



# Results Presentation

## Q1 2017

# Cash in the media



## AMAZON LAUNCHES NEW CASH SERVICE EEUU, 19/04/2017

Amazon recently launched "Amazon Cash", a service that allows customers to load cash on their online account instead of linking it to a bankcard. With this new offer, Amazon aims to give access to its services to people who do not own a bank account or are not used to digital payments. According to the Federal Deposit Insurance Corporation (FDIC), about 27% of Americans are unbanked.

Amazon Cash will be available at various retailers across the US including CVS Pharmacy, Speedway and Family Fare Supermarkets. To load money on their account, customers simply need to show a barcode to the cashier – printed or in their smartphone – and choose the amount they want to add. Up to \$500 can be charged at a time. The uploaded funds are available for online purchases instantly, without a fee.

[Source: amazon.com](http://amazon.com)

## Cash usage rebounds as digital modes slide INDIA, 12/04/2017

### ATM use may reach pre-note ban level

Cash withdrawals from automated teller machines (ATMs) have further increased in February 2017 to Rs. 1.93 lakh crore from Rs. 1.52 lakh crore in January, data from Reserve Bank of India (RBI) showed, and is on track to reach the pre-demonetisation levels.

Following the withdrawal of high-value currency notes from Nov. 9, 2016, cash withdrawals from ATMs almost halved in that month as compared with October and further dipped in December. At the same time, use of debit cards on point-of-sale terminals more than doubled to Rs. 58,031 crore in December from the October levels.

[Source: thehindu.com](http://thehindu.com)

## Three quarters of euro area payments are made in cash EUROPE, 06/04/2017

Speaking on the occasion of the launch of the new € 50 banknote, Mario Draghi, President of the European Central Bank stated "Though electronic payments are becoming more popular, cash is still our most important means of payment. A soon-to-be-published survey on cash use, carried out on behalf of the ECB, shows that over three-quarters of all payments at points-of-sale in the euro area are made in cash. In terms of transaction values, that's slightly more than half. So even in this digital age, cash remains essential in our Economy."

The estimate is based on comprehensive research by the European Central Bank and the National Central Banks of the euro area and exceeds previous estimates. The Cash Report published by G4S estimated that 60% of all payment transactions were settled in cash, in 2015, throughout the 28 Members States of the European Union.

The importance of cash as a payment instrument is reflected in the increase in demand. "And this is particularly the case for the €50 note, which is our most important denomination. There are more than 9 billion of them in circulation, accounting for 46% of all euro banknotes. That's more than the total number of banknotes issued at the time of the euro cash introduction in 2002." said Mario Draghi.

[Source: ECB](http://ecb.europa.eu)

## The German government justifies the existence of cash ALEMANIA, 06/04/2017

Central banks, according to the report, would not save costs with the abolition of cash. "The issuance of cash, with the exception of the one cent coin, brings benefits to the ECB,"

"Increased use of electronic payment possibilities, according to the report, should be left to market players and their intervention would only be justified if there were serious distortions. On the other hand, the abolition of cash to combat the underground economy is "disproportionate", The economists point out.

[Source: bmwi.de](http://bmwi.de)

# Highlights of the quarter

- ✓ **Sales increased 25%**, with organic growth of 16%
- ✓ **EBIT improved** in both absolute and relative figures
- ✓ **Net debt reduced by €191 Mn** versus December 2016

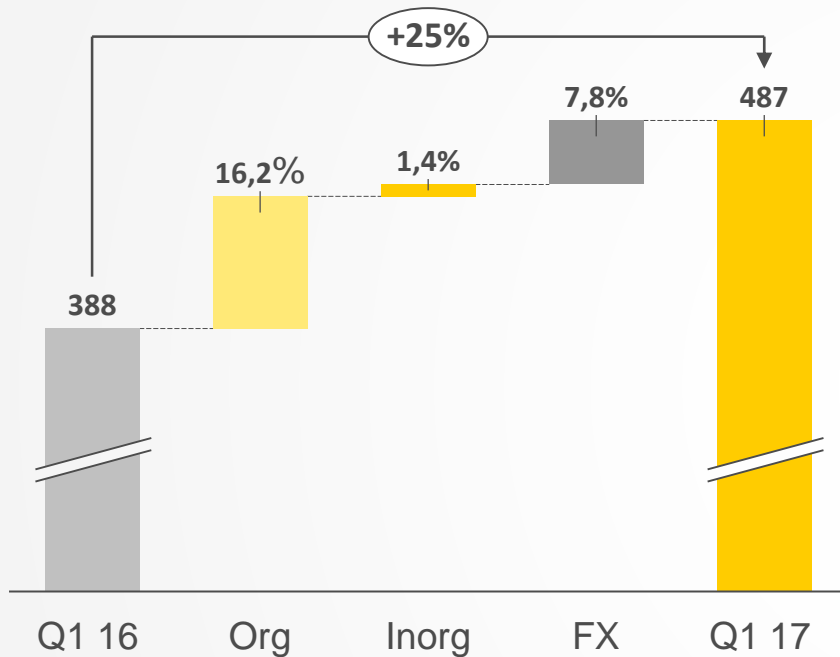


# Consolidated Growth

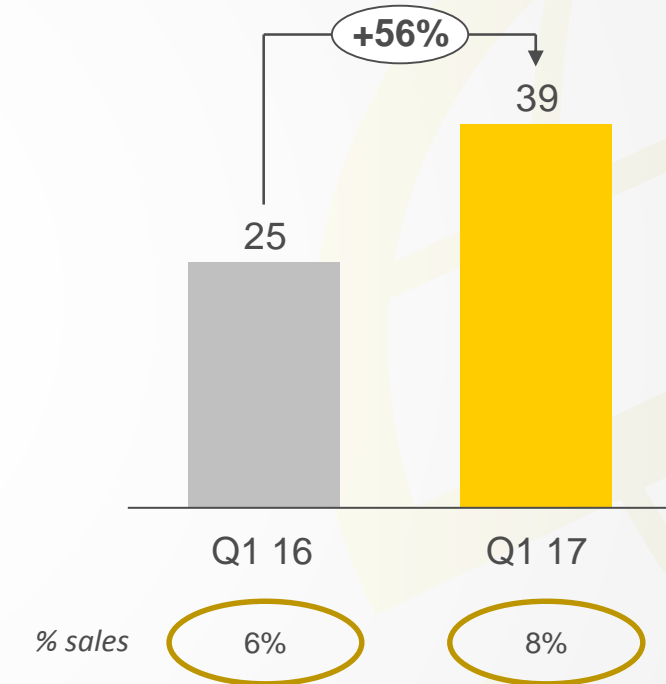


Million Euros

## Total Sales



## Total New Products



- **Double-digit** organic growth benefited by **non-recurring impacts** in different geographies
- **Bolt-on acquisitions** in Australia
- **Positive currency effect** in almost all our geographies, adding extra growth

- **New products gaining momentum** increasing its weight within our product mix

# M&A update



## South Africa



- The transfer of best practices (Prosegur Way) begins to generate **positive returns**

## India



- We expanded our presence in India with the **acquisition** of a portfolio that serves more than **4,800 ATMs**

## Australia



- Recent acquisitions allowed us to **consolidate** our market presence and to **add new technological capabilities** to our product portfolio

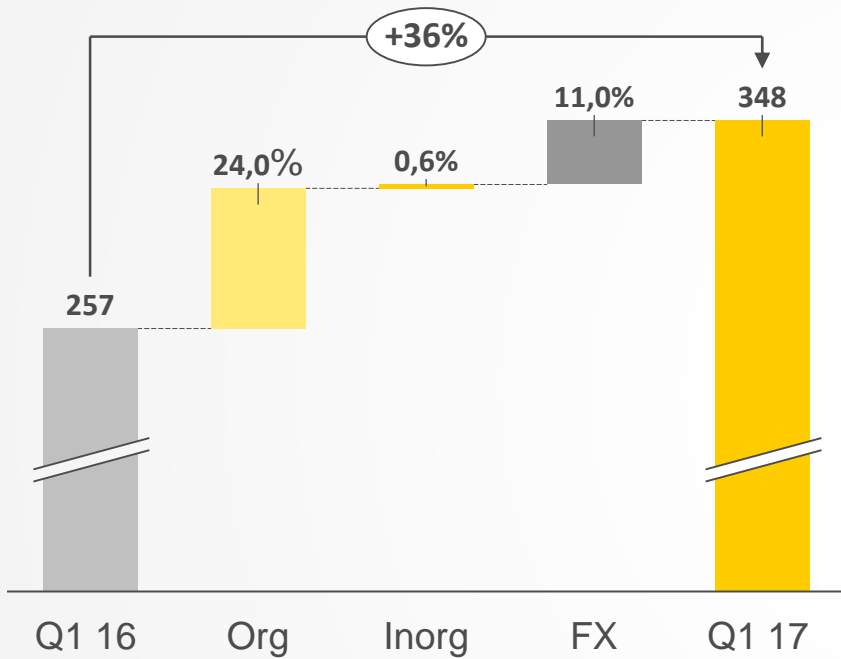


# LATAM Growth



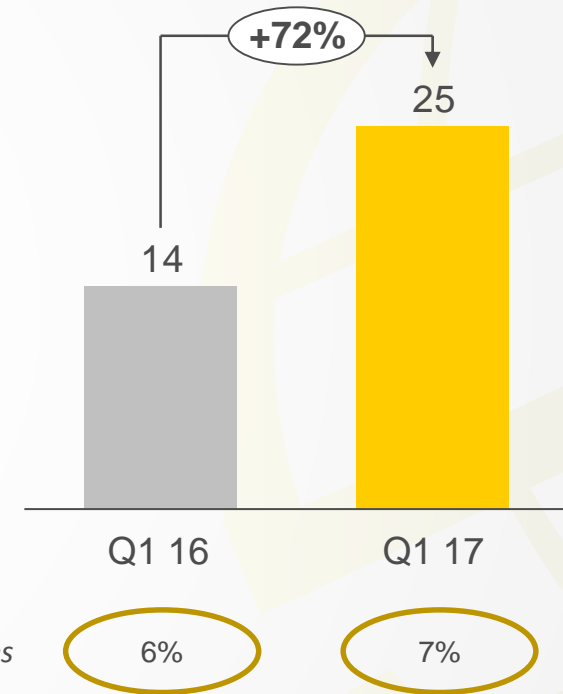
Million Euros

## Sales



- Organic **growth partially benefited** by non-recurring volume
- **Positive currency effect** in almost all our geographies but Argentina and Mexico

## New Products



- New products gaining market share, mainly driven by **retail automation**

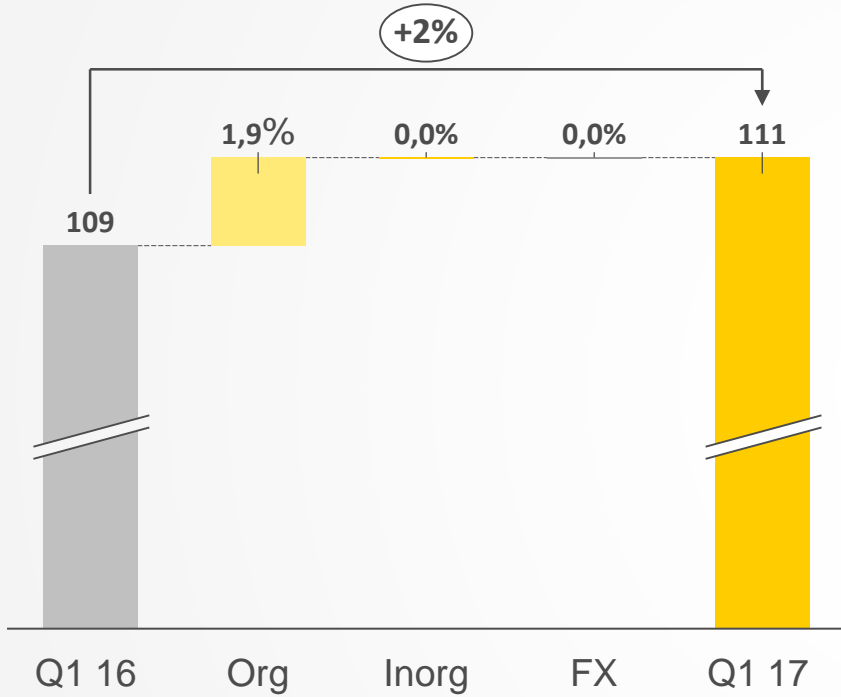


# EUROPE Growth



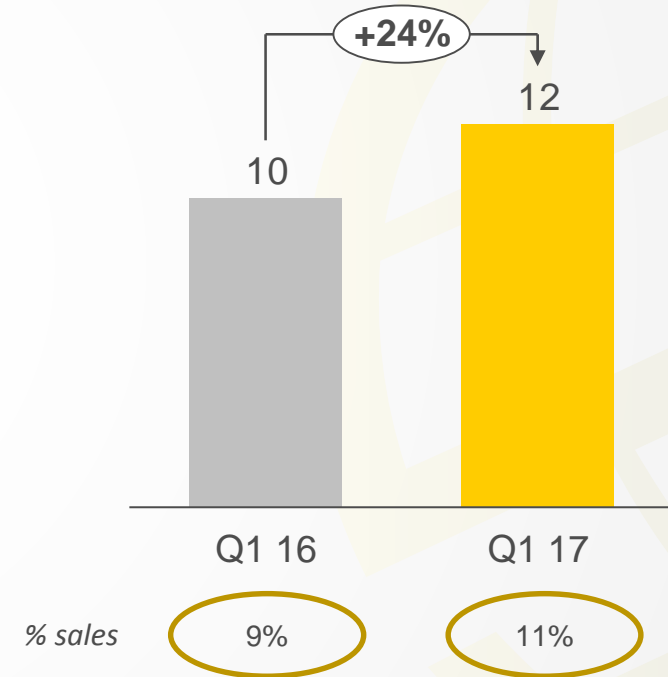
Million Euros

## Sales



- **Positive performance** in general terms despite a slight deterioration in France

## New Products



- New products gaining market share, especially in **Retail and AVOS**

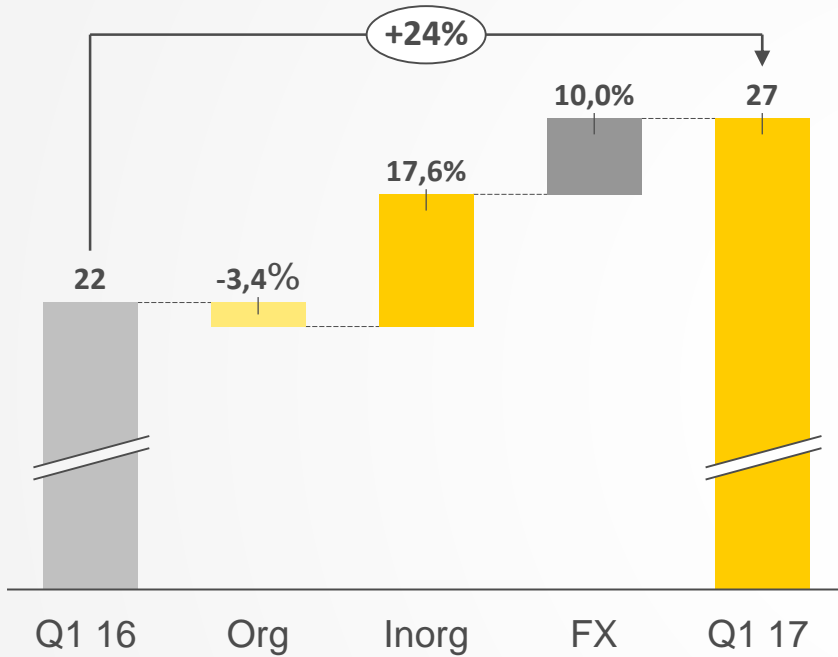


# AOA Growth



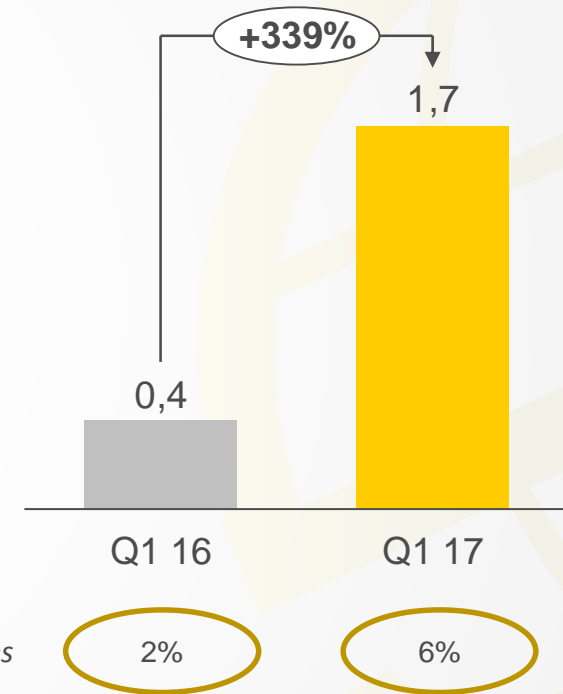
Million Euros

## Sales



- Result of a **very competitive market**
- Two acquisitions, **different levels of integration**
- **Positive currency effect**

## New Products



- New products growing but still below the rest of geographies



# P&L Evolution

Million Euros	1Q 2016 business <sup>(1)</sup>	1Q 2017 business <sup>(1)</sup>	% VAR
<b>Sales</b>	388	<b>487</b>	<b>+25%</b>
<b>EBITDA</b>	90	<b>112</b>	<b>+24%</b>
<i>Margin</i>	23,3%	23,0%	
Depreciation	-11	-13	+17%
<b>EBITA</b>	79	<b>99</b>	<b>+25%</b>
Amortization of intangibles	-4	-4	+6%
<b>EBIT</b>	75	<b>95</b>	<b>+26%</b>
<i>Margin</i>	19,4%	19,5%	
Financial result	-1	-4	+383%
<b>Profit before taxes</b>	75	<b>91</b>	<b>+22%</b>
<i>Margin</i>	19,2%	18,6%	
Taxes	-26	<b>-30</b>	<b>+17%</b>
<i>Tax rate</i>	34,7%	33,5%	
<b>Net profit from continuing operations</b>	49	<b>60</b>	<b>+24%</b>
<i>Margin</i>	12,5%	12,4%	

- **Double digit growth in both sales and EBIT**, supported by solid organic performance and currency
- **EBIT margin expanding moderately**. Non-recurring business contributing at lower margin
- Financial expenses increased due to the **new debt structure** in place since December 2016

(1) Business figures exclude the impact of the intercompany transactions between Prosegur Cash and Prosegur Compañía de Seguridad associated to the IPO restructuring, basically the sale of certain Licensed Trademarks and some real estate assets in Argentina (see annex for reconciliation between accounting and business)

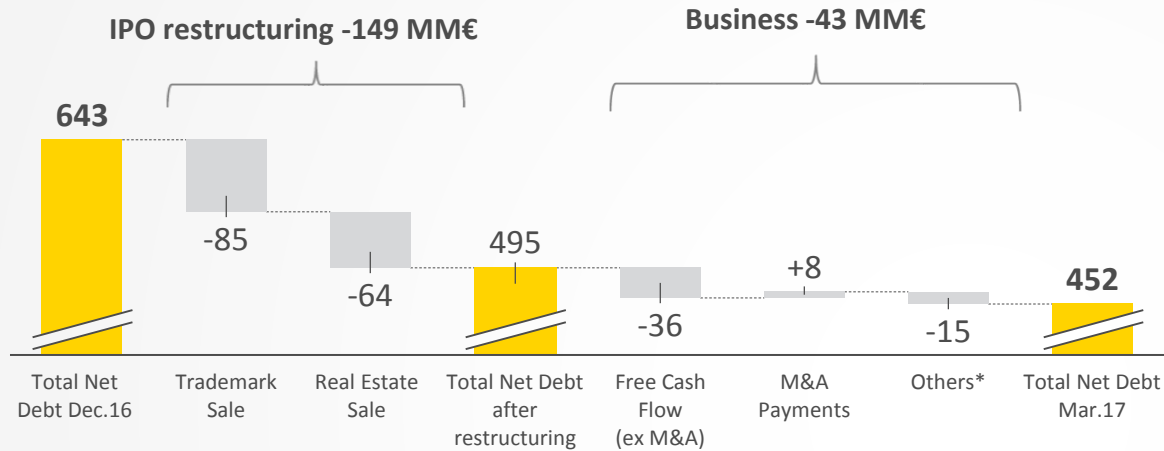
# Cash Flow Evolution

<i>Million Euros</i>	<b>1Q 2017</b>
EBITDA	112
Provisions and other non cash items	6
Income tax	(33)
Working capital variation	(17)
Interest payments	(7)
<b>Operating cash flow</b>	<b>61</b>
Acquisition of property, plant and equipment	(25)
Payments for acquisitions of subsidiaries	(8)
Trademark sale	85
Other cash flows from investment and financing activities	64
<b>Cash flow from investment / financing</b>	<b>115</b>
<b>Total net cash flow</b>	<b>176</b>
<b>Initial net financial position (Dec. 2016)</b>	<b>611</b>
Net increase / (decrease) in cash	176
Exchange rate	2
<b>Final net financial position (Mar. 2017)</b>	<b>433</b>

# Net Debt Evolution

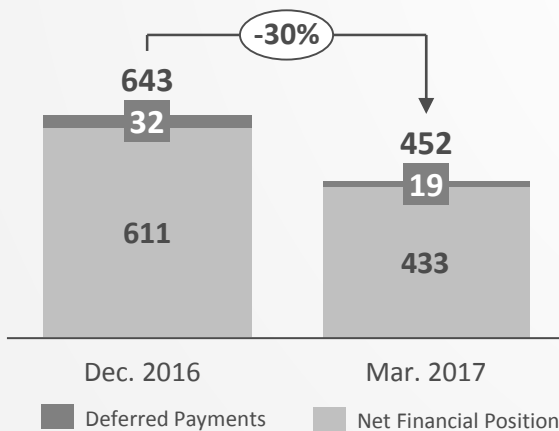
Million Euros

## Cash generation



\*Others: Net variation in deferred payments balance and FX impact

## Net Debt evolution



- Total Net Debt/ EBITDA ratio → **1.1x**
- Net debt reduction vs. Dec. 2016
- Average cost of debt for the period → **1,8%**
- BBB rating by S&P, Stable outlook (March 2017)

# Conclusions

Solid organic growth

Strength of Margins

New Products positive momentum

M&A integration on track

Significant deleveraging



# Q&A

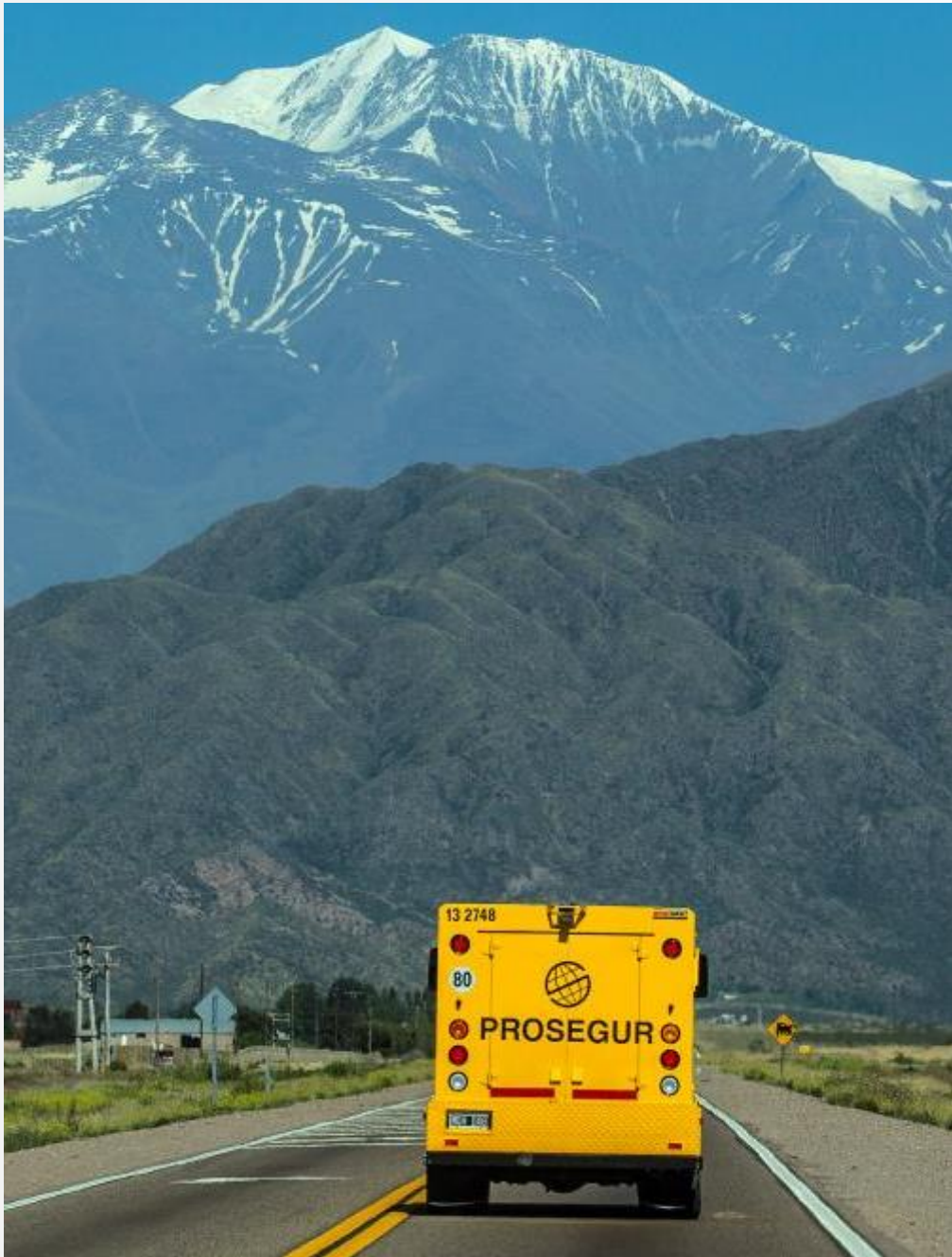
# Annex

## Income Statement Reconciliation

Million Euros	Q1 2016 accounting		Q1 2017 accounting		<u>Trademark</u>		<u>Real Estate</u>		Q1 2016 business <sup>(1)</sup>		Q1 2017 business <sup>(1)</sup>	
					Q1 2016 not assigned	Q1 2017 not assigned	Q1 2016 not assigned	Q1 2017 not assigned				
<b>Sales</b>	388	<b>487</b>							388	<b>487</b>		
<b>EBITDA</b>	95	<b>195</b>			-3	-85	-2	+1	90	<b>112</b>		
<i>Margin</i>	24,6%	40,2%							23,3%	23,0%		
Depreciation	-11	-13							-11	-13		
<b>EBITA</b>	84	<b>183</b>			-3	-85	-2	+1	79	<b>99</b>		
Amortization of intangibles	-4	-4							-4	-4		
<b>EBIT</b>	80	<b>179</b>			-3	-85	-2	+1	75	<b>95</b>		
<i>Margin</i>	20,7%	36,7%							19,4%	19,5%		
Financial result	-1	-4							-1	-4		
<b>Profit before taxes</b>	80	<b>175</b>			-3	-85	-2	+1	75	<b>91</b>		
<i>Margin</i>	20,5%	35,9%							19,2%	18,6%		
Taxes	-26	<b>-39</b>				+9		<b>0</b>	-26	<b>-30</b>		
<i>Tax rate</i>	32,5%	22,6%							34,7%	33,5%		
<b>Net profit from continuing operations</b>	54	<b>135</b>			-3	-76	-2	+1	49	<b>60</b>		
<i>Margin</i>	13,8%	27,8%							12,5%	12,4%		

(1) Business figures exclude the impact of the intercompany transactions between Prosegur Cash and Prosegur Compañía de Seguridad associated to the IPO restructuring, basically the sale of certain Licensed Trademarks and some real estate assets in Argentina

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