



# Results Presentation **FY 2023**

**29/February/2024**

Investor Relations Department

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## SIGNIFICANT MILESTONES OF THE PERIOD



### Growth

- ▲ Increase in **sales** of **3.3%**, **breaking all-time records** despite the impact of the exchange rate
- ▲ **9%** Increase in **Operating Cash Flow** generation (**+€25 MM**)
- ▲ **Increased** investment in **Expansion Capex (20% YoY)**, consolidating business **growth**

### Efficiency

- ▲ **Improved EBITA margin** at group level, **isolating** the hyperinflationary **adjustment**
- ▲ **Security** business increased **profitability** by **27%** and generated **Operating Cash Flow**
- ▲ **Sustainable** growth in **Alarms**, **improving** all of its main **KPI's**

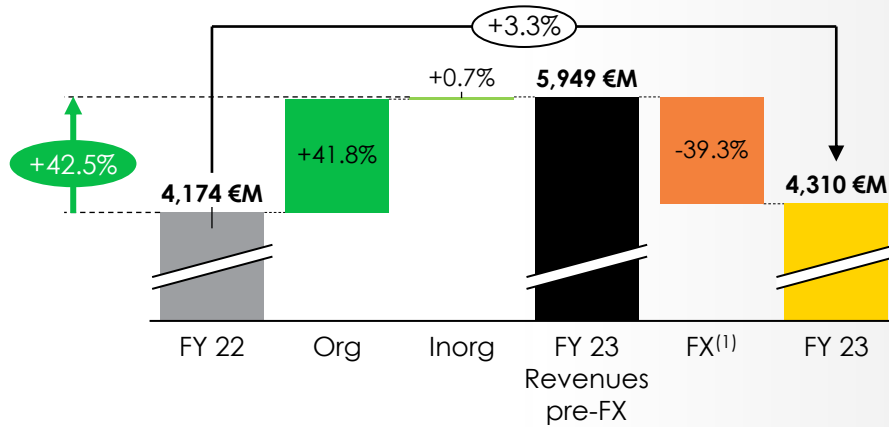
### Innovation / ESG

- ▲ **Excellent** performance of the **New Products** in **Cash**, **exceeding 30%** of **sales**
- ▲ The concluding **Sustainability Master Plan** assessment is **positive**, having **promoted** a process of **cultural change** throughout the organization, affecting **all business lines** and support areas

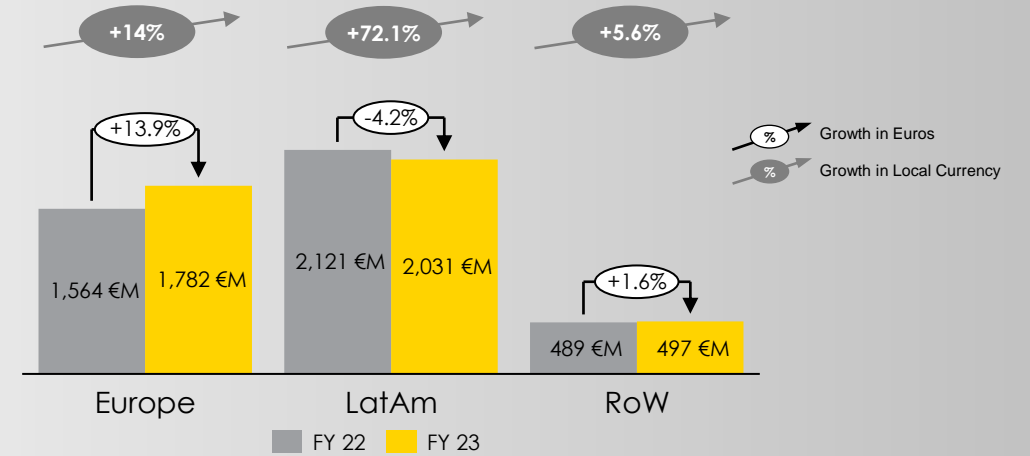


# REVENUES GROWTH

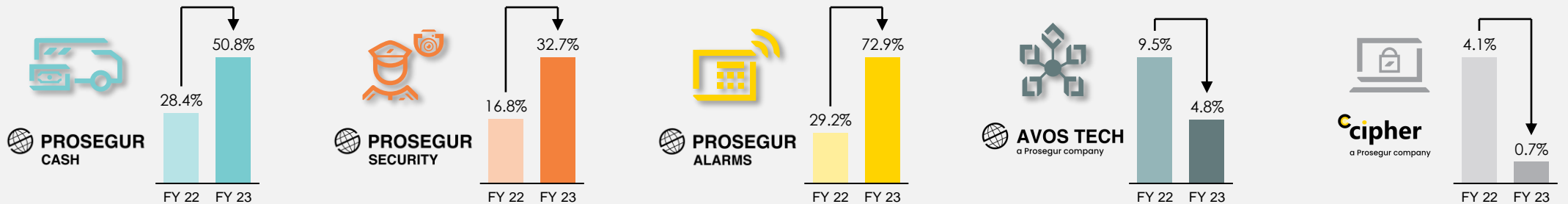
## REVENUES



## REVENUES PER REGION



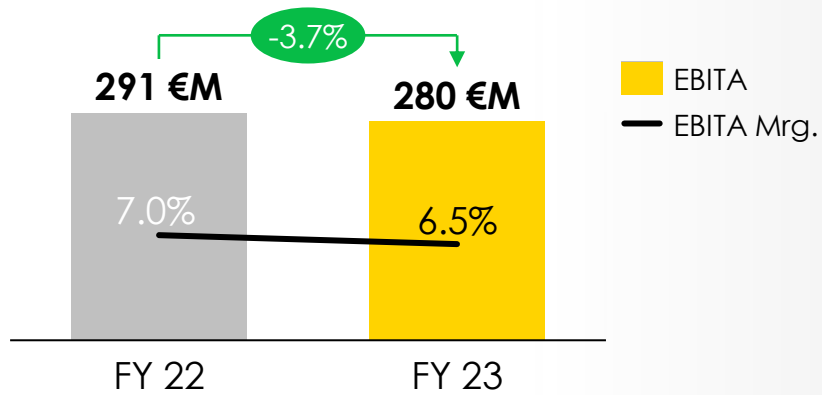
## Organic Growth by Business Line



<sup>(1)</sup> Includes FX and IAS 21 & 29 effects

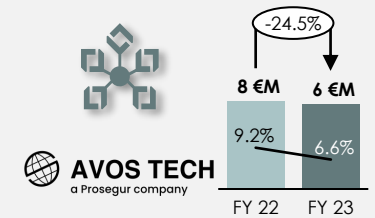
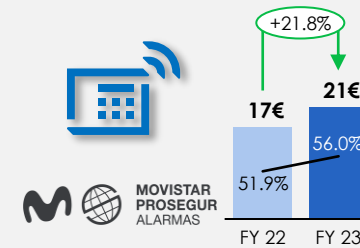
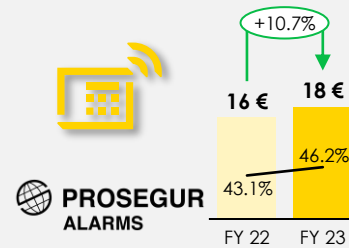
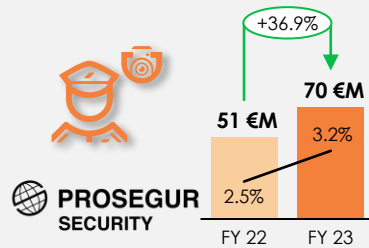
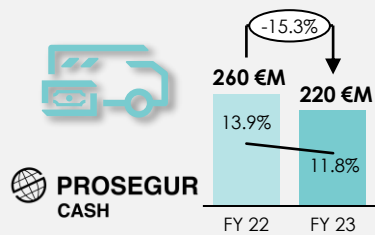


# PROFITABILITY



- ▲ Isolating the hyperinflationary adjustment, the **EBITA margin improves**
- ▲ **Exceptional improvement** in **Security** profitability, reaching a **margin of 3.2%** in the period and **4.8%** in the isolated quarter
- ▲ **Continued** increase in **Alarms** profitability, both in **MPA** and **Prosegur Alarms**
- ▲ Progressive **recovery** of **AVOS TECH's** profitability, still **conditioned** by the anticipated **earn-outs** in **Q2**

## Profitability by Business Line



Cash, Security and AVOS = EBITA    Alarms and MPA = Unitary EBITDA Pre-SAC

## Consolidated Results

Amount in €M

	Q4 2022	Q4 2023	% Variation	FY 2022	FY 2023	% Variation
<b>SALES</b>	<b>1,027</b>	<b>942</b>	(8.3%)	<b>4,174</b>	<b>4,310</b>	3.3%
Organic Growth	+26.4%	+70.7%	↑	+22.4%	+41.8%	↑
Inorganic Growth	+3.3%	-1.8%	↓	+2.7%	+0.7%	↑
FX	-23.2%	-77.2%	↓	-5.7%	-39.3%	↓
<b>EBITDA</b>	<b>114</b>	<b>83</b>	(27.4%)	<b>468</b>	<b>459</b>	(2.0%)
Margin	11.1%	8.8%		11.2%	10.6%	
Depreciation	(40)	(37)		(177)	(179)	
<b>EBITA</b>	<b>74</b>	<b>46</b>	(37.8%)	<b>291</b>	<b>280</b>	(3.7%)
Margin	7.2%	4.9%		7.0%	6.5%	
Amortization of intangibles and impairments	(12)	(14)		(37)	(42)	
<b>EBIT</b>	<b>62</b>	<b>32</b>	(48.6%)	<b>253</b>	<b>238</b>	(6.0%)
Margin	6.0%	3.4%		6.1%	5.5%	
Financial results	(30)	(14)		(63)	(85)	
Profit before Tax	32	18	(43.8%)	191	153	(19.7%)
Margin	3.1%	1.9%		4.6%	3.6%	
Tax	(24)	(3)		(107)	(75)	
Tax rate	73.4%	17.0%		56.0%	48.8%	
Net Profit	9	15	75.5%	84	79	(6.6%)
Minority interest	(3)	(0)		(19)	(13)	
<b>CONSOLIDATED NET PROFIT</b>	<b>5</b>	<b>15</b>	191.1%	<b>65</b>	<b>66</b>	1.3%



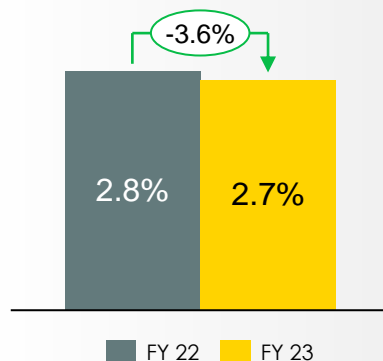
- ▲ **Controlled financial results**, at an **average interest rate of 2.7%**, in an adverse macroeconomic environment
- ▲ **Tax rate reduction**, as well as cash outflows due to taxes
- ▲ **Consolidated net profit improved by 1.3%** compared to the previous year, generating an **improvement in EPS** of the same magnitude



# CONSOLIDATED CASH FLOW

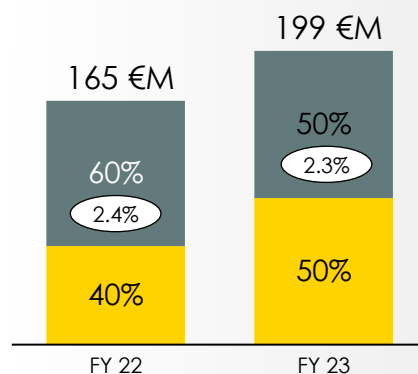
## Working Capital <sup>(1)</sup>

- Improved **working capital** over **sales**
- As a result of **active DSO** and **inventory management**



## Capex

- Capex increase** mainly due to the **expansion** of the **Cash** and **Alarms** business
- Infrastructure Capex** contained at **2.3%** of sales



■ Expansion Capex  
■ Infrastructure Capex  
# % Infrastructure Capex over sales

Amounts in €M

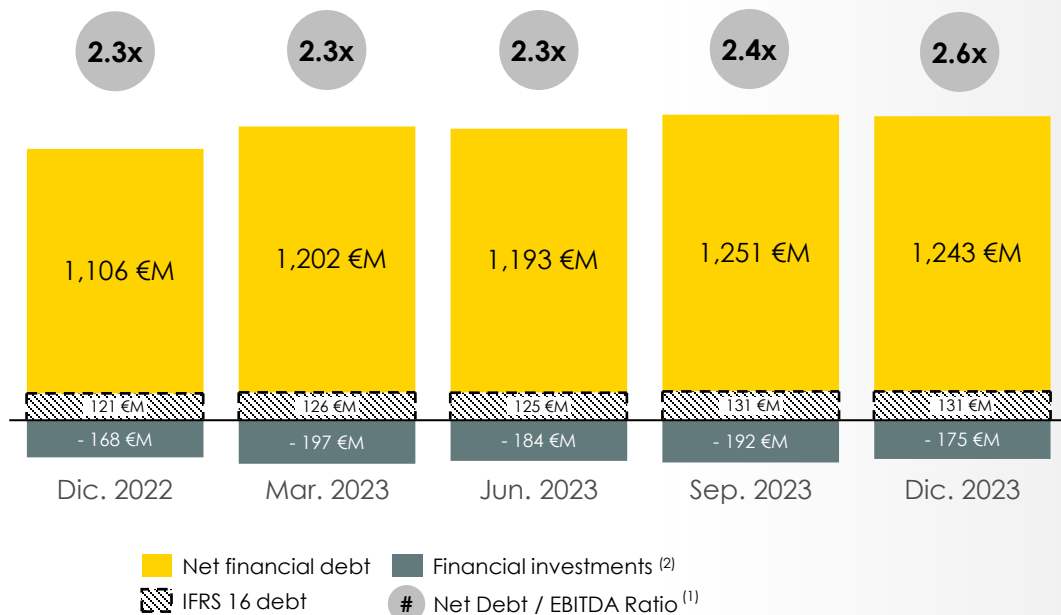
	FY 2022	FY 2023
<b>EBITDA</b>	<b>468</b>	<b>459</b>
Provisions and other non-cash items	13	130
Tax on profit	(95)	(86)
Changes in working capital	(93)	(172)
Interest payments	(5)	(18)
<b>Operating Cash Flow</b>	<b>288</b>	<b>313</b>
Acquisition of property, plant & equipment	(165)	(199)
<b>Free Cash Flow</b>	<b>123</b>	<b>115</b>
Payments for acquisitions of subsidiaries	(51)	(35)
Dividend payments	(104)	(42)
Treasury stock & others	(37)	(71)
<b>Total Net Cash Flow</b>	<b>(70)</b>	<b>(34)</b>
<b>Initial Net Financial Debt</b>	<b>(987)</b>	<b>(1,106)</b>
Net increase / (decrease) in cash	(70)	(34)
Exchange rate	(49)	(103)
<b>Net Financial Debt <sup>(1)</sup></b>	<b>(1,106)</b>	<b>(1,243)</b>
Financial investments <sup>(2)</sup>	168	175
<b>Adjusted Net Financial Debt</b>	<b>(939)</b>	<b>(1,069)</b>

<sup>(1)</sup> Excludes IAS 16 debt

<sup>(2)</sup> Telefónica shares at market value at the end of the period

<sup>(1)</sup> Working Capital excluding one off

# FINANCIAL POSITION AND ABBREVIATED BALANCE SHEET



## Solid Balance Sheet

- ▲ Increased **leverage ratio** explained by **lower EBITDA** impacted by hyperinflationary **adjustment**
- ▲ Comfortable **average cost of debt** of **2.7%**
- ▲ **73%** of debt at a **fixed-rate** and **average maturity** of **3.7 years**

Amounts in €M

	FY 2022	FY 2023
<b>Non-current assets</b>	<b>2,553</b>	<b>2,570</b>
Tangible fixed assets and real estate investments	833	801
Intangible assets	1,105	1,087
Others	614	683
<b>Current assets</b>	<b>2,277</b>	<b>1,474</b>
Inventory	87	72
Customer and other receivables	892	957
Non-current assets held for sale	121	0
Cash and equivalents and other financial assets	1,177	445
<b>TOTAL ASSETS</b>	<b>4,830</b>	<b>4,044</b>
<b>Net equity</b>	<b>790</b>	<b>718</b>
Share capital	33	33
Treasury shares	(30)	(30)
Retained earnings and other reserves	754	678
Minority interest	34	36
<b>Non-current liabilities</b>	<b>1,965</b>	<b>1,995</b>
Bank borrowings and other financial liabilities	1,601	1,647
Other non-current liabilities	365	348
<b>Current liabilities</b>	<b>2,075</b>	<b>1,332</b>
Bank borrowings and other financial liabilities	1,037	361
Non-current liabilities held for sale	83	0
Trade payables and other current liabilities	955	971
<b>TOTAL NET EQUITY AND LIABILITIES</b>	<b>4,830</b>	<b>4,044</b>

<sup>(1)</sup> Includes net financial debt, IAS 16 debt, and financial investments

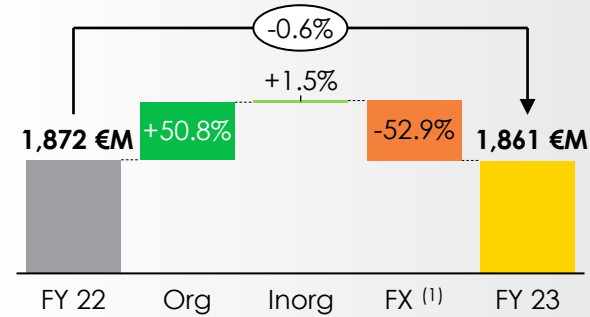
<sup>(2)</sup> Telefónica shares at market value at the end of the period



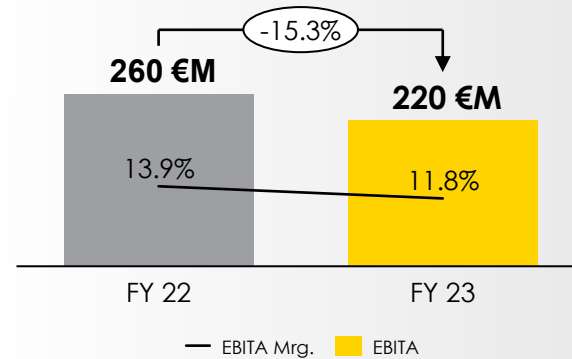
**Results by  
Business**



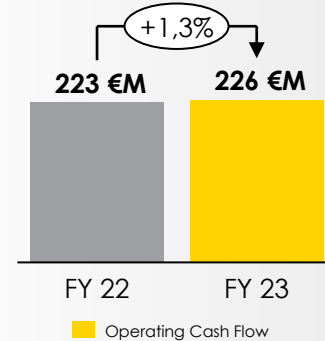
### Revenues



### Profitability



### Operating Cash Flow



## Growth

- ▲ Solid **organic growth** of more than **50%**
- ▲ Supported by a **strong increase** of **price and volume** in **all regions**
- ▲ **Impacted** by strong **FX effect**

## Efficiency

- ▲ Margin **EBITA** of **11.8%**, impacted by the **adjustment** of the **hyperinflationary accounting**
- ▲ Penetration of **New Products** continues, now **exceeding 30%** of sales

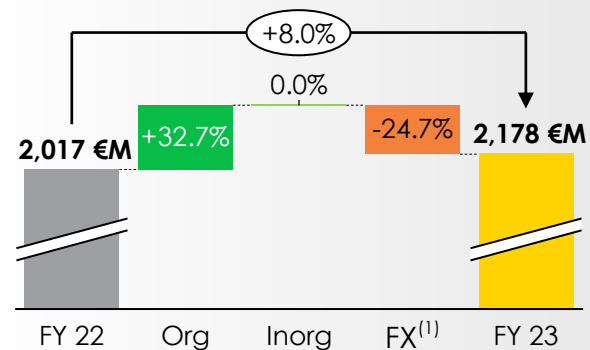
## Operating Cash Flow

- ▲ **Increase** in **Operating Cash Flow** compared to the previous year as a result of **higher volumes** and **enhanced efficiencies**
- ▲ Includes **regulatory one off's**

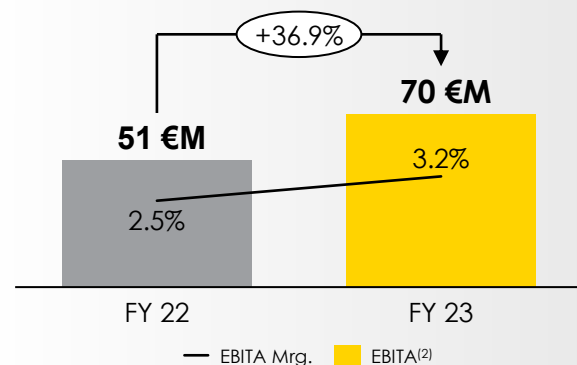
(1) Includes FX and IAS 21 & 29 effects



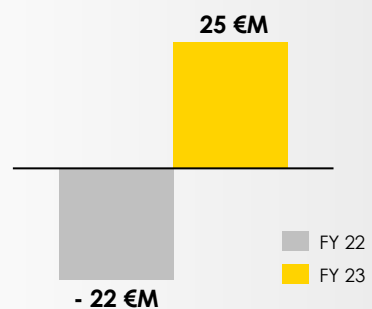
### Revenues



### Profitability



### Operating Cash Flow



## Growth

- ▲ Exceptional **organic growth** superior to **32%**
- ▲ **Growth** consolidation in **USA** and operating **efficiencies** in **LatAm**

## Efficiency

- ▲ **Profitability recovery** accelerated, growing more than **27%**, reaching a **margin** of **3.2%** in the period and **4.8%** in the isolated quarter
- ▲ **Mainly** driven by the **scalability** of the business and the **good performance** in the **USA**

## Operating Cash Flow

- ▲ **Increase in Operating Cash Flow (+€47 MM YoY)**
- ▲ **Free Cash Flow** reached **+€9 MM**
- ▲ **Positive contribution** from **USA**, including **expansion costs**

<sup>(1)</sup> Includes FX and IAS 21&29 effects

<sup>(2)</sup> EBITA excludes Overhead Costs

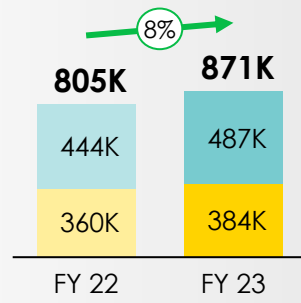


**Growth**

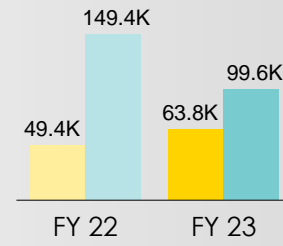
**Efficiency**

**Value  
Creation**

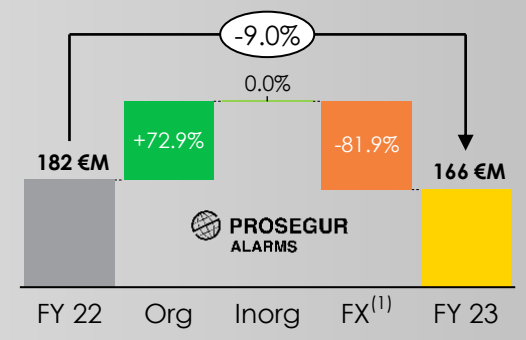
**BTC**



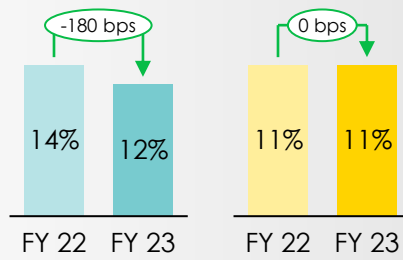
**New Clients**



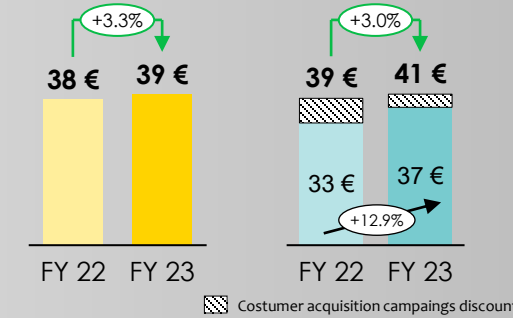
**Revenues<sup>(2)</sup>**



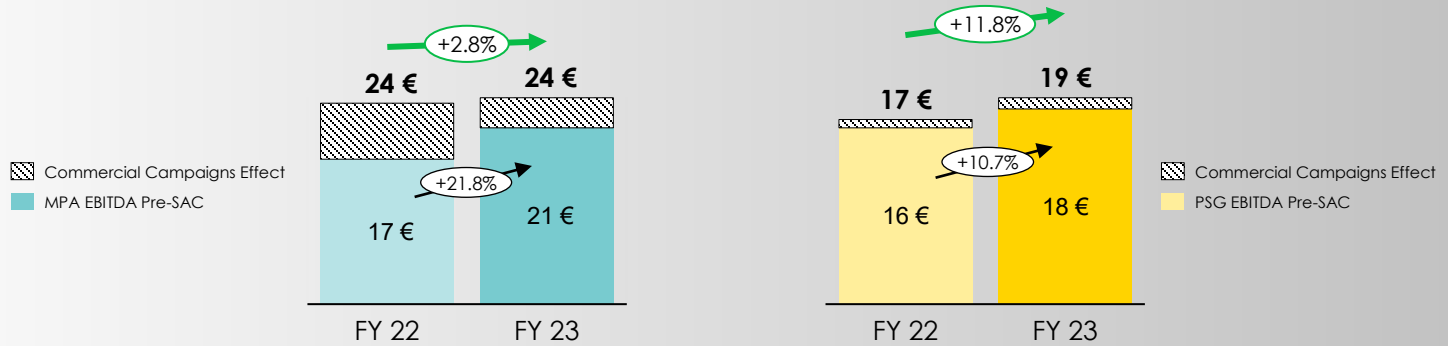
**Churn Rate**



**ARPU**



**EBITDA Pre-SAC per connection**

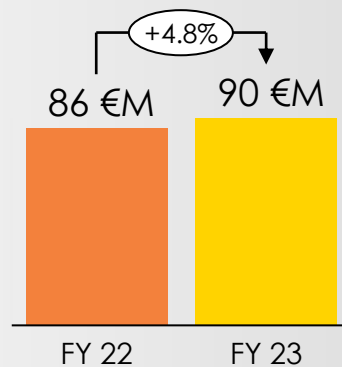


<sup>(1)</sup> Includes exchange rate effect and IAS 21 & 29

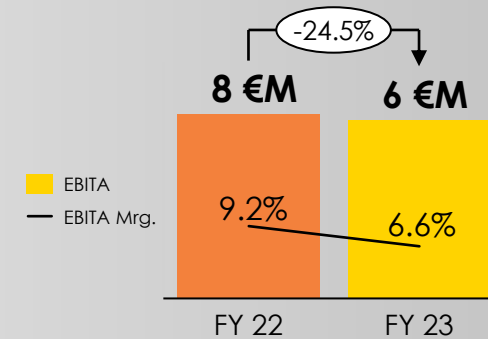
<sup>(2)</sup> Reported Alarms sales belonging exclusively to Prosegur, Movistar Prosegur Alarms sales are not included



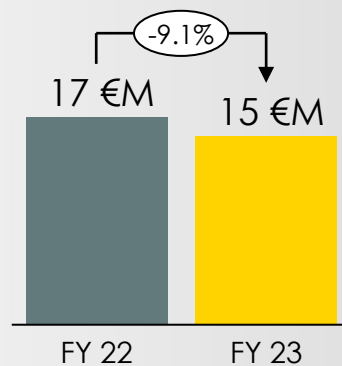
### Revenues



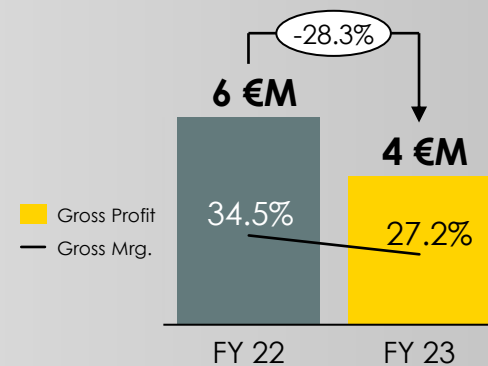
### Profitability



### Revenues

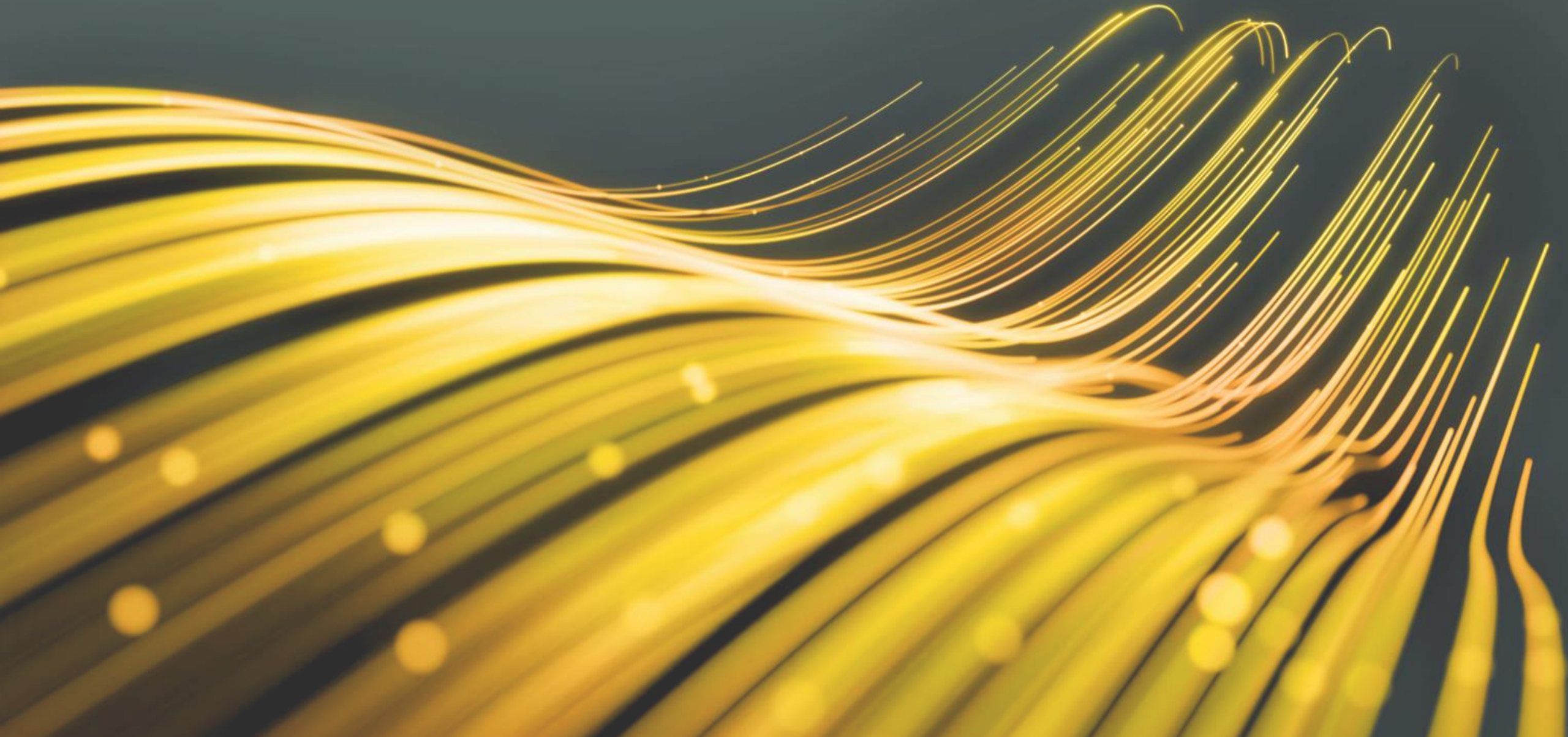


### Profitability





# FINAL CONCLUSIONS AND OUTLOOK





## CONCLUSIONS

- ▲ Successful **operational performance** of the businesses
- ▲ Strong **increase** in the **Security EBITA margin**, reaching a **3.2%** in the period and **4.8%** in the isolated quarter
- ▲ **Improvement** in the **Cash EBITA margin**, isolating the hyperinflationary **adjustment**
- ▲ Continued **Alarms growth** without impacting its key indicators
- ▲ **Optimization** of the **working capital** management, **explaining** the increase in **Operating Cash Flow generation**, highlighting the **Security** business
- ▲ Increase in **Expansion Capex** based on the promotion of the **New Products** in **Cash** (especially "**Cash Today**" and "**Forex**") and **Alarms growth**. All this with a moderate **level of leverage**
- ▲ In **2024**, a **new ESG framework** will be approved, with **updated goals** and initiatives to **address the challenges** that the company will face during its new strategic plan.
- ▲ **Positive growth expectations**, with focus on **operating efficiencies** that contribute to **margin improvement** and **cash generation**





**¿Q&A?**





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