

Results for the first nine months of 2016

PROSEGUR REPORTS A CONSOLIDATED NET PROFIT OF 93 MILLION EUROS

- Prosegur's sales grow by 13% in local currency with steady and ongoing improvement in profitability. By business units, Prosegur Alarms has recorded organic growth of 17%, while Prosegur Security and Prosegur Cash have both grown by 14%.
- The group's net consolidated profit is down 26.7% due to extraordinary costs arising from the corporate overhaul put in place to evolve from a country-based management model into a business-based one, with the full operation of its three divisions.

Madrid, 3 November 2016. – Prosegur, a worldwide leader in the private security industry, reported a consolidated net profit of 93 million Euros for the first nine months of the year. This amount represents a 26.7% decrease compared to the same period of last year, due to extraordinary costs arising from the organisational and corporate restructuring process implemented by the company. As stated on 28 September of this year, Prosegur has evolved from a country-based management model to a business-based one, with the full operation of the Prosegur Cash, Prosegur Security and Prosegur Alarms divisions. With this new structure, known as **“One Group, Three Businesses”**, the company is accelerating growth, strengthening profitability, increasing business specialisation and efficiency and, lastly, simplifying its organisation.

Sustaining organic growth and profitability

As in previous quarters, Prosegur has maintained a significant rate of growth in sales, with an increase of 13% in local currency compared to the same period of last year. By business units, Prosegur Alarms recorded organic growth of 17%, while Prosegur Security and Prosegur Cash both grew by 14%. In total, sales for the first nine months reached 2,844 million Euros, 3.4% down compared to the same period of 2015, a slight decrease that is explained entirely by the negative impact of the exchange rates in Latin American countries.

The trend towards organic growth is going hand in hand with a constant improvement in profitability. In this regard, EBIT grew by 1.3%, reaching 231 million Euros. These numbers represent an increase in the EBIT margin from 7.7% for the first nine months of 2015, to 8.1% in the current period. Meanwhile, EBITDA was at 316 million Euros, compared to 326 million for the same period last year, also having been affected by the exchange rate. Nonetheless, both EBITDA and EBIT recorded a rise in local currency, up 30.9% and 44.2% respectively. These results underscore the good response of profitability indicators to the margin profit protection measures put in place by the company. Likewise, it should be pointed out that this positive dynamic is structural and sustainable over time.

Results for the first nine months of 2016 by business

Prosegur Cash, the cash in transit business unit, recorded organic growth of 14.2%. Its sales reached 1,232 million Euros for the first nine months of 2016, down 5% compared to the same

period of last year. The unit's EBIT was 210 million Euros, with a slight improvement in the EBIT margin. It should be noted that Prosegur Cash's sales continue to grow in all geographical areas. Similarly, the volume of cash processed is growing faster than the GDP of the countries where the unit operates, and growth is also being observed in new business areas. In conclusion, these data validate the work done by Prosegur Cash and strengthen its vocation to be a leader in the industry on an international level.

Prosegur Security, the surveillance and technology business unit, recorded organic growth of 14%. The turnover achieved by this line of business reached 1,155 million Euros for the first nine months of 2016. EBIT was 38 million Euros, which is up 15.1% compared with the same period of last year. Meanwhile, the EBIT margin also improved, reaching 3.3%. These results do not include the business done by Prosegur Security in Brazil, where the company is implementing measures to protect its profit margins, which are so far being successful. Thus, this business unit recorded organic growth of 3% in Brazil, compared to the same period of last year, while profitability indicators have also recovered.

The positive performance of Prosegur Security has been helped by a larger proportion of sales of services that combine surveillance and technology, in line with efforts to transform the industry that this business unit is active in. As for Cybersecurity, it is also maintaining a strong rate of growth.

Prosegur Alarms, the residential and business alarms unit, continues to be the area with the strongest rate of growth, with sales experiencing organic growth of 17%. Of special note are the 27% growth recorded in local currency in Latin America and the 10% growth experienced in Europe. Prosegur Alarms had a turnover of 157 million Euros for the first nine months of 2016, a rise of 1% with regard to the same period of last year. For its part, EBIT was down to 9 million Euros for the period due to the major investments being made by the unit. As has been pointed out, Prosegur Alarms is putting in place an active growth strategy and already has a base of more than 412,000 connected alarms and a sales force made up of over 1,400 people. Also, Prosegur Alarms is keeping its average revenue per user steady at 36.5 Euros per month, and continues to show good results in terms of its churn rate.

Financial Position of Prosegur

With regard to Prosegur's financial position for the first nine months of 2016, it is worth highlighting the improvement in working capital, which went from 120 to 89 million Euros. The optimisation of working capital is one of the key achievements of the company's financial management in the quarter and shows its commitment to continue applying and reinforcing measures aimed at generating cash flow.

Total net debt for the period was 30 million Euros higher than at the close of 2015, mainly due to investments in South Africa and costs from the company's restructuring. Consequently, debt was 620 million Euros at the end of September 2016. Nonetheless, the leverage ratio is still a comfortable 1.4 times EBITDA.

Finally, in the third quarter of 2016, Standard & Poor's maintained Prosegur's investment rating, confirming the 'BBB/Stable/A-2' ratings granted in 2013. Standard & Poor's also highlighted Prosegur's robust cash generation, limited level of indebtedness and strong liquidity position.

About Prosegur

Prosegur is a global benchmark in the private security sector. With its three business lines – Prosegur Cash, Prosegur Security and Prosegur Alarms– Prosegur provides companies, homes and businesses with trusted security based on the most advanced solutions available on the market. Active in 18 countries and in five continents, Prosegur posted revenue of 3,959 million euros in 2015, is listed on the Madrid stock exchange with the PSG ticker, and has total staff of 160,000 employees.

The company also channels social engagement through the Prosegur Foundation, which, with over 33,900 beneficiaries in 2015, is involved in four core areas of action: education, job opportunities for persons with intellectual disabilities, corporate volunteering initiatives and the promotion of culture.

For more information, visit www.prosegur.com

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