

2016 Fiscal Year Profits

PROSEGUR OBTAINS OPERATING RESULTS OF €333 MILLION IN 2016 AND IMPROVES THE PROFITABILITY OF ITS OPERATIONS

- The company has reported profits for 2016 in line with the estimates made at the beginning of the year. The operating results have improved in both absolute and relative terms. Net profit reached 134 million Euros, which rises to 185 million Euros if we do not consider the expenses associated with the corporate reorganisation process.
- Prosegur total sales have grown by 12.2% in local currency and are placed at 3,902 million Euros. Broken down by business unit, Prosegur Cash and Prosegur Security (excluding Brazil) registered organic growth of 14.9% and 11.5%, respectively. In addition, Prosegur Alarms has increased its connection base by 9%.
- In 2016, Prosegur maintained its financial strength and, following the normalisation of the financial situation in Argentina, the company has repatriated funds from the country in the total amount of 97 million Euros.

Madrid, 1 February, 2017.– Prosegur, a leading company in the global private security sector, recorded sales of 3,902 million Euros, a growth of over 12% in local currency compared to the previous year. Broken down by business unit, Prosegur Cash has recorded a 14.9% growth, Prosegur Security 11.5% (excluding Brazil) and Prosegur Alarms 17.9%, in local currency. The operating result reached 333 million Euros, which beat the historical result of the previous year and meets the guidance the company gave earlier this year.

Thus, Prosegur closes a year in which it completed its transformation from a country-based management model to a business-based model. This new structure, known as “One Group, Three Businesses”, is allowing the company to accelerate its growth, improve profitability and increase business specialisation and efficiency. Through this strategy, Prosegur has established the necessary bases to face the future of its activity and has contributed visibility to the value of each division. The change to the new structure has involved more than 234 corporate operations and has meant extraordinary costs of 51 million Euros, most of which are related to taxes.

Outstanding improvement in profitability through operational efficiency

Prosegur continues to maintain a steady improvement in profitability. EBITDA reached 449 million Euros compared to 448 million in 2015. The EBIT grew by 2.7% to 333 million Euros. These numbers represent an increase in the EBIT margin from 8.2% in 2015 to 8.5% in 2016. Finally, Prosegur has reported a consolidated net profit of 134 million Euros, which rises to 185 million Euros if we do not consider the expenses associated with the corporate reorganisation process.

These figures confirm the good response by the profitability indicators to the margin protection measures implemented by the company and the resilience of Prosegur's business model, despite an

unfavourable currency effect of -14% and the extraordinary costs. The company considers that this positive dynamic is structural in nature and is sustainable over time.

Prosegur Cash, profitability leader in its sector

Prosegur Cash, the Cash in Transit business unit, recorded organic growth of 14.9%. Its sales have increased in local currency in all geographical areas, reaching 1,724 million Euros in 2016. This division has continued to improve profitability, bringing the EBIT margin to 18.6%, the best in its sector compared to its global competitors. At the same time, the volume of cash processed continues to grow in all the countries in which it operates, and growth is also being observed in new business areas.

During the 2016 fiscal year, Prosegur Cash continued to extend its growth strategy with its entry into South Africa, and the expansion of its operations in Spain, India and Australia. The unit maintains its vocation of leadership in the sector, and its determined commitment to playing a relevant role in the consolidation of the cash management industry.

Progressive improvement in Prosegur Security's margins

Prosegur Security, the surveillance and technology business unit, recorded organic growth of 11.5%, excluding Brazil operations. Thus the turnover of this business stood at 1,561 million Euros in 2016, and the EBIT margin increased from 3.2% in 2015 to 3.5% in 2016. The optimisation policies implemented in this business line thus demonstrate their effectiveness in allowing a progressive improvement in the margins.

With the intention of reflecting the real performance of the Security division, Prosegur is reporting the profits of the Brazilian unit individually. Prosegur Security's sales in Brazil amounted to 391 million Euros in 2016. It is worth highlighting that the company is turning around the unit's circumstances within the Brazilian market and has improved its EBIT margin from -6.0% in 2015 to -3.5% in 2016.

Globally, this division is experiencing good performance, notably the strong increase in sales of combined surveillance and technology products and services, one of the key areas on which its growth is based. Equally, Cybersecurity continues to develop at an exponential rate in a year where it consolidated its operation centres in Spain, Portugal, Colombia and Paraguay and multiplied its business volume and structure by ten.

Intense rhythm of growth at Prosegur Alarms

Prosegur Alarms, the residential and business alarm division, maintains its intense rhythm of growth quarter after quarter, and has increased its organic sales by 17.9% to 213 million Euros. This unit has closed the year with nearly 424,000 active alarm connections, a 9% increase. In addition, the sales force has reached 1,500 people, 25% higher than at the end of the previous year. The intense expansion policy has focused on markets in Spain and Argentina. Also noteworthy is the entry of the business into India and South Africa. Prosegur Alarms has kept its average income per user steady at 36 Euros per month throughout the fiscal year, as well as its churn rate.

Financial strength of Prosegur

In the financial section, it is also noteworthy that, after the normalisation of Argentina's economic situation, Prosegur has repatriated funds in the total amount of 97 million Euros. These funds were mainly used to pay a special dividend at the end of the 2016 fiscal year.

The total, net debt in 2016 increased by 47 million Euros compared to the closing of 2015, mainly arising from greater activity in the M&A area, the payment of the special dividend and the reorganization cost. Thus, total net debt stood at 637 million Euros at the end of 2016. The leverage ratio remained flat at 1.4 times Net Debt to EBITDA and the average cost of debt in the period fell from 3.3% in 2015 to 2.7% in 2016.

Lastly, it is worth mentioning the positive action of cash flow thanks to the structural improvements implemented. Operations cash flow increased from 288 million Euros in 2015 to 318 million in 2016. These numbers include a 69% EBITDA cash conversion rate, improving upon the 64% rate from the previous year.

About Prosegur

Prosegur is a global leader in the private security sector. Through its three business lines, Prosegur Cash, Prosegur Security and Prosegur Alarms, Prosegur provides companies and households with reliable security services using the most advanced market solutions. With a presence in 18 countries on five continents, Prosegur had a turnover of 3.902 billion Euros in 2016, is listed on the Madrid Stock Exchange under the PSG indicator and currently has a team of over 168,000 employees.

The company directs its social action through the Prosegur Foundation, which, with more than 36,770 beneficiaries in 2016, works on four focal points: education, employment inclusion of people with intellectual disabilities, corporate volunteering and cultural development.

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