



Result Presentation

6M 2022

29/July/2022

Investor Relations department



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Relevant highlights of the period



Excellent Global Growth

- Revenues growth of over 22%
- **EBITA improvement of more than 40%** Accelerating the gradual trend of margin improvement
- **Strong positive organic growth** across all business lines and geographies, above nominal GDP of each region
- **Results above budget**, despite the seasonal effect



M&A

- **Agreement** to create a **Joint-venture** for all the services related to **Prosegur Cash in Australia**, between the **two main operators**



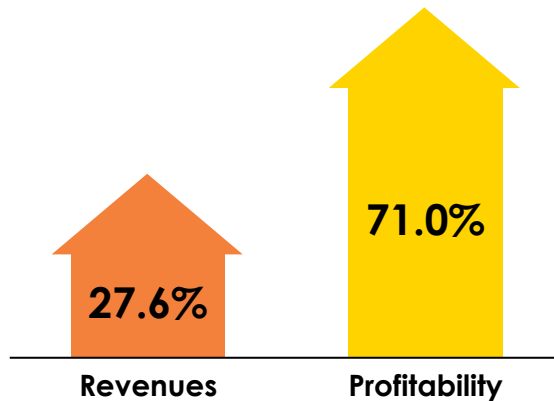
Reinforce Balance Sheet

- **Reduction of Operating leverage ratio**





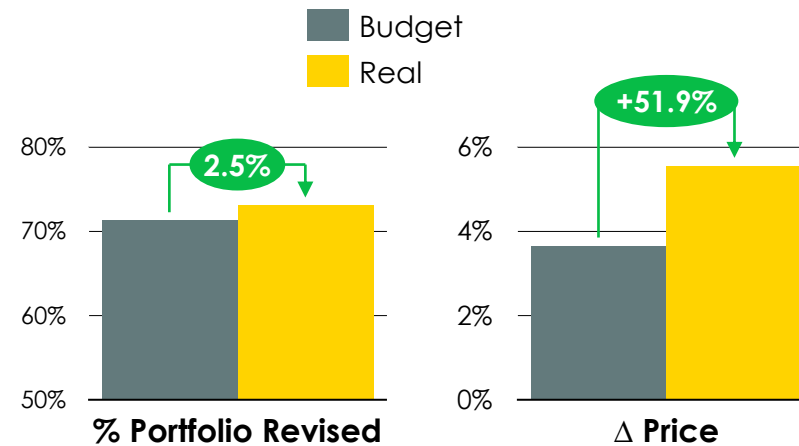
Strong improvement in volume and profitability



- Cash volumes in circulation continue to rise sharply in most geographies
- Overcoming pre-pandemic levels in many of them
- Extraordinary profitability recovery, resulting from increased volumes and operational efficiencies



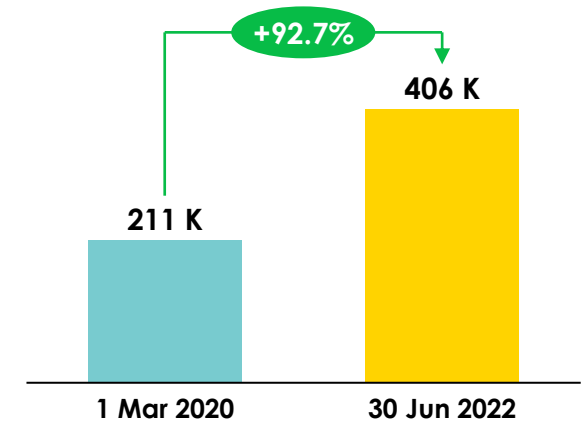
Excellent progression in the Price Pass



- Labor cost transfer to market is progressing without problem and ahead of budget
- Both in the percentage of portfolio revised and in increase transferred
- Price increase over cost increase
- Seasonal effect still present (Argentina and Brazil) to be offset in the second half of the year



Exceptional Value creation



- Movistar Prosegur Alarms almost doubles its number of connections since the beginning of its activity in March 2020, despite the severe restrictions of the pandemic
- CAGR Growth 33,8% in positive progression (40,5% LTM)
- Estimated Value Creation close to the initial value of the transaction (€600M) in just 25⁽¹⁾

⁽¹⁾ Applying the same client value multiples of the initial transaction

Consolidated Results

(Amount in € million)

	Q2 2021	Q2 2022	% Variation		6M 2021	6M 2022	% Variation
SALES	834	1,055	26,5%		1,637	2,002	22,3%
Organic Growth	+4.7%	+20.0%	↑		+2.9%	+18.0%	↑
Inorganic Growth	+5.2%	+2.3%	↑		-0.4%	+2.0%	↑
FX	-7.5%	+4.2%	↑		-10.2%	+2.3%	↑
EBITDA	84	115⁽¹⁾	36,9%		171	218⁽¹⁾	27,0%
Margin	10.1%	10.9%			10.5%	10.9%	
Depreciation	(42)	(45)			(79)	(87)	
EBITA	42	70	66,4%		93	130	40,7%
Margin	5.1%	6.7%			5.7%	6.5%	
	(7)	(9)			(14)	(17)	
EBIT	35	61	74,5%		78	113	44,6%
Margin	4.2%	5.8%			4.8%	5.7%	
Financial Result	1	(8)			(4)	(23)	
Profit before tax	36	54	48,0%		75	90	21,2%
Margin	4.3%	5%			4.5%	4.5%	
Tax	(27)	(28)			(46)	(50)	
Tax rate	75,5%	52%			61,5%	55,7%	
Net Profit	9	26	190,2%		29	40	39,5%
Minority Interest	1	5			2	9	
CONSOLIDATED NET PROFIT	10	21	115,6%		26	31	18,5%

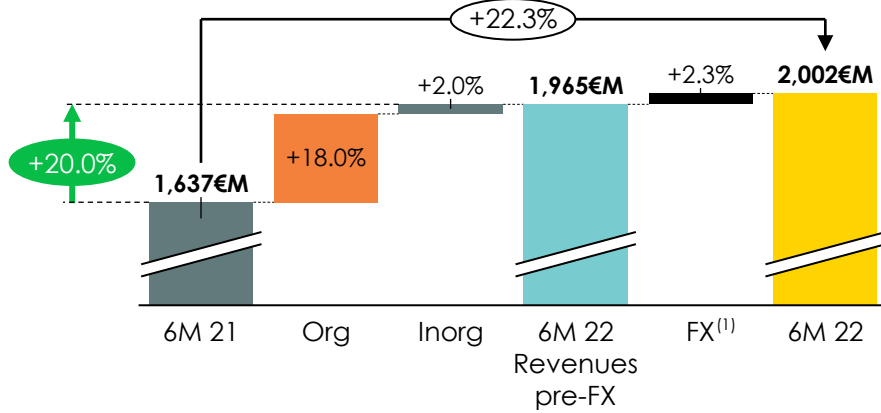
- ▲ Sales growth over 22%
- ▲ Important improvements in all lines, both in the accumulated semester and isolated quarter
- ▲ Overall improvement of Q2 22 over Q1 22, overcoming the usual negative seasonal effect of the period
- ▲ Extraordinary EBITA improvement of more than 40%
- ▲ Tax Rate improvement
- ▲ Increase in Net Income close to 40%

⁽¹⁾ Reported EBITDA. This does not include €8,7M improvement coming from reversed provisions associated to administrative resolutions

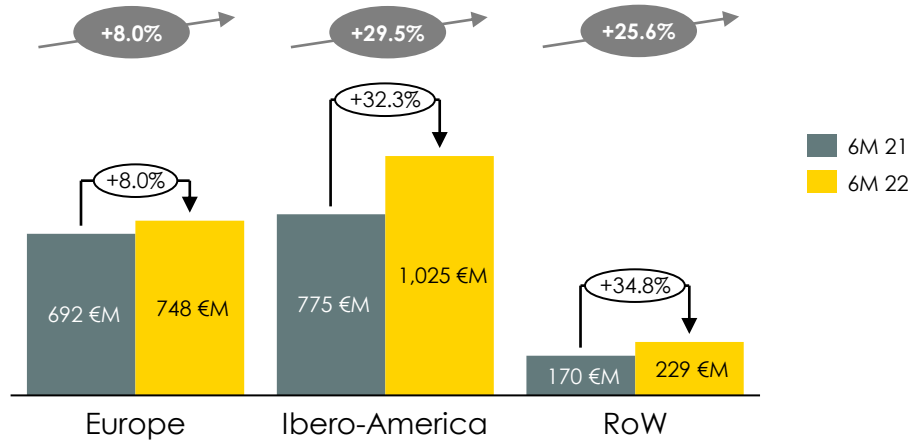


INCOME STATEMENT

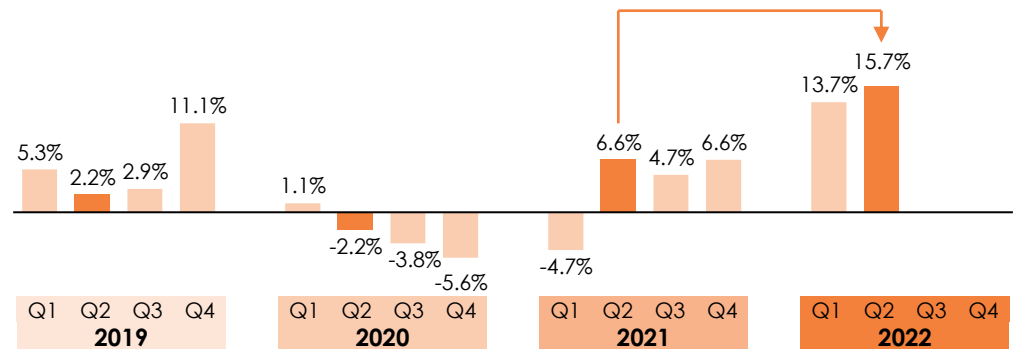
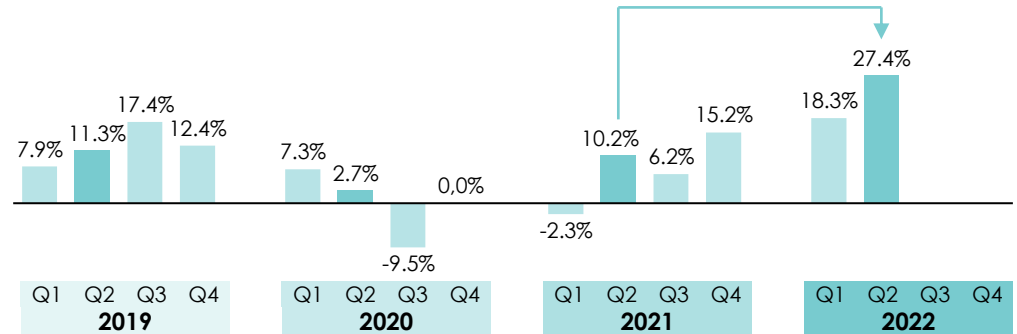
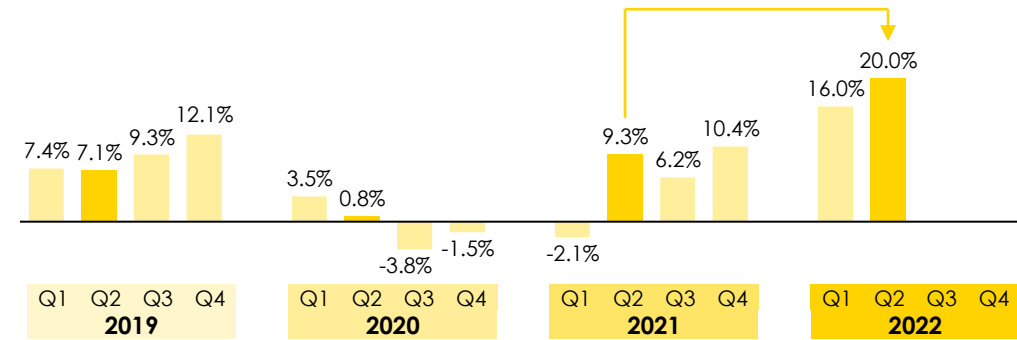
REVENUES



REVENUES PER REGION



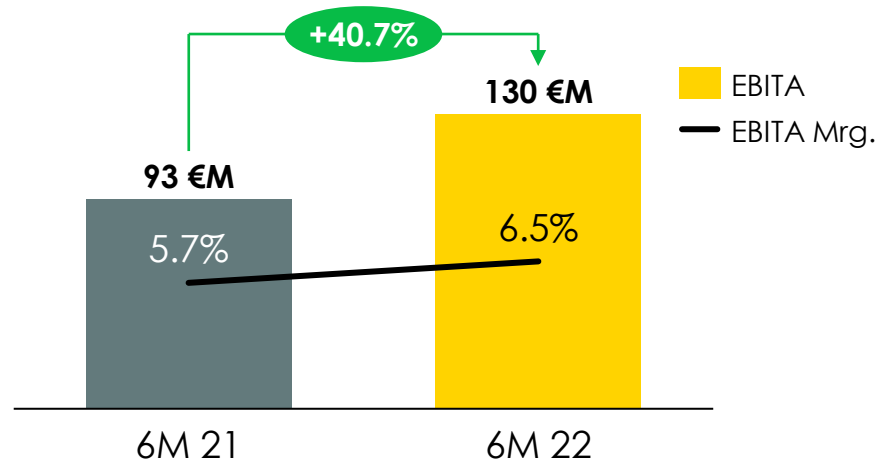
Organic growth by isolated quarters (YoY)



⁽¹⁾ Includes FX and IFRS 21&29 effects



CONSOLIDATED PROFIT

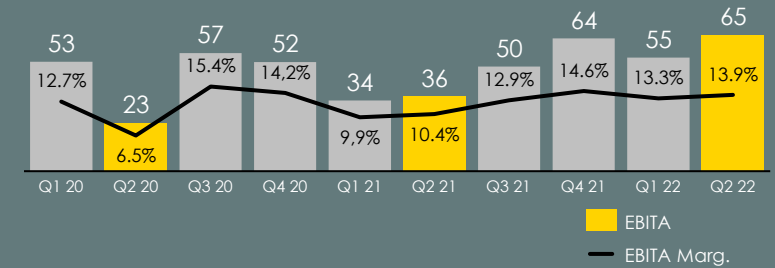


- ▲ **EBITA increase** of more than **40%**
- ▲ **Driven, mainly, by Cash and Security**
- ▲ **Cash**, keeps **outperforming** equivalent results from the last two years
- ▲ **Cash**, continues to **significantly exceed** the equivalent levels of the last two years
- ▲ **Security recovers profitability**, by reducing unproductivity and improving volumes in technology
- ▲ **Alarms** maintains its **gradual improvement** in margins
- ▲ **MPA** is making a **higher commercial growing effort** that **temporarily reduces** its **EBITDA Pre SAC** from 2021

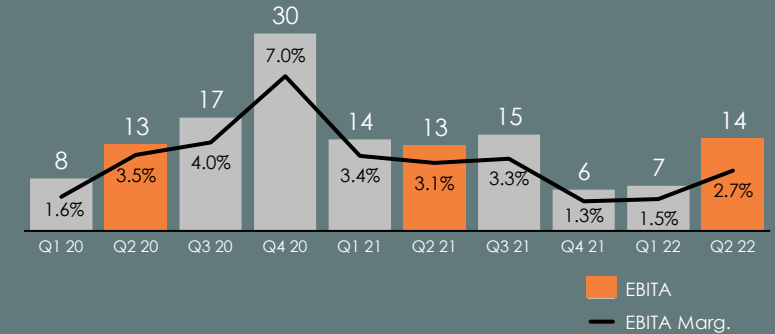
Quarterly revenue evolution for each business



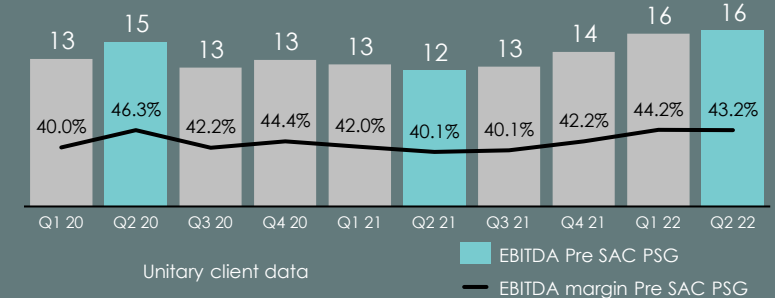
PROSEGUR CASH



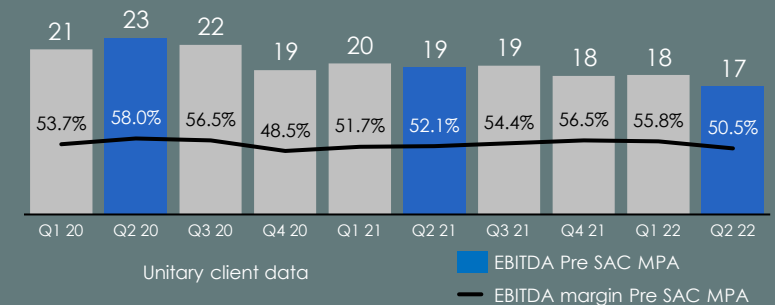
PROSEGUR SECURITY



PROSEGUR ALARMS



MOVISTAR PROSEGUR ALARMAS





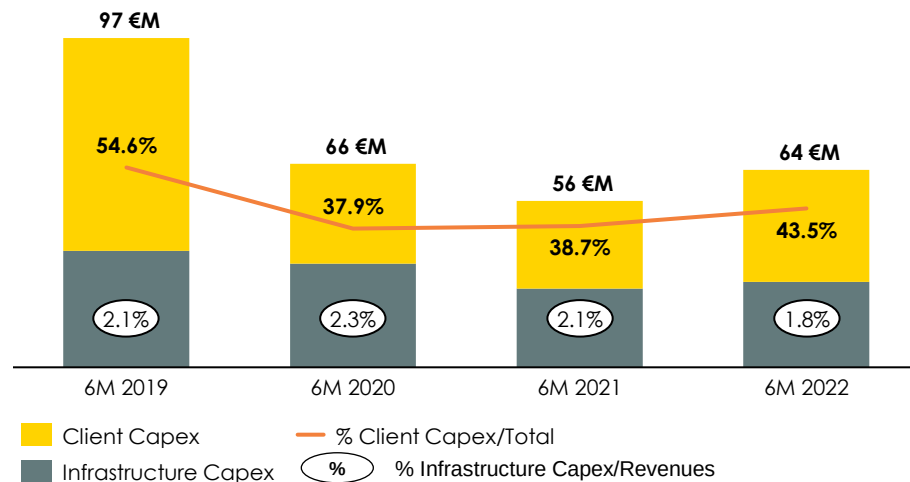
CONSOLIDATED CASH FLOW

Cash Flow:

- ▲ **Generation of Operating Cash Flow in Q2 in line with that obtained in Q2 2021, correcting the seasonal deviation of Q1**
- ▲ **Increase in variation of the working capital** derived from the **strong increase in turnover** and **greater stockpiling**

Capex

- ▲ **Gradual recovery of Client Capex** after the pandemic
- ▲ **Strict control in Capex Infrastructure**, below 2% from sales



Amounts €M	6M 2021	6M 2022
EBITDA	171	218
Provisions and other non-cash items	5	20
Tax on profit	(35)	(49)
Changes in working capital	(33)	(129)
Interest payments	(17)	(15)
Operating cash Flow	91	44
Acquisition of property, plant & equipment	(56)	(64)
Payments for acquisitions of subsidiaries	(35)	(17)
Dividend payments	(41)	(37)
Treasury stock & Others	(28)	(59)
Cash Flow from investing / financing	(159)	(177)
Total Net Cash flow	(68)	(133)
Initial net financial debt	(889)	(987)
Net increase / (decrease) in cash	(68)	(133)
Exchange rate	(0)	6
Net Financial debt ⁽¹⁾	(958)	(1.114)
Financial Investments ⁽²⁾	211	241
Adjusted Net Financial debt	633	873

⁽¹⁾ Excludes IFRS 16 debt

⁽²⁾ Telefónica shares at market value at the end of the period

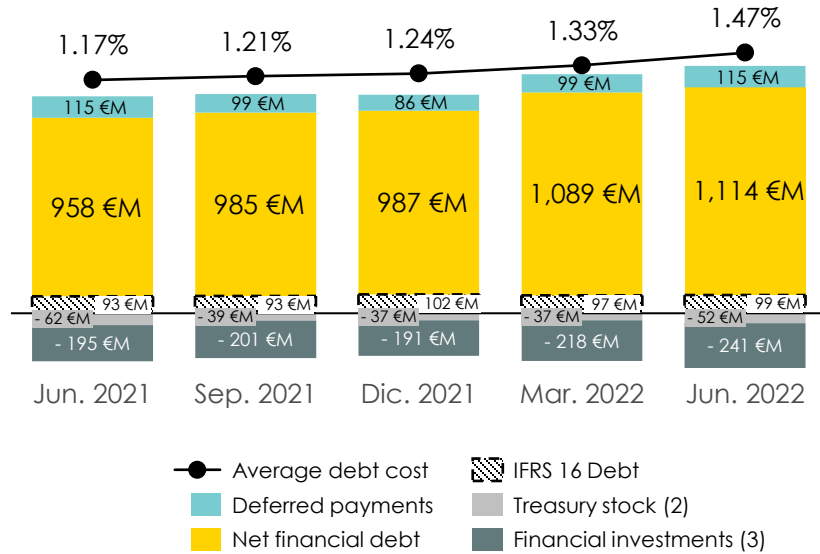
FINANCIAL POSITION AND ABBREVIATED BALANCE SHEET

Net Debt / EBITDA ⁽¹⁾

2.3x

Net Debt / Equity ⁽¹⁾

1.0x



Reduction of the Net Debt/EBITDA leverage ratio

 Increase in the **average cost of debt** due to the issuance of the **500M bond** in April 2022 (500M, Coupon 2.5%)

 Increase in Net Financial debt compared to the end of 2021 by €127 M, **mainly derived from the evolution of working capital** and the **completion of external Covid stimuli** and the **purchase of treasury stock**

⁽¹⁾ Includes net financial debt, IFRS 16 debt, and financial investments

⁽²⁾ Treasury stock Prosegur and Prosegur Cash at the market price at the end of the period

⁽³⁾ Telefónica shares at market value at the end of the period

Amounts in €M

	FY 2021	6M 2022
Non-current assets	2.351	2.543
Tangible fixed assets and real estate investments	765	803
Intangible assets	981	1.059
Others	606	681
Current assets	1.465	2.199
Inventory	65	87
Customer and other receivables	814	916
Non-current assets held for sale	-	92
Cash and equivalents and other financial assets	586	1.104
TOTAL ASSETS	3.816	4.742
Net equity	711	939
Share capital	33	33
Treasury shares	(29)	(42)
Retained earnings and other reserves	689	907
Minority interest	18	42
Non-current liabilities	1.809	1.842
Bank borrowings and other financial liabilities	1.505	1.513
Other non-current liabilities	303	329
Current liabilities	1.297	1.960
Bank borrowings and other financial liabilities	277	964
Non-current liabilities held for sale	-	64
Trade payables and other current liabilities	1.020	932
TOTAL NET EQUITY AND LIABILITIES	3.816	4.742



Results by Business





PROSEGUR CASH



Growth

- ▶ **Strong recovery of volumes** of cash in circulation in all geographies
- ▶ **Excellent** profitability growth
- ▶ Growth **above nominal GDP** taking advantage of the macro situation



Efficiency

- ▶ **Great cashflow generation** in the second quarter. **Improving** the previous quarter, even with the business growing
- ▶ **Agreement** to create a **Joint-venture in Australia** for all the services linked to **Prosegur Cash**

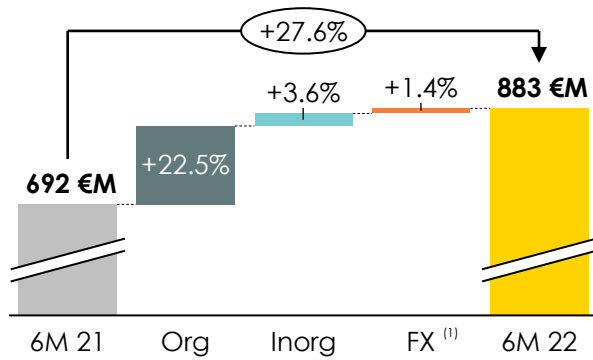


Innovation

- ▶ **New Products** continue to **increase** market **penetration** (+200p.b. compared to 6M 2021)



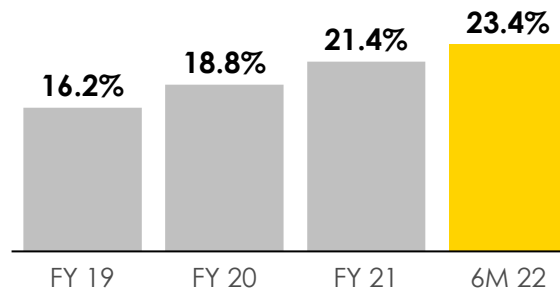
REVENUES



- Positive Organic Growth above 22%
- M&A +3.6% for operations in Ecuador and Germany in Q1
- FX positive 1.4%



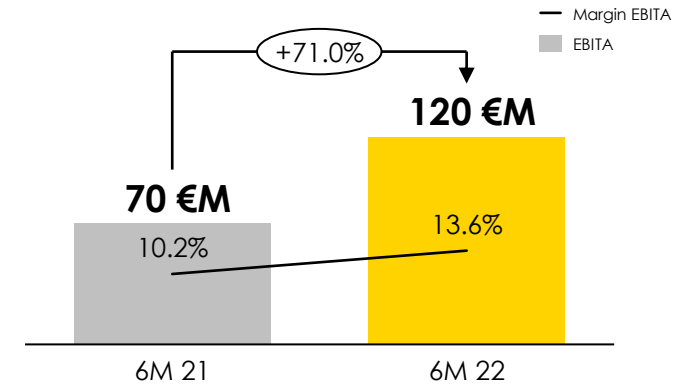
NEW PRODUCTS



- New Products growth above 56% compared to 6M 2021



PROFITABILITY



- EBITA growth of 71%
- 350p.b. of margin improvement, derived from increased volumes and operational efficiencies

⁽¹⁾ Includes FX and IFRS 21&29 effects



PROSEGUR SECURITY



Growth

- ▶ Global **revenues growth** close to **19%**
- ▶ **USA maintains growth** above **53%** supported by **technological solutions**
- ▶ Gradual **improvement** in **profitability**



Efficiency

- ▶ **Price transfers to the market** running quickly and **above** the increase in costs
- ▶ **Reduction** of the negative effect of **unproductivities** ahead of target

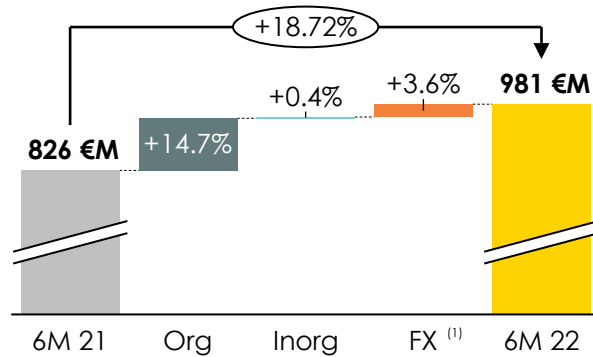


Innovation

- ▶ **Strong increase** of **New Products** based on **technology**
- ▶ Introduction of the **first robotic monitoring services** at large events



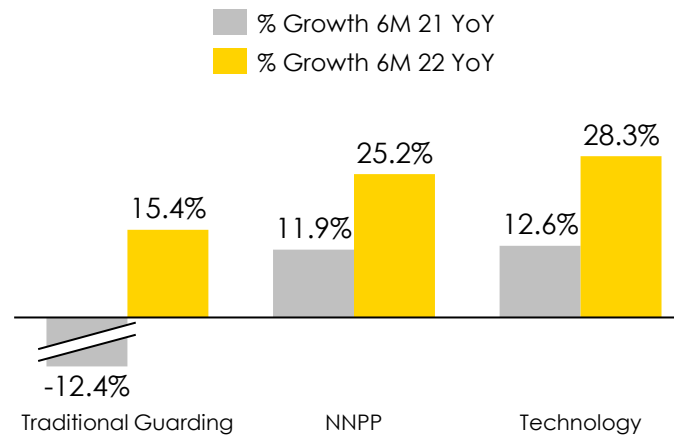
REVENUES



- Positive Organic growth close to 15%
- Inorganic growth by M&A in the USA in 2021
- Positive FX effect due to increased weight of the USA in the geographical mix



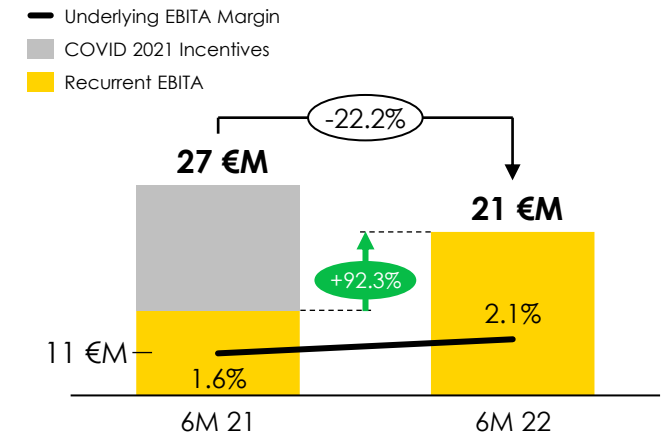
NEW PRODUCTS



- Continues to increase the penetration of New Products and Technology, well above the growth of Traditional Guarding



PROFITABILITY⁽²⁾



- Strong profitability recovery
- Recurrent EBITA growth of more than 92% YoY, isolating the positive effects derived from "Job Keeping" programs, mainly in the US in 2021

⁽¹⁾ Includes FX and IFRS 21&29 effects

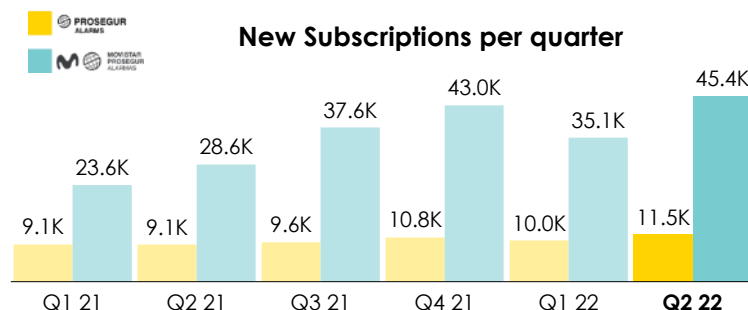
⁽²⁾ Exclude Overhead Costs



PROSEGUR ALARMS



The total contract base **grows by about 19%** compared to 6M-21 and exceeds **758th connections**



Growth

- PSG - **Subscriptions growth** YOY above **26%**
- MPA - **Subscriptions growth** YOY close to **59%**
- PSG –**New commercial agreements** with **Diners** in **Peru** and **Bancolombia**



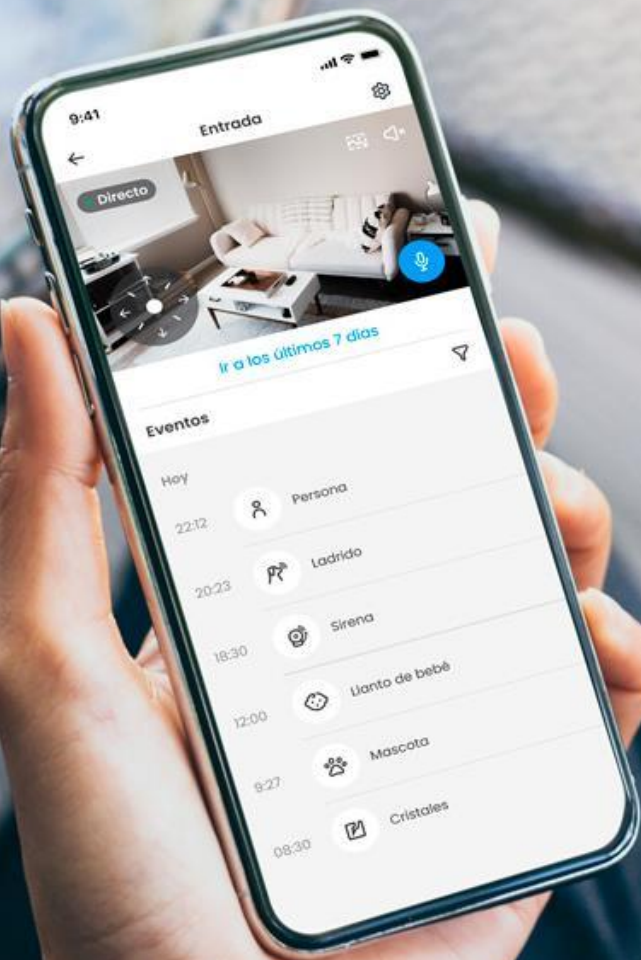
Efficiency

- Gradual improvement of **ARPU** and **Churn** over **Q1 22**
- **Operational focus** on acceleration of installation processes and **customer retention** management
- **Automation** of **processes** of concertation, installation and signal management through RPA (**Robotic Process Automation**)



Innovation

- New service **“Car Finder”** DIY
- New service **“Pet Ready”** for the management of alarm activations caused by pets

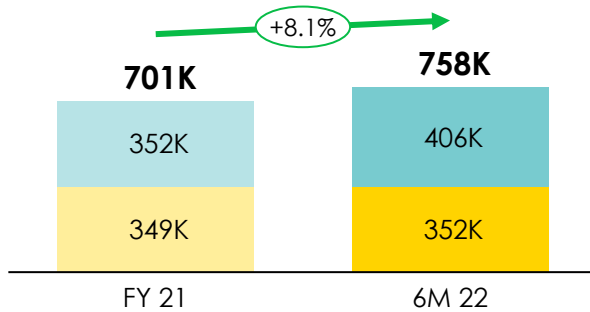




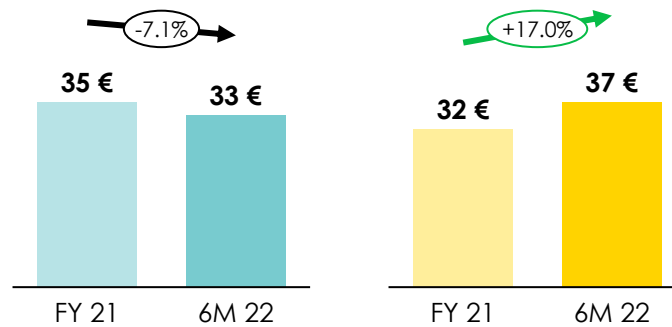
PRINCIPALES INDICADORES

Business Indicators

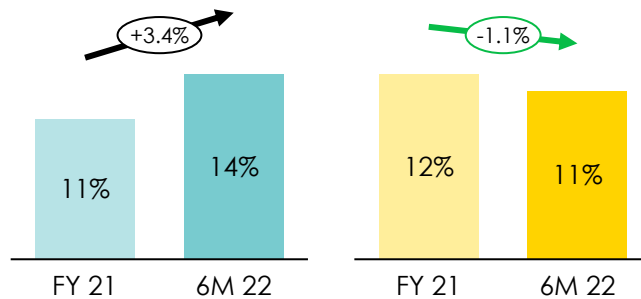
BTC



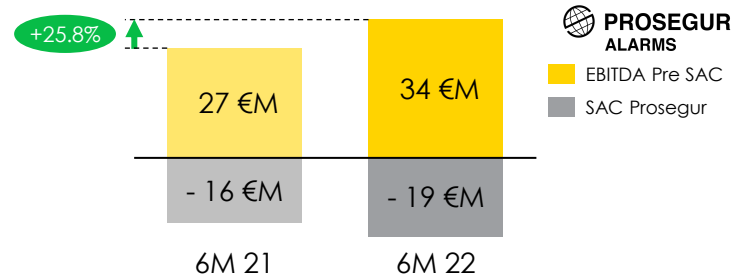
ARPU



Churn Rate

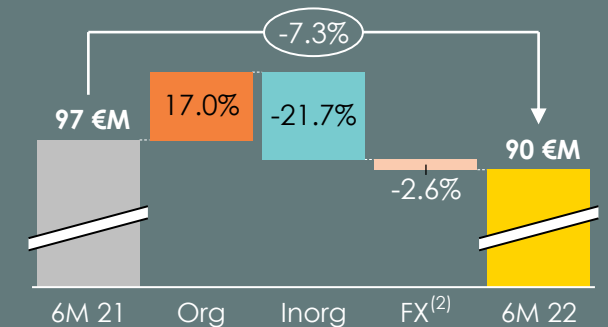


CashFlow

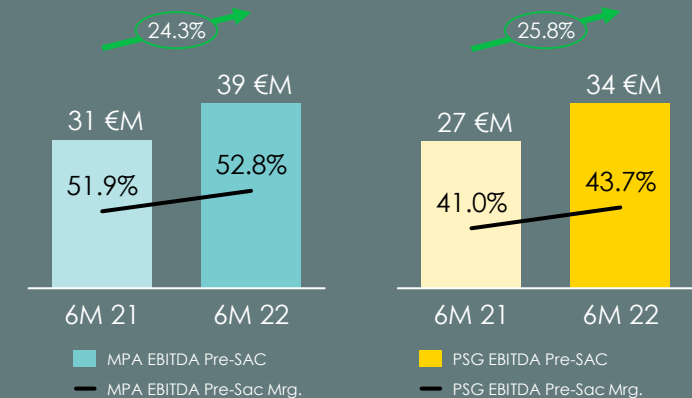


Financial Indicator

Revenues ⁽¹⁾



Profitability



⁽¹⁾ Sales of alarms belonging exclusively to Prosegur. Movistar Prosegur Alarms sales are not included

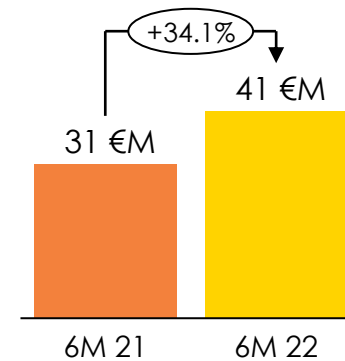
⁽²⁾ Includes exchange rate effect and IFRS 21 and 29



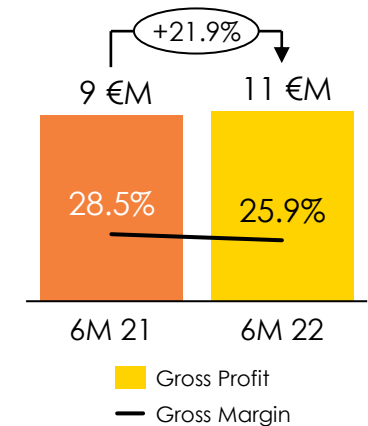
**PROSEGUR
AVOS**



REVENUES



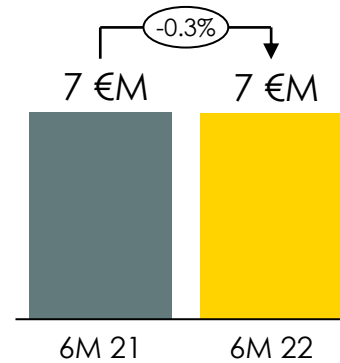
PROFITABILITY



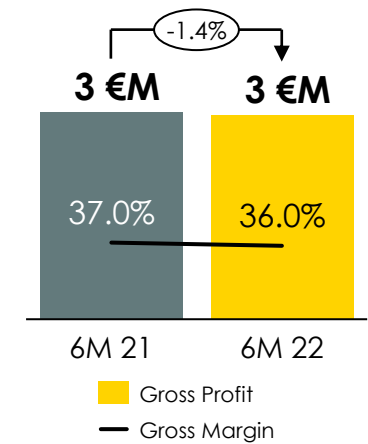
- ▲ **Revenues growth over 34%**
- ▲ **Gross Profit grows by 21.9%** although **profitability** is still slightly **affected by the impact of COVID** on the traditional BPO business
- ▲ **In line with the budget** in all business lines
- ▲ Successful **integration of "Solunegocios"** in Chile
- ▲ Consolidation of the **"AVOS Tech"** vertical as a firm specialized in **technological solutions for banking and insurance**



REVENUES



PROFITABILITY



- ▶ **Flat maintenance in revenues and profitability** while it restructuring the offering model to focused on **higher client recurrence**
- ▶ **Obtaining the Cybersecurity protection contract** for all **Spanish airports**
- ▶ **Launch of the Global MDR** (Managed Detection and Response) service for more than **60 multinational customers**





Prosegur and Prosegur Cash, first private security companies to obtain the highest ESG valuation from S&P Global ratings

S&P Global
Ratings



ESG Evaluation

62/100

Preparedness: Adequate (+1)



ESG Evaluation

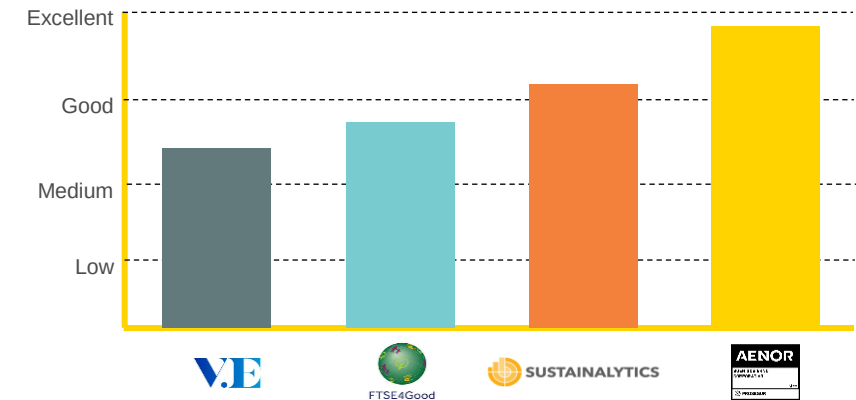
64/100

Preparedness: Adequate (+3)

"The high ESG evaluation of 62 from S&P Global Ratings reflects the continuous development of Prosegur's sustainability strategies in its various operations and geographies."

- S&P Global Ratings

The main ESG rating value positively Prosegur performance



Prosegur has obtained a rating as the low-risk company as well as recognition as the best company in the private security sector⁽¹⁾



FINAL CONCLUSIONS AND FORECAST





Optimistic outlook for the second half of 2022

- ▶ **Excellent volume growth across all businesses and geographies**
 - ▶ **Strong profitability** increase in Cash and **sustained gradual recovery** in Security
 - ▶ **Favorable macro environment due to inflation** and exchange rate stability
 - ▶ **Transfer of costs to market above inflation**
 - ▶ Exceptional **value creation in Alarms**
 - ▶ **M&A active** in various businesses and geographies for the second half of the year
 - ▶ **Good growth prospects** for the rest of the year
- 



¿Q&A?





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