

May 6<sup>th</sup>, 2016

**1Q 2016 Results Presentation**



# 1

## GROWTH

- Strong sales growth in Spain and Argentina
- Positive organic growth in Brazil
- LatAm organic growth above 17%
- Excellent growth of the alarms business in Europe & Row

# 2

## PROFITABILITY

- Excellent improvement of profitability
- EBIT margin increases to 9.4%
- Margins improve in all regions despite the strong seasonality

# 3

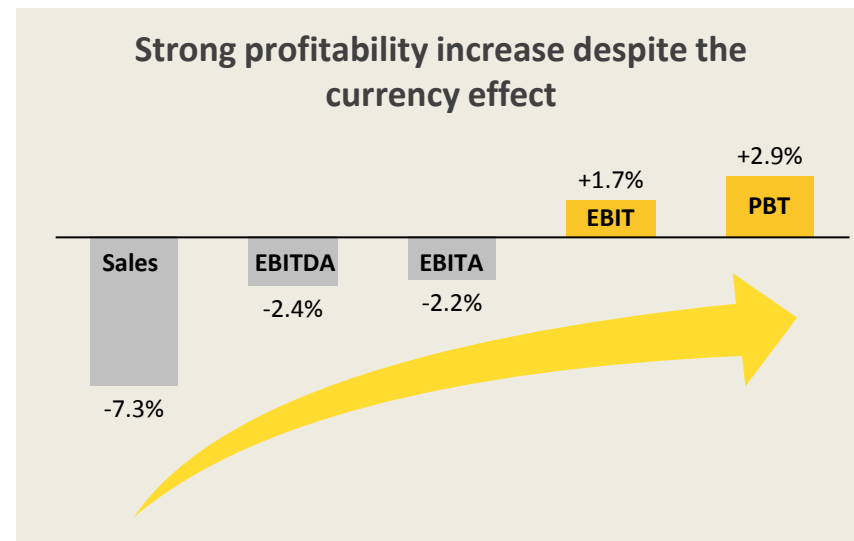
## FINANCIAL SOUNDNESS

- Cash repatriation from Argentina normalized
- The structural improvements achieved in 2015 are maintained

**Main highlights**

# P&L

<b>Consolidated Results</b> <i>Million Euros</i>	1Q 2015	1Q 2016
<b>Sales</b>	968	<b>897</b>
<b>EBITDA</b>	114	<b>111</b>
<i>Margin</i>	11.8%	12.4%
Depreciation	-23	-21
<b>EBITA</b>	92	<b>90</b>
Amortization of intangible and other	-9	-6
<b>EBIT</b>	<b>83</b>	<b>84</b>
<i>Margin</i>	8.5%	9.4%
Financial Result	-11	-10
<b>Profit before taxes</b>	72	<b>74</b>
<i>Margin</i>	7.4%	8.2%
Taxes	-26	<b>-26</b>
<i>Tax rate</i>	35.6%	35.5%
<b>Net Profit</b>	46	<b>48</b>
Minority interests	-0.2	0.0
<b>Net consolidated profit</b>	47	<b>48</b>
<b>EPS</b> <i>(Euros per share)</i>	<b>0.1</b>	<b>0.1</b>



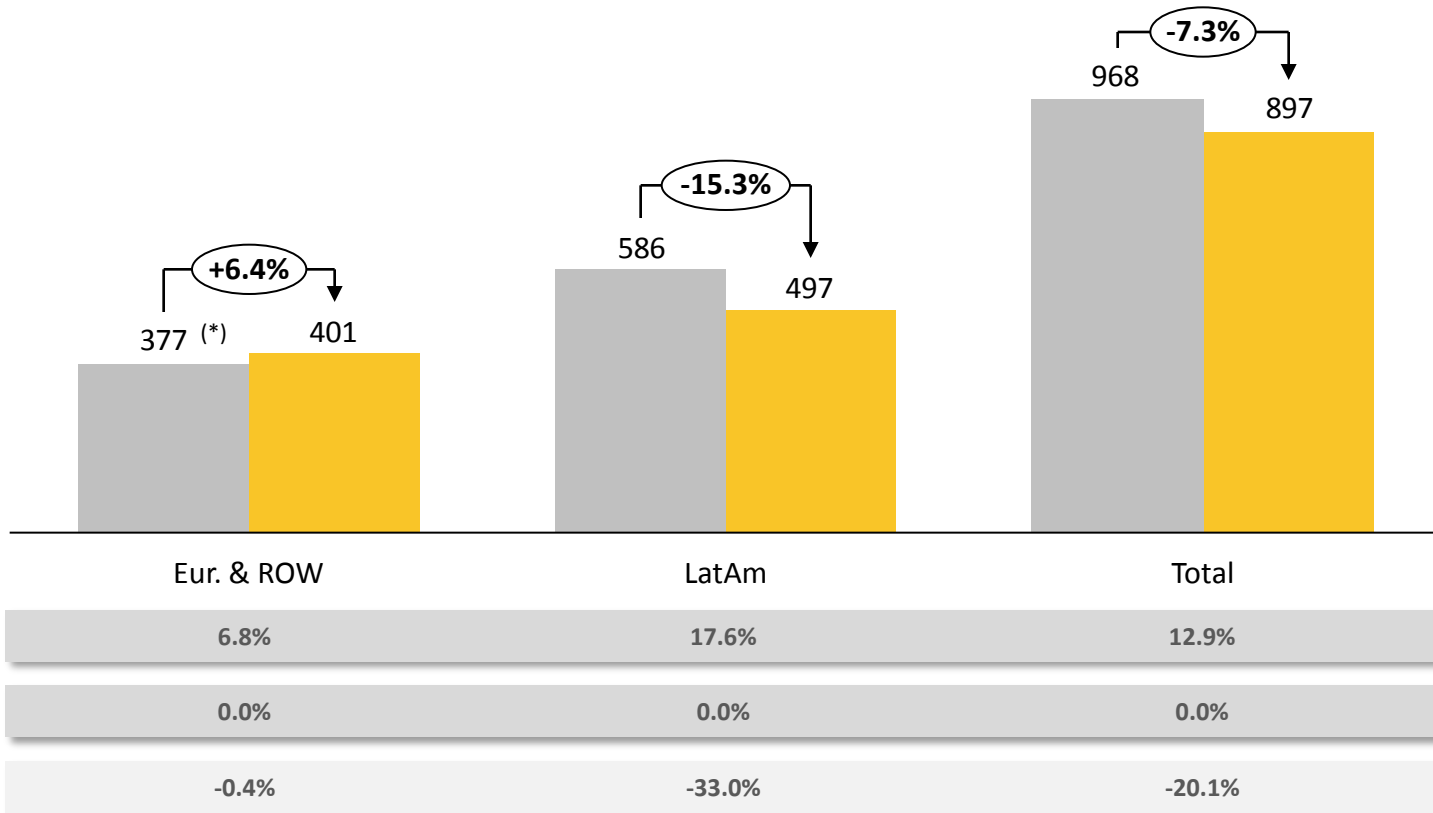
- Sales grow organically by almost 13%
- EBIT margin grows to 9.4% despite the adverse macro environment
- Net Consolidated Profit increases by 2.5% reaching 48 Million Euros

# Sales Evolution



Million Euros

■ 1Q 2015  
■ 1Q 2016

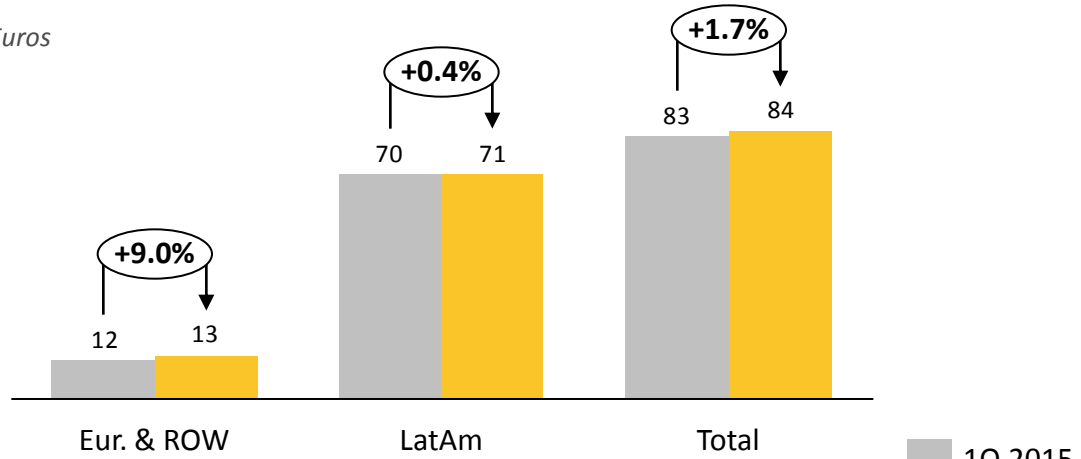


\* In a comparable base

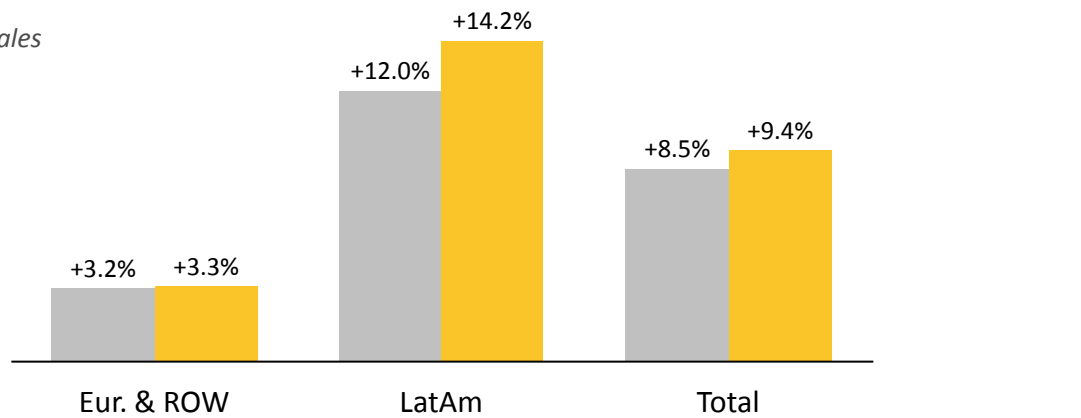
# EBIT



Million Euros



% over sales



- EBIT improves in all regions steadily
- Good improvement of margins in LatAm

# 1Q 2016

## Results by Region and Business Line

### Business Line

- SIS
- Cash Management
- Alarms

### Europe & RoW

- Germany
- Spain
- France
- Portugal
- Australia
- China
- Singapore
- India
- South Africa

### LatAm

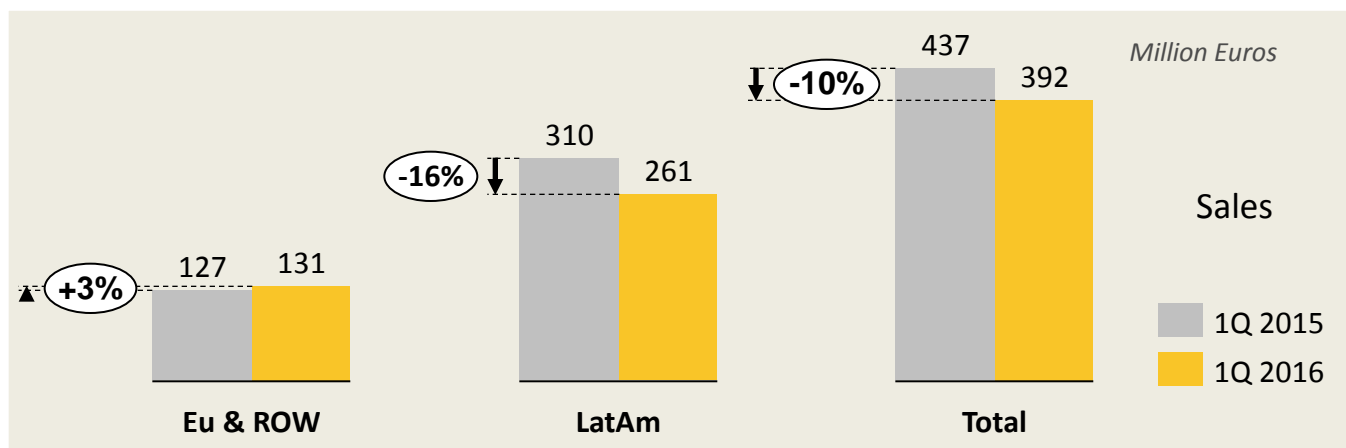
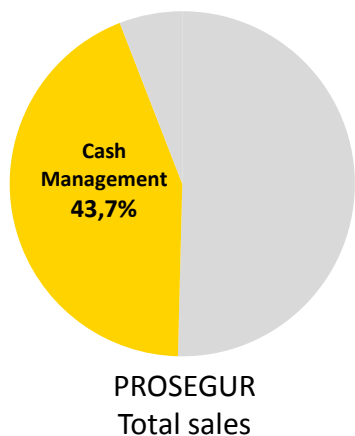
- Argentina
- Brazil
- Chile
- Colombia
- Peru
- Mexico
- Uruguay
- Paraguay

# Cash Management business evolution



- Cash in transit
- Cash handling
- ATM management
- Forecasting and planning
- Cash automation
- B.P.O.

- Increase of Business Process Outsourcing (B.P.O.) solutions in **Europe & RoW**
- Sales grow in **LatAm** at local currency. Deterioration due to the **adverse exchange rates** in the region

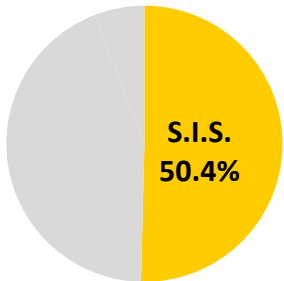


# Integrated Security Solutions business evolution

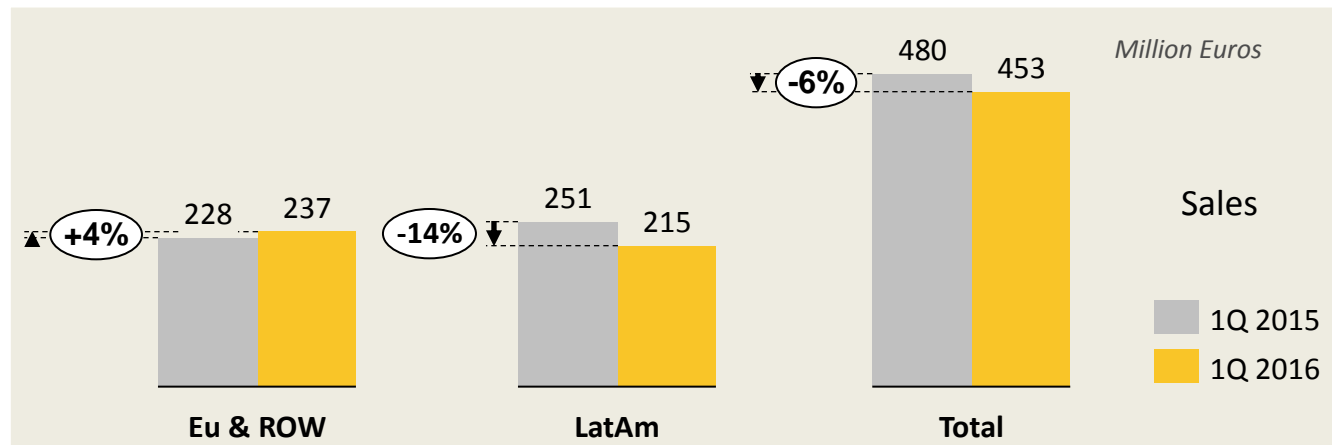


Dynamic Guarding  
Monitoring  
Integrated Services  
Control Centers  
Fire Protection  
Cyber Security

- Strong growth in **Europe & RoW** based on new large contracts in Spain
- Increased penetration of integrated systems of monitoring and guarding
- Start of operations of **Cybersecurity** services



PROSEGUR  
Total Sales



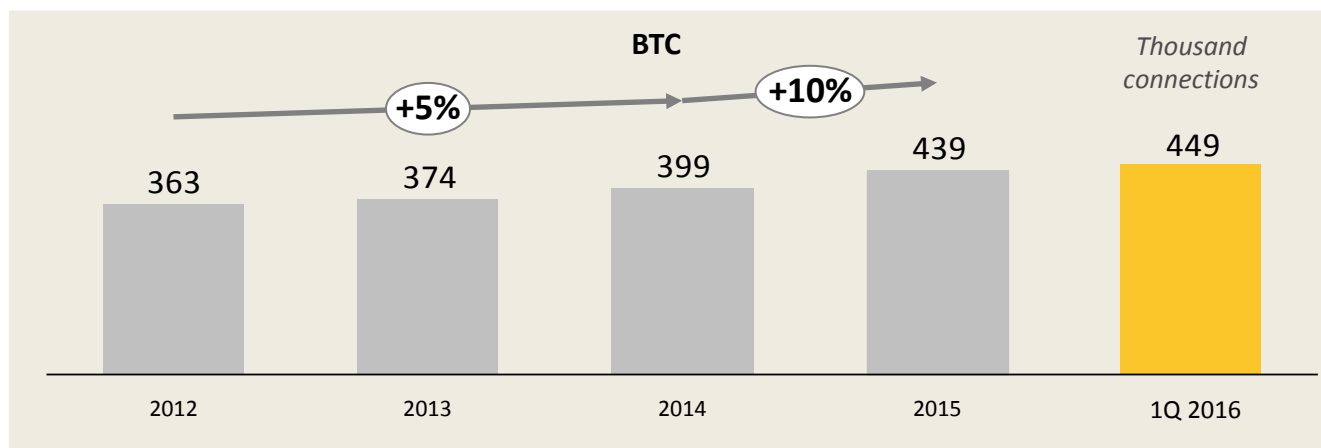
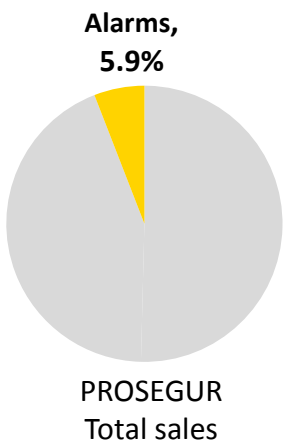


# Alarms business evolution



- Residential
- Business
- Vehicle tracking
- Access control
- Elderly assistance

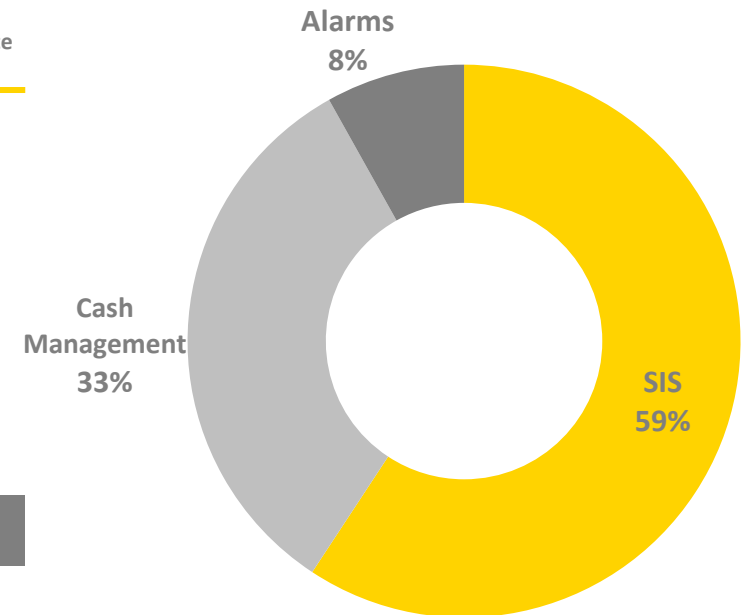
- Excellent **growth** in Europe & ROW
- Sales growth in **LatAm** affected by the currency impact
- BTC keeps growing above the market average and reaches **449,000 connections**



# Europe & RoW



Million Euros	1Q 2015	1Q 2016	Var.	Organic	Inorganic	Exchange rate
Spain	204	<b>227</b>	11.4%	11.4%		
France*	54	<b>54</b>	0.0%	0.0%		
Germany	51	<b>52</b>	3.4%	3.4%		
Portugal	35	<b>35</b>	-0.8%	-0.8%		
ROW **	33	<b>33</b>	-1.4%	3.5%		-4.9%
<b>Total</b>	<b>382</b>	<b>401</b>	4.9%	5.4%		-0.4%
<b>EBIT</b>	<b>12</b>	<b>13</b>	9.0%			
<i>Margin</i>	3.2%	3.3%				



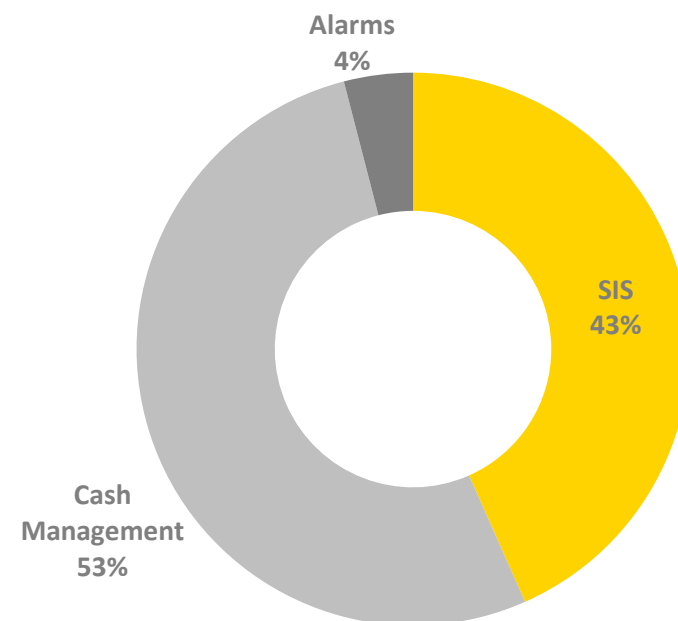
\* Includes Luxembourg

\*\* Includes Singapore, China (in a comparable base) and Australia

# LatAm



<i>Million Euros</i>	1Q 2015	1Q 2016	Var.	Organic	Inorganic	Exchange rate
Brazil	240	<b>192</b>	-20.0%	6.9%		-26.9%
Argentina Area*	226	<b>194</b>	-14.3%	35.3%		-49.6%
Peru	43	<b>40</b>	-6.8%	2.8%		-9.6%
Chile	37	<b>37</b>	-1.4%	8.4%		-9.9%
Colombia	29	<b>24</b>	-16.0%	8.4%		-24.3%
Mexico	11	<b>9</b>	-13.3%	2.4%		-15.7%
<b>Total</b>	<b>586</b>	<b>497</b>	<b>-15.3%</b>	<b>17.6%</b>		<b>-33.0%</b>
<b>EBIT</b>	<b>70</b>	<b>71</b>	<b>0.4%</b>			
<i>Margin</i>	<i>12.0%</i>	<i>14.2%</i>				



\* Includes Uruguay and Paraguay

# Financial Information

A yellow mining truck, likely a Mercedes-Benz, is driving on a dirt road in a mountainous area. The truck has the number '1228' on its front and 'PROGRESS' on its side. The background shows a steep, rocky hillside and a valley with mountains in the distance under a cloudy sky.

**Net Profit**

**Consolidated Cash Flow**

**Net Debt**

**Balance Sheet**

# Net Profit



Consolidated Results <i>Million Euros</i>	1Q 2015	1Q 2016	Var.
EBIT	83	84	
Financial Result	-11	-10	
<b>Profit before tax</b>	72	<b>74</b>	2.9%
<i>Margin</i>	7.4%	8.2%	
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Minority interests	-0.2	0.0	
<b>Net consolidated profit</b>	47	<b>48</b>	2.5%
<i>Margin</i>	4.8%	5.3%	
<b>EPS</b> <i>(Euros per share)</i>	0.1	<b>0.1</b>	

- Net consolidated profit grows by 2.5%

# Consolidated Cash Flow

## Consolidated cash flow

Million Euros

	1Q 2015	1Q 2016
EBITDA	114	111
Provisions and other non cash items	39	11
Tax on profit	(27)	(22)
Changes in working capital	(48)	(79)
Interest payments	(4)	(3)
<b>Operating cash flow</b>	<b>74</b>	<b>18</b>
Acquisition of property, plant and equipment	(29)	(24)
Payments for acquisition of subsidiaries	(22)	(44)
Dividend payment	(16)	(16)
<b>Cash flow from investment/ financing</b>	<b>(67)</b>	<b>(84)</b>
<b>Total net cash flow</b>	<b>7</b>	<b>(66)</b>
<b>Initial net financial position (31/12/2013-14)</b>	<b>(597)</b>	<b>(616)</b>
Net increase/ (decrease) in cash	7	(66)
Exchange rate	5	(12)
<b>Final net financial position (31/03/2014-15)</b>	<b>(585)</b>	<b>(694)</b>

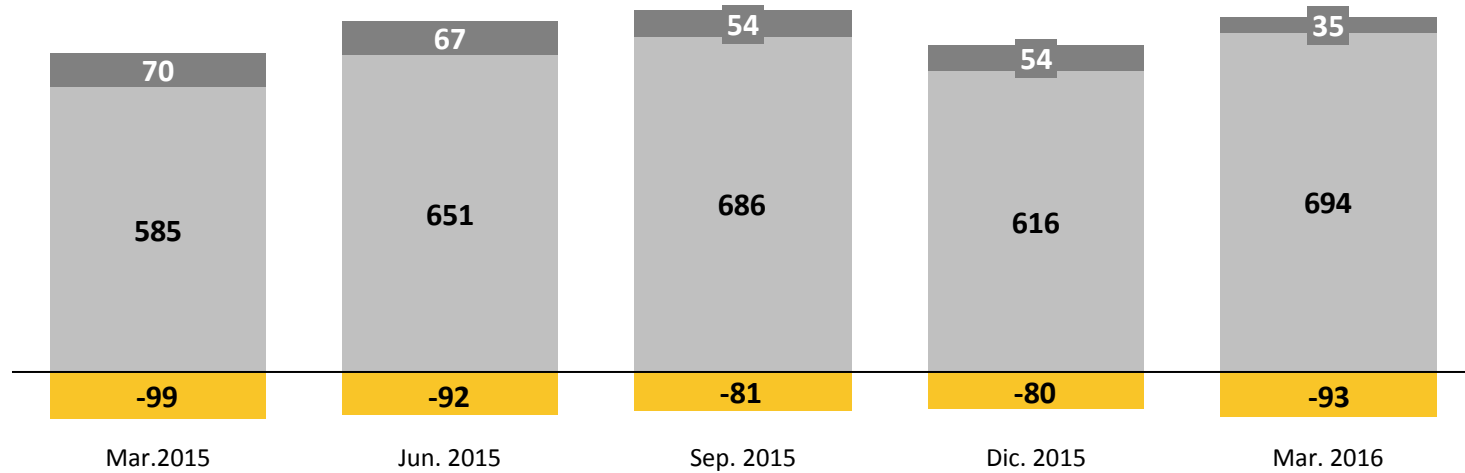


# Total Net Debt



Million Euros

- Deferred payments
- Net financial position
- Treasury stock at current price



- In comparison with the end of 2015 net debt has increased by **46 Million Euros**
- Average cost of debt for the period **2.9%**
  - **Ratio Total Net Debt/ EBITDA (annualized)** 1.5
  - **Ratio Total Net Debt/ Equity** 0.9

# Balance Sheet



<i>Million Euros</i>	<i>FY 2015</i>	<i>1Q 2016</i>
<b>Non current assets</b>	<b>1,481</b>	<b>1,473</b>
Tangible fixed assets	467	465
Intangible assets	740	734
Other	274	273
<b>Current assets</b>	<b>1,294</b>	<b>1,269</b>
Inventories	70	76
Customer and other receivables	906	940
Cash and equivalents and other financial assets	318	253
<b>ASSETS</b>	<b>2,775</b>	<b>2,742</b>
<b>Net equity</b>	<b>700</b>	<b>707</b>
Share capital	37	37
Treasury shares	(53)	(53)
Accumulated difference and other reserves	716	723
<b>Non current liabilities</b>	<b>913</b>	<b>974</b>
Banks borrowings and other financial liabilities	618	678
Other financial liabilities	295	296
<b>Current liabilities</b>	<b>1,162</b>	<b>1,061</b>
Bank borrowings and other financial liabilities	338	310
Trade and other payables	825	751
<b>TOTAL NET EQUITY AND LIABILITIES</b>	<b>2,775</b>	<b>2,742</b>



# Outlook for 2016

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- 🌐 **Excellent growth** in Spain and good perspectives in LatAm despite the impact of the exchange rates
  - 🌐 **Normalization of market conditions** in Argentina that allow cash repatriation and payments to suppliers
  - 🌐 **Organic growth recovery in Brazil** despite the strong pressure on prices and the recessionary situation of the economy
  - 🌐 **Good response of the margins** due to the profitability protection measures implemented within the Group
  - 🌐 Alarms business keeps **growing above market average** in all regions
  - 🌐 **Structural improvements in cash generation** are maintained and both the financial expense and the cost of debt keep decreasing

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May 6<sup>th</sup>, 2016

## 1Q 2016 Results Presentation



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