

Earnings Presentation FY 2023

José Antonio Lasanta - CEO

Javier Hergueta - CFO

Miguel Bandrés - IRO

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"Redsys, the payments and collections platform, **has suffered a general failure of payment systems in Spain** and all banks have reported **failures in dataphone, e-commerce and Bizum transactions.**"

Source: Cinco Días, El País

"According to a study by the **Bank of Spain**, **cash** has been the **most widely used means of payment in 2023** in which it has **increased its share**. For **7 out of 10** Spaniards, it's an **essential means of payment and will continue to be so** in the future."

Source: Antena 3 noticias

"In a **report on the digital euro** published by the **ECB**, it is stated that the digital currency should have a **maximum limit per user** of between **3,000 and 4,000 €** to **avoid negative effects on the financial system and monetary policy.**"

Source: El Economista

"Despite **the increased number of payment alternatives** in Latin America, **cash continues to be the preferred method** for consumers in the region."

Source: Euromonitor

"The **British Retail Consortium** has indicated that for the first time in 10 years, **cash payments have increased**, because of consumers' **ability to control costs** with it as well as because of the post pandemic trend towards a **natural return to cash.**"

Source: BBC



Highlights of the period: Strong currency impact with temporary effect

1. Highlights of the period
José Antonio Lasanta – CEO

Sales (0.6%)

- **Organic growth** accelerated **+50.8%**.
- **Double-digit organic growth** in **all geographies** in the year and in the standalone quarter.

EBITA Margin 11.8%

- **EBITA affected** by **currencies** and by **hyperinflation** accounting.
- **EBITA margin “like for like”** excluding **hyperinflation** and **Forex business** improved **+60 b.p.**
- **Good European performance**, best since 2019.

NNPP 30.4% /sales

- Fourth quarter **penetration > 1/3 total sales (33.5%)**.
- **Double-digit growth** in all main solutions: **Cash Today, Corban and Forex**.

FCF 120M €

- **One offs -15M €**.
- Incremental **growth Capex, Cash Today and Forex -20M €**
- **Average DSO** improved by **2 days**.

Other

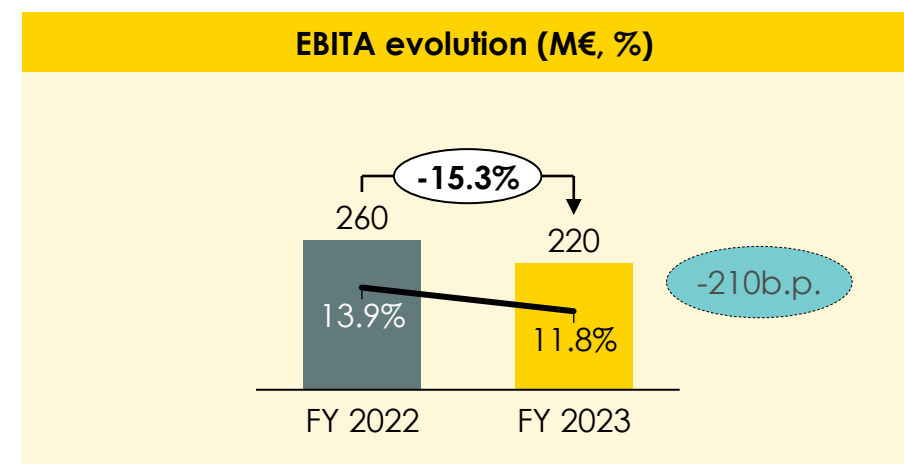
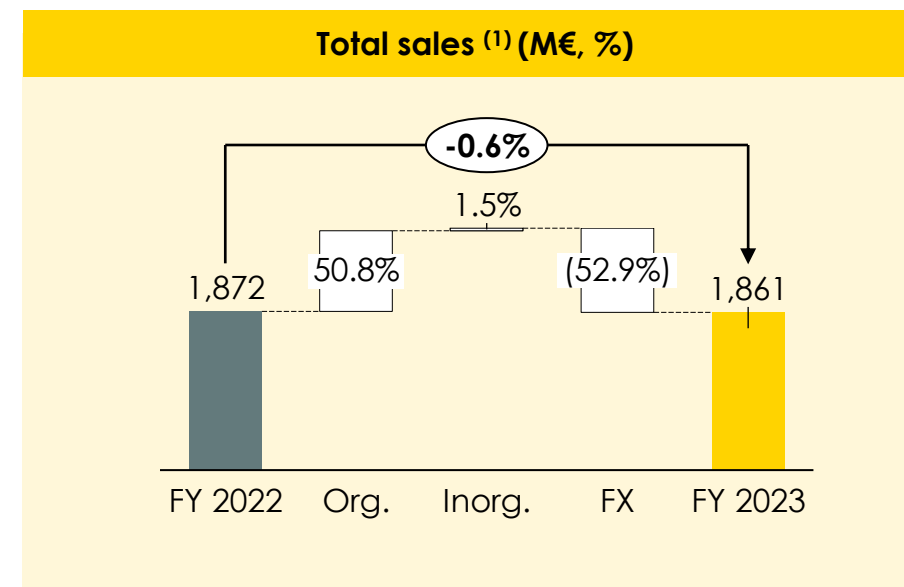
- **2024 dividend proposal 60M €**.
- **Aenor, Sustainalytics and Equileap** maintain their **ESG ratings** in Q4



Profit and Loss Account (1)

2. Profit and Loss Account
Javier Hergueta – CFO

Million Euros	FY 2022	FY 2023	VAR %
Sales	1,872	1,861	(0.6%)
EBITDA	363	326	(10.0%)
Margin	19.4%	17.5%	
Depreciation	(103)	(106)	
EBITA	260	220	(15.3%)
Margin	13.9%	11.8%	
Amortization of intangibles	(24)	(26)	
EBIT	236	194	(17.8%)
Margin	12.6%	10.4%	
Financial result	(51)	(76)	
EBT	185	118	(36.2%)
Margin	9.9%	6.3%	
Taxes	(90)	(55)	
Tax rate	49.0%	46.6%	
Net Profit	94	63	(33.3%)
Margin	5.0%	3.4%	



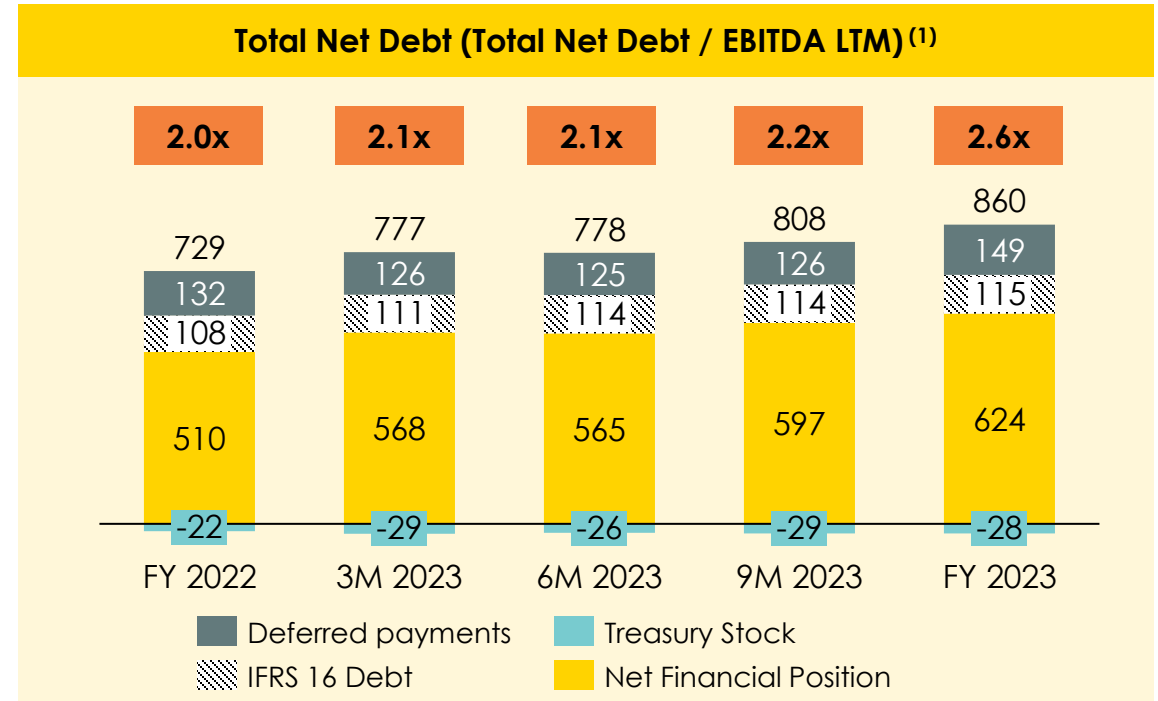
(1) Figures according to IFRS 21 & 29 (hyperinflation accounting) and IFRS 16 (leases).



Cash Flow and Net Debt (1)

3. Cash Flow and Net Debt
Javier Hergueta – CFO

Million Euros	FY 2022	FY 2023
EBITDA	363	326
Provisions and other items	(13)	23
Income tax	(91)	(66)
Acquisition of PP&E	(77)	(106)
Changes in working capital	(33)	(58)
Free Cash Flow	148	120
% Conversion ⁽²⁾	79%	68%
Interest payments	(2)	0
M&A payments	(44)	(23)
Dividend & Treasury stock	(43)	(49)
Others	(9)	(79)
Total Net Cash Flow	51	(30)
Net financial position (beg. of period)	(524)	(510)
Treasury Increase/(decrease)	51	(30)
Foreign Exchange rate	(37)	(84)
Net financial position (end of period)	(510)	(624)



FCF generation +120M €, increasing CAPEX and financing organic growth.



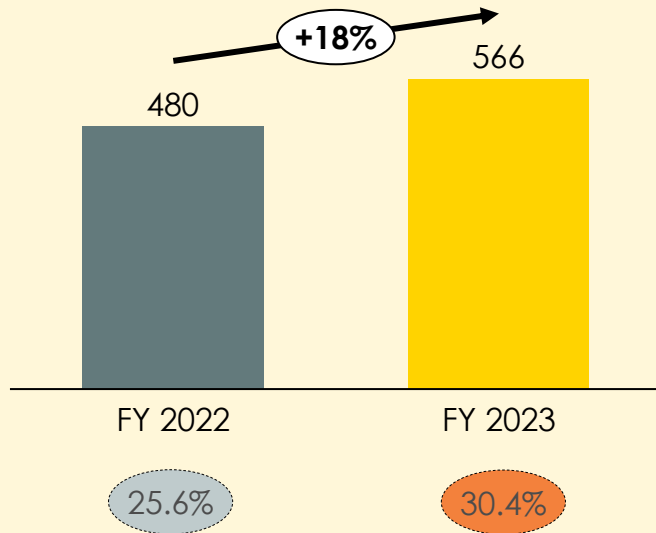
Net financial debt impacted by non-recurring items: change in Australia's consolidation method, currency impact and revaluation of M&A liabilities.

(1) Figures according to IFRS 21 & 29 (hyperinflation accounting) and IFRS 16 (leases); (2) Conversion ratio: (EBITDA - Capex) / EBITDA.



Transformation: Strong New Products momentum as a result of the implemented strategy

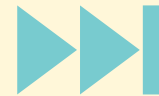
New Products (M€) ⁽¹⁾



% Penetration over sales



▪ Sales increase +18%.



▪ Penetration over sales in Q4 reached 33.5% and accumulated 30.4% (+480b.p.).



▪ Double-digit growth of Cash Today, Corban and Forex.

(1) Cifras 2022-2023 reportadas según normativa contable de hiperinflación (IAS 21 & 29).

Cash Today, automating the traditional business



“Win-win” solution

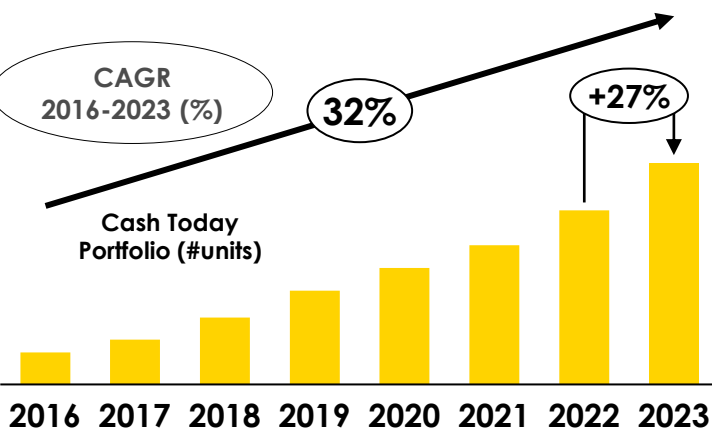
Main customer benefits

- Early Value.
- Full risk coverage.
- Traceability and loss mitigation.
- Resource time efficiency.
- Traditional business substitution.

Main benefits for P. Cash

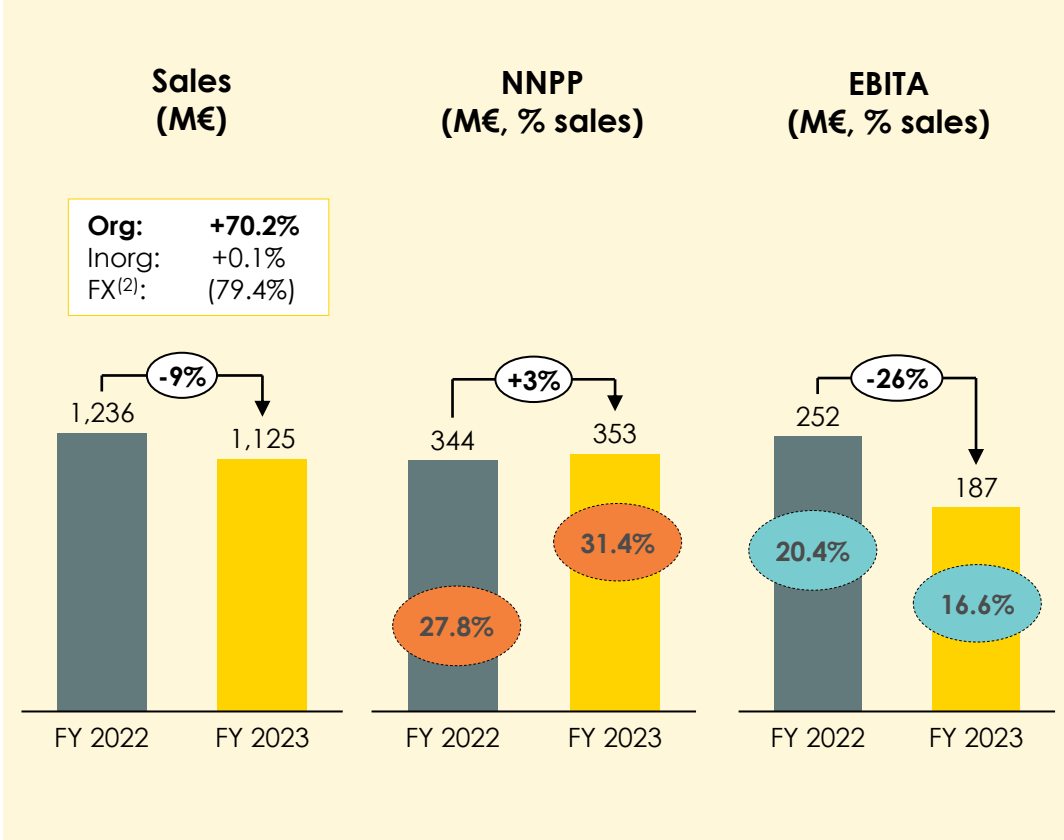
- Market expansion.
- Increased operational efficiency.
- Customer loyalty.
- Income predictability.

Sustained and profitable growth



- Revenue +200M €
- Average EBITA margin ~ 18-20%
- IRR ~ 20%
- Payback ~ 4 years

60% of the group's sales



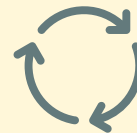
▪ Organic growth +70.2%.



▪ Negative foreign exchange impact (79.4%).



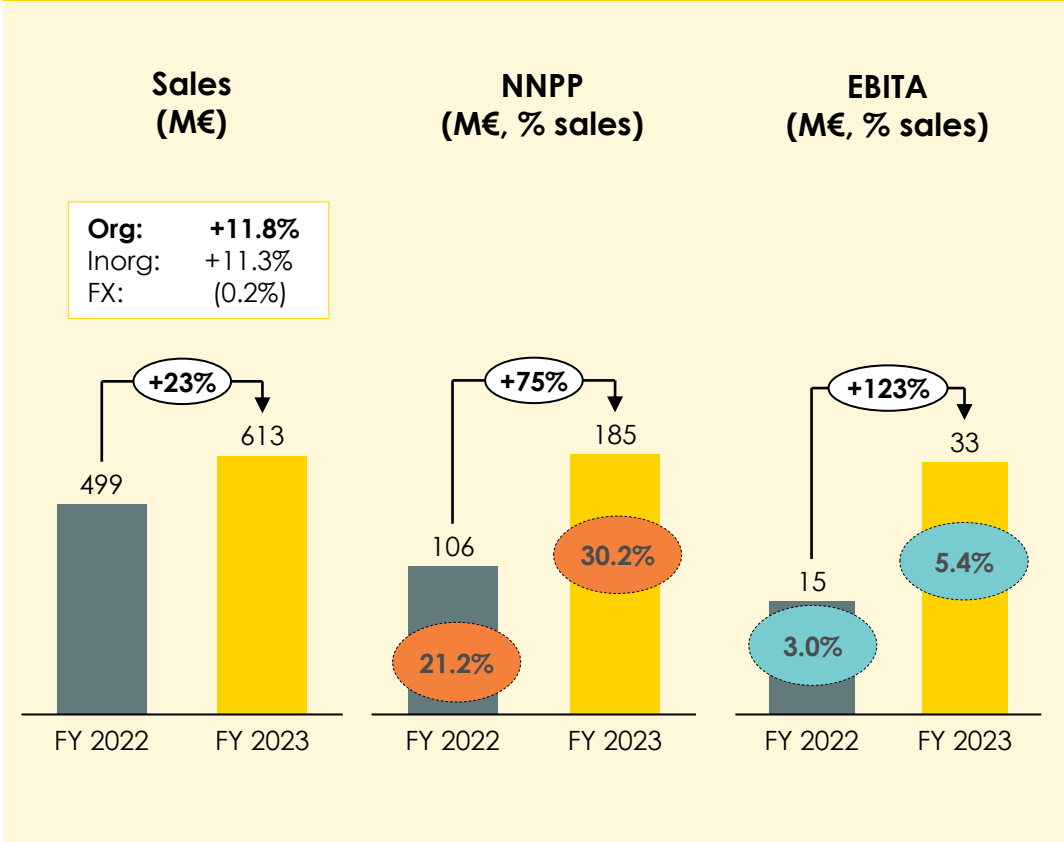
▪ New product penetration accelerated to 36.5% in Q4.



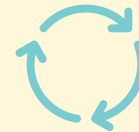
▪ EBITA affected by currencies performance.

(1) Figures according to IAS 21 & 29 (hyperinflation accounting); (2) Includes FX and IFRS 21 & 29 impact.

33% of the group's sales



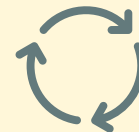
▪ Accelerated **organic growth** of **13.6%** in **Q4**.



▪ **+11.3% Inorganic growth levered** on **Forex** business.

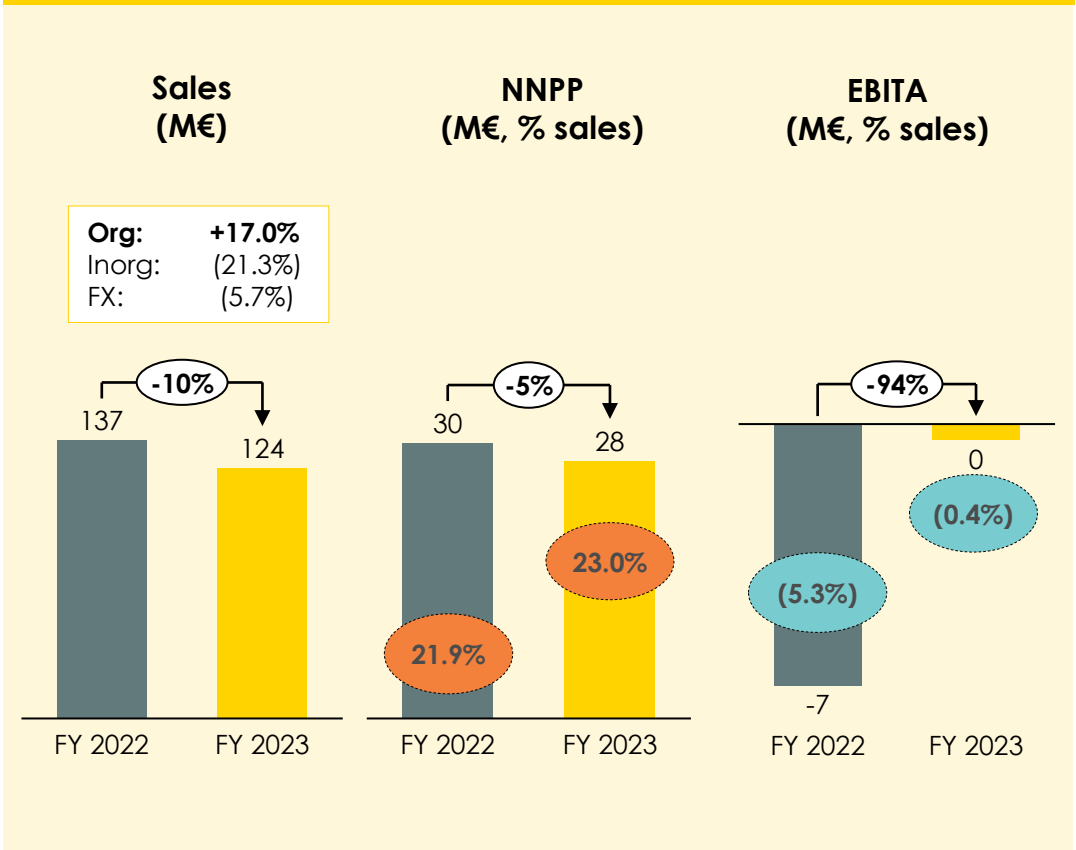


▪ Consolidated **New Product penetration >30%**.

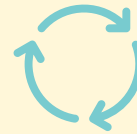


▪ **EBITA** increase **>2x** with **+240b.p. margin** improvement.

7% of the group's sales



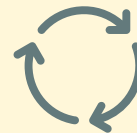
▪ Solid **organic growth +17.0%**.



▪ Inorganic impact due to **change in consolidation methodology Australia (restructuring according to plan)**.



▪ **New Product Penetration** growing **+110b.p.**



▪ Improved **EBITA margin +490b.p.** almost at **break-even**.

ESG: New ESG measures acknowledged by the various proxies

E

- Development of 23 energy efficiency projects in eight countries, with a 490 MWh consumption reduction.
- 2% fuel reduction used in the armored fleet and research and development of new, lighter materials for armored vehicles.
- 78% self-sealable bags recycled on average.

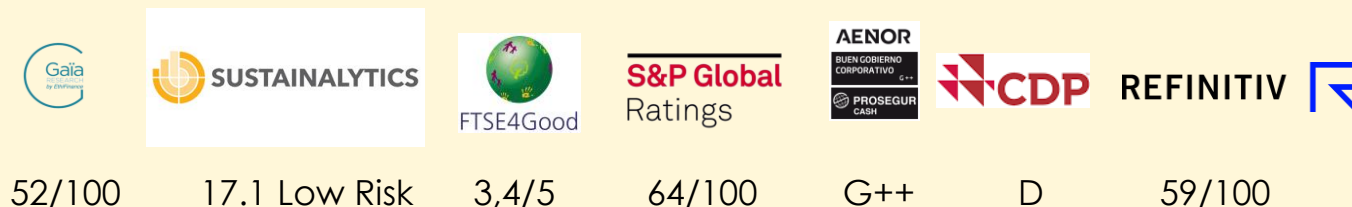
S

- Third Global Road Safety Campaign implemented, with over 3,800 participants in several countries.
- Subscribed the Women's Empowerment Principles (WEP) and endorsed the Diversity Charter.

G

- Introduction of new Corporate Governance policies.
- Implemented a single global tool to manage money laundering prevention systems.

Proxies with ratings issued during the year:



Other alliances, collaborations and proxies:





Conclusions: Strong currency impact with temporary effect

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Earnings presentation. FY 2023

Q&A



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