

## Results for the First Quarter 2018

# PROSEGUR REPORTED A NET PROFIT OF 63 MILLION EUROS FOR THE FIRST QUARTER OF 2018

- 🌐 **Sales reached EUR 1,008 million and growth of 8.6% in local currency was reported for the overall activity in all business lines.**
- 🌐 **The net operating profit (EBIT) was EUR 99 million and has been accompanied by an improvement in the EBIT margin, which increased from 9.5% to 9.9%. With these results, Prosegur recovers the group's historical margins.**

**Madrid, 4<sup>th</sup> May 2018** - Prosegur reported a net profit of EUR 63 million for the first quarter of 2018. This figure represents an increase of 10.1% compared to the first three months of 2017. In accounting terms, and taking into account the transactions carried out as part of the process of corporate restructuring completed in 2017, the increase in net profit was 42.6%.

Sales of the group reached EUR 1,008 million in the first quarter of 2018. Prosegur recorded a positive increase of 8.6% in local currency for the overall activity of its business lines. As had happened during the second half of 2017, the first quarter of the year has seen a significant depreciation in the main currencies. Consequently, the sales figure recorded this year is 5.5% less than the first quarter of 2017.

### Prosegur returns to its historical levels of profitability

Regardless of the fluctuation in currencies, the profitability of the group's operations has kept growing and the trend started in previous years has been consolidated. This has allowed Prosegur to regain the levels of profitability that it enjoyed in previous times. Furthermore, the growth in the EBIT margin is noteworthy, having increased from 9.5% to 9.9% in the first quarter of 2018. The EBITDA was EUR 133 million, compared to 134 million for the first quarter of 2017. The reported EBIT figure was EUR 99 million, down from 102 million in the same period of the previous year. Finally, considering the transactions carried out as part of the process of corporate restructuring, EBITDA and EBIT would have represented an increase of 2.4% and 1.2%, respectively.

Prosegur continues to orient its activities towards profitability, both by business lines and by geographical areas. Highlighting the market penetration achieved from new services that each business line is launching, as well as the recovery of the Security business in Brazil. In addition to innovation initiatives, the group continues to promote the efficiencies generation in support units and continues to make progress in the digitalization and growth projects.

Regarding the evolution of its activity by business lines:

### Prosegur Security

Prosegur Security, the surveillance and technology business unit, has recorded sales of EUR 493 million. This figure is 5.0% less compared to the first quarter of 2017, having been significantly affected by the exchange rates in South America. Nevertheless, the business unit reported an organic growth of 5.3%, exceeding the nominal GDP growth rates of all countries in which it

operates. Areas that particularly stand out in this positive evolution include the activity in Europe and the progress that continue to demonstrate the combined solutions of surveillance and technology.

Regarding the operations profitability, is remarkable the Brazil business, which maintains its strong course of recovery shown in 2017. Furthermore, increased levels of profitability have also been reported in the other geographical areas. Thus, EBIT figure reached EUR 14 million, up by 7.7% on the first quarter of 2017. Similarly, the EBIT margin maintained its positive trend, rising from 2.5% to 2.8% for the period.

### **Prosegur Alarms**

Prosegur Alarms, the division that specialises in alarms systems for homes and businesses, recorded sales of EUR 65 million for the first quarter of 2018. This figure represents an increase of 6.8%, while in local currency it is higher yet at 20.6%. Prosegur Alarms maintains its strong growth dynamic and is the company that has grown fastest in its sector. Just in the first three months of 2018 it has added 13,000 net connections to its total base of connections, which now surpasses 512,000. With regards to the average revenue per user, this has dropped slightly to 36.8 Euros per month, due to the impact from currency fluctuations in South America.

### **Prosegur Cash**

Prosegur Cash, the cash in transit business, reached EUR 450 million in sales during the first three months of 2018, which is 7.6% down compared to the first quarter of 2017. Nevertheless, the company recorded a growth in local currency of 10.5% for its overall business activities, which have also been affected by the strong currency devaluation. Sales of new services have continued showing a strong growth rate and now represent 10.5% of total sales.

EBIT reached EUR 88 million, accompanied by an improvement in the EBIT margin, which rose from 19.5% to 19.6% within the period. Showing the resilience of Prosegur Cash business model as margins continue to expand.

### **Prosegur maintain a low debt ratio**

Finally, in the first three months of 2018, the net financial debt of the Group increased by EUR 98 million compared to end of 2017. The figure now amounts to EUR 350 million, remaining with a remarkably low leverage ratio of 0.7 time net financial debt over EBITDA.