



London, September 17, 2024

# Sellside analyst meeting

## Quick Q2 re-cap: Solid performance in all business segments

- Organic sales growth of 5 percent (11) in the second quarter
  - Technology and solutions had 8 percent real sales growth excluding Securitas Argentina
- Operating margin reached 6.9 percent (6.6) in the second quarter, driven by all business segments, with an improved margin development in our European operations
- Price and wage balance in the Group slightly positive in the first six months
- Operating cash flow was 60 percent (46) in the second quarter and net debt to EBITDA ratio was 2.9 (3.3\*)

*\*The comparative is adjusted and includes STANLEY Security's 12 months adjusted estimated EBITDA*





# This is how our business lines differ...

Securitas Group: 100%

Security services: 70%

Security services: 70%

- On-site guarding
- Aviation security
- Mobile guarding
- Fire and safety services
- Extra sales

*Portfolio-based sales, although seasonality within Aviation*

5% operating margin

Technology and solutions: 30%

Technology: 20%

- Installations: 12%  
*Project-based sales, no CAPEX by Securitas, seasonal, lower margins*
- Maintenance and monitoring /remote services, RMR: 8%  
*Portfolio/subscription-based sales, higher margins*
- (Products, SaaS, digital services)

10% operating margin

Solutions: 10%

- Combination of protective services
    - Security services (on-site, mobile etc) *plus*
    - Technology equipment owned and managed by Securitas
- Portfolio-based sales, CAPEX by Securitas*

10% operating margin

*\*Risk management services and costs for Group functions excluded. Approximate figures for simplicity.*



# ...and we had strong improvement in security services in the second quarter

Business line	Real sales growth		% of Group sales		EBITA margin		% of Group EBITA**	
	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023
Security services	1	12	65	66	5.6	5.1	52	52
Technology and solutions	7	73*	33	32	10.4	10.3	50	50
Risk mgmt services and costs for Group functions	-	-	2	2	-	-	-2	-2
<b>Group</b>	<b>3</b>	<b>25</b>	<b>100</b>	<b>100</b>	<b>6.9</b>	<b>6.6</b>	<b>100</b>	<b>100</b>

- Good underlying performance within security services in Europe
- Improvements also within technology and solutions, where cost benefits and operational scalability supported

\*Excluding STANLEY Security real sales growth was 12 percent in the second quarter of 2023

\*\*EBITA = operating income before amortization



# Financial highlights

MSEK	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
<b>Sales</b>	<b>40 638</b>	<b>39 909</b>	<b>79 898</b>	<b>77 660</b>	<b>157 249</b>
<i>Organic sales growth, %</i>	5	11	6	11	9
<b>Operating income before amortization</b>	<b>2 801</b>	<b>2 620</b>	<b>5 158</b>	<b>4 800</b>	<b>10 247</b>
<i>Operating margin, %</i>	6.9	6.6	6.5	6.2	6.5
Amort. of acq.-related intangible assets	-153	-157	-304	-311	-620
Acquisition-related costs	-6	-2	-7	-3	-10
Items affecting comparability	-243	-311	-460	-592	-4 669
<b>Operating income after amortization</b>	<b>2 399</b>	<b>2 150</b>	<b>4 387</b>	<b>3 894</b>	<b>4 948</b>
Financial income and expenses	-617	-541	-1 171	-969	-2 115
<b>Income before taxes</b>	<b>1 782</b>	<b>1 609</b>	<b>3 216</b>	<b>2 925</b>	<b>2 833</b>
<i>Tax, %</i>	26.5	26.8	26.5	26.8	54.2
<b>Net income for the period</b>	<b>1 310</b>	<b>1 178</b>	<b>2 364</b>	<b>2 141</b>	<b>1 297</b>
<b>EPS, SEK</b>	<b>2.28</b>	<b>2.05</b>	<b>4.12</b>	<b>3.71</b>	<b>2.24</b>
<b>EPS, SEK before IAC</b>	<b>2.60</b>	<b>2.46</b>	<b>4.72</b>	<b>4.49</b>	<b>9.59</b>

- IAC of MSEK -243 (-311)
  - whereof MSEK -219 (-170) related to STANLEY Security
  - whereof MSEK -24 (-141) related to the transformation program in Europe and Ibero-America
- Financial income and expenses MSEK -617 (-541)
  - whereof IAS 29 hyperinflation MSEK 27 (26)
- Tax rate of 26.5 percent (26.8)



## Improved operating cash flow

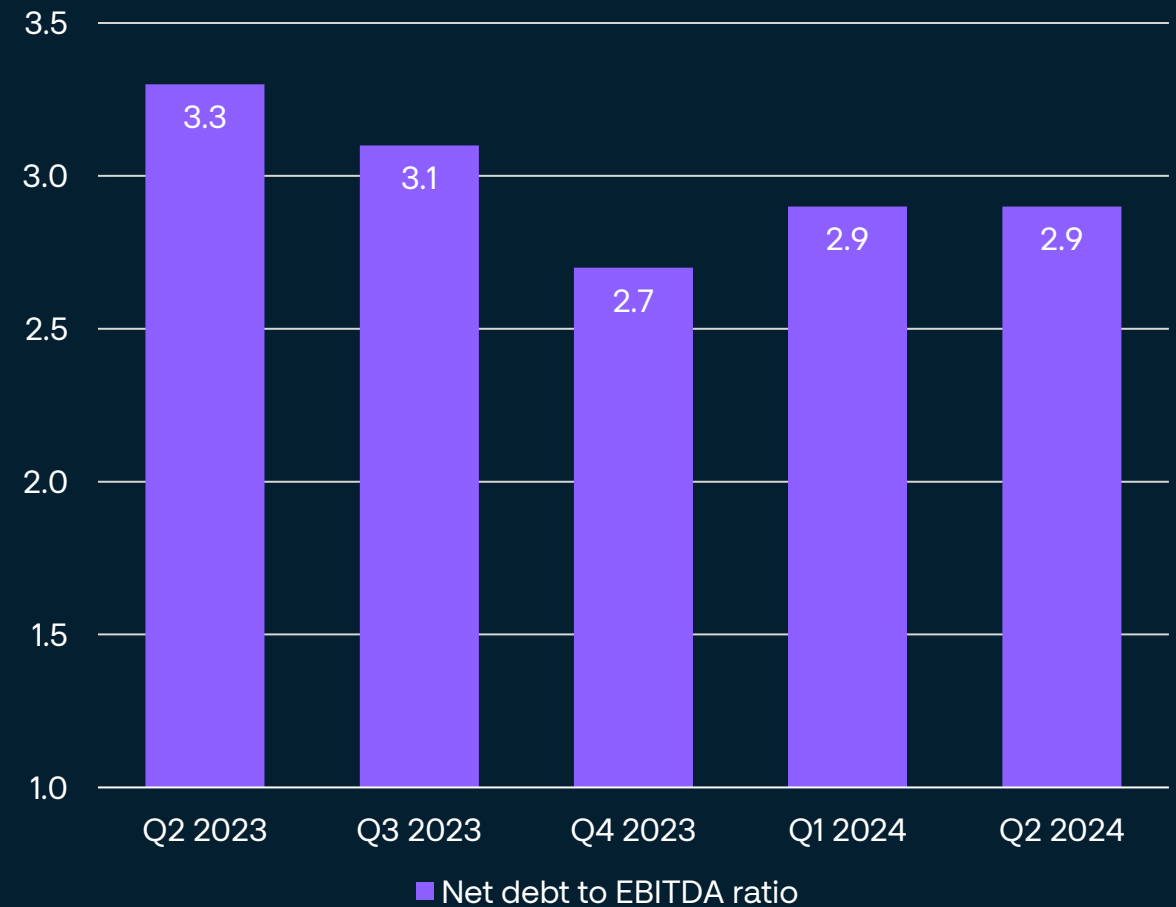
MSEK	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
<b>Operating income before amortization</b>	<b>2 801</b>	<b>2 620</b>	<b>5 158</b>	<b>4 800</b>	<b>10 247</b>
Investments in non-current tangible and intangible assets	-1 142	-1 119	-2 213	-2 066	-4 114
<i>CAPEX to sales, %</i>	<i>2.8</i>	<i>2.8</i>	<i>2.8</i>	<i>2.7</i>	<i>2.6</i>
Reversal of depreciation	928	895	1 832	1 773	3 556
Change in trade receivables	-869	-1 760	-1 790	-2 179	-2 986
Change in operating payables	201	758	-985	-722	1 477
Change in other net working capital	-240	-195	-685	-220	5
<b>Cash flow from operating activities</b>	<b>1 679</b>	<b>1 199</b>	<b>1 317</b>	<b>1 386</b>	<b>8 185</b>
<i>Cash flow from operating activities, %</i>	<i>60</i>	<i>46</i>	<i>26</i>	<i>29</i>	<i>80</i>
Financial income and expenses paid	-490	-354	-1 236	-872	-1 899
Current taxes paid	-760	-303	-1 011	-599	-1 348
<b>Free cash flow</b>	<b>429</b>	<b>542</b>	<b>-930</b>	<b>-85</b>	<b>4 938</b>

- Improved Q2 operating cash flow
  - Positive Easter timing impact
  - Reduced organic sales growth
  - Account payable position hampered
- Free cash flow
  - Negative timing impact from tax payments
  - Increased interest rates
- CAPEX <3% of Group sales annually



## Net debt to EBITDA ratio remaining below 3.0x financial target

MSEK	
<b>Net debt January 1, 2024</b>	<b>-37 530</b>
Free cash flow	-930
Acquisitions/Divestitures	-154
Items affecting comparability	-545
Dividend paid	-1 089
Lease liabilities	143
<b>Change in net debt</b>	<b>-2 575</b>
Revaluation	-27
Translation	-1 735
<b>Net debt June 30, 2024</b>	<b>-41 867</b>



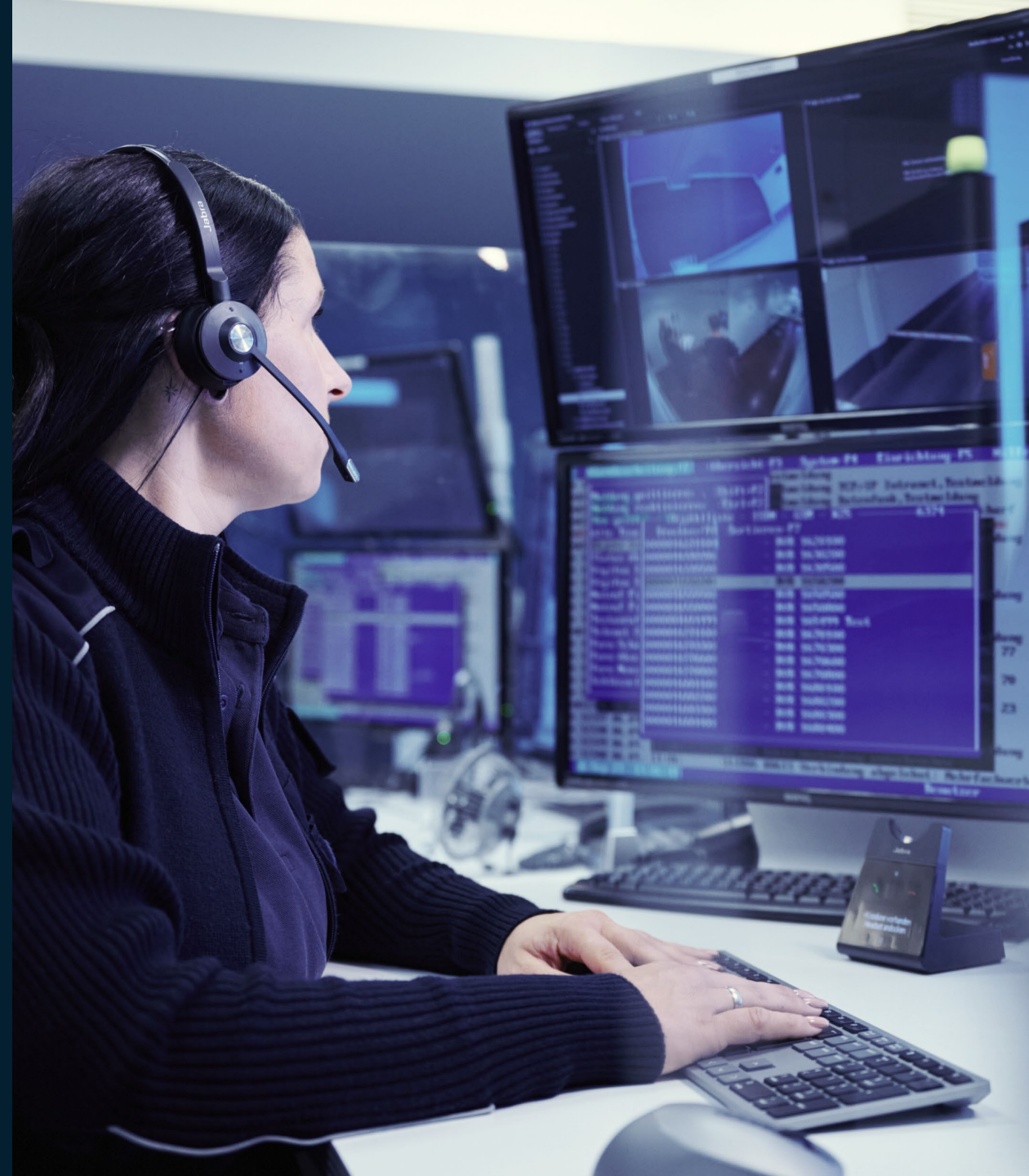


# Shaping the future Securitas



## Two-year anniversary of the closing of the STANLEY Security acquisition

- #2 global market position in Technology
- Healthy Q2 organic sales growth of 8 percent in Technology
- > BSEK 1.25 high-margin recurring monthly revenue in our monitoring and maintenance business
- > MUSD 50 cost synergy take-out
- Significantly improved operating margin improvement since closing
- Majority of integration finalized in North America and good progress in Europe



Client needs and demands are increasingly more complex and dynamic

## Before

Stand-alone needs

Protection of buildings and assets

Pure security

Static view of risk – observe and report

Focus on the input

## Next phase

Clients re-think their security due to higher complexity and scarcity of people

Protection of people and supply chain

Focus on compliance and sustainability

Security solutions based on dynamic risk models – anticipate and respond

Focus on the benefits we deliver

Rise of knowledge products

Automation – enabled by technology





## Client partnerships behind the success

We build long-term sustainable partnerships based on co-creation and transformation. Combining technology data-driven innovation with higher skilled people.



**Global data center contract renewed in 2023.** Growing technology partnership.

Supporting Microsoft in Global Data Center expansion



**Global corporate award for 52 countries mobilized in 2023.**

Upskilling >6 000 officers to higher paid Security Specialists



From traditional client vendor relationship to **co-creation** of future “vested” partnership.



Our first **global security and safety program.** Fully digitalized security program.

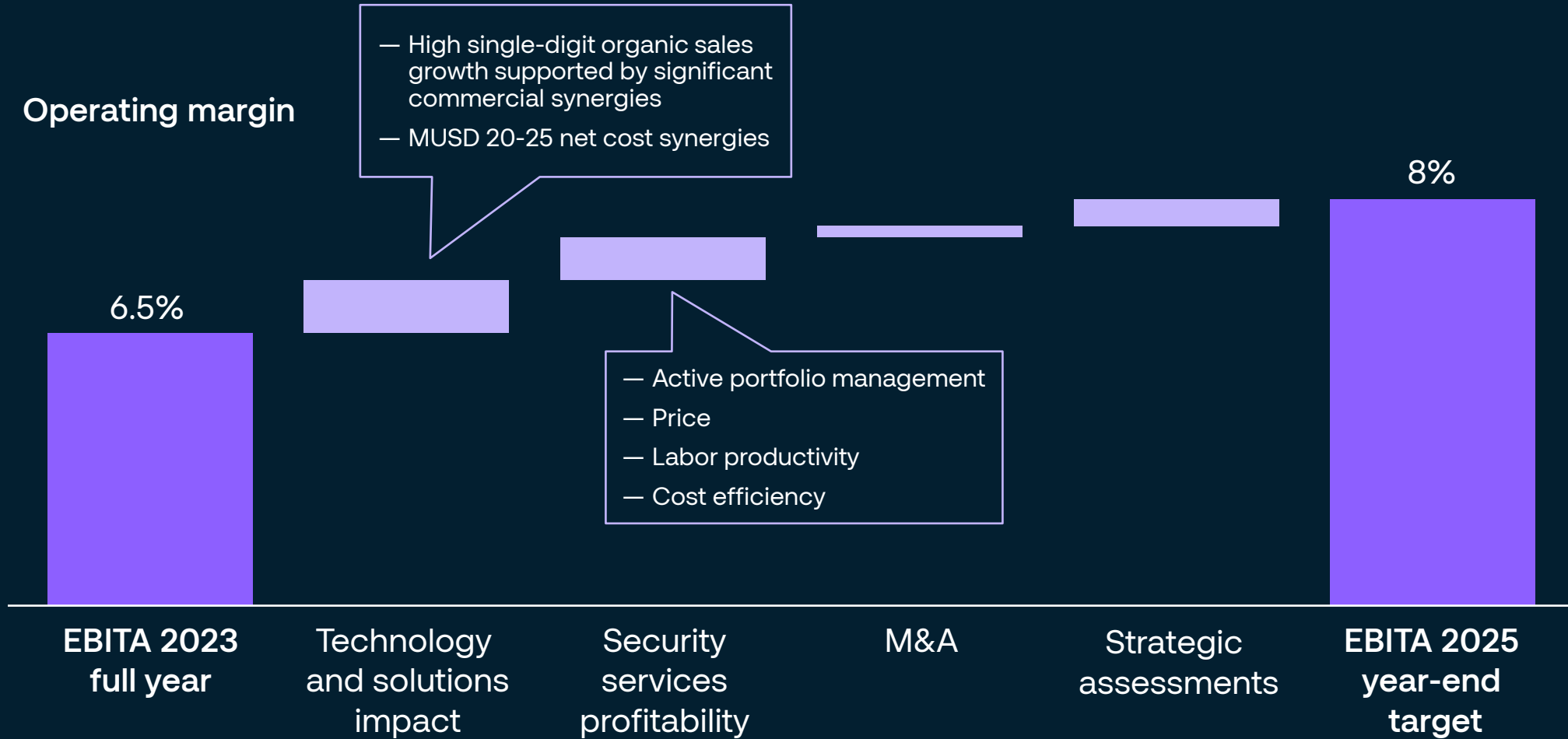


Fully digitalized security program. Supported by Risk intelligence Services

6 of Top10 Global Clients contracts renewed and extended over the last 15 months with increased margins and significant growth !



# Clear roadmap to achieve 8% operating margin by the end of 2025



Note: Indicative only.



# Shaping Securitas for long-term, sustainable shareholder value



## Executing our strategy is driving performance

- The operating margin improved to 6.9 percent (6.6) in the second quarter
- Both business lines security services and technology and solutions improved the operating margin compared to last year
- Price increases were slightly ahead of wage cost increases in the first half-year
- Operating cash flow 60 percent (46)
- Net debt to EBITDA ratio 2.9 (3.3)





Securitas