

May 5, 2014



January – March 2014



Alf Göransson, President and CEO

Highlights January - March



- Organic sales growth 2% (0). The organic sales in the US shows signs of recovery, Latin America continuously strong
- Improvement in the security market in France, Spain still difficult
- Operating margin 4.6% (4.7) – flat margins in SSNA and SSE but negative development in SSIA due to tough conditions in Spain
- Negative FX from Argentina of MSEK -21
- Flat operating income, improved net income and EPS growth of 9 percent
- Free Cash Flow to net debt ratio 0.20 (0.20)



Financial Highlights



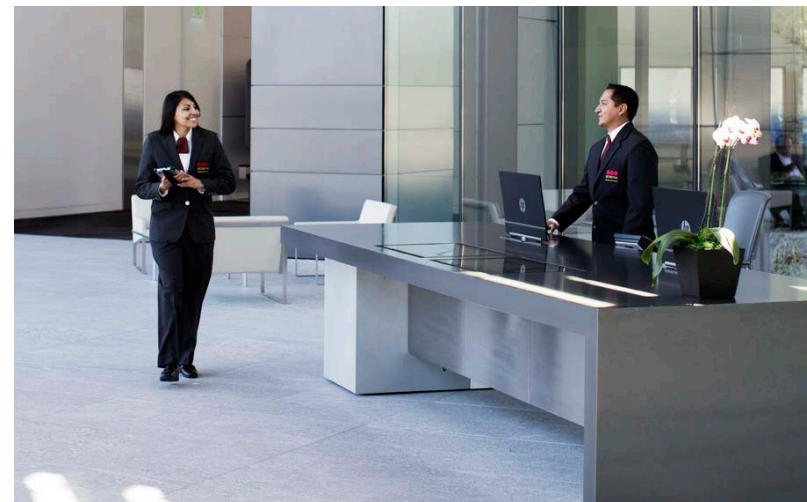
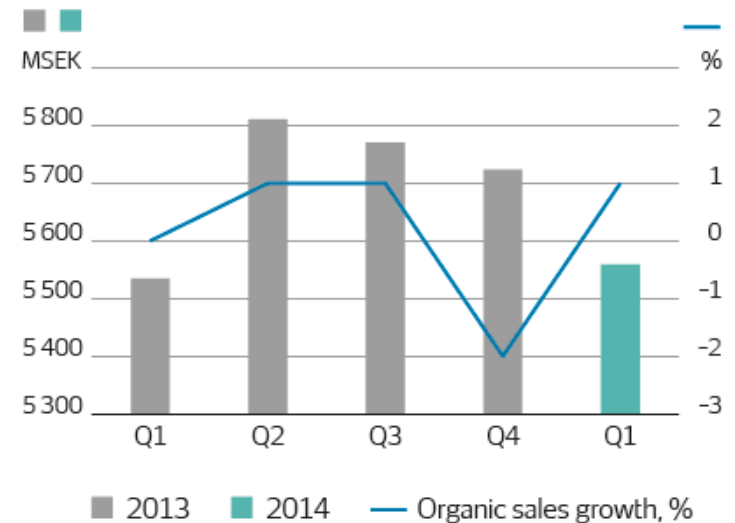
MSEK	Q1 2014	Q1 2013	Total change %	Real change %	FY 2013	Total change %
Sales	16 111	15 860	2	2	65 700	-1
<i>Organic sales growth, %</i>	2	0			1	
Operating income before amortization	738	749	-1	0	3 329	10
<i>Operating margin, %</i>	4.6	4.7			5.1	
Amortization of acquisition related assets	-61	-64			-274	
Acquisition related costs	-4	-8			-27	
Items affecting comparability	-	-			-	
Operating income after amortization	673	677	-1	1	3 028	34
Financial income and expenses	-81	-136			-385	
Income before taxes	592	541	9	11	2 643	57
Net income for the period	415	380	9	11	1 856	58
Earnings per share (SEK)	1.13	1.04	9	10	5.07	57
EPS, adjusted (SEK)	1.13	1.04	9	10	5.07	23

Security Services North America

– Sales Development Q1 2014



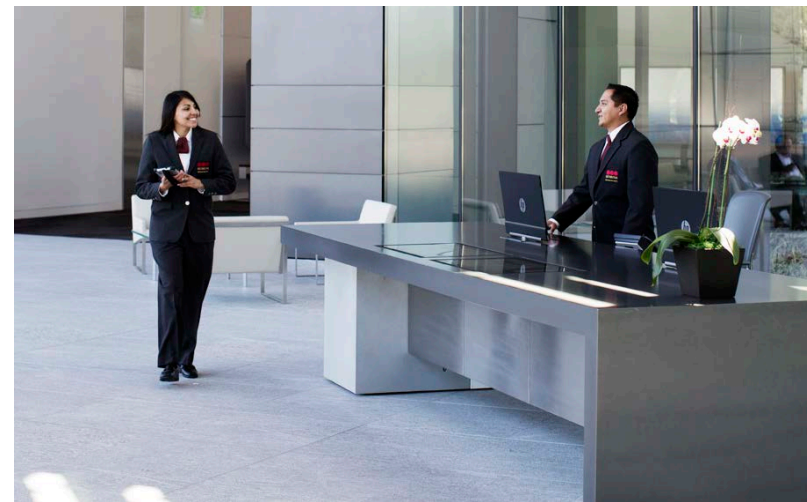
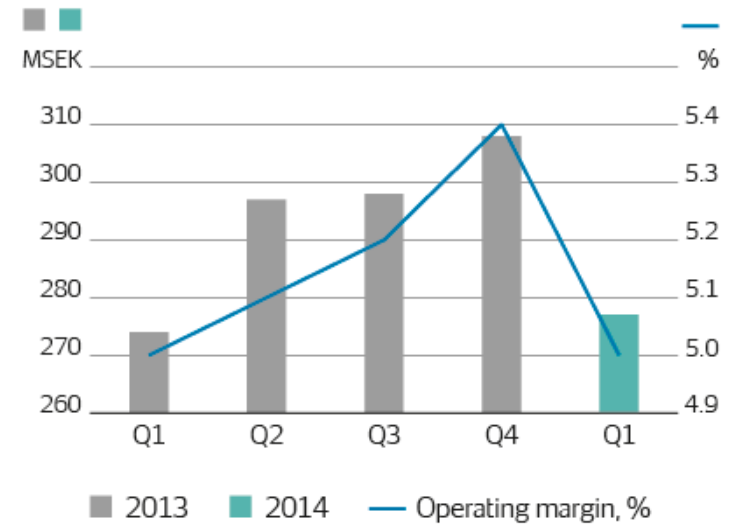
- Organic sales growth 1% (0), supported by the business unit critical infrastructure (includes federal government and defense and aerospace)
- The tender activity is gradually increasing - positive signs that the actions taken last year are starting to pay off in organic sales growth



Security Services North America – Income Development Q1 2014



- The operating margin 5.0% (5.0)

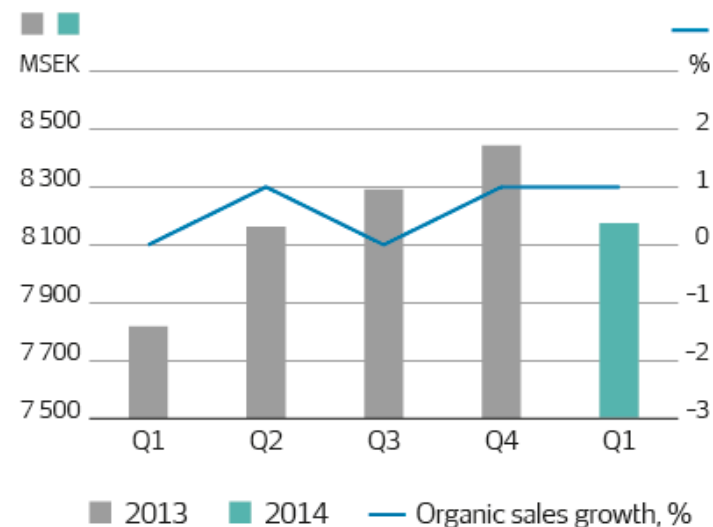


Security Services Europe

– Sales Development Q1 2014



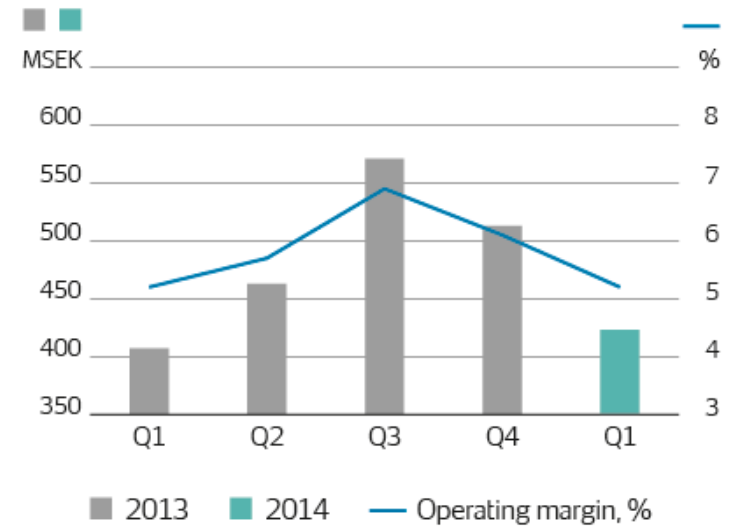
- Organic sales growth 1% (0)
- Turkey had a very good development, as did Norway
- France has improved significantly and is close to 0% growth, with an improving trend
- The United Kingdom lost a few contracts in the first quarter



Security Services Europe – Income Development Q1 2014



- Operating margin 5.2% (5.2)

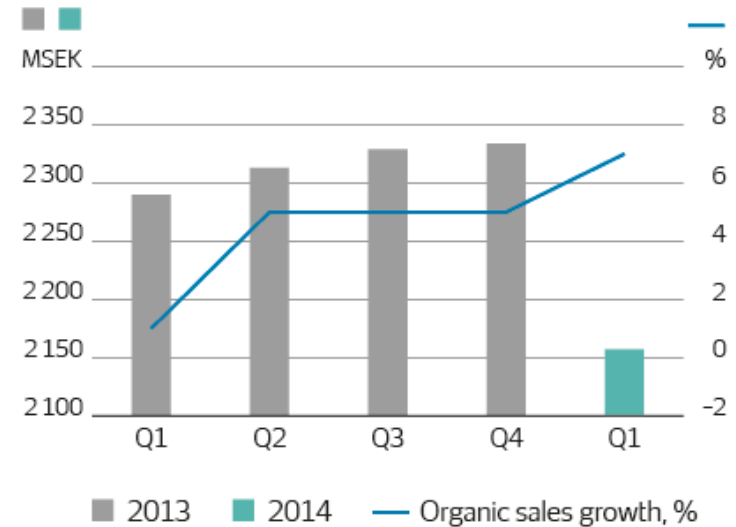


Security Services Ibero-America

– Sales Development Q1 2014



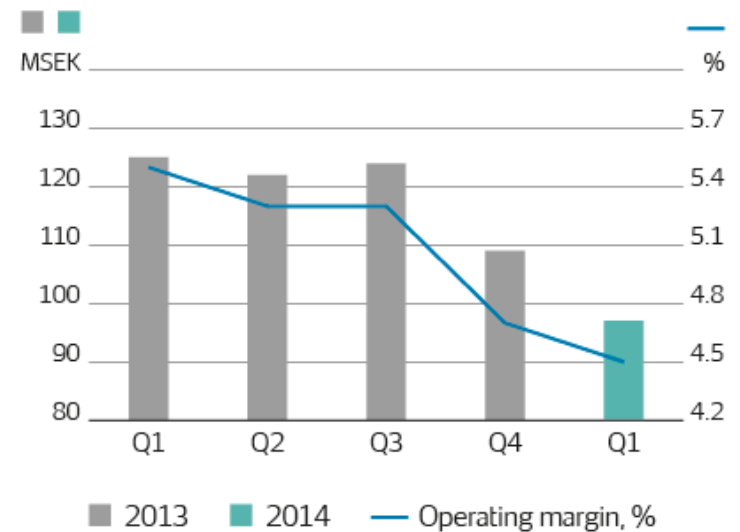
- Organic sales growth 7% (1)
- In Latin America the organic sales growth was 24%, mainly driven by price increases in Argentina
- Organic sales growth in Spain was -10% (-14)
- Macro economic conditions improve in Spain, but tough market conditions with fierce price competition remains
- The investments in security solutions and technology in Spain are paying off and the sales currently represents 16% of total sales (8% in FY2012)



Security Services Ibero-America – Income Development Q1 2014



- Operating margin 4.5% (5.5)
- The operating margin in Spain was negatively impacted by the additional labor related taxes that were introduced in December 2013
- Also, market conditions are continuously tough and price concessions have been necessary to protect the portfolio
- Negative FX from Argentina of MSEK -21



Cash flow



MSEK	Q1 2014	Q1 2013	FY 2013	FY 2012
Operating income before amortization	738	749	3 329	3 027
Investments in non-current tangible and intangible assets	-258	-193	-804	-1 039
Reversal of depreciation	234	234	946	946
Change in accounts receivable	-116	-35	1	206
Change in other operating capital employed	-541	-602	-242	61
Cash flow from operating activities	57	153	3 230	3 201
<i>Cash flow from operating activities, %</i>	<i>8</i>	<i>20</i>	<i>97</i>	<i>106</i>
Financial income and expenses paid	-184	-159	-532	-532
Current taxes paid	-104	-117	-610	-583
Free cash flow	-231	-123	2 088	2 086
<i>As % of adjusted income</i>	<i>-45</i>	<i>-26</i>	<i>93</i>	<i>108</i>
<i>Free cash flow to net debt</i>	<i>0.20</i>	<i>0.20</i>	<i>0.22</i>	<i>0.21</i>

Net Debt Development



MSEK

Net debt January 1, 2014	-9 610
Free cash flow	-231
Acquisitions	-24
IAC payments	-19
Change in net debt	-274
Translation and revaluation	-48
Net debt Mar 31, 2014	-9 932

Our Strategy for Future Growth



Past

Present

Potential

Security market growth:
GDP + 1-2%

Security market growth:
GDP +/- 0%

Enlarge the private
security market

Insourced
security market

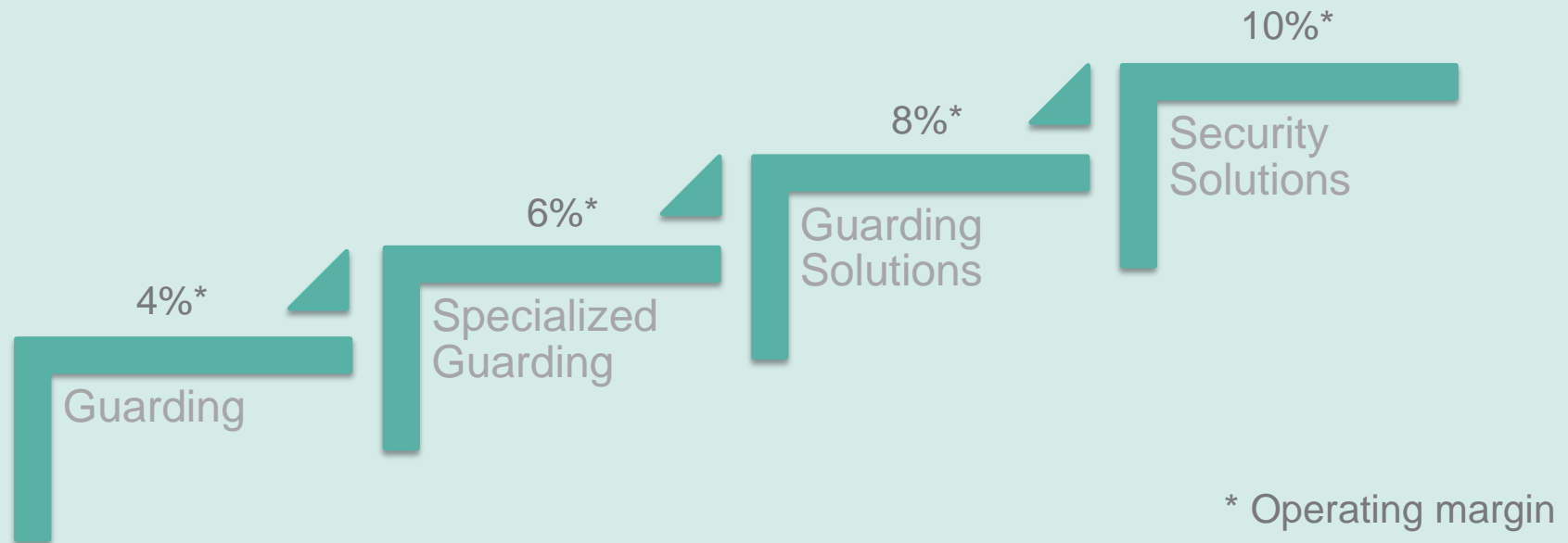


Our path

Focus areas in 2014 – increase sales of security solutions and technology



- Sales of security solutions and technology 6% of Group sales in 2012 and 8.5% in Q1 2014 – target to triple share by end of 2015
- We will continue to selectively acquire technology operations to build and strengthen our technology platform



Questions and Answers





Integrity | Vigilance | Helpfulness

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