

## First Half-Year Results, 2021

# PROSEGUR INCREASED ITS CONSOLIDATED NET PROFIT BY 16.3% TO €26 MILLION

- ▲ Revenues reached €1,637 million, with a notable positive organic growth of 2.9% being seen. The company maintained good cash generation in the period and reined in its net financial debt.
- ▲ Prosegur Security and Prosegur Cash showed a favourable performance in their margins and maintained growth in new products. Prosegur AVOS and Cipher continue their growth trend.

**Madrid, 30 July, 2021.** Prosegur reported sales of €1,637 million in the first six months of the year. This figure is 7.8% less than that for same period last year. As in previous quarters, the revenue figure reflected the sale of 50% of the Alarms business in Spain. The good performance of revenues in local currency in the geographical areas of Latin America and ROW is worth highlighting. Europe is still showing the negative effects of the health crisis, although a trend in recovery is beginning to be seen. Finally, the exchange rate continued to perform unfavourably and reduced the result by 10.3%.

Looking at the profitability of operations, EBITA in the first half of the year stood at €93 million, with a margin of 5.7%. These figures represent a slight reduction in profitability, mainly explained by the lower volumes caused by the pandemic and the increase in investments in digital transformation. By business units, both Prosegur Security and Prosegur Cash report favourable development in their margins.

Net profit stood at €29 million in 2021, 1.6% more than in the first half of 2020, and the consolidated net result was €26 million after discounting minority interests; an increase of 16.3%.

In its financial position, Prosegur maintains good operating cash generation, higher than the historical average for the group, if we isolate the atypical effects of 2020. Operating cash flow reached €91 million at the end of the period and represents an EBITDA to cash conversion ratio of 61%, after normalising for the impact of the IAS 16 standard. It is also worth highlighting the favourable development in working capital in the quarter, driven by an improvement in the average collection period.

Net financial debt at the end of the first half of the year was €958 million. This figure represents a remarkable containment of debt in the quarter. This was all achieved despite paying the dividend, investing in capex and inorganic growth. The level of indebtedness, normalised with Telefónica shares, stood at a ratio of net financial debt to EBITDA of 2.2 and the average cost of corporate debt remained flat compared to the same period of the previous year, at 1.17%.

Looking at business line development:

### Prosegur Security

Prosegur Security, the surveillance and technology business, registered sales of €826 million, 7.4% less than in the same period last year. This unit recorded slightly positive organic growth, with the favourable behaviour of the Spanish and US markets being notable. Sales of integrated security solutions continue



to increase their weight with 37% of sales, where the Safety and Business Continuity solutions stand out, adding to more traditional Security solutions.

Prosegur Security notably improved the profitability of its operations, with a growth in EBITA of 27.3% to €27 million and a margin of 3.3%. The improvement in profitability is being driven by the development of new products, optimisation of the customer portfolio and a strict control of costs.

### **Prosegur Alarms**

Prosegur Alarms, a residential and business alarm unit, registered sales of €97 million in the first half of 2021, which was 6.1% less than for the first six months of 2020. This reduction in turnover is mainly due to the deconsolidation of Spain and the negative exchange rate in Latin America. However, the unit has once again shown positive organic growth of 23.8%.

It should be noted that this trend in recovery shown in the preceding quarters is being maintained. In Spain, Movistar Prosegur Alarmas added 38,000 net connections in the period and the Total Connections Base now exceeds 639,000 in the group of geographies where this business unit operates.

### **Prosegur Cash**

Prosegur Cash, the Cash-In-Transit subsidiary, achieved sales of €692 million in the first six months of 2021; 10.3% less than in the first half of last year. In general, Prosegur Cash has shown positive organic growth in the quarter in all the geographies it operates in. However, earnings continue to show the negative translational impact of currencies.

New Products continue to evolve favourably and increased their relative weight in Prosegur Cash's overall turnover. Sales in this segment reached €148 million over the first six months, which represented 21.4% of the company's total revenue.

Prosegur Cash's EBITA reached €91 million in the first half of the year, with a margin of 13.1%. If the capital gains resulting from the divestments in the period are excluded, EBITA stands at €70 million, with a margin of 10.2%.

Prosegur AVOS and Cipher reported sales of 31 and 7 million euros in the first quarter of 2021, respectively, in relation to new business units. Prosegur AVOS maintains double-digit growth, over 15% and its inorganic growth plan is progressing satisfactorily. In the case of Cipher, the improvement in profitability of 400 basis points is notable.

