

Results for the first nine months of 2018

PROSEGUR CASH REPORTED A NET PROFIT OF EUR 140 MILLION

- Prosegur Cash has reported sales of EUR 1,217 million, with an organic growth of 8.7% and EBIT margin at 16.3%.
- New Products area maintained its positive evolution and already represents 11.5% of total sales.
- Despite the application of International Accounting Standards IAS 21 and 29, Prosegur Cash has maintained a solid cash generation with a Free Cash Flow accumulated in the period of 120 million euros.
- The rating agency Standard & Poor's has confirmed the rating for Prosegur Cash as BBB with a stable outlook.

Madrid, 5th November 2018. Prosegur Cash has reported a net profit from continuing operations of EUR 140 million for the first nine months of 2018, which represents 17.5% less than the same period of the previous year. Considering the corporate transactions carried out in the process of becoming listed on the stock exchange, as explained in the Prospectus, the net profit recorded in the period is 43.1% lower.

Sales of Prosegur Cash in the first nine months of 2018 reached EUR 1,217 million, 15.2% less than the figure registered in the third quarter of 2017. The period has been strongly marked by the devaluation of the currencies in the Ibero-American markets. In addition, Argentina's declaration as a hyperinflationary economy has resulted in the application of IAS 21 and 29. Overall, the incidence of the exchange rate for the markets in which the company operates has meant a negative impact of 26.8% including the effect of the application of the aforementioned accounting standards. In any case, the strength of the underlying business is noteworthy, since sales in local currency have reported a growth of 8.7%.

The strength of the business model mitigates currencies impact

Despite the FX volatility, in the first nine months of 2018, Prosegur Cash has maintained the EBIT margin at 16.3%, close to 17.8% in the first nine months of 2017. Showing the strength of the business model despite the intense fluctuations in exchange rates. The net operating profit (EBIT) raised at EUR 198 million, which represents 22.3% less, also compared to the figures attributable to business activity in the same period of 2017. EBITDA reached EUR 250 million, 18.1% less than in the same period of the previous year, comparing the figures attributable to the business activity. Including corporate transactions carried out as part of the company's IPO, EBIT and EBITDA fell 41.6% and 35.9% respectively.

By geographies, Prosegur Cash reported sales in Ibero-America of EUR 789 million. The region contributed 65% of total sales and maintained healthy organic growth of 13.3%. In addition, recent acquisitions added 2.1% growth. Although, this region is where the devaluation of currencies has had a greater impact, resulting in euros 22.1% less than in the same period of 2017.

Europe contributed 30% of total turnover with sales of EUR 363 million, representing an increase of 4.9% over the previous year. Finally, the AOA region (Asia, Oceania and Africa) contributed 5% of the company's sales with EUR 65 million, 15.6% less than in the first nine months of 2017. The region is recovering gradually the volume lost in the previous quarters.

New Products keep their positive evolution

Sales of New Products have maintained their strong growth rate to reach EUR 141 million, an increase of 16.2% and already weigh 11.5% of total turnover. In Ibero-America, and despite the effect of the exchange rate, New Products have grown by 9.1% to EUR 82 million, driven especially by cash automation in retail, ATM services and valuable cargo. Europe also grow strongly up to EUR 54 million, 40.6% more, while in AOA the region reported EUR 5 million, affected mainly by the decrease in ATM services.

Low level of indebtedness to continue developing the growth strategy

The net financial debt, including the deferred payments of recent acquisitions and the treasury stock of Prosegur Cash, has ended the first nine months of 2018 at EUR 489 million. The company maintains a level of 1.3 times net debt over 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. Finally, in October, the rating agency Standard & Poor's confirmed the rating of Prosegur Cash as BBB with stable outlook.