

First Half 2018 Results

PROSEGUR CASH REPORTS A NET PROFIT OF EUR 112 MILLION

- Prosegur Cash has reported sales of EUR 883 million, where it highlighted a solid organic growth of 9.1% and a rise in the EBIT margin to 18.0%.
- The inorganic development completed in the first half-year required an investment of 74 million euros and entry into new geographical markets and new services.
- Prosegur Cash new products continue developing and now represent 10.8% of the total sales.

Madrid, 27 of July, 2018. Prosegur Cash has reported a net consolidated profit from continuing operations of EUR 112 million for the first half-year of 2018, which represents 12.7% of total sales, improving its profitability compared with its result attributable to the activity in the same period of 2017, excluding the corporate transactions it carried out in the process of becoming listed on the stock exchange, as explained in the Prospectus. The net profit in euros is 5.6% lower affected by the currencies devaluation.

Sales of Prosegur Cash during the first six months of 2018 amounted to EUR 883 million, experiencing a decrease of 8.4% compared to the sales for the first half-year of 2017. During the second quarter of the year, the negative currencies evolution in several of the Ibero-American markets - particularly in Argentina and Brazil - caused a drop of 19.2% in the overall levels of growth, which has been partly compensated by a solid organic growth of 9.1% and M&A activity.

Resilience despite the adverse currency environment

Despite the currency volatility, in the first half-year of 2018, Prosegur Cash has maintained the upward trend in its EBIT margin, climbing to 18.0% from 17.8% in the first half-year of 2017. This factor is a good indicator of the strength of the business model against the fluctuations in exchange rates. The EBITDA amounted to EUR 192 million, which is 6.4% less compared to the figures relating to the business activity over the same period in the previous year. Operating profit (EBIT) was 159 million euros, which is 7.7% less, also compared with the figures that correspond to the business activity over the same period in 2017.

In terms of geographical markets, Prosegur Cash obtained sales of EUR 608 million in Ibero-America. The region contributed 69% of total sales and maintained a healthy organic growth rate of 14.2%. In fact, this geographical area is where the devaluation of currencies has had the greatest impact, resulting in a drop of around 11% in euros compared to the same period in 2017. Meanwhile, Europe contributed 27% of total sales with a turnover of EUR 236 million, representing a 5% rise on the previous financial period. Lastly, the AOA (Asia, Oceania and Africa) region contributed 4% of the company's total sales with a turnover of EUR 39 million, having dropped 25% in relation to the first six months of 2017. The region is beginning to recover the volume lost in the previous quarters.

Prosegur Cash acquisitions speed up in the quarter

Prosegur Cash has completed operations during the second quarter of 2018 amounting to a total of EUR 74 million. Prosegur Cash has expanded its presence into the markets of Guatemala,

Honduras, Nicaragua, El Salvador and Costa Rica, where up until now it had not been present. Prosegur Cash also reached an agreement in the Philippines, reinforcing the company's commitment in its search for new opportunities in emerging markets. Furthermore, Prosegur Cash has incorporated the correspondent banking service in Brazil into its area of new products, after having acquired a company in the country. These operations confirm the inclination of Prosegur Cash to play a major role in the international consolidation of the CIT sector and are in line with the annual investment objective of between 50 and 150 million euros that was announced by the company at the time of becoming listed on the stock exchange.

Acceleration of transformation through new products

Sales from new services have continued showing a strong growth rate, amounting to EUR 95 million - that is, a growth of 20.3% - and now making up 10.8% of total sales. In Ibero-America, despite the effects of the exchange rates, new services grew by 17% to EUR 57 million, with particular efforts in boosting the cash automation in retail, comprehensive ATM services and the transportation of high value cargo. They are also performing well in Europe, amounting to EUR 34 million, which is around 39% higher, whereas in AOA they fell by around 35%, primarily impacted by the reduction in services to ATMs.

Low level of indebtedness to face growth strategy

The net financial debt, including the deferred payments of the recent acquisitions and the treasury stock of Prosegur Cash, has ended the period of the first six months of 2018 at EUR 477 million. The company maintains, therefore, a level of 1.1 times net debt/EBITDA, well below the internal covenant of 2.5 times. This low debt situation allows Prosegur Cash to remain committed to its M&A program in line with its leadership strategy within the global CIT industry.