

FY 2021

Earnings Presentation

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Cash continues to be the main payment mean used for consumer spending in Brasil.

"**Almost 45% use cash**, 35% use credit cards and 11% use Pix, according to a survey conducted in 72 Brazilian cities. The preference for cash favors getting a discount. **"When you pay for a purchase with cash you often get at least 5% discount.** What financial application gives more than that?" says the president of the Locomotiva institute."

Source: [Folha de S. Paulo](#)

Online payment fraud rises 208% ahead of Black Friday.

"**Online payment fraud increased 208%** between September and October 2021, indicating that fraudsters are stepping up attacks on shoppers in preparation for this year's Black Friday. **Interestingly, the researchers observed no seasonal trend in the first 10 months of 2021.**"

Source: [Infosecurity magazine](#)

The great wave of cash during the pandemic.

"A paper by Ashworth and Goodhart shows that the Covid-19 pandemic **spurred a remarkable increase in currency** in circulation, and that cash again defied premature obituaries of its demise. **In a crisis, people want to take refuge in the safety of banknotes for reassurance.**"

Source: [Fathom Consulting & London School of Economics](#)

Spain passes a law making the acceptance of physical money in any transaction mandatory.

"**Guaranteeing the right of consumers to make their purchases with cash is the objective of the new royal decree**" The refusal to accept payment in cash as a means of payment within the limits established by the tax regulations and the prevention and fight against tax fraud are infringements in the defense of consumers".

Source: [La Razón](#)

Highlights of the Period





Highlights

Recovery confirmation

Sales growth and Transformation acceleration

Margin constant improvement

Strong cash generation and deleveraging

Commitment to Sustainability

Q4 assures 2021 acceleration over 2020



PERFORM

	<u>Q4 YoY</u>	<u>FY</u>
Sales	+18.7%	+0.7%
Organic growth	+15.2%	+7.0%
EBITA	+22.1%	+10.8%
%/Sales	14.6%	13.5%
FCF	57M €	160M €
Leverage		2.2X
Rating S&P: BBB stable outlook		

IBEX Gender Equality Index



TRANSFORM

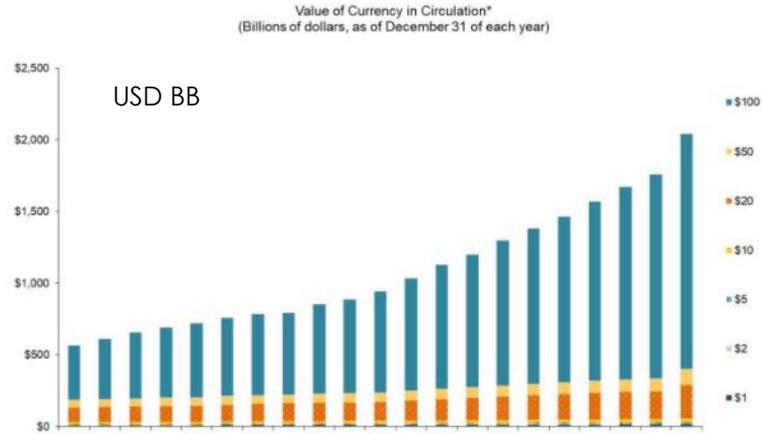
	<u>FY</u>
New Products sales	+15.2% (+36% ex AVOs)
% / total sales	21.4% +260bp (+490bp ex AVOs)



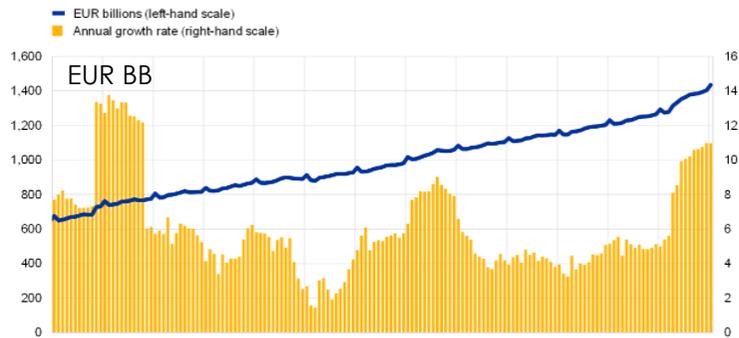
Tailwind macro environment

1. Highlights of the Period
José Antonio Lasanta – CEO

Historical levels of cash in circulation

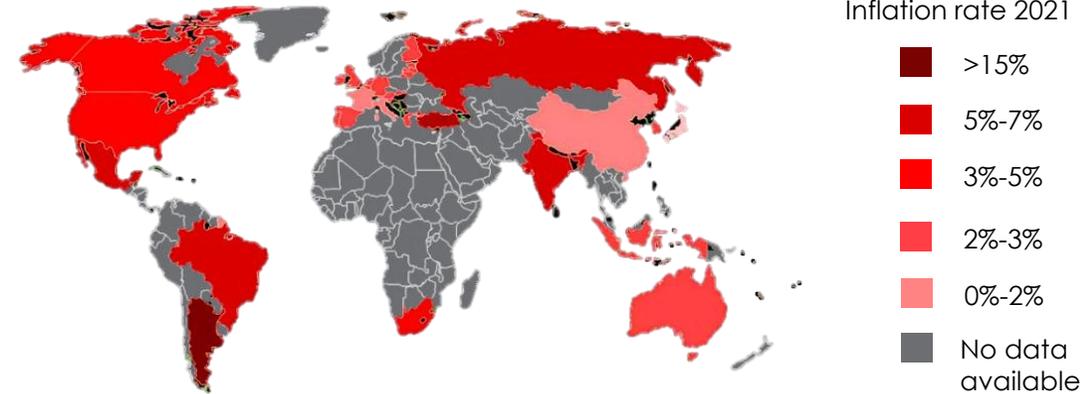


Source: Federal Reserve



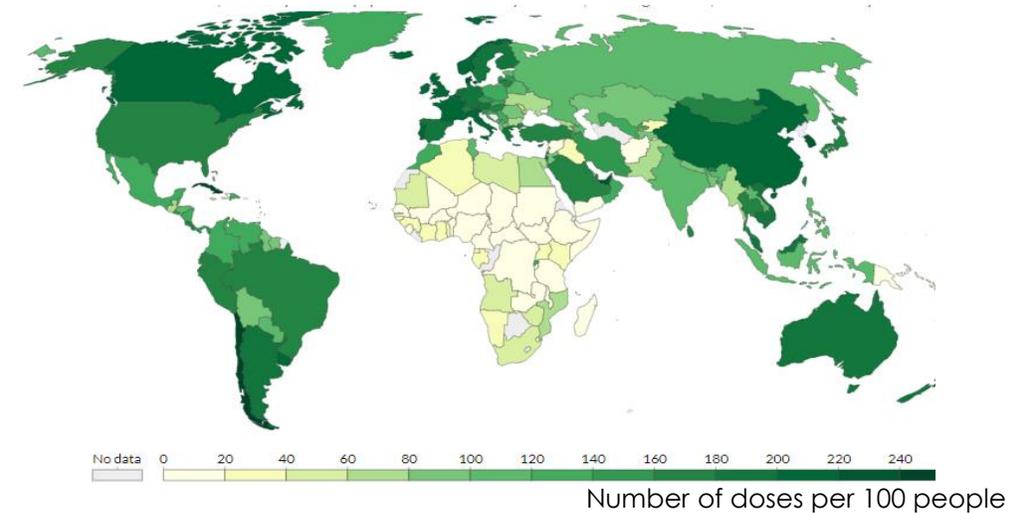
Source: ECB

Inflationary conditions in all regions



Source: OECD

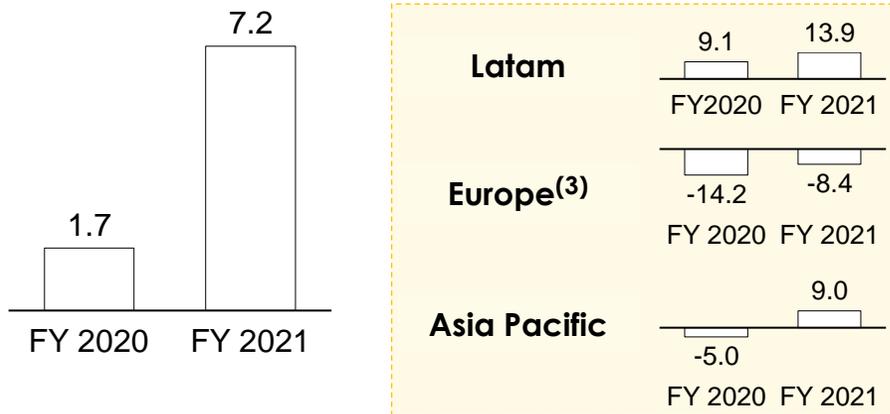
Vaccination advancing worldwide



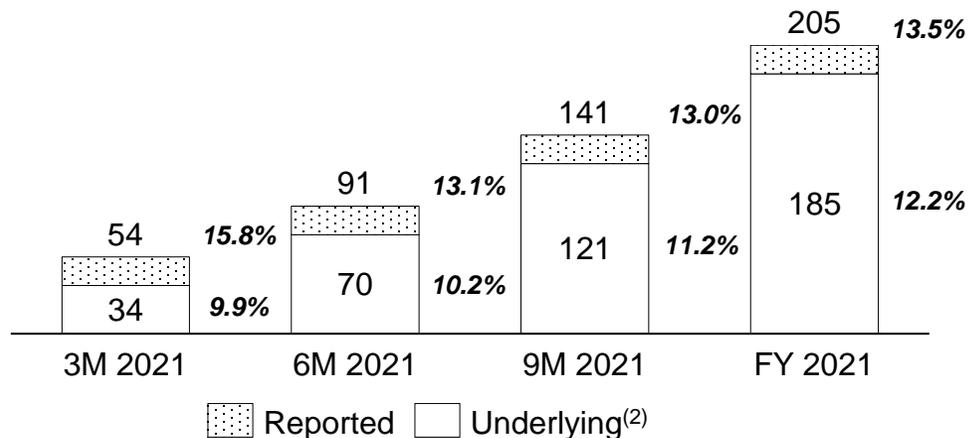


Business robustness and resiliency

Accumulated local growth⁽¹⁾ (%)



Accumulated EBITA margin (M€, %)

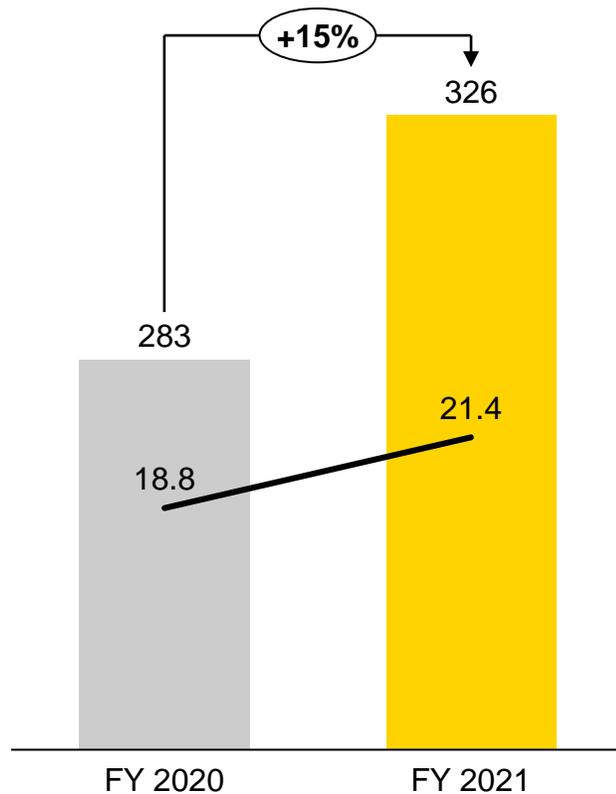


- **Overall organic growth improvement**, all regions positive in 2021.
- **Inflationary environment and positive macro context** into 2022.
- **Quarterly sustained underlying margins improvement**

(1) Includes organic and inorganic growth; (2) Underlying EBITA excludes capital gains from 2021 divestments (20 M€). (3) Europe: organic growth -10,8% (FY20); +0,8% (FY21).



New Products (M€, Penetration in %)⁽¹⁾



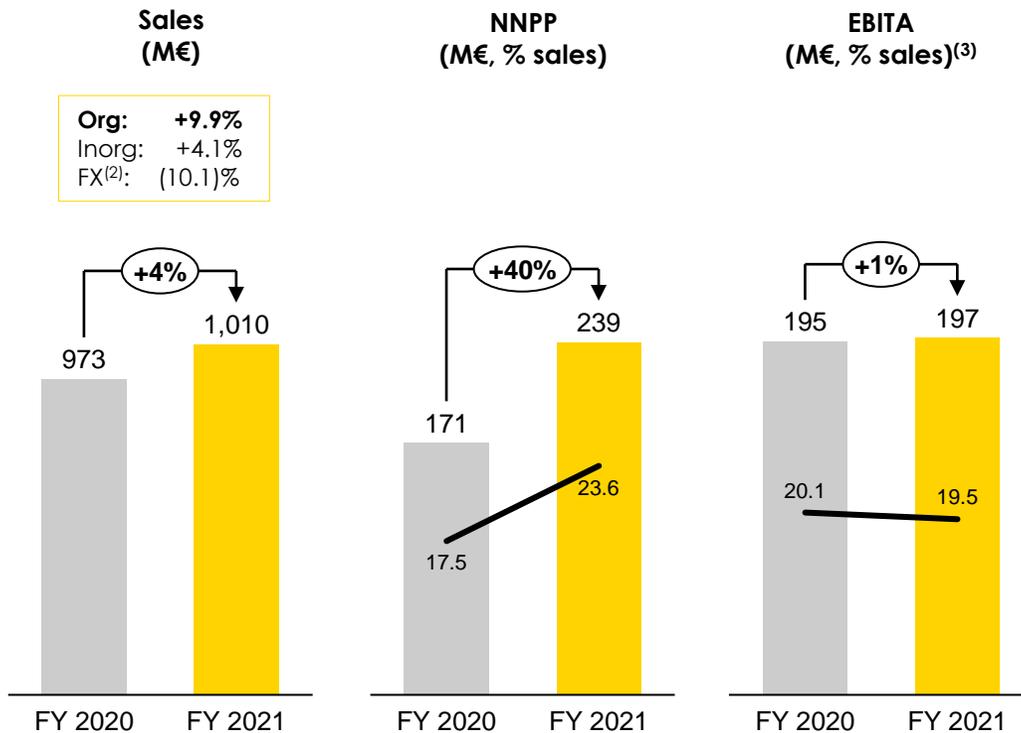
- Growing +15% (**+36% ex AVOs**).
- **Share of sales continues to expand**, reaching 21.4% (+260b.p. / **+490b.p. ex AVOs**).
- **Positive growth dynamics** observed in **all geographies**.
- **Good performance** of the main solutions: **Cash Today and Corban (+47.9% YoY jointly)**
- **Digital Transformation** P&L impact of **22 M€** (+33.4% YoY).

(1) 2018-2021 figures reported as per IAS 21 & 29 (hyperinflation accounting).

Regional Dynamics



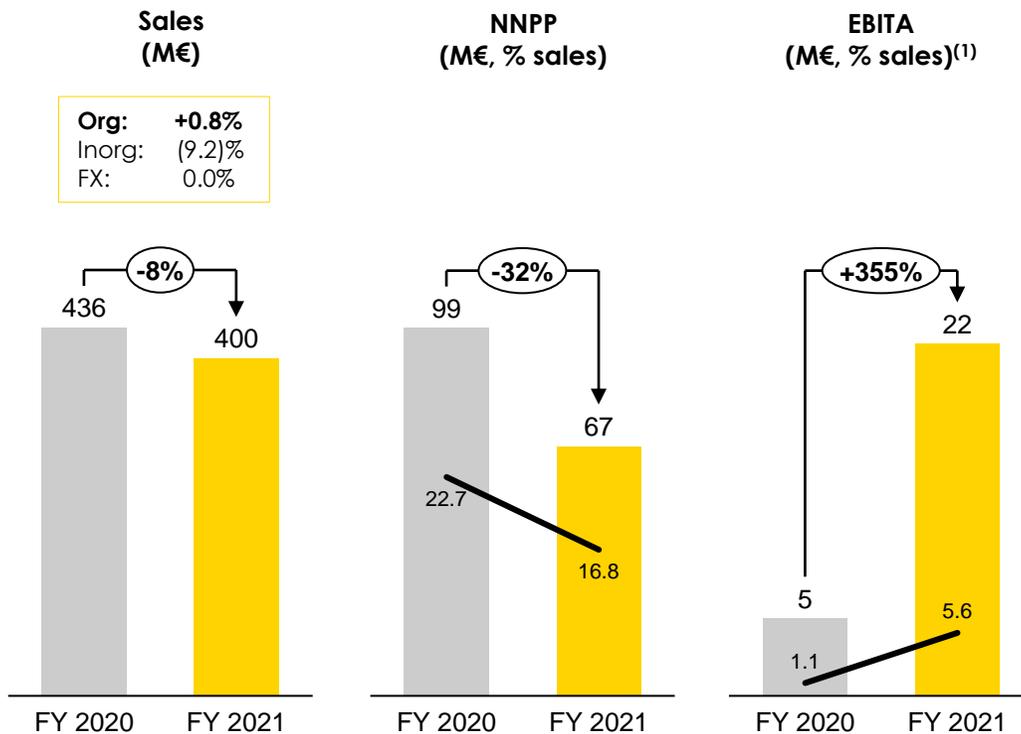
67% of the group's sales



- **Organic growth accelerating** despite restrictions.
- New Products grow +40% **reaching 23.6%** of sales (+610b.p.).
- **RedPagos** acquisition **strenghtens transformation**.
- **EBITA improves** despite FX evolution and changing product mix.

(1) Figures according to IAS 21 & 29 (hyperinflation accounting); (2) Includes FX and IFRS 21 & 29 impact. (3) FY 2020 underlying EBITA margin excluding efficiency plans reaches 22.8%..

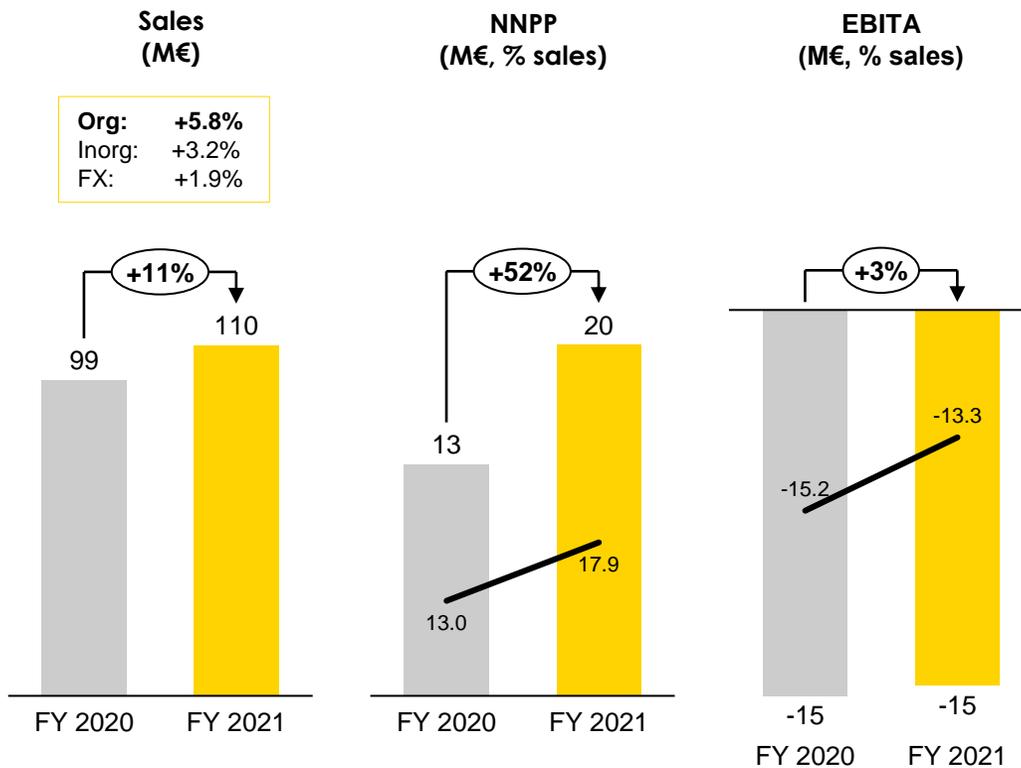
26% of the group's sales



- **Sustained organic growth improvement Q/Q** reaching FY **+0.8%** despite H1 lock-downs
- **New Products ex AVOs +17% (+280b.p.)**, with remarkable Cash Today growth (+27%).
- Ex AVOs **profitability** reflects **substantial improvement in H2.**

(1) FY 2020 underlying EBITA margin excluding efficiency plans reaches 1,6%. FY 2021 underlying EBITA margin excluding AVOS divestment capital gains reaches 0,5%.

7% of the group's sales



- **Growth +11%**, with organic contributing +5.8%, despite lock-downs till Q4.
- **New Products +52%** reaching **17.9%** of sales (+490b.p.).
- **Losses reduced in 2H** vs 1H and 2020, despite absence of state support programs.

Financial Results

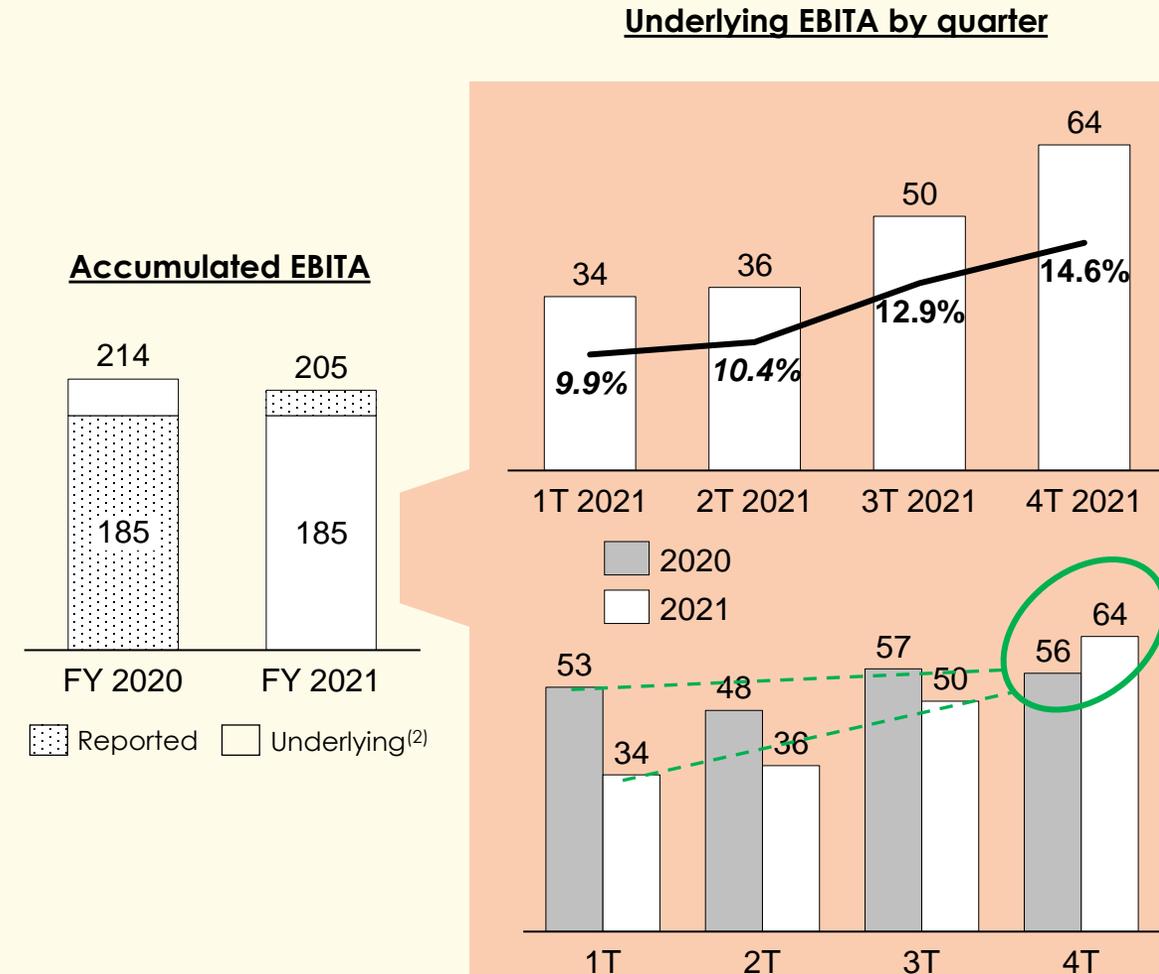




Profit and Loss Account⁽¹⁾

Million Euros	FY 2020	FY 2021	VAR %
Sales	1,508	1,519	0.7%
EBITDA	272	300	10.1%
Margin	18.1%	19.7%	
Depreciation	(87)	(95)	
EBITA	185	205	10.8%
Margin	12.3%	13.5%	
Amortization of intangibles	(51)	(39)	
EBIT	134	166	23.4%
Margin	8.9%	10.9%	
Financial result	(46)	(59)	
EBT	88	107	21.5%
Margin	5.9%	7.1%	
Taxes	(73)	(74)	
Tax rate	82.3%	69.2%	
Net Consolidated Profit	16	33	108.6%
Margin	1.1%	2.2%	

Margin evolution (M€, %)

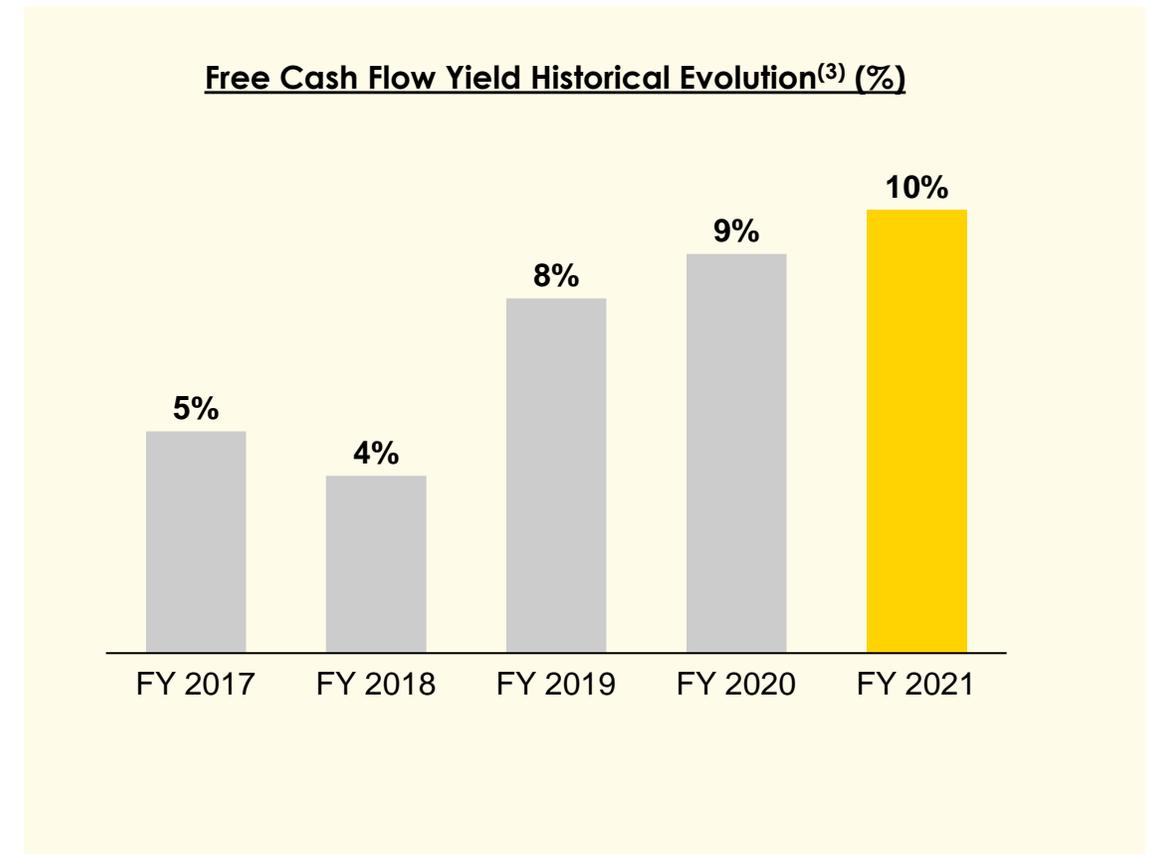


(1) Figures according to IFRS 21 & 29 (hyperinflation accounting) and IFRS 16 (leases); (2) 2020 excludes efficiency plans (25 M€) and 2021 excludes AVOS capital gain (20 M€).



Cash Flow⁽¹⁾

Million Euros	FY 2020	FY 2021
EBITDA	272	300
Provisions and other items	(1)	(22)
Income tax	(76)	(39)
Acquisition of PP&E	(70)	(67)
Changes in working capital	34	(12)
Free Cash Flow	161	160
<i>% Conversion⁽²⁾</i>	74%	78%
Interest payments	(14)	(13)
M&A payments	(108)	(33)
Dividend & Treasury stock	(49)	(71)
Others	(21)	(6)
Total Net Cash Flow	(31)	37

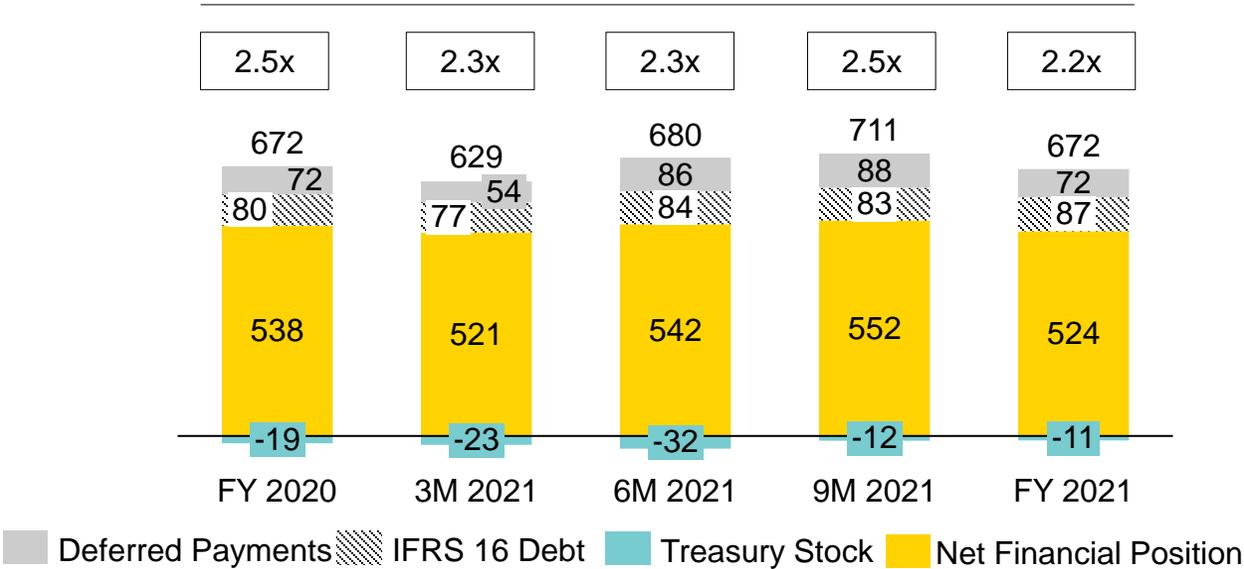


(1) Figures according to IFRS 21 & 29 (hyperinflation accounting) and IFRS 16 (leases); (2) Conversion ratio: (EBITDA - Capex) / EBITDA; (3) FCF Yield = FCF as reported / EV at the EoP (excluding IFRS 16 impact).

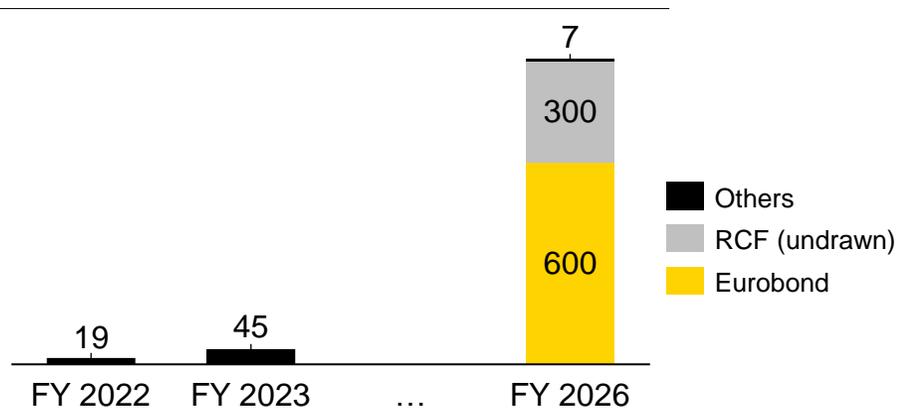


Total Net Debt

Total Net Debt and (Total Net Debt / EBITDA LTM)⁽¹⁾



Main debt maturities⁽¹⁾



- **Net Debt stable** due to positive cash flow generation.
- **Leverage ratio reduced to 2.2x** due to improved results, financial discipline and cash generation.
- **No relevant changes in debt profile**, with no significant debt maturities until 2026.

(1) Figures in Million Euros

Final Remarks





ESG Performance (1)

E

- Reduction of CO2 emissions, and paper and plastic consumption.
- Renewable energies 100% electricity (Spain)
- Signed **The Climate Pledge**.

G

- **AENOR Corporate Governance** maximum recognition.
- **IBEX Gender Equality Index** member.
- Joined **Forética** (Social, environmental & good governance integrated in strategy)



S

- Compulsory **Sustainability training**.
- **#empoweredwomen** program launched.
- **Prosegur University** users: **+ 55.8%**.
- **Training: + 720 k hours**; 17 hours / employee.
- **Online training + 155%**; 347k hours.
- Quarterly **H&S** committees & **Best Practices** plans.
- Global **Road Safety** Campaign **+ 11,000** participants.
- **Accident reduction**
 - minor accidents (-12.5% YoY).**
 - serious accidents (-16% YoY).**

Active bidirectional communication with proxies and ESG related organizations.



FTSE4Good

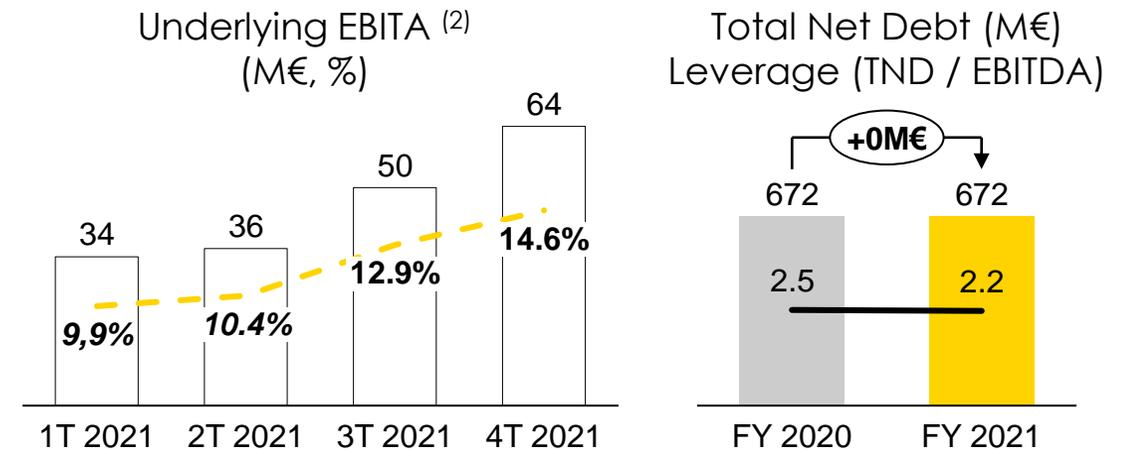
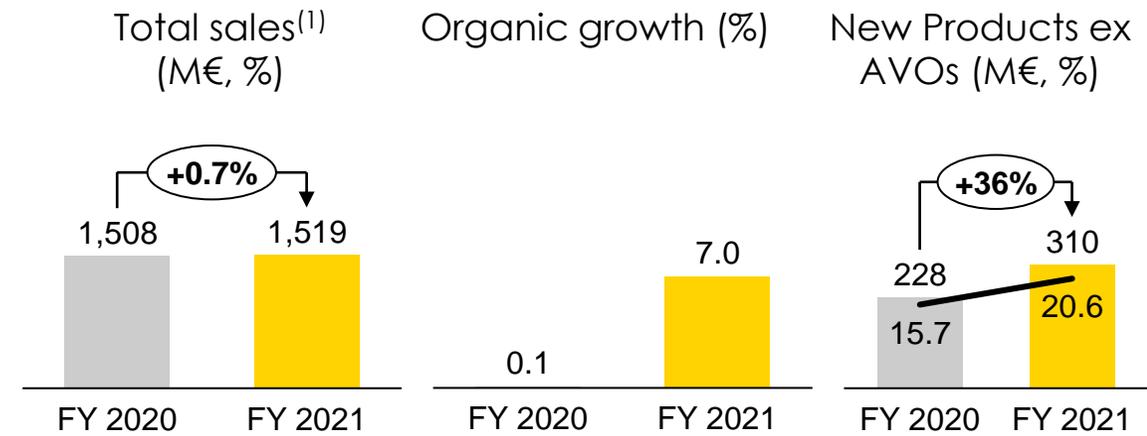


(1) For more information about our Sustainability Master Plan please visit our website (<https://www.prosegurcash.com/sustainability>).



Bottom line, a consistent improvement

- 1 Continued and sustained business recovery.** Due to increasing vaccination, rising consumption and inflation.
- 2 Transformation Progress.** Cash Today and Corban increase NNPP growth +36%, accounting for 20.6% (ex AVOs).
- 3 Solid improvement in underlying EBITA** throughout the year, translating commercial and operational initiatives.
- 4 Financial discipline.** Net debt remains stable with strong cash generation after reinvesting in company growth and shareholder remuneration, deleveraging to 2.2x (S&P:BBB Outlook stable).
- 5 ESG.** Firm progress in the development of our Sustainability Master Plan.



(1) Figures according to IFRS 21 & 29 (hyperinflation accounting) and IFRS 16 (leases); (2) Excludes AVOS capital gain (20 M€).



Results Presentation. FY 2021

Q&A



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