Interim Report January-March 2022

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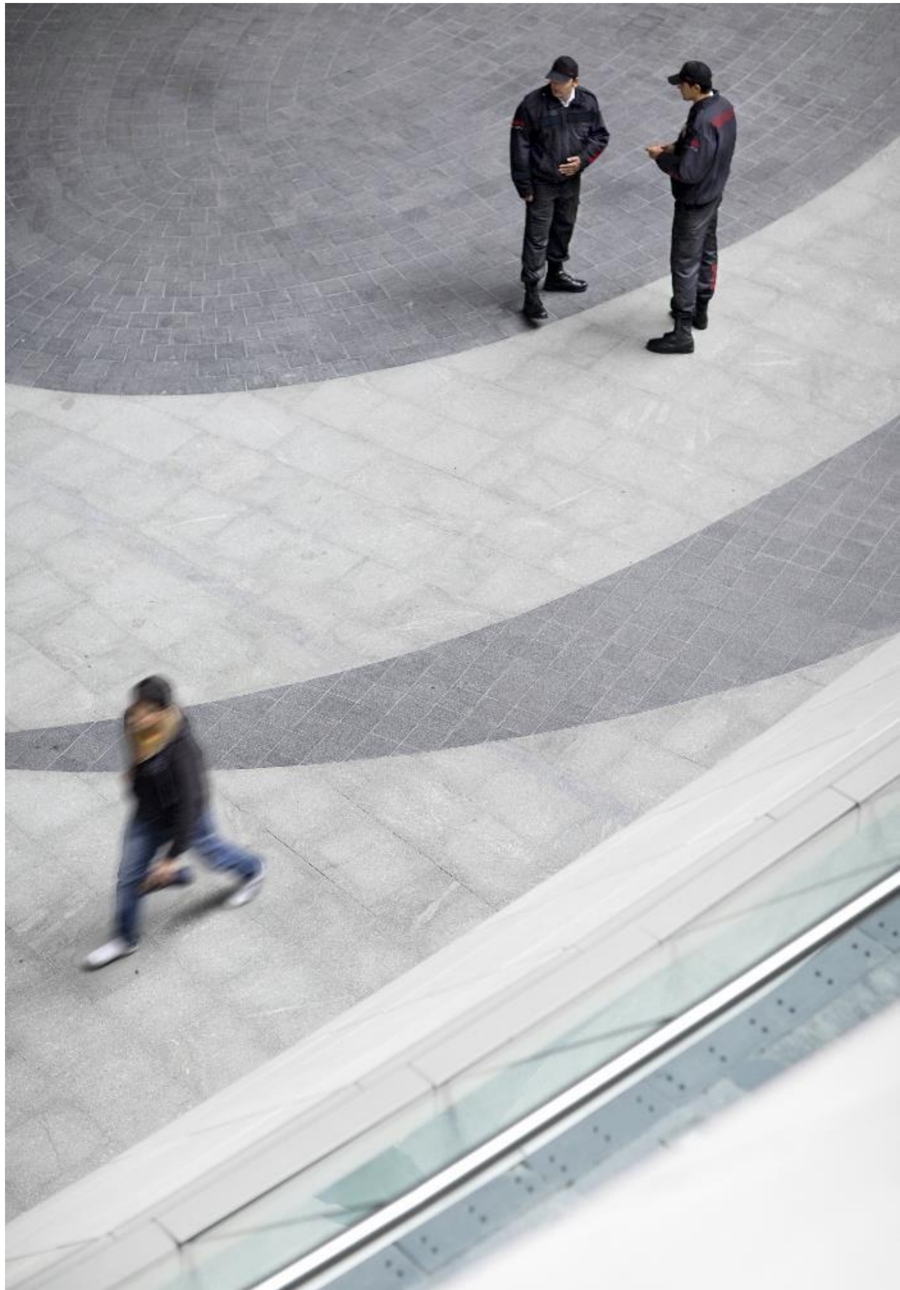
Securitas

A robust start to the year with continued margin improvement

- **4 percent organic sales growth (0)**
  - Driven by strong sales growth in Europe and Ibero-America
- **Increased market activity and good momentum in the business**
  - 9 percent sales growth of security solutions and electronic security – now 23 percent (22) of total sales in the Group
- **Increased real operating result by 8 percent (30) and the highest first quarter operating margin, 5.1 percent (4.9), in more than a decade**
  - Record levels in North America and Ibero-America
- **Price and wage balance kept on par**
  - Well positioned to maintain this balance
- **Continued strong focus on profitability**
  - Active portfolio management, transformations programs and general cost control



Security Services North America

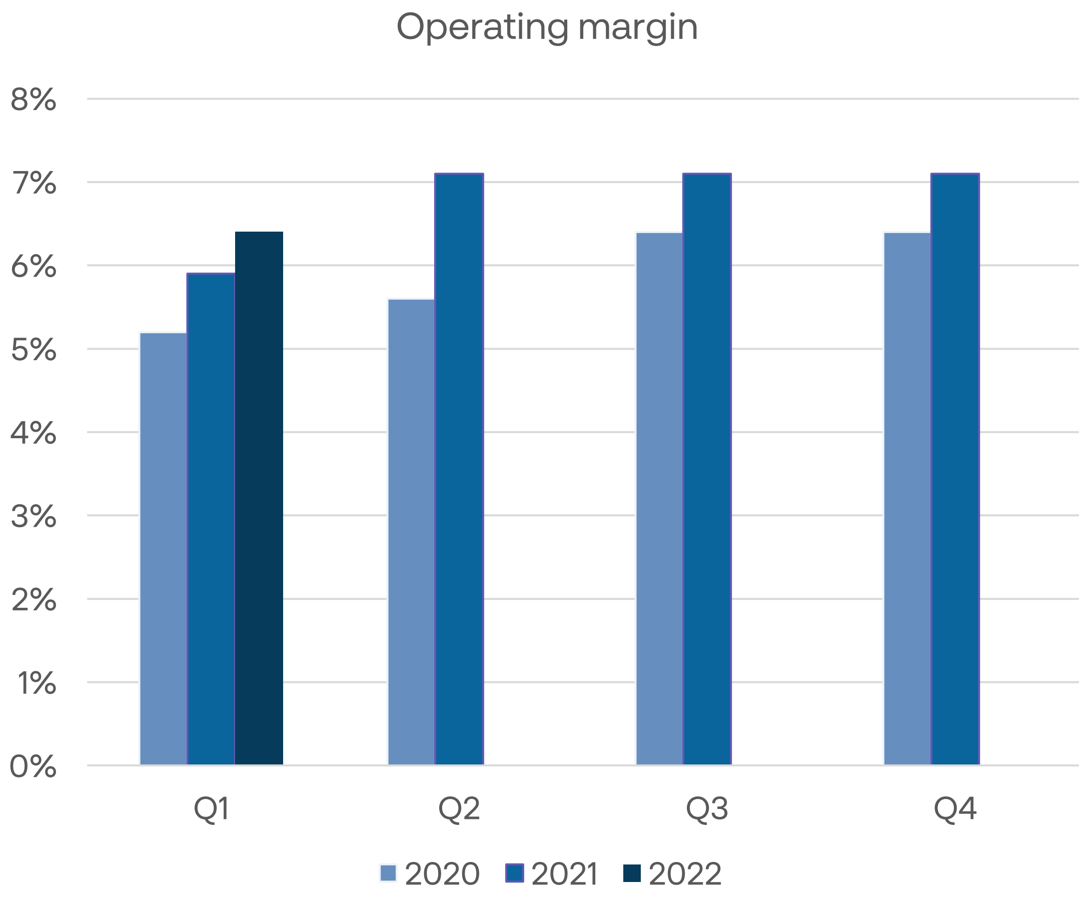
As expected, lower extra sales and contract terminations hit organic sales growth

Organic sales growth -2% (3)

- Previously announced terminated contracts, lower corona-related extra sales main reasons for the decline
- Installation business hampered by supply-chain issues and corona-related sick leave
- Successful price increase campaigns in Guarding offset part of the decline as did Critical Infrastructure Services and Pinkerton

Security Services North America

Strong margin uplift supported by all business units



Operating margin 6.4% (5.9)

- Solid performance in Guarding, despite lower level of corona-related extra sales and impact from labor pressure
- The finalized business transformation program supported
- Electronic Security and Critical Infrastructure Services performed well
- Pinkerton delivered a strong result

Security Services Europe

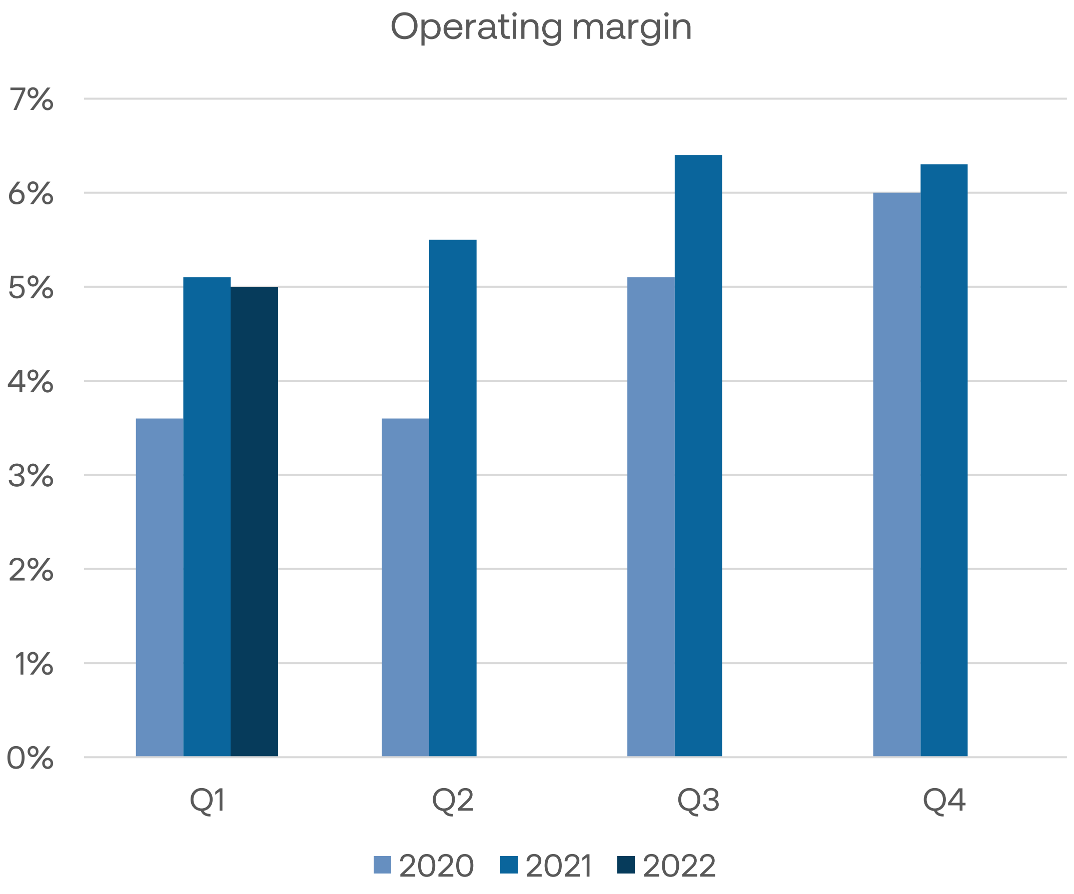
Organic sales growth back on good levels

Organic sales growth 8% (-1)

- Most countries contributed to the improvement
- Good momentum in security solutions and electronic security
- Strong price increases and continued post corona recovery supported…
- …as did the high inflationary environment in Turkey

Security Services Europe

Stable margin development despite strong negative impact from sickness costs



Operating margin 5.0% (5.1)

- Negative impact from higher corona-related sickness costs and increased costs related to labor shortage of approximately -0.4 percentage points
- Healthy underlying margin development, well ahead of last year
- Support from previously implemented cost measures and cost leverage on the strong sales growth
- The previously acquired electronic security businesses also contributed

Security Services Ibero-America

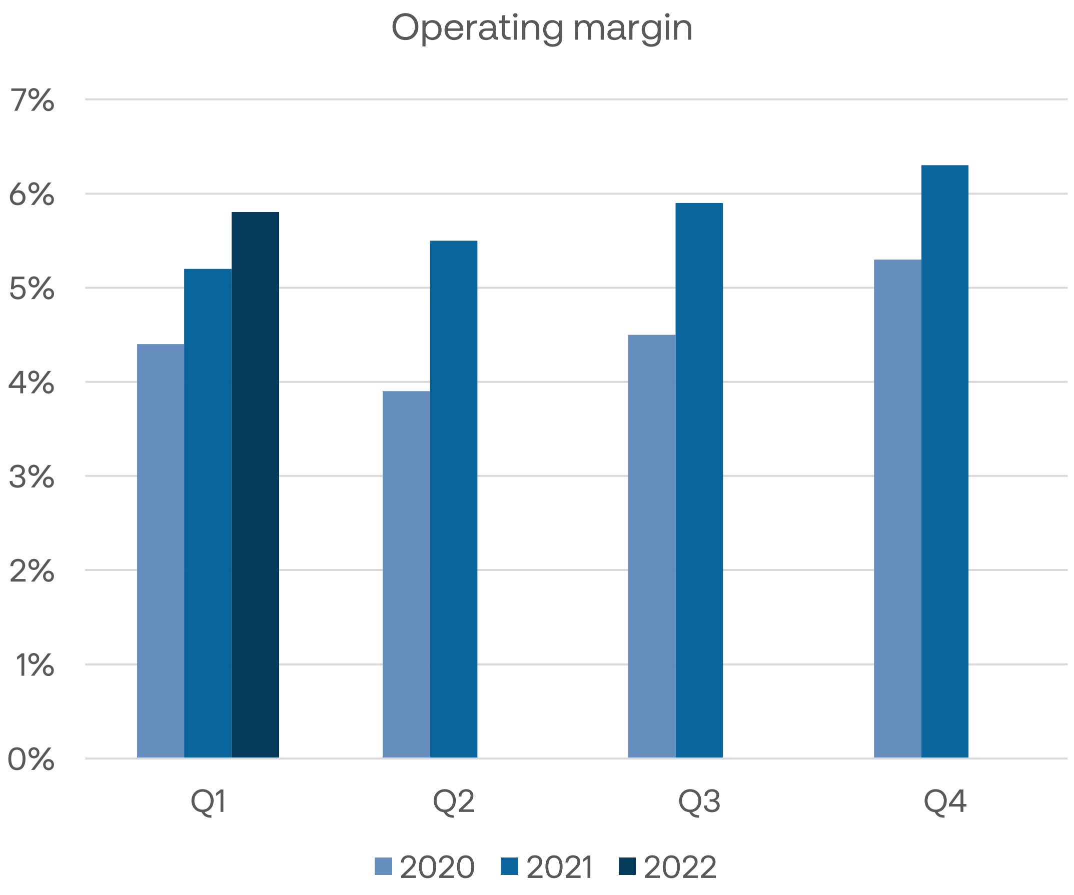
Organic sales growth driven by Spain

Organic sales growth 12% (-2)

- Spain had 10% organic sales growth with strong development across the business
- Latin-America improved mainly from price increases in Argentina
- Good momentum of security solutions and electronic security sales supported…
- …as did the recovery in the airport security business

Security Services Ibero-America

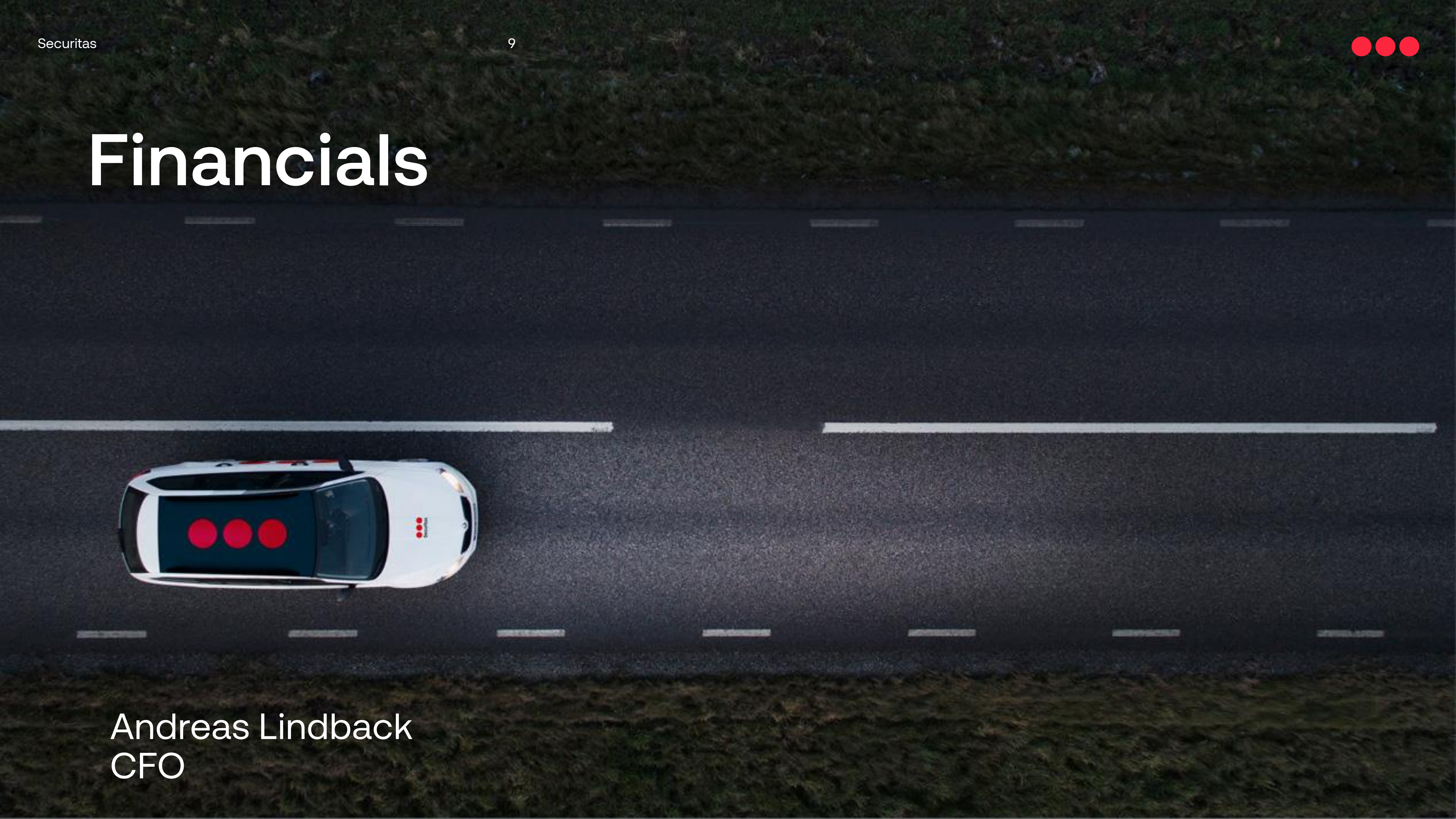
Strong margin development, driven by Spain



Operating margin 5.8% (5.2)

- The improvement mainly driven from strong performance in Spain
- Portugal and Colombia contributed, including recovery in the airport security business
- Argentina hampered

Financials



Andreas Lindback
CFO

A strong start to the year

MSEK	Q1 2022	Q1 2021	FY 2021
Sales	**28 598**	**25 814**	**107 700**
Organic sales growth, %	*4*	*0*	*4*
Operating income before amort.	**1 452**	**1 256**	**5 978**
Operating margin, %	*5.1*	*4.9*	*5.6*
Amort. of acquisition-related intangible assets	-61	-65	-290
Acquisition-related costs	-10	-29	-122
Items affecting comparability	-134	-136	-871
Operating income after amortization	**1 247**	**1 026**	**4 695**
Financial income and expenses	-95	-94	-364
Income before taxes	**1 152**	**932**	**4 331**
Tax, %	*27.0*	*27.0*	*27.6*
Net income for the period	**841**	**680**	**3 134**
EPS, SEK	**2.30**	**1.86**	**8.59**
EPS, SEK before IAC	**2.57**	**2.11**	**10.41**

- Continued solid operating margin improvement
- Reduced support from corona-related government grants and support: MSEK 37 (205)
- Items affecting comparability of MSEK – 134, mainly related to the transformation programs in Europe and Ibero-America
- Financial income and expenses flat to previous year, increased interest cost expected

Items affecting comparability

- Three programs closed Q4 2021 with solid value realization ongoing
- Europe and Ibero-America programs executing according to plan
- Transaction and integration-related Stanley cost according to announced plan

Q1 2022

Programs	MSEK	-121
Stanley	MSEK	-13
IAC	**MSEK**	**-134**

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

- Total program cost announced: MSEK -1 400 over the period 2021-2023
- Cloud computing: MSEK ~250 CAPEX to IAC transfer (non-cash) over 2022-2023. No material historical impact
- Total IAC Q1 2022: MSEK -121

Estimated IAC-range of MSEK -500 to -600 in FY 2022

Stanley Security acquisition, announced Q4 2021

- Total MUSD -135 (app. BSEK -1.3) acquisition-related cost, majority in 2022-2023
- Q1 2022: MSEK -13
- Total cost since announcement: MSEK -75

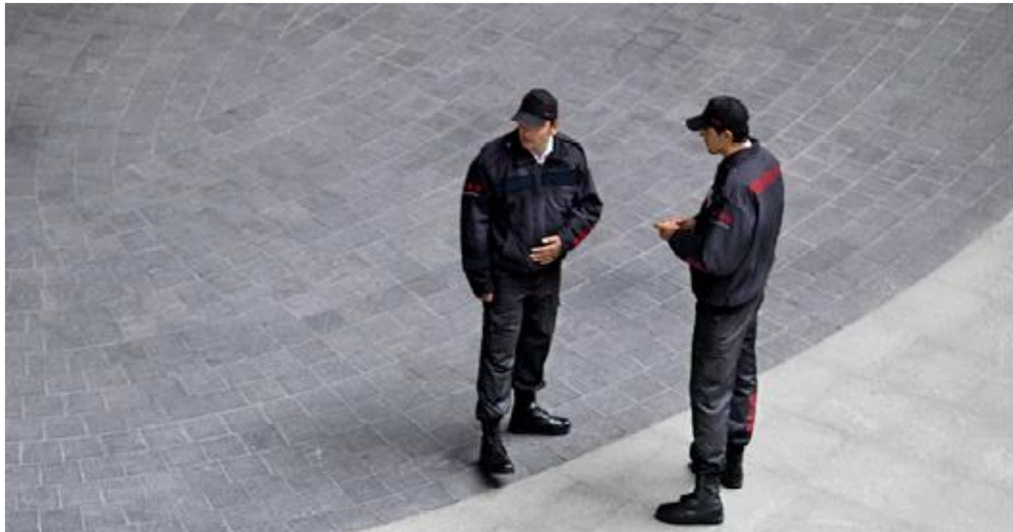
Tailwind from FX in the first quarter

MSEK	Q1 2022	Q1 2021	Change Total, %	Change Real*, %
Sales	**28 598**	25 814	11	5
Operating income	**1 452**	1 256	16	8
EPS, SEK	**2.30**	1.86	24	15
EPS, SEK, before IAC	**2.57**	2.11	22	13

** Including acquisitions and adjusted FX*

FX SEK END-RATES

	Q1 2022	Q1 2021	%
USD	**9.29**	8.73	6.4
EUR	**10.33**	10.24	0.9
ARS	**0.08**	0.10	-20.0



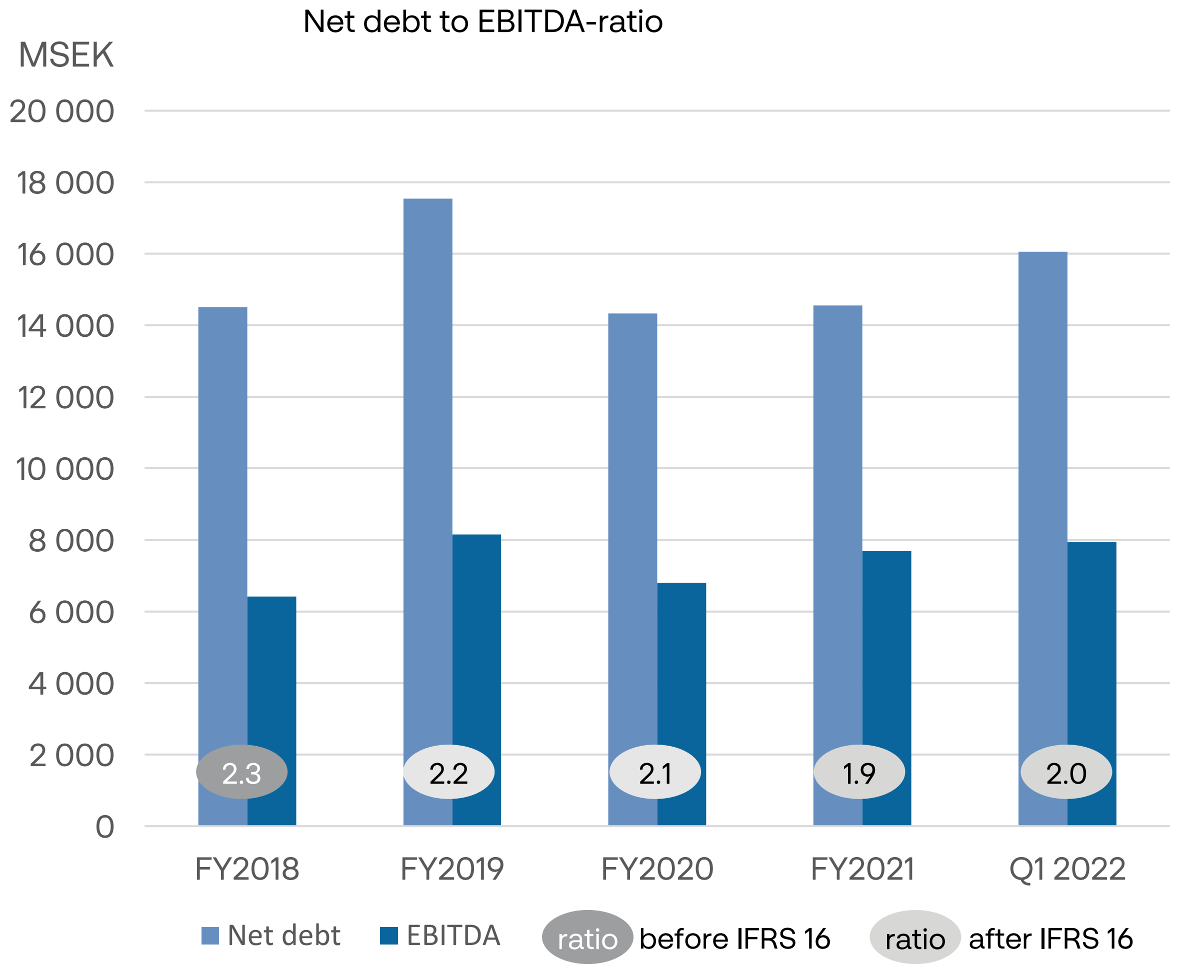
Weak cash flow on exceptionally strong comparables

MSEK	Q1 2022	Q1 2021	FY 2021
Operating income before amortization	**1 452**	**1 256**	**5 978**
Net investments in non-current assets	-43	5	-120
Change in accounts receivable	-448	140	117
Change in other operating capital employed	-1 090	-118	-399
Cash flow from operating activities	**-129**	**1 283**	**5 576**
Cash flow from operating activities, %	*-9*	*102*	*93*
Financial income and expenses paid	-236	-242	-312
Current taxes paid	-322	-245	-1 265
Free cash flow	**-687**	**796**	**3 999**

- The first quarter of the year is traditionally weak regarding cash flow – Q1 2021 exception
- Q1 2022 cash flow negatively impacted by solid organic sales growth and increased DSO, from a low level at year-end 2021. DSO improved compared to Q1 2021
- Q1 last year impacted positively by positive payroll timing in North America and the Netherlands with approximately MSEK 600
- Remaining approximately MSEK 600 corona-related government payment relief measures in North America from 2020 to be paid in Q4 2022
- Net investments of -43 MSEK in Q1
  - CAPEX of MSEK –727 and reversal of depreciation of MSEK 684
  - CAPEX <3% of Group sales annually

Stable net debt to EBITDA-ratio

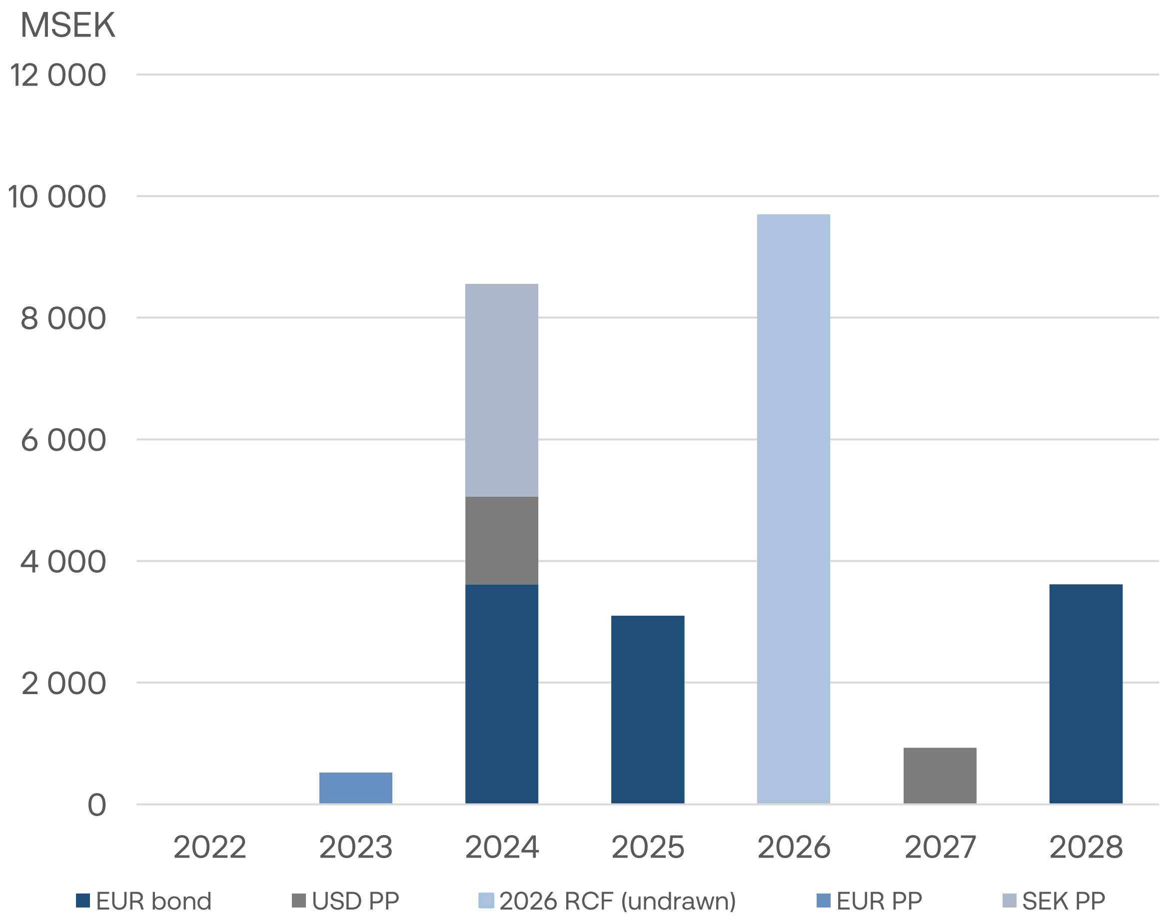
MSEK	
Net debt Jan 1, 2022	**-14 551**
Free cash flow	-687
Acquisitions/Divestitures	-7
IAC	-267
Lease liabilities	-202
Change in net debt	**-1 163**
Revaluation	-7
Translation	-338
Net debt March 31, 2022	**-16 059**



Solid financing in place, preparing for Stanley Security closing

- Solid financing in place, no financial covenants
- Good liquidity at end Q1: BSEK 3.7
- RCF extended to 2027* (in April) and is fully undrawn
- 2022 MEUR 350 maturity and refinanced in Q1
- Bridge facility connected to the BUSD 3.2 Stanley Security transaction signed with SEB. The facility was subsequently syndicated among another 7 core relationship banks
- Bridge to be refinanced after completion (assumed close in Q2 2022) by a mix of equity and long-term debt, including a rights issue of approx. USD 915 million
- S&P BBB rating from Standard & Poor's. CreditWatch Negative on announced acquisition of Stanley Security
- Remain committed to investment grade rating

Committed funding maturity profile, excluding bridge facility

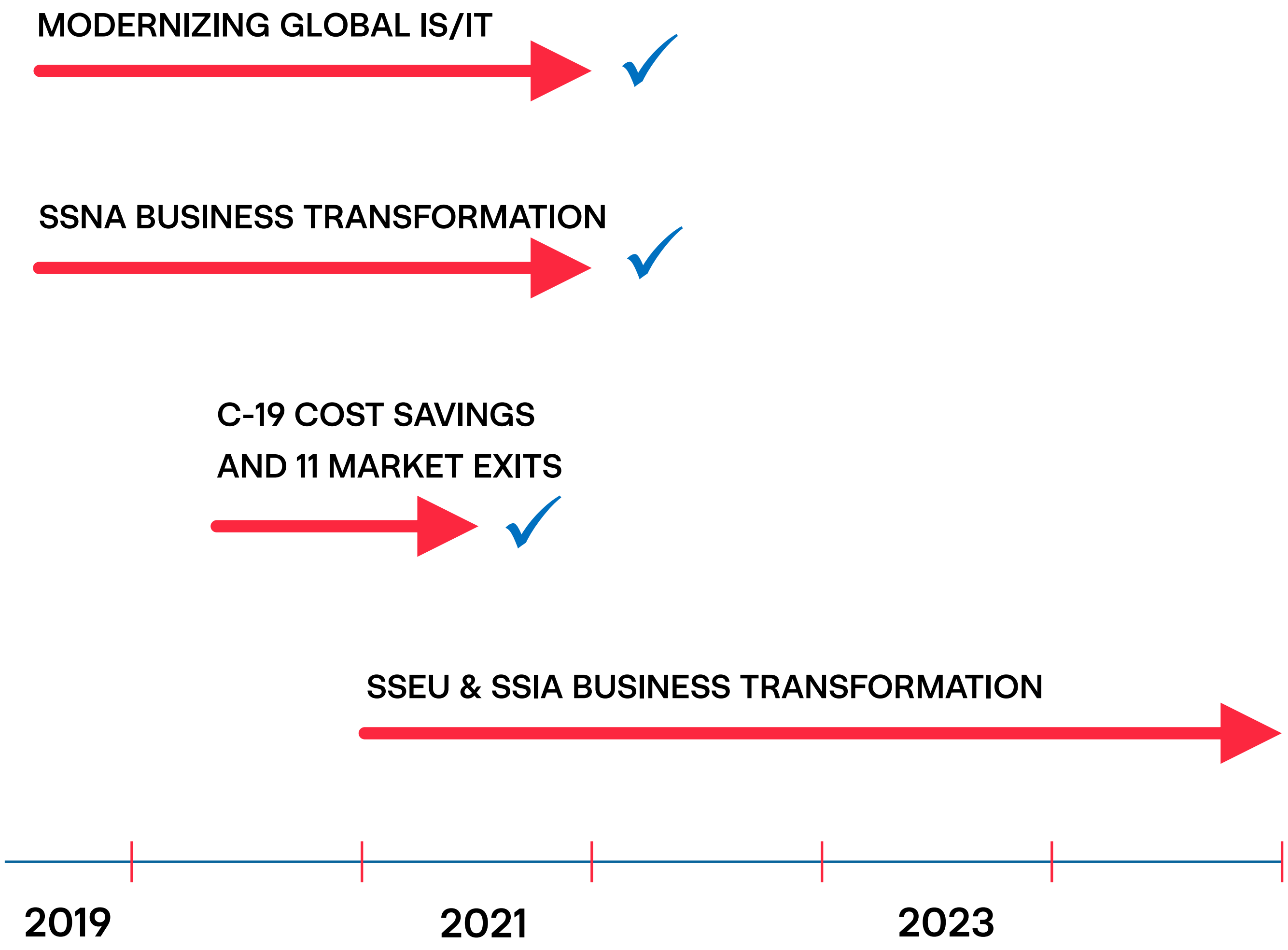


Debt maturity chart shows Q1 end position

Accelerating our leadership in the industry

Solid progress with the transformation programs
The first three programs closed at the end of 2021

Modernization and efficiency



Targeted impacts

Group: MSEK 300 savings upon completion by 2022

SSNA: Up to 0.5% margin benefit by 2022, gradual improvement in 2021

C-19: 2 year pay-back period

Exit: Focus and less complexity

SSEU: Around 6.5% OPM by 2024. First impact 2022

SSIA: Around 6.0% OPM by 2024

Transforming the profile of Securitas

Securitas

A leading guarding company with electronic security & solutions capabilities

A leading security solutions partner with world-leading technology & expertise

STANLEY Security

A leader in commercial electronic security with highly innovative solutions

Securitas and Stanley Security – forming a winning team

— Transforms Securitas' position, with initially **over 50% of the profit contribution generated from security solutions and electronic security**

— Strong commercial opportunity, enhancing the client proposition, **unlocking growth and transforming the margin** profile by an acquisition with a strong cultural fit

— Very **well received by our clients** – very positive feedback relating to the future opportunities of the combination

— **Strong value creation** in a highly synergistic combination, with EPS accretion in the first full year post completion (excluding items affecting comparability and costs associated with the transaction)

— **Closing process progresses according to plan** with estimated closing **towards the end of Q2 2022**

— **Integration and value creation planning well advanced** and on track

— Together with ongoing initiatives **will enable substantial operating margin improvement over time**

We continue to execute on our strategy, and it is generating results

- **Increased real operating result by 8 percent (30) and the highest first quarter operating margin, 5.1 percent (4.9), in more than a decade**
  - Record levels in North America and Ibero-America
- **Improving sales of security solutions and electronic security across all segments**
- **Continued strong focus on profitability**
  - Active portfolio management, transformations programs and general cost control
- **Price and wage balance kept on par**
  - Well positioned to maintain this balance

Securitas