PROSEGUR
Seguridad de confianza

First Half 2019 Results

PROSEGUR CASH REPORTED A CONSOLIDATED NET PROFIT OF 81 MILLION EUROS IN THE FIRST HALF OF 2019

- **Prosegur Cash has reported sales of €888 million, with local currency growth of 16.8%, and an EBIT margin of 15.4%.**
- **Prosegur Cash's New Products have maintained their positive growth and now stand at 15.9% of total sales with €142 million.**
- **Prosegur Cash has completed three acquisitions in Latin America and AOA, with divestments in France and South Africa.**
- **The Company has maintained strong cash flow generation, with an accumulated Free Cash Flow of €51 million for the period.**

Madrid, 29 July 2018. Prosegur Cash reported a consolidated net income of €81 million in the first half of 2019, a fall of 27.6% on the same period of the previous year.

During the first six months of the year, Prosegur Cash continued to operate in a complex environment, in which the sharp depreciation of currencies in Latin America compared to the same period in 2018 was maintained, and the application of IAS 21 and 29, derived from Argentina's declaration as a hyperinflationary economy, is still in force. Despite these factors, the company reported solid growth in local currency of 16.8% in the period. Taking all of this into account, and beyond the impact of the exchange rate, Prosegur Cash sales in the first six months of 2019 have remained in line with the same period of the previous year and have reached €888 million, representing a growth of 0.6%.

The EBITDA of Prosegur Cash was €187 million in the first half of 2019, a fall of 2.7% on the figure reported for the same period of the previous year. EBIT reached €137 million, representing a fall of 13.8%. The EBIT margin is continuing the recovery trend of previous quarters, reaching 15.4% in the period.

In terms of cash flow, Prosegur Cash generated €51 million of Free Cash Flow, maintaining a conversion ratio of 76%, similar to the same period last year.

In terms of development of the activity by geographical regions:

Latin America reported sales of €584 million, representing 66% of total sales. The region maintained strong growth in local currencies of 19.5%, boosted by solid organic growth and a greater inorganic contribution from both traditional business and new products. Subtracting the devaluation of currencies, sales in euros were 3.9% lower than in the same period in 2018.

Europe represented 28% of total sales with a turnover of €253 million, a 7.2% increase compared with the first half of 2018. Revenues in the region grew organically in line with the previous quarter, coupled with higher inorganic growth associated with new products. It should be noted that on 22 July, Prosegur Cash completed the divestment of its activities in France.

The AOA (Asia, Oceania and Africa) region contributed 6% of the company's total sales with a turnover of €51 million, 30.6% up in relation to the first six months of 2018. The region has continued to boost its turnover thanks to activities in new markets such as the Philippines and Indonesia. In addition, in the second quarter of 2019, Prosegur Cash completed its exit from South Africa, which has had a positive impact on the profitability of operations in the AOA region.

With regard to the activities carried out within the New Products unit, it is worth highlighting the strong growth rate that has been reported in a sustained manner in recent quarters. In the first six months of 2019, sales have reached €142 million, a 49% increase, and already represent almost 16% of total turnover. Turnover in Latin America practically doubled its weight from 9.4% to 16.1%, and reached €94 million. In Europe, sales of new products already account for 17.7% of total revenues in the region with €45 million and in AOA represent 5.4% of sales. Prosegur Cash has increased its investment in its Smart Cash solutions (point-of-sale cash management automation services) by more than 60% compared to the same period last year.

Finally, Prosegur Cash's total net debt, including treasury stock, was €693 million at the end of the first half year. This figure has increased with respect to the end of the previous year mainly due to the application of IAS 16 and deferred payments of acquisitions. The company's leverage ratio fell with respect to the previous quarter, remaining slightly above the two times total net debt over EBITDA.