PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. AND SUBSIDIARIES

INTERIM QUARTERLY FINANCIAL INFORMATION

Interim financial statements for the third quarter of 2020

(Translation from the original in Spanish. In the event of discrepancy, the Spanish language version prevails)

RESULTS FOR PERIOD JANUARY TO SEPTEMBER 2020

Million euros

CONSOLIDATED RESULTS	2019	2020	% Var.
Sales	**3,097.6**	**2,727.5**	**-11.9%**
EBITDA	**378.0**	**704.0**	**86.3%**
Margin	*12.2%*	*25.8%*	
Depreciation Property, plant and Equipment	(128.9)	(122.8)	**-4.7%**
EBITA	**249.1**	**581.2**	**133.3%**
Margin	*8.0%*	*21.3%*	
Amortization Intangible assets	(20.7)	(32.7)	**58.0%**
goodwill impairments	-	(44.4)	**100.0%**
EBIT	**228.4**	**504.1**	**120.7%**
Margin	*7.4%*	*18.5%*	
Financial Results	(45.3)	(48.9)	**7.9%**
BAI	**183.1**	**455.2**	**148.6%**
Margin	*5.9%*	*16.7%*	
Taxes	(65.4)	(108.0)	**65.0%**
Net Result	**117.6**	**347.2**	**195.2%**
Minority Interests	34.5	10.2	**-70.5%**
Consolidated Net Result	**83.1**	**337.1**	**305.5%**
Margin	*2.7%*	*12.4%*	
Earnings per share (Euros per share)	**0.1**	**0.6**	**350.5%**

PERFORMANCE IN THE PERIOD

- Turnover has decreased by 11.9% compared to 2019, with 0.2% associated with pure organic growth, a 0.6% decrease with the joint effect of inorganic growth and the divestment made by Prosegur, while the joint effect of the exchange rate and the result of applying IAS 29 and IAS 21.42 has meant a negative impact of 11.6%.

- The EBIT has increased by 120.7% compared to financial year 2019, having reached EUR 504.1 million, due mainly to the sale of a 50% stake in Prosegur's alarms business in Spain.

- Consolidated net result amounted to EUR 337.1 million, an increase of 305.5% compared with 2019, due mainly to the sale of a 50% stake in Prosegur's Alarms business in Spain.

Isolating the extraordinary effects that occurred in the period from January to September 2020, the income statement would be as follows:

Million euros

CONSOLIDATED RESULTS	2019	2020	% Var.
Sales	**3,097.6**	**2,620.0**	**-15.4%**
	-		
EBITDA	**378.0**	**292.3**	**-22.7%**
Margin	*12.2%*	*11.2%*	
	-		
Depreciation Property, plant and Equipment	(128.9)	(115.9)	**-10.1%**
EBITA	**249.1**	**176.4**	**-29.2%**
Margin	*8.0%*	*6.7%*	
Amortization Intangible assets	(20.7)	(22.1)	**6.7%**
EBIT	**228.4**	**154.3**	**-32.5%**
Margin	*7.4%*	*5.9%*	
Financial Results	(45.3)	(35.7)	**-21.2%**
BAI	**183.1**	**118.6**	**-35.2%**
Margin	*5.9%*	*4.5%*	
Taxes	(65.4)	(63.2)	**-3.5%**
Net Result	**117.6**	**55.4**	**-52.9%**
Minority Interests	34.5	10.2	**-70.5%**
Consolidated Net Result	**83.1**	**45.2**	**-45.6%**
Margin	*2.7%*	*1.7%*	
Earnings per share (Euros per share)	**0.1**	**0.1**	**-39.5%**

The extraordinary effects that occurred from January to September 2020 mainly include:

- ✓ The sale of a 50% stake in Prosegur's Alarms business in Spain;
- ✓ The non-incorporation of 100% of security operations in France; and
- ✓ Exceptional costs incurred during the year that are not significant as profit/(loss) of any of the businesses strictly speaking.

The extraordinary effects that occurred from January to September 2020 have had a negative impact on sales of EUR 107.5 million, a positive impact of EUR 349.8 million on EBIT, a negative impact of EUR 13.2 million under the heading of financial results and a negative impact of EUR 44.8 million under the heading of taxes.

INTERIM STATEMENT (JANUARY – SEPTEMBER 2020)

(Millions of Euros)

1. BUSINESS PERFORMANCE

The performance of the most significant items in the consolidated income statement pertaining to the period from January to September of financial years 2020 and 2019 is shown below:

a) Sales

Prosegur sales during the period from January to September 2020 totalled EUR 2,727.5 million, compared to EUR 3,097.6 million in the same period in 2019, accounting for a drop of 11.9%. Of total sales growth, 0.2% was pure organic growth, 0.6% the joint effect of inorganic growth due to acquisitions and divestment made by Prosegur in financial years 2019 and 2020, while the joint effect of the exchange rate and the result of applying IAS 29 and IAS 21.42 has meant a decrease of 11.6%.

Inorganic growth relates mainly to acquisitions in Brazil, Ecuador, Colombia and Spain in financial year 2020, as detailed in point two, as well as acquisitions made in 2019. All acquisitions have begun to form part of the consolidation scope as of the same month of their acquisition.

The divestment made by Prosegur is mainly related to the sale of 50% of Prosegur's alarms business in Spain, as since March the sales of 50% of the alarms business in Spain belonging to Prosegur have been accounted under profit/loss from investments in associates, and the sales of Cash businesses in France and Mexico in the 2019 and 2020 financial years, respectively.

The table below shows the breakdown of Prosegur's sales by business line:

Million euros			
Sales	**Prosegur Total**		
	2019	**2020**	**% Var.**
Security	**1,555.3**	**1,436.7**	**-7.6%**
% of total	*50.2%*	*52.7%*	
Cash	**1,337.1**	**1,139.7**	**-14.8%**
% of total	*43.2%*	*41.8%*	
Alarms	**205.2**	**151.1**	**-26.3%**
% of total	*6.6%*	*5.5%*	
Total sales	**3,097.6**	**2,727.6**	**-11.9%**

In regard to the distribution of sales by business line, during the period from January to September 2020, Security sales have reached EUR 1,436.7 million with a drop of 7.6% over the same period the year before.

Cash sales were down 14.8% to EUR 1,139.7 million, as a result of the sharp depreciation of Latin American currencies. Alarm sales amounted to EUR 151.1 million, a decrease of 26.3%, as a result of the Alarms business in Spain being accounted under profit/loss from investments in associates since March.

b) Earnings before interest, taxes and amortisation

Operating profit (EBIT) for the period from January to September 2020 amounted to EUR 504.1 million, compared with EUR 228.4 million in the same period of 2019, implying a 120.7% increase, mainly as a result of the divestment of 50% of Prosegur's Alarm business in Spain.

Isolating the extraordinary effects that occurred in the period from January to September 2020, the margin of EBIT over sales from January to September of 2020 was 5.9%, compared to that of 7.4% in the previous year. This decrease was due to a combination of currency depreciation, lower volumes and amounts transported in the Cash business as a result of the restrictions on movement implemented by governments to tackle the COVID-19 pandemic, and the recent acquisitions still being integrated, along with margins that are lower than the average of the Prosegur Group. The company expects that as these projected synergies are obtained, these margins gradually improve and contribute more significantly to growth by the Group.

c) Financial results

The net financial expenses of Prosegur in the period from January to September of 2020 have reached EUR 48.9 million compared to EUR 45.3 million in the same period the previous year, which translates into an increase of EUR 3.6 million. The main changes in financial expenses were as follows:

- Net finance expenses from interest payments in the period from January to September 2020 amounted to EUR 50.9 million, compared to EUR 30.6 million in the first quarter of 2019, implying an increase of EUR 20.3 million, owing to the company drawing down all the syndicated financing contracts in the credit modality and to the updating of certain provisions, mainly in Spain.

- The net finance expenses from exchange rate differences amounted to EUR 7.6 million in the period from January to September 2020, as compared with a figure of EUR 14.7 million in 2019, an increase in revenue of EUR 7.1 million as a result of the differences arising due to transactions in foreign currencies other than the functional currency of each country, mainly in Argentina and Brazil.

- Additionally, in the period from January to September 2020, income from financial investment dividends amounting to EUR 9.6 million have been posted. No income from financial investment dividends had been posted in the same period of the previous year.

Net results

The net consolidated result for January to September 2020 amounted to EUR 337.1 million, compared to EUR 83.1 million in the same period in 2019, an increase of 305.5%, due mainly to the sale of a 50% stake in Prosegur's Alarms business in Spain.

The effective tax rate was 23.7% in the third quarter of 2020, compared to 35.7% in the same quarter of 2019, implying a drop of 12.0 percentage points caused by the extraordinary effects that occurred from January to September 2020. Total costs recognised under that heading in the period from January to September 2020 amounted to EUR 44.8 million. Isolating that effect, the effective tax rate would be 53.3% in the third quarter of 2020 compared to 35.7% in the third quarter of 2019, due to the greater weight in the profit before tax of countries with a higher tax rate and due to the effect associated with hyperinflation in Argentina.

2. SIGNIFICANT EVENTS AND TRANSACTIONS

Significant events

Business combinations

In the period from January to March 2020, in Latin America Prosegur acquired a number of security companies and assets in Brazil, Ecuador and Colombia providing cash in transit, cash management and administrative banking services. In Spain, Prosegur also acquired a security company that supplies electronic security systems installation and maintenance services.
In February 2020, the sale of 100% of the Cash business in Mexico was completed.

Sale of a 50% stake in Prosegur's Alarms business in Spain to Telefónica, S.A.

Once the pertinent regulatory approvals were obtained, on 28 February 2020, Prosegur sold 50% of Prosegur's Alarms business in Spain for a price of EUR 305.6 million, subject to standard adjustments in this type of transactions on debt, working capital and client base.

The entire price was paid through the delivery of 49,545,262 shares of Telefónica S.A. Prosegur has agreed to accept certain restrictions on the transferability of the aforementioned Telefónica shares.

Reinvestment programme for the second payment of the interim dividend for 2019 and the third payment of the interim dividend for 2019

In the framework of the current situation arising from the impact of the COVID-19 pandemic and in order to potentially help strengthen the Company's equity position, the Board of Directors of Prosegur has agreed to offer shareholders who voluntarily agree, the possibility of reinvesting the total net amount of the second payment of the interim dividend for 2019 and the third payment of the interim dividend for 2019 in ordinary Prosegur shares with a par value of EUR 0.06 each from the treasury stock.

The reinvestment price per share of the second payment of the interim dividend for 2019 was EUR 1.9783. This price corresponded to the simple average of the weighted average changes of the Company's share in the SIBE market corresponding to the five trading days prior to the payment date of the second payment of the interim dividend for 2019, that is, on 23, 24, 27, 28, and 29 April 2020 (for 23, 24 and 27 April, reducing the gross amount of said dividend payment).

The reinvestment price per share of the third payment of the interim dividend for 2019 was EUR 2.1657. This price corresponded to the simple average of the weighted average changes of the Company's share in the SIBE market corresponding to the five trading days prior to the payment date of the third payment of the interim dividend for 2019, that is, on 15, 16, 17, 20, and 21 July 2020 (for 15, 16 and 17 July, reducing the gross amount of said dividend payment).

COVID-19

On 11 March 2020, the World Health Organisation declared the outbreak of Coronavirus COVID-19 to be a pandemic, after spreading rapidly around the world, having affected over 150 countries. The majority of Governments have taken restrictive measures to contain the propagation which include: isolation, confinement, quarantine and restrictions to the free movement of people, closing public and private establishments except for those used for basic needs and healthcare, closed borders and a drastic reduction of transport by air, sea, rail and road.

This situation had a significant effect on the world economy due to the interruption or slowing down of the supply chains and the significant increase of economic uncertainty which is evidenced by a greater volatility in the price of assets, exchange rates and reduced long-term interest rates.

The measures adopted by the different governments to combat the spread of COVID-19 and the circumstances arising from the coronavirus crisis have led to mandatory lockdowns which have limited access to the market in which Prosegur Group operates. This is due to the closures of businesses, successive multiple temporary ceases of activity due to the impact of COVID-19 and restrictions on the free movement of people.

With this panorama, characterised by a drastic drop in the different sectors of the economy, and absolute uncertainty for the future, the main impacts have been the following:

- ✓ Outstanding tax payments have been deferred in local legislations where this is permitted.
- ✓ In the United States, Australia and Singapore, government aid was received for continuing to employ workers. For this reason, an income of EUR 14.7 million was recorded on 30 September 2020.
- ✓ A financial loan was received in Peru at a reduced rate.
- ✓ Staff have been temporarily laid-off to try and adapt the organisational structure, production and costs to the new levels of activity.
- ✓ Exemption from Social Security payments associated with the temporary workforce reduction plan (ERTE) in Spain, Portugal, Germany, Argentina and Colombia.
- ✓ Net turnover and profit before tax has gone down compared to the previous year. To reduce this impact is much as possible, non-essential expenses have been limited in providing services to clients, such as travel expenses, consultancy fees and other professional fees.
- ✓ The negative impact on EBITDA, with respect to that estimated as a result of the pandemic is approximately EUR 70 million.

The situation of uncertainty generated by the COVID-19 pandemic has led to greater liquidity constraints in the economy as a whole, as well as reduced access to credit. For this reason, the Group has drawn down all lines of credits associated with the syndicated financing facilities for the amount of EUR 500 million.

The Group has carried out an analysis and made a series of calculations associated with the accounting valuation of certain assets (goodwill, tax credits and non-current assets), detecting signs of impairment mainly in goodwill, intangible assets and tax credits recorded in certain countries associated with the Security business.

Opening of inspection procedure in Spain

On 10 July, the opening of an inspection procedure was communicated by the Tax Agency to the parent company of the Prosegur Compañía de Seguridad, S.A. tax group, consisting of the following items and tax periods:

- ✓ Corporate income tax from 2015 to 2018.
- ✓ Value Added Tax: from April 2016 to December 2018.
- ✓ Withholdings on account of Personal Income Tax: from April 2016 to December 2018.
- ✓ Withholdings on account of Non-Resident Tax: from April 2016 to December 2018.

Subsequent events

Sale of 100% of Security operations in France

100% of the security operations in France was sold to Fiducial on 1 October 2020.

Completion of the share buyback program of Prosegur Compañia de Seguridad S.A.

The company announced on 1 October 2020 that after the last acquisition communicated on 30 September 2020 it has concluded its own Share Buyback Programme approved by the Board of Directors of the company on 4 June 2019.

Under the programme, the company has acquired a total of 25,189,517 shares, representing approximately 4.21% of its share capital.

In line with the objectives of the Programme and in application of the authorisation to the Board of Directors for the reduction in capital approved by the Shareholders General Meeting held on 4 June 2019 under item 14 of its agenda, it is informed that the Company has proceeded with executing that authorisation by reducing the share capital by EUR 1,511,371.02, through the redemption of 25,189,517 own shares. The resulting capital after the reduction has been EUR 34,409,390.70, divided into 573,489,845 shares of the same class and series, each with a par value of EUR 0.06 fully subscribed and paid up.

Reinvestment program for the fourth payment of the interim dividend for fiscal year 2019

In the framework of the current situation arising from the impact of the COVID-19 pandemic and in order to potentially help strengthen the Company's equity position, the Board of Directors of Prosegur has agreed to offer shareholders who voluntarily agree, the possibility of reinvesting the total net amount of the second payment of the interim dividend for 2019 and the third payment of the interim dividend for 2019 in ordinary Prosegur shares with a par value of EUR 0.06 each from the treasury stock.

The reinvestment price per share of the third payment of the interim dividend for 2019 was EUR 2.023160. This price corresponded to the simple average of the weighted average changes of the Company's share in the SIBE market corresponding to the five trading days prior to the payment date of the third payment of the interim dividend for 2019, that is, on 20, 21, 22, 23 and 26 October 2020 (for 20, 21 and 22 October, reducing the gross amount of said dividend payment).

3. CONSOLIDATED FINANCIAL INFORMATION

The consolidated financial information has been prepared in accordance with the International Financial Reporting Standards (IFRS) applicable on 30 September 2020. Such accounting standards have been applied both to financial years 2020 and 2019.

The treatment of Argentina as a hyperinflationary economy should be taken into account in order to understand the consolidated financial statements. The financial statements of the Argentine subsidiaries whose functional currency is the Argentine peso have been re-stated in terms of the current unit of measurement at closing date from September 2020 and December 2019 before being included in the consolidated financial statements.

Million euros

CONSOLIDATED BALANCE SHEET	31/12/2019	30/09/2020
Non current assets	**1,990.2**	**2,140.5**
Property, plant and equipment	716.4	604.5
Rights of use	120.5	79.5
Goodwill	634.0	591.4
Intangible assets	349.9	296.7
Investment properties	44.1	40.1
Investments in associates	9.5	269.9
Non current financial assets	21.0	167.8
Other non current assets	94.8	90.6
Current assets	**1,985.8**	**2,137.5**
Inventories	64.8	48.9
Debtors	1,070.7	846.0
Non current assets held for sale	-	66.9
Treasury and other financial assets	850.3	1,175.7
ASSETS	**3,976.1**	**4,278.1**
Equity	**898.3**	**789.0**
Share capital	35.9	35.9
Treasury shares	(107.9)	(175.5)
Retained earnings and other reserves	898.1	886.2
Minority interests	72.2	42.4
Non-Current Liabilities	**1,751.0**	**2,279.0**
Debts with credit institutions and other financial liabilities	1,364.9	1,898.5
Non-current lease liabilities	86.8	60.4
Other non-current liabilities	299.2	320.0
Current Liabilities	**1,326.7**	**1,210.1**
Debts with credit institutions and other financial liabilities	257.0	292.6
Lease liabilities	45.2	34.9
Current assets held for sale	-	53.1
Trade and other payables	973.9	789.9
Other current liabilities	50.6	39.7
EQUITY AND LIABILITIES	**3,976.1**	**4,278.1**

The main variations in the consolidated balance sheet at 30 September of 2020 compared to the close of financial year 2019 are summarised as follows:

a) Property, Plant and Equipment

Investments made in PPE during the period from January to September 2020 have amounted to EUR 92.2 million.

b) Goodwill

During the period from January to September 2020, losses for impairment of goodwill amounting to EUR 44.4 million were recognised, mainly associated with the Security segment in France, as a result of the agreement to sell Security in France and of the updated projections and discount rates due to the WHO declaration of the coronavirus (COVID-19) outbreak as a pandemic on 11 March 2020, which is considered an indication of impairment.

c) Investments in associates

Changes in investments in associates from January to September 2020 arose as a result of the recording at fair value of the remaining 50% share held by Prosegur in Prosegur Alarmas España, after the sale of 50% of the alarms business in Spain, as the relevant decisions were no longer adopted unilaterally by Prosegur.

d) Non-current financial assets

Changes in non-current financial assets in the period from January to September 2020 were the consequence of booking, at fair value, the 49,545,262 shares in Telefónica, S.A. received as consideration for the sale of the 50% stake in the Alarms business in Spain.

e) Other non-current assets

From January to September 2020, deferred tax assets were derecognised based on updated forecasts due to the WHO declaration of the coronavirus (COVID-19) outbreak as a pandemic on 11 March 2020.

f) Net Equity

The changes in net equity during the period from January to September 2020 arose as a consequence of net profit in the period, the reserve for cumulative translation differences, changes in the fair value of the equity instruments and the acquisition of own shares.

g) Net debt

Prosegur calculates net debt as total bank borrowings (current and non-current), minus cash and cash equivalents, and minus other current financial assets.

Net debt at 30 September 2020, excluding the effect of lease liabilities, amounted to EUR 920.0 million, an increase of EUR 270.6 million on the figure at 31 December 2019 (EUR 649.4 million). The increase is mainly associated with M&A investments made in 2020 and with treasury share purchases.

At 30 September 2020, the annualised net debt/EBITDA ratio has reached 2.3 and the net debt/shareholder equity ratio has reached 1.3. In both cases the debt associated to the application of IFRS 16 has been included in order to be comparable.

At 30 September 2020, financial liabilities correspond mainly to:

- Issue of uncovered bonds due in February 2023 amounting to EUR 701 million (interests included).
- Issue of uncovered bonds via the subsidiary Prosegur Cash, S.A. due in February 2026 amounting to EUR 601 million (including interest).
- Prosegur, through its subsidiary Prosegur Australia Investments PTY Limited, contracted a syndicated financing operation as of April 2020, amounting to AUD 70 million over three years which replaces the syndicated financing operation of AUD 70 million Australian dollars contracted in April 2017.
- Syndicated financing agreement through the subsidiary Prosegur Cash S.A. in the credit modality arranged in 2017 and renewed in February 2020, extending maturity to February 2025, for the amount of EUR 300 million.
- Syndicated financing agreement in the credit modality arranged in 2017, renewed in 2019, extending maturity in February 2020 until February 2025, for the amount of EUR 200 million.

Below is the net overall cash flow generated in the period from January to September in financial year 2020:

Million euros

CONSOLIDATED CASH FLOW	30/09/2020
EBITDA	704.0
Adjustments to profit or loss	(386.4)
Income tax	(85.9)
Change in working capital	(16.8)
Interest payments	(19.5)
OPERATING CASH FLOW	**195.4**
Acquisition of Property, plant and equipment	(92.2)
Payments acquisition of subsidiaries	(105.1)
Dividend payments	(48.6)
Treasury stock	(114.7)
Other payments/collections	(41.2)
CASH FLOW FROM INVESTMENT / FINANCING	**(401.7)**
TOTAL NET CASH FLOW	**(206.3)**
INITIAL NET DEBT (31/12/2019)	**(649.3)**
Net (Decrease) / Increase in treasury	(206.3)
Exchange rate effect	(52.4)
NET DEBT AT THE END OF THE PERIOD (30/09/2020)	**(908.0)**
FINAL NET DEBT CONTINUING OPERATIONS (30/09/2020)	**(920.0)**
FINAL NET DEBT NON-CURRENT ASSETS HELD FOR SALE (30/09/2020)	**12.0**

Isolating the extraordinary effects that occurred in the period from January to September 2020, the operating cash flow has been 208.7 million euros and the cash flow from investment / financing has been (427.1) million euros.

4. ALTERNATIVE PERFORMANCE MEASURES

In order to comply with ESMA Guidelines on APM's, Prosegur presents this additional information to enhance the comparability, reliability and understanding of its financial reporting. The company presents its profit/loss in accordance with International Financial Reporting Standards (IFRS). However, Management considers that certain alternative performance measures provide additional useful financial information that should be taken into consideration when assessing its performance. Management also uses these APMs to make financial, operating and planning decisions, as well as to assess the company's performance. Prosegur provides those APMs it deems appropriate and useful for users to make decisions and those it is convinced represent a true and fair view of its financial information.

APM	Definition and calculation	Purpose
Working capital	A financial measure show ing the Group's operational liquidity. Working capital is calculated as current assets less current liabilities, plus deferred tax assets less deferred tax liabilities, less non-current provisions.	Positive w orking capital is needed to ensure that a company is able to continue operating and has sufficient funds w ith w hich to meet its current debt obligations and imminent operating expenses. The management of w orking capital requires the Group to control inventories, accounts receivable and payable and cash.
EBIT Margin	EBIT Margin is calculated as results from operating activities divided by total revenue.	EBIT margin provides a view of the company's operating results in comparison w ith the total revenue.
Organic Grow th	Organic Grow th is calculated as the increase or decrease in revenue betw een tw o periods adjusted for acquisition and divestitures and changes in exchange rate.	Organic Grow th provides a view of the company's organic revenue grow th.
Inorganic Grow th	Company calculates Inorganic grow th for a given period as the aggregation of all the revenues from all the acquired entities during the last 12 months.	Inorganic Grow th provides a view of the company's increase or decrease of revenue due to M&A or Sales variations.
Effect of exchange rate fluctuations	The Group calculates the Effect of exchange rate fluctuations as the different of Revenues for the current year less revenues for the current year at exchange rates of previous year.	The Effect of exchange rate fluctuations provides the impact of the currencies in the company's revenues.
Net Financial Debt	The Group calculates Net Financial Debt as the sum of current and non-current financial liabilities (including other non-bank payables corresponding to deferred payments for M&A acquisitions and financial liabilities w ith Group companies) less cash and cash equivalents, less current investments in group companies, less other current financial assets.	Net Financial Debt provides the absolute figure of the Groups level of debt.
EBITA	EBITA is calculated on the Group's Consolidated profit for the year w ithout factoring in loss from discontinued operation net of tax, income tax expenses, net finance income or cost and amortisation of goodw ill or of intangible assets, but including amortisation of softw are.	EBITA provides a view of the company's earnings before interest, taxes and amortisation of goodw ill or of intangible assets.
EBITDA	EBITDA is calculated on the Group's Consolidated profit w ithout factoring in loss from discontinued operations net of tax, income tax expenses, net finance income or cost and any depreciation or amortisation of goodw ill.	EBITDA provides an accurate view of w hat a company is earning or losing from its business. EBITDA excludes non-cash variables, w hich can vary significantly from one company to another, depending on the accounting policies applied. Depreciation and amortisation are non-monetary variables and are therefore of limited interest to investors.

Working Capital (Million Euros)	**30.09.2020**	**31.12.2019**
Non-Current Assets held-for-sale	67	-
Inventories	48.9	64.8
Trade and other receivables	733.8	915.0
Current tax assets	112.1	155.7
Cash and cash equivalents	1,175.7	530.7
Other current financial assets	0.0	319.6
Deferred tax assets	90.6	94.8
Trade and other payables	(661.3)	(833.1)
Current tax liabilities	(120.2)	(138.6)
Current financial liabilities	(292.6)	(257.0)
Liabilities held-for-sale	(34.9)	(45.2)
Other current liabilities	(39.7)	(50.6)
Deferred tax liabilities	(82.2)	(46.0)
Provisions	(224.2)	(226.7)
Total Working Capital	**772.9**	**483.4**

EBIT Margin (Million Euros)	**30.09.2020**	**30.09.2019**
EBIT	504.1	228.4
Revenues	2,727.5	3,097.6
EBIT Margin	**18.5%**	**7.4%**

Organic Growth (Million Euros)	**30.09.2020**	**30.09.2019**
Revenues for current year	2,727.5	3,097.6
Less: Revenues for the previous year	3,097.6	2,828.9
Less: Inorganic Growth	(18.1)	200.0
Effect of exchange rate fluctuations	(356.9)	(153.6)
Total Organic Growth	**4.9**	**222.3**

Inorganic Growth (Million Euros)	**30.09.2020**	**30.09.2019**
Cash Ibero-America	46.6	54.6
Cash Europe	4.8	2.0
Cash Row	4.9	17.6
Cibersecurity Europe	3.2	-
Cibersecurity Ibero-America	-	0.5
Security and Cibersecurity Row	0.0	4.7
Alarms Row	30.9	120.6
Divestments	(108.5)	-
Total Inorganic Growth	**(18.1)**	**200.0**

(Million Euros)	**30.09.2020**	**30.09.2019**
Revenues for current year	2,727.5	3,097.6
Less: Revenues for the current year at exchange rates of previous year	3,084.4	3,251.2
Effect of exchange rate fluctuations	**(356.9)**	**(153.6)**

Cash Flow Conversion Rate (Million Euros)	**30.09.2020**	**30.09.2019**
EBITDA	704.0	378.0
CAPEX	92.2	142.9
Cash Flow Conversion Rate (adjusted EBITDA - CAPEX / adjusted EBITDA)	**87%**	**62%**

Net Financial Debt (Million Euros)	**30.09.2020**	**31.12.2019**
Financial liabilities	2,191.1	1,621.9
Leasing financial liabilities	95.3	132.0
Adjusted financial liabilities **(A)**	2,286.4	1,754.0
Cash and cash equivalents	(1,175.7)	(530.7)
Less: adjusted cash and cash equivalents **(B)**	(1,175.7)	(530.7)
Less: other financial current assets **(C)**	-	(319.6)
Total Net Financial Debt (A+B+C)	**1,110.7**	**903.7**
Less. Other non banking debts **(D)**	(95.4)	(122.3)
Less: Leasing financial liabilities **(E)**	(95.3)	(132.0)
Total Net Financial Debt (excluding other non-bank payables corresponding to deferred payments for M&A acquisitions) **(A+B+C+D+E)**	**920.0**	**649.3**

EBITA (Million Euros)	**30.09.2020**	**30.09.2019**
Consolidated profit for the year	337.1	83.1
Minority interests	10.2	34.5
Income tax expenses	108.0	65.4
Net finance costs	48.9	45.3
Amortizations	77.1	20.7
EBITA	**581.2**	**249.0**

EBITDA (Million Euros)	**30.09.2020**	**30.09.2019**
Consolidated profit for the year	337.1	83.1
Minority interests	10.2	34.5
Income tax expenses	108.0	65.4
Net finance costs	48.9	45.3
Depreciation and amortization	199.9	149.6
EBITDA	**704.1**	**378.0**