



**PROSEGUR**

Security you can trust

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COMPANY  
PRESENTATION

INVESTOR RELATIONS  
DEPARTMENT

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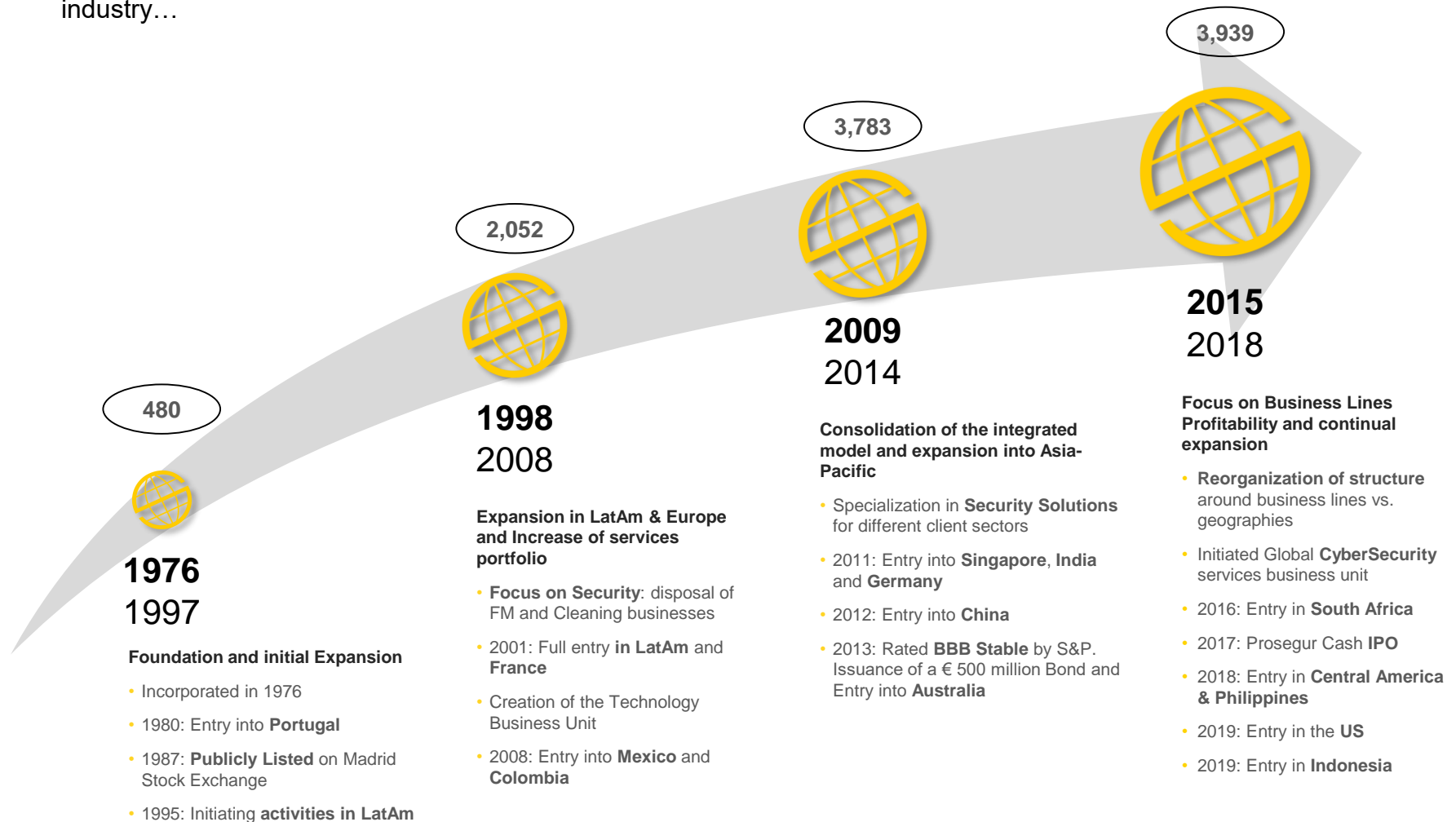
# ONE GROUP, THREE BUSINESSES



# PROSEGUR GROUP

## Prosegur: a success story

Since its foundation in 1976, Prosegur has grown to become one of the undisputable global leaders in the security industry...





## PROSEGUR TODAY



**26**  
COUNTRIES



**+170,000**  
EMPLOYEES  
WORLDWIDE



**>9,000**  
ARMORED  
VEHICLES



**>100,000**  
MANAGED  
ATMS



**+550,000** ALARM  
CONNECTIONS




OVER **220** FULLY  
INTEGRATED  
ACQUISITIONS




# A GLOBAL SECURITY COMPANY WITH A LEADERSHIP POSITION IN FOCUS MARKETS


WE ARE MARKET LEADERS IN 17 OUT OF OUR 26 GEOGRAPHIES




Guarding and technology



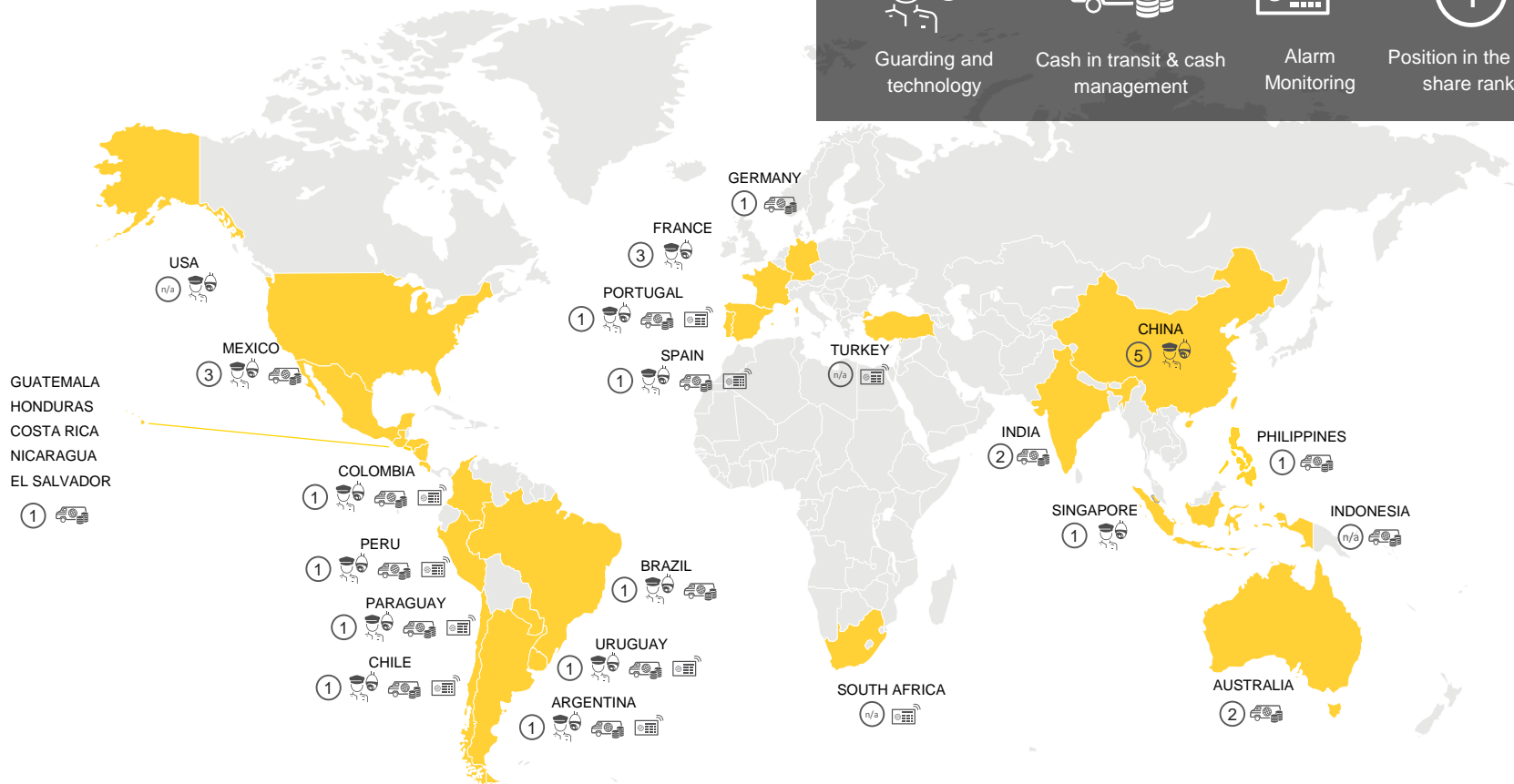
Cash in transit & cash management



Alarm Monitoring



Position in the market share ranking



	Prosegur	Intl' Player 1	Intl' Player 2	Intl' Player 3	Intl' Player 4
	✓ #2		✓ #4	✓ #1	✓ #3
	✓ #3	✓ #1	✓ #2		
	✓		✓		

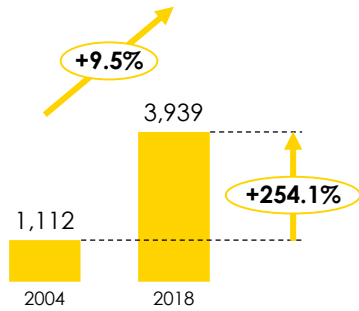
Source: DBK, Aproser and internal sources



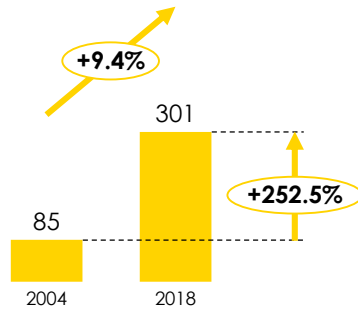
# DELIVERING SUPERIOR GROWTH AND SHAREHOLDER RETURNS

Figures in €m

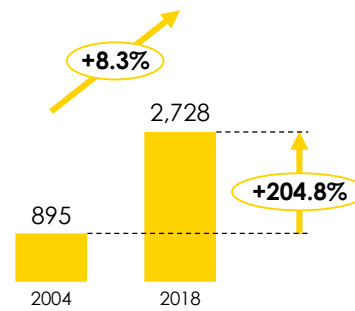
## Revenue (€m)



## EBIT (€m)



## Market Cap (€m) <sup>(1)</sup>



CUMULATIVE DIVIDEND  
DISTRIBUTED 2004-2018:

**€1,103m**

€ 823m ordinary dividend

€ 280m extraordinary dividend (2017)

(1) Market Cap in 2017 as of Dec. 2017 was 4.042 – Actual Market Cap €m reflects IPO of CASH Listed in 2017



# ORGANISATIONAL MODEL: "ONE GROUP, THREE BUSINESSES"



## RATIONALE

- Accelerate growth
- Increase specialization and efficiency
- Simplify the organisation

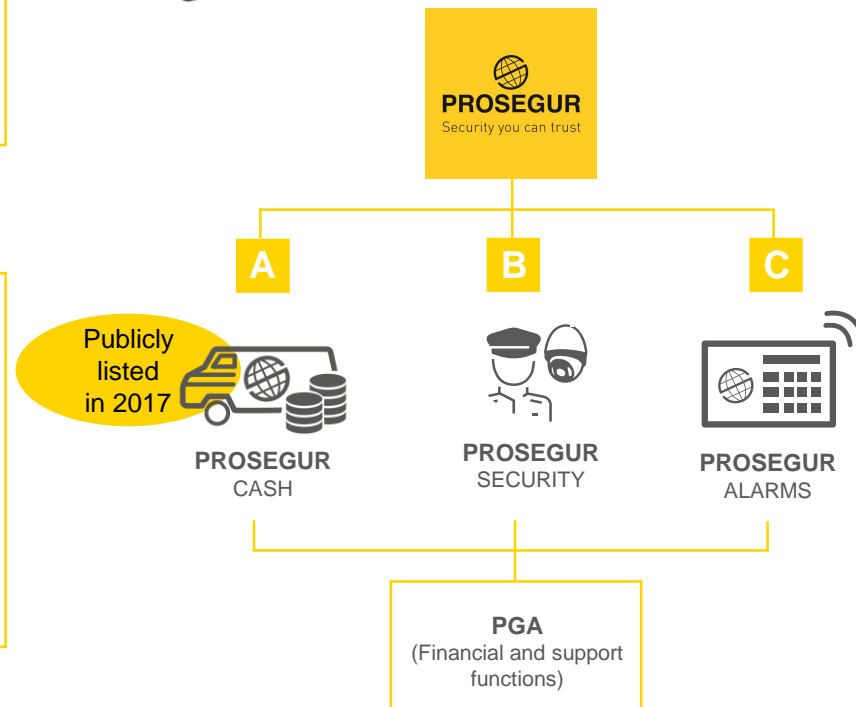


## IMPLICATIONS / BENEFITS

- All businesses have reached the maturity to be managed separately
- Different capital needs and KPIs
- Customer centric model across regions
- Accelerates sharing of best practices across regions



## ONE GROUP, THREE BUSINESSES





## A. CASH IS A SUCCESS STORY: A GLOBAL LEADER WITH RESILIENT GROWTH AND STRONG CASH GENERATION



SALES\*  
€1,732 MM

EBIT Margin(%)\*  
15.5%

Countries / empl.  
20 / 60,000

*\*FY18 business figures*



### OUR BUSINESS

- #2 globally with 14% market share (vs. 7% in 2007)
- #1 in our focus Cash markets (14/20 countries)
- Leading scale, density and market share
- Outperforming the market (business has grown x4 in € sales in the last 7 years)
- Solid fundamentals → already growing in new products and capturing the next “outsourcing wave”



### OUR OBJECTIVES

- Continue delivering above-market organic growth at constant currency
- Lead industry consolidation player
- Lead the third wave of outsourcing (Cash Automation in Client, IAD, Back Office Management, Branch Teller Staff, etc.)
- Strong cash generation to fuel Group’s growth



## B. SECURITY IS A BUSINESS TO TRANSFORM AND GROW, TO BECOME AN “INDUSTRY CHAMPION” AGAIN



SALES\*  
€1,946 MM

EBIT Margin(%)\*  
2.8%

Countries / empl.  
14 / 103,000

*\*FY18 business figures*



### OUR BUSINESS

- #5 global player with a leading position in selected markets
- Industry leading technology-based solutions
- Differentiated growth strategies for each market based on development stage
- Expanding into mature markets with disruptive value proposition.
- Main player in LatAm leading the transformation of the industry

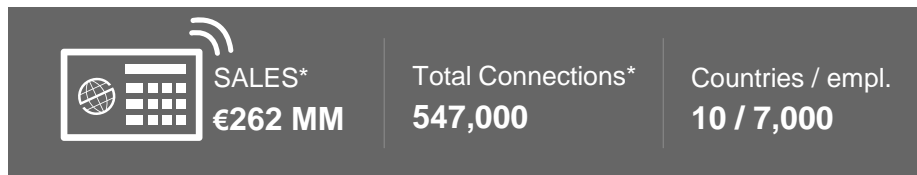


### OUR OBJECTIVES

- Continue transformation towards technology-based products
- Improve margins → all geographies with profitability in line with peers and Group's best practices
- Grow and expand in US
- Complete integration of legacy businesses and operational improvements in Brazil
- Build a solid “Cybersecurity” platform



## C. ALARMS IS A HIGH GROWTH AND HIGH RETURN BUSINESS WHICH WE WANT TO ACCELERATE WITH ADEQUATE INVESTMENTS



\*FY18 business figures



### OUR BUSINESS

- Unparalleled platform → significant investments undertaken over the last 5 years to enter and reach critical mass in 10 countries
- Developed state-of-the-art products and launched next generation alarm “SMART”
- Strengthened sales force, tripled from 2011
- Best in class and improving churn from 12% in 2011
- Rapid and consistent growth benefiting from low penetration in focus markets

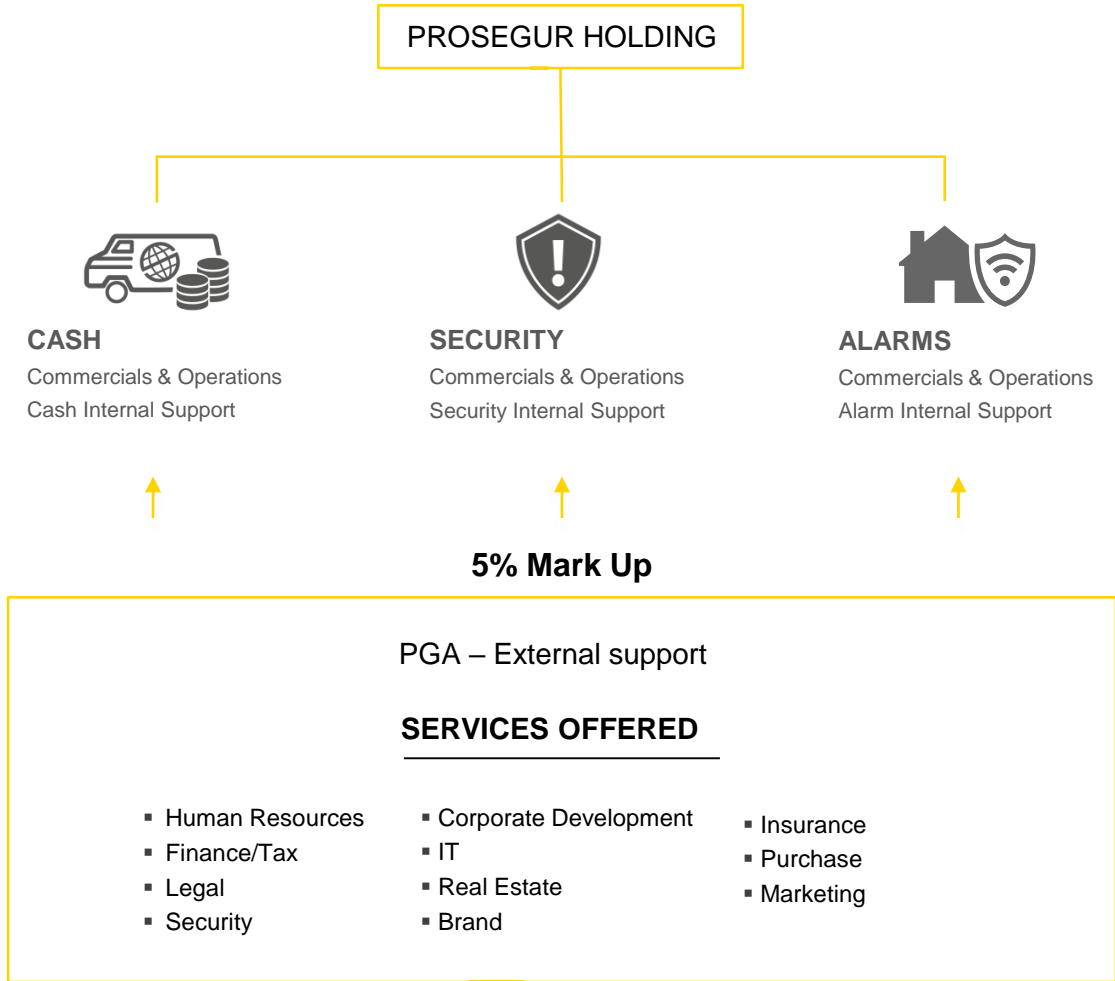


### OUR OBJECTIVES

- Accelerate customer acquisition through investments in sales & marketing (e.g., sales team, lead generation)
- Selective new geographies (big city approach)
- Continue to grow ARPU through penetration of SMART
- Roll out SMART product in all geographies
- Continue to improve churn levels
- Focus on product innovation to capture “the smart home” opportunity



**PGA - CENTRALIZED EXTERNAL SUPPORT TO THE THREE BUSINESSES...**





... SUPPORTED BY STABLE INVESTMENT GRADE RATINGS

**STANDARD  
& POOR'S**

**BBB/A-2**

Outlook Stable  
October 2019



SUSTAINED STRONG  
LIQUIDITY PROFILE



MODERATE  
LEVERAGE



EXCELLENT CASH FLOW GENERATION  
WITH MODERATE CAPITAL EXPENDITURE  
AND WORKING CAPITAL REQUIREMENTS



MINIMAL TRAPPED CASH  
ACROSS OPERATIONS





# PROSEGUR CASH

Leading the consolidation process  
of the Cash industry while fueling  
the Group's growth

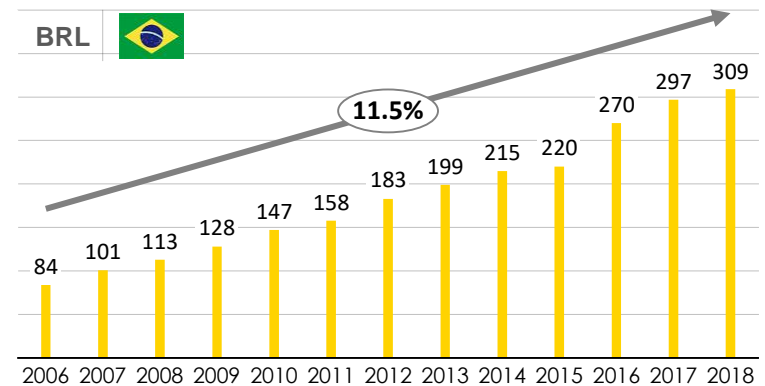
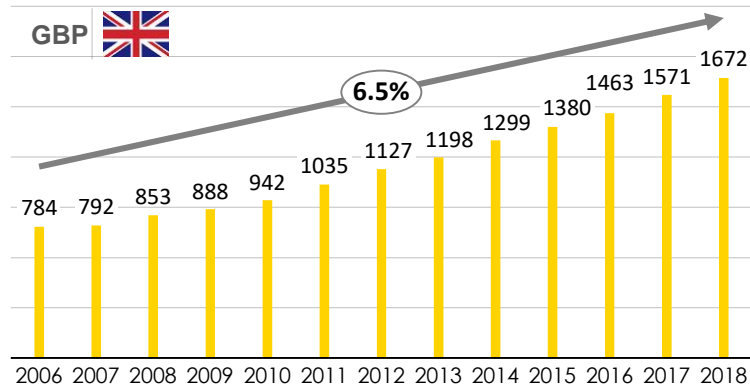
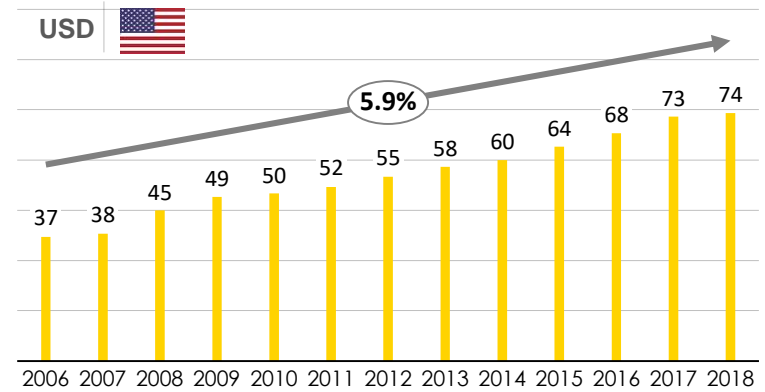
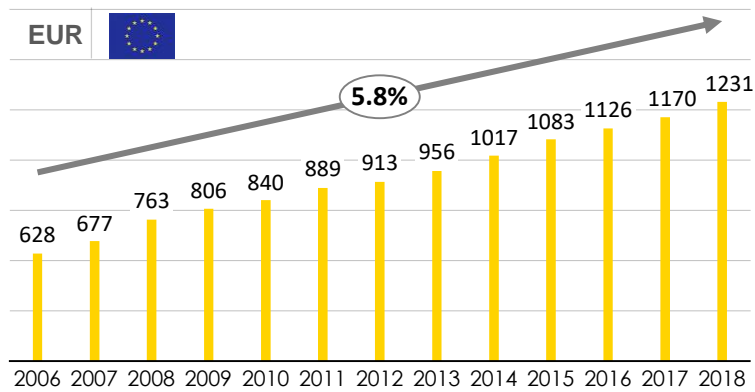


## CASH, STRONG GROWTH OF THE UNDERLYING DRIVER...

Despite the growing penetration of alternative payment methods, cash in circulation is a constant growing figure in all economies, representing in 2019 **more than 85% of total World transactions**. (Source 2018 World Cash Report & Central Banks reports)

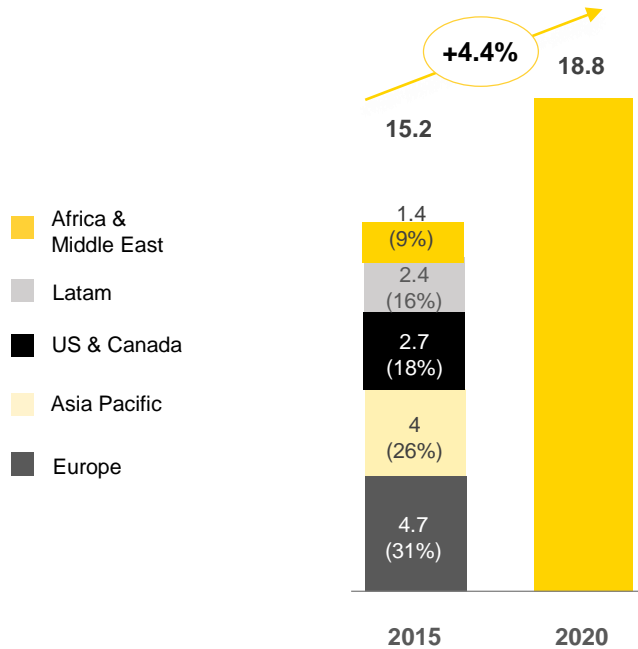
■ In Europe (ECB Diary Study), cash represents 78.8% of all transactions in volume and 53.8% in value.

USE OF CASH IN TERMS OF VALUE (MN)

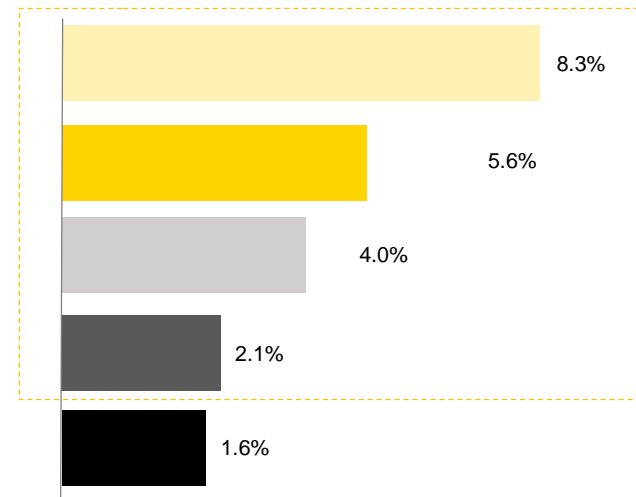


...BOOSTS THE GROWTH OF THE CASH SECTOR, ALTHOUGH AT DIFFERENT LEVELS IN EACH REGION

**CASH MARKET SIZE  
(USD BN)**



**EXPECTED GROWTH BY  
GEOGRAPHY 2015-2020**



**Main characteristics of attractive markets:**

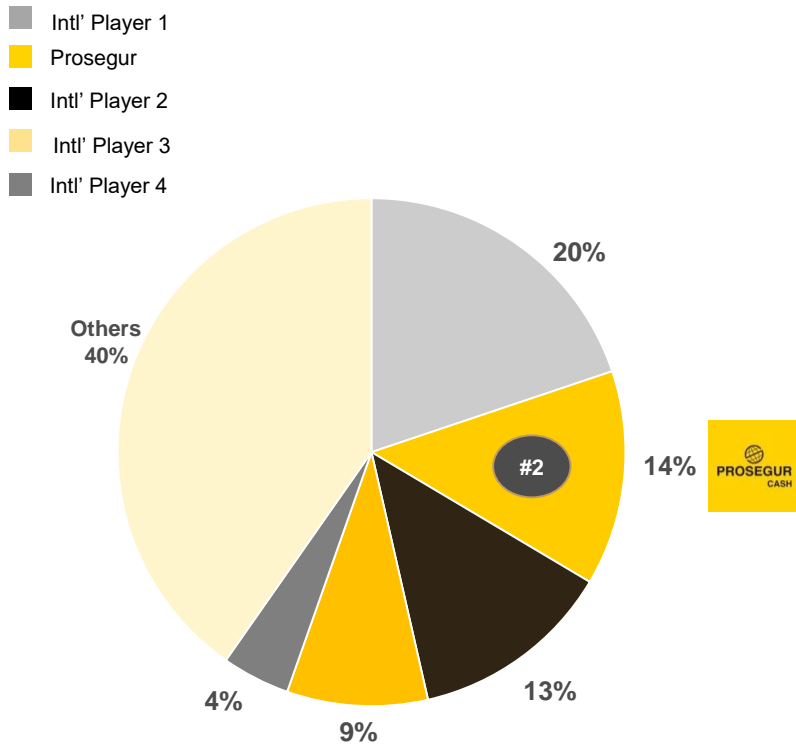
- (i) Growing economies;
- (ii) Moderated elevated inflation and interest rates;
- (iii) Certain level of insecurity;
- (iv) Degree of sophistication of banking sector



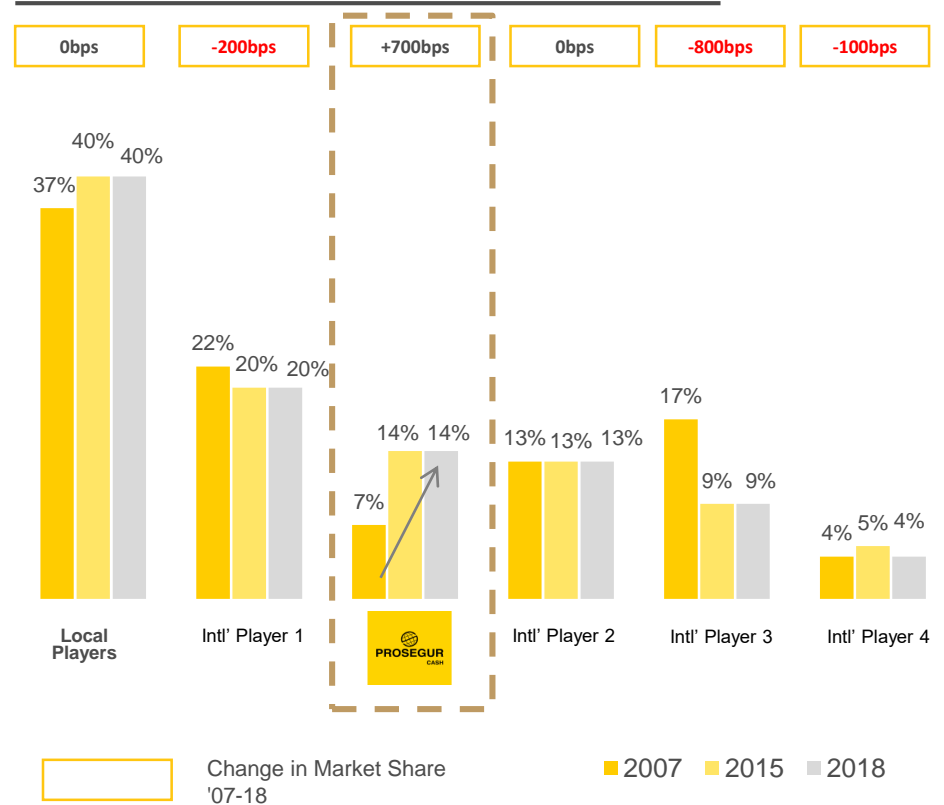


# PROSEGUR HAS BECOME A GLOBAL RELEVANT PLAYER IN THE LAST FEW YEARS...

## CASH GLOBAL MARKET SHARES (2018) (1)



## COMPETITOR'S MARKET SHARE EVOLUTION

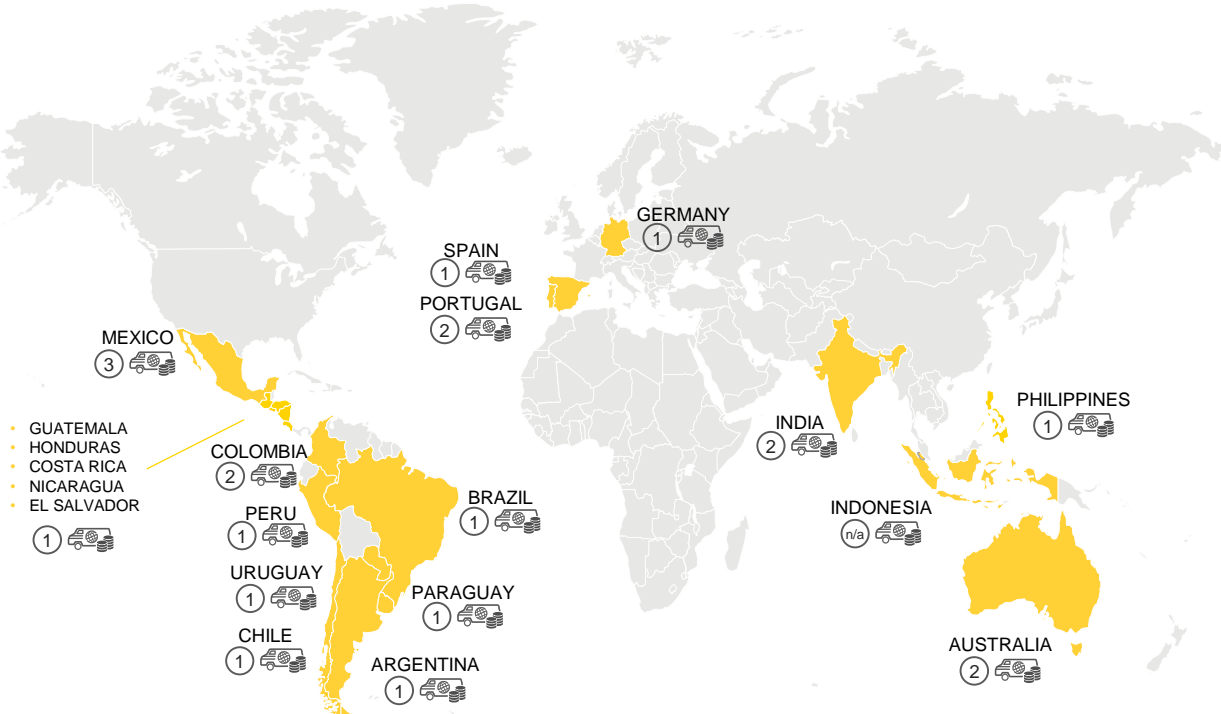


(1) Market share calculated based on companies revenues: Prosegur Cash, Brinks & Loomis are based on 2018 results; G4S and Garda are based on estimations. Prosegur Cash market share includes India.



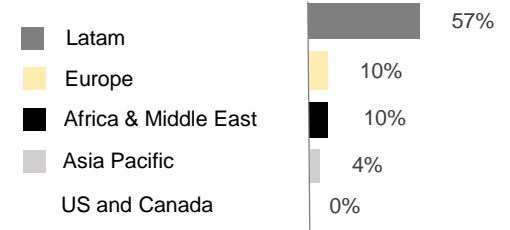
# ...WITH STRONG POSITIONS IN EACH OF THE LOCAL MARKETS

## PROSEGUR CASH GLOBAL FOOTPRINT #2 GLOBAL MARKET POSITION



# Market positioning  
 Cash in transit & cash management

## 2018 MARKET SHARE PROSEGUR



- Undisputed market leader in LatAm – leadership position in fastest growing markets
- Benefitting from growing security market
- Relying on its strong density, reputation, brand and close relationship with clients

- Solid presence in key European countries
- Expected to be the fastest growing economies in the area

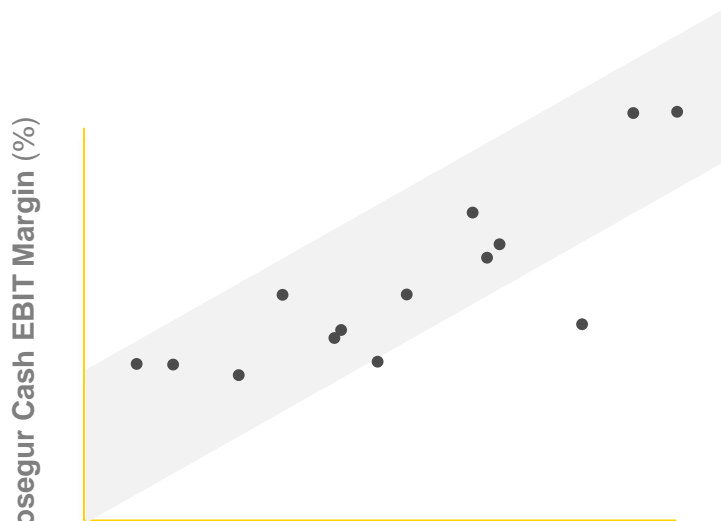
- Growing footprint in Asia / Africa
- Highest Cash market growth regions globally

Source: Freedonia 2017, DBK, Aproser and internal sources.



# DENSITY & SCALE AND PRODUCTIVITY GAINS: SEARCH FOR CONTINUOUS MARGIN IMPROVEMENT

## 1. DENSITY & SCALE

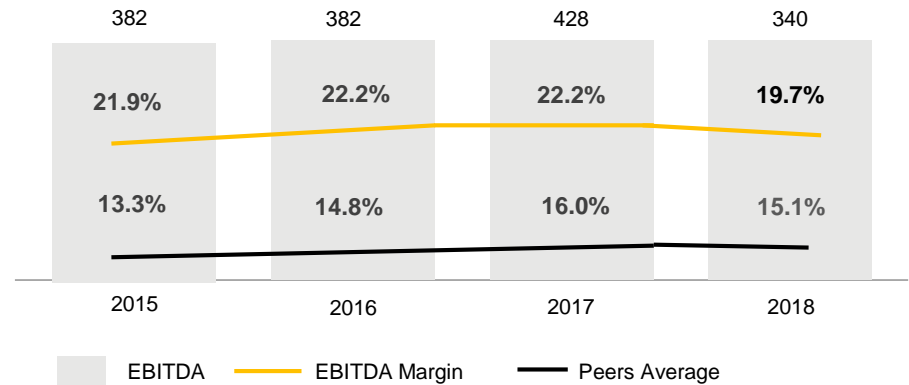


Prosegur Cash Market Share in selected markets (%)

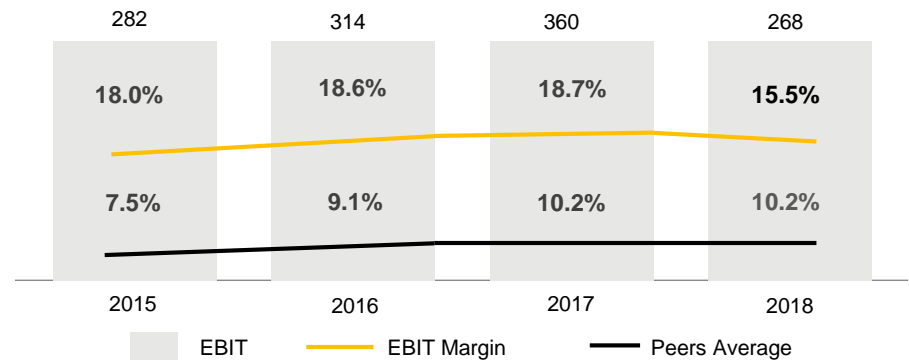
**Positive correlation** between market share and profitability

- Leadership position in focus regions
- Footprint optimisation / higher density
- Profitability programs and best practices
- Shift in revenue mix towards more value added cash services

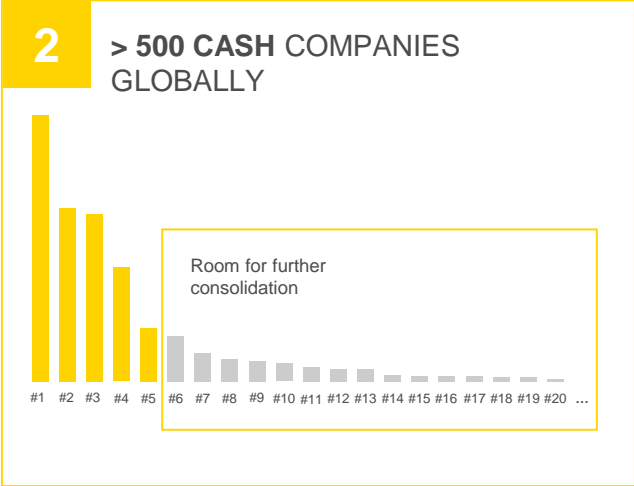
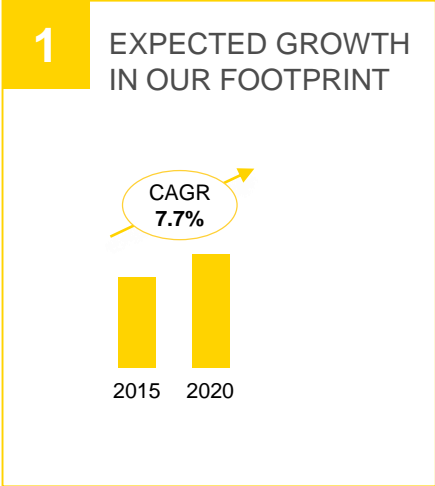
## 2. EBITDA (€m) and EBITDA margin (%)



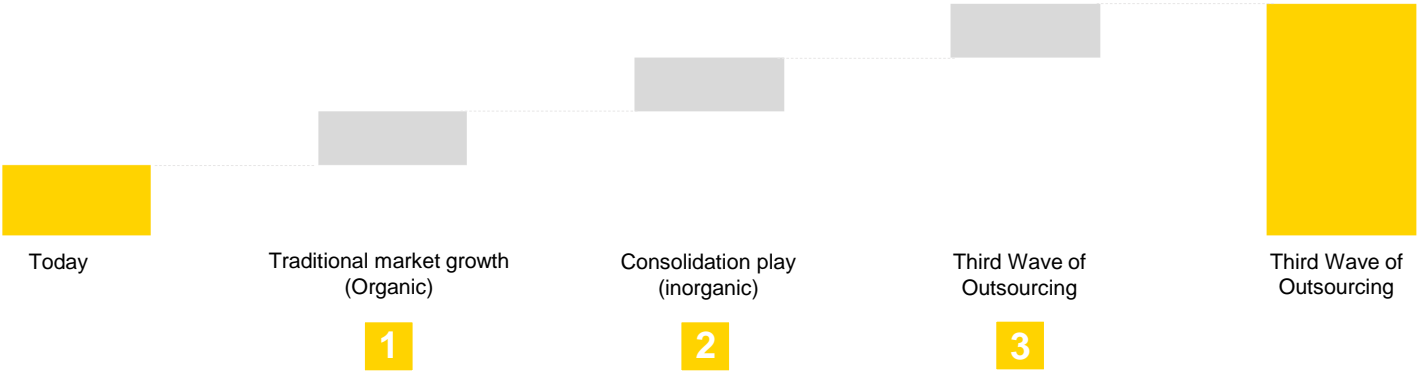
## EBIT (€m) and EBIT margin (%)



# FOR THE FUTURE: UNPARALLELED POSITIONING TO BENEFIT FROM THREE KEY GROWTH LEVERS



- 3** OUTSOURCING OPPORTUNITIES
- Back office management
  - Cash automation in clients
  - Branch teller staff
  - IAD (Independent ATM Deployer)

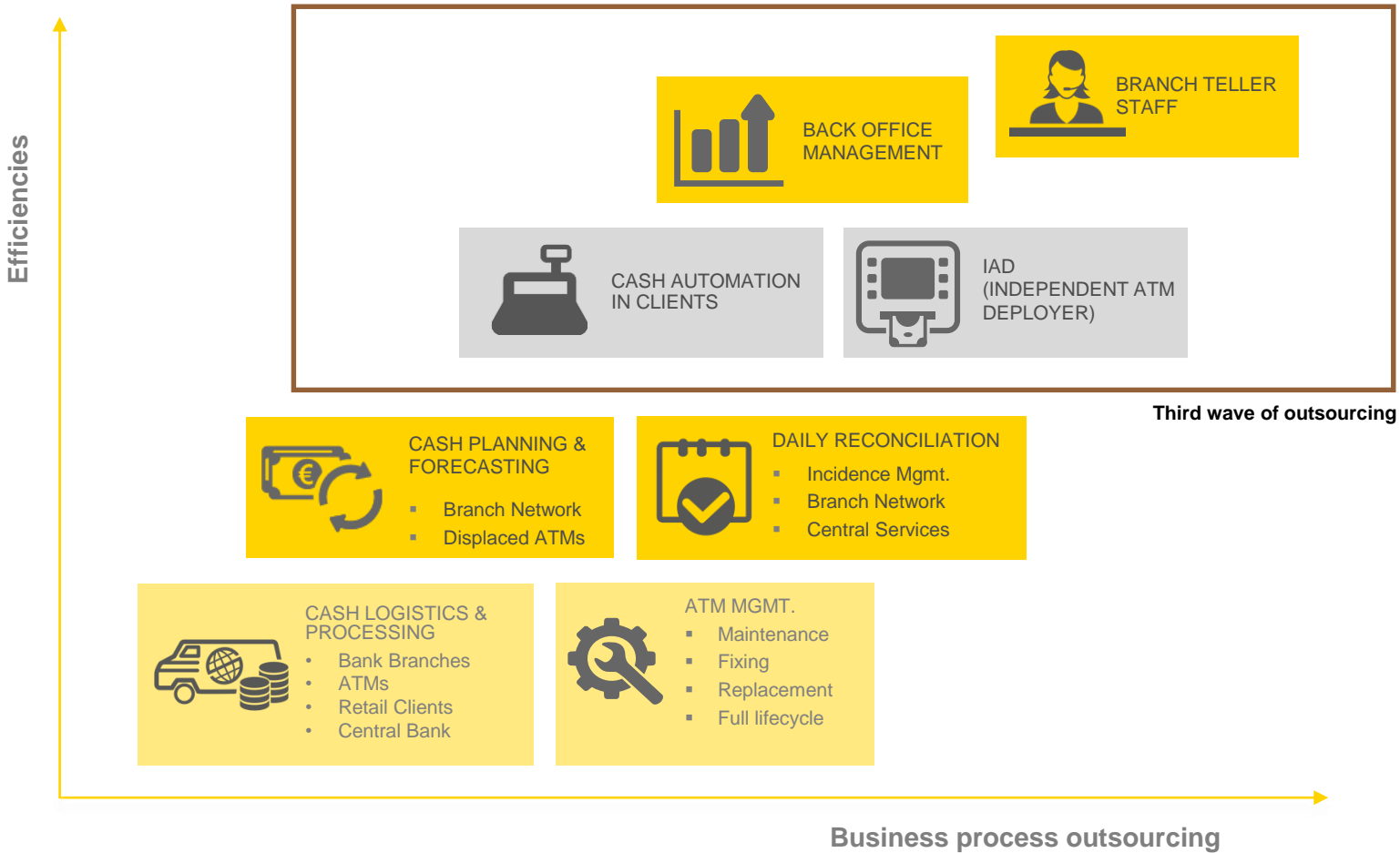


Source: IMF Nominal GDP forecast from 2016 – 2019. Expected growth calculated as a weighted average between our sales and the expected GDP





# OUTSOURCING OPPORTUNITIES





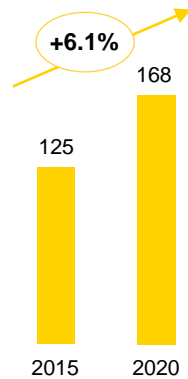
# PROSEGUR SECURITY

Moving from manned guarding  
to technological solutions

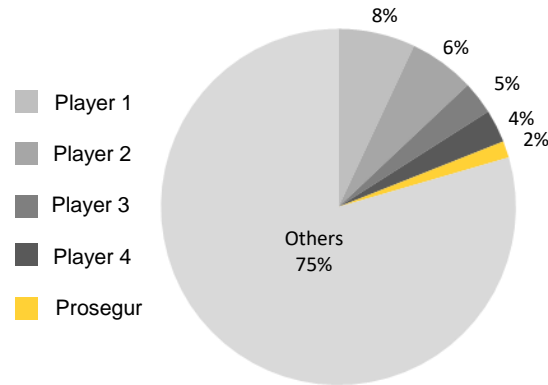


# LARGE MARKET WITH TECHNOLOGY AS A CATALYST FOR FUTURE GROWTH

## SECURITY GLOBAL MARKET EVOLUTION (\$BN)



## SECURITY GLOBAL MARKET SHARES (2018)



Source: Freedonia 2017 report and internal company data

## KEY MARKET TRENDS

- + Increasing outsourcing from Public Sector and higher development of services to companies in emerging countries
- + Design of integral offers that combine electronic systems with traditional guarding services improving revenue mix
- + Intensive use of technology and its combination with human factor
- + Trend towards mobile services (dynamic guarding/patrolling) as an alternative
- + Growing market, with significant potential in emergent countries
- Commoditization, due to its low capital intensity and entry barriers. Competitiveness intensification and considerable price pressure impacting margins, even with Facility Management companies
- Increase in staff turnover, scarcity of qualified personnel. Increasing labor pressure
- Budgeting restrictions in Public Sector
- Double market:
  - Client sophistication. Every time the client knows more and it gets more difficult to add value
  - Stagnant sector that keeps the same criteria for some years and is into a mature phase

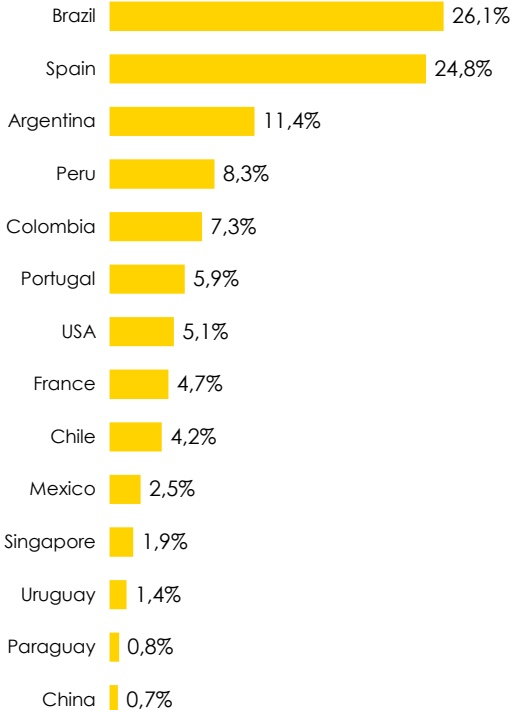


# PROSEGUR SECURITY HAS GLOBAL PRESENCE ACROSS LATAM, ASIA, EUROPE AND US

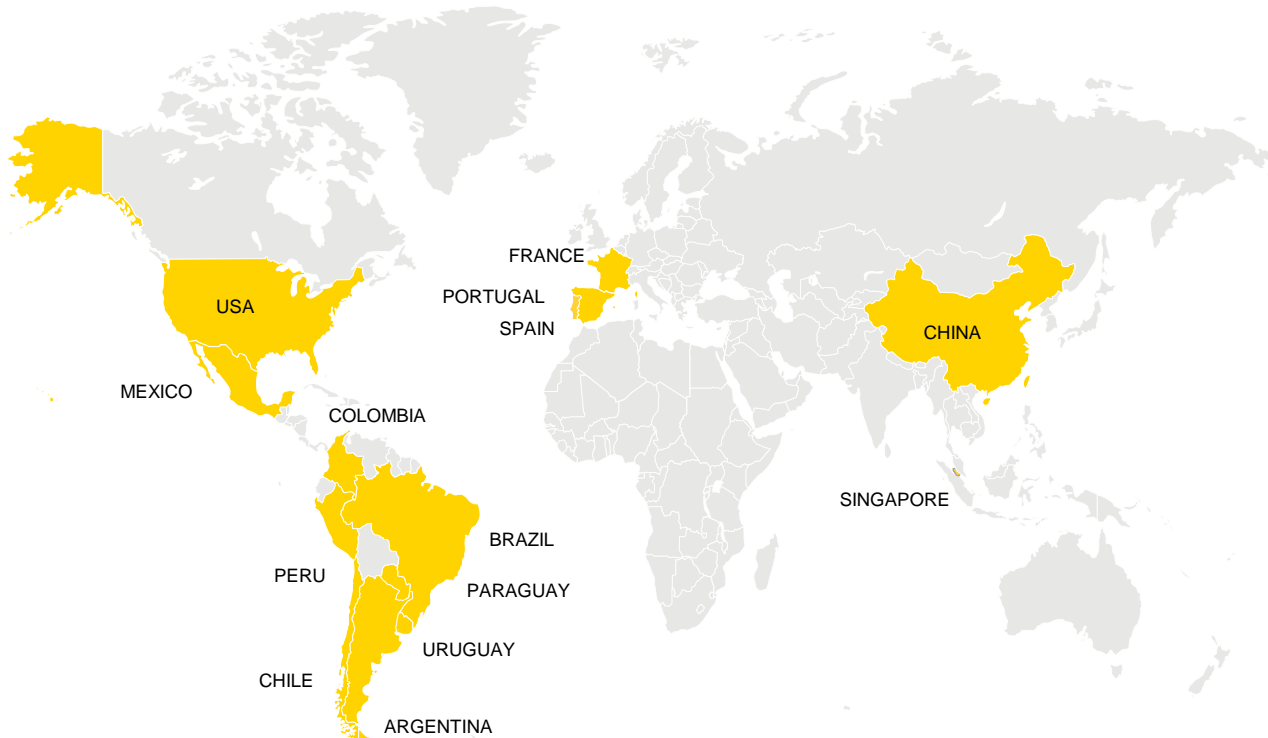


## EMPLOYEES \*

\* OPERATIONAL PERSONAL ONLY



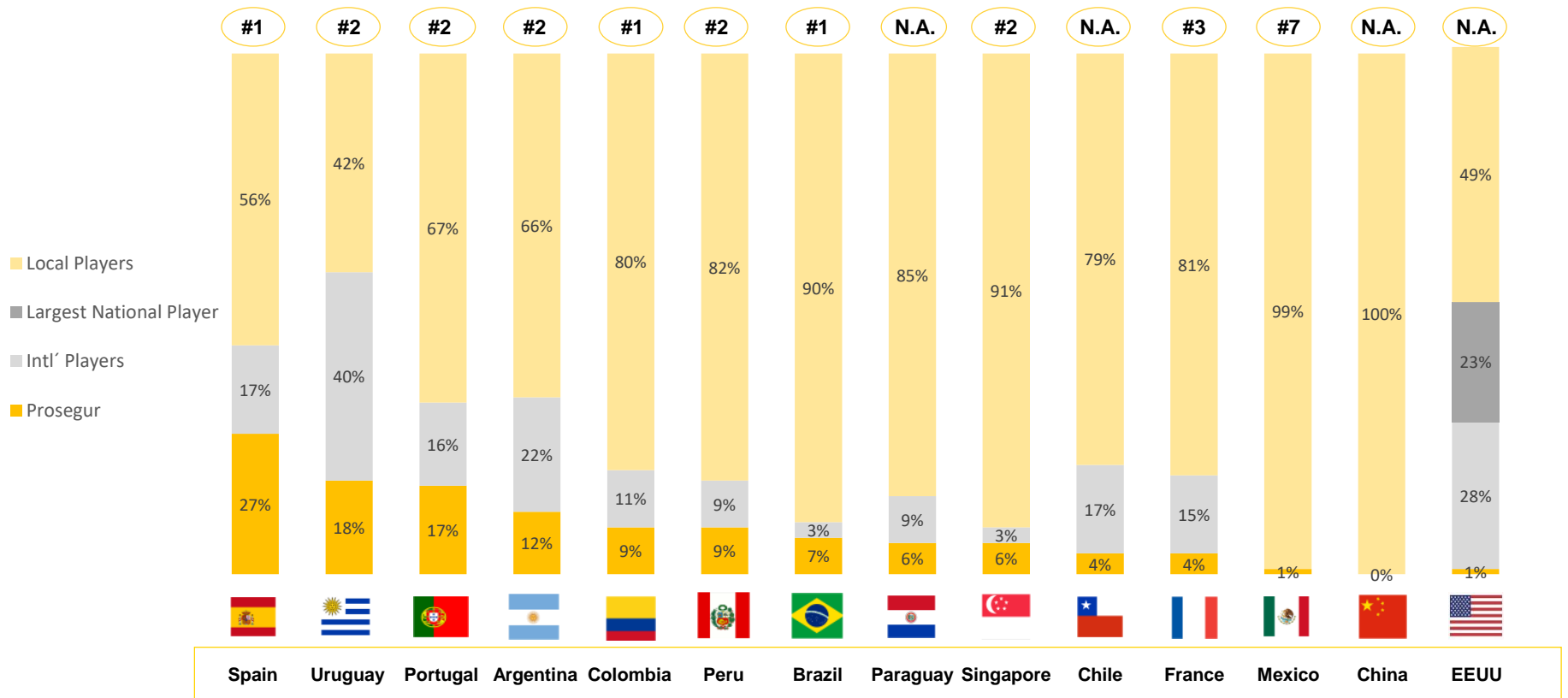
## PROSEGUR SECURITY GLOBAL FOOTPRINT #5 GLOBAL MARKET POSITION





# WITH A LEADING POSITION IN SELECTED MARKETS ENABLING A SIGNIFICANT OPPORTUNITY FOR CONSOLIDATION

## GUARDING MARKET SHARES (%)



Source: DBK, Investors presentations, internal estimates



## PROSEGUR'S SECURITY BUSINESS MODEL IS BASED ON THREE KEY LEVERS



### TECHNOLOGICAL TRANSFORMATION

- Value proposition to client; moving towards integrated solutions with technology



### HIGHER MARGIN PRODUCTS

- Moving towards a high margin product portfolio



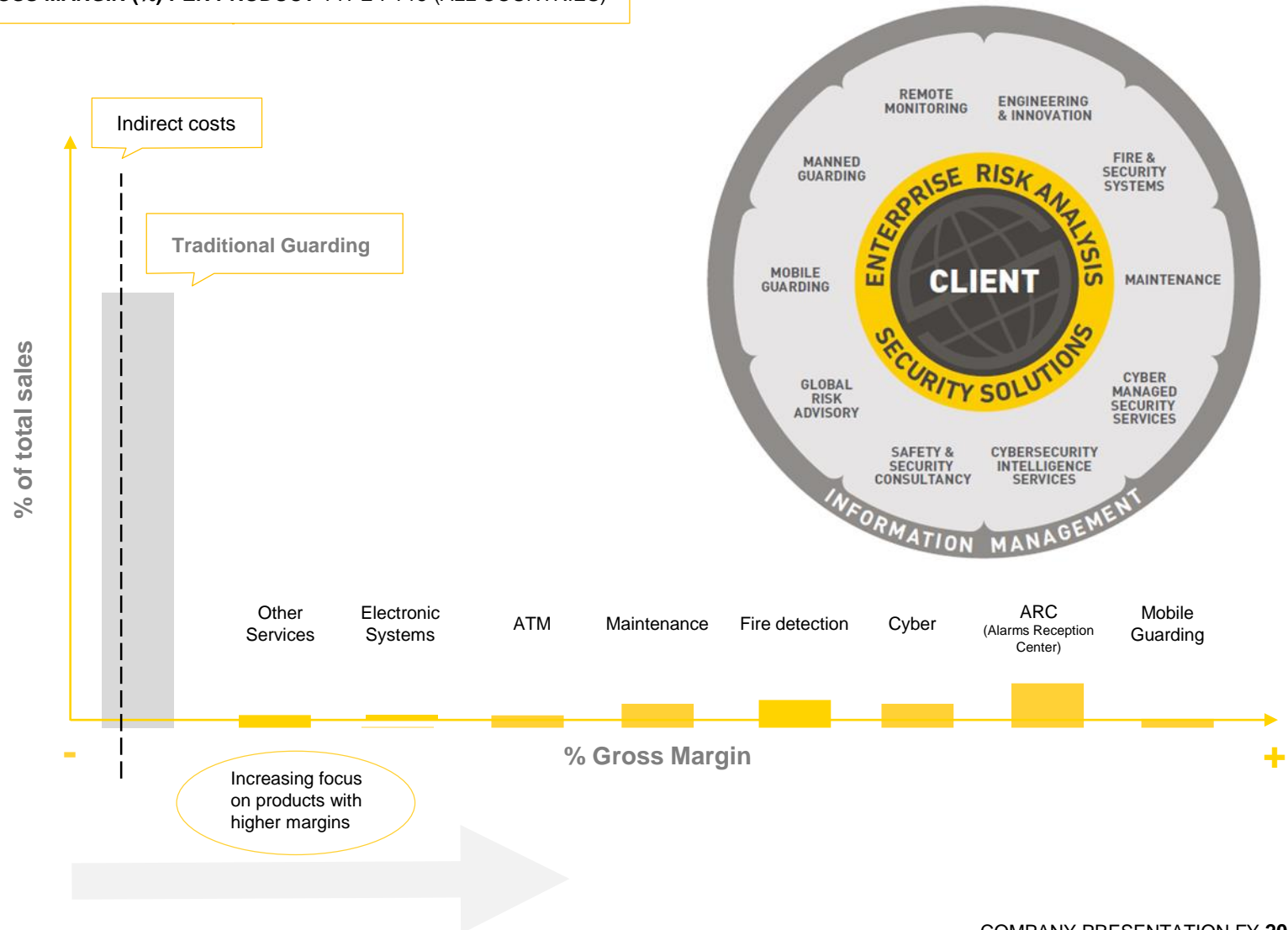
### STREAMLINING

- Size reduction
- Efficiency implementation
- Growth recovery
- Margin expansion



## 2. KEY DIFFERENTIATING FACTORS – MOVING TOWARDS A HIGH MARGIN PRODUCT PORTFOLIO

GROSS MARGIN (%) PER PRODUCT TYPE FY15 (ALL COUNTRIES)



# PROSEGUR ALARMS

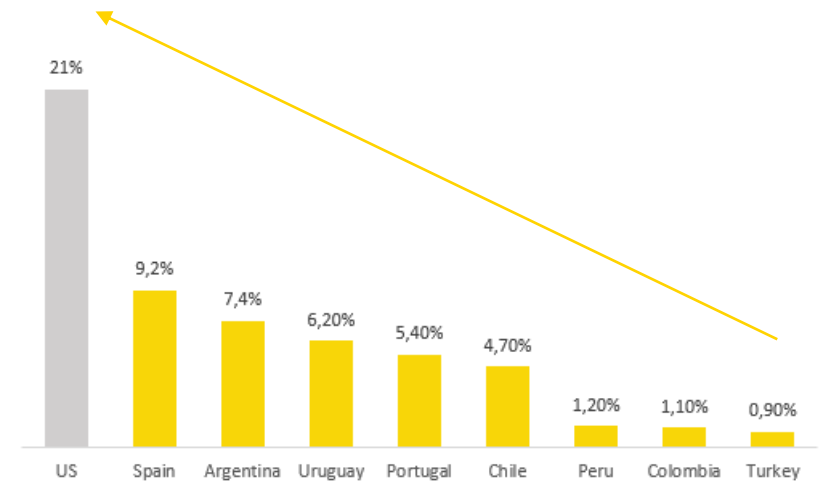
Betting on growth  
and shaping  
the future



## ALARMS MARKET: SIGNIFICANTLY UNDERPENETRATED

### ALARMS PENETRATION RATES BY COUNTRY (%)

% of households with a connected alarm



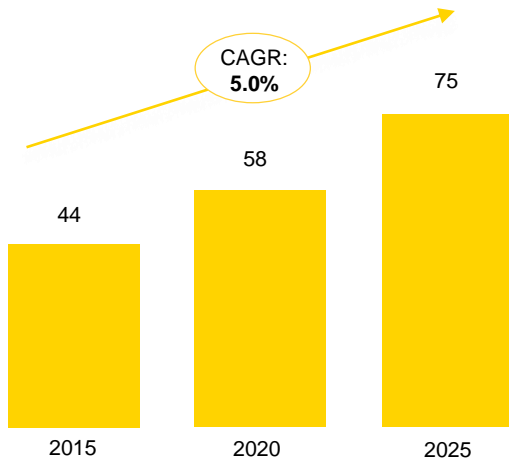
- World market is under-penetrated
- US is the most penetrated market globally and has only 20% penetration
- Prosegur core markets are all <10% penetration
- Sales and marketing are the main drivers of penetration → enormous growth potential that requires strong sales force and investment





# ALARMS MARKET: FROM SINGLE DIGIT TO DOUBLE DIGIT GROWTH IN FOCUS REGIONS

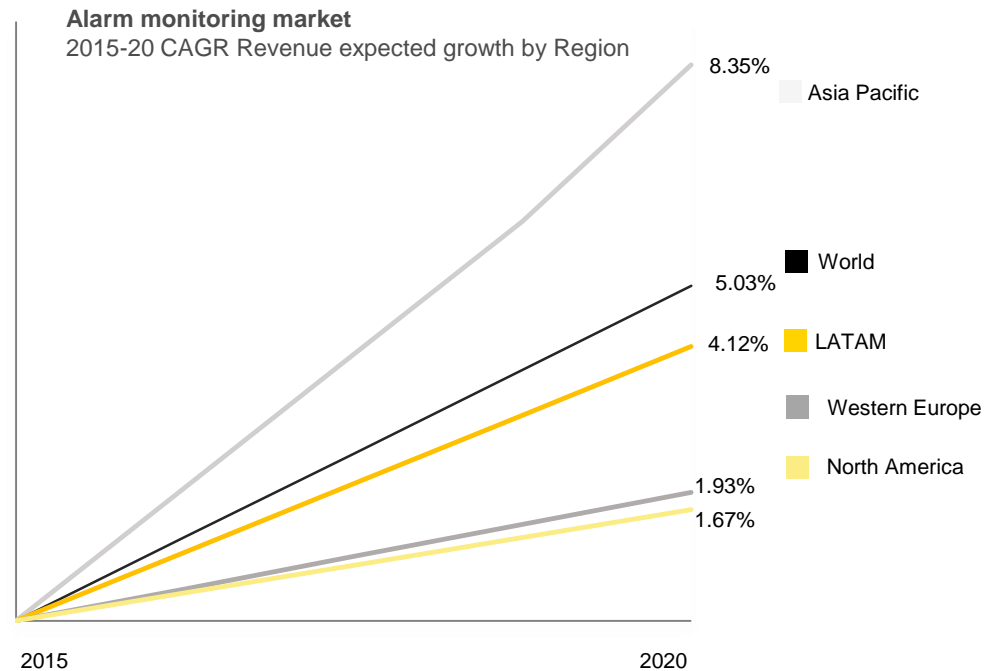
GLOBAL ALARM MONITORING MARKET (\$BN)  
 EXPECTED TO GROW AT **5.0% P.A.**



## KEY DRIVERS

- Increasing role of crimes and burglaries
- Rapid implementation of home automation and security systems
- Integration of biometric technology in smartphones

PROSEGUR'S FOCUS REGIONS  
 EXPECTED TO LEAD THIS GROWTH

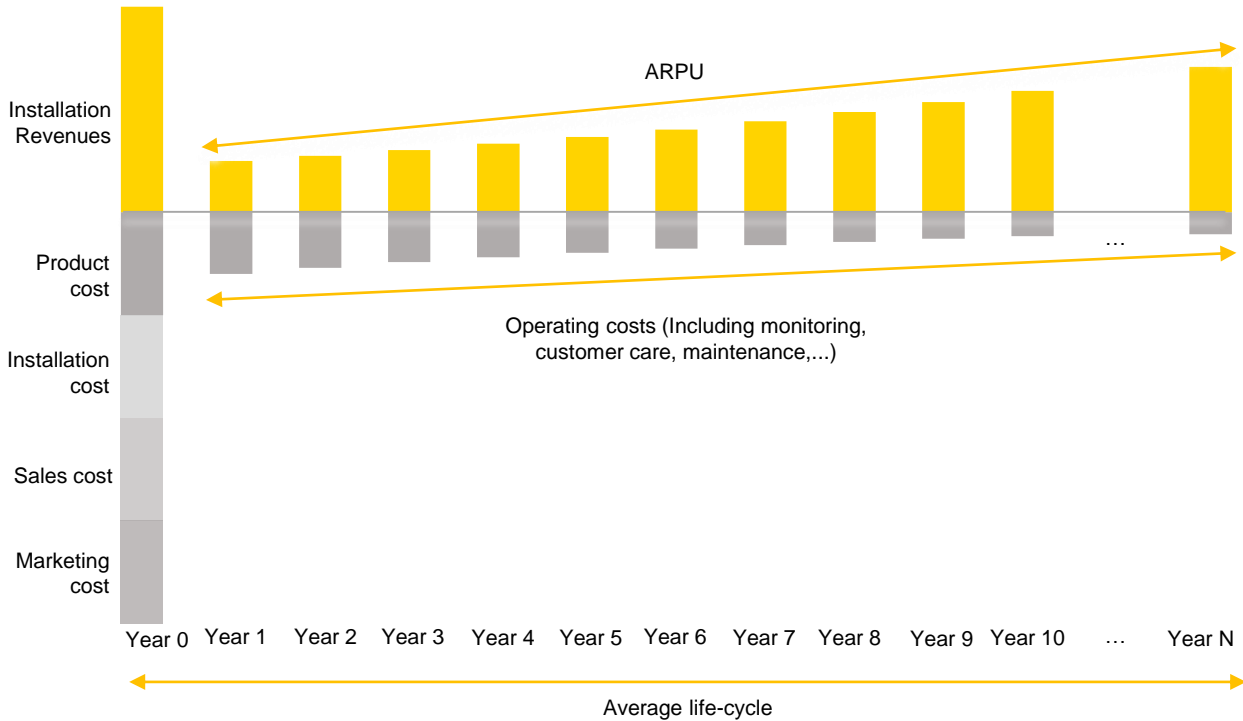


# ALARMS: A DIFFERENT BUSINESS MODEL, SIGNIFICANT VALUE CREATION



VERY ATTRACTIVE RETURNS WITH UPFRONT CAPITAL REQUIREMENTS

## CLIENT CONTRACT CASH FLOW

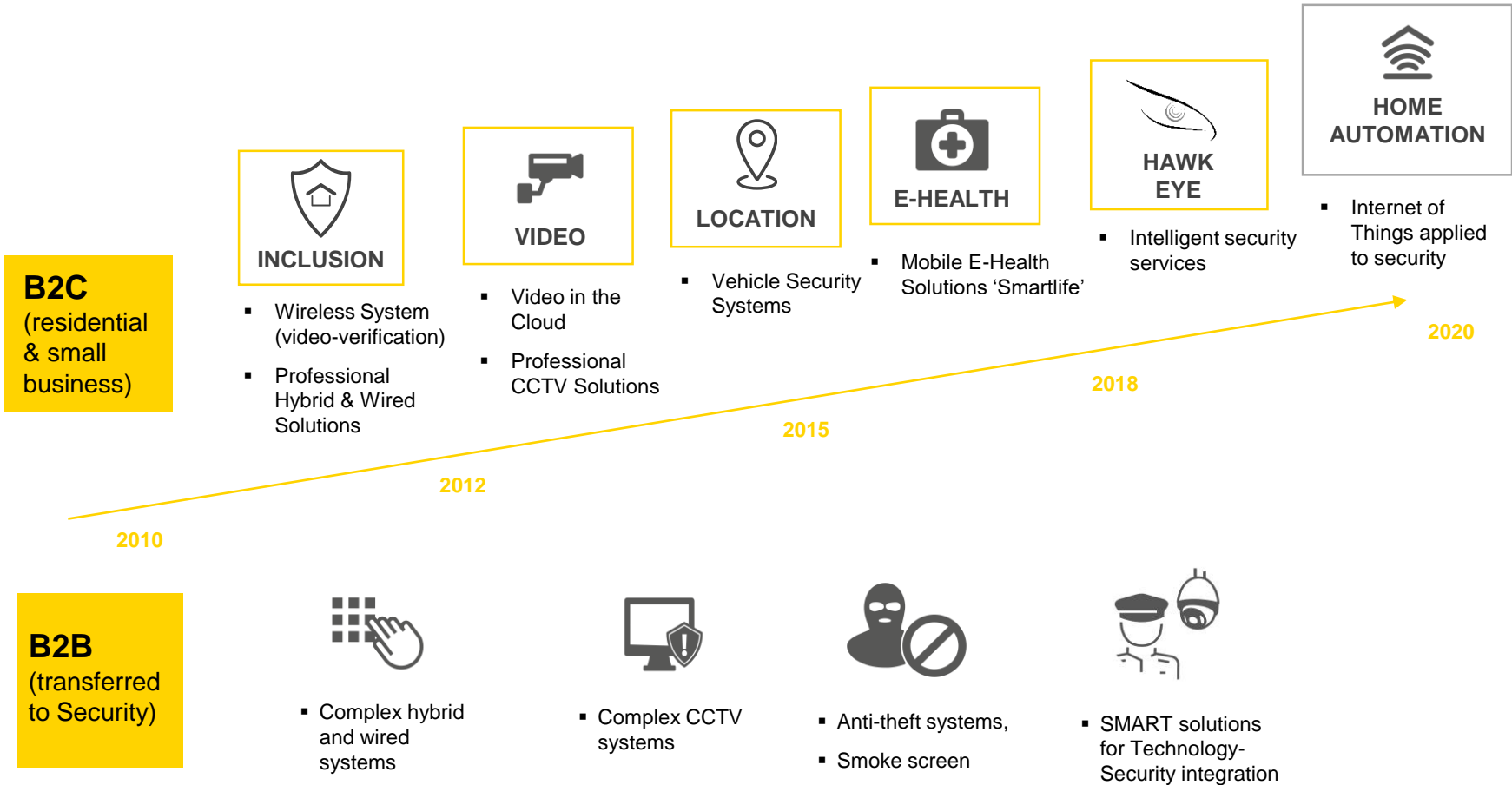


- Payback period over 4 years
- Average subscription period of 10 years
- Increasing ARPU on local currency basis
- Very attractive returns with upfront capital requirements



# 1. KEY DIFFERENTIATING FACTORS – PRODUCT (1/2)

PORTFOLIO OF PRODUCTS OFFERING A FULL RANGE OF SOLUTIONS ADAPTED TO CLIENTS' NEEDS



# 1. KEY DIFFERENTIATING FACTORS – PRODUCT (2/2)

SMART PLATFORM AS THE CORE TOOL TO INTERACT WITH OUR CLIENTS AND BUILD LOYALTY

## SMART PLATFORM



SMART Watches

WEB

SMARTPHONES

- **SMART:** Platform to interact with our clients which builds loyalty
- Launched in 2016
- **Productivity increase:** Lower service costs
- **Churn reduction:** Connected clients have lower churn rates (empirically proven 2-4% below average)

## RESPONSE



- **Protection:** In case of need, we send our response teams to provide protection
- **Police:** Critical in those countries where Police does not have the resources to provide reliable response
- Even in countries where Police provides a response we provide value added services





## 2. KEY DIFFERENTIATING FACTORS – SCALE

**UNPARALLELED PLATFORM WITH CRITICAL MASS IN 10 COUNTRIES AND OVER 550,000 CONNECTIONS**

-  Presence in 10 countries with high potential growth
-  Close to 7,000 employees
-  10 monitoring centres duplicated
-  More than 1,100 response professionals
-  Base of over 550,000 connections
-  More than 20,000 vehicles tracked

Commercial  45%

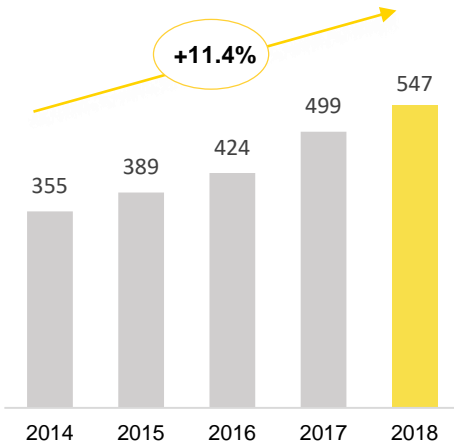
Residential  55%



Source: FY 2018 business figures

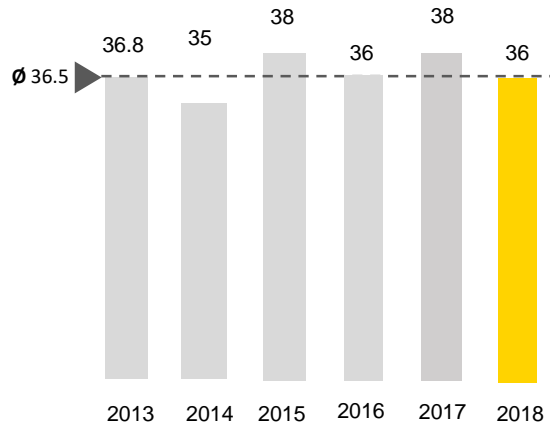
SOLID FINANCIAL PERFORMANCE BEING THE FASTEST GROWING BUSINESS LINE WITHIN THE GROUP DRIVEN BY OUR FOCUS TO INCREASE OUR CUSTOMER BASE

**CUSTOMER BASE EVOLUTION**  
(# CONNECTIONS)

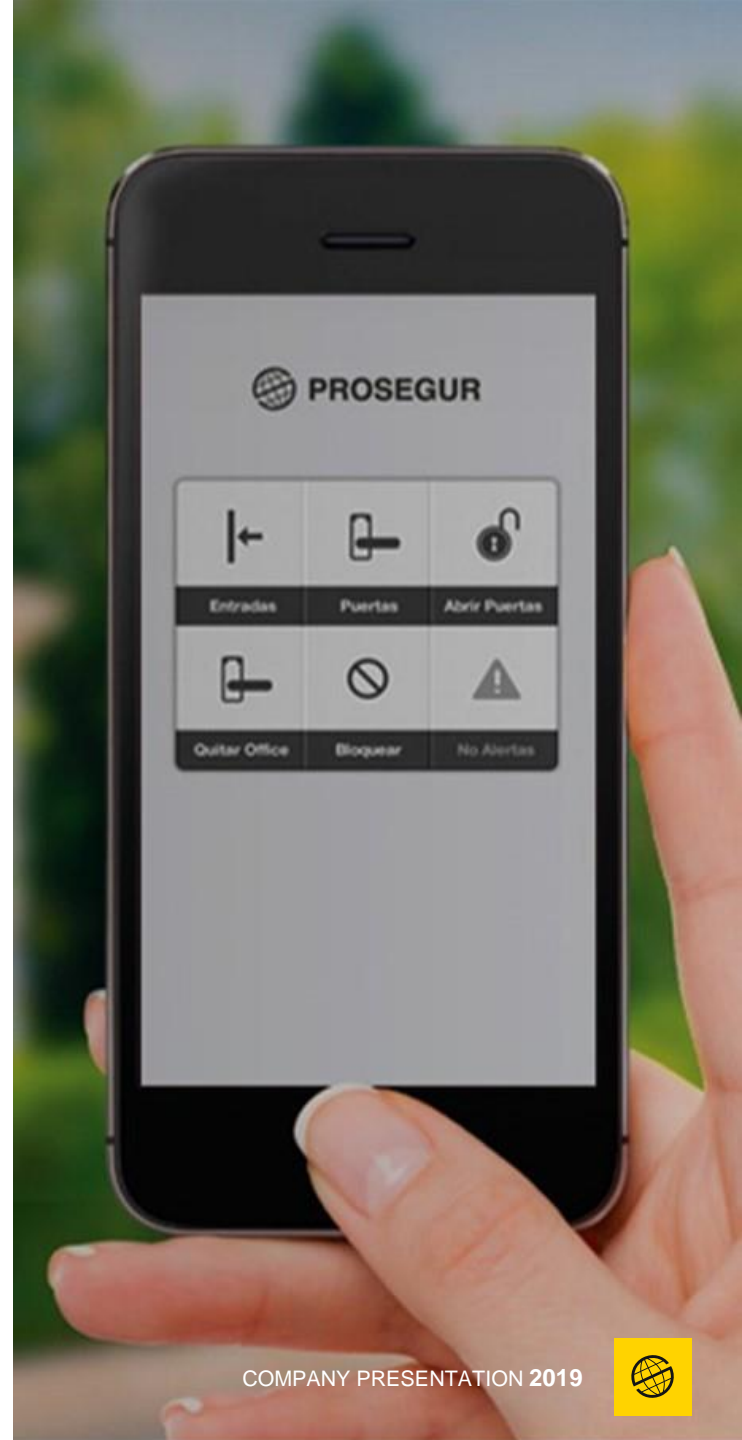


- Net additions Increment of 10% over same period in 2017
- Growth still over industry average despite Argentina slowdown

**AVERAGE REVENUE PER UNIT (ARPU)**



- Recurrent quota remains in line in the long term despite the adverse macro economic environment in Ibero-America
- Positive evolution in local currency terms



## PARTNERSHIP FOR THE SPANISH ALARM MARKET <sup>(1)</sup>



**Excellent  
opportunity**

**“Best in class”  
Alliance**

**Very good  
valuation**

### **Low market penetration level**

Out of a total of nearly 19 million households, only 9% have currently a professionally monitored alarm

Industry with annual growth exceeding 5%

### **6 millions potential clients**

The combination of the largest telephone operator in the country, and the leading private security provider with best in class reputation and quality of service

### **50% of the Spanish business valued in 300M**

Spain represents close to 40% of Prosegur's total alarms connections

Valuation in the upper range of the current industry benchmark



# Environmental Social Governance





## THE BEST HUMAN TEAM

We ensure the utmost respect for the **principle of equal treatment**.

We take no risks when it comes to safeguarding the **physical safety and integrity of our professionals**, raising their image and profiles.



**+2 MILLION**  
HOURS  
OF TRAINING  
DELIVERED



**+€12.MM**  
INVESTED IN  
TRAINING



**+1,000**  
PROFESSIONALS WITH  
DISABILITIES



**+170,000**  
PROFESSIONALS



# PROSEGUR IS A GLOBAL BENCHMARK IN THE PRIVATE SECURITY INDUSTRY

## TRADE-UNION FREEDOM AND FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING



**+200** UNIONS



**+2,000**  
UNION DELEGATES



**+200** COLLECTIVE  
BARGAINING AGREEMENTS



**16%**  
OF EMPLOYEES ARE MEMBERS  
OF A TRADE UNION

\* OECD average rate (2016): 12%



### EUROPEAN WORKS COUNCIL

UGT, CC.OO y USO (ESP)

VERDI (GER)

CGT (FRA)

STAD y SITESE (POR)

\*Advisor: UNI GLOBAL UNION

## SOCIAL CASH FLOW



**69%** OF ANNUAL  
REVENUES DISTRIBUTED  
TO EMPLOYEES



**2 million** HOURS OF  
TRAINING



**1.6 million hours**  
OF ONLINE TRAINING  
THROUGH THE  
PROSEGUR UNIVERSITY



**27%** OF ANNUAL  
REVENUES DISTRIBUTED  
TO SUPPLIERS



EFFECTIVE TAX RATE IN  
2017 FOR PROSEGUR  
WAS **36.6%**



# PROSEGUR, A RESPONSIBLE COMPANY

## COMMITMENT WITH OUR EMPLOYEES AND HSE



**Priority** IN ALL OF OUR BUSINESSES



PREVENTIVE APPROACH WITH **THREE ACTION LEVELS:**

- Training
- Monitoring and follow up
- Technological innovation



**“ZERO INJURIES”** GOAL, REGARDLESS OF OUR BUSINESS DIFFICULTIES

## ADHERENCE TO STANDARDS AND REGULATIONS



“PROSEGUR CODE OF ETHICS AND CONDUCT”



WHISTLEBLOWER CHANNEL



CORPORATE COMPLIANCE PROGRAM



CODE FROM THE LIGUE INTERNATIONALE DES SOCIÉTÉS DE SURVEILLANCE



APPLICATION OF THE RIGHTS LISTED IN THE UNIVERSAL DECLARATION OF HUMAN RIGHTS (UDHR)

Code from the Confederation of European Security Services (CoESS)



TRANSPARENCY  
We draw up our Annual Reports using the Global Reporting Initiative (GRI) standards



UN GLOBAL COMPACT

## FATALITIES IN 2017



Fatality rate per 10.000 employees

0.41

0.43

0.20

## RISK MANAGEMENT CYCLE

MONITOR

4



1

IDENTIFY

MANAGE

3

2

ANALYZE



## WE ARE COMMITTED TO PEOPLE



### PROSEGUR FOUNDATION

Prosegur Foundation channels the company's social and cultural activities to help build a more giving society while generating opportunities for personal development, thus making tangible our commitment to contribute to the development of the regions the Group operates in.

Our institution works to educate and improve the job prospects of people with intellectual disabilities and is also involved in corporate volunteering and cultural outreach

We develop our own projects that are sustainable, transparent and replicate best practices



**46**  
PIECITOS  
COLORADOS  
SCHOOLS



**+43,000**  
BENEFICIARIES  
IN 2018



**10**  
COUNTRIES



**4**  
FIELDS  
OF ACTION



**€3MM** INVESTED  
IN 2018



**34**  
PROJECTS  
COMPLETED IN  
2018





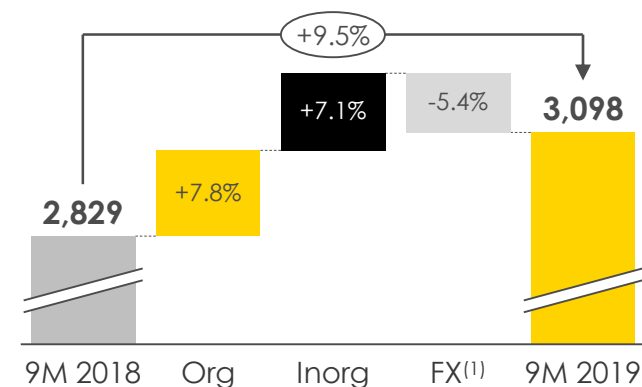


## 9M 2019 FINANCIAL INFORMATION



# P&L

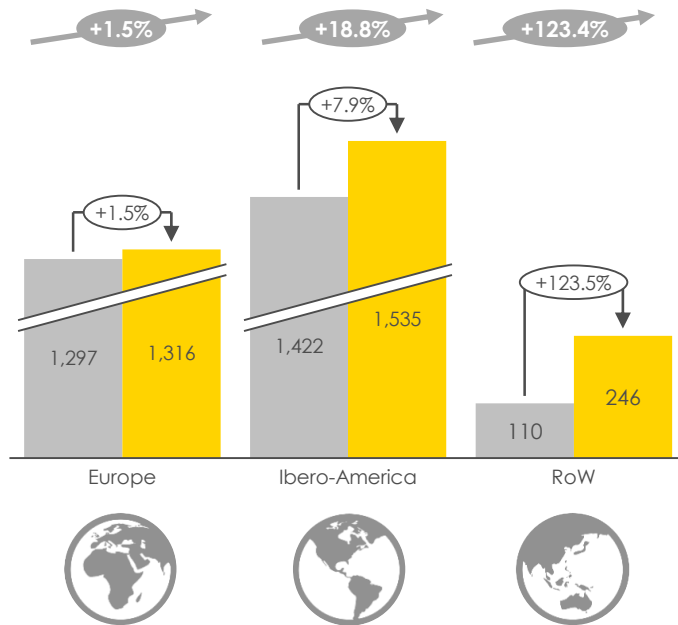
Consolidated Results	FY 2018	9M 2018	9M 2019	% Variation
<b>Sales</b>	<b>3,939</b>	<b>2,829</b>	<b>3,098</b>	9.5%
<b>EBITDA</b>	<b>456</b>	<b>332</b>	<b>378</b>	14.0%
Margin	11.6%	11.7%	12.20%	
Depreciation	(129)	(90)	(129)	
<b>EBITA</b>	<b>327</b>	<b>242</b>	<b>249</b>	3.2%
Margin	8.3%	8.6%	8.0%	
Amortization of intangibles	(26)	(18)	(21)	
<b>EBIT</b>	<b>301</b>	<b>224</b>	<b>228</b>	2.2%
Margin	7.7%	7.9%	7.4%	
Financial result	(21)	13	(45)	
<b>Profit before Taxes</b>	<b>280</b>	<b>237</b>	<b>183</b>	(22.7)%
Margin	7.1%	8.4%	5.9%	
Taxes	(100)	(82)	(65)	
Tax rate	35.7%	34.7%	35.7%	
<b>Net Profit</b>	<b>180</b>	<b>155</b>	<b>118</b>	(23.9)%
Minority Interests	48	39	35	
<b>Consolidated Net Profit</b>	<b>132</b>	<b>116</b>	<b>83</b>	(28.3)%
<b>Earnings per share</b> (Euros per share)	<b>0.2</b>	<b>0.19</b>	<b>0.14</b>	



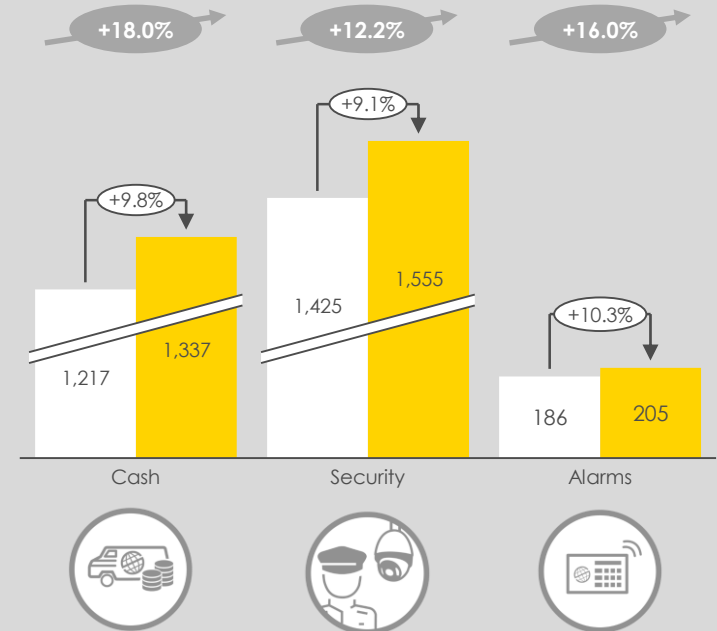
- **Excellent growth in local currency close to 15%**
- **Comparable IAS 21&29 impact**
- **Profitability positively affected by recent divestments**

# Consolidated Revenues by Region and Business Line

## Revenues by Region



## Revenues by Business Line



Growth in Local Currency (1)  
 Growth in Euros

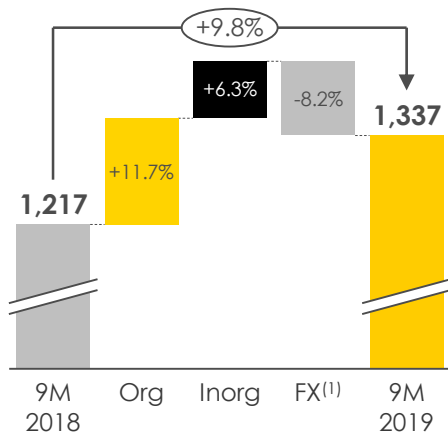
9M 2018  
 9M 2019

9M 2018  
 9M 2019

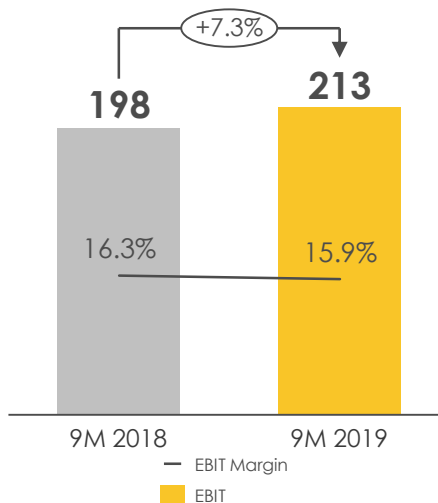
# PROSEGUR CASH



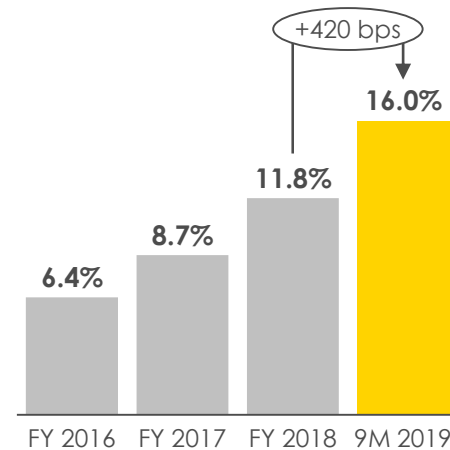
## Revenues



## Profitability



## New Products



- **18% growth** in local currency
- **9.8% growth** in Euro terms
- **Positive contribution** in all markets except Australia

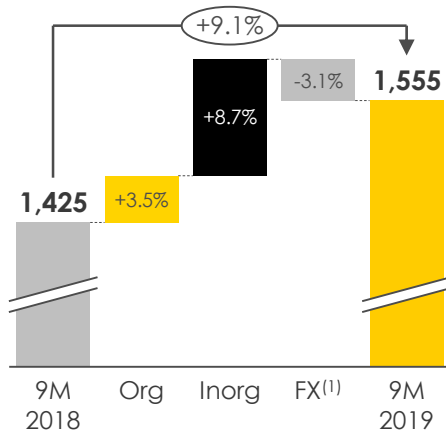
- **Continuous improvement of stand-alone quarterly margins**
- Divestments in **South Africa** and **France** partially compensate the negative effect FX

- **New products** reach **16.0%** of total sales in 9M 2019
- Sales of **NPs** grew by **52%** in euros fueled by Smart Cash, AVOS and ATMs

# PROSEGUR SECURITY

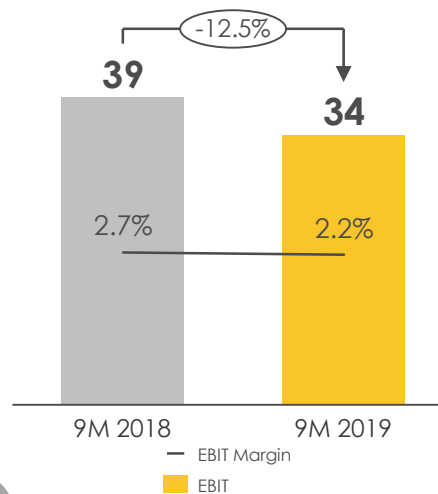


## Revenues



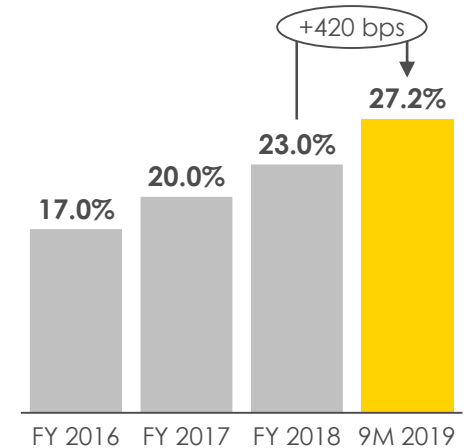
- **Growth in local currency** above 12%
- **Strong inorganic growth** close to 9% driven by **USA**

## Profitability<sup>(2)</sup>



- **Profitability** affected by the **IAS21&29** impact in Argentina, **integration** of acquisitions in **USA** and reorganization in **France**

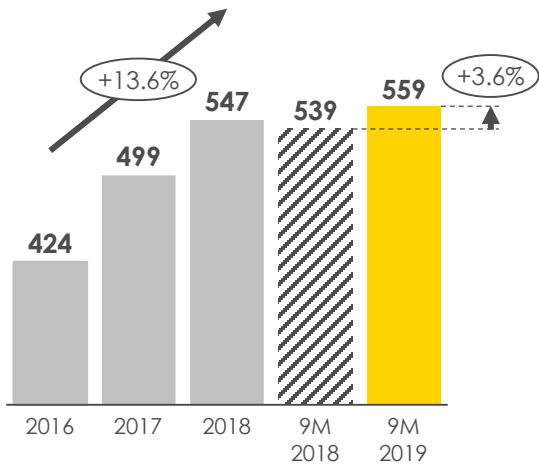
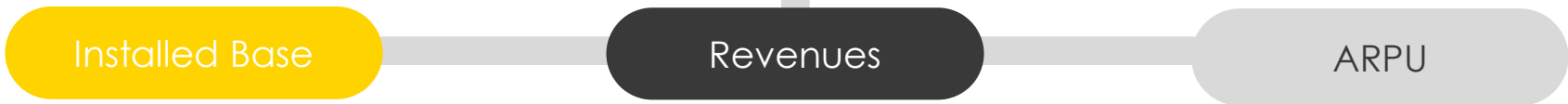
## New Products<sup>(3)</sup>



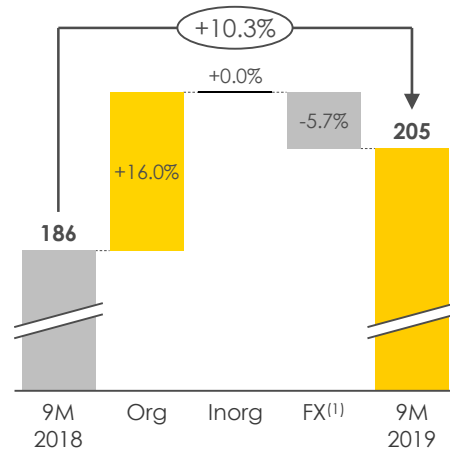
- **Increased penetration** of “Integra” Solutions reaching **27.2%** of current client portfolio
- **Spain leads** growth



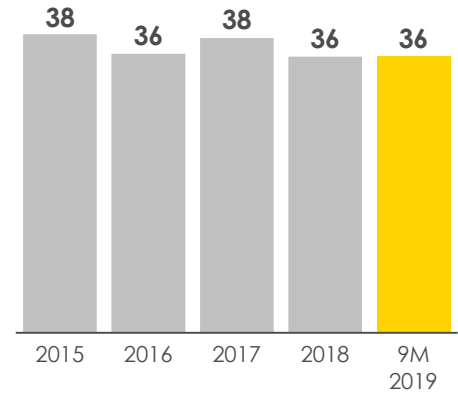
# PROSEGUR ALARMS



- Installed base **increase** of **3.6%** over the same period of 2018
- Affected by both **macro** and strategic **focus** on quality of **client portfolio**



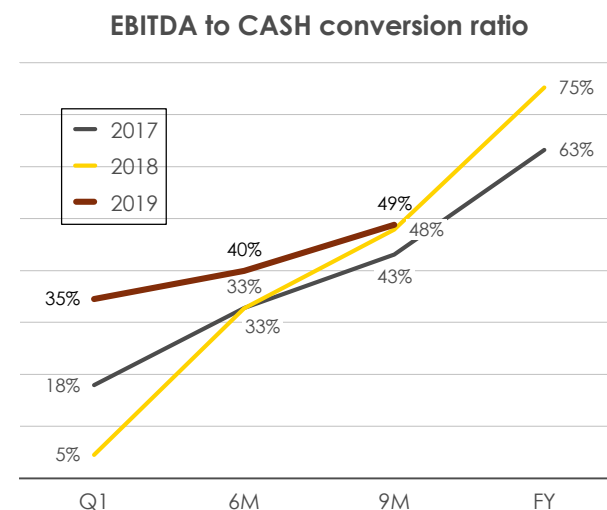
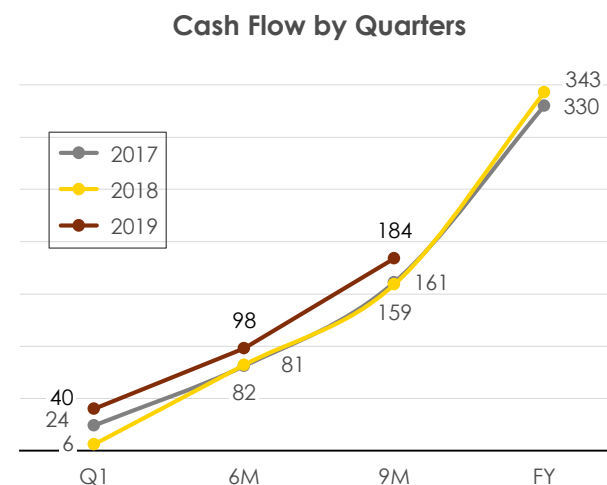
- **Growth** of more than **10%** in Euros and **16%** in local **currency**
- **Duplicating** the average global **growth** of the **sector**



- **ARPU of € 36 per month** maintained despite the strong adverse FX.
- Penetration of **“Smart” Platform** exceeding **23%** of the installed base

# Consolidated Cash Flow

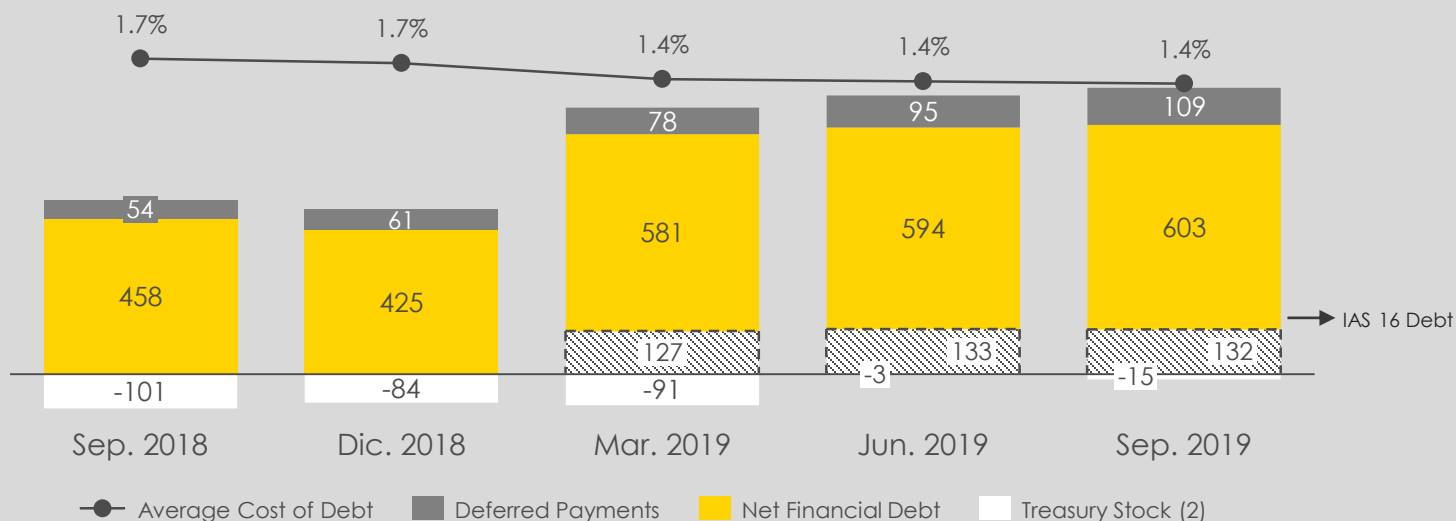
	FY 2018	9M 2018	9M 2019
<b>EBITDA</b>	<b>456</b>	<b>332</b>	<b>378</b>
Provisions and other non-cash items	14	37	4
Tax on profit (ordinary)	(102)	(96)	(83)
Changes in working capital	(5)	(92)	(103)
Interests payments	(20)	(22)	(11)
<b>Operating cash flow</b>	<b>343</b>	<b>159</b>	<b>184</b>
Acquisition of property, plant & equipment	(214)	(140)	(143)
Payments for acquisitions of subsidiaries	(83)	(54)	(124)
Dividend payments	(118)	(92)	(82)
Other flows	(35)	(2)	13
<b>Cash flow from investing / financing</b>	<b>(450)</b>	<b>(288)</b>	<b>(336)</b>
<b>Total net cash flow</b>	<b>(107)</b>	<b>(129)</b>	<b>(151)</b>
<b>Initial net financial debt</b>	<b>(252)</b>	<b>(252)</b>	<b>(425)</b>
Net increase / (decrease) in cash	(107)	(129)	(151)
Exchange rate	(66)	(77)	(27)
<b>Final net financial debt</b>	<b>(425)</b>	<b>(458)</b>	<b>(603)<sup>(1)</sup></b>



# Financial Position

## Net financial Debt

- **Increase of 178 millions of euros<sup>(1)</sup>** vs. December 2018, deriving mainly from inorganic growth initiatives.
- Average cost of debt: **reduction of c. 30 basis points** vs. the same period in 2018 (**1.4%** vs. 1.7%)
- **Rating. Confirmation** by S&P of **BBB** rating, **stable Outlook** (October 9, 2019)



# Balance Sheet

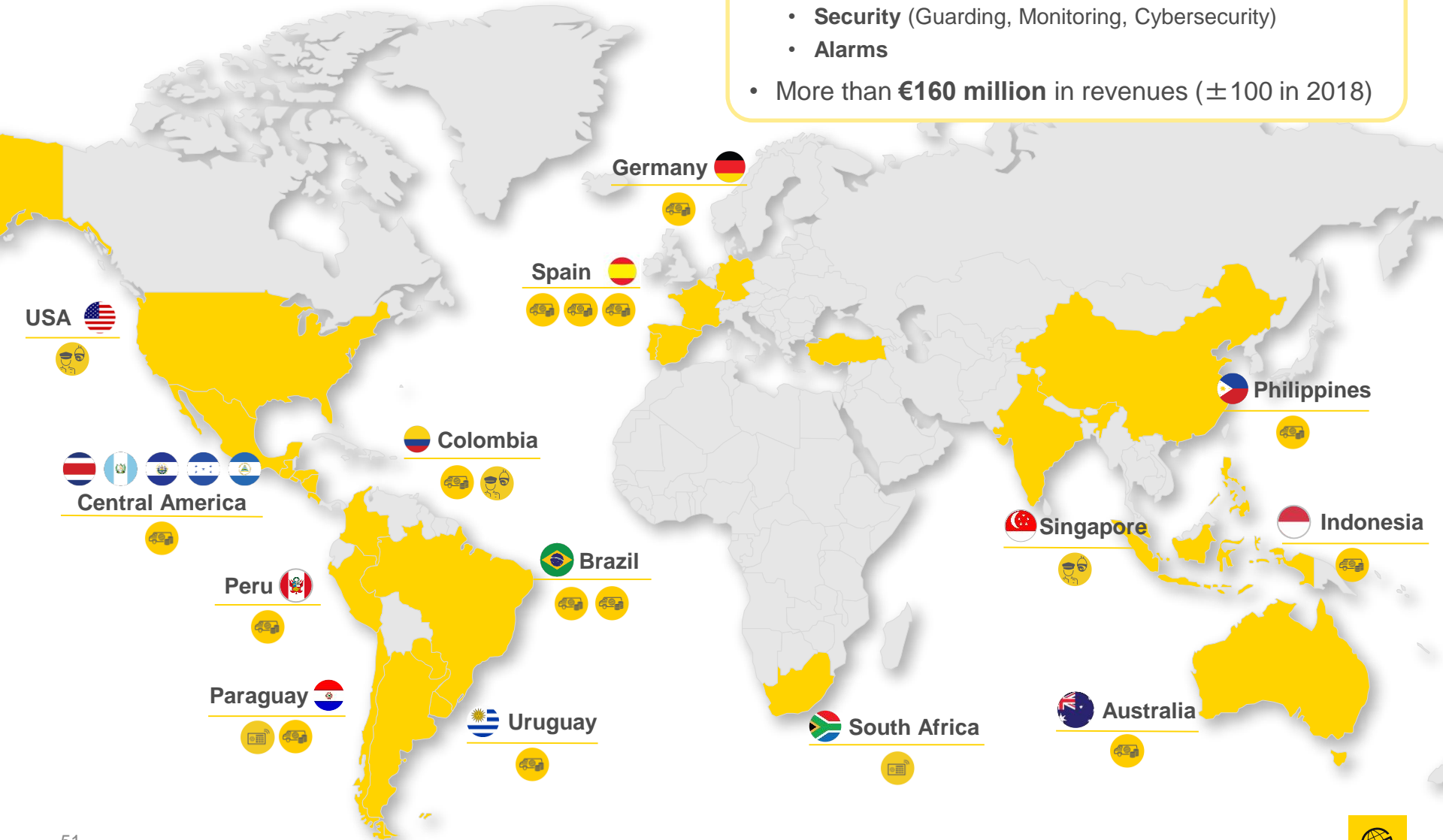
	FY 2018	9M 2019
<b>Non-current assets</b>	<b>1,721</b>	<b>1,967</b>
Tangible fixed assets and real estate investments	745	873
Intangible assets	842	954
Others	133	141
<b>Current assets</b>	<b>2,099</b>	<b>2,091</b>
Inventory	76	68
Customer and other receivables	975	1,080
Cash and equivalents and other financial assets	1,048	943
<b>TOTAL ASSETS</b>	<b>3,820</b>	<b>4,058</b>
<b>Net equity</b>	<b>1,066</b>	<b>1,068</b>
Share capital	37	36
Treasury shares	(53)	(14)
Retained earnings and other reserves	1,013	958
Minority interest	69	88
<b>Non-current liabilities</b>	<b>1,676</b>	<b>1,742</b>
Bank borrowings and other financial liabilities	1,392	1,434
Other non-current liabilities	285	308
<b>Current liabilities</b>	<b>1,077</b>	<b>1,248</b>
Bank borrowings and other financial liabilities	151	358
Trade payables and other current liabilities	926	890
<b>TOTAL NET EQUITY AND LIABILITIES</b>	<b>3,820</b>	<b>4,058</b>



- **80%** of total Group debt is of long-term nature

## Recent M&A

- **20 Operations** completed (10 in 2018)
- Across **all business lines**
  - **Cash** (CIT, AVOS, ATM)
  - **Security** (Guarding, Monitoring, Cybersecurity)
  - **Alarms**
- More than **€160 million** in revenues ( $\pm 100$  in 2018)





**Digital Transformation** – an ongoing transformational project to reshape the group

**Scalable Growth**

**50%**

- Reduced cost in the monitoring of 2,600 armoured vehicles using IOT

**Car Sharing**

- Use of electric and low consumption vehicles in "car sharing" model for Alarms and Security operational fleet

**135**

- Robotized Processes to achieve efficiencies of 120,000 hours/year

**<60 days**

- Process improvement in "Opportunity 2 Cash" & "Procure 2 Pay" focusing on DSO reduction

**Savings**

**100%**

- Robotization of the employee registration process in Spain
- +25,000 contracts / year + social security payment
- Reduces the time of incorporation from 48 to 24 hours

**16:1**

- Reduction of payroll calculation hours in Brazil

**Process Improvement**



# **Prosegur USA**

## **Investor Relations Presentation**

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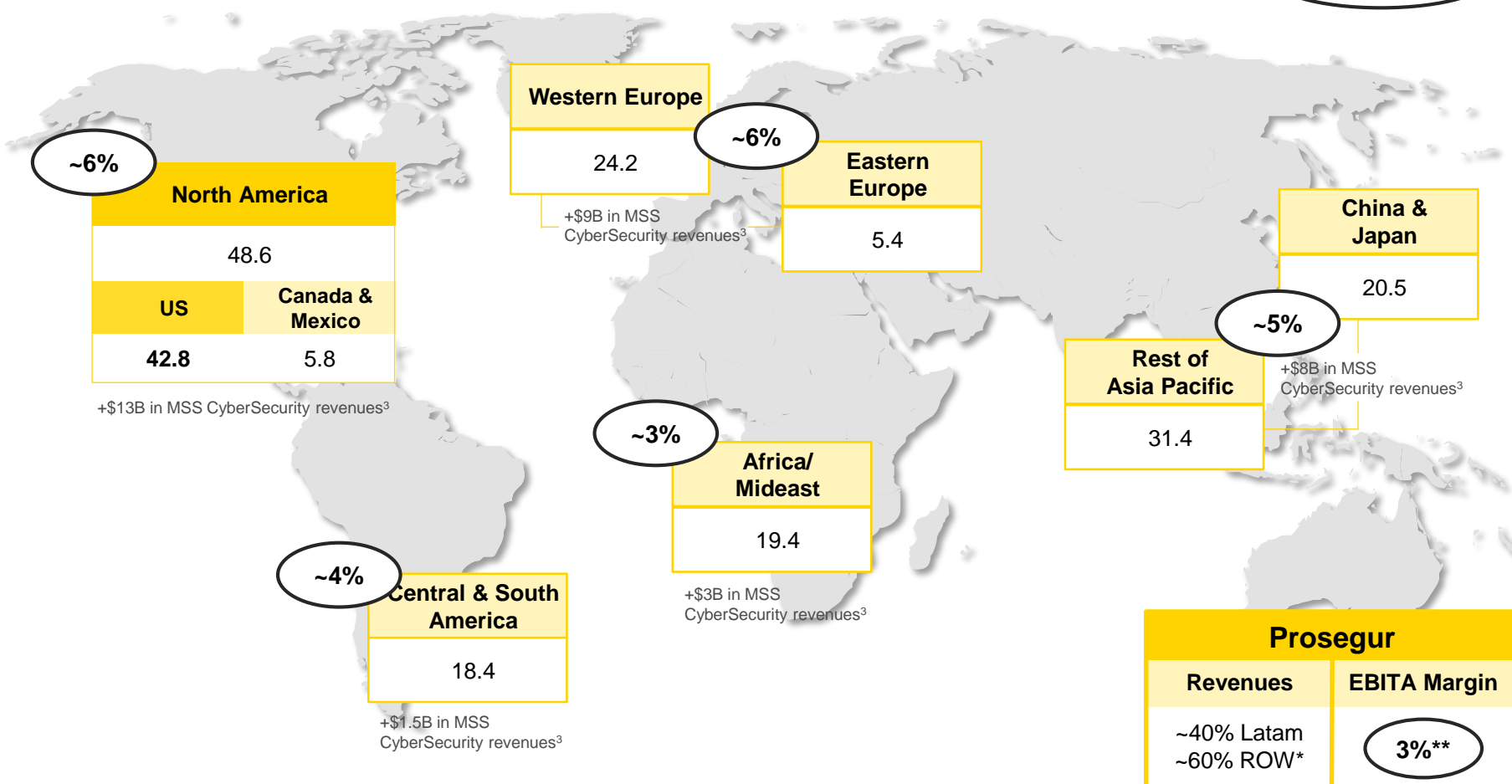
**March 2019**



US is the world's largest Security market in terms of revenues, combined with strong profitability levels...

Revenues: Billions of USD<sup>1</sup>

Average EBITA margin<sup>2</sup>

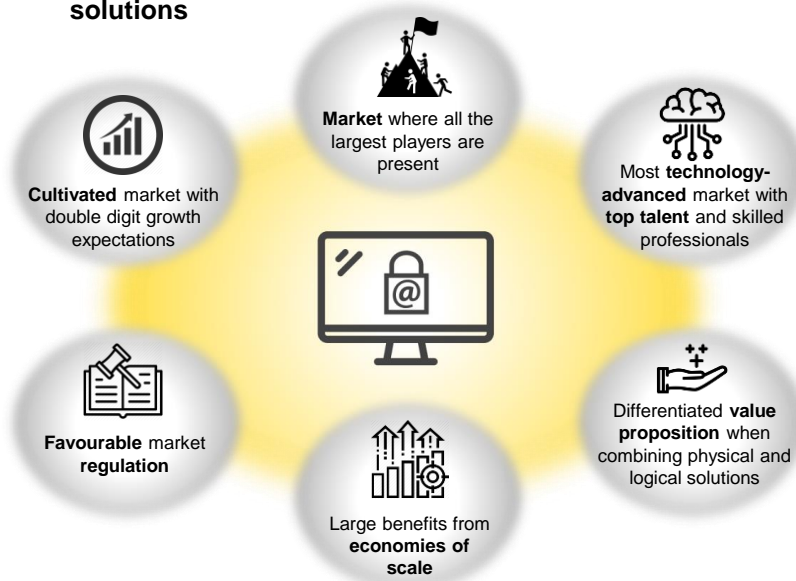


Note: Figures FY18; \*Rest of the world;  
\*\* Excludes Overhead Costs

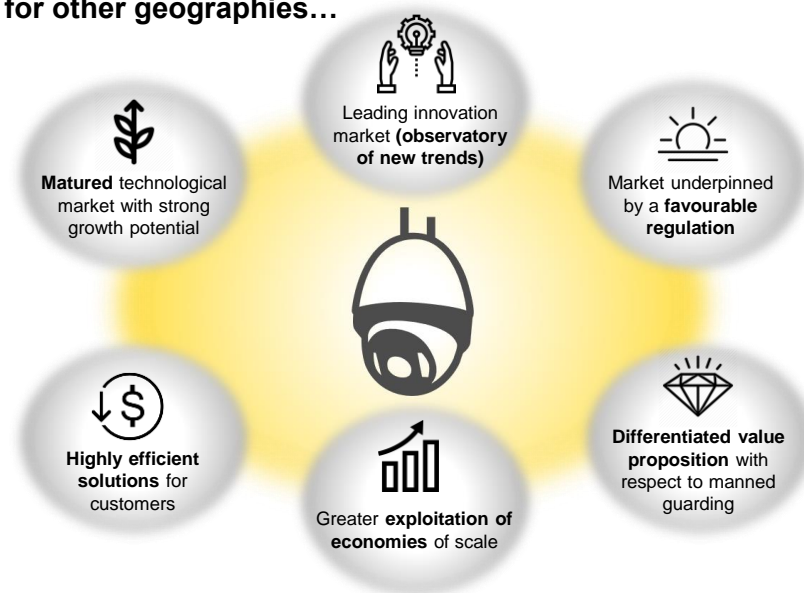
...where the **guarding market characteristics** and the **labor regulation** allow for a great opportunity for the **sale of integrated solutions**...



... and where **Cybersecurity** plays a prominent role in a mature market with access to the latest solutions and best in class professionals to combine physical and logical solutions



...benefitting from the **attractiveness of the US technology market**, a global reference that leads the way for other geographies...



As of today, the US market has been traditionally focused on **guarding**, with an increasing weight of **tech solutions**, that only international players are positioned to combine

Guarding market <sup>1</sup>			
		Revenues (\$M)	Employees
#1		~7,000	>200,000
#2		~4,200	>110,000
#3		~2,000	>54,000
#4		~300	>6,500
#5		~200	>5,500
#6		~200	>7,000
#7		~180	>5,700
#8		~160	>5,200

Integrators & Technology market <sup>2</sup>			
		Revenues (\$M)	Employees
#1		~8,400	~13,600
#2		~4,500	~19,500
#3		~850	~2,500
#4		~760	~2,500
#5		~750	~1,700
#6		~300	~1,200
#7		~160	~900
...		...	...
#10		~100	~550
...		...	...
N/A		~35	~150

# Market Rank

Note: This ranking excludes companies whose majority of their revenues come from integrated residential and burglar alarm systems: Vivint (~\$900M); Brinks Home Security (~\$550M), Guardian Protection Services (~\$200M), CPI Security Systems (~\$100M) and Central Security Group (~\$100M)



Prosegur's entry into the US is based on **four strategic pillars**



## 1 Brand awareness and reputation

- Leverage Prosegur's **top tier global reputation as #5 Global Security player**



## 2 Cross-selling opportunities

- **Rapidly increase penetration** in USA by **cross-selling** complementary services to our **existing customer base**



## 3 Integrated commercial model

- Prosegur is in a unique position to combine **integrated guarding and technology** services, defining its offering as **Enterprise Risk Management Solutions**



## 4 Strong post merger integration Plan

- Drive value creation from the very outset, maximizing each company's potential, by executing our solid **integration Plan**

Prosegur is #5 Global Security player and it can leverage top tier global reputation

- 1  **PROSEGUR**  
BRAND AWARENESS
- 2  CROSS SELLING
- 3  INTEGRATED MODEL
- 4  INTEGRATION PLAN

# PROSEGUR SECURITY



**LEADING POSITION IN 14 COUNTRIES**



**INTEGRATED SECURITY SOLUTIONS**



**5,000 CORPORATE PROJECTS / YEAR**



**+10,000 CAMERAS / YEAR**



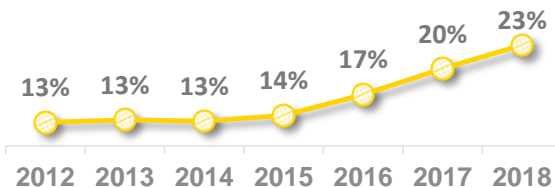
**100,000 SECURITY GUARDS**



**+7,000 CORPORATE CLIENTS**



**% Sales IASS over total Security revenues<sup>1</sup>**






**Global security revenues<sup>2</sup>**







(1) Integrated Advanced Security Solutions; Includes Cybersecurity & Enterprise Risk Advisory; (2) Market share represented by revenues

There is an opportunity to rapidly increase our penetration in USA by **cross-selling complementary services**

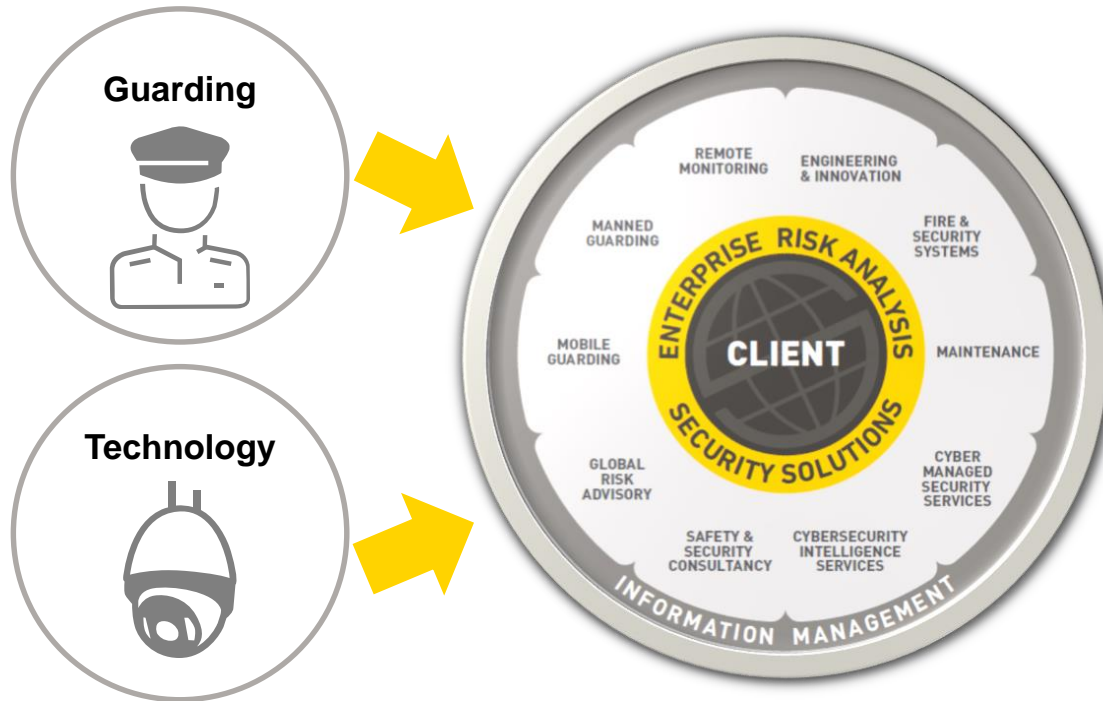
- 1  BRAND AWARENESS
- 2  CROSS SELLING
- 3  INTEGRATED MODEL
- 4  INTEGRATION PLAN

	Description	Main targets
<p>1</p> <p><b>Global accounts (US based)</b></p>	<p><b>US-based clients</b> served by Prosegur in <b>other countries</b></p>	
<p>2</p> <p><b>Global accounts (Non-US based)</b></p>	<p><b>Non-US based clients</b> served by Prosegur in other countries, that have <b>relevant presence in US</b></p>	
<p>3</p> <p><b>Acquired accounts (US)</b></p>	<p>Recently <b>acquired US customer base</b> (CSC, Cipher, Viewpoint, and BSI)</p>	

Prosegur is in the best position to **combine guarding and technology** services, sold by **risk management specialists** at higher margins...

- 1  BRAND AWARENESS
- 2  CROSS SELLING
- 3  **INTEGRATED MODEL**
- 4  INTEGRATION PLAN





## Prosegur Integra



## Rationale

- **Market ready for disruptive player** with labor scarcity and customers in need of integrated solutions
- International players, **dragged by legacy** traditional guarding contracts are struggling to change their culture
- **Prosegur can differentiate** itself by setting up a risk specialists team who sell high value added bundles, following a **consulting approach**, and at **better margins**

...as we have already **demonstrated** in some of **our core markets**

- 1  BRAND AWARENESS
- 2  CROSS SELLING
- 3  **INTEGRATED MODEL**
- 4  INTEGRATION PLAN

## Singapore



**Integra** has proven to be a great **success story in Singapore**, a Security market with **similar characteristics to US**.

Singapore has achieved the **2<sup>nd</sup> best operating margins** of Prosegur in just a **few years**, driven by **profitable Integra contracts**, where margins keep improving as weight of technology increases year on year.

## Brazil



The recent sale of the **greatest ever Integra contract** to the Brazilian branch of a major US delivery company represents a milestone for Prosegur Security.

Services include manned guarding, monitoring, and technology installation & maintenance for the client's **+130 branches** around the country with **~1,000 partners** involved.

## France




The sale of a **long-term Integra contract** to a top CAC40 French engineering and defence company was a success story for Prosegur Security in Europe.

With presence in **two key locations in the North of France**, this contract has enhanced Prosegur sales and margin in the country.



Once the **strategic intent** was defined, we are ensuring that existing **business momentum is maintained** and that the integration plan drives **value creation**

- 1  BRAND AWARENESS
- 2  CROSS SELLING
- 3  INTEGRATED MODEL
- 4  INTEGRATION PLAN

Prosecur USA's **integration process** is prioritizing the following strategic drivers:

- 1 **Focus on value creation** 
  - Optimizing **synergies** at all levels: revenue, costs, financial, marketing...
  - Protecting **business momentum** to avoid loss of revenue and to retain key talent
- 2 **Prepare well** 
  - Defining a **tailored integration approach**, setting KPIs to ensure the best combination of the different commercial/ operations teams
  - Empowering a value-added **IMO**<sup>1</sup>, whose main goal is to ensure everything is ready to start the integration execution since day 1
- 3 **Execute rigorously** 
  - **Constantly monitoring** the pre-defined strategic integration **KPIs**
  - **Over-communicating** with messages customized to every stakeholder
  - Building capabilities for **future deals**

Prosecur USA capitalizes on our Group's **track record in +200 M&A operations**, and leverages each target competitive advantage and strong management team.



Following this entry strategy and **integrated model approach**, the **acquisitions roadmap** was designed to build a strong platform...



## Manned Guarding

- Professional security officer
- On-site response service
- Mobile guards



## Remote video monitoring

- Real time, 24/7 monitoring
- Advanced Analytics
- Intelligent predictive CCTV



## Security Integrator

- Engineering capabilities
- Local installation resources
- Operation and maintenance



## Cybersecurity

- SOC (Security operation centers)
- Managed Security Services
- Digital surveillance
- Cyber Intelligence



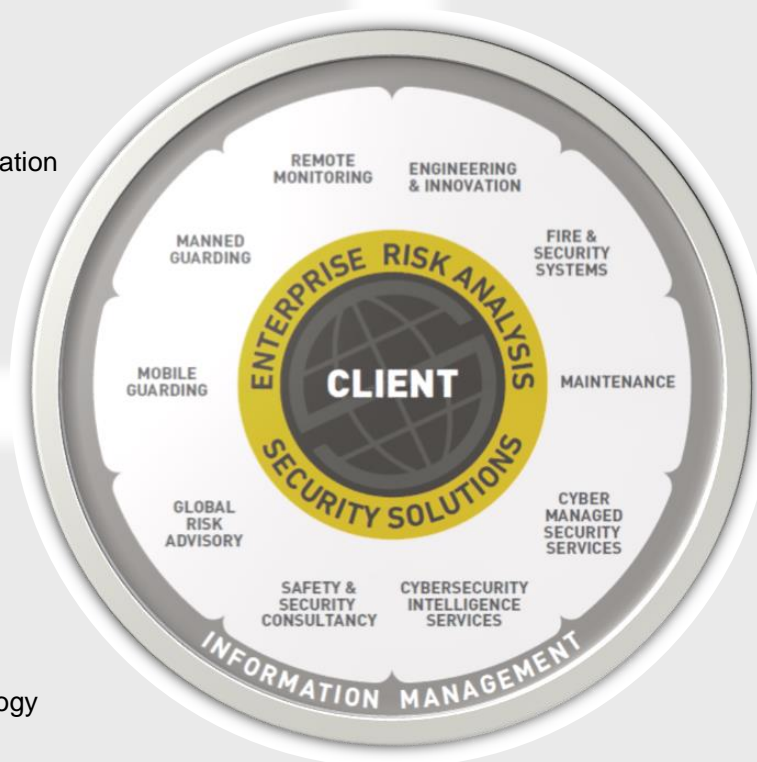
...and highly specialised targets in their niches, with the perfect fit in our desired platform, were identified to build Prosegur USA



- **Experience:** 39 years
- **HQ:** Herndon, VA
- **Services:** General Security, Aviation Safeguards
- **Workforce:** +5,000 employees



- **Experience:** 32 years
- **HQ:** Delray Beach, FL
- **Services:** Retail Video Technology Solutions & Electronic Article Surveillance Solutions
- **Workforce:** +50 employees



- **Experience:** 14 years
- **HQ:** Lowell, MA
- **Services:** Video monitoring security services, Installation, Call center support
- **Workforce:** ~100 employees



- **Experience:** 19 years
- **HQ:** SP, Brazil. Also with presence in the US (Miami, FL)
- **Services:** Managed Security Services (MSS), Security & Risk Consulting Services
- **Workforce:** +100 employees

This new brand **national platform** leaves us in a unique position as a full services integrator to **cater for our clients needs across the US**

Relevant presence in regions with the highest concentration of clients and **growth potential**



- Guarding
- Monitoring / Technology
- Systems Integrator
- Cybersecurity

In conclusion, US Market entry will provide us with **great benefits** that will allow us to improve our profitability and become a leader in **Enterprise Risk Management Solutions**

## Market attractiveness



### Manned guarding

- Positive perception of guarding profession
- Security guards scarcity
- High labour costs
- Highly compliant market



### Technology

- Highly matured market with strong growth potential
- Highly efficient solutions for customers
- Great exploitation of economies of scale
- Favourable regulation

## Strategic pillars

Brand awareness and reputation



Cross-selling opportunities



Integrated commercial model



Strong post merger integration Plan



## Rationale for Prosegur



Entry into the **largest and most profitable security market** with the ambition to become Prosegur's **second biggest market** in the midterm



Geographical portfolio rebalancing, leading to **strong revenues** increase in a very stable market



**Innovation and new trends observatory** to export successful models to other countries





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