

6M 2021 Results



30 / July / 2021

Investor Relations Department



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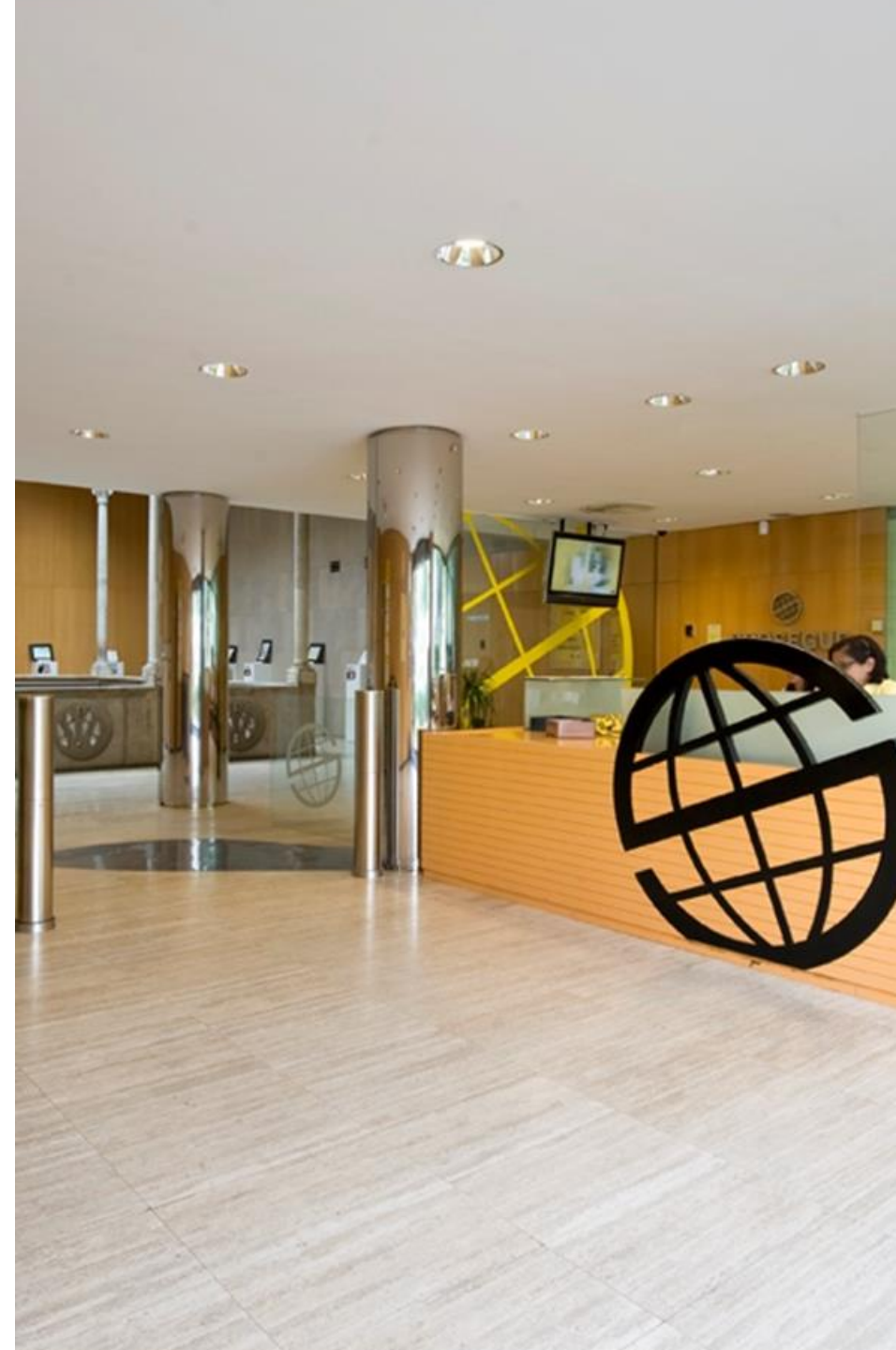
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2021 CAPITAL MARKETS DAY

Recap





Prosegur Guidance



2020¹

2023

2030

Sales²
(In €Bn)

3.5

4.2-4.5

6.2-6.7

New Products /Sales

26%

35-40%

>50%

EBITA %

7.4%

~10%³

12-15%

Operating Cash Flow⁴ / EBITDA %

35.4%

~35%

~35%

Additional sales from M&A
(In €Bn)

0.3

1.0-1.3

1. Excluding extraordinary results in the period, mainly resulting from the exchange of participations between Prosegur and Telefónica, France Security and partial impairment of Australia
2. Sales exc. MPA
3. Excluding ~20 €M of one-offs costs related to Prosegur Digital Transformation process
4. Inc. CapEx



Value creation



INFLATION DRIVES A POSITIVE POTENTIAL

Inflation generates advantages for our business



Higher volumes of cash in circulation in emerging countries



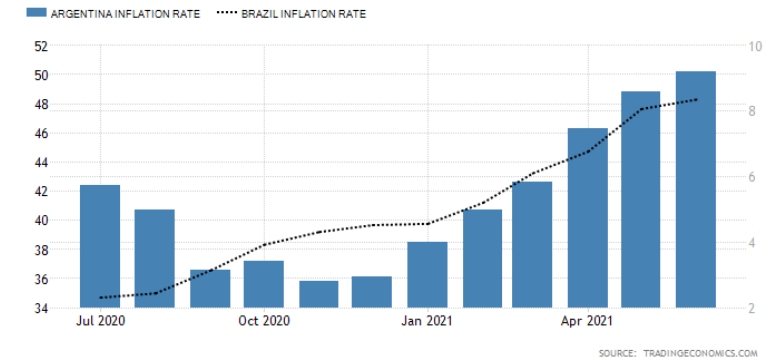
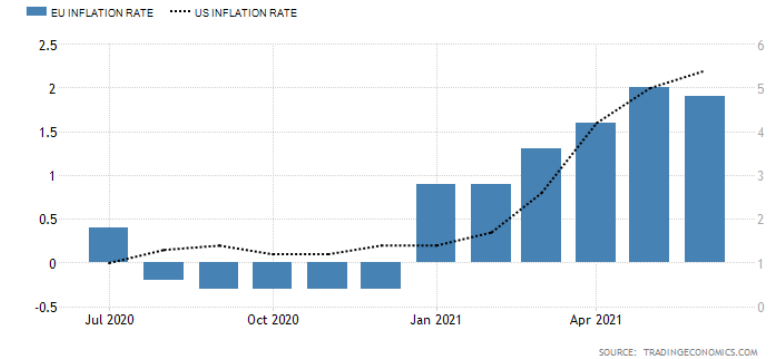
Margin improvement due to application of the “ad valorem” formula



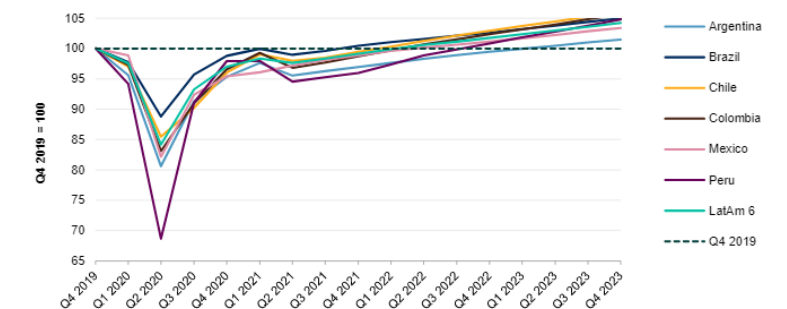
Increased velocity of cash circulation in mature countries



Greater speed in the transfer of prices to market



Projected GDP Level Versus Pre-Pandemic Level



Source: Oxford Economics, Haver Analytics, S&P Global Ratings.
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RELEVANT INDICATORS OF THE PERIOD

1,637 €M



REVENUES

- ▲ **2.9% organic growth**
- ▲ **Positive local currency growth in LatAm and Row**
- ▲ Acquisition of **RedPagos**
- ▲ **Europe** still under the **negative effects** of the **pandemic**, although it begins to show **signs of recovery**

93 €M



EBITA

- ▲ **Profitability improvements in Cash and Security**
- ▲ **Profitability** affected by **seasonality, negative comparable** effect to 1H2020 and investments associated to **digital transformation**

91 €M



CASH FLOW

- ▲ **Good cash generation, higher** than the Group's **historical average**
- ▲ **Strong comparable** effect due to **health crisis** and **adverse FX**
- ▲ **Positive evolution** of **Working Capital** in the quarter, driven by **improvement in DSO**

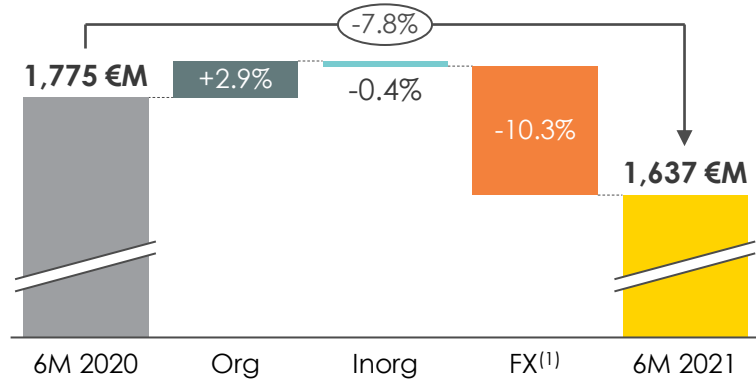
1.3 €Bn



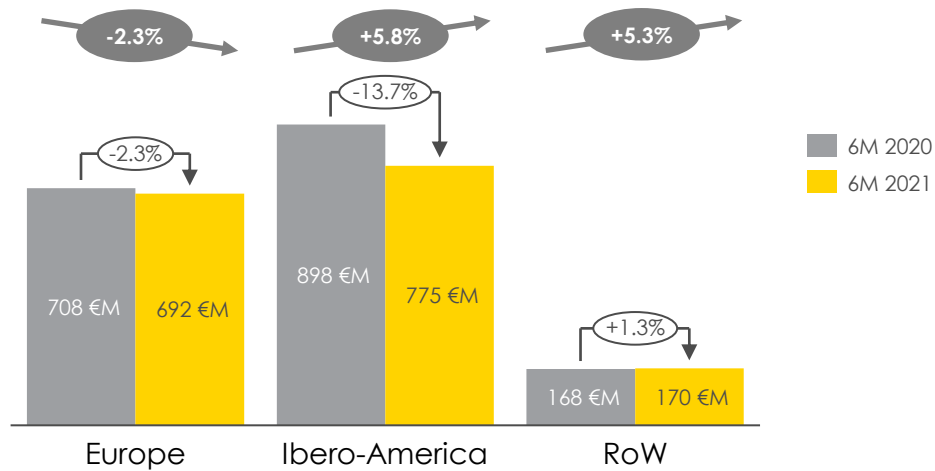
LIQUIDITY

- ▲ **Excellent debt maturity profile**
- ▲ **Comfortable level of liquidity and firepower**

REVENUES



SALES BY REGION



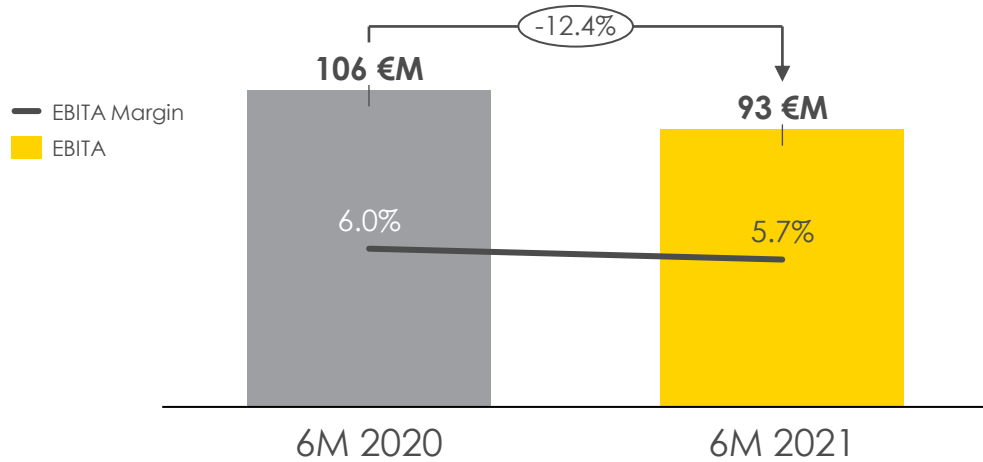
Consolidated Results (€ millions)	6M 2020	6M 2021	% Variation
Sales	1,775	1,637	-7.8%
EBITDA	184	171	-6.9%
Margin	10.4%	10.5%	
Depreciation	(78)	(79)	
EBITA	106	93	-12.4%
Margin	6.0%	5.7%	
Amortization of intangibles and impairments	(14)	(14)	
EBIT	91	78	-14.4%
Margin	5.2%	4.8%	
Financial result	(33)	(4)	
Profit before tax	58	75	+28.0%
Margin	3.3%	4.5%	
Tax	(30)	(46)	
Tax rate	51.5%	61.5%	
Net Profit	28	29	+1.6%
Minority Interest	6	2	
Consolidated Net Profit	23	26	+16.3%

Reported EBITDA figure includes grants received due to Covid19 to sustain employment

⁽¹⁾ Includes FX and IFRS 21&29 effects



CONSOLIDATED PROFITABILITY

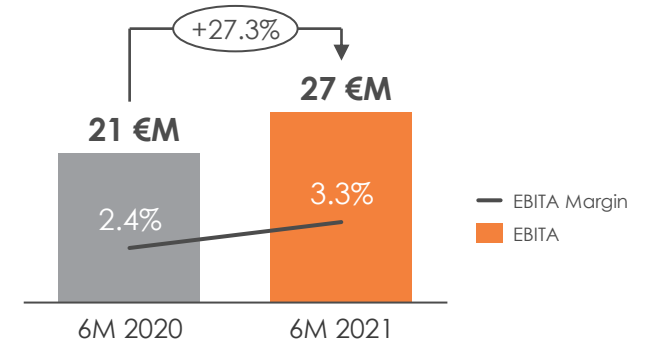


- ▲ Margins improvement in Security and Cash
- ▲ Slight reduction in profitability due to lower volumes from Covid and increased investments in digital transformation
- ▲ Alarms EBITDA Pre-SAC affected by reactivation of sales activity costs and digitization

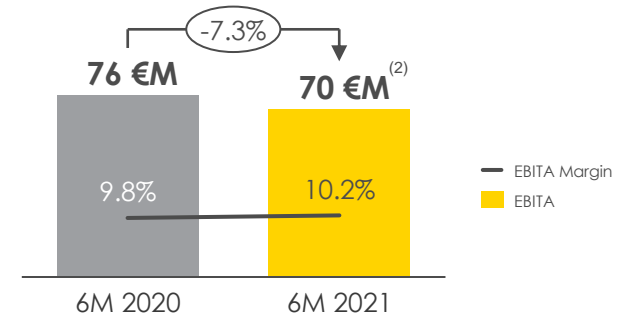
PROFITABILITY BY BUSINESS LINE



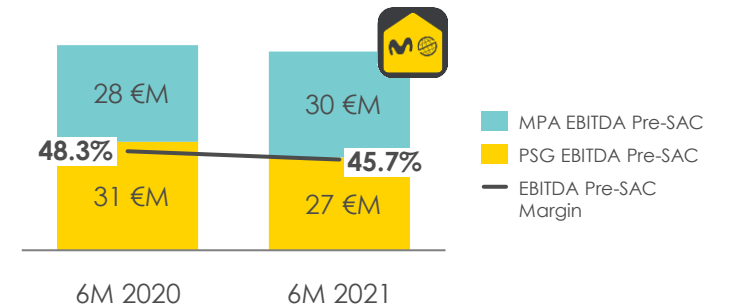
Security⁽¹⁾



Cash



Alarms



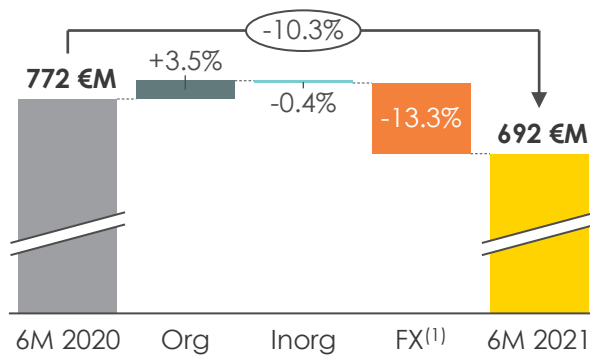
⁽¹⁾ Excludes Overhead Costs ⁽²⁾ AVOS transaction has no impact at consolidated level

Results by Business





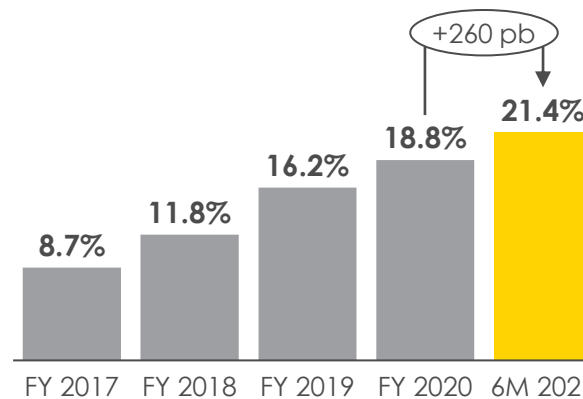
REVENUES



- ▶ **Positive local currency growth**
- ▶ **Generalized improvement of organic growth in all geographies** in respect to Q1 2021
- ▶ **Negative currency impact** still present



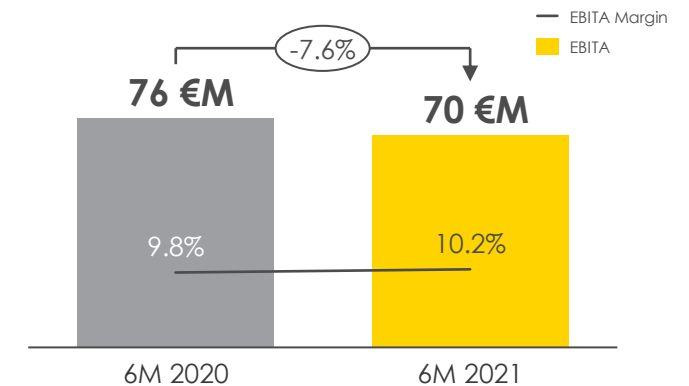
NEW PRODUCTS



- ▶ **New Products** represent **21.4%** of total sales
- ▶ Initiated **joint venture** with **Euronet** to lead the Latin American **Independent ATM operators** market
- ▶ Finalised **M&A transaction** in **Uruguay** to become the country's **main banking agent representative (CORBAN)**



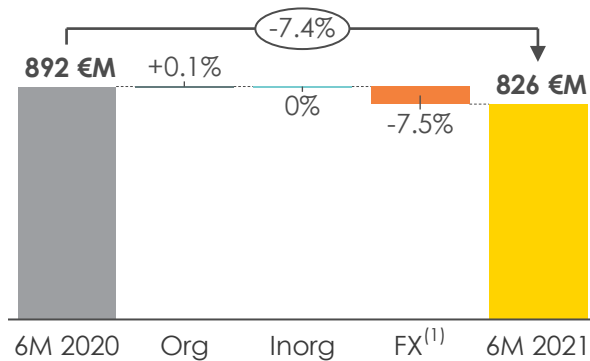
PROFITABILITY



- ▶ **Underlying margins** gradually **improving** along the quarter and the year
- ▶ **Reported profitability** remains **affected** by negative **comparable base, services mix** and **adverse FX**



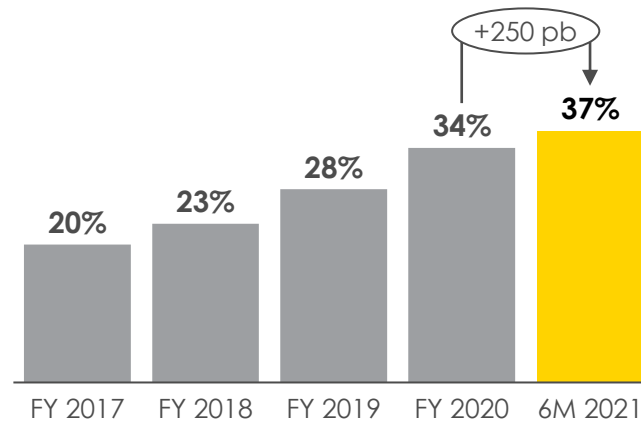
REVENUES⁽²⁾



- Positive organic growth
- Maintaining **positive trend** boosted by **Spain and US**
- Gradual recovery of non-productive effects
- Still negatively impacted by **COVID** in **Ibero-America**.



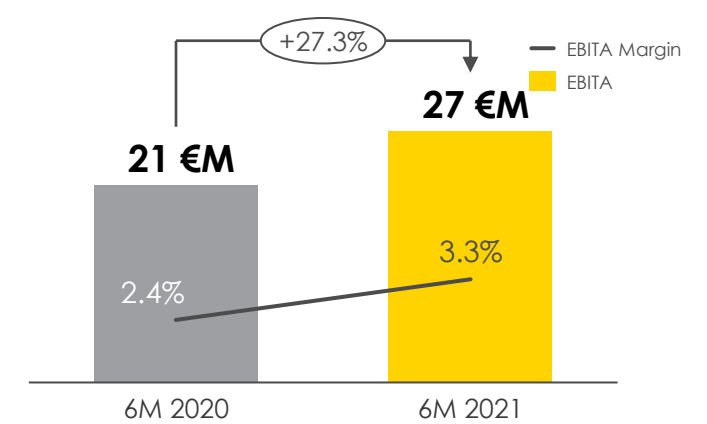
NEW PRODUCTS



- Increase in **Integrated Security Solutions** to **37%** of sales
- High customer penetration of **"Safety"** and **"Business Continuity"** solutions, complementing the traditional **"Security"**



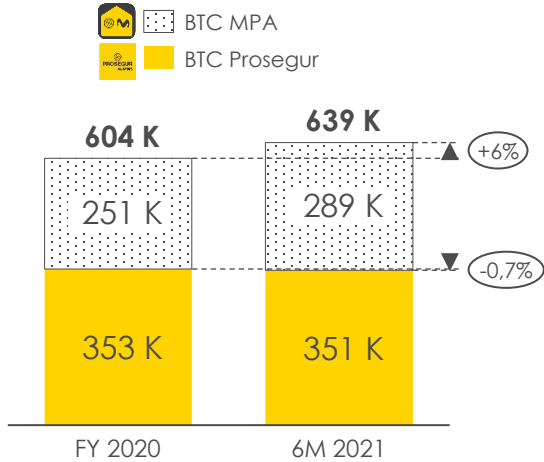
PROFITABILITY⁽²⁾



- EBITA growth over **27%**
- Continuous improvement in profitability driven by:
 - New Products
 - Customer portfolio optimization
 - Strict cost control and **"Fix the Basis"**

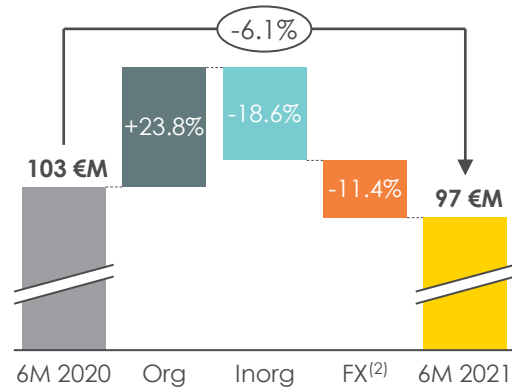
⁽¹⁾ Includes FX and IFRS 21&29 effects - ⁽²⁾ Excludes Overhead Costs

INSTALLED BASE



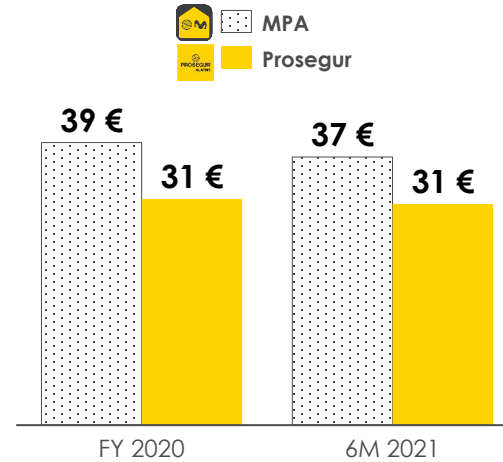
- MPA increments its clients base with 38,000 new connections in 6 months, including sales ralentization periods
- Rest of the world reactivates sales activity, covering the churn suffered during the pandemic

REVENUES⁽¹⁾



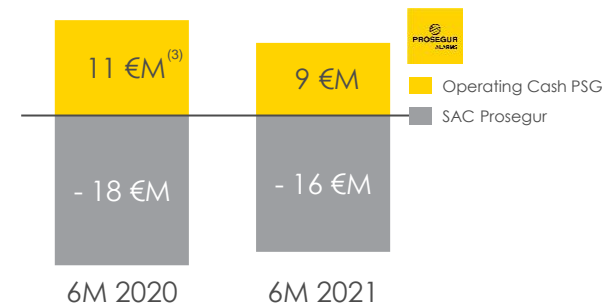
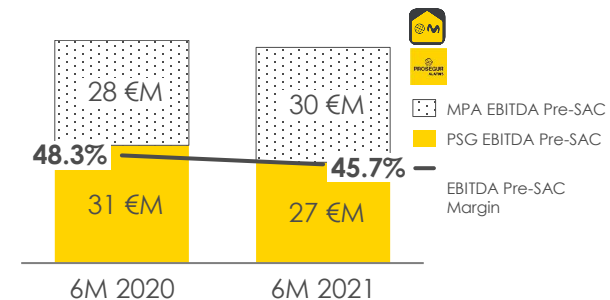
- Organic growth greater than 23%
- Good portfolio price update
- Inorganic reflects the deconsolidation of Spain

ARPU



- ARPU remains stable in Prosegur, despite the strong effects of the pandemics
- Slight reduction in MPA due to client retention policies and commercial efforts to reactivate sales

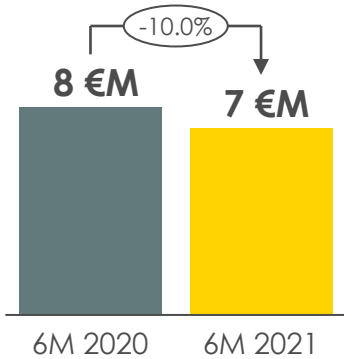
PROFITABILITY & CASHFLOW



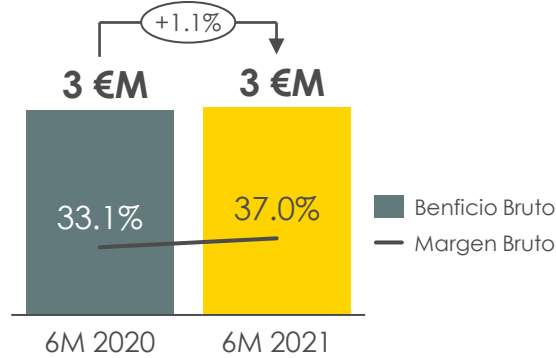
⁽¹⁾ Alarms reported revenues refer exclusively to Prosegur . Does not include revenues from Movistar Prosegur Alarmas – ⁽²⁾ Includes FX and IFRS 21&29 effects – ⁽³⁾ Includes 2 months of Alarms in Spain



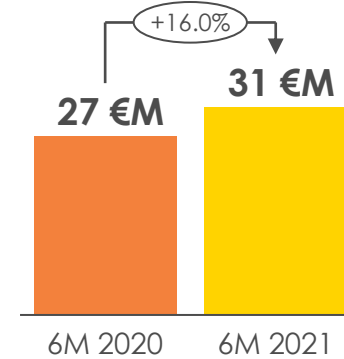
REVENUES



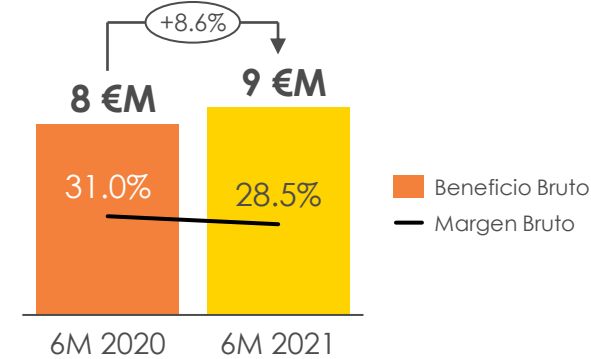
PROFITABILITY



REVENUES



PROFITABILITY



- Sales growth minored mainly by adverse FX in Brazil
- Profitability improvement of nearly 400 basis points

- Double-digit growth in sales of over 15% is consolidated
- Inorganic growth plan progressing satisfactorily

⁽¹⁾ During 2020 and until March 31st 2021, AVOS belonged to Prosegur CASH. Figures from AVOS as an independent business are 15 €M in revenues and 4 €M gross margin, corresponding to 2Q2021.

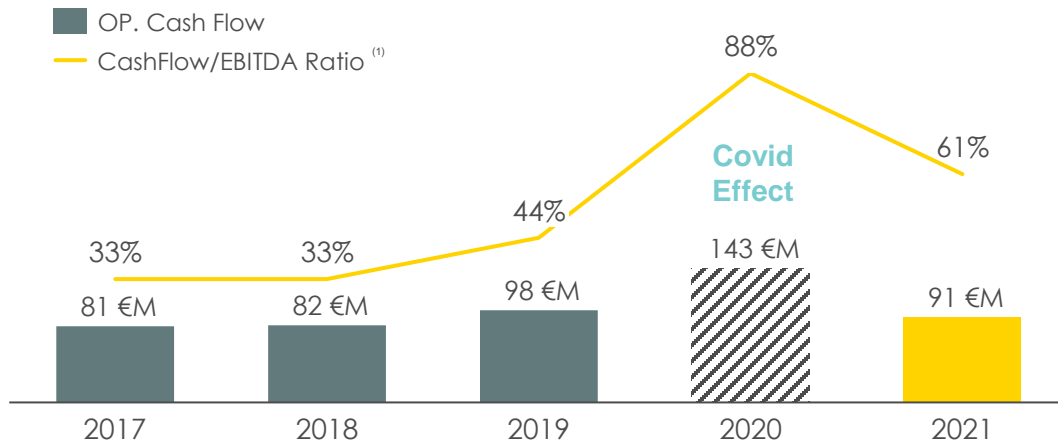
Financial Information





CONSOLIDATED CASH FLOW

First Half accumulated Operating Cash comparison



- ▶ **Operating cash flow above the Group's historical average**, isolating outliers for fiscal year 2020
- ▶ **Strong comparable effect** derived from **FX** and **health crisis**:
 - ▶ Full first semester 2021 impacted by **pandemic**
 - ▶ **Tax deferral** in 2020 **non-recurring** in the current fiscal year
- ▶ **Positive** evolution of **working capital** in the quarter, driven by **improvement** in **DSO**

Amounts in €M	6M 2020	6M 2021
EBITDA	184	171
Provisions and other non-cash items	47	5
Tax on profit	(58)	(35)
Changes in working capital	(12)	(33)
Interests payments	(18)	(17)
Operating Cash Flow	143	91
Acquisition of property, plant & equipment	(66)	(56)
Payments for acquisitions of subsidiaries	(83)	(35)
Dividend payments	(38)	(41)
Treasury stock & Others	(104)	(28)
Cash flow from investing / financing	(291)	(159)
Flujo neto total de caja	(148)	(68)
Initial net financial debt	(649)	(889)
Net increase / (decrease) in cash	(148)	(68)
Exchange rate	(47)	(0)
Net Financial Debt ⁽²⁾	(844)	(958)
Financial Investments ⁽³⁾	211	195
Adjusted Net Financial debt	633	763

⁽¹⁾ IFRS 16 impact normalized - ⁽²⁾ Excludes IFRS 16 debt - ⁽³⁾ Telefonica shares at period closing date market value



FINANCIAL POSITION

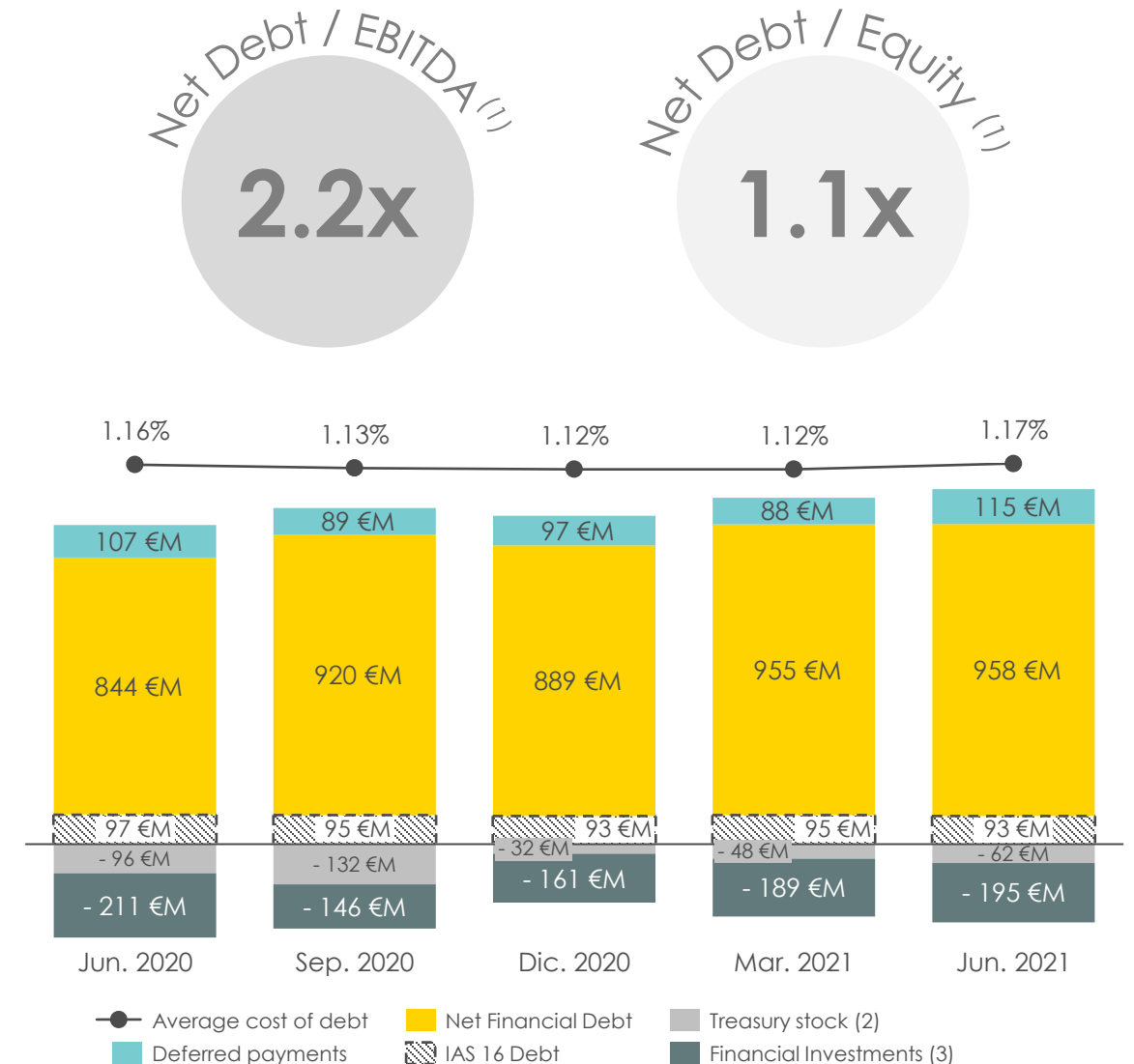
BBB stable

▶ **Notable containment of net financial debt in the quarter, despite:**

- ▶ Dividen payment
- ▶ Inorganic growth
- ▶ Capex

▶ **Moderate leverage ratio, normalized with Telefónica shares**

▶ **Flat average cost of corporate debt, compared to the same period of fiscal year 2020 (1.17% vs 1.16%)**



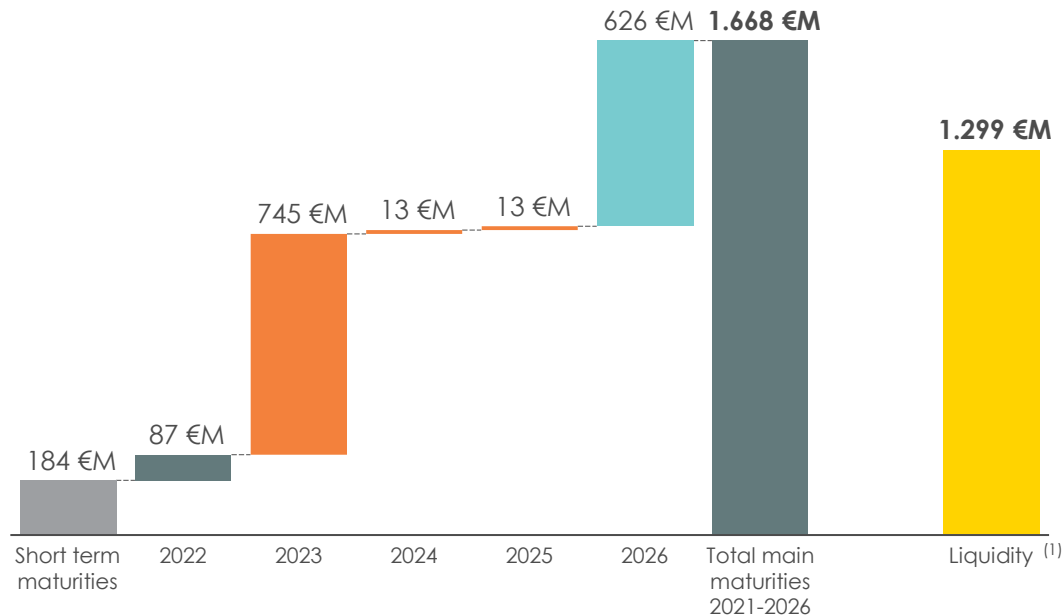
⁽¹⁾ Includes net financial debt, IFRS 16 debt and Financial Investments ⁽²⁾ Treasury stock of Prosegur and Prosegur Cash at closing market price of the period ⁽³⁾ Telefonica shares at period closing date market value



BALANCE SHEET

- ▲ **Stable and solid Balance Sheet**
- ▲ **Comfortable liquidity** level and firepower
- ▲ **Excellent long term debt maturity profile**, exceeding 80% of total debt level
- ▲ **Incorporation of RedPagos** into the consolidated balance sheet

Main maturities DEBT vs. LIQUIDITY



Amounts in €M

	FY 2020	6M 2021
Non-current assets	2,169	2,304
Tangible fixed assets and real estate investments	724	743
Intangible assets	886	953
Others	558	607
Current assets	1,745	1,443
Inventory	47	51
Customer and other receivables	781	809
Cash and equivalents and other financial assets	917	582
TOTAL ASSETS	3,914	3,747
Net equity	718	806
Share capital	33	33
Treasury shares	(15)	(28)
Retained earnings and other reserves	677	767
Minority interest	23	35
Non-current liabilities	1,924	1,815
Bank borrowings and other financial liabilities	1,649	1,536
Other non-current liabilities	274	279
Current liabilities	1,272	1,125
Bank borrowings and other financial liabilities	353	224
Trade payables and other current liabilities	919	901
TOTAL NET EQUITY AND LIABILITIES	3,914	3,747

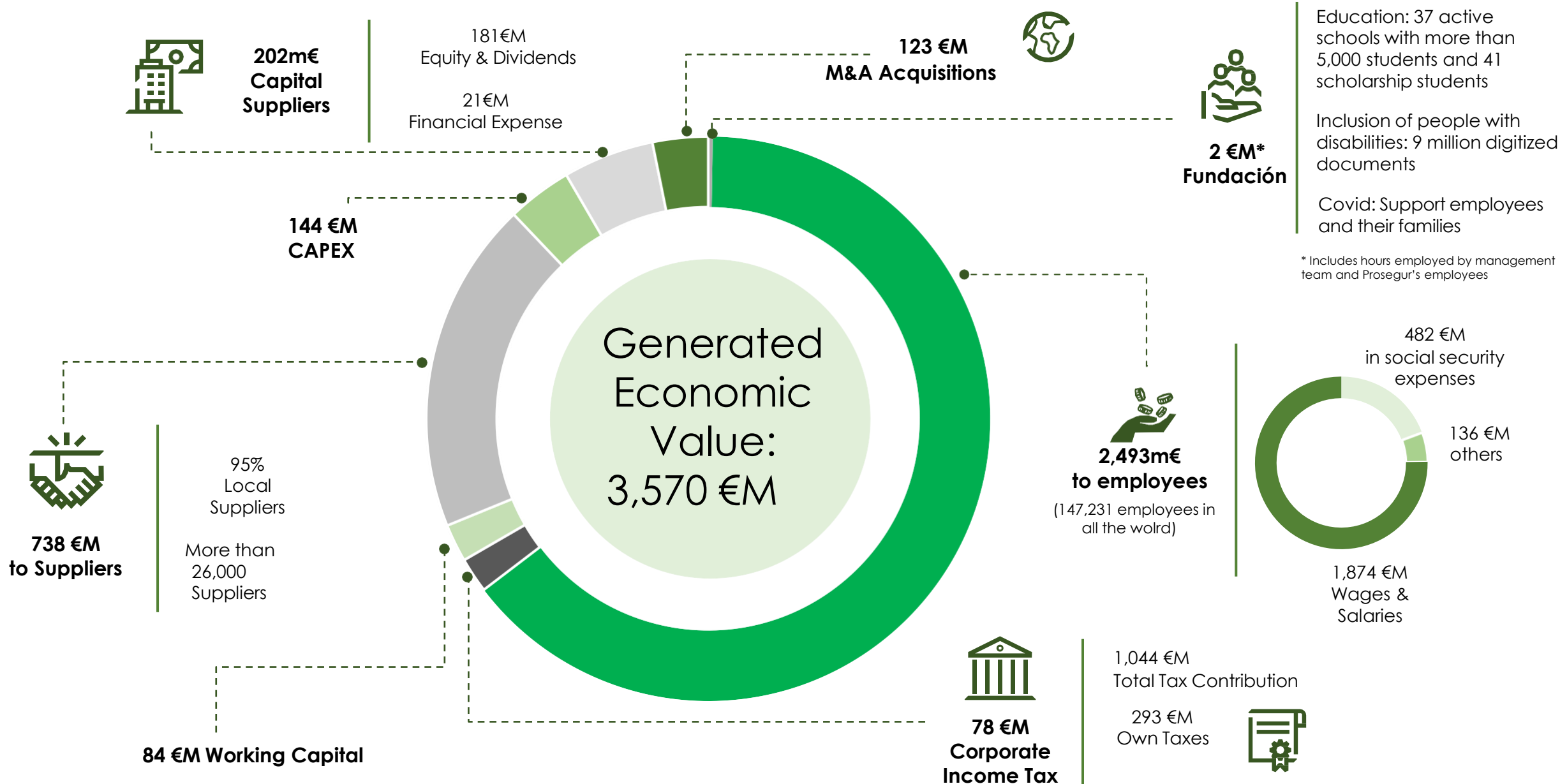
⁽¹⁾ Liquidity: Cash and cash equivalents plus undrawn available lines

ESG

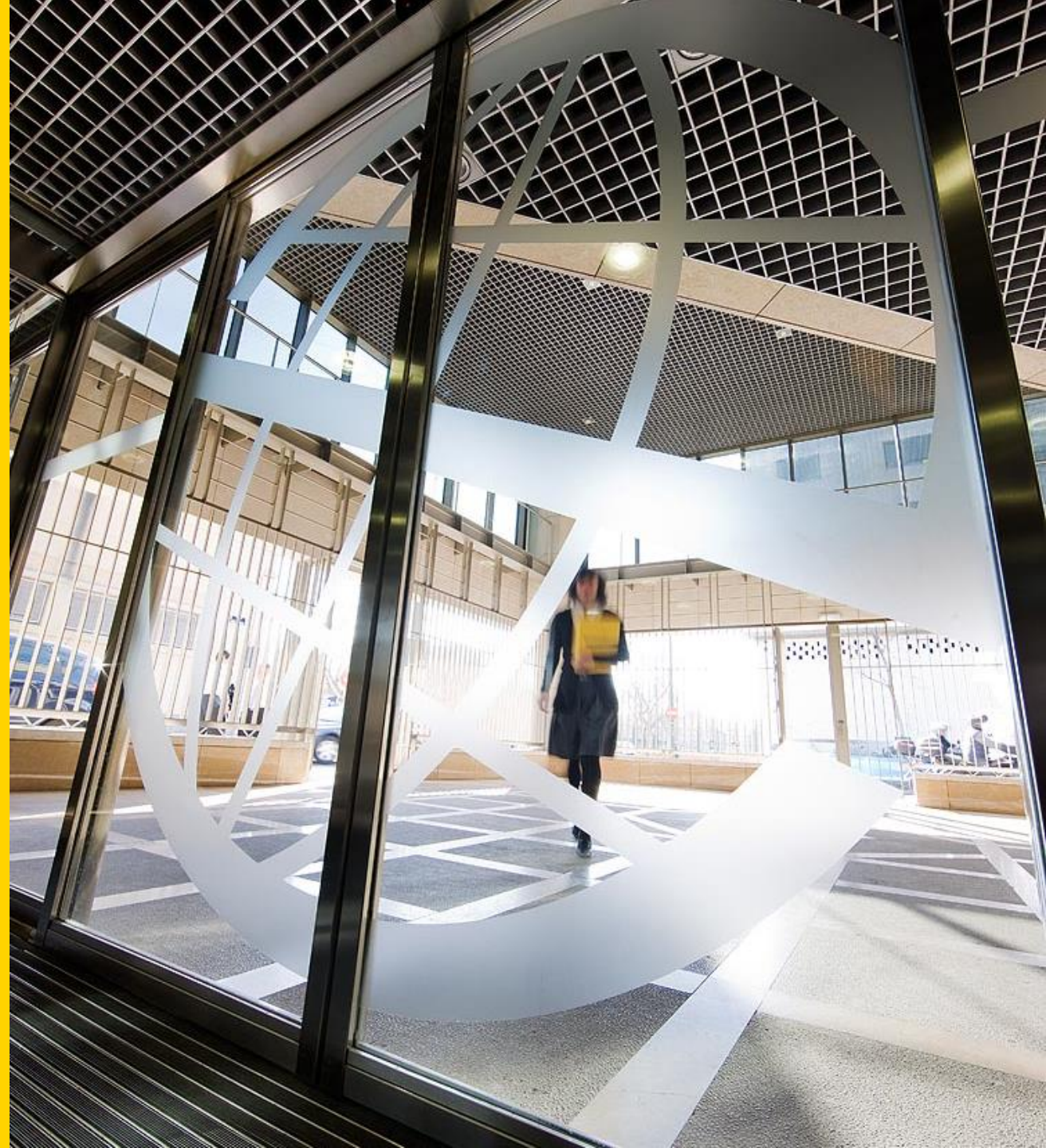




PROSEGUR 2020 SOCIAL CASH FLOW



Final Remarks



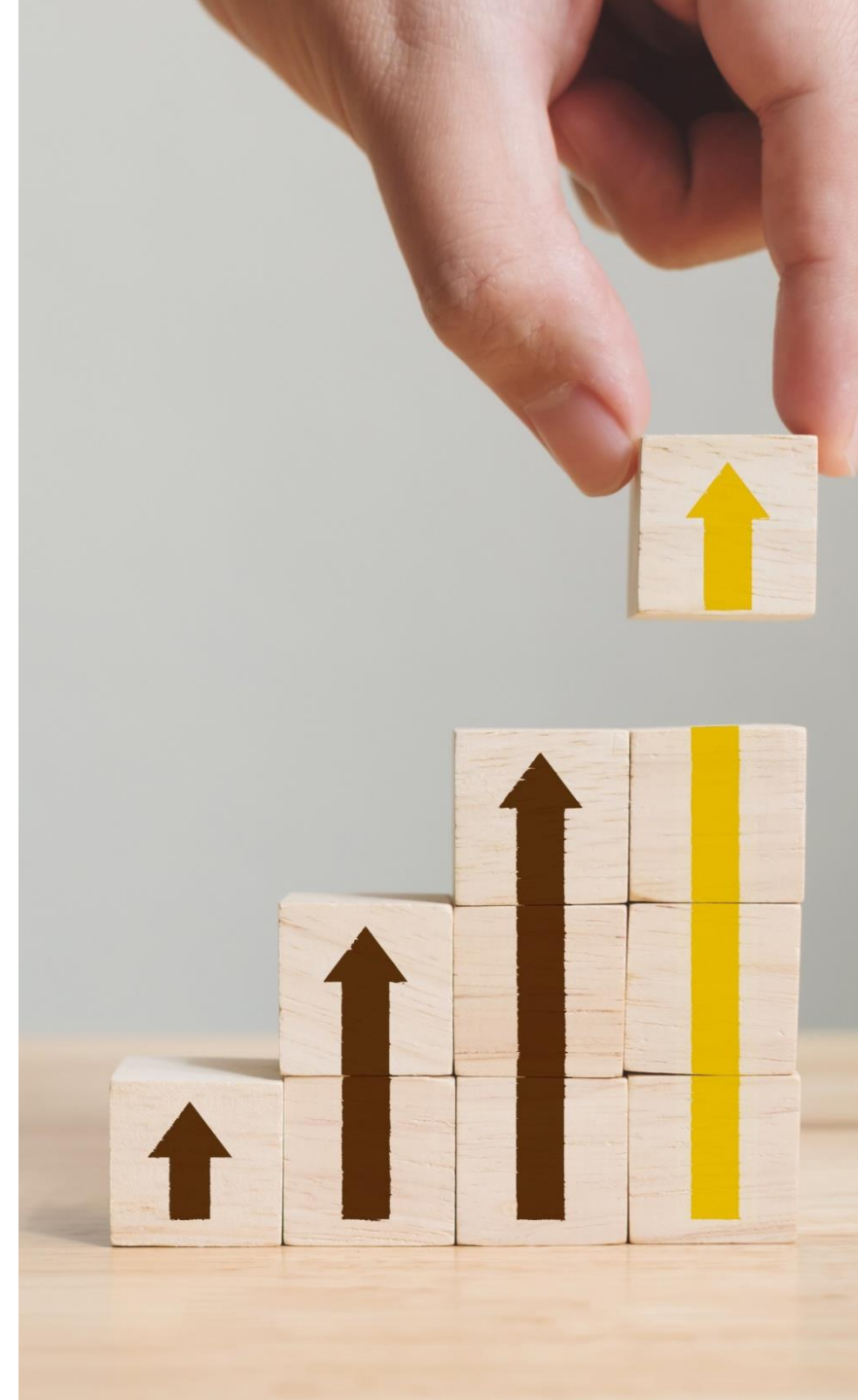


FINAL REMARKS AND OUTLOOK



Good overall performance, despite the persistence of the pandemic

- ▶ **Positive organic growth** driven by **Ibero-America** and **RoW**
- ▶ **Opportunity** to take advantage of **raised inflationary** environments
- ▶ **Margins improvement** in **Cash** and **Security**
- ▶ **Penetration** of **new products** and services supported by **M&A** continues
- ▶ **AVOS** and **CIPHER** are two very **profitable future** bets
- ▶ **Good cash generation** and **debt containment**
- ▶ **Infrastructure Capex**, remains **in line** with historical Group's average of **2%** of sales
- ▶ **Reaffirming** the **guidance** provided in the **CMD**



Q&A





Antonio de Cárcer
Director of Investor Relations

Tel: +34 91 589 83 29
antonio.decarcer@prosegur.com

Cristina Casado
Investor Relations

Tel: +34 91 589 83 47
cristina.casado@prosegur.com

