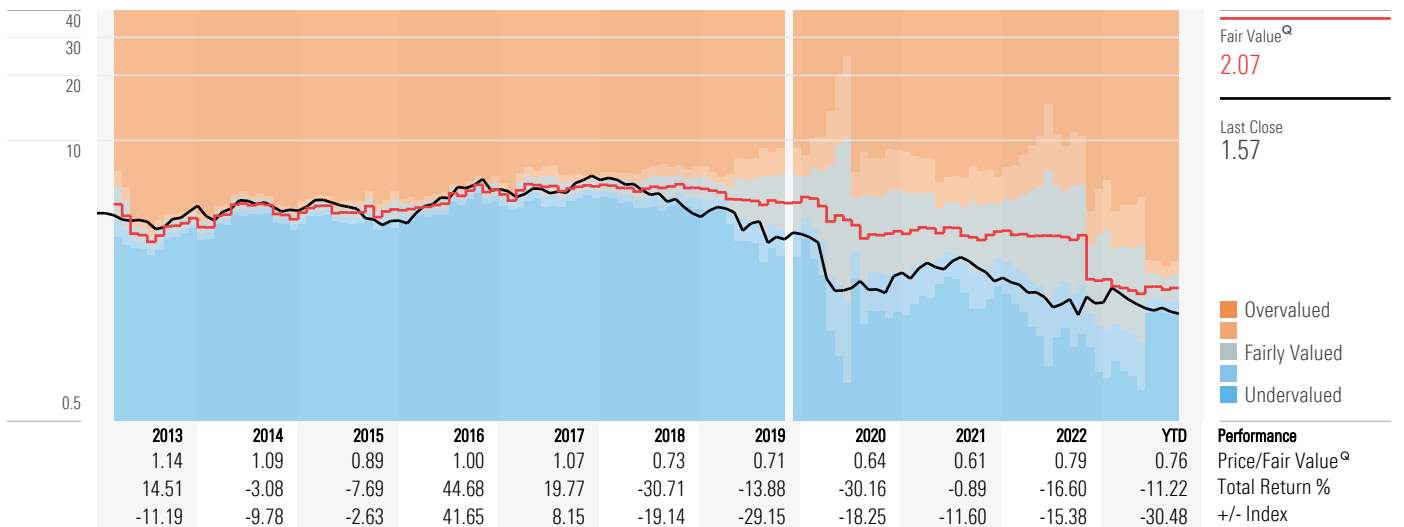


# Prosecur Compania De Seguridad SA PSG ★★★★★ Q 20 Sep 2023, 22:34 UTC

<b>Economic Moat</b> ◊	<b>Uncertainty</b> ◊	<b>Price/Fair Value</b> ◊	<b>ESG Risk Rating Assessment</b> †	<b>Trailing Dividend Yield %</b>	<b>Market Cap</b>	<b>Investment Style</b>	<b>Sector</b>	<b>Industry</b>
Narrow	High	0.8	★★★★★ 6 Sep 2023 05:00, UTC	6.14	833.4651 Mil	Small Value	Industrials	Security & Protection Services



As of 20 Sep 2023 | Index: Morningstar Spain GR EUR. Fair Value data as of 20 Sep 2023, 22:34 UTC.

†The ESG Risk Rating Assessment is a representation of Sustainalytics' ESG Risk Rating. Lee Davidson, Chief Analytics Officer for Morningstar, Inc, oversees the methodology that supports Quantitative Fair Value Estimates and Quantitative Star Ratings. Mr. Davidson is guided by the Morningstar, Inc. Code of Ethics in carrying out his responsibilities. For information regarding Conflicts of Interests, visit <http://global.morningstar.com/equitydisclosures>.

## Key Metrics as of 19 Sep 2023

Metrics		Percentile in Sector
Earnings Yield (%)	7.7	73.0
Sales Yield (%)	525.0	93.0
Book Value Yield (%)	98.9	75.0
Return on Assets (%)*	1.3	32.0
Revenue(Bil)*	4.7	81.0
Market Value (Mil)	891.0	63.0
Enterprise Value (Bil)	2.5	72.0
EV/MV Ratio	2.8	93.0
Volatility TTM (%)	18.7	19.0
Drawdown TTM (%)	28.8	62.0
Volume (K)	384.9	59.0

\*30 Jun 2023

## Business Description

Prosecur Compania De Seguridad SA is a security company. The company is organized into segments that include security, cash, alarms, cybersecurity, and AVOS. The company also differs in that much of its revenue and operating profit is derived from cash-in-transit services--that is, armored-car cash pickups--as well as ancillary services, such as ATM management, cash counting, and reconciliation.

## Valuation ◊ as of 21 Sep 2023

Morningstar maintains a 4-star quantitative star rating for Prosecur Compania De, derived from the firm's valuation and uncertainty scores. The company's shares last closed at 1.57, below our quantitative fair value estimate of 2.07. These shares have traded between a 56.16% and 5.62% discount to their fair value estimate over the past year. In Morningstar's equity coverage universe for this methodology, the company's valuation rating lands at the 60th percentile; in the industrials sector, the firm's score lies at the 45th percentile (higher percentile indicates more undervalued). Furthermore, Prosecur Compania De maintains a quantitative valuation uncertainty rating of High. The company has held this star rating since the previous rating of 5, which was last assigned on 06/28/2023. The uncertainty rating for Prosecur Compania De has remained High since the previous rating of Extreme, which was last assigned on 06/21/2023. The key factors behind these ratings are the company's earnings yield and volatility. The earnings yield is 7.70%, and its maximum annualized trailing 12-month volatility is 27.88%. The earnings yield falls at the 72nd percentile in the industrials sector while the volatility is at the 19th percentile. Over the past year, the company's earnings yield has been between 3.42% and 7.84%; its volatility has

ranged between 18.71% and 27.88%.

## Economic Moat ◊ as of 20 Sep 2023

Morningstar maintains a Narrow quantitative moat rating on the company. The firm's quantitative moat score of 0.82 sits at the 80th percentile in the industrials sector. This is a decrease from 0.88, the maximum of its moat scores over the past year. The quantitative financial health rating for Prosecur Compania De is Moderate. Its financial health score, termed Distance to Default, sits at the 41st percentile in both the universe and sector. The significant drivers of these ratings are the company's enterprise value and enterprise value-to-market value ratio. The enterprise value for Prosecur Compania De is 2.50 billion, and its enterprise value-to-market value ratio is 2.79. They sit at the 75th and 92nd percentile in the global equity universe, respectively.

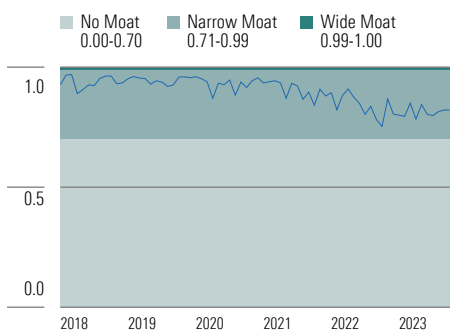
## Fundamentals as of 20 Sep 2023

Prosecur Compania De reports earnings per share of 0.12. Its return on invested capital is 2.53%. The company maintains a dividend yield of 7.93%, paying out 51.16% of earnings. These values are calculated over a trailing 12-month period. As of last market close, Prosecur Compania De has a price-to-earnings ratio of 12.94, falling at the 38th percentile in its sector (where a lower percentile means a lower ratio) and ranging between 12.75 and 28.63 over the past year. The company's price-to-free cash flow ratio is 5.8, falling at the 22nd percentile in its sector and ranging between 5.73 and 10.88 over the past year.


## Contact

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## Economic Moat ◊ History as of 20 Sep 2023



# Prosegur Compania De Seguridad SA PSG ★★★★★ Q 20 Sep 2023, 22:34 UTC

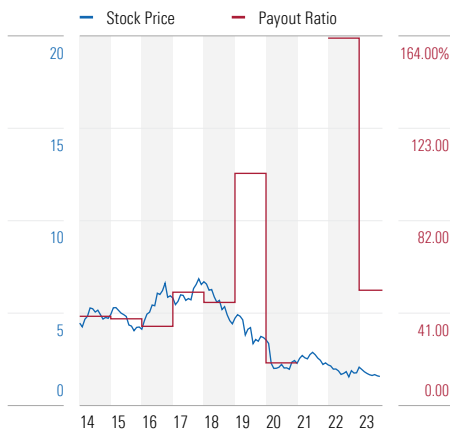
<b>Economic Moat</b> <sup>Q</sup>	<b>Uncertainty</b> <sup>Q</sup>	<b>Price/Fair Value</b> <sup>Q</sup>	<b>ESG Risk Rating Assessment</b> <sup>1</sup>	<b>Trailing Dividend Yield %</b>	<b>Market Cap</b>	<b>Investment Style</b>	<b>Sector</b>	<b>Industry</b>
Narrow	High	0.8	 6 Sep 2023 05:00, UTC	6.14	833.4651 Mil	Small Value	Industrials	Security & Protection Services

## Earnings as of 19 Sep 2023

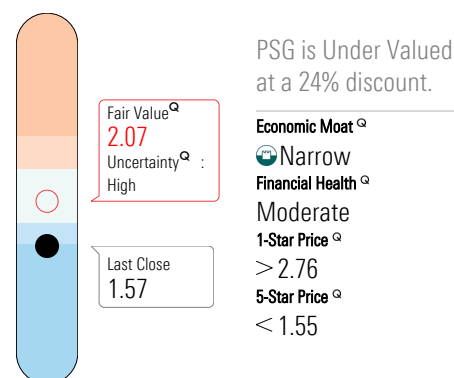
Earnings	%	Percentile in Sector
Dividend Yield*	7.9	92.0
Payout Ratio*	51.2	71.0
Price to Earnings	12.9	38.0
Price to Cash Flow	5.8	22.0
ROIC**	2.5	29.0

\*31 Aug 2023  
\*\*30 Jun 2023

## Dividends as of 20 Sep 2023



## Valuation <sup>Q</sup> as of 20 Sep 2023



### Economic Moat <sup>Q</sup>

Narrow

### Financial Health <sup>Q</sup>

Moderate

### 1-Star Price <sup>Q</sup>

> 2.76

### 5-Star Price <sup>Q</sup>

< 1.55

## Contact

<https://www.prosegur.com>

## Financials as of 20 Sep 2023 (Fiscal Year End 31 Dec 2023)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD	Fiscal
3,695	3,783	3,959	3,902	4,291	3,939	4,198	3,570	3,498	4,174	2,196	Revenue (Mil)
321	315	333	358	397	303	318	153	164	258	135	Operating Income (Mil)
8.69	8.33	8.4	9.17	9.26	7.69	7.58	4.27	4.7	6.17	6.16	Operating Margin (%)
156	159	183	134	150	132	114	331	41	65	35	Net Income (Mil)
0.27	0.27	0.31	0.22	0.25	0.22	0.19	0.60	0.08	—	0.07	Diluted Earnings/Share
287	247	299	268	279	276	367	324	330	308	57	Operating Cash Flow (Mil)
-138	-139	-144	-166	-213	-215	-205	-144	-144	-168	-87	Capital Spending (Mil)
150	108	155	102	66	62	162	180	186	140	-30	Free Cash Flow (Mil)
578	602	598	598	598	599	594	551	539	—	531	Avg Shares Outstand(Mil)

## Valuation as of 20 Sep 2023

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Current	Calendar
1.14	1.09	0.89	1.00	1.07	0.73	0.71	0.64	0.61	0.79	0.76	Price/Fair Value <sup>Q</sup>
—	—	—	—	0.92	0.69	0.52	0.34	0.36	—	0.19	Price/Sales
16.74	17.50	16.12	19.38	29.82	17.60	30.41	3.52	22.80	23.33	12.99	Price/Earnings
19.47	10.01	12.70	11.81	14.19	9.87	7.26	3.48	4.45	3.84	2.50	Price/Cash Flow
4.13	3.37	3.30	4.84	2.76	2.52	2.14	1.77	1.58	1.07	1.02	Price/Book

## Operating Performance as of 20 Sep 2023 (Fiscal Year End 31 Dec 2023)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Q3	Fiscal (%)
5.39	5.37	6.34	4.19	4.03	3.46	2.92	8.4	1.06	1.5	0.52	Return on Assets
22.47	21.06	23.62	18.49	16.52	12.8	12.49	43.55	5.91	8.93	2.77	Return on Equity
10.21	10.34	11.83	7.65	7.27	5.75	5.08	13.6	2.39	2.9	1.62	Rtn on Invested Capital

## Dividends as of 20 Sep 2023

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Current	Calendar (%)
0.10	0.11	0.10	0.21	0.56	0.12	0.13	0.13	0.12	0.19	0.26	Dividend Per Share
2.1	2.26	2.39	1.83	1.69	2.63	3.48	5.41	—	8.95	6.14	Trailing Dividend Yield
—	—	—	—	—	—	—	—	—	—	1.34	Buyback Yield

# Appendix

**Economic Moat** <sup>®</sup>History as of 20 Sep 2023 (No Moat: 0.00-0.70, Narrow Moat: 0.70-0.99, Wide Moat: 0.99-1.00)

Year	January	February	March	April	May	June	July	August	September	October	November	December
2023	0.80	0.80	0.85	0.78	0.84	0.80	0.80	0.81	0.82	—	—	—
2022	0.89	0.82	0.88	0.91	0.87	0.85	0.80	0.84	0.78	0.75	0.87	0.80
2021	0.93	0.94	0.94	0.93	0.87	0.93	0.92	0.87	0.90	0.84	0.91	0.88
2020	0.96	0.95	0.94	0.87	0.93	0.93	0.95	0.88	0.94	0.92	0.94	0.96
2019	0.95	0.96	0.95	0.95	0.93	0.94	0.94	0.92	0.93	0.96	0.96	0.96
2018	0.93	0.97	0.97	0.89	0.91	0.93	0.92	0.95	0.96	0.96	0.93	0.93

## Quantitative Equity Reports Overview

The quantitative report on equities consists of data, statistics and quantitative equity ratings on equity securities. Morningstar, Inc.'s quantitative equity ratings are forward looking and are generated by a statistical model that is based on Morningstar Inc.'s analyst-driven equity ratings and quantitative statistics. Given the nature of the quantitative report and the quantitative ratings, there is no one analyst in which a given report is attributed to; however, Mr. Lee Davidson, Head of Quantitative Research for Morningstar, Inc., is responsible for overseeing the methodology that supports the quantitative equity ratings used in this report. As an employee of Morningstar, Inc., Mr. Davidson is guided by Morningstar, Inc.'s Code of Ethics and Personal Securities Trading Policy in carrying out his responsibilities.

### Quantitative Equity Ratings

Morningstar's quantitative equity ratings consist of: (i) Quantitative Fair Value Estimate, (ii) Quantitative Star Rating, (iii) Quantitative Uncertainty, (iv) Quantitative Economic Moat, and (v) Quantitative Financial Health (collectively the "Quantitative Ratings").

The Quantitative Ratings are calculated daily and derived from the analyst-driven ratings of a company's peers as determined by statistical algorithms. Morningstar, Inc. ("Morningstar", "we", "our") calculates Quantitative Ratings for companies whether or not it already provides analyst ratings and qualitative coverage. In some cases, the Quantitative Ratings may differ from the analyst ratings because a company's analyst-driven ratings can significantly differ from other companies in its peer group.

- i. **Quantitative Fair Value Estimate:** Intended to represent Morningstar's estimate of the per share dollar amount that a company's equity is worth today. Morningstar calculates the Quantitative Fair Value Estimate using a statistical model derived from the Fair Value Estimate Morningstar's equity analysts assign to companies. Please go to <http://global.morningstar.com/equitydisclosures> for information about Fair Value Estimate Morningstar's equity analysts assign to companies.
- ii. **Quantitative Economic Moat:** Intended to describe the strength of a firm's competitive position. It is calculated using an algorithm designed to predict the Economic Moat rating a Morningstar analyst would assign to the stock. The rating is expressed as Narrow, Wide, or None.
  - Narrow** – assigned when the probability of a stock receiving a "Wide Moat" rating by an analyst is greater than 70% but less than 99%.
  - Wide** – assigned when the probability of a stock receiving a "Wide Moat" rating by an analyst is greater than 99%.
  - None** – assigned when the probability of an analyst receiving a "Wide Moat" rating by an analyst is less than 70%.

- iii. **Quantitative Star Rating:** Intended to be the summary rating based on the combination of our Quantitative Fair Value Estimate, current market price, Quantitative Uncertainty Rating, and momentum. The rating is expressed as One-Star, Two-Star, Three-Star, Four-Star, and Five-Star.

★ – the stock is overvalued with a reasonable margin of safety.

*Log (Quant FVE/Price) < -1\*Quantitative Uncertainty*

*Micro-Caps: Log (Quant FVE/Price) < -1.5\*Quantitative Uncertainty*

★★ – the stock is somewhat overvalued.

*Log (Quant FVE/Price) between (-1\*Quantitative Uncertainty, -0.5\*Quantitative Uncertainty)*

*Micro-Caps: Log (Quant FVE/Price) between (-1.5\*Quantitative Uncertainty, -0.75\*Quantitative Uncertainty)*

★★★ – the stock is approximately fairly valued.

*Log (Quant FVE/Price) between (-0.5\*Quantitative Uncertainty, 0.5\*Quantitative Uncertainty)*

*Micro-Caps: Log (Quant FVE/Price) between (-0.75\*Quantitative Uncertainty, 0.75\*Quantitative Uncertainty)*

★★★★ – the stock is somewhat undervalued.

*Log (Quant FVE/Price) between (0.5\*Quantitative Uncertainty, 1\*Quantitative Uncertainty)*

*Micro-Caps: Log (Quant FVE/Price) between (0.75\*Quantitative Uncertainty, 1.5\*Quantitative Uncertainty)*

★★★★★ – the stock is undervalued with a reasonable margin of safety.

*Log (Quant FVE/Price) > 1\*Quantitative Uncertainty*

*Micro-Caps: Log (Quant FVE/Price) > 1.5\*Quantitative Uncertainty*

After the initial calculation for the star rating, there is a final filtering step based on the momentum of the company. We rank the companies based on their 12-1 month momentum, then restrict those below the 30th percentile to a maximum of 3 stars.

- iv. **Quantitative Uncertainty:** Intended to represent Morningstar's level of uncertainty about the accuracy of the Quantitative Fair Value Estimate. Generally, the lower the Quantitative Uncertainty, the narrower the potential range of outcomes for that particular company. The rating is expressed as Low, Medium, High, Very High, and Extreme.

**Low** – the interquartile range for possible fair values is less than 10%

**Medium** – the interquartile range for possible fair values is less than 15% but greater than 10%

**High** – the interquartile range for possible fair values is less than 35% but greater than 15%

**Very High** – the interquartile range for possible fair values is less than 80% but greater than 35%

**Extreme** – the interquartile range for possible fair values is greater than 80%

- v. **Quantitative Financial Health:** Intended to reflect the probability that a firm will face financial distress in the near future. The calculation uses a predictive model designed to anticipate when a company may default on its financial obligations. The rating is expressed as Weak, Moderate, and Strong.

**Weak** – assigned when Quantitative Financial Health < 0.2

**Moderate** – assigned when Quantitative Financial Health is between 0.2 and 0.7

**Strong** – assigned when Quantitative Financial Health > 0.7

### Other Definitions

- i. **Last Close** – Price of the stock as of the close of the market of the last trading day before date of the report.
- ii. **Quantitative Valuation** – Using the below terms, intended to denote the relationship between the security's **Last Price** and Morningstar's quantitative fair value estimate for that security.

**Undervalued – Last Price** is below Morningstar's quantitative fair value estimate.

**Fairly Valued – Last Price** is in line with Morningstar's quantitative fair value estimate.

**Overvalued – Last Price** is above Morningstar's quantitative fair value estimate.

**Overvalued – Last Price** is above Morningstar's quantitative fair value estimate.

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Sustainalytics analyzes over 1,300 data points to assess a company's exposure to and management of ESG risks. In other words, ESG Risk Ratings measures a company's unmanaged ESG Risks represented as a quantitative score. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) with lower scores representing less unmanaged risk and, for 95% of cases, the unmanaged ESG Risk score is below 50.

Based on their quantitative scores, companies are grouped into one of five Risk

Categories (negligible, low, medium, high, severe). These risk categories are absolute, meaning that a 'high risk' assessment reflects a comparable degree of unmanaged ESG risk across all subindustries covered.

The ESG Risk Rating Assessment is a visual representation of Sustainalytics ESG Risk Categories on a 1 to 5 scale. Companies with Negligible Risk = 5 Globes, Low Risk = 4, Medium Risk = 3 Globes, High Risk = 2 Globes, Severe Risk = 1 Globe. For more information, please visit [sustainalytics.com/esg-ratings/](https://sustainalytics.com/esg-ratings/)

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