



**PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. AND
SUBSIDIARIES**

QUARTERLY INTERIM FINANCIAL INFORMATION

Interim statement for the first quarter of 2017

(Translation from the original in Spanish. In the event of discrepancy, the Spanish language version prevails)



PROSEGUR



RESULTS FOR THE PERIOD JANUARY TO MARCH 2017

Millions of euros

CONSOLIDATED INCOME STATEMENT	2016	2017	% Var.
Sales	897.4	1,066.7	18.9%
EBITDA	111.4	130.2	16.9%
<i>Margin</i>	12.4%	12.2%	
Depreciation of property, plant and equipment	(21.0)	(25.6)	22.1%
Amortisation intangible assets	(6.5)	(6.4)	-0.6%
EBIT	83.9	98.2	16.9%
<i>Margin</i>	9.4%	9.2%	
Financial results	(10.0)	(12.9)	28.7%
EBT	73.9	85.2	15.3%
<i>Margin</i>	8.2%	8.0%	
Tax	(26.2)	(41.2)	57.1%
Net profit	47.7	44.0	-7.7%
Minority interests	(0.0)	3.8	
Consolidated net profit	47.7	40.3	-15.5%
<i>Margin</i>	5.3%	3.8%	
Basic earnings per share (euros per share)	0.1	0.1	-15.5%

PERFORMANCE IN THE PERIOD

- ☉ Turnover has grown 18.9% in 2017, with 12.5% attributed to pure organic growth, 0.3% to inorganic growth, and a positive impact of 6.1% due to the effect of exchange rate fluctuations.
- ☉ EBIT is up 16.9% in relation to 2016, currently standing at EUR 98.2 million, with a sales margin of 9.2%.
- ☉ The consolidated net profit has risen to EUR 40.3 million, down 15.5% in relation to 2016.



- The corporate restructuring plan implemented over the course of the past two years has had an impact on EBIT of EUR 3.4 million and on tax of EUR 9.6 million. Without both these affects, the income statement for the period between January and March 2017 would be as follows:

Millions of euros

CONSOLIDATED INCOME STATEMENT	2016	2017 without restructuring costs	% Var.
Sales	897.4	1,066.7	18.9%
EBITDA	111.4	133.6	19.9%
<i>Margin</i>	12.4%	12.5%	
Depreciation of property, plant and equipment	(21.0)	(25.6)	22.1%
Amortisation intangible assets	(6.5)	(6.4)	-0.6%
EBIT	83.9	101.6	21.0%
<i>Margin</i>	9.4%	9.5%	
Financial results	(10.0)	(12.9)	28.7%
EBT	73.9	88.6	19.9%
<i>Margin</i>	8.2%	8.3%	
Tax	(26.2)	(31.6)	20.5%
Net profit	47.7	57.0	19.6%
Minority interests	(0.0)	3.8	
Consolidated net profit	47.7	53.3	11.8%
<i>Margin</i>	5.3%	5.0%	
Basic earnings per share (euros per share)	0.1	0.1	11.8%



INTERIM STATEMENT (JANUARY – MARCH 2017)

(In millions of euros)

1. BUSINESS PERFORMANCE

The performance of the most relevant items in the consolidated income statement for the period January to March in 2017 and 2016 is explained below:

a) Sales

In the period January to March 2017, Prosegur earned revenues of EUR 1,066.7 million, compared with EUR 897.4 million in the same period in 2016, representing an increase of 18.9%. Of the total growth, 12.5% corresponds to pure organic growth and 0.3% to inorganic growth following the acquisitions and sales made in 2016 and 2017, while the effect of exchange rate fluctuations has been an increase of 6.1%.

The following key aspects related to the Prosegur consolidation perimeter impact on the variation in the revenues figure, specifically as regards inorganic growth:

- In South Africa, the company Beagle Watch Armed Response Proprietary Limited was included in the consolidation perimeter in February 2016. The turnover reported in the period from January to March 2017 was EUR 1.1 million.
- In Portugal, the company Dognaedis Lda was included in the consolidation perimeter in April 2016. The turnover reported in the period from January to March 2017 was EUR 0.1 million.
- In Colombia, the company Procesos Técnicos de Seguridad y Valores, S.A.S. was included in the consolidation perimeter in May 2016. The turnover reported in the period from January to March 2017 was EUR 1.4 million.
- In Brazil, the company Prosegur Activa Alarmes, S.A. was sold and was therefore excluded from the consolidation perimeter in August 2016. The turnover reported in the period from January to March 2016 was EUR 0.8 million.
- In Chile, the company Sociedad de Distribución Canje y Mensajería Ltd was sold and was therefore excluded from the consolidation perimeter in September 2016. The turnover reported in the period from January to March 2016 was EUR 4.1 million.



- In Spain, the company Indiseg Evolium Group, S.L. was included in the consolidation perimeter in November 2016. The turnover reported in the period from January to March 2017 was EUR 0.5 million.
- In Australia, a series of assets acquired from Toll Transport Pty Ltd was included in the consolidation perimeter in November 2016. The turnover reported in the period January to March 2017 was EUR 3.1 million.
- In Australia, the company Cash Services Australia Pty Limited was included in the consolidation perimeter in February 2017. The turnover reported in the period January to March 2017 was EUR 0.7 million.

The following table provides a breakdown of Prosegur revenues by business line:

Millions of euros			
Sales	Total Prosegur		
	2016	2017	% Var.
Security	455.0	519.4	14.2%
<i>% of total</i>	<i>50.7%</i>	<i>48.7%</i>	
Cash (*)	392.0	486.5	24.1%
<i>% of total</i>	<i>43.7%</i>	<i>45.6%</i>	
Alarms	50.4	60.7	20.5%
<i>% of total</i>	<i>5.6%</i>	<i>5.7%</i>	
Total revenues	897.4	1,066.7	18.9%

(*) Includes the activity of Courier from Chile with a turnover of EUR 4.1 million for the period from January to March 2016

In relation to the breakdown of revenues by business line, in the period January to March 2017 Security sales earned EUR 519.4 million, representing an increase of 14.2% on the same period last year. Cash revenues grew 24.1% to EUR 486.5 million. Alarms revenues were EUR 60.7 million, up 20.5%.

b) Earnings before interest and tax

Earnings before interest and tax (EBIT) for the period January to March 2017 were EUR 98.2 million, compared with EUR 83.9 million in the same period in 2016, representing an increase of 16.9%. The EBIT margin for the period January to March 2017 was 9.2%, while the margin for the previous year was 9.4%.

Without the effect of corporate restructuring, the EBIT margin for the period January to March 2017 was 9.5%, while the margin for the previous year was 9.4%. Said growth is mainly attributable to the increase in new integrated product sales with higher margins, in addition to the improvement of margins in countries like Brazil.



c) Financial results

Prosegur's net financial expenses in the period January to March 2017 were EUR 12.9 million, compared with EUR 10.0 million in the same period in 2016, which represents an increase of EUR 2.9 million. The main variations in financial expenses are as follows:

- Net financial expenses due to interest in the period January to March 2017 were EUR 13.0 million, compared with EUR 9.1 million in 2016. This represents an increase of EUR 3.9 million, which can be attributed in large part to interest on the loan taken out in December 2016 for EUR 600 million and the early repayment of the previous syndicated loan.
- Net financial income from exchange fluctuations were EUR 0.1 million in the period from January to March 2017, while net financial expenses due to differences in the exchange rate were EUR 1.0 million in 2016, representing a decrease of EUR 1.1 million.

Net profit

The consolidated net profit in the period January to March 2017 was EUR 40.3 million, compared with EUR 47.7 million in the same period in 2016, representing a decrease of 15.5%.

The effective tax rate was 48.4% in the first quarter of 2017, compared to 35.5% in the first quarter of 2016; the foregoing represents an increase of 12.9%, attributable to corporate restructuring process that the company embarked upon two years ago and that is currently in its final stages. The total cost recognised for this item in the first quarter of 2017 came to EUR 9.6 million. Without this effect, the effective tax rate was 35.7% in the first quarter of 2017, compared with 35.5% in the first quarter of 2016, remaining stable year-on-year.

2. SIGNIFICANT FACTS AND OPERATIONS

Significant facts

On 13 January 2017, the company filed a contentious-administrative appeal before the National Court, asking for the Resolution of the National Commission of Markets and Competition to be overturned in addition to the temporary suspension of the payment of the penalty handed down. No final sentence as part of these proceedings is expected to be handed down this year.



On 10 February 2017, an immediately available syndicated credit facility with a duration of 5 years and a limit of EUR 300 million was signed. At 31 March 2017, no amount had been drawn down from the aforementioned syndicated credit facility.

On 17 February 2017, through its subsidiary Australia Prosegur Holdings Pty Limited, Prosegur acquired 100% of the shares in Cash Services Australia Pty Limited, located in Australia. The total purchase price came to AUD 2.4 million, equivalent on the purchase date to EUR 1.7 million.

On 22 March 2017, the company purchased a customer portfolio from CSS Tactical Proprietary Limited in South Africa through its subsidiary, Beagle Watch Armed Response Proprietary Limited. The total purchase price came to ZAR 65.9 million, equivalent on the purchase date to EUR 4.6 million.

On 17 March 2017, Prosegur floated 25% of the shares in its subsidiary, Prosegur Cash, S.A., at a price of EUR 2 per share on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges; they are traded through the Spanish Stock Exchange Interconnection System (electronic trading system) (SIBE).

Subsequent events

On 7 April 2017, the stabilisation period came to an end, having floated an additional 2.5%, meaning that 27.5% of the shares in Prosegur Cash, S.A. were made available for trading. As a result of this operation, Prosegur Compañía de Seguridad, S.A. controls 72.5% of the shares in the Prosegur Cash Group.

On 28 April 2017, Prosegur Cash through its subsidiary Prosegur Australia Investments Pty has entered into a syndicated financing operation amounting to 70 million Australian dollar over a period of 3 years.

3. CONSOLIDATED FINANCIAL INFORMATION

The consolidated financial information has been prepared in line with International Financial Reporting Standards (IFRS) in force at 31 March 2017. These accounting principles have been applied in both 2017 and 2016.



Millions of euros		
CONSOLIDATED BALANCE SHEET	31/12/2016	31/03/2017
Non-current assets	1,568.4	1,603.7
Property, plant and equipment	558.0	587.2
Goodwill	528.4	539.2
Intangible assets	256.7	251.2
Investments in associates	30.0	29.5
Non-current financial assets	9.6	11.3
Other non-current assets	185.6	185.3
Current assets	2,066.2	2,617.3
Inventory	86.7	91.6
Debtors	1,090.3	1,174.6
Non-current assets held for sale	64.7	63.8
Cash and other financial assets	824.6	1,287.3
ASSETS	3,634.6	4,221.1
Equity	751.1	1,554.0
Share capital	37.0	37.0
Treasury shares	(53.3)	(53.1)
Retained earnings and other reserves	766.8	1,483.8
Non-controlling interests	0.6	86.3
Non-current liabilities	1,570.4	1,525.7
Debts with credit institutions and other financial liabilities	1,223.6	1,171.5
Other non-current liabilities	346.8	354.2
Current liabilities	1,313.0	1,141.4
Debts with credit institutions and other financial liabilities	358.4	171.8
Trade and other payables	914.0	912.1
Other current liabilities	40.6	57.5
EQUITY AND LIABILITIES	3,634.5	4,221.1



The main variations in the balances of the consolidated balance sheet at 31 March 2017 compared with the close of 2016 are summarised below:

a) Property, plant and equipment

Investments in property, plant and equipment during the period January to March 2017 amounted to EUR 43.8 million.

b) Goodwill

No impairment losses have been recognised on goodwill in the first quarter of 2017.

c) Equity

The variations in equity during the period January to March 2017 can be attributed to the stock market floatation of 25% of the shares in Prosegur Cash S.A., the net profit for the period and the performance of the reserve for cumulative exchange differences.

d) Net debt

Prosegur calculates net debt as the total debt with credit institutions (current and non-current), minus cash and cash equivalents, and minus other current financial assets.

The net debt at 31 March 2017 was EUR 16.7 million, representing a decrease of EUR 695.4 million on the figure at 31 December 2016 (EUR 712.1 million). The decrease in net debt can be attributed to the increase in cash and other financial assets as a result of the stock market floatation of 25% of the shares in Prosegur Cash S.A.

At 31 March 2017, the annualised total net debt to EBITDA ratio was 0.04 and the total net debt to own funds ratio was 0.01. Ratios have been reduced as a result of the drop in net debt attributable to the increase in cash generated by the stock market floatation.

At 31 March 2017, the liabilities arising from debts with credit institutions mainly corresponded to:

- Issue of individual bonds for the sum of EUR 499 million (including interest).
- Syndicated loan agreement signed in 2016 for the sum of EUR 600 million.



- 4-year loan with bullet amortisation for the sum of ZAR 272 million (EUR 16.3 million) for financing part of the acquisition of SBV Services Proprietary Limited

The total net cash flow for the period January to March 2017 is shown below:

Millions of euros	
CONSOLIDATED CASH FLOW	31/03/2017
EBITDA	130.2
Corporate restructuring plan	3.4
EBITDA Assigned	133.6
Adjustments to profit	3.3
Income tax	(36.8)
Variation in net working capital	(52.8)
Interest payments	(22.9)
OPERATING CASH FLOW	24.4
Acquisition of property, plant and equipment	(43.8)
Payments acquisitions of subsidiaries	(15.0)
Payment of dividends	(21.5)
Stock Market Floatation 25% Cash	750.0
Other payments/receipts	3.0
Restructuring taxes	(5.4)
CASH FLOW FROM INVESTMENT / FINANCING	667.4
TOTAL NET CASH FLOW	691.7
INITIAL NET DEBT (31/12/2016)	(712.1)
Net (decrease)/increase of cash	691.7
Impact of exchange differences	3.7
FINAL NET DEBT (31/03/2017)	(16.7)