

Prosegur Compañía de Seguridad Results 2017

PROSEGUR REPORTS A NET PROFIT OF EUR 220 MILLION FROM ITS 2017 BUSINESS ACTIVITIES

- 🌐 **If the non-recurring and extraordinary expenses relating to the corporate reorganisation process are taken into account, the net profit comes to EUR 198 million.**
- 🌐 **Sales amounted to EUR 4,291 million, up by 10%. With solid organic growth of 11.4%.**
- 🌐 **Prosegur maintained its positive trend in profitability throughout the year. EBIT, in operational terms, reached EUR 392 million, up by 14.7%. As for EBIT margin, this was calculated at 9.1%.**

Madrid, 28 February 2018 - Prosegur reported a net profit of EUR 220 million from its business activities in 2017. This figure represents an increase of 19.3% compared to the previous year. Taking account of the costs relating to the corporate reorganisation process, which are of a non-recurring and extraordinary nature, the figure comes to EUR 198 million.

Prosegur maintains positive trend in sales and profitability

Group sales in 2017 reached EUR 4,291 million, an increase of 10.0% over 2016. The company reported solid organic growth of 11.4% for its three business lines together, these being: Prosegur Security, Prosegur Alarms and Prosegur Cash. Sales revenue increased in all of the business units as well as in all of the geographical areas in which Prosegur operates. The exchange rate which had a positive effect during the first half of the year, had a negative impact in the latter part of the year.

As regards the profitability of operations, the favourable trend has continued following the implementation of margin protection measures launched in previous years. The improvements are also of a structural nature. EBITDA attributable to its business activity reported EUR 522 million, compared to EUR 458 million for 2016. As for EBIT, also attributable to its business activity, this rose by a significant 14.7%, to EUR 392 million. Moreover, it is worth noting that the EBIT margin widened from 8.8% to 9.1% during the year. Lastly, if the expenses relating to the corporate reorganisation process are taken into account, the EBITDA reported for the period was EUR 518 million, with EBIT of EUR 389 million.

With these solid results as a base, Prosegur is looking to innovate and to generate internal efficiencies. To this end, the company is undertaking a profound digital transformation, intensifying the use of new technologies in all business units and promoting global multi-service centres.

Prosegur Security grows with a unique business proposal

In terms of activity by business lines, Prosegur Security's sales represented 49% of the Group's turnover. The surveillance and technology business unit recorded growth of 10.1% to EUR 1,718 million, excluding business in Brazil. As for profitability, EBIT, discounting activity in Brazil, reached

EUR 70 million, an increase of 29.6% compared with 2016. Similarly, the EBIT margin maintained its positive trend, rising from 3.5% to 4.0% in 2017.

Prosegur Security continues to improve its profitability indicators thanks to a unique business proposition. Projects combining surveillance and technology solutions are becoming increasingly important and already account for 15% of the unit's sales.

Lastly, Prosegur Security business in Brazil reported a slight increase in sales of 1.6%, to EUR 397 million. The implementation of the operations optimization plan in the country is producing favourable results. Despite having obtained a negative EBIT of less than EUR 4 million, the country has shown positive results in the last two quarters. Therefore, the outlook, with the Brazilian economy recovering, is favourable.

Prosegur Alarms reaches nearly half a million connections

Prosegur Alarms - the division that specialises in alarm systems for homes and businesses - maintained the strong growth rate in its total number of connections and increased its sales by 17.6%, to EUR 251 million for the year. This turnover represents 6% of the group's total turnover. By the end of 2017, the unit exceeded 498,000 connections, doubling its growth rate. In this scenario of intense development, key performance indicators have evolved positively. Thus, the average revenue per user improved by 5.6% to 38 Euros per month and the customer retention rate remained stable at 10.4%.

Prosegur Cash: strong impetus for new services

Prosegur Cash's sales in 2017 amounted to EUR 1,924 million, representing 45% of the group's total turnover and an 11.6% increase compared to previous year. In organic terms and excluding FX effect, sales increased by 12.7%. New products sales grew by 49.7% with respect to 2016, expanding their weight in the sales mix to represent 8.7% of total turnover.

In terms of profitability, operating profit (EBIT) attributable to its activity, obtained a positive growth of 12.4% to reach EUR 360 million. Supported by a good performance of the LatAm region and the greater penetration of new services, mainly, cash automation in retail and added value outsourcing of services (AVOS). In addition, the EBIT margin continued to expand to stand at 18.7%.

Prosegur completes refinancing project

In December 2017 and February 2018, Prosegur Cash and Prosegur carried out debt issuances. In this way, the group has extended the average maturity profile of its debt while benefiting from current market conditions to establish a fixed rate at the current minimums. Regarding the other financial parameters, Prosegur maintains a strong cash generation. The operating cash flow had a positive evolution from EUR 318 million in 2016 to EUR 330 million in 2017. Regarding the net financial debt, it experienced a reduction of EUR 460 million in the year, reaching a net financial debt position of EUR 252 million at year end 2017. Prosegur thus maintains a solid financial profile that has the investment grade rating (BBB) and stable outlook granted by Standard & Poor's.