Interim Report Q3/9M 2023

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Securitas

Robust margin improvements driven by technology and solutions

- **Organic sales growth of 8 percent (7) in the third quarter**
  - Primary driver of organic sales growth was price increases
  - Technology and solutions had 7 percent real sales growth, including STANLEY Security for the comparable period
- **Operating margin reached 6.9 percent (6.5) in the third quarter, with all three business segments contributing**
- **Price and wage balance in the Group on par in the first nine months**
- **Operating cash flow was 84 percent (122) in the third quarter. Net debt to EBITDA before IAC ratio 3.1 (3.6)***
- **Integration processes and cost synergies with STANLEY Security are progressing well. The vast majority of MUSD 50 cost synergies realized**
- **Positive margin effect in Ibero-America following the divestment of Securitas Argentina in July**

** Adjusted net debt to EBITDA ratio before IAC.*

Strong operating margin development in technology and solutions, representing 53 percent of Group's operating result in Q3

Business line	Sales MSEK Q3 2023	Real sales growth, % Q3 2023	EBITA** MSEK Q3 2023	EBITA margin, % Q3 2023	% of Group sales Q3 2023	% of Group EBITA** Q3 2023
Security services	26 508	7	1 419	5.4	66	51
Technology and solutions	12 782	14*	1 465	11.5	32	53
Risk management services and costs for Group functions	757	-	-120	-	2	-4
Group	**40 047**	**8**	**2 764**	**6.9**	**100**	**100**

**Real sales growth including STANLEY Security for the comparable period (consolidated as of July 22, 2022) was 7% in the third quarter*
***EBITA = operating income before amortization*

Securitas North America

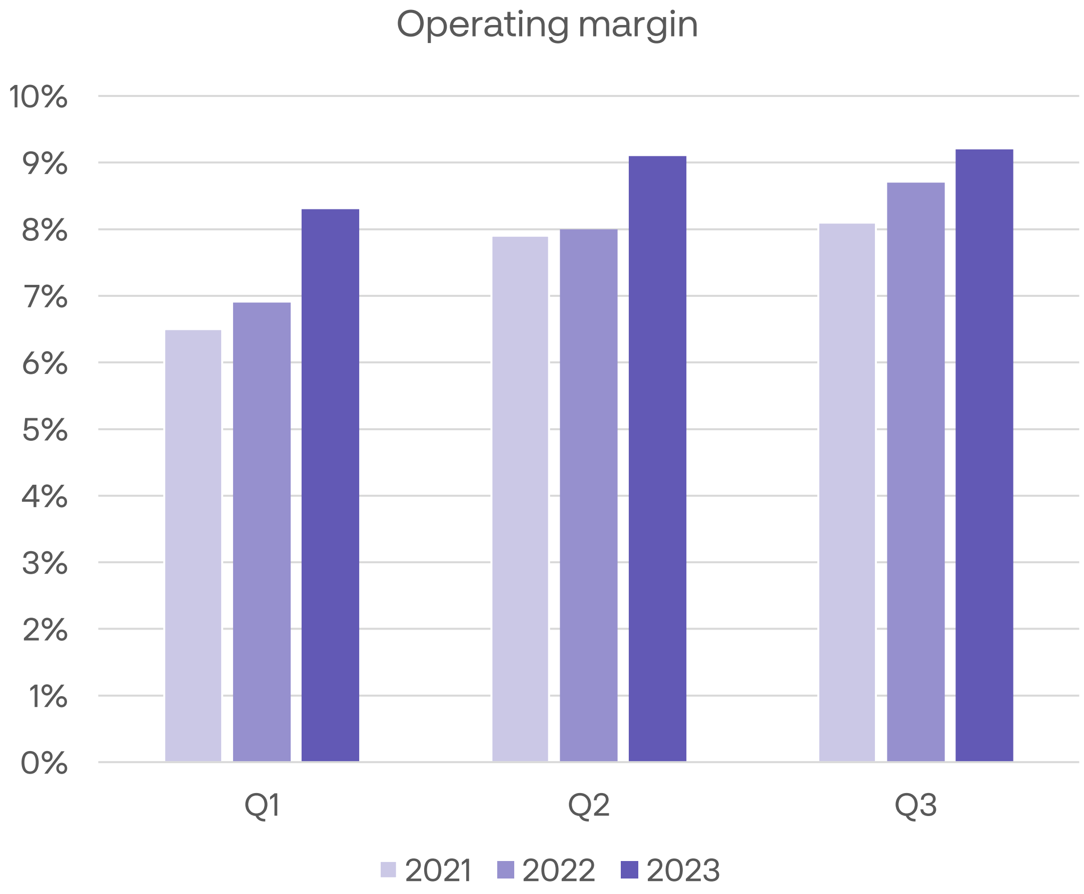
Good commercial activity and price increases behind organic sales growth improvement

Organic sales growth 5% (4) in Q3, 7% (-1) in 9M

- Driven by price increases, solid portfolio new sales and a significant client contract renewed and extended, as previously communicated
- The Technology business unit also supported with improved installation sales and a continued healthy backlog
- Technology and solutions sales represented 36 percent (35) of total sales in Q3
- Client retention rate 87 percent (85)

Securitas North America

Margin uplift due to good business momentum and cost synergies



Operating margin 9.2% (8.7) in Q3, 8.9 % (8.0) in 9M

- The development was driven by the Technology business unit
- The Guarding business unit was stable, supported by active portfolio management and leverage from strong topline growth, but hampered by cost of risk and medical expenses

Securitas Europe

Strong organic sales growth mainly driven by price increases

Organic sales growth 13% (7) in Q3, 13% (8) in 9M

— Strong price increases supported organic sales growth including impacts from the hyperinflationary environment in Türkiye

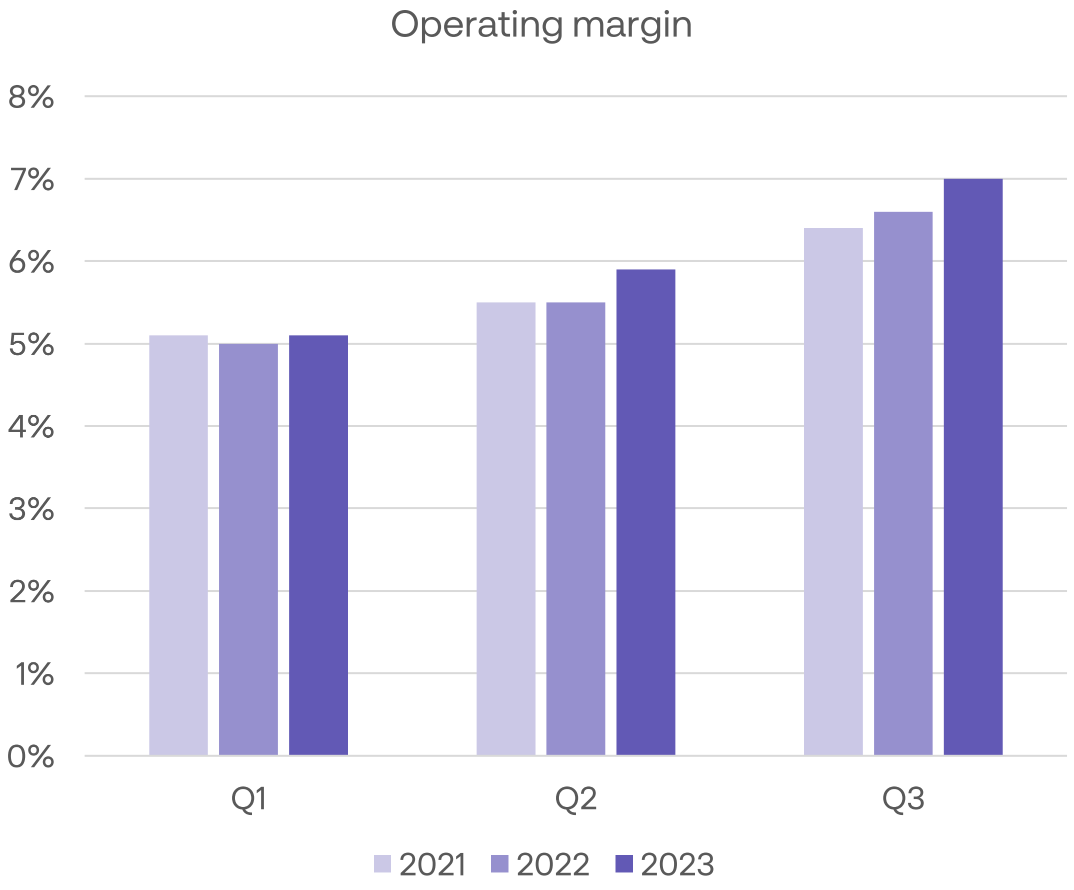
— Also supported by technology and solutions as well as the airport security business

— Technology and solutions sales represented 32 percent (31) of total sales in Q3

— Client retention rate 91 percent (91)

Securitas Europe

Operating margin improvement driven by technology and solutions



Operating margin 7.0% (6.6) in Q3, 6.0 % (5.7) in 9M

— The improvement was driven mainly from technology and solutions, active portfolio management and reduced sickness

— Hampered by increased costs related to labor shortage, such as sub-contracting

Securitas Ibero-America

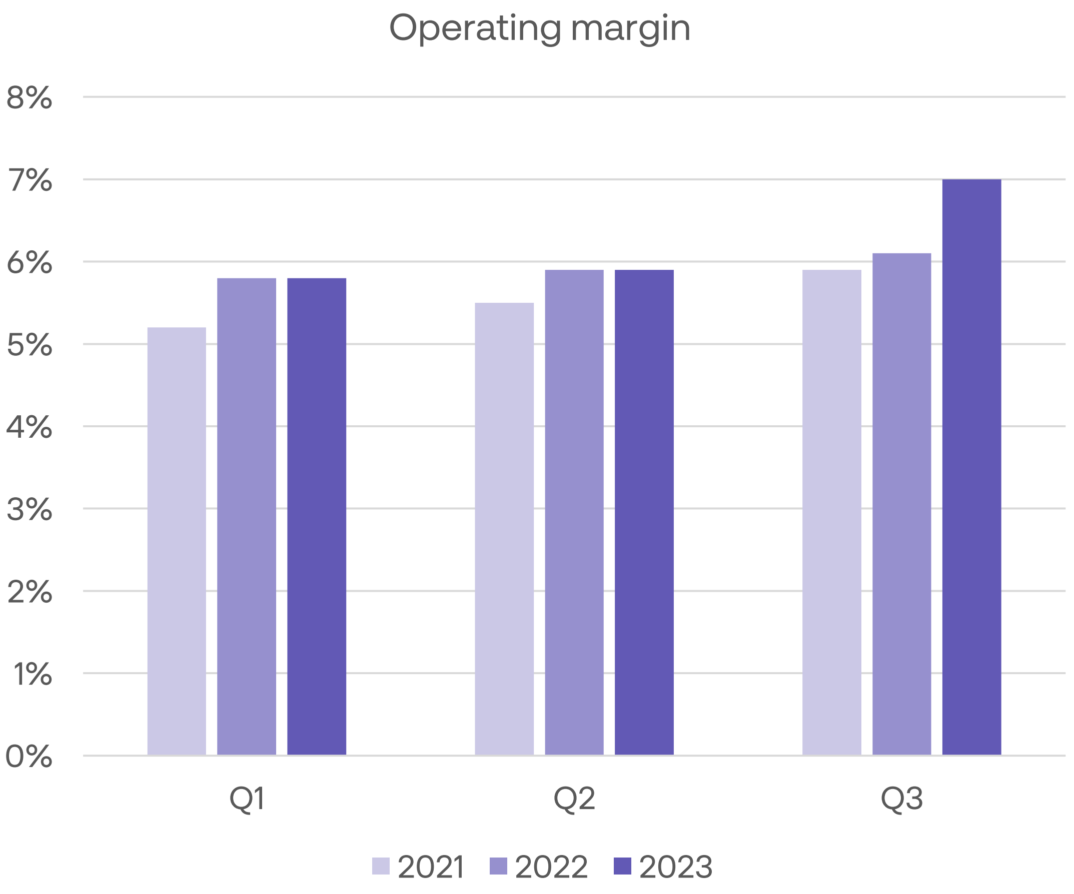
A decline in organic sales growth followed the divestment of Securitas Argentina

Organic sales growth 5% (16) in Q3, 18% (15) in 9M

- Organic sales growth declined due to the divestiture of Securitas Argentina
- Organic sales growth in Spain was 3 percent (6), supported by price increases and improved installation sales but hampered by active portfolio management
- Technology and solutions sales represented 34 percent (29) of total sales in Q3
- Client retention rate 92 percent (92)

Securitas Ibero-America

Exit Argentina - the main driver of the improved operating margin



Operating margin 7.0% (6.1) in Q3, 6.2% (5.9) in 9M

- The margin uplift was driven by the divestment of Securitas Argentina
- Improved margins in technology and solutions and in airport security supported, as well as good portfolio management
- The operating margin in Spain and Portugal improved compared to last year, although continued wage pressure in Spain hampered

Financials

Andreas Lindback
CFO

Financial highlights

MSEK	Q3 2023	Q3 2022	9M 2023	9M 2022	FY 2022
Sales	**40 047**	**36 013**	**117 707**	**95 146**	**133 237**
Organic sales growth, %	*8*	*7*	*10*	*6*	*7*
Operating income before amortization	**2 764**	**2 330**	**7 564**	**5 542**	**8 033**
Operating margin, %	*6.9*	*6.5*	*6.4*	*5.8*	*6.0*
Amort. of acquisition-related intangible assets	-157	-137	-468	-259	-414
Acquisition-related costs	-4	-20	-7	-45	-49
IAC	-3 673	-414	-4 265	-774	-1 086
Operating income after amortization	**-1 070**	**1 759**	**2 824**	**4 464**	**6 484**
Financial income and expenses	-518	-266	-1 487	-422	-758
Income before taxes	**-1 588**	**1 493**	**1 337**	**4 042**	**5 726**
Tax, %	*-29.3*	*27.6*	*93.4*	*27.2*	*24.6*
Net income for the period	**-2 053**	**1 081**	**88**	**2 942**	**4 316**
EPS, SEK*	**-3.58**	**2.46**	**0.13**	**6.70**	**9.20**
EPS, SEK before IAC*	**2.66**	**3.24**	**7.15**	**8.15**	**10.77**

** Before and after dilution. The number of shares has been adjusted for the rights issue completed on October 11, 2022*

- Amortization of acquisition-related intangible assets MSEK –157 (–137) in Q3
  - whereof MSEK –93 (-72) related to STANLEY Security
- IAC of MSEK –3 673 (–414) in Q3
  - whereof MSEK -3 321 related to the divestment of Securitas Argentina in July
  - whereof MSEK -181 (-226) related to STANLEY Security
  - whereof MSEK -171 (-188) related to the transformation programs in Europe and Ibero-America
- Financial income and expenses were MSEK -518 (-266) in Q3
  - whereof MSEK -487 (-170) related to the financing of the STANLEY Security acquisition
  - whereof impact from IAS 29 hyperinflation of MSEK 108 (34)
  - whereof MSEK 80 (20) related to foreign currency gains
  - Interest income and expense excluding the financing related to STANLEY Security increased due to increased interest rates
- Tax rate of 26.8 percent estimated for FY 2023, excluding capital loss from the divestiture of Securitas Argentina

Segment reporting change: Securitas Critical Infrastructure Services moved from Securitas North America to Other

As per current segment structure

MSEK	Securitas North America Q3 2023	Securitas North America Q3 2022	Other Q3 2023	Other Q3 2022
Sales	16 121	14 840	3 349	3 270
Operating income before amortization	1 479	1 287	-152	-117
Operating margin, %	*9.2*	*8.7*	-	-

As per previous segment structure

MSEK	Securitas North America Q3 2023	Securitas North America Q3 2022	Other Q3 2023	Other Q3 2022
Sales	18 635	17 281	835	828
Operating income before amortization	1 501	1 352	-174	-182
Operating margin, %	*8.1*	*7.8*	-	-

- The Securitas Critical Infrastructure Services (SCIS) business unit moved from segment Securitas North America to Other
- Comparatives have been restated. Details can be found at securitas.com
- No impact on Group overall results
- In Q3 2023, Other was negatively impacted by the development in SCIS which was partly offset by good Group cost control

Items affecting comparability

IAC estimates

FY 2023 BSEK 1.25-1.35

FY 2024 around BSEK 0.55

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

- Total program cost announced: MSEK -1 400 over the period 2021-2023 and CAPEX of MSEK -1 100
- Cloud computing: MSEK ~250 CAPEX to IAC transfer (non-cash) over 2022-2023
- Total program, adjusted for Cloud computing: MSEK -1 650 over 2021-2023 and CAPEX of MSEK -850

- IAC: 9M 2023 MSEK -478 / 2021-2022: MSEK -1 012
- **FY 2023 IAC estimated to MSEK -650 to -700 / FY 2024 IAC estimated to MSEK -150**
- CAPEX: 2021-2022 MSEK –295 / FY 2023 CAPEX estimated to approx. MSEK -225 / FY 2024 est. MSEK -100

STANLEY Security acquisition, announced in Q4 2021

- Total MUSD -135 (app. BSEK -1.5) acquisition-related cost, majority in 2022-2023
- IAC: 9M 2023 MSEK -466 / FY 2022 MSEK -454 / FY 2021 MSEK -62
- **FY 2023 IAC estimated to MSEK -600 to -650 with residual program budget to be recognized in 2024**

Divestment of Securitas Argentina

- Capital loss of MSEK -3 321, reported as IAC in the quarter with the vast majority related to accumulated non-cash FX translation losses
- Cash flow impact of MSEK -122 reported mainly as cash flow from investing activities
- Divestment non-tax deductible explaining the material change in the unadjusted Group tax rate
- R12M June sales BSEK 2.5, with below average operating margin in Securitas Ibero-America

Strong tailwind from FX

MSEK	Q3 2023	Q3 2022	Change Total, %	Change Real*, %
Sales	**40 047**	36 013	11	8
Operating income	**2 764**	2 330	19	16
EPS, SEK**	**-3.58**	2.46	-246	-253
EPS, SEK, before IAC**	**2.66**	3.24	-18	-25
EPS, SEK, before IAC, constant shares***	**2.66**	2.48	7	-2

MSEK	9M 2023	9M 2022	Change Total, %	Change Real*, %
Sales	**117 707**	95 146	24	19
Operating income	**7 564**	5 542	36	31
EPS, SEK**	**0.13**	6.70	-98	-104
EPS, SEK, before IAC**	**7.15**	8.15	-12	-18
EPS, SEK, before IAC, constant shares***	**7.15**	6.24	15	7

FX SEK END-RATES	Q3 2023	Q3 2022	%
USD	**11.01**	11.30	-3
EUR	**11.60**	10.97	6

** Including acquisitions and adjusted FX*
*** Before and after dilution. The number of shares has been adjusted for the rights issue completed on October 11, 2022*
**** For illustrative purposes. Constant number of shares of 572 917 552*

Cash flow

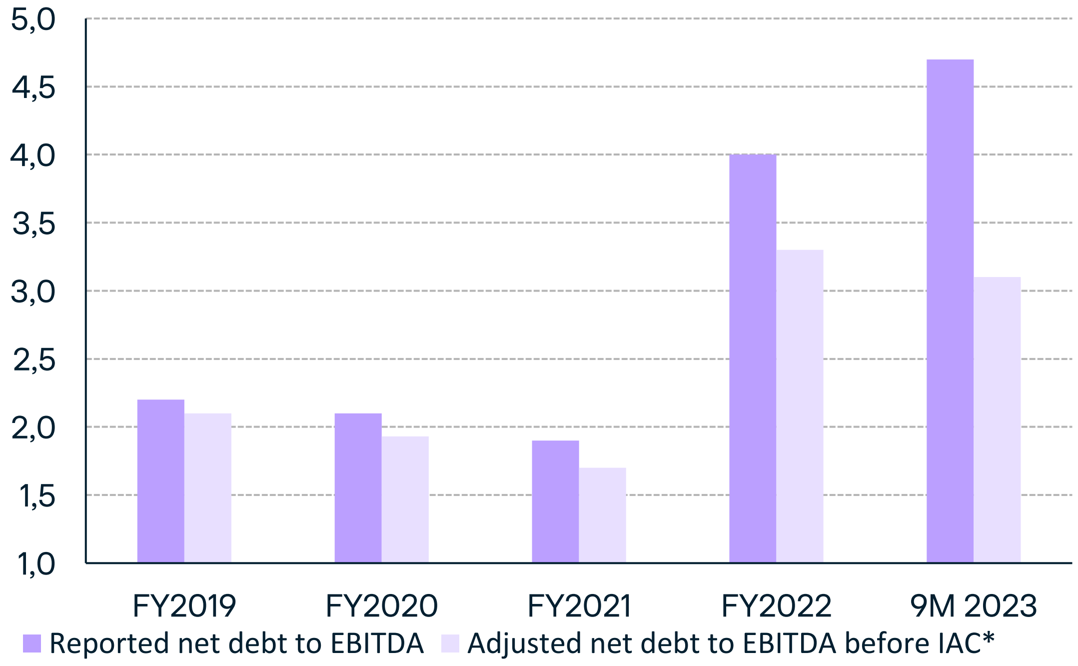
MSEK	Q3 2023	Q3 2022	9M 2023	9M 2022	FY 2022
Operating income before amortization	**2 764**	**2 330**	**7 564**	**5 542**	**8 033**
Net investments in non-current assets	-134	-117	-427	-311	-447
Change in accounts receivable	-768	185	-2 660	-1 136	-1 943
Change in other operating capital employed	472	449	-757	-450	77
Cash flow from operating activities	**2 334**	**2 847**	**3 720**	**3 645**	**5 720**
Cash flow from operating activities, %	*84*	*122*	*49*	*66*	*71*
Financial income and expenses paid	-607	-141	-1 479	-414	-657
Current taxes paid	-202	-268	-801	-984	-1 641
Free cash flow	**1 525**	**2 438**	**1 440**	**2 247**	**3 422**
Free cash flow, %	*81*	*147*	*29*	*56*	*57*

- Net investments of MSEK -134 (-117) in Q3
  - CAPEX of MSEK –1 076 and reversal of depreciation of MSEK 942
  - CAPEX <3% of Group sales annually
- Strong organic growth and increased DSO, partly due to ongoing system roll-out and integration work, hamper accounts receivable
- No further payments related to corona government relief measures in North America in 2023. Q4 2022 the impact was MSEK -700

Solid deleveraging to 3.1x net debt to EBITDA-ratio before IAC

MSEK	
Net debt January 1, 2023	**-40 534**
Free cash flow	1 440
Acquisitions/Divestitures	-152
Items affecting comparability	-1 038
Dividend paid	-1 003
Lease liabilities	339
Change in net debt	**-414**
Revaluation	131
Translation	-1 762
Net debt September 30, 2023	**-42 579**

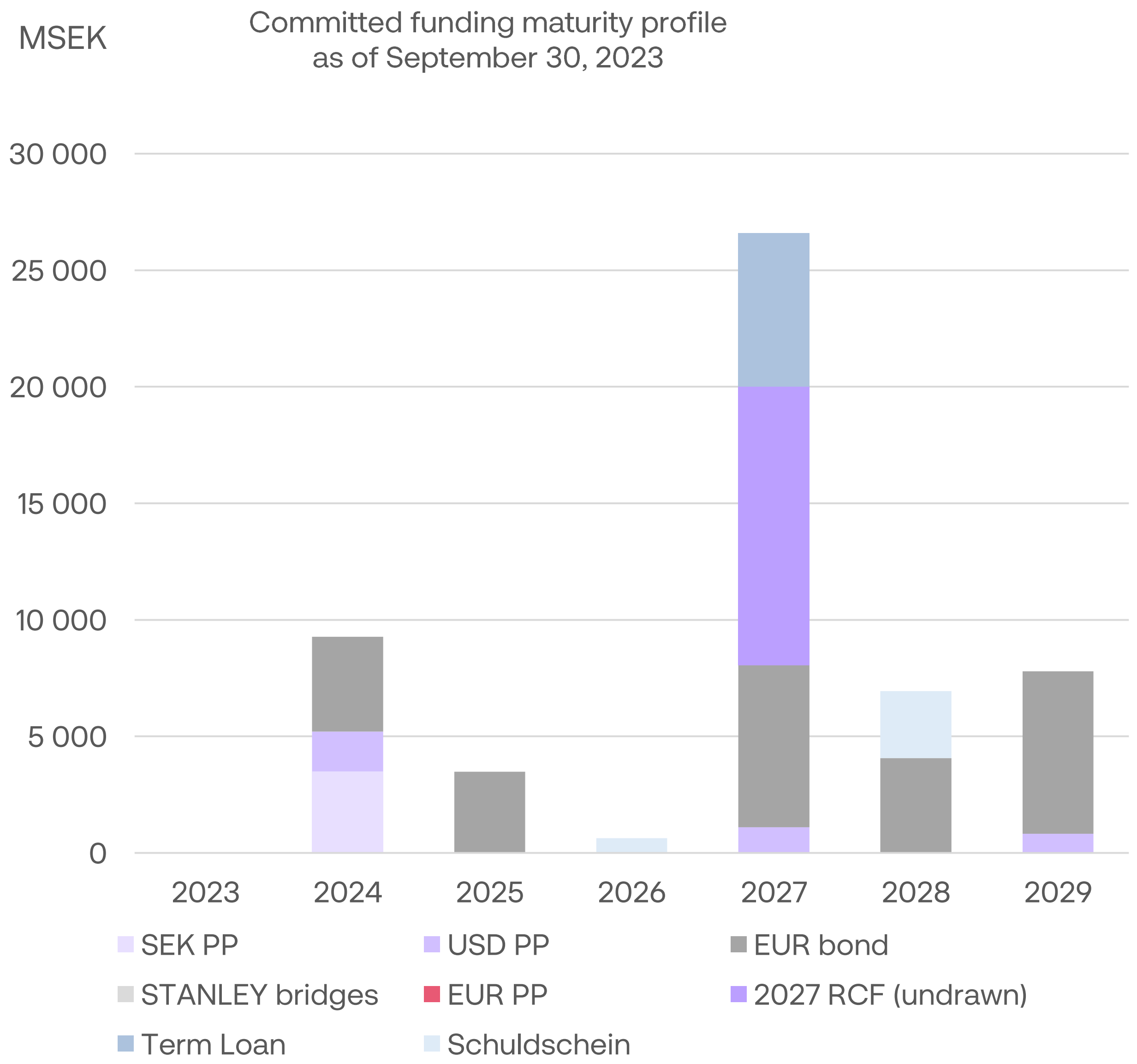
Net debt to EBITDA-ratio



** The comparative for FY2022 is adjusted for rights issue proceeds received in October 2022 and includes STANLEY Security's 12 months adjusted estimated EBITDA*

Financing overview

- No financial covenants
- Strong liquidity at end of Q3: BSEK 5.2
- MEUR 1 029 RCF matures in 2027 and is fully undrawn
- MUSD 2 385 STANLEY Security bridge to debt facility fully refinanced in July 2023
- MEUR 550 of total MEUR 1 100 term loan repaid in advance with proceeds from MEUR 600 Eurobond issuance in September
- S&P credit rating BBB-, outlook revised from stable to positive in August 2023
- Remain committed to investment grade rating



Building the new Securitas

Securitas' 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

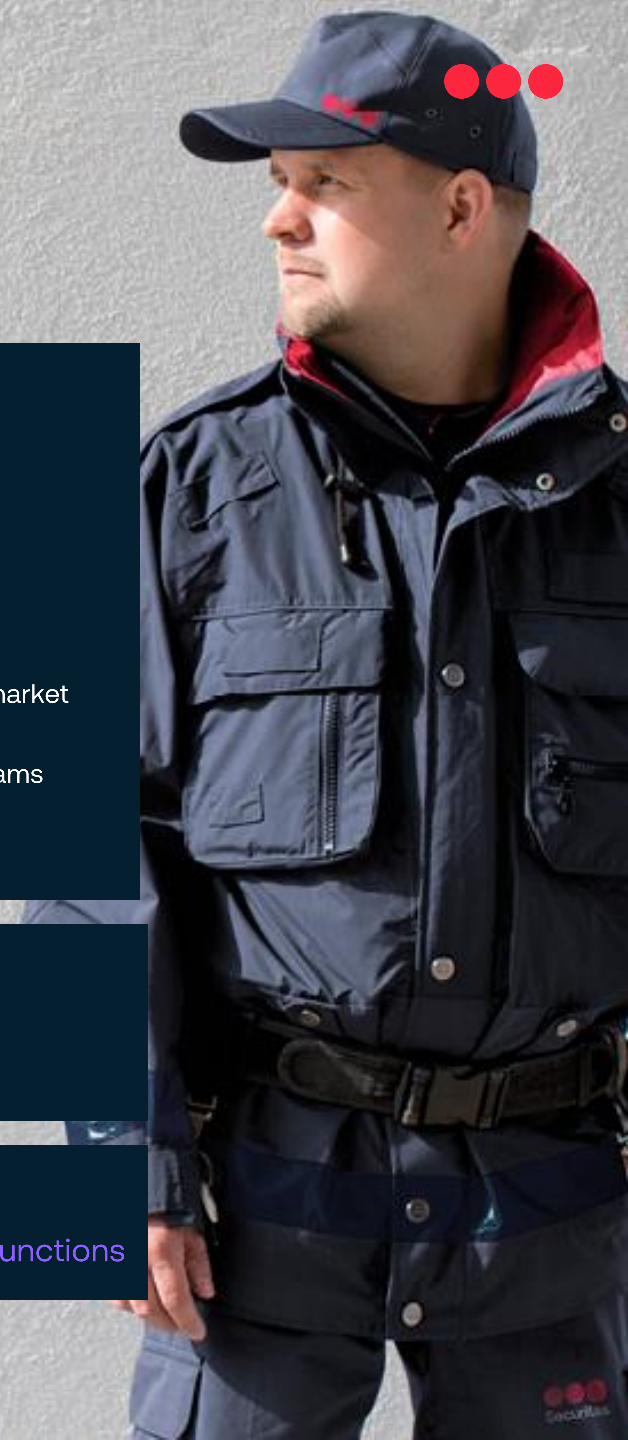
50-60%

of annual net income over time

New additional disclosure from Q1 2023:

Sales and operating income for security services, technology & solutions and risk management services and costs for Group functions

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

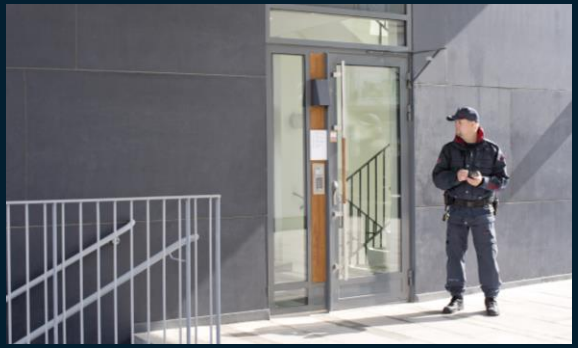


Securitas is positioned to deliver superior growth and higher margins

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%)

Investor Day March 7, 2024 - Save the date

Venue: Headquarters in Stockholm

More information to follow closer to the event

Clear results from executing our strategy

- Improved operating margin at 6.9 percent (6.5) in the third quarter driven by all business segments
- Good momentum in technology and solutions sales across the Group
- Price increases and wage cost increases on par in an inflationary environment
- Operating cash flow 84 percent (122) in the third quarter
- Integration processes with STANLEY Security progressing well

Securitas