

August 4, 2016



January – June 2016



Alf Göransson, President and CEO

Highlights January - June



- Organic sales growth 8% (5)
- Organic sales growth 8% (4) in Q2, of which extra sales represented 3%
- Operating margin 4.9% (4.7), with improvements in all business segments
- Price/wage balance approximately on par
- EPS real change 16%
- Free Cash Flow to net debt ratio 0.13 (0.19)
- Strong growth of security solutions and electronic security sales
- We believe we can continue to grow security solutions and electronic security sales at a high pace in the coming years



Financial Highlights



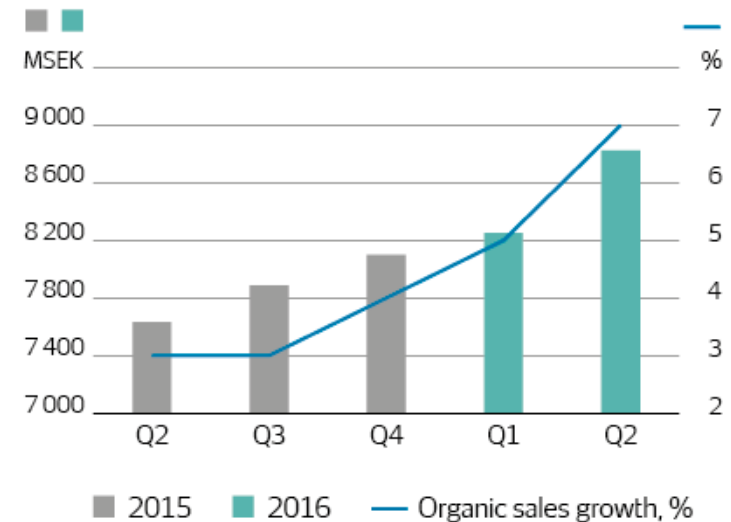
MSEK	Q2 2016	Q2 2015	Total change %	Real change %	H1 2016	H1 2015	Total change %	Real change %
Sales	21 517	19 875	8	12	42 131	39 361	7	11
<i>Organic sales growth, %</i>	<i>8</i>	<i>4</i>			<i>8</i>	<i>5</i>		
Operating income before amortization	1 087	926	17	22	2 083	1 835	14	18
<i>Operating margin, %</i>	<i>5.1</i>	<i>4.7</i>			<i>4.9</i>	<i>4.7</i>		
Amortization and impairment of acquisition related assets	-69	-66			-135	-134		
Acquisition related costs	-21	-7			-41	-17		
Operating income after amortization	997	853	17	22	1 907	1 684	13	18
Financial income and expenses	-97	-76			-181	-151		
Income before taxes	900	777	16	20	1 726	1 533	13	17
Net income for the period	632	550	15	19	1 213	1 086	12	16
Earnings per share (SEK)	1.73	1.51	15	19	3.32	2.96	12	16

Security Services North America

– Sales Development H1 2016



- Organic sales growth 6% (4), driven by good portfolio development and high extra sales in Q2
- Our strategy of increasing sales of security solutions and electronic security also supported organic sales growth
- Positive sales development explained by the consolidation of the acquired Diebold Electronic Security in North America (Securitas Electronic Security)

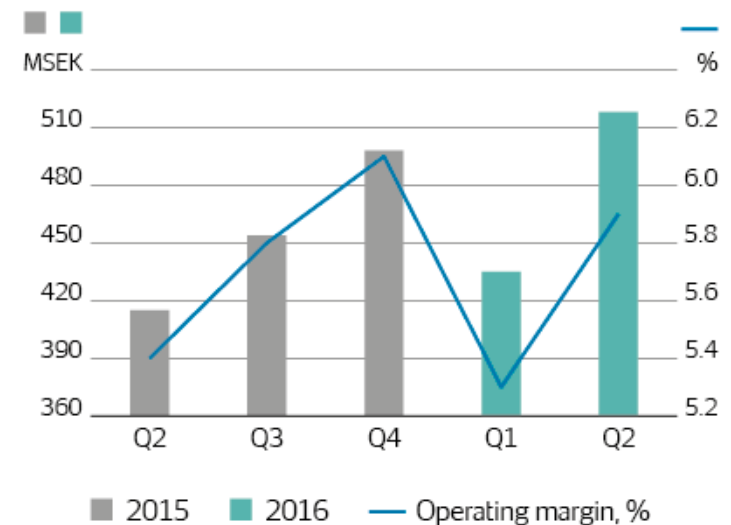


Security Services North America

– Income Development H1 2016



- The operating margin was 5.6% (5.3)
- Leverage of the cost base and the inclusion of Securitas Electronic Security on February 1, 2016, were the main reasons behind the improvement

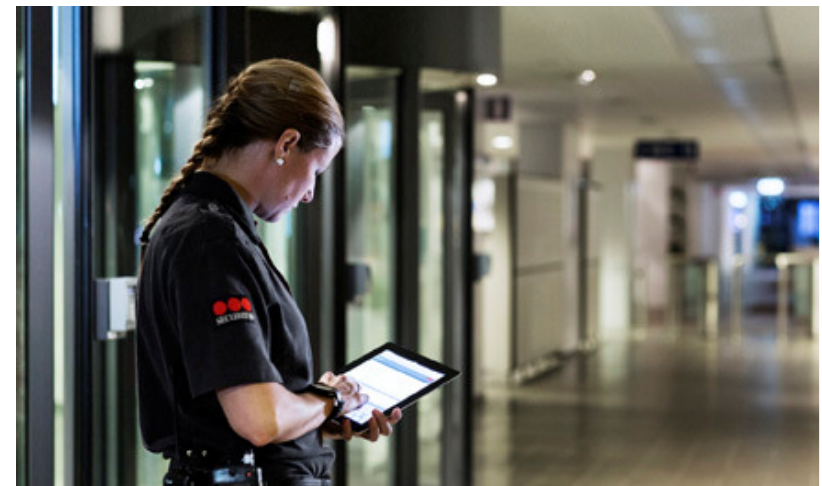
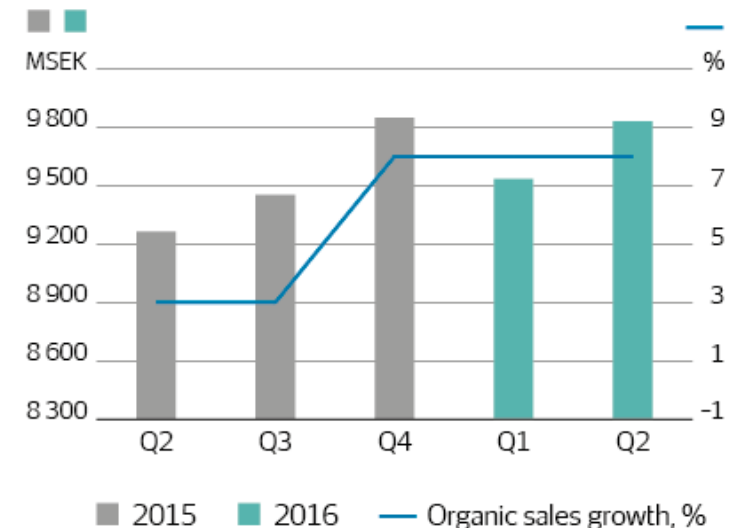


Security Services Europe

– Sales Development H1 2016



- Organic sales growth 8% (3), driven by positive portfolio development and higher extra sales
- The increased security needs due to the refugee situation and terror attacks represented about half of the organic sales growth, affecting primarily France, Belgium, Germany and the Nordic countries
- Some of these services are expected to reduce during H2 2016
- Our strategy of increasing sales of security solutions and electronic security also supported organic sales growth

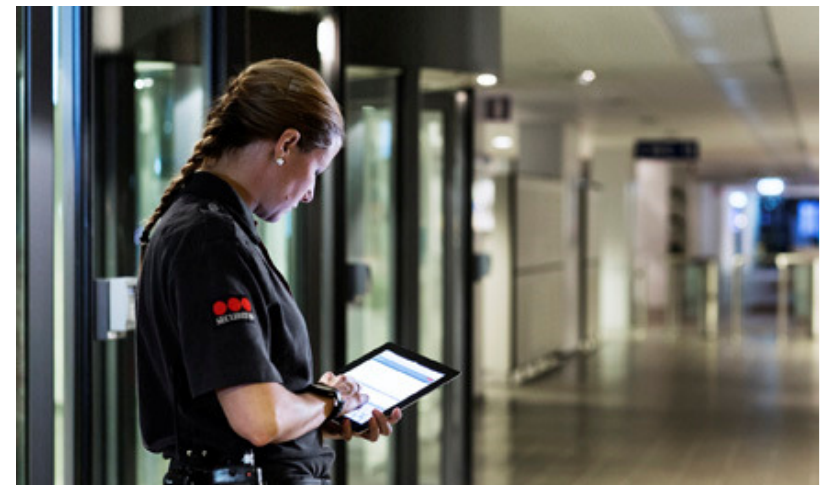
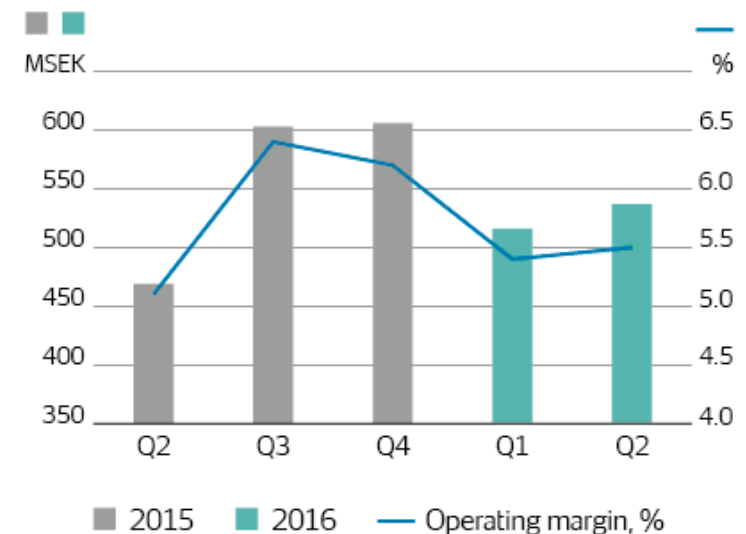


Security Services Europe

– Income Development H1 2016



- Operating margin 5.4% (5.1)
- The high organic sales growth impacted positively through leverage of the cost base

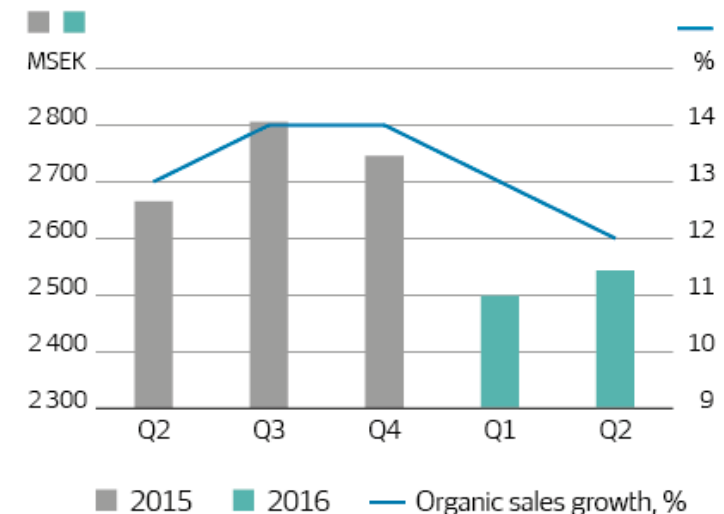


Security Services Ibero-America

– Sales Development H1 2016



- Organic sales growth 13% (12), an improvement driven by Colombia, Peru and Portugal
- The Argentinian sales volume declined due to the devaluation of the Argentinian peso
- The organic sales growth was 22% (25) in Latin America
- Our strategy of increasing sales of security solutions and electronic security also supported organic sales growth

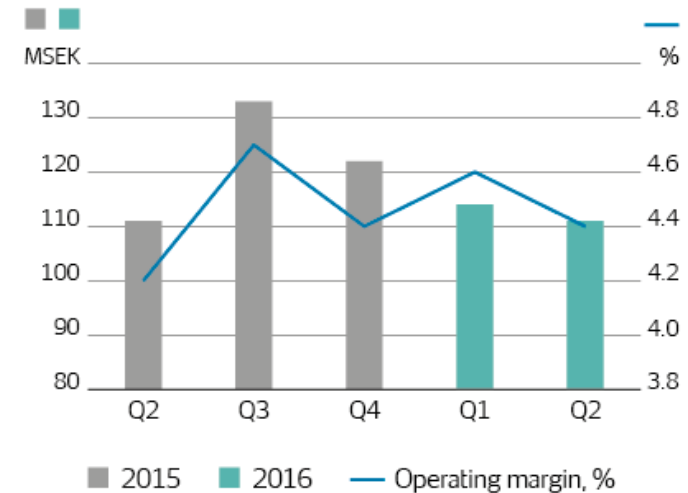


Security Services Ibero-America

– Income Development H1 2016



- Operating margin 4.5% (4.4)
- The positive development was driven by Spain and Peru, however partly offset by the devaluation of the Argentinian peso as Argentina has a higher than average operating margin in the business segment



Cash flow



MSEK	Q2 2016	Q2 2015	H1 2016	H1 2015
Operating income before amortization	1 087	926	2 083	1 835
Investments in non-current tangible and intangible assets	-542	-403	-867	-719
Reversal of depreciation	284	264	566	525
Net investments in non-current assets	-258	-139	-301	-194
Change in accounts receivable	-356	-261	-543	-473
Change in other operating capital employed	100	31	-491	-176
Cash flow from operating activities	573	557	748	992
<i>Cash flow from operating activities, %</i>	<i>53</i>	<i>60</i>	<i>36</i>	<i>54</i>
Financial income and expenses paid	-37	-36	-230	-240
Current taxes paid	-321	-262	-530	-426
Free cash flow	215	259	-12	326
<i>As % of adjusted income</i>	<i>28</i>	<i>39</i>	<i>-1</i>	<i>25</i>
<i>Free cash flow to net debt</i>	<i>--</i>	<i>--</i>	<i>0.13</i>	<i>0.19</i>

The net investments include capex in security solution contracts, reflecting our strategy to increase sales of security solutions and electronic security. These investments affect free cash flow and are depreciated over the contract period.

Net Debt Development

MSEK

Net debt Jan 1, 2016	-9 863
Free cash flow	-12
Acquisitions	-3 381
IAC payments	-8
Dividend paid	-1 278
Change in net debt	-4 679
Revaluation	25
Translation	-61
Net debt Jun 30, 2016	-14 578



Executing on our Strategy



Guarding

- Sales

2014: 63,7 BSEK

2015: 71,6 BSEK

Security Solutions and Electronic Security

- Sales

2014: 6,5 BSEK

2015: 9,3 BSEK

4%*

Guarding

6%*

Specialized
guarding

8%*

Guarding
solutions

10%*

Security
solutions

* Operating margin



Questions and Answers





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