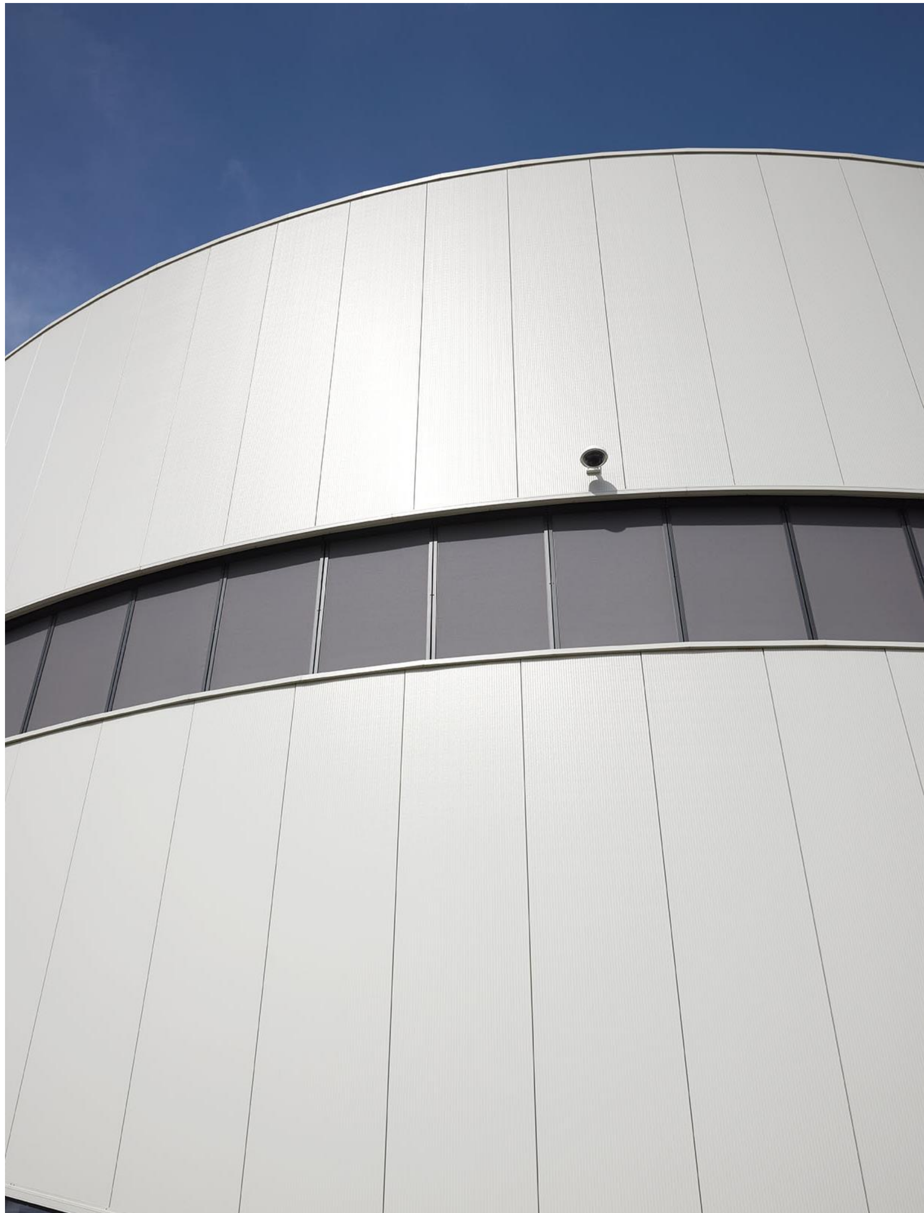
Interim Report Q3/9M 2022

Magnus Ahlqvist, President and CEO
Andreas Lindback, CFO

Securitas

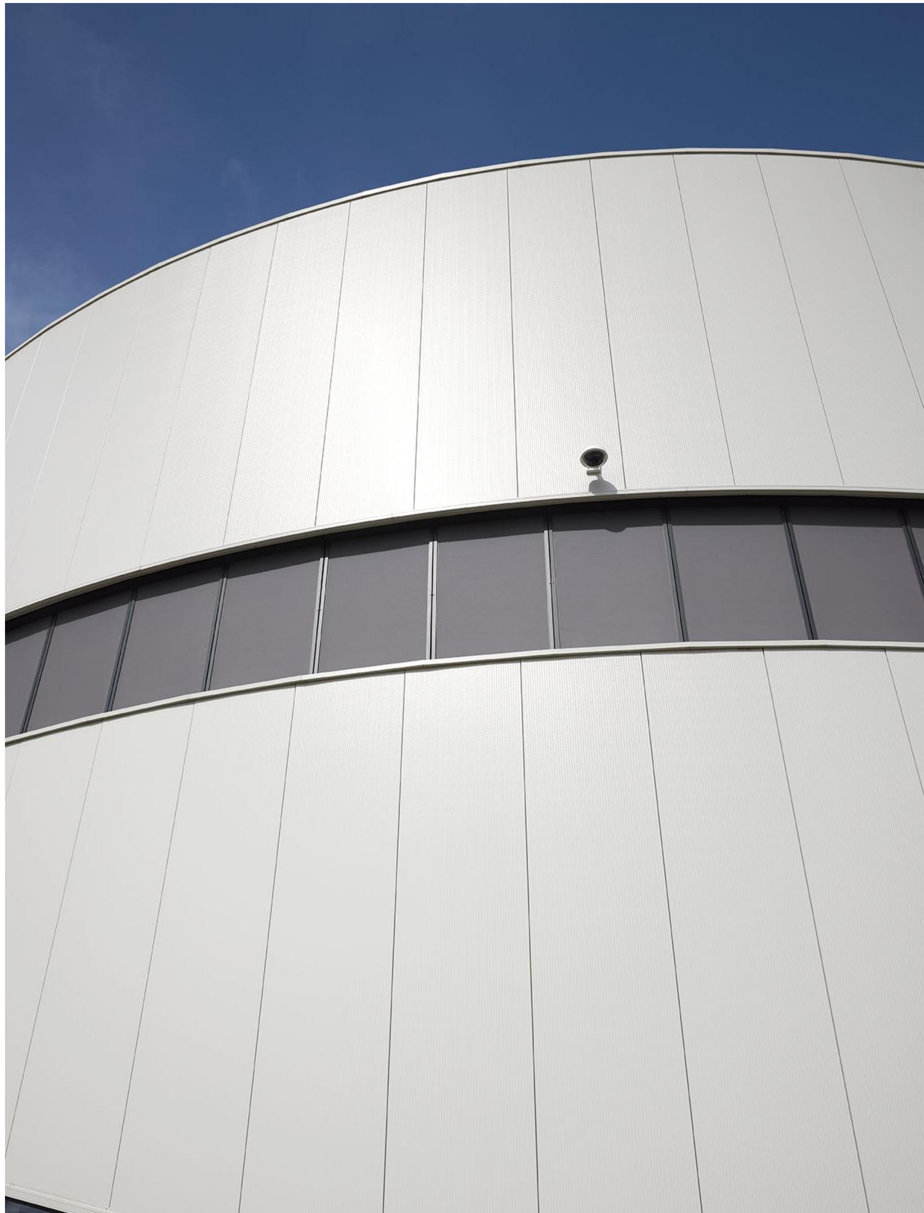
Strong performance in the new Securitas

- **7 percent organic sales growth (4) in Q3**
  - Continued good business momentum overall
  - Organic sales growth supported by all business segments with overall good technology and solutions sales and high price increases. 3 percent (1) organic sales growth in North America
  - Renewed one significant global contract with expanded scope
  - Higher sales of technology and security solutions across all segments, now representing 30 percent (22) of total sales
- **Operating result real change +30 percent, operating margin 6.5 percent (5.9) in Q3**
  - Operating margin driven by North America and Ibero-America, with material contribution from STANLEY Security
- **Positive price and wage balance**
  - Dynamic price increase approach key going forward
- **Cash flow at 122 percent of operating result in Q3**



Creating the future Securitas

- **New Group financial targets announced at Investor update in August**
  - 8-10 percent real sales growth of technology and solutions sales
  - 8 percent operating margin by end of 2025
  - 10 percent operating margin long-term ambition
- **Rights issue well received and oversubscribed, finalized in October with proceeds of MSEK 9 583**
- **We have started to execute on our value creation plan and are in line with plan in terms of synergy execution**



Security Services North America

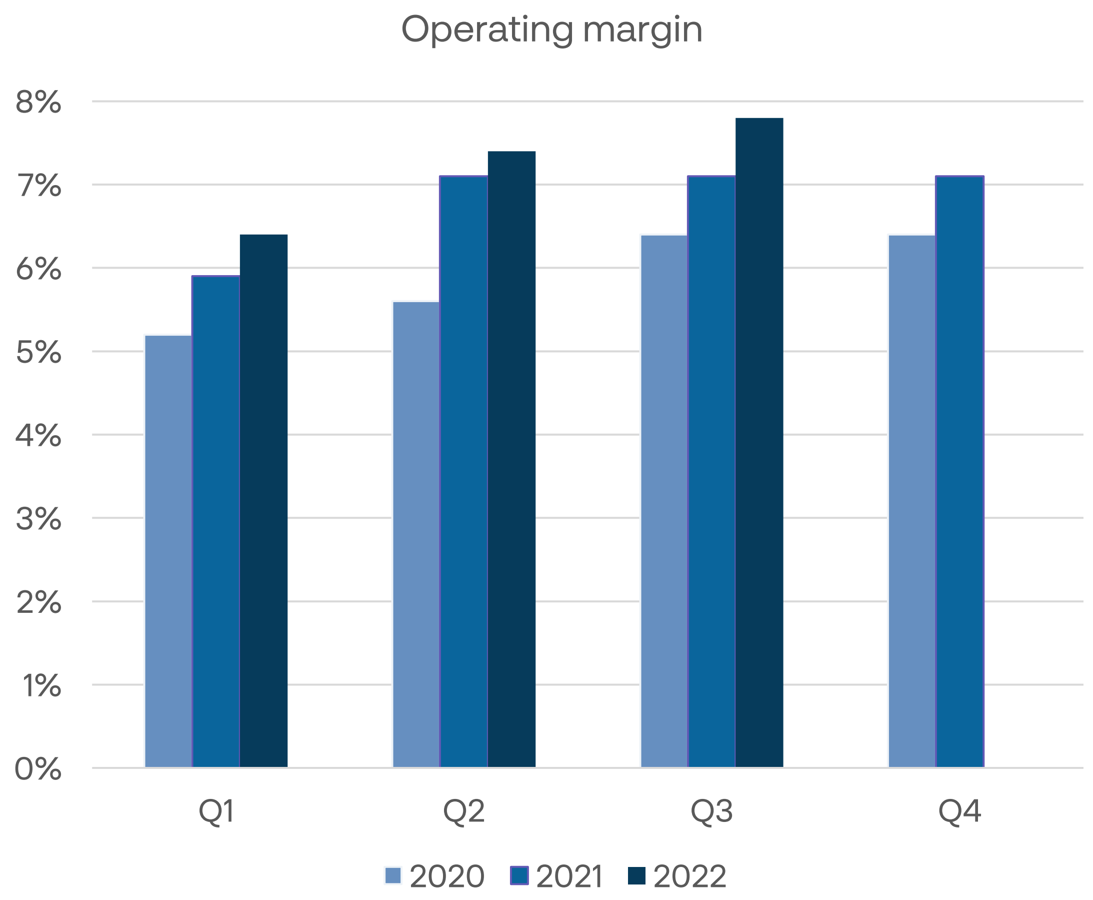
Back in positive territory with strong commercial momentum

Organic sales growth 3% (1) in Q3, 0% (4) in 9M

- Successful price increase campaigns and good commercial activity
- Previously announced terminated contracts, lower corona-related extra sales main reasons for the decline in 9M
- Installation business improved in Q3, with record-level backlog although still hampered by supply-chain issues and labor shortage
- Technology and solutions sales represented 30 percent (18) of total sales in Q3
- Client retention rate 84 percent (89)

Security Services North America

Strong operating margin of 7.8 percent in Q3



Operating margin 7.8% (7.1) in Q3, 7.3% (6.7) in 9M

— The improvement was driven by Technology, Guarding and Pinkerton

— STANLEY Security, the transformation program and active portfolio management were the main factors

— Lower levels of corona-related extra sales and impacts from labor pressure compared to last year had hampering effects

Security Services Europe

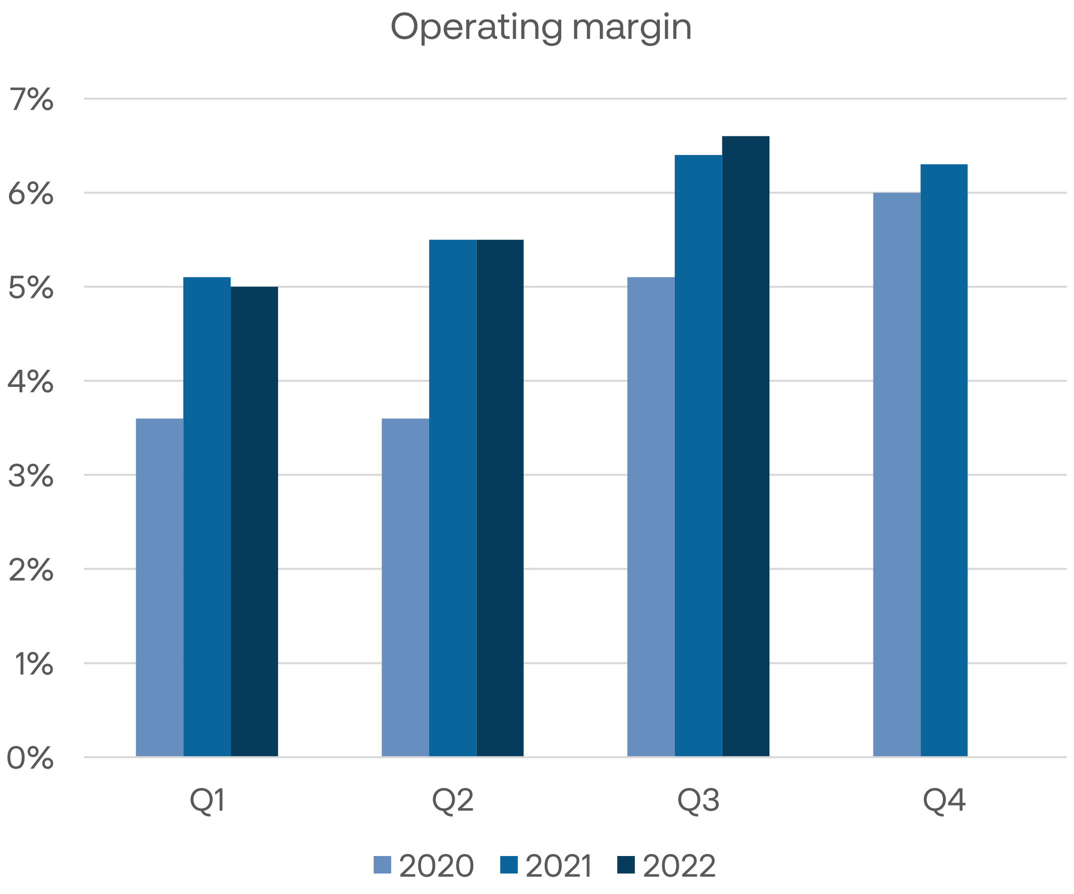
Strong price increases and positive portfolio management drove the development

Organic sales growth 7% (6) in Q3, 8% (4) in 9M

- Strong price increases supported organic sales growth including impacts from the hyper inflationary environment in Türkiye
- Continued post-corona recovery, particularly in the airport security business
- Good momentum within technology and solutions sales, represented 31 percent (24) of total sales in Q3
- Client retention rate 91 percent (91)

Security Services Europe

The operating margin improved driven by STANLEY's contribution



Operating margin 6.6% (6.4) in Q3, 5.7% (5.7) in 9M

— The improvement in Q3 was driven by STANLEY Security

— Positive impact from active portfolio management, but offset by negative impact from sickness costs and increased costs related to labor shortage

Security Services Ibero-America

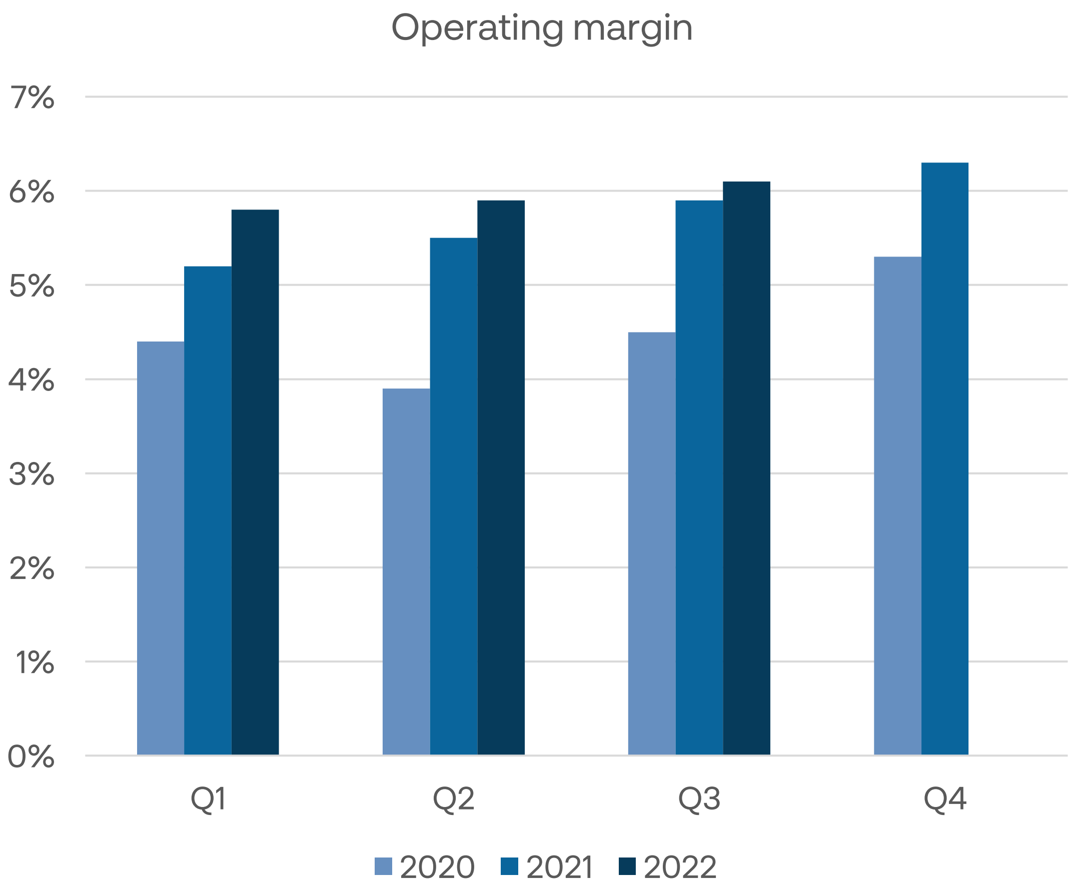
Strong organic sales growth driven by inflation in Argentina

Organic sales growth 16% (10) in Q3, 15% (5) in 9M

- All Latin American countries had positive organic sales growth but price increases in Argentina was the primary driver
- In Spain, organic sales growth was 6 percent (5) in Q3
- Good momentum of technology and solutions sales representing 29 percent (30) of total sales in Q3
- Client retention rate 92 percent (89)

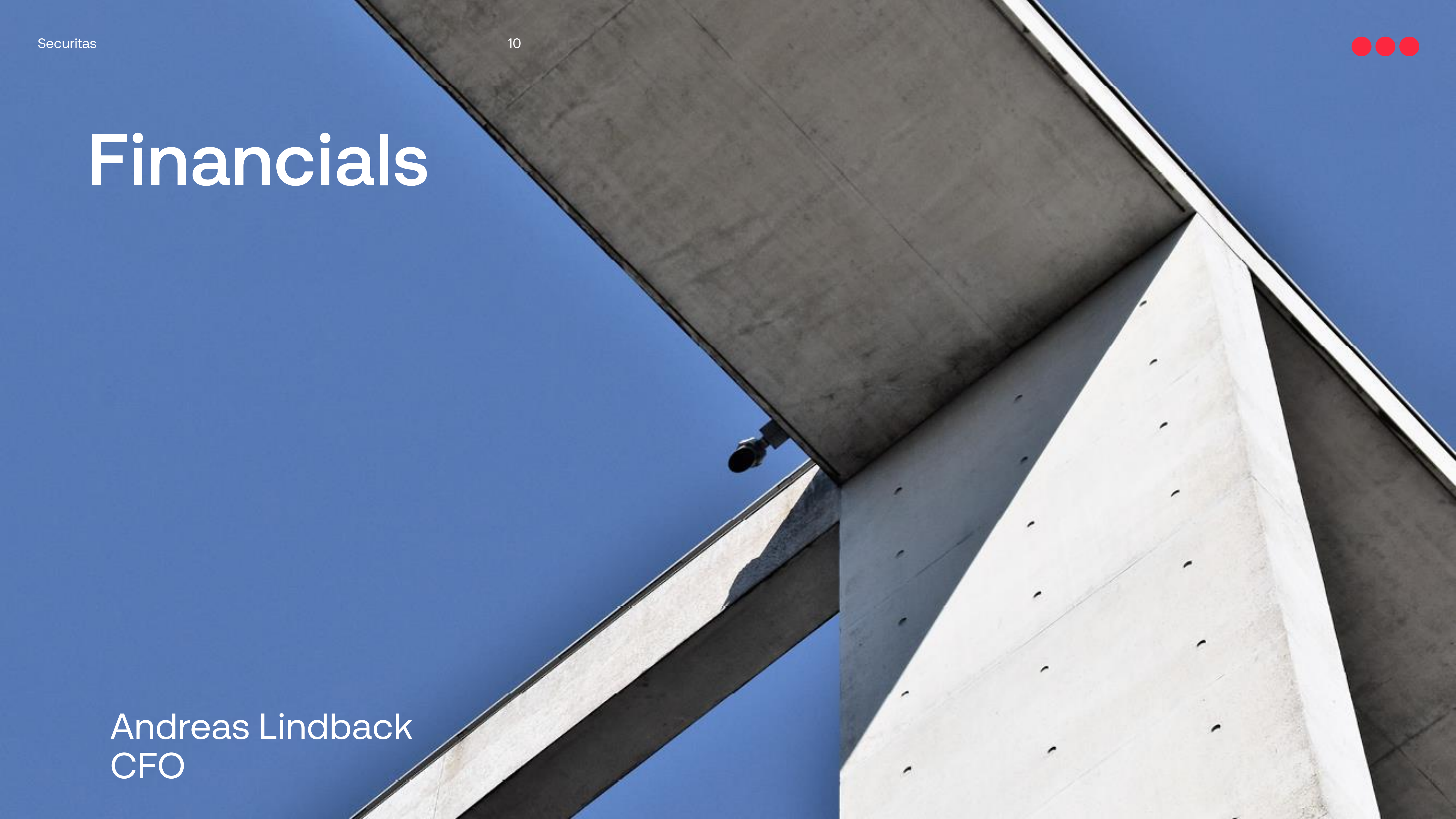
Security Services Ibero-America

Strong performance in Spain and Portugal



Operating margin 6.1% (5.9) in Q3, 5.9% (5.5) in 9M

- Improvement driven by the airport business in Portugal in Q3
- Latin America showed a mixed picture, with market conditions in Argentina remaining challenging



Financials

Andreas Lindback
CFO

Strong performance in the third quarter

MSEK	Q3 2022	Q3 2021	9M 2022	9M 2021	FY 2021
Sales	**36 013**	**27 338**	**95 146**	**79 651**	**107 700**
Organic sales growth, %	*7*	*4*	*6*	*4*	*4*
Operating income before amort.	**2 330**	**1 605**	**5 542**	**4 332**	**5 978**
Operating margin, %	*6.5*	*5.9*	*5.8*	*5.4*	*5.6*
Amort. of acquisition-related intangible assets	-137	-63	-259	-191	-290
Acquisition-related costs	-20	-31	-45	-73	-122
Items affecting comparability	-414	-120	-774	-515	-871
Operating income after amortization	**1 759**	**1 391**	**4 464**	**3 553**	**4 695**
Financial income and expenses	-266	-96	-422	-281	-364
Income before taxes	**1 493**	**1 295**	**4 042**	**3 272**	**4 331**
Tax, %	*27.6*	*26.9*	*27.2*	*27.0*	*27.6*
Net income for the period	**1 081**	**946**	**2 942**	**2 389**	**3 134**
EPS, SEK*	**2.46**	**2.15**	**6.70**	**5.44**	**7.14**
EPS, SEK before IAC*	**3.24**	**2.34**	**8.15**	**6.29**	**8.66**

** Comparatives have been adjusted for the rights issue completed on October 11, 2022*

- Strong operating margin improvement, supported by the STANLEY Security acquisition completed on July 22
- Amortization of acquisition-related intangible assets MSEK –137 (–63) in Q3
  - whereof MSEK –72 (0) related to STANLEY Security
- IAC of MSEK –414 (–120) in Q3
  - whereof MSEK -226 (0) related to STANLEY Security
- Financial income and expenses were MSEK -266 (-96) in Q3
  - whereof MSEK -170 related to the financing of the STANLEY Security acquisition
    - MSEK -51 related to the bridge to equity facility
    - MSEK -119 related to the bridge to debt facility
  - Remaining MSEK -96 on par with last year
    - Increased interest cost compensated by approx MSEK 50 positive impact from IAS 29 and FX-gains
- Tax 27.2 percent for the FY
  - STANLEY Security tax rate approx. 28 percent

Items affecting comparability

- Three programs closed in Q4 2021 with solid value realization ongoing
- Europe and Ibero-America programs in execution mode
- Transaction and integration-related STANLEY Security cost according to announced plan

YTD September 2022

IAC in Operating Income

Programs	MSEK	-478
STANLEY	MSEK	-296
Total	**MSEK**	**-774**

IAC in Financial Net

Bridge to equity	MSEK	-51
Total IAC	**MSEK**	**-825**

Transformation programs – Europe and Ibero-America, announced in Q4 2020

- Total program cost announced: MSEK -1 400 over the period 2021-2023
- Cloud computing: MSEK ~250 CAPEX to IAC transfer (non-cash) over 2022-2023. No material historical impact
- IAC 2022: Q3 MSEK -188 / YTD MSEK -478

FY 2022 IAC estimated to approximately MSEK -600

STANLEY Security acquisition, announced in Q4 2021

- Total MUSD -135 (app. BSEK -1.5) acquisition-related cost, majority in 2022-2023
- IAC 2022: Q3 MSEK -226 / YTD September MSEK -296
- Bridge to equity:
  Q3: MSEK -51. Estimated total cost: Approx. MSEK -75. Remaining cost to be reported in Q4

Strong tailwind from FX

MSEK	Q3 2022	Q3 2021	Change Total, %	Change Real*, %
Sales	**36 013**	27 338	32	19
Operating income	**2 330**	1 605	45	30
EPS, SEK**	**2.46**	2.15	14	-2
EPS, SEK, before IAC**	**3.24**	2.34	38	22

MSEK	9M 2022	9M 2021	Change Total, %	Change Real*, %
Sales	**95 146**	79 651	19	10
Operating income	**5 542**	4 332	28	16
EPS, SEK**	**6.70**	5.44	23	9
EPS, SEK, before IAC**	**8.15**	6.29	30	15

** Including acquisitions and adjusted FX*

*** Comparatives have been adjusted for the rights issue completed on October 11, 2022*

FX SEK END-RATES	Q3 2022	Q3 2021	%
USD	**11.30**	8.74	29.3
EUR	**10.97**	10.19	7.7

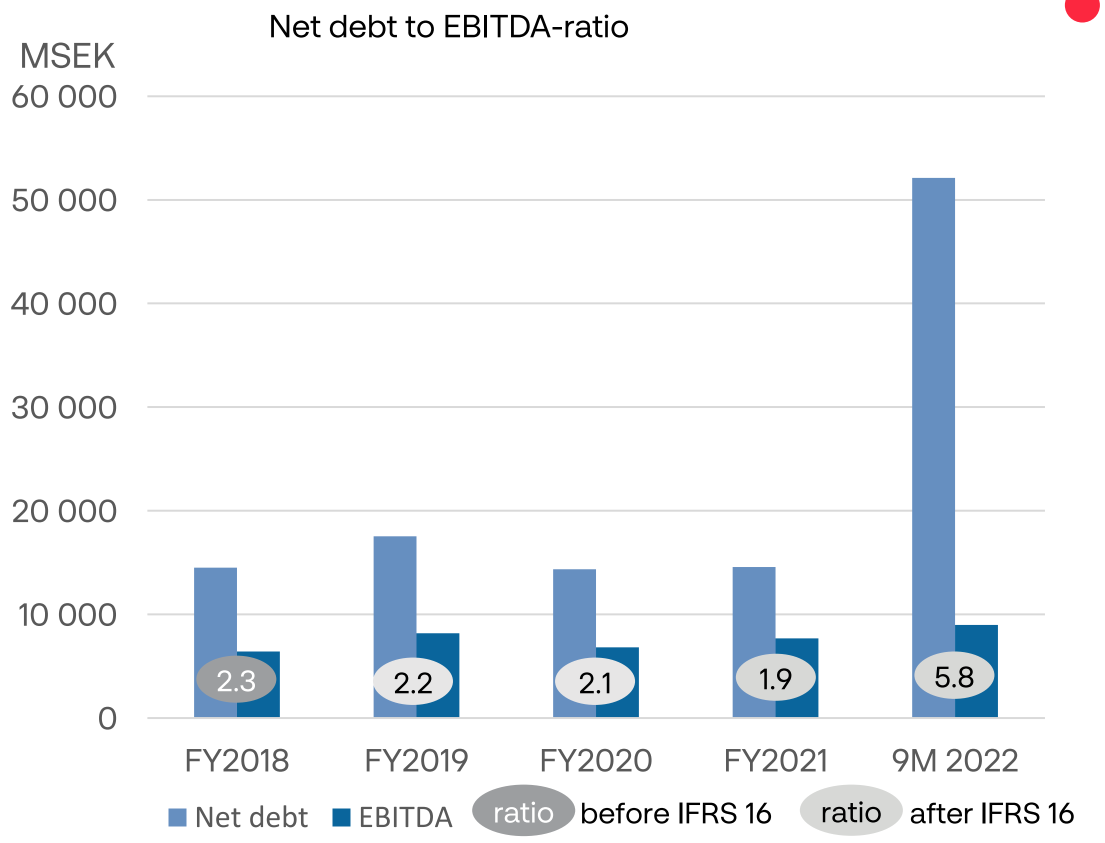
Strong cash flow in the third quarter

MSEK	Q3 2022	Q3 2021	9M 2022	9M 2021	FY 2021
Operating income before amortization	**2 330**	**1 605**	**5 542**	**4 332**	**5 978**
Net investments in non-current assets	-117	3	-311	-30	-120
Change in accounts receivable	185	-105	-1 136	-345	117
Change in other operating capital employed	449	-300	-450	-541	-399
Cash flow from operating activities	**2 847**	**1 203**	**3 645**	**3 416**	**5 576**
Cash flow from operating activities, %	*122*	*75*	*66*	*79*	*93*
Financial income and expenses paid	-141	-19	-414	-277	-312
Current taxes paid	-268	-114	-984	-896	-1 265
Free cash flow	**2 438**	**1 070**	**2 247**	**2 243**	**3 999**
Free cash flow, %	*147*	*97*	*56*	*73*	*95*

- Net investments of MSEK -117 (3) in Q3
  - CAPEX of MSEK –968 and reversal of depreciation of MSEK 851
  - CAPEX <3% of Group sales annually
- Good collections across all segments
- Change in other operating capital employed
  - Q3 2022: positive impact from increased employee liabilities
  - Q3 2021: negative impact from payment of the Corona related government relief measures in North America of app. MSEK 600 and negative payroll timing impact in North America
- Remaining approximately MUSD 70 corona-related government payment relief measures in North America from 2020 to be paid later this year

Adjusted net debt to EBITDA-ratio at 4.0x

MSEK	
Net debt January 1, 2022	**-14 551**
Free cash flow	2 247
Acquisitions/Divestitures	-32 305
IAC	-805
Dividend paid	-1 604
Lease liabilities	-1 045
Change in net debt	**-33 512**
Revaluation	-49
Translation	-4 001
Net debt September 30, 2022	**-52 113***

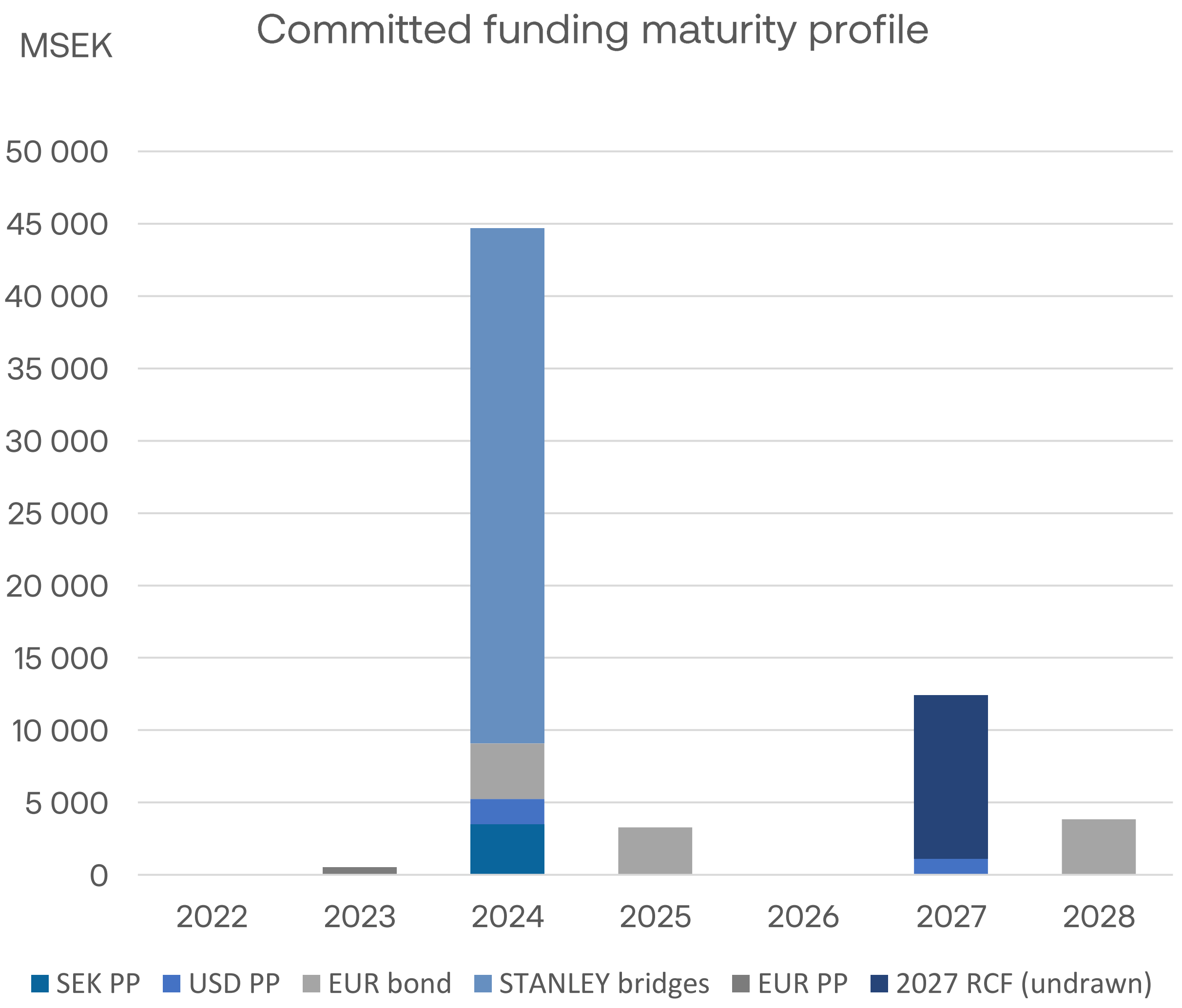


Q3 2022	Net debt to EBITDA-ratio
As reported	5.8x
Adjusted net debt to EBITDA Including rights issue proceeds and adjusted estimated STANLEY 12 months EBITDA	4.0x
Adjusted net debt to EBITDA excluding IAC	3.7x

** Before rights issue proceeds of BSEK 9.6*

Financing overview

- No financial covenants
- Strong liquidity at end of Q3: BSEK 5.7
- MEUR 1 029 RCF extended to 2027 in April and is fully undrawn
- Bridge facilities related to BUSD 3.3 STANLEY Security acquisition
  - MUSD 915 bridge to equity facility fully repaid after successful completion of BSEK 9.6 rights issue in October
  - MUSD 2 385 bridge to debt facility with maturity in July 2024
  - Preparations ongoing to refinance bridge to debt facility through a mix of long-term debt financing
- S&P credit rating BBB- with stable outlook after the STANLEY Security acquisition completion
- Remain committed to investment grade rating



Debt maturity chart shows Q3 end position. BSEK 9.6 rights issue finalized in Q4

Building the new Securitas

Securitas' new financial targets

Superior growth

8-10%

Technology & Solutions annual average real sales growth (1)

- A leading global Technology & Solutions provider with strong position in key geographical markets
- Compelling solutions and cross-selling opportunities
- Attractive M&A opportunities after deleveraging phase

Higher margins

8%

Group EBITA margin by year-end 2025

>10%

Long-term EBITA margin ambition

- Increased exposure to high-margin Technology & Solutions market
- Strong cost synergies with STANLEY (MUSD 50)
- Margin enhancement through business transformation programs
- Active portfolio management and continuous review of non-performing contracts

Operating cash flow

70-80%

of operating income before amortization

Capital structure

<3x

Net debt to EBITDA-ratio

Dividend policy

50-60%

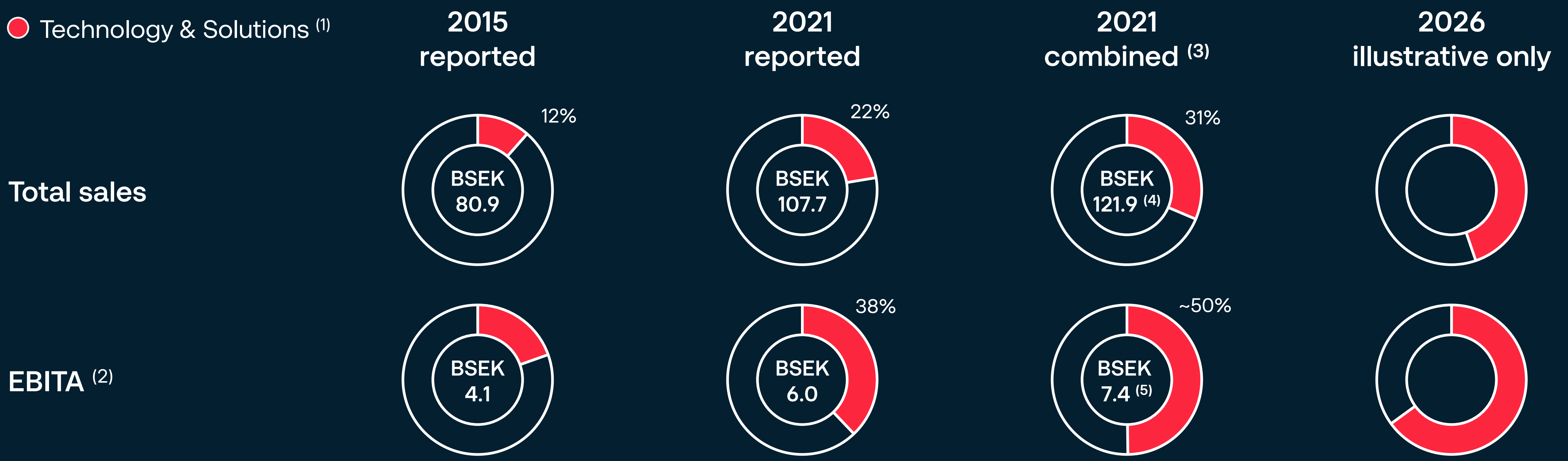
of annual net income over time

New additional disclosure from beginning of 2023:

Sales and operating income for guarding, technology & solutions and other operations

(1) For the 2022-26 period. Sales growth adjusted for changes in exchange rates

Transforming Securitas into a Technology & Solutions company



	2015 reported	2021 reported	2021 combined (3)	2026 illustrative only
Operating margin	**5.1%**	**5.6%**	**6.1%**	

The acquisition of STANLEY Security fulfills Securitas' ambition to double Technology & Solutions sales by 2023, compared with 2018

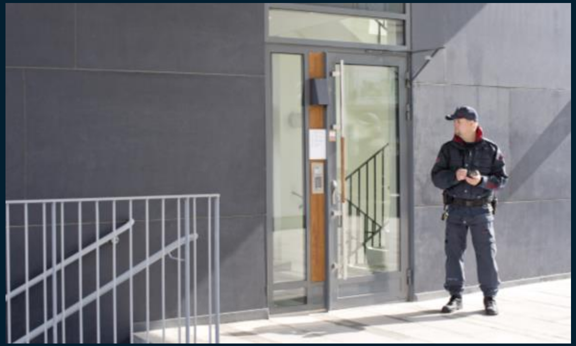
(1) STANLEY Security is accounted for as Technology; (2) Operating income before amortization. Group cost has been allocated to each business; (3) Securitas and STANLEY Security combined. STANLEY Security financials converted using an average USD/SEK rate of 8.603 for 2021; (4) STANLEY Security based on adjusted 2021 sales; (5) Based on STANLEY Security adjusted EBITA

Securitas is positioned to deliver superior growth and higher margins

Taking the lead within Technology…

- Outstanding position in the technology market by teaming up with STANLEY Security to deliver superior growth
- High recurring revenue, with technology platform further driving shift to cloud and subscription-based business models and growing recurring revenue

…with quality guarding services focused on profitability…



- Profitability focus in stable high recurring revenue guarding business
- Scale, transparency and efficiency gains with digital leadership and acceleration towards solutions

…to become a global security solutions partner…

- A security solutions partner with leading technology and expertise
- Well positioned to serve the comprehensive and increasingly complex needs from global clients to SMEs, through client-specific combination of six protective services

…leveraging our global platform to drive innovation

- A strong global technology platform future proofing the business for next-generation solutions
- Strengthened proposition and profitability upside by scaling Technology & Solutions (>10%)

Accelerating our sustainability agenda

Ambitious goals underpin an already ambitious sustainability strategy, as demonstrated by Securitas being rated AAA by Net Impact

First global security company to commit to SBTi, ongoing work to finalize targets

Environment

Scope 1 and 2
1.5 degrees,
42% reduction by 2030

Scope 3
1.5 degrees,
42% reduction by 2030

Scope 3 (employee commuting)
<2.0 degrees,
25% reduction by 2030

Health and Safety

5% reduction p.a. of injury rate

Ethics

Strong culture of integrity and zero tolerance of non-compliance with values and ethics

Diversity, Equity & Inclusion

High portion of female managers at all levels by 2025

Learning and Development

High quality services and low attrition through skilled colleagues and capable leaders

Strong performance in the new Securitas

- **Increased operating result by 30 percent real change, and solid operating margin at 6.5 percent (5.9) in Q3**
- **EPS, before IAC, 15 percent real growth, SEK 8.15 (6.29) in 9M**
- **Good momentum in technology and solutions sales across all segments**
- **Continued strong focus on profitability**
  - Active portfolio management and transformation programs
- **Positive price and wage balance**
  - Dynamic price increase management a key priority going forward

Securitas

Acquisition of STANLEY Security – reporting impacts

The acquisition of STANLEY Security has a significant impact on Securitas reporting that should be considered when reading the Q3 report.

STANLEY Security was consolidated as of July 22, 2022 and is consequently included in the third quarter income statement from this date and in the nine-month income statement with the same amounts line by line. There are no income items relating to STANLEY Security in the comparatives except for transaction costs incurred by the Group prior to the date of acquisition.

STANLEY Security is according to Securitas's definition of organic sales growth excluded from the calculation of this key ratio during the first 12 months from July 22, 2022. When organic sales growth for STANLEY Security is referred to, this is an estimate of how the acquired business is growing organically but this contribution is excluded from Securitas organic sales growth. Real sales growth includes the contribution from STANLEY Security as acquired sales are included in the determination of this key ratio.

In the balance sheet STANLEY Security is included as of September 30, 2022 while the balance sheet for comparative periods does not include STANLEY Security.

The contribution to the operating cash flow and the free cash flow is based on the cash flow attributable to the period July 22 to September 30, 2022. The contribution to the third quarter and nine-month cash flows are thus the same.

The consolidation of less than a quarter of the income statement while the balance sheet is impacted in full will impact certain key ratios and this should be considered when assessing these.

In our segment reporting STANLEY Security is included in Security Services North America and Security Services Europe.