

2022 Results

PROSEGUR PROFITABILITY UP BY 57.8%, WITH A CONSOLIDATED NET PROFIT OF €65 MILLION

- ▲ Prosegur posted earnings of €4,174 million, up 19.3%; with 22.4% organic growth in operations. Regarding profitability, Prosegur secured an EBITA of €291 million, 30.7% more than 2021.
- ▲ Prosegur holds a privileged balance as interest rates continue rising, with a very low average cost of corporate debt (1.61%) and 84% of debt at a fixed rate.
- ▲ Achievements in terms of transformation and innovation are also particularly salient. New Products in the Cash business now cover 25.6% of revenues. Security also launched the Hybrid Security model and the new iSOC, an intelligent technology hub for managing security operations.

Madrid, 28 February 2023. Prosegur has reported sales of €4,147 million in 2022, a 19.3% year-on-year increase. In terms of organic growth, Prosegur operations grew by 22.4%. Overall, the double-digit organic growth across all the geographies where the company operates and the excellent pass-through of inflation to price in all markets were particularly noteworthy.

In terms of operating profitability, EBITA stood at €291 million, up 30.7% versus 2021, with an EBITA margin of 7%. Prosegur Cash regained strong volumes, with a net profit growth of 185% and strategic objectives achieved ahead of schedule. Sequential improvement fuelled by new solutions continues at Prosegur Security. Prosegur Alarms and Movistar Prosegur Alarmas continue to increase their profitability which, in the case of MPA, advances to reach a margin close to 52%. Turning to newer business lines, Cipher and Prosegur AVOS also posted significant double-digit growth in sales (41.2% for AVOS), with gross margins of 26.8% and 34.5% respectively. The Group's consolidated net profit, net of minority interests, amounted to €65 million, 57.8% higher than in 2021.

Prosegur achieved an excellent recovery in operating cash flow, despite increasing working capital consumption at the beginning of the year. The company generated an operating cash flow of €288 million in 2022, up 7%.

Net financial debt for the quarter stood at €1,106 million. Prosegur holds a privileged balance as interest rates continue rising, with a very low average cost of corporate debt at 1.61%, and the fixed-rate debt at 84%. The indebtedness level remained at a ratio of 2.3 times net financial debt to EBITDA.

These annual results confirm how well Prosegur has performed in 2022, reflecting the soundness of its business model and its ability to take advantage of macroeconomic conditions. Sales growth and profitability were excellent, creating considerable value, and achievements in transformation, innovation and sustainability were also noteworthy. Prosegur and Prosegur Cash are the first private security companies in the world to obtain and publish their environmental, social and governance (ESG) assessment from S&P Global Ratings. In terms of geographic scope, the company has entered new markets through new products, bringing its global presence to 31 countries.

Activity performance by business line:

Prosegur Security

The Prosegur Security division of Prosegur, which provides physical and electronic security solutions, has posted sales growth in excess of 16%. All countries performed favourably, though the bellwether countries were the United States (+44%), Brazil (+28%) and Singapore (+18%). Sales reached €2,017 million, 16.3% more than last year.

With regard to profitability, the business showed a positive progression despite heavy investments in technological transformation and growth in the United States, with a gross margin increase of 30%. EBITA reached €51 million, up 13.5%.

The launch of its Hybrid Security strategy and the inauguration of the iSOC in Madrid were particularly salient. This intelligent technology hub for managing security operations represents a major milestone in a programme of 13 facility openings that began in 2022 and will continue throughout this year.

Prosegur Alarms

The alarms business generated 199,000 new registrations in the year, an increase of 15.9%. Prosegur Alarms and Movistar Prosegur Alarms together have already exceeded 800,000 connections at year-end, representing an increase of 15%. Both companies continue to increase their profitability and Movistar Prosegur Alarms has a profitability of over 50%. Prosegur Alarms, which groups together operations outside Spain, posted sales of €182 million, with organic growth of 29.2%.

In the field of transformation and innovation, new Mobility services were rolled out (Movistar Car Protect and Teleasistencia Senior) as the GenzAi Home platform with AI-based intelligent video management grew to over 70,000 customers.

Prosegur Cash

Cash in Transit subsidiary Prosegur Cash posted sales of €1,872 million, an increase of 23.3%. The company reported robust double-digit growth across all regions, with solid volume recovery. Organic growth stood at 28% and net profit grew by 185% versus 2021.

New Product activities grew at a pace exceeding 47% (55% excluding divestments), driven by the strong performance of Cash Today (digitisation of cash at the point of sale), Corban (correspondent banking) and Forex (through the acquisition of ChangeGroup). In 2022, sales of New Products reached €480 million, and their share of the company's total revenues has already reached 25.6%.

EBITA rose substantially by 40.7% to €260 million. The improved margins were spurred by operational efficiencies that have helped to effectively absorb higher volumes, with the EBITA margin standing at 13.9%. In turn, the current inflationary climate prevailing in all the markets where the company operates is positive for the company's business performance.

In 2022, Prosegur Cash acquired control of the world's third largest operator in the retail currency exchange sector, ChangeGroup. This deal is a further step in developing the company's New Products area as a key pillar of its transformation strategy.

As for new business lines, **Prosegur AVOS**, specialising in process outsourcing and digital transformation, posted sales of €86 million in 2022, 41.2% more than the previous year. The company increased its geographic diversification through the acquisition of Solunegocios, a Chilean holding



company with 30 years of experience in the Latin American market. Especially noteworthy was the launch of AVOS Tech, boosting proprietary software for banking and insurance clients, robotisation technologies, Big Data, BI & Data Science and process transformation. Meanwhile, the cybersecurity unit **Cipher** reported solid sales growth, hitting €17 million, up 13.9% versus 2021.

