

February 7, 2017



January – December 2016



Alf Göransson, President and CEO

Highlights January - December



- Organic sales growth 7% (5) in the year and 5% (7) in Q4
- Operating margin 5.2% (5.1)
- EPS real change 9%
- Proposed dividend SEK 3.75 (3.50), 52% of net income
- 56% (38) growth of security solutions and electronic security sales, now at BSEK 14.1 of total sales
- We believe we can continue to grow security solutions and electronic security sales at a high pace in the coming years



Financial Highlights



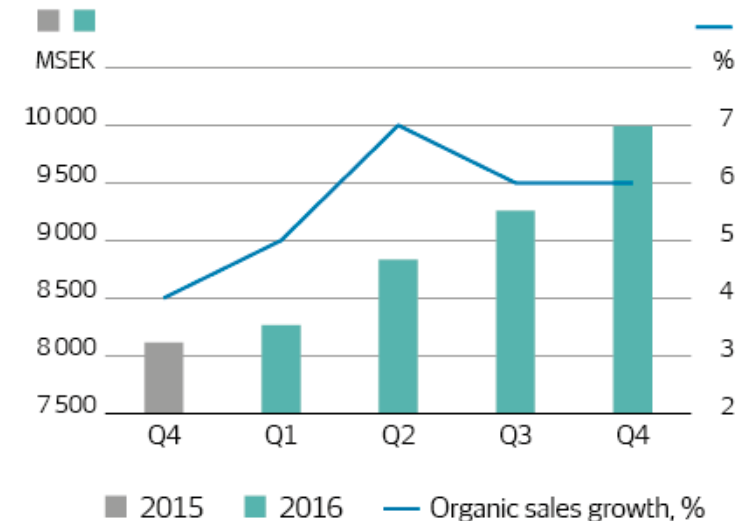
MSEK	Q4 2016	Q4 2015	Total change %	Real change %	2016	2015	Total change %	Real change %
Sales	23 715	21 031	13	10	88 162	80 860	9	11
<i>Organic sales growth, %</i>	<i>5</i>	<i>7</i>			<i>7</i>	<i>5</i>		
Operating income before amortization	1 241	1 133	10	6	4 554	4 089	11	13
<i>Operating margin, %</i>	<i>5.2</i>	<i>5.4</i>			<i>5.2</i>	<i>5.1</i>		
Amortization and impairment of acquisition-related assets	-87	-73			-288	-275		
Acquisition-related costs	-47	-8			-113	-29		
Operating income after amortization	1 107	1 052	5	1	4 153	3 785	10	11
Financial income and expenses	-105	-80			-389	-309		
Income before taxes	1 002	972	3	-1	3 764	3 476	8	9
Net income for the period	704	671	5	0	2 646	2 444	8	9
Earnings per share (SEK)	1.92	1.83	5	0	7.24	6.67	9	9

Security Services North America

– Sales Development FY 2016



- Organic sales growth 6% (4), driven by positive portfolio development, increased new sales and good client retention
- Our strategy of increasing sales of security solutions and electronic security supported organic sales growth
- Positive sales development explained by the consolidation of the acquired Diebold Electronic Security business in North America (Securitas Electronic Security)

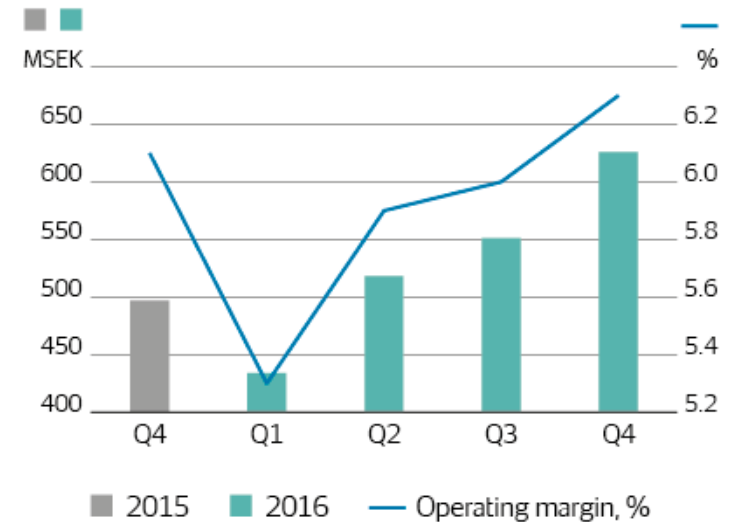


Security Services North America

– Income Development FY 2016



- The operating margin 5.9% (5.6)
- The inclusion of Securitas Electronic Security on February 1, 2016, and the strong top line growth leveraging the cost base were the main reasons behind the improvement

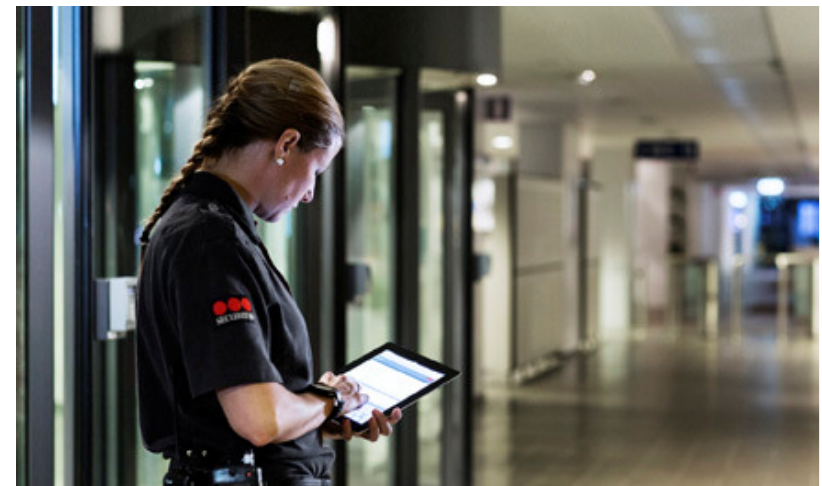
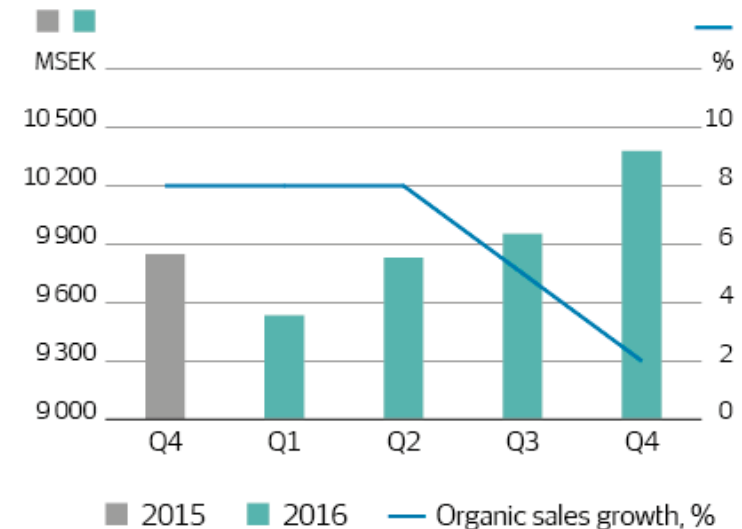


Security Services Europe

– Sales Development FY 2016



- FY organic sales growth 6% (4), driven by positive portfolio development and higher extra sales
- Q4 organic sales growth 2% (8), with a gradual reduction of refugee-related extra sales during the quarter
- Together with tough comparatives and a few contract losses, the trend of positive organic sales growth will reverse in the coming quarters
- Organic sales growth in line with security market growth is expected in the second half of 2017

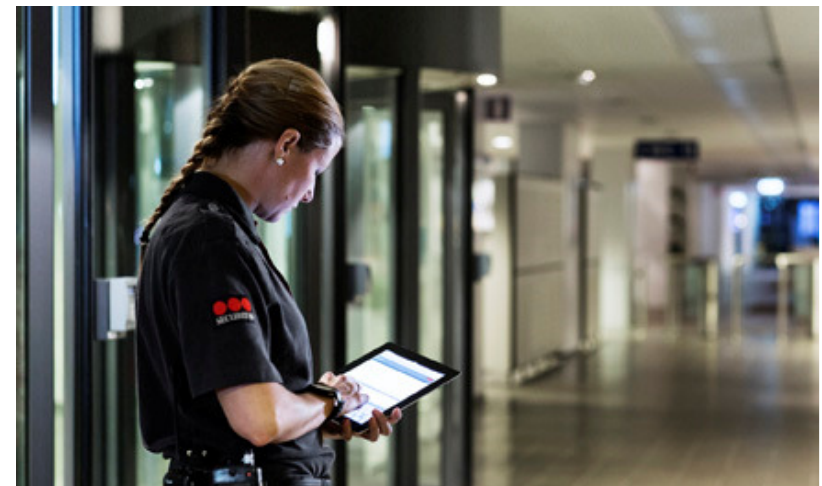
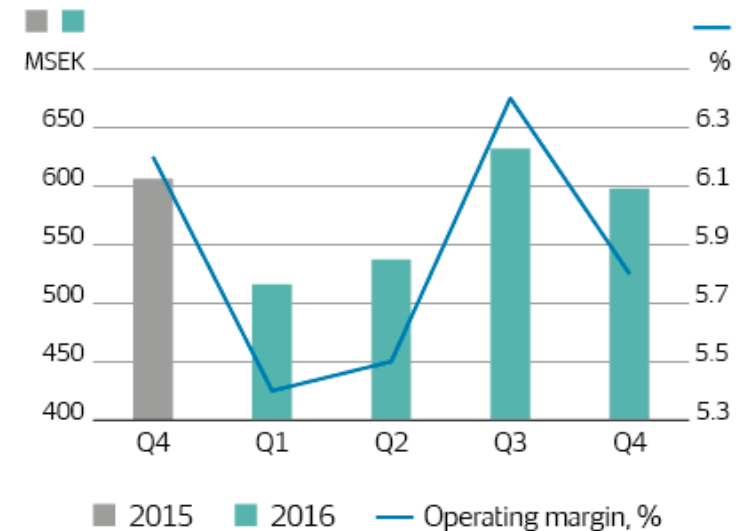


Security Services Europe

– Income Development FY 2016



- FY operating margin 5.8% (5.7), an improvement driven by high-margin extra sales and increasing volumes of security solutions and electronic security
- Q4 operating margin 5.8% (6.2), a decline mainly due to a lower level of high-margin extra sales. Also, one off restructuring costs and a weaker performance in the Turkish electronic security business affected negatively

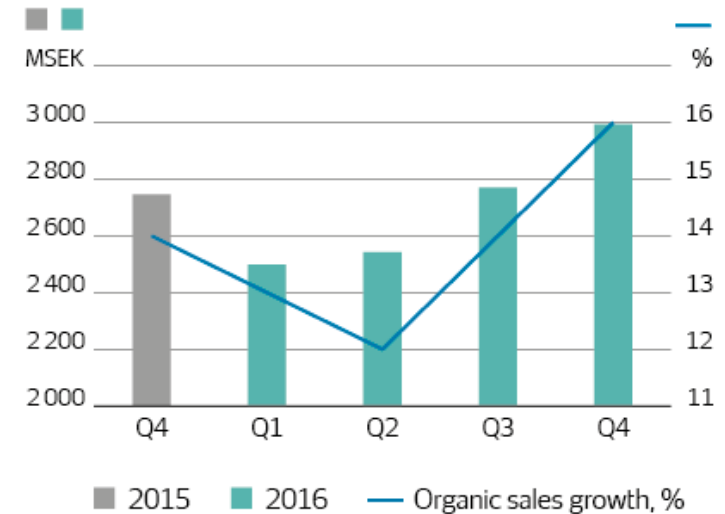


Security Services Ibero-America

– Sales Development FY 2016



- Organic sales growth 14% (13), an improvement driven by Portugal and Spain
- The Argentinian sales volume declined due to the devaluation of the Argentinian peso
- Organic sales growth 22% (26) in Latin America
- Our strategy of increasing sales of security solutions and electronic security supported organic sales growth

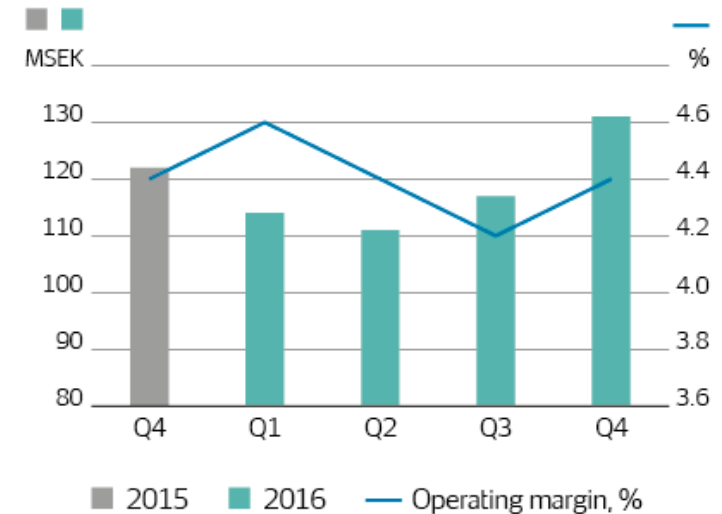


Security Services Ibero-America

– Income Development FY 2016



- Operating margin 4.4% (4.5)
- The devaluation of the Argentinian peso was the main negative impact. The wage increase in Spain, effective from July 2016, also affected negatively



Cash flow



MSEK	Q4 2016	Q4 2015	2016	2015
Operating income before amortization	1 241	1 133	4 554	4 089
Investments in non-current tangible and intangible assets	-409	-332	-1 658	-1 329
Reversal of depreciation	337	280	1 229	1 072
Net investments in non-current assets	-72	-52	-429	-256
Change in accounts receivable	-297	-47	-1 039	-707
Change in other operating capital employed	285	76	-47	274
Cash flow from operating activities	1 157	1 110	3 039	3 399
<i>Cash flow from operating activities, %</i>	<i>93</i>	<i>98</i>	<i>67</i>	<i>83</i>
Financial income and expenses paid	-33	-42	-301	-322
Current taxes paid	-260	-261	-1 017	-914
Free cash flow	864	807	1 721	2 163
<i>As % of adjusted income</i>	<i>94</i>	<i>117</i>	<i>52</i>	<i>78</i>
<i>Free cash flow to net debt</i>	<i>--</i>	<i>--</i>	<i>0.13</i>	<i>0.22</i>

The **net investments** include capex in security solution contracts and for premises in the US

Change in accounts receivable affected by increased DSO's and from strong organic sales growth

Change in other operating capital employed affected by a one time extra pension payment

Free cash flow affected by higher taxes paid, due to higher taxable income

Measures are taken to improve the cash flow in 2017

Net Debt Development

MSEK

Net debt Jan 1, 2016	-9 863
Free cash flow	1 721
Acquisitions	-3 566
IAC payments	-17
Dividend paid	-1 278
Change in net debt	-3 140
Revaluation	23
Translation	-451
Net debt Dec 31, 2016	-13 431

Executing on our Strategy



Guarding

- Sales

2015: 71.6 BSEK

2016: 74.1 BSEK

Security Solutions and Electronic Security

- Sales

2015: 9.3 BSEK

2016: 14.1 BSEK

4%*

Guarding

6%*

Specialized
guarding

8%*

Guarding
solutions

10%*

Security
solutions

* Operating margin

Questions and Answers





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