Q1 Interim Report January-March 2023

Magnus Ahlqvist, President and CEO
Andreas Lindback, CFO

Securitas

Strong momentum in technology and solutions

- **Organic sales growth of 12 percent (4)**
  - Technology and solutions grew 13 percent, excluding STANLEY Security
  - A significant client contract has been renewed and expanded with the effect impacting the first quarter in North America
- **Operating margin improved to 5.8 percent (5.1), strongest so far in a first quarter**
  - The strong development was driven by technology and solutions, supported by the STANLEY acquisition
- **Price and wage balance in the Group intact in the first quarter**
- **Operating cash flow improved to 9 percent (-9)**
- **Integration processes with STANLEY Security progressing well**

Strong growth and operating margin development in technology and solutions, representing 56% of Group's operating income before amortization

Business line	Sales MSEK Q1 2023	Real sales growth, % Q1 2023	EBITA** MSEK Q1 2023	EBITA margin, % Q1 2023	% of Group sales Q1 2023	% of Group EBITA** Q1 2023
Security services	24 944	11	1 077	4.3	66	49
Technology and solutions	12 021	77*	1 216	10.1	32	56
Risk management and costs for Group functions	786	-	-113	-	2	-5
Group	**37 751**	**26**	**2 180**	**5.8**	**100**	**100**

** Real sales growth was 13 percent in the first quarter excluding STANLEY Security*
*** EBITA = operating income before amortization*

Securitas North America

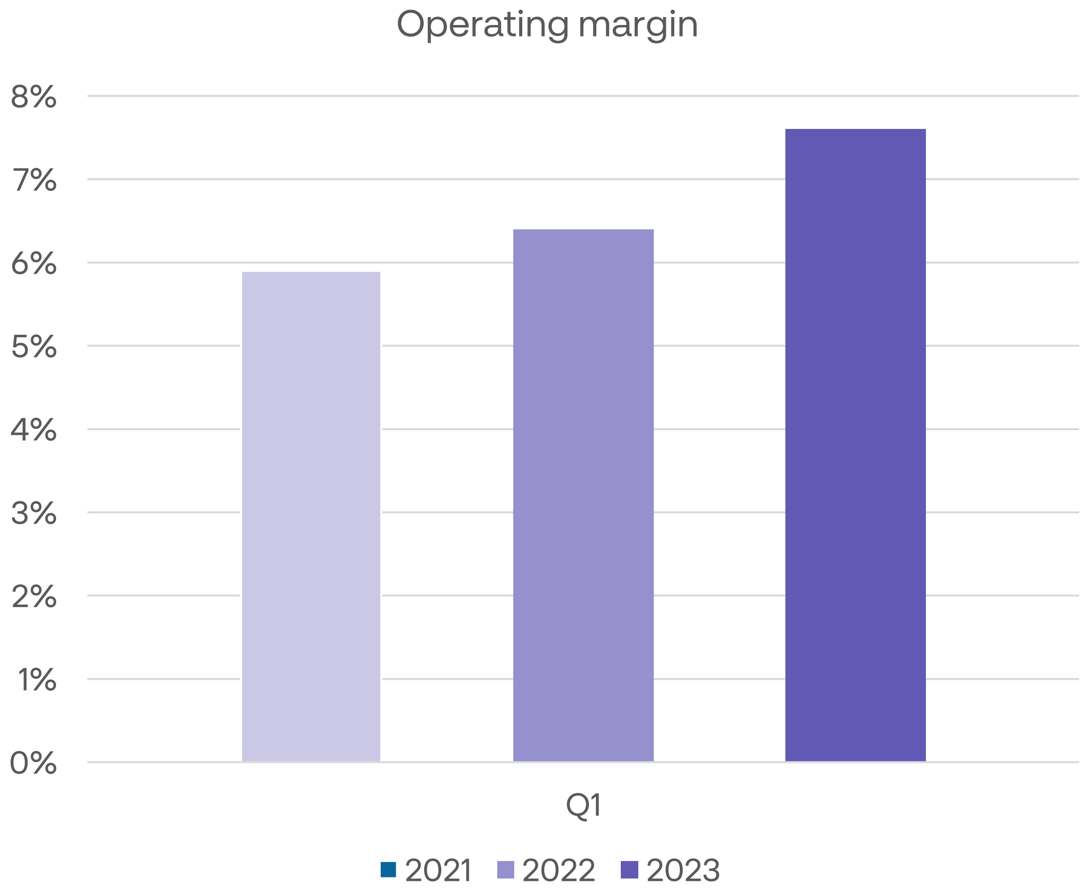
Guarding business unit and price increases behind the growth improvement

Organic sales growth 7% (-2)

- Major client contract renewed and extended as well as successful price increase campaigns, and good commercial activity
- Installation business improved with a continued healthy backlog
- Technology and solutions sales represented 31 percent (18) of total sales
- Client retention rate 85 percent (87)

Securitas North America

Technology and STANLEY Security behind margin uplift



Operating margin 7.6% (6.4)

- The development was driven by Technology including STANLEY Security
- The business unit Guarding improved with positive impacts from active portfolio management and leverage from the strong topline growth
- The operating margin improved also in Pinkerton

Securitas Europe

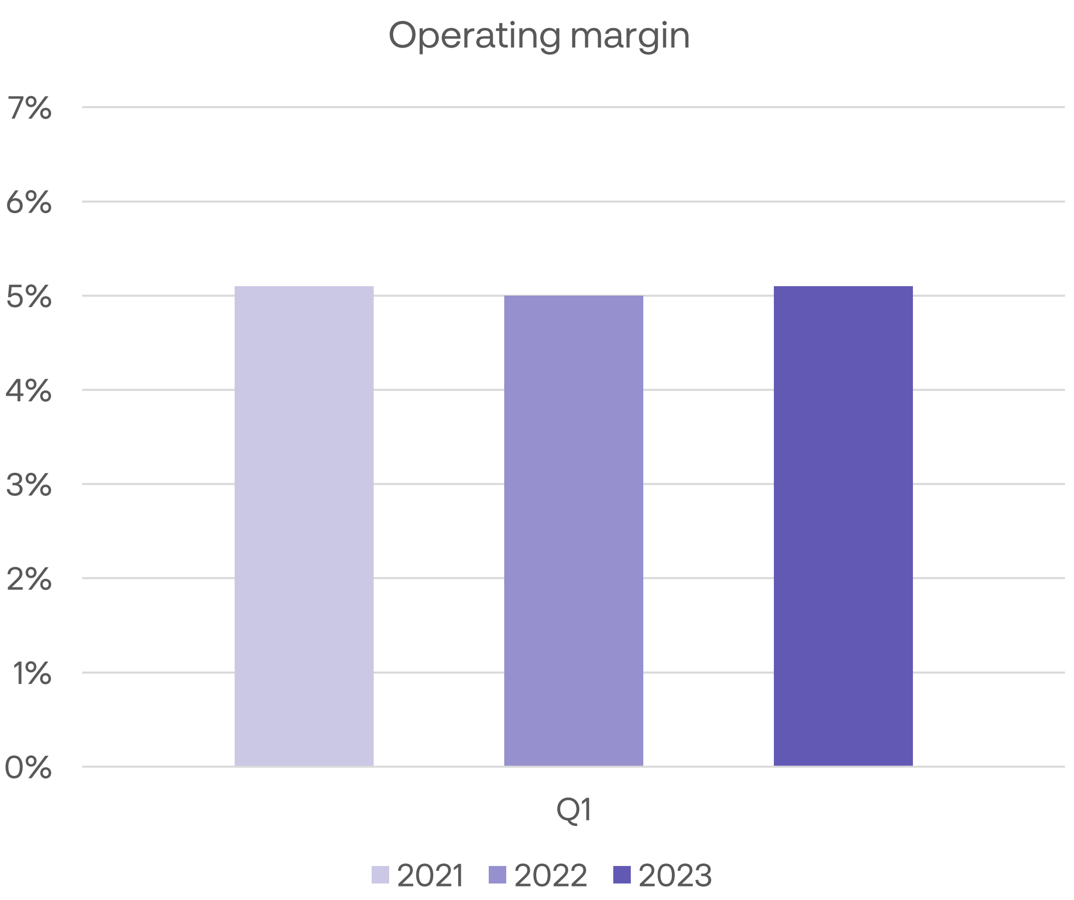
Organic growth driven by strong price increases

Organic sales growth 13% (8)

- Strong price increases supported organic sales growth including impacts from the hyperinflationary environment in Türkiye, and Aviation
- A positive portfolio development within solutions also contributed, as did increased installation sales
- Technology and solutions sales represented 33 percent (25) of total sales
- Client retention rate 91 percent (92)

Securitas Europe

Support from STANLEY Security, but hampered by costs from labor shortage



Operating margin 5.1% (5.0)

- The margin was supported by STANLEY Security and portfolio management
- Hampered by increased costs related to labor shortage, such as sub-contracting, start-up costs in Aviation and negative cost leverage

Securitas Ibero-America

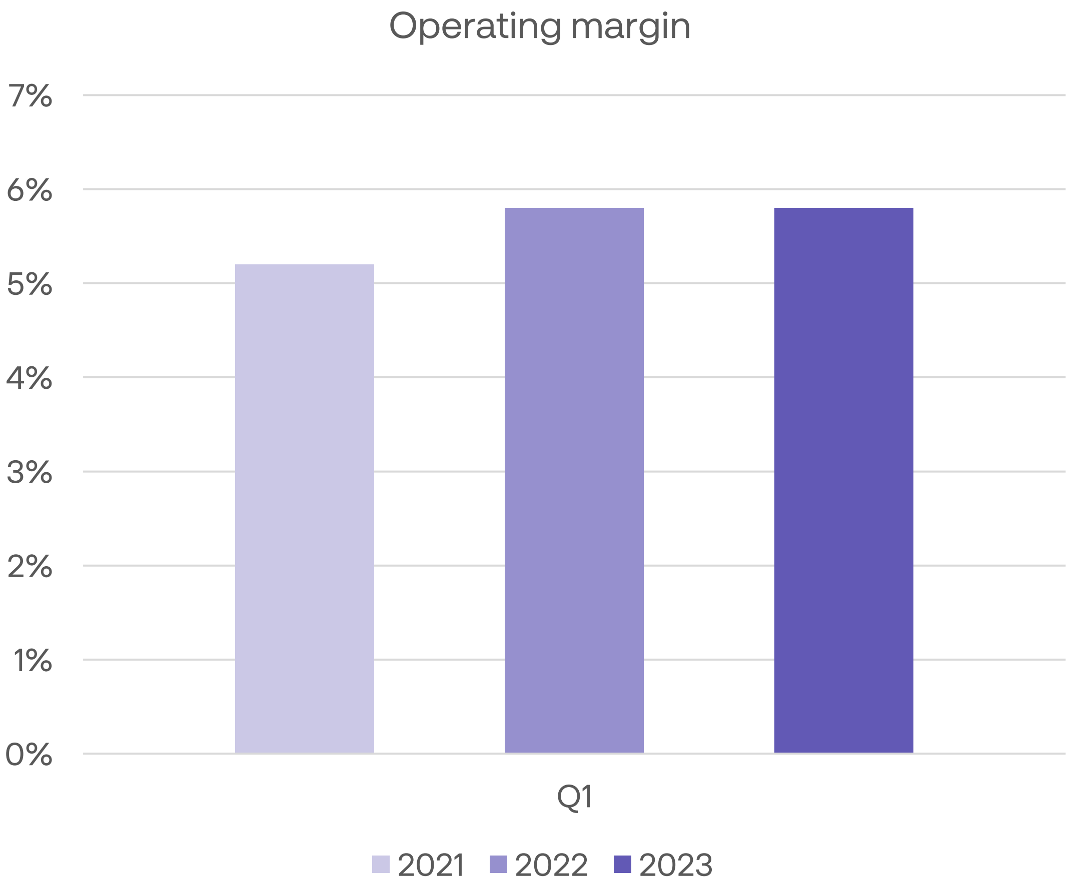
Organic sales growth fueled by price increases in Argentina

Organic sales growth 23% (12)

- Organic sales growth was driven by price increases in Argentina
- Organic sales growth in Spain was 6 percent (10) supported by price increases and improved installation sales
- Technology and solutions sales represented 31 percent (30) of total sales
- Client retention rate 91 percent (92)

Securitas Ibero-America

High margin technology and solutions sales supported the operating margin



Operating margin 5.8% (5.8)

- Good growth of technology and solutions sales supported, as did good portfolio management
- Increased wage pressure in Spain at the beginning of the year, expected to be improved throughout 2023

Financials

Andreas Lindback
CFO

Financial highlights

MSEK	Q1 2023	Q1 2022	FY 2022
Sales	**37 751**	**28 598**	**133 237**
Organic sales growth, %	*12*	*4*	*7*
Operating income before amortization	**2 180**	**1 452**	**8 033**
Operating margin, %	*5.8*	*5.1*	*6.0*
Amort. of acquisition-related intangible assets	-154	-61	-414
Acquisition-related costs	-1	-10	-49
Items affecting comparability	-281	-134	-1 086
Operating income after amortization	**1 744**	**1 247**	**6 484**
Financial income and expenses	-428	-95	-758
Income before taxes	**1 316**	**1 152**	**5 726**
Tax, %	*26.8*	*27.0*	*24.6*
Net income for the period	**963**	**841**	**4 316**
EPS, SEK*	**1.66**	**1.91**	**9.20**
EPS, SEK before IAC*	**2.03**	**2.14**	**10.77**

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

- Amortization of acquisition-related intangible assets MSEK –154 (–61) in Q1
  - whereof MSEK –90 (0) related to STANLEY Security
- IAC of MSEK –281 (–134) in Q1
  - whereof MSEK -115 (-13) related to STANLEY Security
  - whereof MSEK -166 (-121) related to the transformation programs related to Europe and Ibero-America
- Financial income and expenses were MSEK -428 (-95) in Q1
  - whereof MSEK -310 (0) related to the financing of the STANLEY Security acquisition
  - whereof impact from IAS 29 hyperinflation of MSEK 51 (12)
  - Remaining MSEK -169 is MSEK 62 higher than last year, mainly due to increased interest rates
- Tax 26.8 percent estimated for the full year 2023

Items affecting comparability

Q1 2023

IAC in operating income

Programs	MSEK	-166
STANLEY	MSEK	-115
Total	**MSEK**	**-281**

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: Q1 2023 MSEK -166 / 2021-2022: MSEK -1 012 / **FY 2023 IAC estimated to MSEK -600 to -700**
- CAPEX: 2021-2022 MSEK –295 / **FY 2023 CAPEX estimated to approx. MSEK -250**

STANLEY Security acquisition, announced in Q4 2021

- Total MUSD -135 (app. BSEK -1.4) acquisition-related cost, majority in 2022-2023
- IAC: Q1 2023 MSEK -115 / FY 2022 MSEK -454 / Since program start (including Q1-23): MSEK -631

FY 2023 IAC estimated to a range of MSEK -500 to -600

Strong tailwind from FX

MSEK	Q1 2023	Q1 2022	Change Total, %	Change Real*, %
Sales	**37 751**	28 598	32	26
Operating income	**2 180**	1 452	50	42
EPS, SEK**	**1.66**	1.91	-13	-20
EPS, SEK, before IAC**	**2.03**	2.14	-5	-12
EPS, SEK, before IAC, constant shares***	**2.03**	1.64	24	15

FX SEK END-RATES	Q1 2023	Q1 2022	%
USD	**10.39**	9.29	12
EUR	**11.30**	10.33	9

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

Improved cash flow compared to Q1 last year

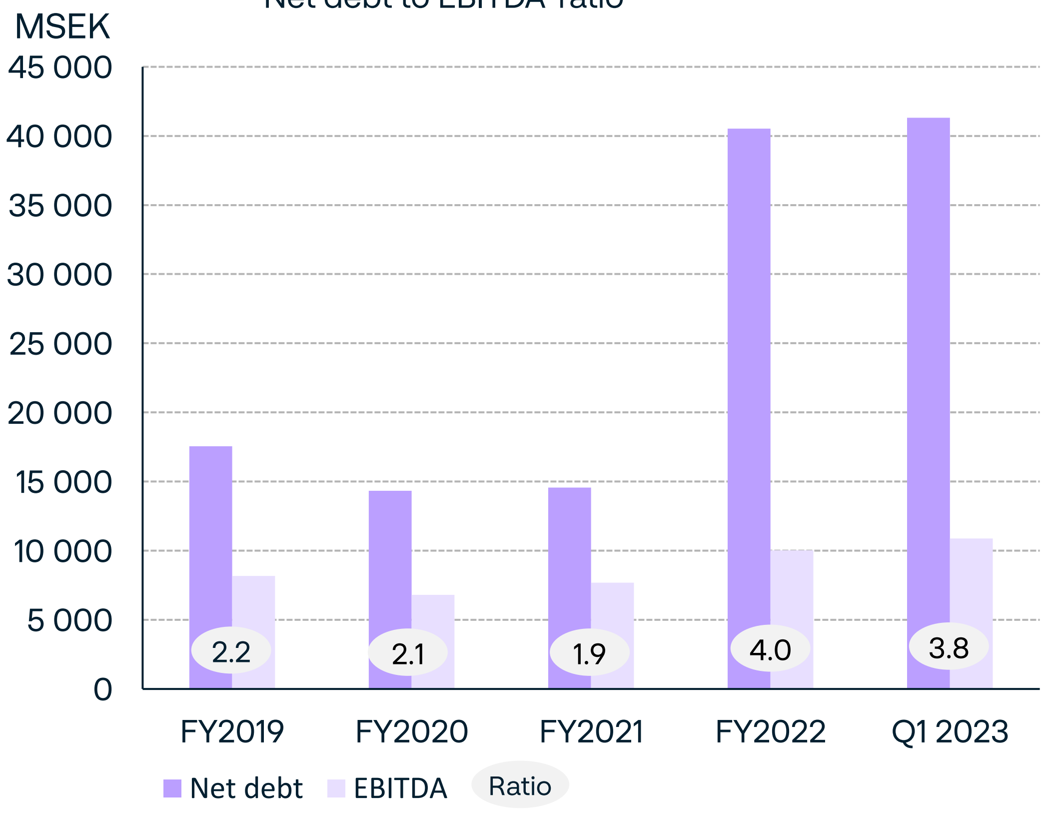
MSEK	**Q1 2023**	Q1 2022	**FY 2022**
Operating income before amortization	**2 180**	**1 452**	**8 033**
Net investments in non-current assets	-69	-43	-447
Change in accounts receivable	-609	-448	-1 943
Change in other operating capital employed	-1 315	-1 090	77
Cash flow from operating activities	**187**	**-129**	**5 720**
Cash flow from operating activities, %	*9*	*-9*	*71*
Financial income and expenses paid	-518	-236	-657
Current taxes paid	-296	-322	-1 641
Free cash flow	**-627**	**-687**	**3 422**
Free cash flow, %	*-46*	*-65*	*57*

- Net investments of MSEK -69 (-43) in Q1
  - CAPEX of MSEK –947 and reversal of depreciation of MSEK 878
  - CAPEX <3% of Group sales annually
- Continued strong organic growth hampers accounts receivable while DSO flat vs Q1 2022
- No further payments related to corona government relief measures in North America in 2023. Will support improved cash generation in 2023

Net debt to EBITDA ratio improving

MSEK	
Net debt January 1, 2023	**-40 534**
Free cash flow	-627
Acquisitions/Divestitures	-5
IAC	-336
Lease liabilities	40
Change in net debt	**-928**
Revaluation	8
Translation	146
Net debt March 31, 2023	**-41 308**

Net debt to EBITDA-ratio

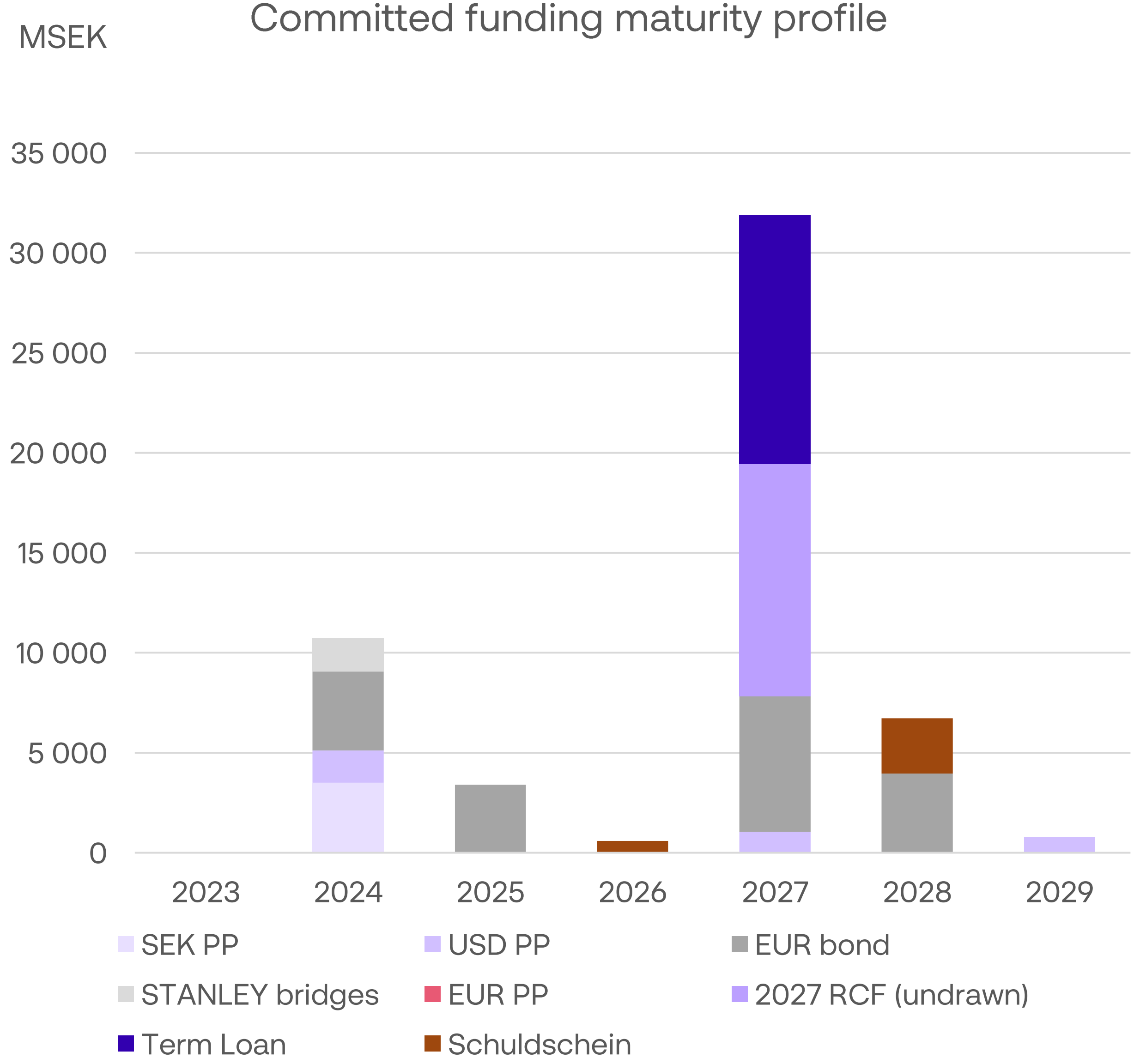


Q1 2023	Net debt to EBITDA-ratio
As reported	3.8
Adjusted net debt to EBITDA including adjusted estimated STANLEY 12 months EBITDA	3.6
Adjusted net debt to EBITDA excluding IAC	3.3

Financing overview

- No financial covenants
- Strong liquidity at end of Q1: BSEK 5.4
- MEUR 1 029 RCF matures in 2027 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, 2022
  - Bridge to debt facility with maturity in July, 2024. Initial amount MUSD 2 385. As of May 3, 2023, remaining amount is MUSD 159 equivalent
  - MUSD 75, 6-year Private Placement drawn on January 10, 2023
  - 4+1 years term loan of MEUR 1 100 completed in January, 2023, with the core relationship banks
  - Schuldschein of MEUR 300 equivalent, split 3 and 5 year term, drawn March 2, 2023
  - A 4-year Eurobond of MEUR 600 was drawn on April 4, 2023
  - Remaining bridge to debt facility to be refinanced through a mix of long-term debt financing
- S&P credit rating BBB- with stable outlook, unchanged from Q4
- Remain committed to investment grade rating

Committed funding maturity profile



The debt maturity chart shows the position as of March 31, 2023, adjusted for the MEUR 600 Eurobond drawn on April 4, 2023

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

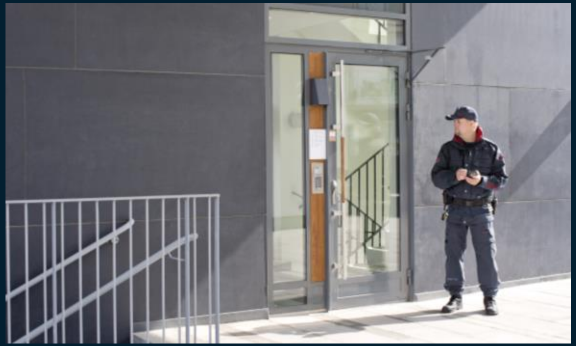
(1) For the 2022-26 period. Sales growth adjusted for changes in exchange rates

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%)

The capabilities required to win

Clear results from executing our strategy

- Solid operating margin at 5.8 percent (5.1) in Q1
- Good momentum in technology and solutions sales across all segments
- Maintaining the price and wage balance in an inflationary environment
- Operating cash flow improved to 9 percent (-9)
- Integration processes with STANLEY Security progressing well

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