

Financial Results for 2019

PROSEGUR REPORTS A NET PROFIT OF EUR 160 MILLION IN 2019

- 🌐 **Sales reached EUR 4.198 billion, up 6.6% from 2018.**
- 🌐 **The reported EBIT was EUR 330 million, up 9.7% from the previous year, with margins favoured positively by new products in both the Security and Cash divisions.**
- 🌐 **Operational cash flow generation continued its positive upward trend, totalling EUR 351 million, with an EBITDA-to-cash conversion ratio of 72%.**

Madrid, 28 February 2020 – Prosegur’s sales in the last quarter maintained the positive trend shown throughout the year. Thus, group revenue in 2019 amounted to EUR 4.198 billion, up 6.6% from 2018. It is worth noting the strength of the organic growth, which coupled with contributions from acquisitions, resulted in a turnover increase, in local currency, of more than 15%.

The company reported EBITDA for the year of EUR 536 million, up 17.6% from 2018, while EBIT amounted to EUR 330 million, up 9.7%. The EBIT margin has continued to increase favourably, up to 7.9%.

Prosegur achieved a net profit of EUR 160 million in 2019. This figure represents a decrease of 11.0% compared to 2018. Consolidated net income, minority interests apart, amounted to EUR 114 million, down 13.9%.

Although the financial results continue to reflect the impact of the exchange rate, it is worth noting the strong sales growth and improved profitability across all lines of business. Additionally, in 2019, Prosegur conducted inorganic growth operations in eight markets. Acquisitions in the United States are particularly noteworthy, as these are already in an advanced stage of integration and are reporting higher-than-expected growth rates.

Financial position

The company has been constantly improving its operating cash flow generation, which totalled EUR 351 million in the year, maintaining the EBITDA-to-cash conversion ratio above 70%. These figures, which are a result of the group’s financial discipline, attest to the cash generating capacity of Prosegur’s business model and its resilience against the adverse exchange rate.

Finally, total net debt, including IAS 16, treasury stock and deferred payments, has weighed in at EUR 785 million at the end of the year. With regard to the debt level, the group remains in a strong financial position, with a net financial debt-to-EBITDA ratio of 1.5x, where more than 80% of total debts are long-term maturities. The average cost of corporate financing also fell, compared to the same period in 2018, from 1.65% to 1.36%.

How the business has evolved, broken down by business line:

Prosegur Security

Prosegur Security, the surveillance and technology business unit, increased its sales by 8.3% to EUR 2.108 billion. As in previous quarters, sales in local currency for this unit continued to improve, with a growth of around 14%. In this regard, the positive contribution from the company's US operations is of particular note. Furthermore, sales of integrated security solutions continued to show increased penetration, having now risen to 28% of Prosegur Security's client portfolio, with the Spanish market leading the growth in this area.

Relative to the profitability of operations, improvements have been achieved, thanks to the business situation in Brazil and the increased importance of new solutions. EBIT reached EUR 66 million, up 21.3% from 2018, increasing the EBIT margin to 3.1%.

Prosegur Alarms

Prosegur Alarms, the division specialising in alarms for homes and businesses, recorded sales of EUR 278 million in 2019. This was up 6.2% from 2018, but in local currency this increase rises to 16.3%. Prosegur Alarms continued its growth rhythm, having already made 578,000 connections, which represents an increase of around 6% in the total connection base, compared to 2018. Prosegur Alarms' growth strategy continues to focus on the quality of the client portfolio.

Prosegur Cash

Prosegur Cash, the cash-in-transit and cash management, reported EUR 1.799 billion in sales in 2019, up 3.9% from 2018. In local currency, the company maintains a growth rate of almost 17%. New Products sales continued to show strong growth, up 42% from last year and already accounting for 16.2% of Prosegur Cash's total sales. EBIT amounted to EUR 305 million, up 13.7% from 2018, with an EBIT margin of 16.9% in the period.