

9M 2021 Results



5 / November / 2021

Investor Relations Department



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Relevant aspects of the period

Gradual reduction of the negative effects of the pandemic, although with different degrees of progress

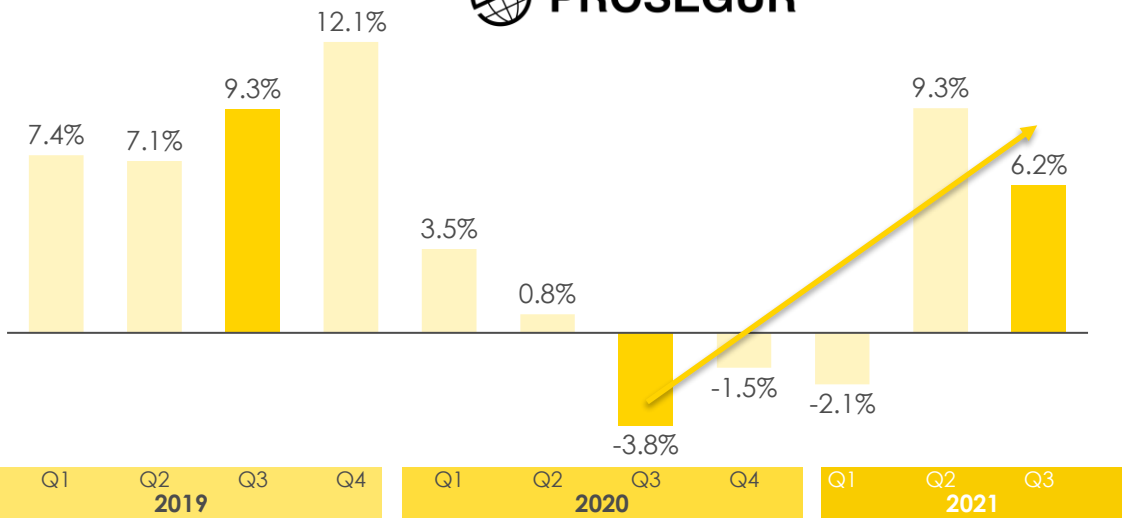
- ▶ **Sequential recovery of volume and profitability in Europe and the US**
 - New M&A in USA
 - Sports and social events in full capacity
 - Economic activity improving, but still below 2019 levels
- ▶ **Ibero-America still affected in its main geographies**
 - Cancellation of government support programs to population affected by the pandemic
 - Economic recovery still slow
- ▶ **AOA still suffering lockdowns**
 - Although with a good current vaccination rate
- ▶ **4.5% New Products Growth** in the quarter
- ▶ **Strategic alliances to accelerate growth in Alarms**
 - Santander Bank in Spain
 - Telefónica in Colombia



Gradual return to normality

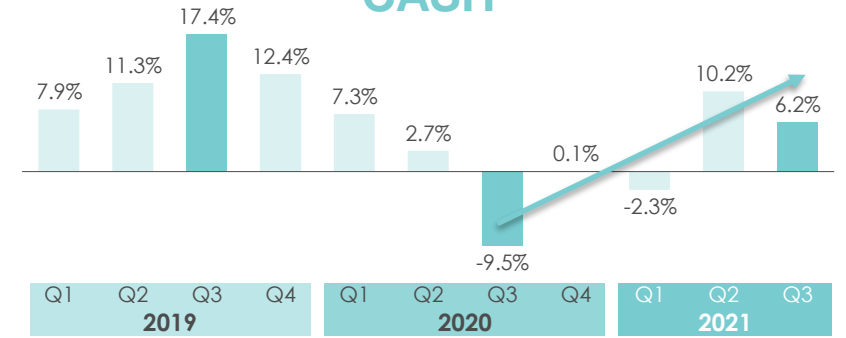
- **Quarterly organic growth** shows **significant improvements** once the worst effects of the pandemic are left behind
- Both **Cash** and **Security** recover **positive organic sales growth** ratios same as **AVOS** and **Cipher**
- **Movistar Prosegur Alarmas** exceeds previous year new client additions by **more than 36%** in 9 months

PROSEGUR

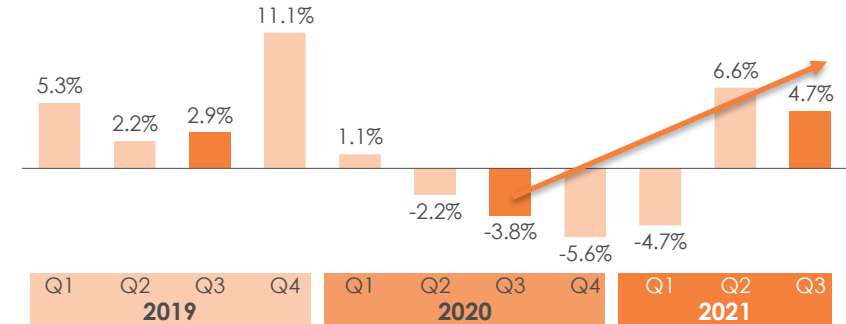


- Organic growth by isolated Quarters (YoY) **PROSEGUR**
- Organic growth by isolated Quarters (YoY) **Cash**
- Organic growth by isolated Quarters (YoY) **Security**
- Organic growth by isolated Quarters – **Alarms**
- Organic growth by isolated Quarters – **Movistar Prosegur Alarmas**

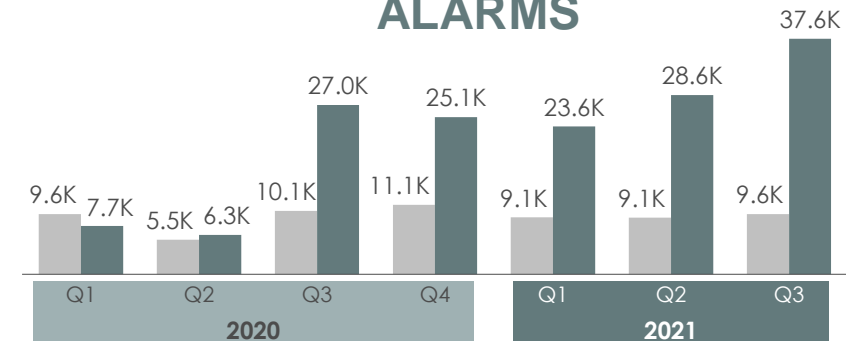
CASH



SECURITY



ALARMS

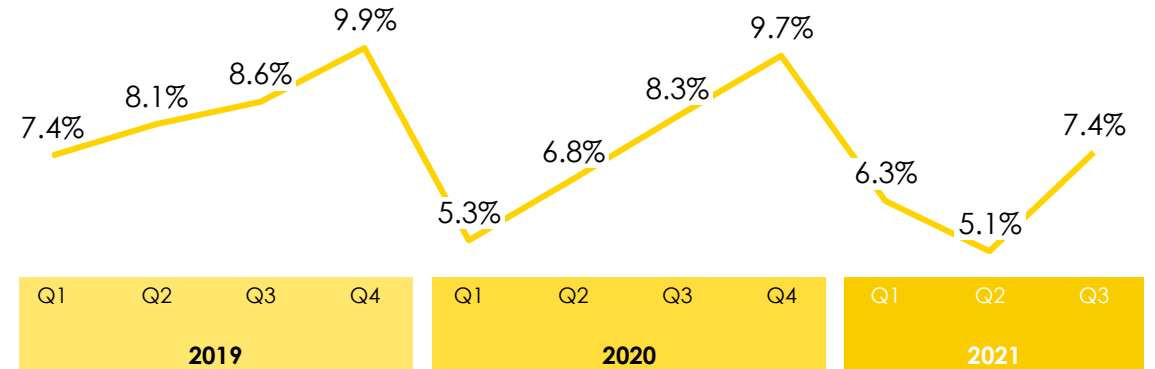




Profitability shows the same positive trend, with some temporary lag

Margins continue temporarily affected by:

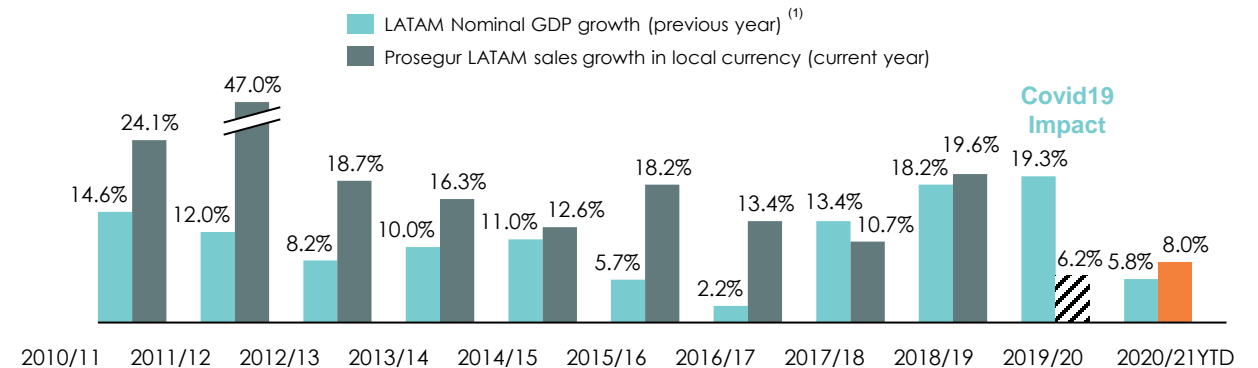
- ▲ Currency effect not yet compensated for inflation
- ▲ Delay between the termination of government support programs and the reactivation of customer services
- ▲ Excess of labor unproductivity's in Ibero-America
- ▲ Lower activity in the first half of the year



— EBITA margin by isolated quarters

The recovery trend is positive as the macro situation improves, with the favorable wind of inflation

Inflation represents an opportunity



(1) GDP + Inflation (Source IMF & WEO 2020 composed and balanced according to the weight of sales of each individual country in the mix)



M&A – New acquisition in the US

Following our growth strategy for US market through sectorial specialization



Revenues in 2020:
7.7 \$M



EBIT Margin:
Close to 10%



Employees:
191

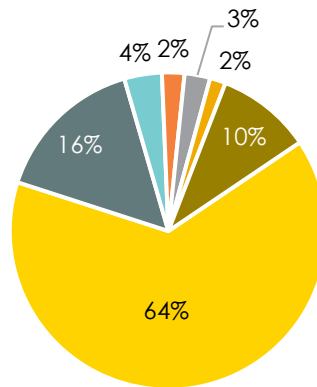


Specialized in
Airport Sector



Presence in:
Oklahoma, Texas, and Missouri

Client Base



- Airports
- Office buildings
- Construction
- Manufacturing
- Campus
- Retail
- Others



Financial Information





RELEVANT INDICATORS FOR THE PERIOD

2,535 €M



SALES

- ▲ **Growth** in local currency over 4% due to volume recovery
- ▲ Positive **organic growth** in all business lines and all geographies
- ▲ Delusion of **commercial result** only subject to **adverse FX**
- ▲ **Excellent** growth in **Alarms** reaching **668,000 connections**

159 €M



EBITA

- ▲ **EBITA margin** 6.3%
- ▲ **Good performance** in general, despite being still **under negative effects derived from the pandemic**
- ▲ **Profitability improvement** over previous quarters

151 €M



CASH FLOW

- ▲ **Good generation of Operating Cash flow**
- ▲ **EBITDA to cash** conversion ratio above 60%
- ▲ **Continuous improvement of DSO**
- ▲ **Working capital** impacted by reactivation of activity

1.3 € Bn



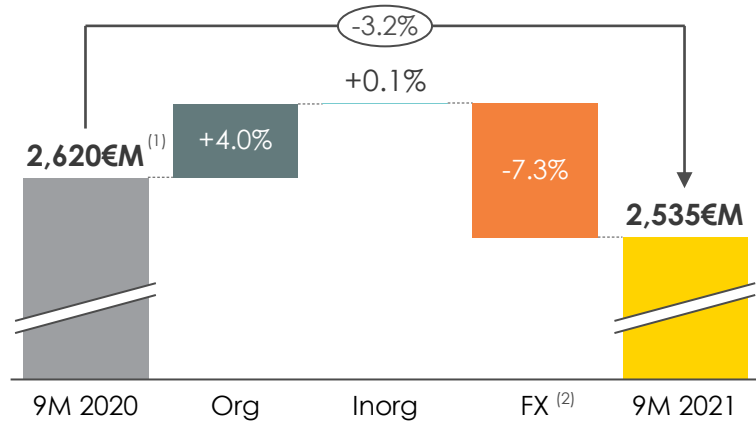
LIQUIDITY & RATING

- ▲ **BBB stable outlook rating confirmed by S&P**
- ▲ **Comfortable** level of **liquidity and firepower**
- ▲ **Excellent** debt maturity profile

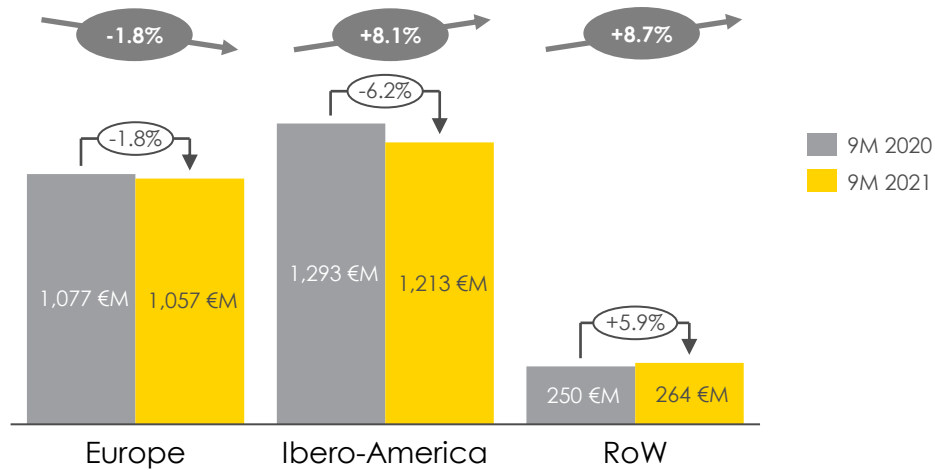


INCOME STATEMENT

SALES



SALES PER REGION



Consolidated Results

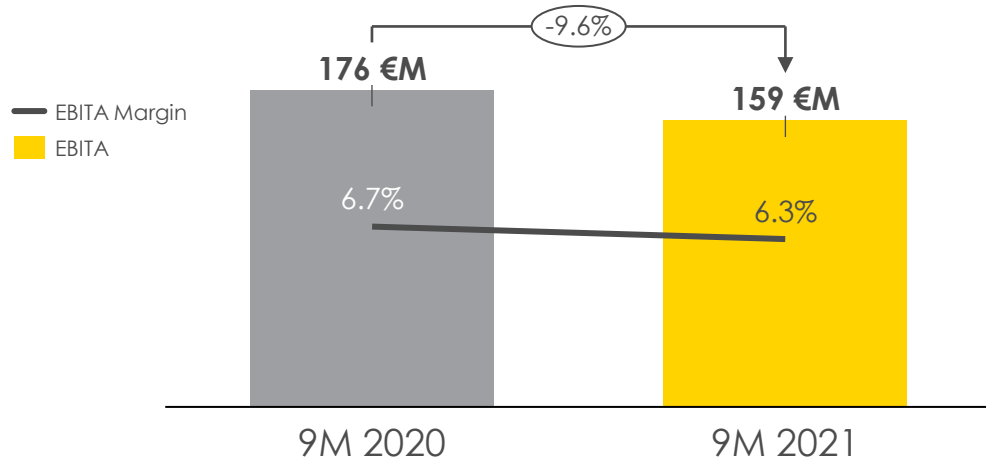
(amounts in € million)

	9M 2020	9M 2021	% Variation
Sales	2,620	2,535	-3.2%
EBITDA	292	279	-4.6%
Margin	11.2%	11.0%	
Depreciation	(116)	(120)	
EBITA	176	159	-9.6%
Margin	6.7%	6.3%	
Amortization of intangibles and impairments	(22)	(22)	
EBIT	154	137	-11.1%
Margin	5.9%	5.4%	
Financial result	(36)	(20)	
Profit before tax	119	117	-1.3%
Margin	4.5%	4.6%	
Tax	(63)	(68)	
Tax rate	53.3%	57.7%	
Net Profit	55	49	-10.7%
Minority Interest	10	4	
Consolidated Net Profit	45	45	0.2%

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

(1) Excludes France Security sales (2) Includes FX and IFRS 21&29 effects

CONSOLIDATED PROFIT

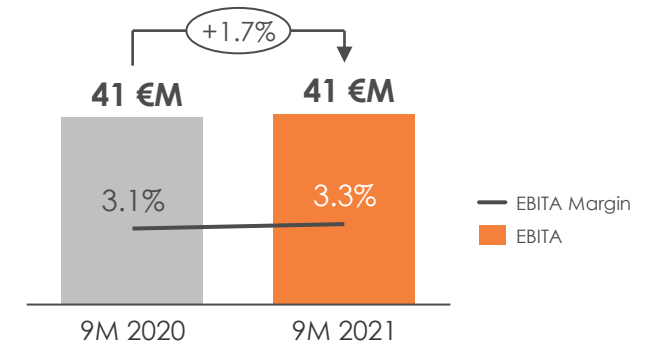


- Margin improvement continues in Security
- Cash's underlying profitability continues to improve sequentially
- Global EBITDA Pre-SAC of Alarms affected by the reactivation of the cost of commercial activity

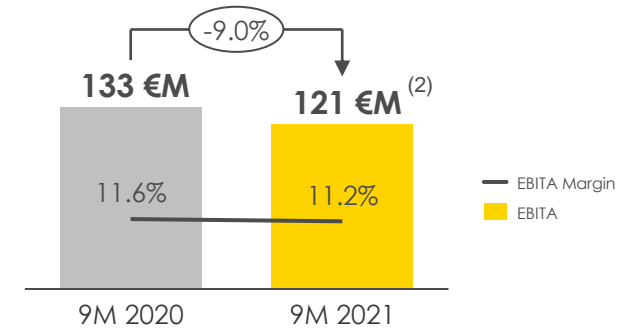
PROFITABILITY PER BUSINESS



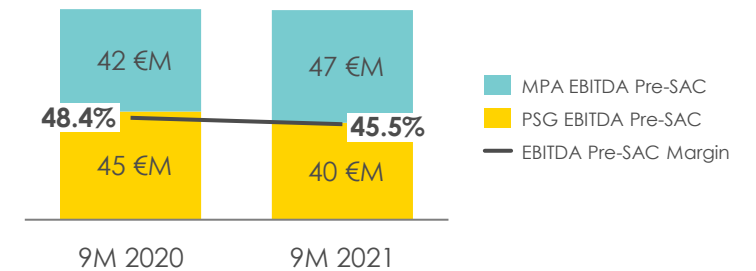
Security⁽¹⁾



Cash



Alarms

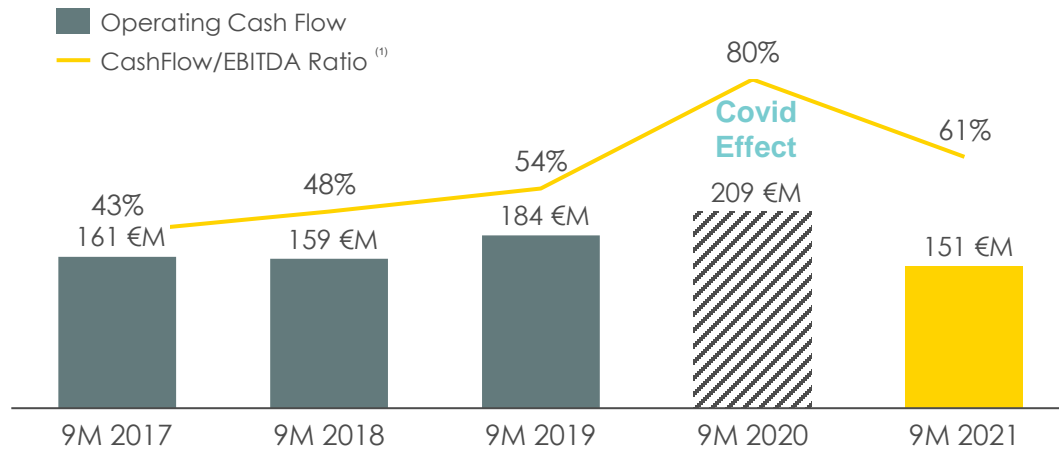


⁽¹⁾ Excluding Overhead costs - ⁽²⁾ AVOS transaction without impact at consolidated level



CONSOLIDATED CASH FLOW

Accumulated Operating Cash Flow Comparison



- ▶ **EBITDA to cash conversion ratio exceeds the Group's historical average**, isolating outliers of the 2020 financial year
- ▶ **Continuous improvement of DSO** in the quarter and in respect to same period of previous year
- ▶ **Working capital impacted by reactivation of activity and increase in sales**
- ▶ **Capex containment continues**
- ▶ **Infrastructure capex represents 2% of sales**

Amounts €M	9M 2020	9M 2021
EBITDA	292	279
Provisions and other non-cash items	33	(13)
Tax on profit	(84)	(49)
Changes in working capital	(14)	(48)
Interest payments	(20)	(18)
Operating cash flow	209	151
Acquisition of property, plant & equipment	(92)	(88)
Payments for acquisitions of subsidiaries	(131)	(47)
Dividend payments	(49)	(61)
Treasury stock & Others	(156)	(40)
Cash flow from investing / financing	(427)	(236)
Total Net Cash flow	(218)	(86)
Initial net financial debt	(649)	(889)
Net increase / (decrease) in cash	(218)	(86)
Exchange rate	(52)	(10)
Net Financial debt ⁽²⁾	(920)	(985)
Financial Investments ⁽³⁾	146	201
Adjusted Net Financial debt	(774)	(784)

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

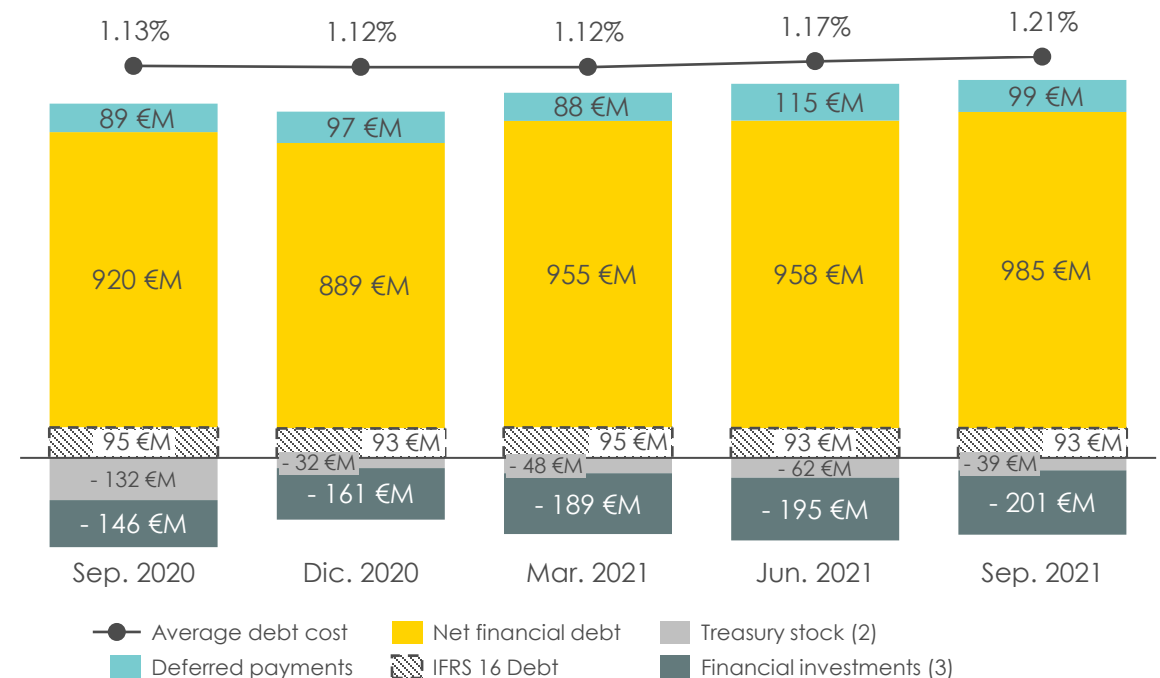


FINANCIAL POSITION


BBB stable

S&P Global Ratings

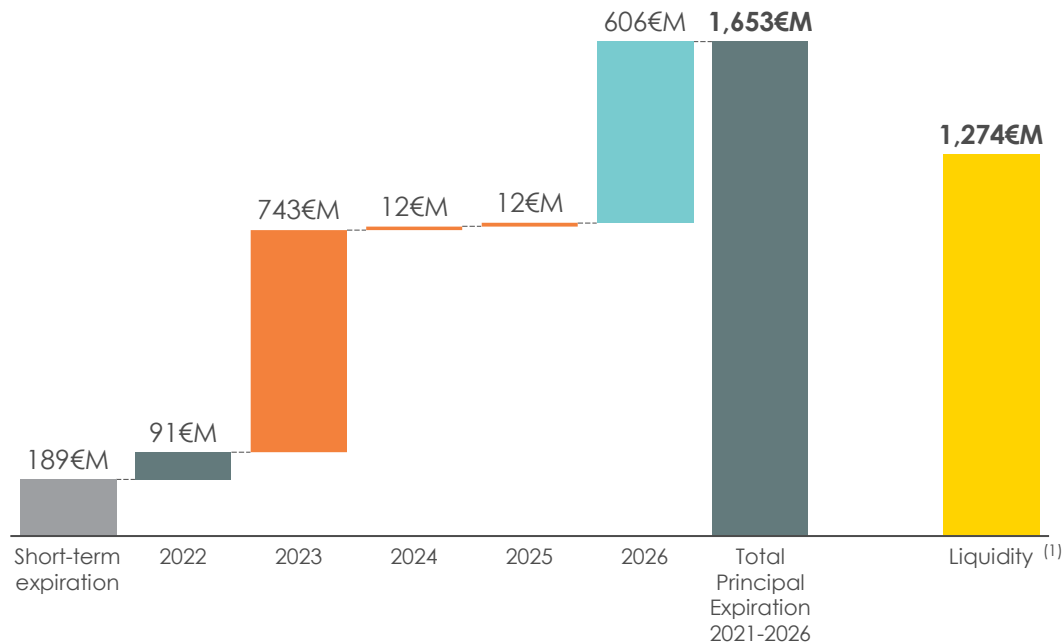
- Confirmation by S&P of BBB stable outlook rating (October 2021)
- Moderate debt ratio, normalized with Telefónica shares
- Excellent financial expense management, positioning the average cost of corporate debt at 1.21%
- Partial amortization of CASH treasury shares in July 2021



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

- ▲ **Support to innovation: Financing Agreement with European Investment Bank** 
- ▲ **Solid and stable balance sheet**
- ▲ **Current liquidity covers more than 75% of the main debt maturities of the next 5 years**
- ▲ **Excellent long-term debt maturity profile, exceeding 85% of total debt**

Principal expirations DEBT vs. LIQUIDITY



Amounts in €M

	FY 2020	9M 2021
Non-current assets	2,169	2,293
Tangible fixed assets and real estate investments	724	739
Intangible assets	886	951
Others	558	603
Currents assets	1,745	1,404
Inventory	47	57
Customer and other receivables	781	813
Cash and equivalents and other financial assets	917	534
TOTAL ASSETS	3,914	3,697
Net equity	718	818
Share capital	33	33
Treasury shares	(15)	(29)
Retained earnings and other reserves	677	784
Minority interest	23	30
Non-current liabilities	1,924	1,792
Bank borrowings and other financial liabilities	1,649	1,517
Other non-current liabilities	274	275
Current liabilities	1,272	1,087
Bank borrowings and other financial liabilities	353	224
Trade payables and other current liabilities	919	863
TOTAL NET EQUITY AND LIABILITIES	3,914	3,697

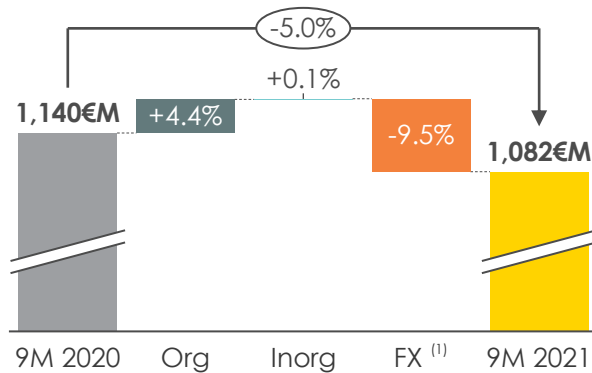
⁽¹⁾ Liquidity: Cash and cash equivalents plus undrawn available lines

Results by Business





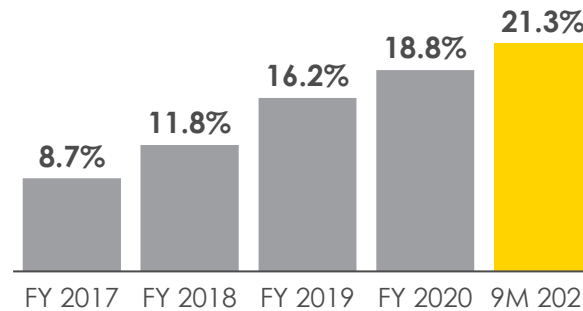
SALES



- 4.5% positive local currency growth
- Generalized improvement of organic growth in all geographies except for AOA due to an increase in confinements
- Moderate Negative FX impact compared to previous quarters



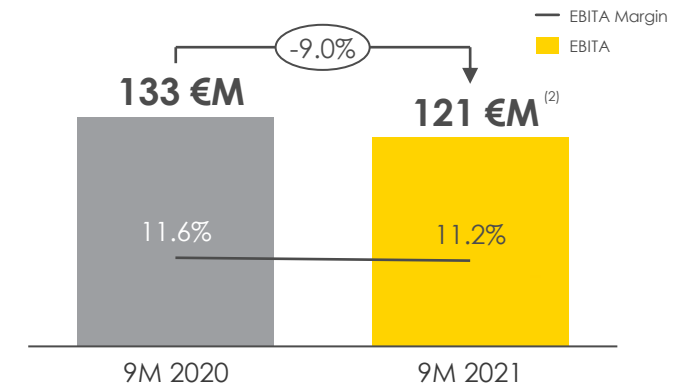
NEW PRODUCTS



- New Products maintain stable growth rates representing 21.3% of total sales
- The improvement over the previous quarter is 15%



PROFITABILITY

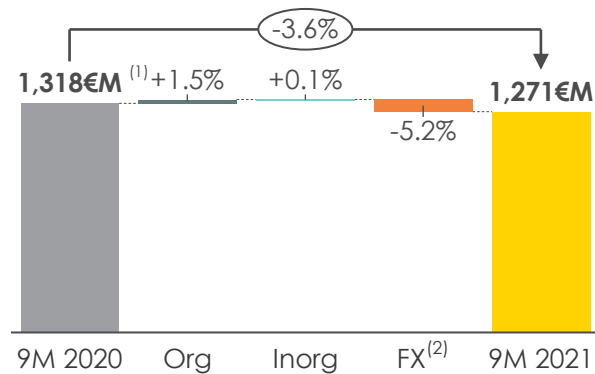


- Underlying margins improving from previous quarters as the effects of Covid diminish
- Reported profitability continues to be impacted by comparable basis, slower-than-expected start of the year, and non-normalized adverse FX

⁽¹⁾ Includes exchange rate effect and IFRS 21 and 29 - ⁽²⁾ AVOS transaction without impact at consolidated level



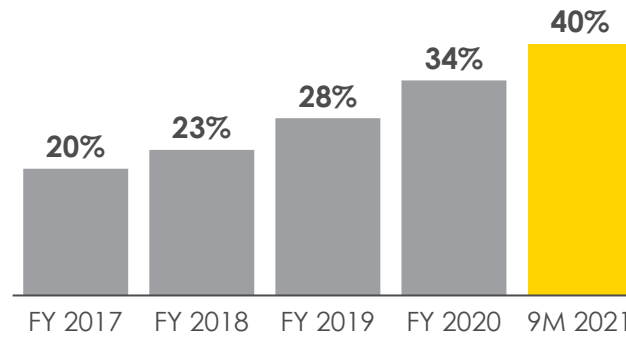
SALES



- Positive organic growth
- Price update completed in Spain, US and Argentina, but with some slowdown in Brazil
- Gradual recovery from unproductivities



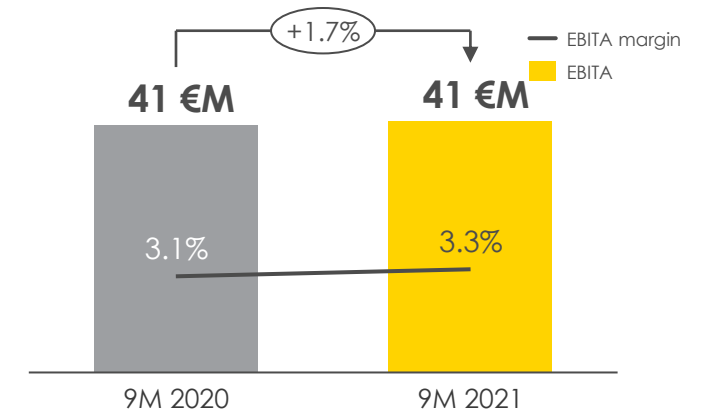
NEW PRODUCTS



- Strong increase in Integrated Security Solutions up to **40% of sales**
- High volumes of technology sales, above pre-pandemic averages



PROFITABILITY⁽³⁾

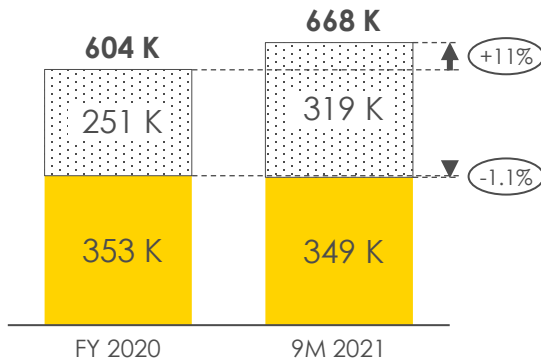


- Profitability improvement continues, despite the slowdown still present in Ibero-America
- Labor subsidies cancellation in US will be gradually compensated as clients restart the activity



INSTALLED BASE

 MOVISTAR PROSEGUR ALARMS
 BTC MPA
 PROSEGUR ALARMS
 BTC Prosegur

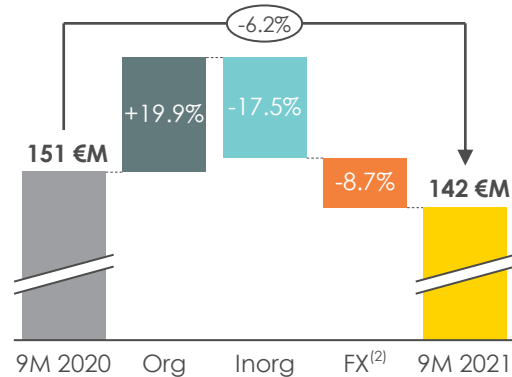


- MPA increases its customer base by 68,000 new connections in 9 months
- Rest of the World reactivates commercialization, covering the churn suffered during the pandemic



SALES⁽¹⁾

 PROSEGUR ALARMS

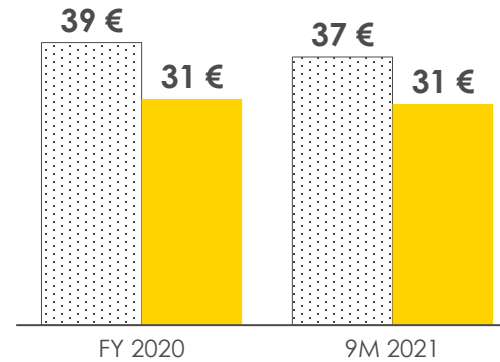


- Organic growth close to 20%
- Growth potential reinforced by alliances with Telefónica in Colombia and Santander in Spain



ARPU

 MOVISTAR PROSEGUR ALARMS
 MPA
 PROSEGUR ALARMS
 Prosegur

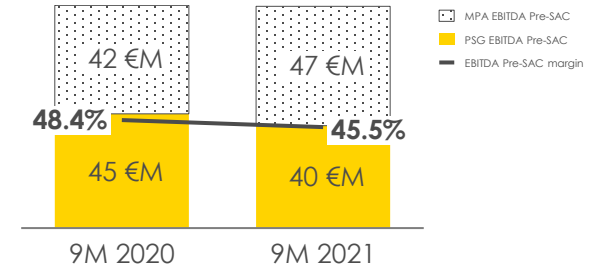


- ARPU remains stable, in Prosegur, despite the strong impact of the pandemic
- Slight reduction in MPA due to retention policies and commercial effort to accelerate sales

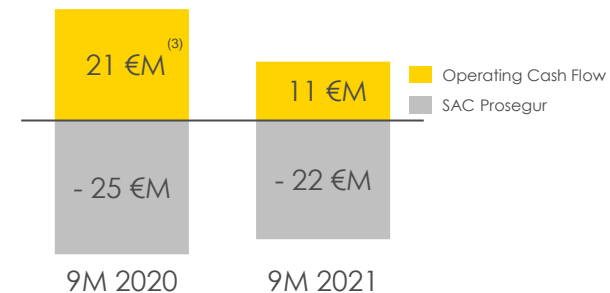


PROFITABILITY AND CASH FLOW

 MOVISTAR PROSEGUR ALARMS
 PROSEGUR ALARMS



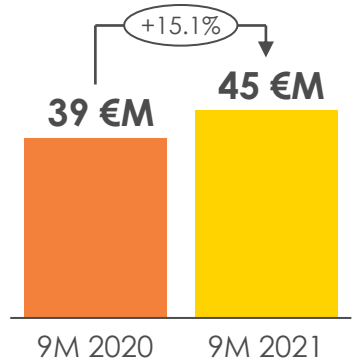
 PROSEGUR ALARMS



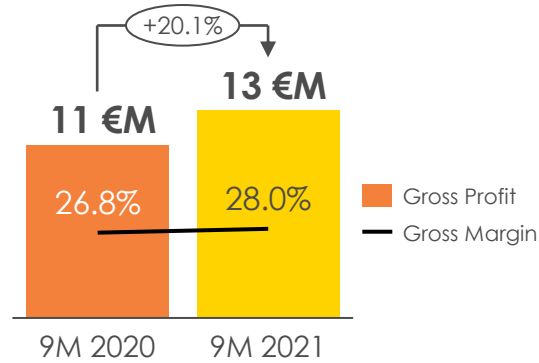
⁽¹⁾ Sales of alarms belonging exclusively to Prosegur. Movistar Prosegur Alarms sales are not included- ⁽²⁾ Includes exchange rate effect and IFRS 21 and 29- ⁽³⁾ Includes 2 months of Alarms Spain



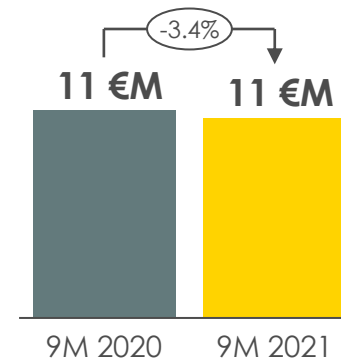
SALES



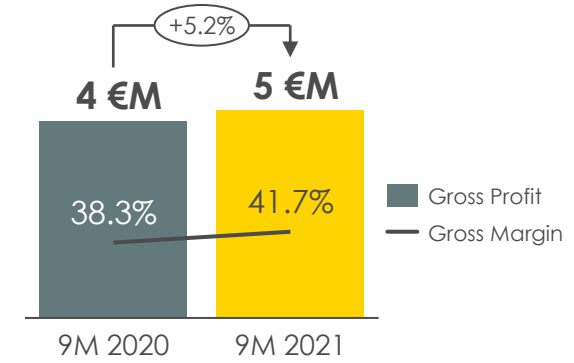
PROFITABILITY



SALES



PROFITABILITY



- ▶ Excellent revenues growth of over 15%
- ▶ **Profitability improvement over 20%**
- ▶ **Strong increase in FrontOffice and BackOffice services sales** supported by technology

- ▶ Growth in local currency **close to 3%**, diminished only by **adverse FX**
- ▶ **Increasing margins** despite negative currency effect

⁽¹⁾ In 2020 and until March 31, 2021, AVOS belonged to Prosegur CASH. The figures for AVOS as an independent business are 29 €M sales and 8 €M gross margin, corresponding to 9M2021.

ESG





We continue strengthening our sustainability model and its integration into the business strategy



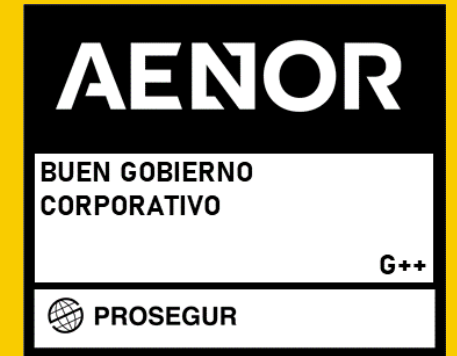
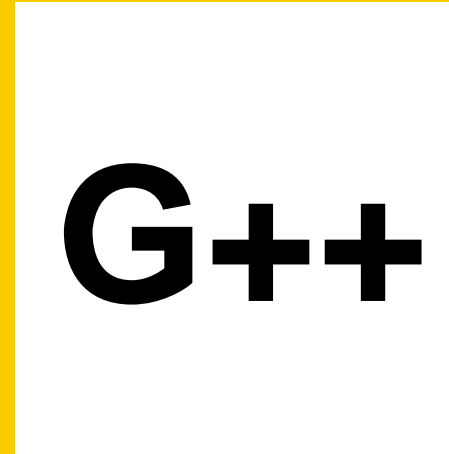
OUTSTANDING INITIATIVES

Sustainability Policy Update



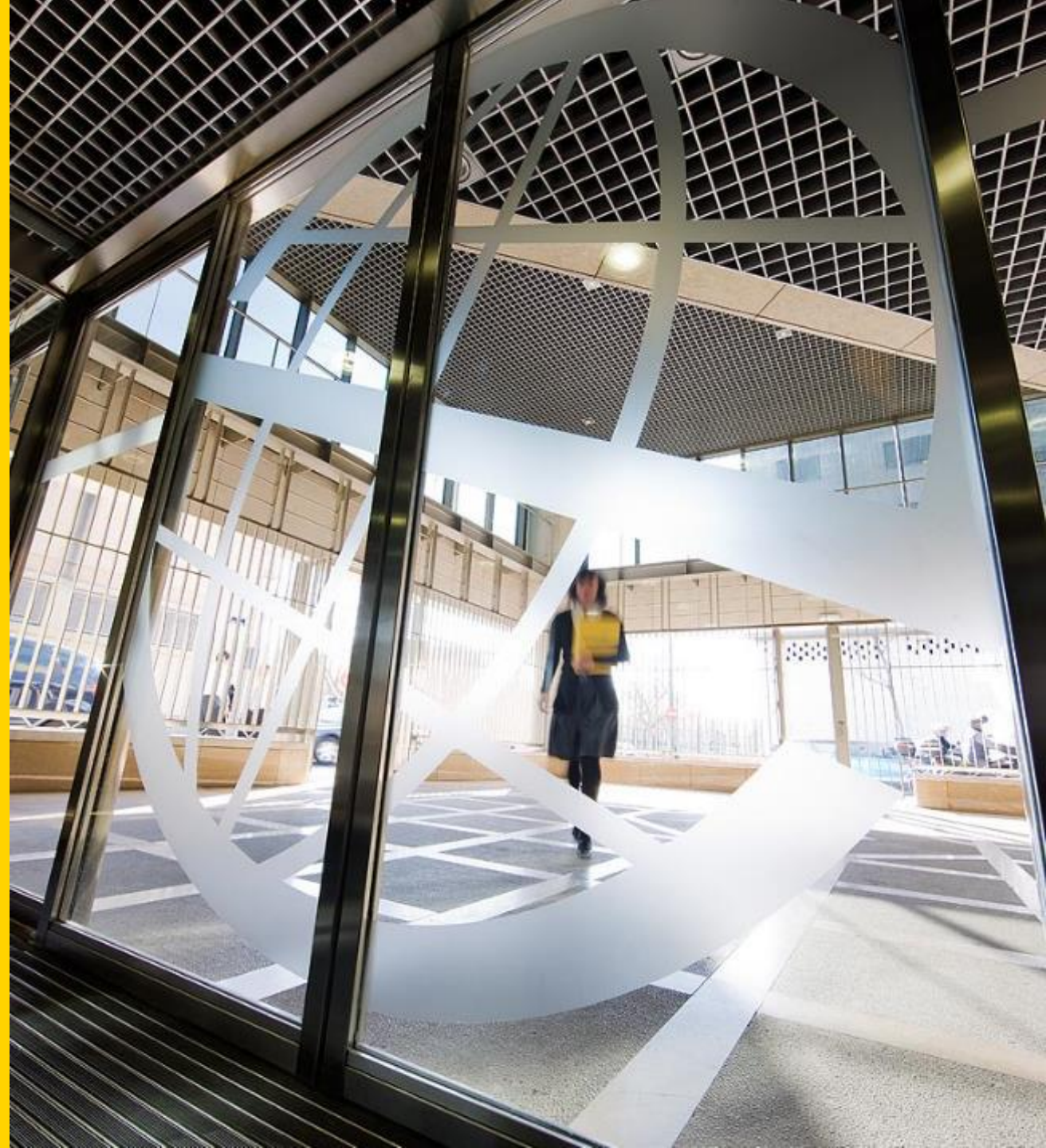
- Establishes the general **principles and bases** of Prosegur's **sustainable development strategy**
- Reinforces sustainability as a **relevant element in the company's corporate governance system**
- **In Compliance with Recommendation #55** of Good Governance code for Listed Companies

AENOR Good Corporate Governance Certification



- **First Spanish company to achieve certification in Good Corporate Governance**
- Awarded the **highest possible grade: G ++**
- In order to demonstrate our **transparency and good governance** through the evaluation of 9 variables, 41 indicators and various analysis criteria

Final Remarks





FINAL CONCLUSIONS AND FORECASTS



Recovery started with
good perspectives

- ▶ **Positive organic growth** regaining volume in **all businesses and geographies**
- ▶ Continue the recovery **trend taking advantage of the macro**
- ▶ **Security** remains **improving** profitability and **Cash is gradually** coming normal
- ▶ **Excellent growth in Alarms** reinforced with **alliances**
- ▶ **Active M&A focused** on **new products**
- ▶ **Good cash flow generation** and positive evolution of DSO
- ▶ **BBB Stable outlook** confirmed by **S&P**
- ▶ **Commitment to ESG**



Q&A





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