



# Results Presentation **1Q-2022**

**12/May/2022**

Investor Relations department

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# Relevant highlights of the period

## Strong recovery

- **Global growth close to 18%**, especially in the last month of the quarter
- **Strong positive organic growth** in all **geographies and business lines**
- Taking advantage of the **inflationary environment**
- **EBITA improvement to 19.1%** and gradual margin improvement trend
- **Seasonal effect** in profitability **amplified by inflation**
- **Cash flow generation affected by the variation in working capital**, due to increased activity and completion of stimulus programs

## M&A

- **Three** new acquisitions in **CASH**
  - **Ecuador** – New Products
  - **Germany (2)** – Traditional business

## Reinforced Balance sheet

- **500 €M bond issue, 7 years maturity**
- **2,5% coupon** (Ms + 155bps)
- Distributed mainly in Europe with 1.5 times oversubscription

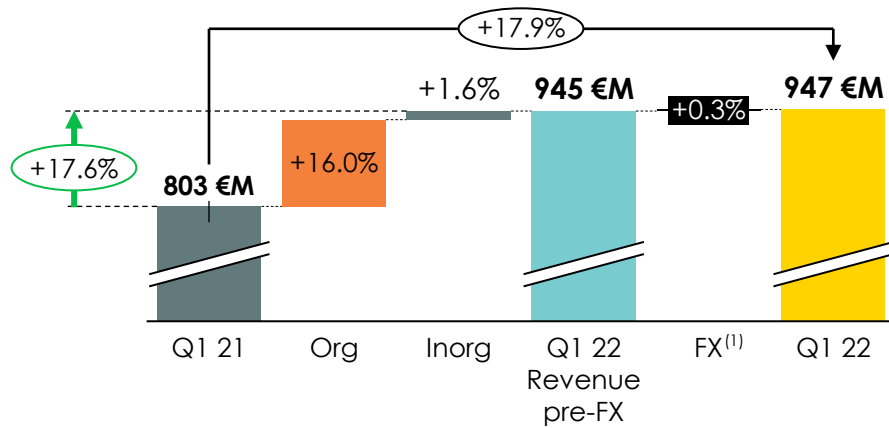




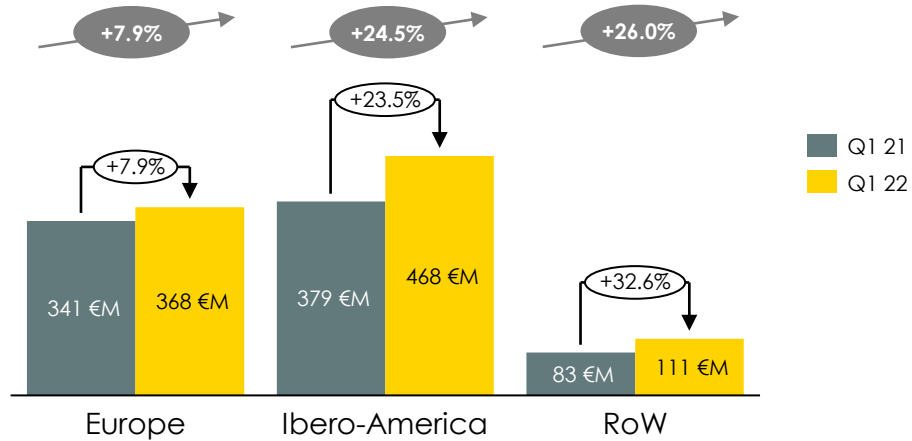
P&L

Total sales per region

## REVENUES



## REVENUES PER REGION



■ Q1 21  
■ Q1 22

## Consolidated Results

(amounts in € million)

	Q1 2021	Q1 2022	% Variation
<b>Sales</b>	<b>803</b>	<b>947</b>	17.9%
<b>EBITDA</b>	<b>87</b>	<b>103</b>	17.4%
Margin	10,9%	10,8%	
Depreciation	(37)	(43)	
<b>EBITA</b>	<b>50</b>	<b>60</b>	19.1%
Margin	6,3%	6,3%	
Amortization of intangibles and impairments	(7)	(8)	
<b>EBIT</b>	<b>43</b>	<b>52</b>	20.2%
Margin	5,4%	5,5%	
Financial result	(5)	(15)	
<b>Profit before tax</b>	<b>38</b>	<b>37</b>	-4.2%
Margin	4,8%	3,9%	
Tax	(18)	(22)	
Tax rate	48,3%	61,2%	
<b>Net Profit</b>	<b>20</b>	<b>14</b>	-28.2%
Minority Interest	3	4	
<b>Consolidated Net Profit</b>	<b>17</b>	<b>11</b>	-36.7%

<sup>(1)</sup> Includes FX and IFRS 21 & 29 effects

% Growth in Local Currency (Includes organic growth and acquisitions)

% Growth in Euros

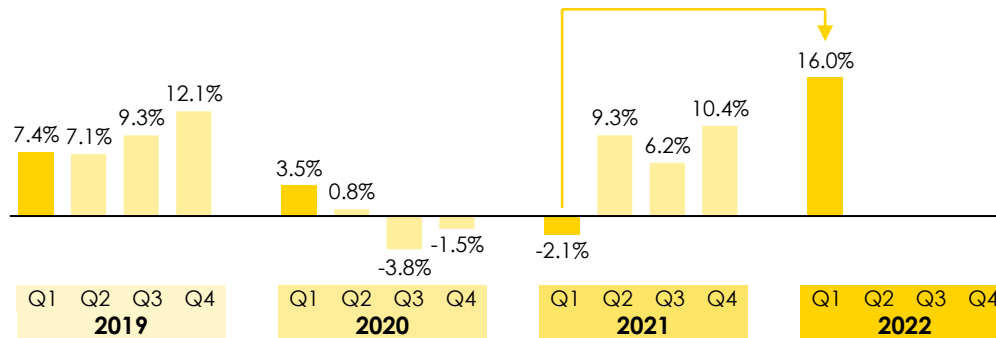


# P&L

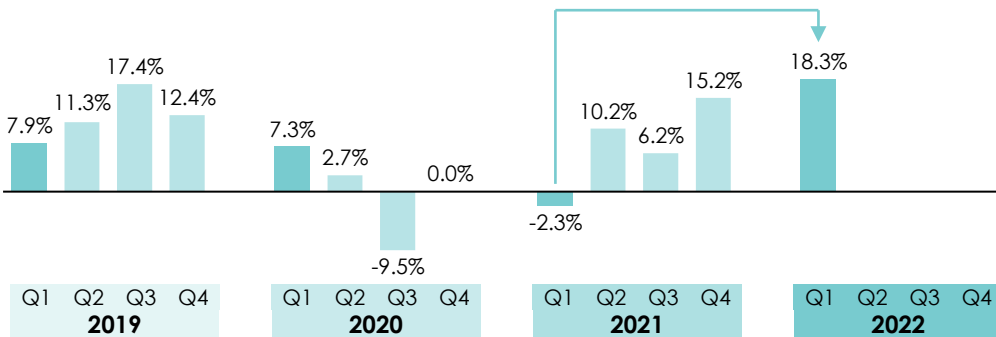
Organic growth by isolated quarters (YoY)



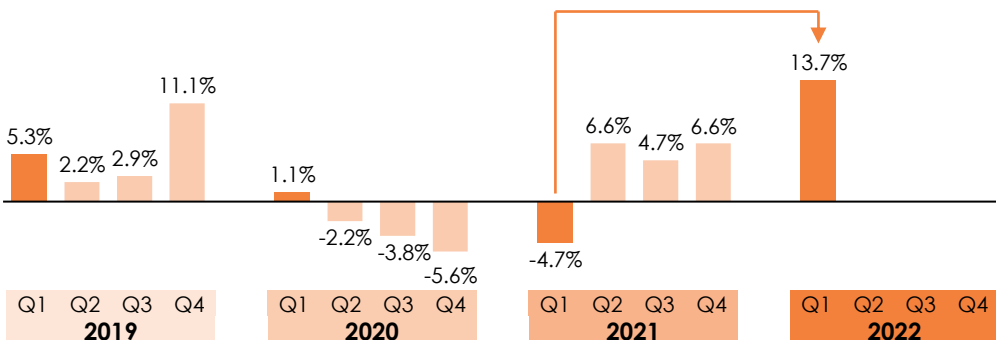
PROSEGUR



PROSEGUR  
CASH



PROSEGUR  
SECURITY



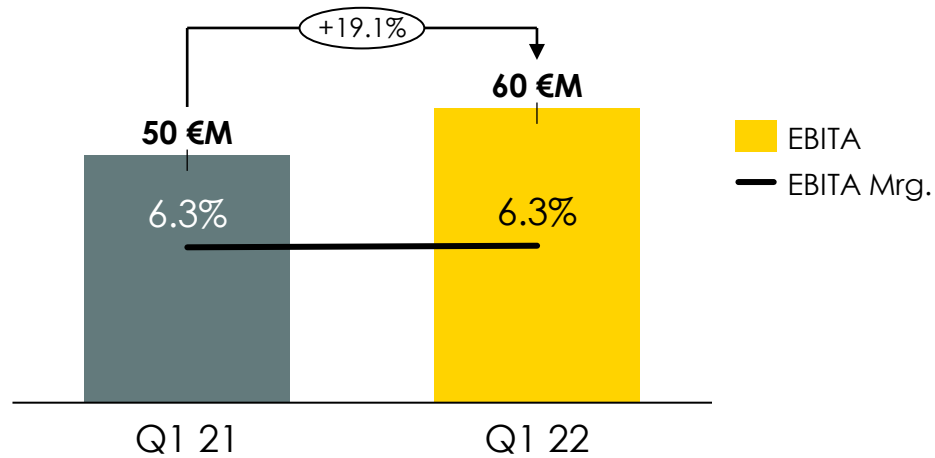
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## CONSOLIDATED PROFIT

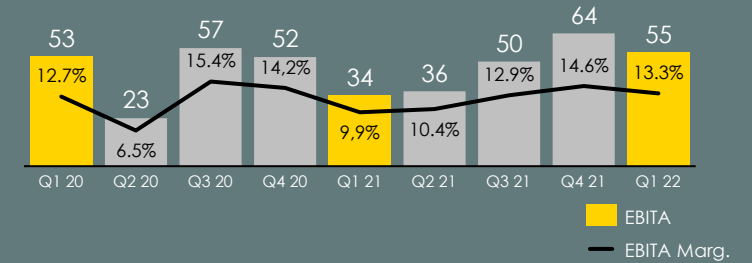


- EBITA increase over 19%
- Strong increase in CASH margins, above the equivalent levels from the last two years
- Security continues affected by the unproductivity's, caused by the end of subsidies and the commercial effort in USA
- Alarms continue with the gradual margin improvements
- MPA increase its profit compared to 2021 despite the commercial effort.
- AVOS and Cipher also improve significantly

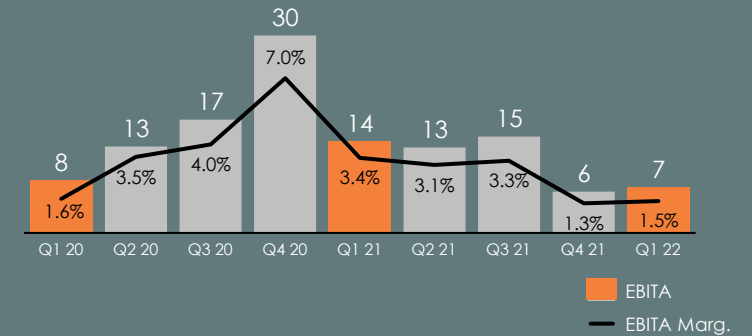
## Quarterly revenue evolution for each business



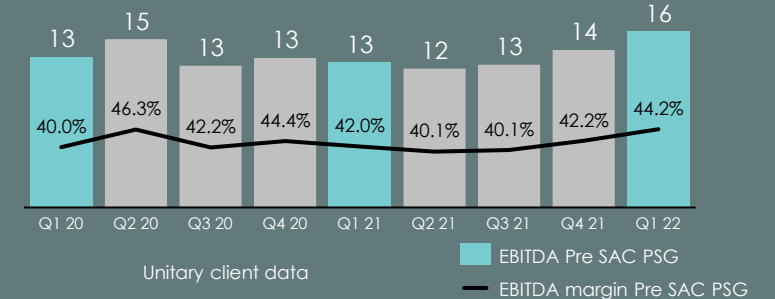
### PROSEGUR CASH



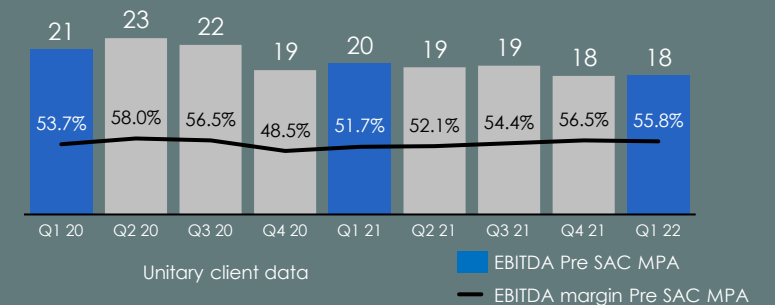
### PROSEGUR SECURITY



### PROSEGUR ALARMS



### MOVISTAR PROSEGUR ALARMAS





# CONSOLIDATED CASH FLOW

## Operating cash flow affected by:

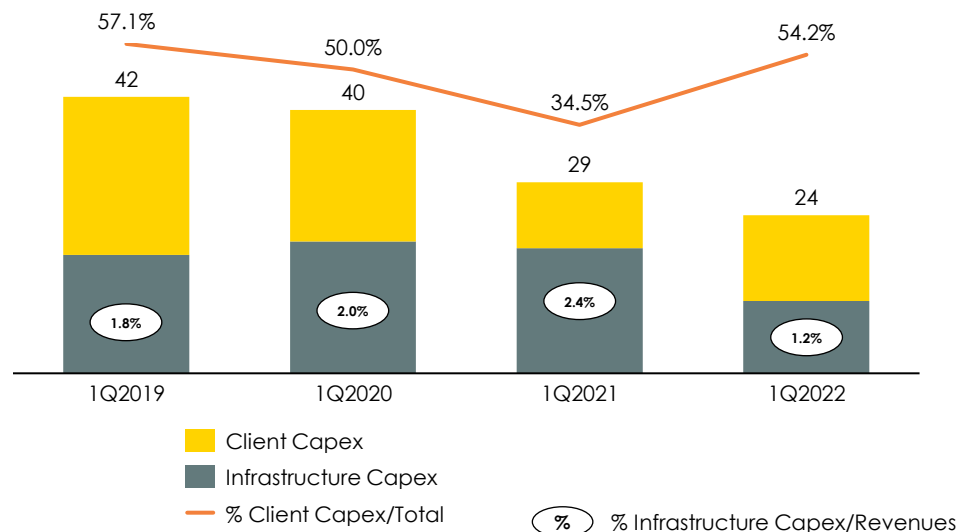
- ▲ **Variation in the working capital, caused by the increase in volumes and inventories stockpiling**
- ▲ **Cash out related to the labor adjustments in LatAm and the end of government aids deriving from pandemics**

## DSO

- ▲ **Quarter average in line with the same period last year**

## Capex

- ▲ **Gradual recovery of Client Capex after the pandemic**
- ▲ **Strict control of infrastructure Capex, under 2% of the sales**



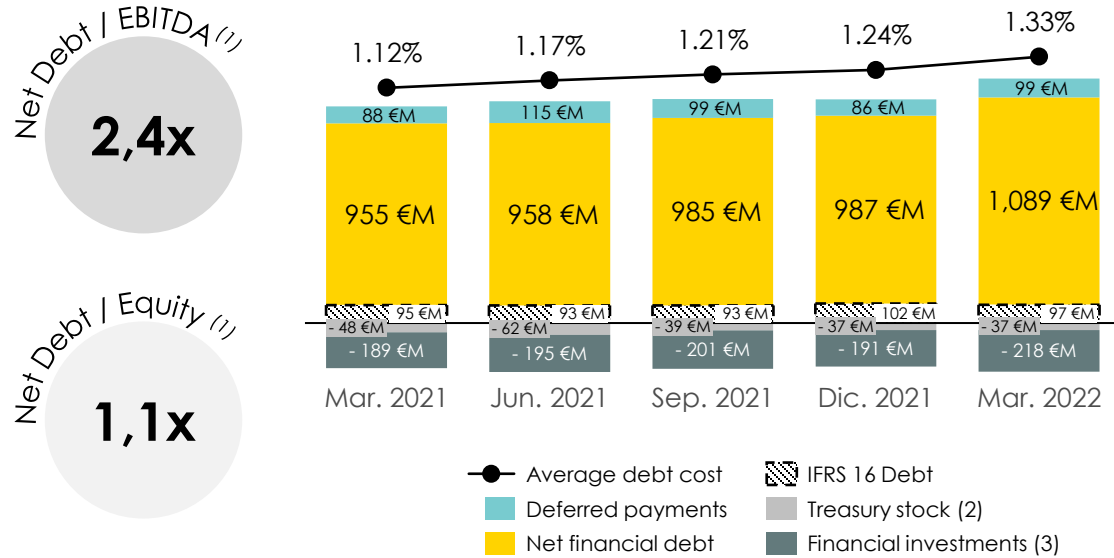
Amounts €M

	Q1 2021	Q1 2022
<b>EBITDA</b>	<b>87</b>	<b>103</b>
Provisions and other non-cash items	0	(23)
Tax on profit	(14)	(17)
Changes in working capital	(35)	(63)
Interest payments	(16)	(15)
<b>Operating cash Flow</b>	<b>22</b>	<b>(16)</b>
Acquisition of property, plant & equipment	(29)	(24)
Payments for acquisitions of subsidiaries	(13)	(10)
Dividend payments	(20)	(18)
Treasury stock & Others	(22)	(46)
<b>Cash Flow from investing / financing</b>	<b>(84)</b>	<b>(98)</b>
<b>Total Net Cash flow</b>	<b>(62)</b>	<b>(114)</b>
<b>Initial net financial debt</b>	<b>(889)</b>	<b>(987)</b>
Net increase / (decrease) in cash	(62)	(114)
Exchange rate	(4)	12
<b>Net Financial debt <sup>(1)</sup></b>	<b>(955)</b>	<b>(1.089)</b>
Financial Investments <sup>(2)</sup>	189	218
<b>Adjusted Net Financial debt</b>	<b>(766)</b>	<b>(871)</b>

<sup>(1)</sup> Excludes IFRS 16 debt

<sup>(2)</sup> Telefónica shares at market value at the end of the period

# FINANCIAL POSITION AND ABBREVIATED BALANCE SHEET



▲ **102 M€ increase in financial net debt** compared to the closing of 2021, mainly caused by the **evolution of working capital** and **end of external covid incentives**

▲ Moderate **leverage** ratio, following a **strict internal financial policy**

▲ **Successful Euro bond refinancing**, despite the complex macro conditions

<sup>(1)</sup> Includes net financial debt, IFRS 16 debt and financial investments

<sup>(2)</sup> Treasury stock Prosegur and Prosegur Cash at market price at the end of the period

<sup>(3)</sup> Telefónica shares at market value at the end of the period

Amounts in €M	FY 2021	Q1 2022
<b>Non-current assets</b>	<b>2,351</b>	<b>2,489</b>
Tangible fixed assets and real estate investments	765	812
Intangible assets	981	1,033
Others	606	643
<b>Currents assets</b>	<b>1,465</b>	<b>1,515</b>
Inventory	65	76
Customer and other receivables	814	894
Cash and equivalents and other financial assets	586	545
<b>TOTAL ASSETS</b>	<b>3,816</b>	<b>4,003</b>
<b>Net equity</b>	<b>711</b>	<b>852</b>
Share capital	33	33
Treasury shares	(29)	(30)
Retained earnings and other reserves	689	815
Minority interest	18	33
<b>Non-current liabilities</b>	<b>1,809</b>	<b>1,182</b>
Bank borrowings and other financial liabilities	1,505	844
Other non-current liabilities	303	338
<b>Current liabilities</b>	<b>1,297</b>	<b>1,969</b>
Bank borrowings and other financial liabilities	277	1,008
Trade payables and other current liabilities	1,020	962
<b>TOTAL NET EQUITY AND LIABILITIES</b>	<b>3,816</b>	<b>4,003</b>



# Results by Business



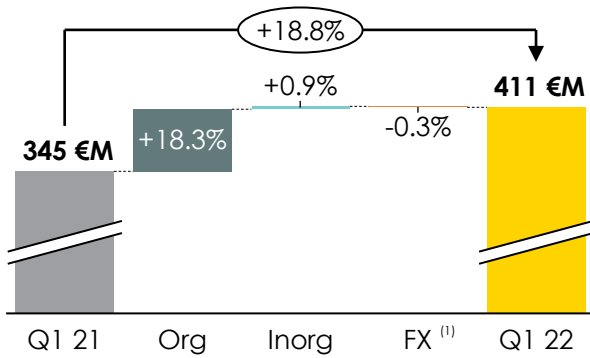


## PROSEGUR CASH

- ▲ **Significant recovery** of the **cash in circulation** volumes. Especially in the month of March
- ▲ Operating leverage **underpinning**, caused by the **recovery of density**, that translates directly into margins
- ▲ **Strong 60% EBITA improvement**, which collects the **positive impact** of the **measures** adopted during the crisis
- ▲ **Positive inflationary effect**, both in volume and prices
- ▲ **M&A** in Ecuador and Germany, in line with the strategic plan
- ▲ **Continuing Transformation. New products** growing faster than traditional services



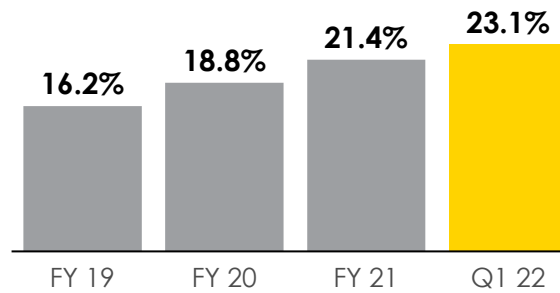
## REVENUES



- **Positive organic** growth above **18%**
- Additional **M&A** in **Ecuador** y **Germany**
- **FX slightly negative**, with insignificant effects



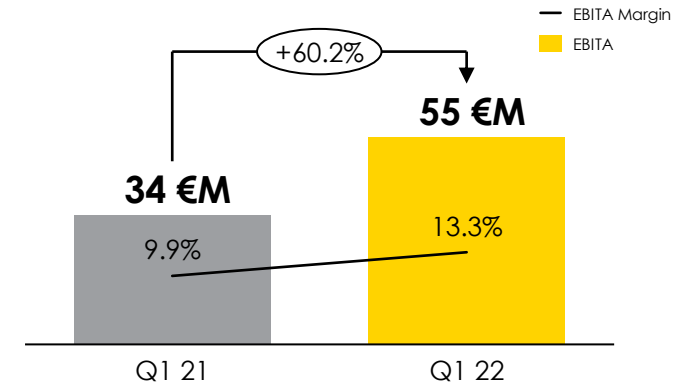
## NEW PRODUCTS



- **New products growth** above **57%** compared to Q1 2021
- Excellent behavior of the “**Cash-Today**” solutions and **CORBAN**



## PROFITABILITY



- **EBITA growth** of **60.2%**
- Strong **increase in EBITA margins** above the equivalent levels of 2020

<sup>(1)</sup> Includes FX and IFRS 21 & 29 effects

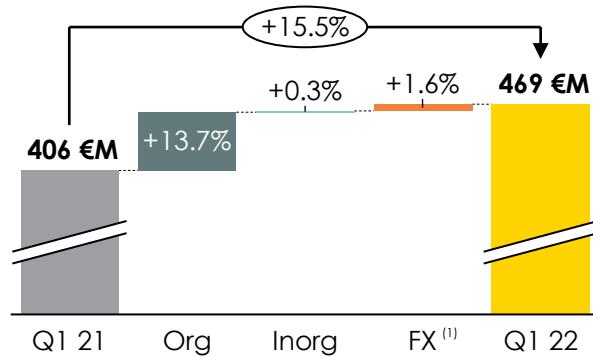


# PROSEGUR SECURITY

- ▲ **Generalized reactivation of the activity** in all geographies, especially in mature markets
- ▲ **Extraordinary growth in USA above 50%**, supported by technology solutions
- ▲ **Resumption** of services in sporting and high public capacity events, that will **contribute to margin** recovery throughout the year
- ▲ **Normality** in **labor cost transfers** to market
- ▲ **Strong growth of** technology-based **New Products**
- ▲ **Unproductivities** caused by **Omicron** continue to have a negative impact on profitability, especially in Brazil
- ▲ **Margins** also **affected** by the **end of subsidies**



## REVENUES



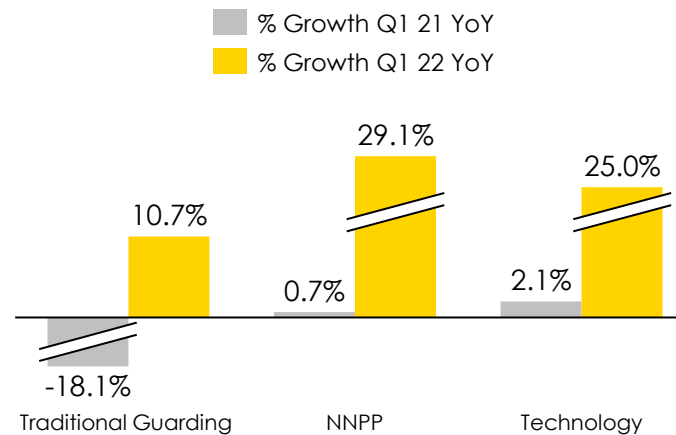
- **Positive organic growth** close to 14%
- **Inorganic** growth coming from M&A in USA, 2021
- **Positive FX effect** deriving from the increase weight of the US in the geographical mix

<sup>(1)</sup> Includes FX and IFRS 21&29 effects

<sup>(2)</sup> Exclude Overhead Costs



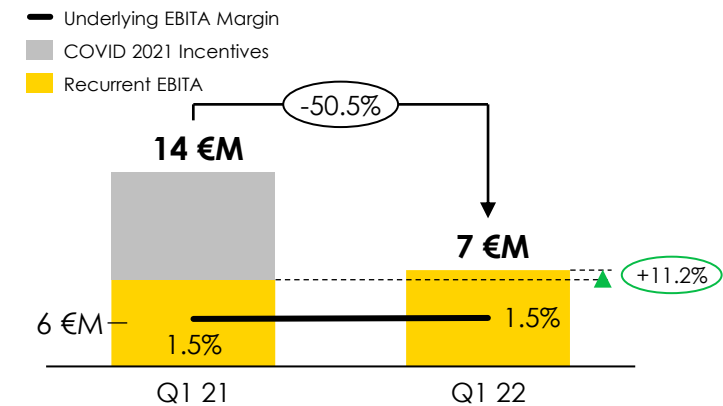
## NEW PRODUCTS



- **Remarkable Q1 growth** in new products and technology sales



## PROFITABILITY <sup>(2)</sup>

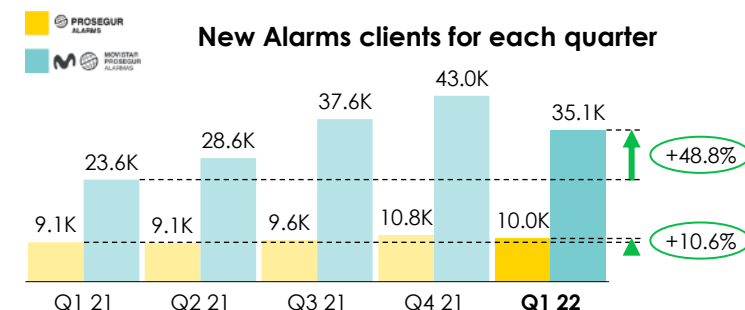


- **Recurring EBITA increase of more than 11% YoY**, isolating the positive effects derived from the "Job Keeping" programs, mainly in the US
- **Seasonality effect** increased by inflation
- Covid-related **unproductivities** still present in January and February
- **Gradual positive trend** during the quarter



# PROSEGUR ALARMS

- Total contract base **grew nearly 17%** over Q1-21 to reach more than **724K connections**
- Improved SAC in both units



## Improvement of operational indicators

- **Decrease in Churn** (11% vs 12%)
- **Strong increase in ARPU** (36€ vs 32€) supported by FX and Inflation
- **EBITDA Pre-SAC improvement** above 20%
- **More than 80% of the new subscriptions** use the "Smart" app that incorporates video and remote management functionalities

## Focus on the development of new alliances

- Commercial alliance with **Telefónica in Colombia**
- Commercial alliance with **Santander in Portugal**

## Strong growth continues

- Quarterly growth (Q1-22 over Q1-21) **close to 50%**

## "SMART" Platform

- **More than 80% of the new subscriptions** use the "Smart" app that incorporates video and remote management functionalities
- The level of video usage per client **grew more than 65%** from Q121 a Q122

## Expansion of the commercial channel

- **Increased sales force by** more than 35%
- **Expansion on point of sales** with the incorporation of close to **2500 Santander branches** (out of nearly 1000 **Movistar** points of sale)

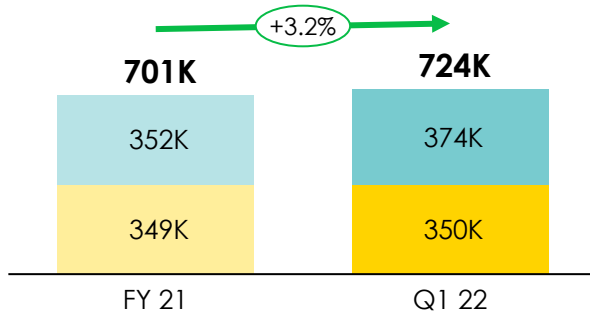




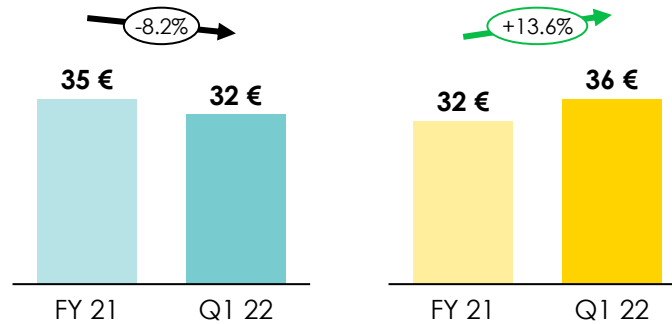
# ALARMS MAIN INDICATORS

## Business Indicators

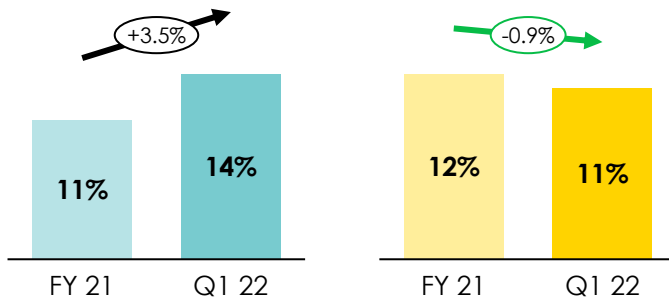
### BTC



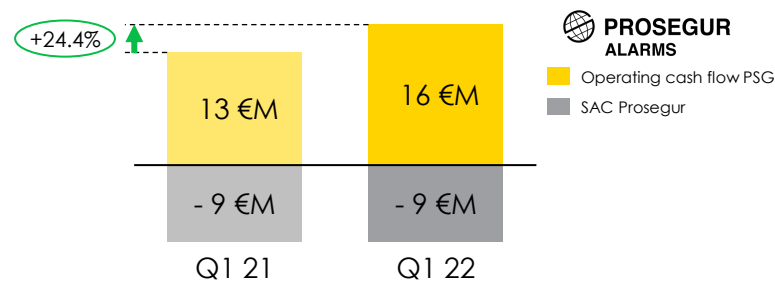
### ARPU



### Churn Rate

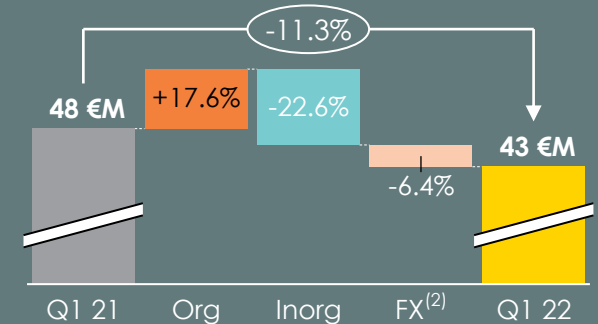


### CashFlow

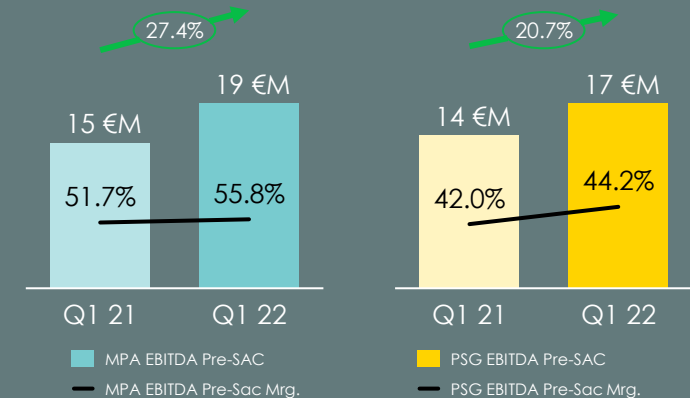


## Financial Indicators

### Revenues <sup>(1)</sup>



### Profitability



<sup>(1)</sup> Sales of alarms belonging exclusively to Prosegur. Movistar Prosegur Alarms sales are not included

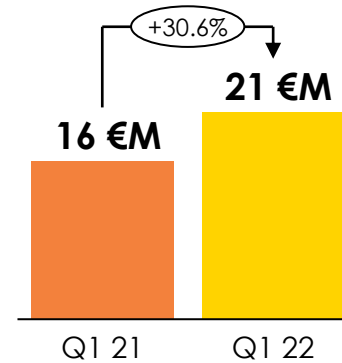
<sup>(2)</sup> Includes exchange rate effect and IFRS 21 and 29



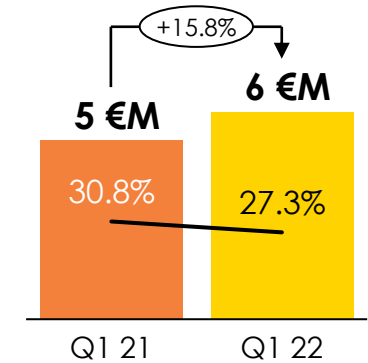
# PROSEGUR AVOS



## REVENUES

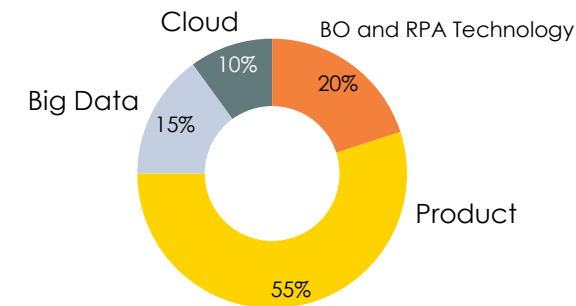


## PROFITABILITY



■ Gross profit  
— Gross Margin

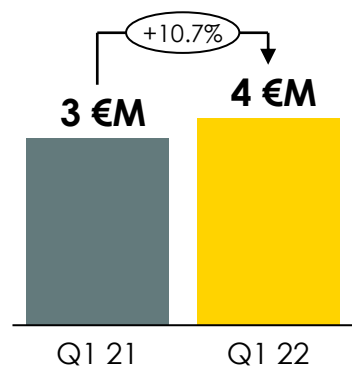
- Sales growth **above 30%**
- Gross margin grow close to **16%**, although profitability has been slightly **affected by the COVID impact** in the BPO traditional business
- Expansion to **Ibero-America** through M&A in Q4 2021
- Technology solutions (**AVOS Tech**) represents close to **30% of sales** vs. 20% in Q1 2021



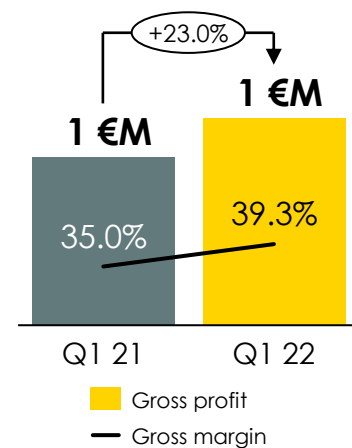
Technology revenues by type



REVENUES



PROFITABILITY



- Initiated project to align and integrate the SOC infrastructure, **globalizing both Detection and Managed Response services**
- Development of own “Marketplace”** to offer cybersecurity products to small and medium-size companies
- Achievement of **PCI/DSS certification contract** with one of the **largest financial institutions in Portugal**
- Organic growth of 11,5% excluding currency effect**
- Improved margins** due to optimization of SOC infrastructure



**ESG**





# MAIN ESG ACHIEVEMENTS IN 2021

## Commitment to institutions

- Adherence to The Climate Pledge, calling to reach net zero carbon emissions by 2040
- Adherence to Forética, the leading business network on sustainability in Spain and Latin America



## Management's Commitment to Sustainability

- Prosegur, one of Spain's 100 leading companies in corporate governance
- Prosegur and Prosegur Cash first companies to receive the AENOR Good Corporate Governance certification with the highest score
- New Human Rights due diligence



## Combating Climate Change

- Launched of a Decarbonization Plan: Offsetting of the equivalent CO2 emissions generated by the company's operations in Europe
- Promotion environmental education and awareness through the creation of the Forest Prosegur



## Commitment to Sustainability in all areas

- Deactivation of 334 inefficient armoured vehicles
- Implementation of new travel model that will allow to continue reducing scope 3 emissions



## Innovation and transformation

- 440 vehicles were available with environmental category ZERO or ECO
- Launched of an ambitious Plan for Innovation and Digital Transformation focus in optimize flexibility, energy efficiency and emission (among others)



## Continuous improvement of the Health and Safety conditions of our human capital

- Reduction in the rate of incidence in 4,2% compared to 2% defined as a target for 2021
- Quarterly committees and implementation of Best Practices
- Global Road Safety Campaign in 2021 with more than 27,000 participants



## Training for employees

- Prosegur University has increased by 66% its training hours online, up to over a million hours
- The total training given added more than 2 million hours, which represents 14,4 hours on average per employee
- Mandatory training plan in Sustainability



## Gender equality

- Launch of the #empoweredwomen program
- 100% of women with responsibility at corporate and other levels of the organisation with outstanding performance evaluations



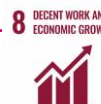
## Clean and affordable energy

- 100% of electricity consumption in Spain comes from renewable sources
- Installation plan of solar panels in Brazil



## Productive employment and decent work for all

- More than 150,000 employees around the world
- Strengthen the personnel recruitment and selection systems using technological tools





# FINAL REMARKS





# Prospects for sustained improvement by 2022

- ▲ **Excellent volume trend**, with sustained gradual recovery in all businesses
- ▲ **Favorable macro environment due to inflation** and stable exchange rates
- ▲ **Profitability in progressive recovery**, despite temporary Covid effects in security
- ▲ **M&A Active** in several businesses and geographies
- ▲ **Corporate debt maturity extension: Refinancing** the **bond** at parent company level
- ▲ **Good recovery outlook** for the rest of the year





**Antonio de Cárcer**  
*Investor Relations Director*

Tel: +34 91 589 83 29  
[antonio.decarcer@prosegur.com](mailto:antonio.decarcer@prosegur.com)