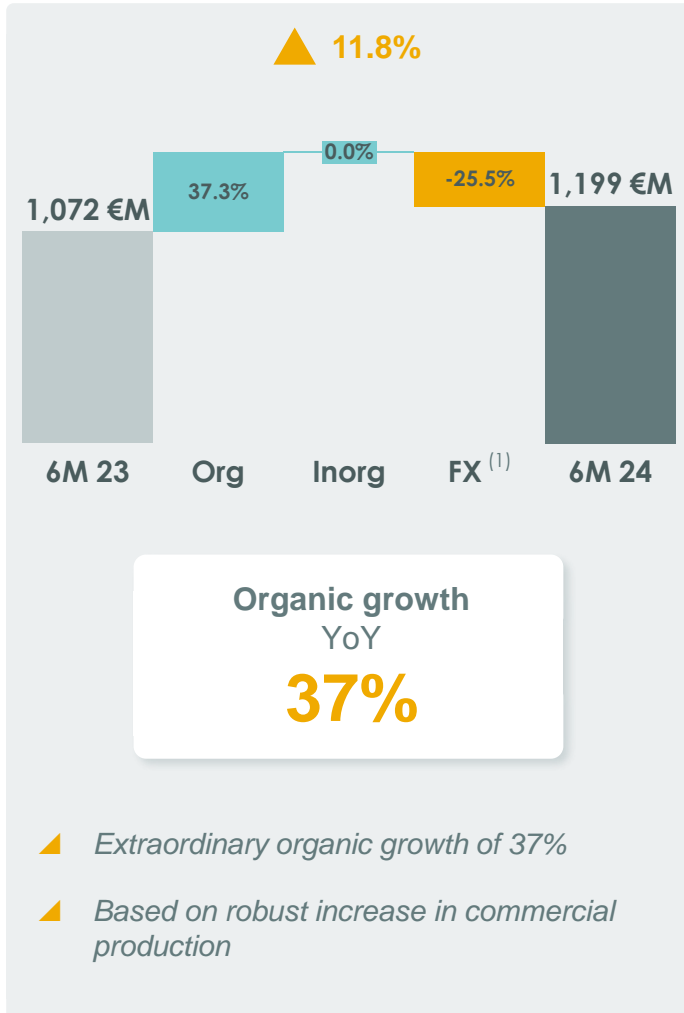
Operating cash flow
impacted by fewer
working days

- ▲ Cash generation is impacted by:
 - Calendar effect
 - Decay in price pass-through in some geographies
 - Growth in Forex business

⁽¹⁾ Includes FX and IAS 21 & 29 effects

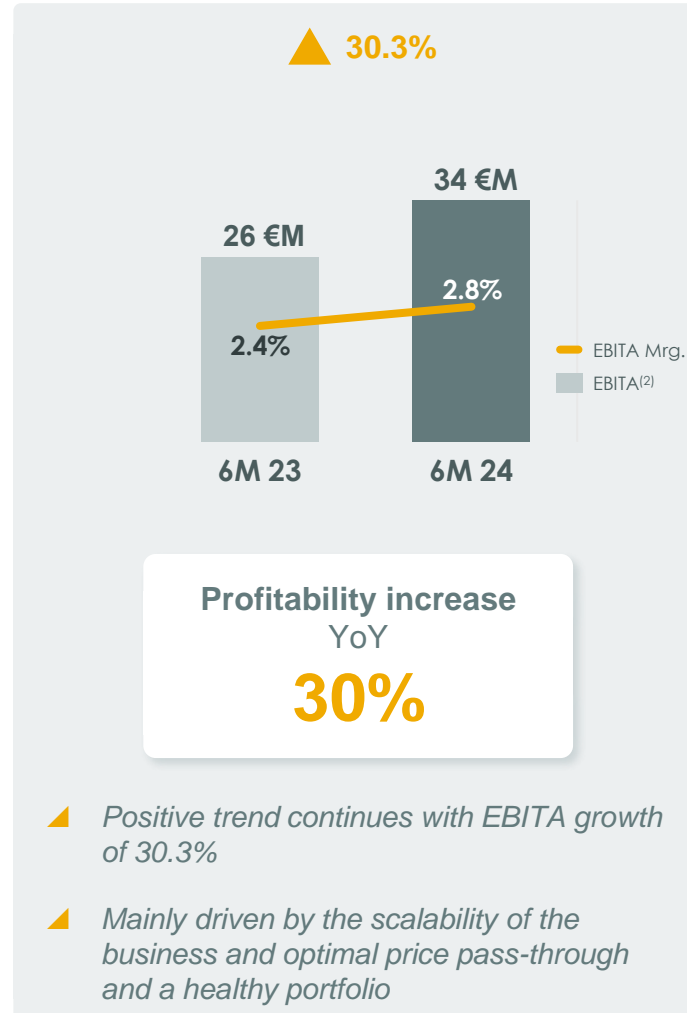


Revenues

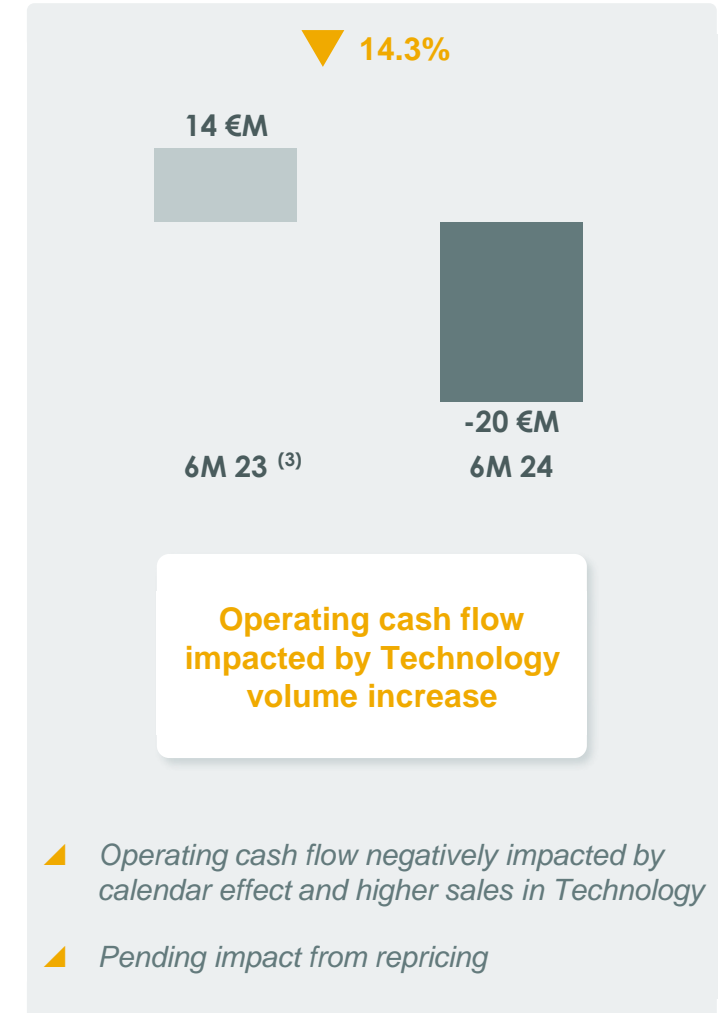


⁽¹⁾ Includes FX and IAS 21 & 29 effects
⁽²⁾ EBITA excludes Overhead Costs
⁽³⁾ Excludes extraordinary advance payment of 12 €M in 2023

EBITA

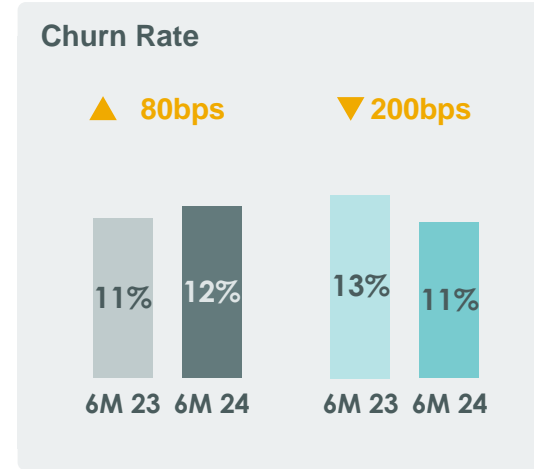
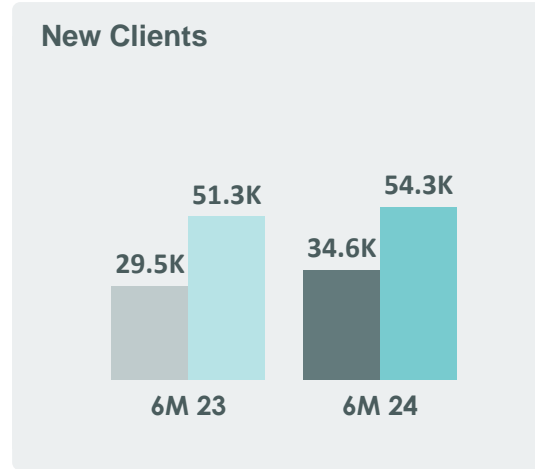
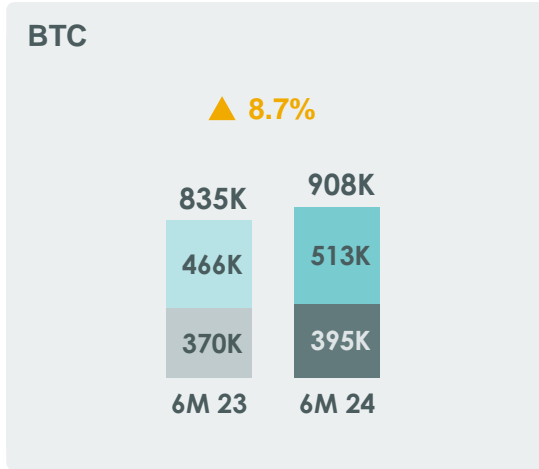


Operating Cash Flow

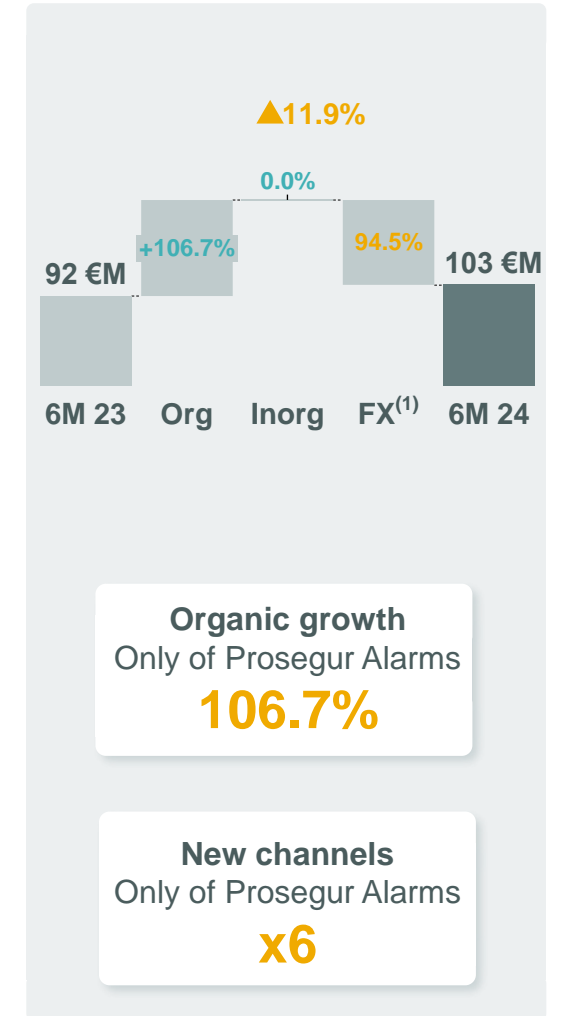




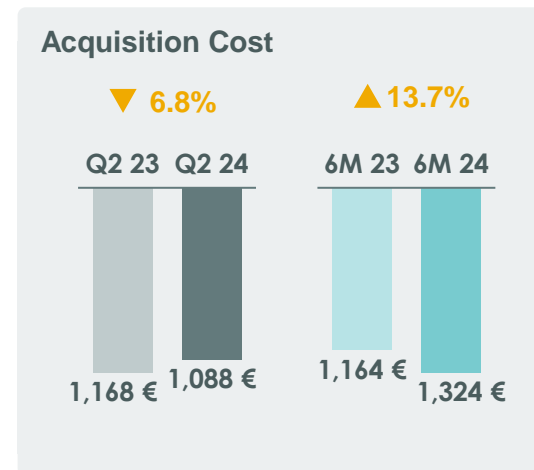
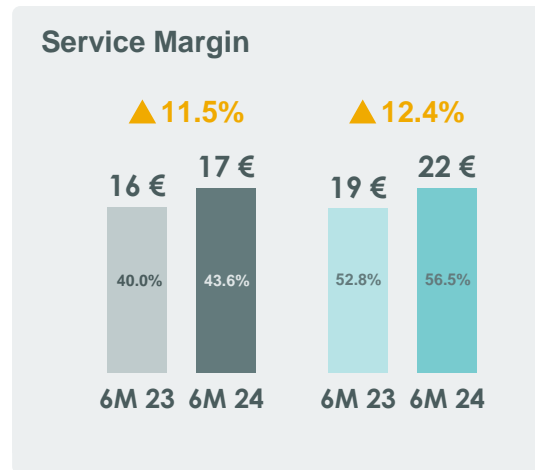
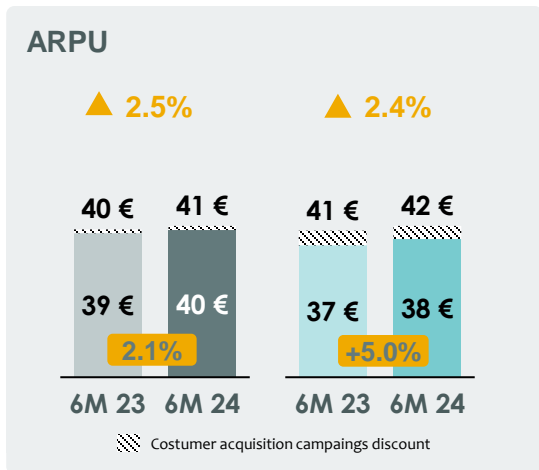
Client Base



Revenues ⁽²⁾



Profitability



■ Prosegur Alarms ■ Movistar Prosegur Alarms

⁽¹⁾ Includes FX and IAS 21 & 29 effects

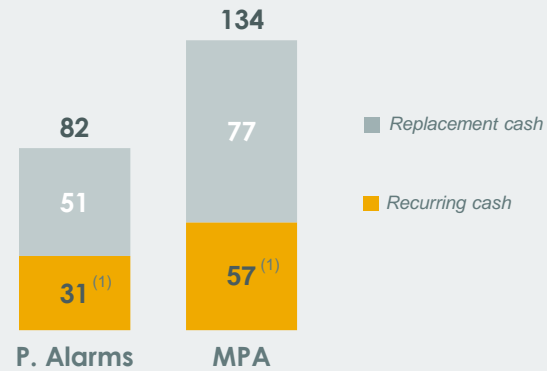
⁽²⁾ Reported Alarms sales belonging exclusively to Prosegur, Movistar Prosegur Alarms sales are not included



Valuation analysis

Recurring cash *Run-Rate*

- Recurring cash run-rate measures the cash generation capacity for the next 12 months while maintaining the current portfolio (both in terms of BTC and other operating indicators).



- Total recurring cash: **€60M per year.**
[31€M P.Alarms + 57€M 50%MPA]

EBITA jun 24

- Investment in growth impacts EBITA by penalizing the valuation of the company if it is valued at multiples of EBITA.

EBITA Service	40.7
EBITA Investment	-37.6
MPA	-2.55
Accruals	8.15
Hyperinflation effect	-8.10
EBITA YTD	0.60

- Taking into account the effect of hyperinflation the EBITA is **€0.60M**

Valuation analysis

- The EBITA of Alarms' business is penalized by growth.
- The valuation of the Alarms business should be based on the cash generation capacity and not on the EBITA multiple.
- MPA contributes with its Net Profit to the EBITA of Prosegur Alarms, as it is consolidated by the equity method.
- EBITA is penalized by the higher depreciation expense due to the revaluation of the assets in Argentina.

(1) ROW: [17.4 * 395,070] - [11.9% * 395,070 * 1,088]; MPA: [21.7 * 512,928] - [11.3% * 512,928 * 1,324]



3



Conclusions





Conclusions



Group

Sales growth in all group **geographies** despite **fewer working days** in June

Sales
+6.9%
Vs 6M 23



Cash

In the **Cash** business, **EBITA** is negatively impacted by **FX impact** and additional **investments** in the **Forex** business. **Growth** in the **Transformation Products** business was maintained

Transformation
Products
32%
Over Sales



Security

Significant increase in **EBITA** at **Security**, reaching a **margin** of **2.8%** for the period

Profitability
+30%
Vs 6M 23



Alarms

Growth in the number of **Alarms connections**, while keeping **key indicators** under control

Solid **recurring cash generation** with good growth prospects

Recurring Cash
59M€
Run-rate



Cash Flow

Free Cash Flow impacted by **increase** in **DSO** - mainly due to **calendar effect**

Moderate leverage level, with **favorable cost** and **maturity** conditions



10 September
2024
**Kepler Autumn
Conference**

27 September
2024
**Analyst day
Alarms**

04 November
2024
**Q3 2024 Results
Presentation**

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