

## 4.4. Financial **community**

### Share performance

The year 2018 was shaped by sharp devaluation from the main currencies in the Latin American region: the Brazilian real and, above all, the Argentinian peso.

The good results secured in 2017 extended into the first quarter of the year, driving up the share price from EUR 6.64 at the start of the year to a record high of EUR 6.92 per share, with the Prosegur Cash share also converging with its record peak level at EUR 3 per share.

However, Latin American currencies began to have an impact on the company share price as of the second quarter. Beginning in May the share started to lose value due to uncertainty stirred by elections in Brazil and Argentina's inability to service debt on the markets.

The impact became evident in the second half of the year, when the share price began a

sustained downward trend. Several macroeconomic factors, such as depreciation of the US dollar, weaker prospects for harvest revenue, Argentina's sizeable deficit, and other collateral aspects, depreciated the value of the Argentinian peso by nearly 50 percent. There was also a sharp jump in inflation and interest rates in the country, leading the EMSA and IPTF regulatory bodies to declare Argentina a hyper-inflationary economy, rendering applicable IAS 21 and

29 when reporting consolidated group financial statements.

Market reacts to this flow of news and adverse perspectives and, as a result, the share reached its lowest level for the year in late 2018 at EUR 4.21, and ended the year at EUR 4.42. However, towards the end of the year, following the Brazilian elections and IMF intervention in Argentina, a sustained improvement in the Prosegur share price became evident.

**Prosegur (MSE)** Open: 6.64 | High: 6.92 | Low: 4.21 | Close: 4.42

02/01/2018 - 31/12/2018



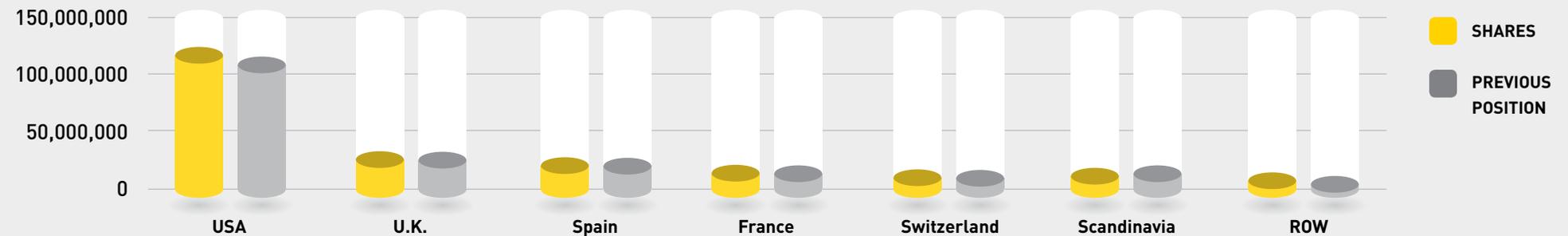
## Main shareholders

The shareholding structure of Prosegur reflects its solidity and stability. As per 31 December 2018, 66.43 percent of the company's share capital was held by significant shareholders. The remaining 33.57 percent was floating capital.

The sizeable presence of shareholders on the Board of Directors enables management bodies to define strategies and make decisions in line with the interests of all shareholders. This solid and stable relevant shareholder base, made up largely

of significant shareholders and institutional investors, provides Prosegur with the ideal conditions to develop its mission and achieve its objectives.

### Geographical distribution of floating capital



<sup>(\*)</sup>31 December 2018.

Given its growth potential and long-term trajectory, Prosegur has always been well received by international investors. A significant proportion of Prosegur floating capital is held in the United States. During 2018 there was a marked increment in shareholdings in the United States, reaching 18.44 percent of share capital. There was also an increase in the proportion of French capital holding Prosegur shares, and likewise Swiss investors.

In contrast, capital sourced from the United Kingdom declined slightly compared to 2017, accounting for 3.69 percent of Prosegur shareholders.

Scandinavian investors also opted to move out of their investments in the company during 2018, with the percentage dipping to 1.37 percent.

There was also a significant sharp increase in Prosegur shareholdings in the Asia Pacific and Latin America regions, which at year-end 2018 accounted for 1.2 percent of the company's floating capital, meaning growth of more than 25 percent compared to previous years.

## Investor relations

Prosegur focuses its efforts on creating value for shareholders. All actions from the company are shaped by the goal of enhancing results and transparency, as well as ensuring rigour and credibility. The Prosegur shareholder and investor relations policy aims to provide direct, personal and stable communication over time. The company has close relations with its shareholders, private and institutional investors, and with the leading stock analysts, to whom it provides detailed information on a continuous basis.

In order to deliver on this transparency commitment, Prosegur uses multiple communication channels such as a quarterly webcast to report results and the Investor Newsletter, in addition to other information bulletins with specific content of interest to the investment community.



**288**

IN PERSON  
MEETINGS  
WITH INVESTORS



**82**

TELEPHONE  
CONFERENCES



**60**

MEETINGS  
WITH ANALYSTS



**15**

ROADSHOWS WITH  
INVESTORS



**11**

SECTORIAL  
CONFERENCES



**6**

VISITS TO  
OPERATIONAL  
CENTRES



**8**

ESG  
MEETINGS

## Analysts coverage and recommendations

Prosegur share is covered by a total of 19 national and international analysts who, in general, maintain a positive outlook of the company, although a bit more conservative than in 2017 due to the negative impact of the currencies. In this regard, nine analysts

recommend buy, eight analysts offered a neutral recommendation (compared to six in 2017) and just two report a negative assessment and a sell recommendation. Furthermore, then analysts continue to allocate Prosegur a target price of over six euros.

### Analyst recommendations

