Q4/Full-Year Report 2023

Magnus Ahlqvist, President and CEO
Andreas Lindback, CFO

Securitas

Strong cash flows and margin improvement from technology and solutions

- **Organic sales growth of 6 percent (9) in the fourth quarter**
  - Organic sales growth was driven by price increases and volume growth within the airport business
  - Technology and solutions had 6 percent real sales growth
- **Operating margin reached 6.8 percent (6.5) in the fourth quarter, with all three business segments contributing**
- **Price and wage balance in the Group on par for the full year**
- **Operating cash flow was 166 percent (83) in the fourth quarter and 80 percent (71) for the full year. Net debt to EBITDA before IAC ratio 2.7 (3.3)**
- **Proposed dividend SEK 3.80 (3.45) per share, to be distributed in two installments**

Strong operating margin development in technology and solutions, representing 55 percent of Group's operating result in Q4

Business line	Sales MSEK Q4 2023	Real sales growth, % Q4 2023	EBITA** MSEK Q4 2023	EBITA margin, % Q4 2023	% of Group sales Q4 2023	% of Group EBITA** Q4 2023
Security services	25 845	5	1 271	4.9	65	47
Technology and solutions	12 947	6*	1 473	11.4	33	55
Risk management services and costs for Group functions	750	-	-61	-	2	-2
Group	**39 542**	**4**	**2 683**	**6.8**	**100**	**100**

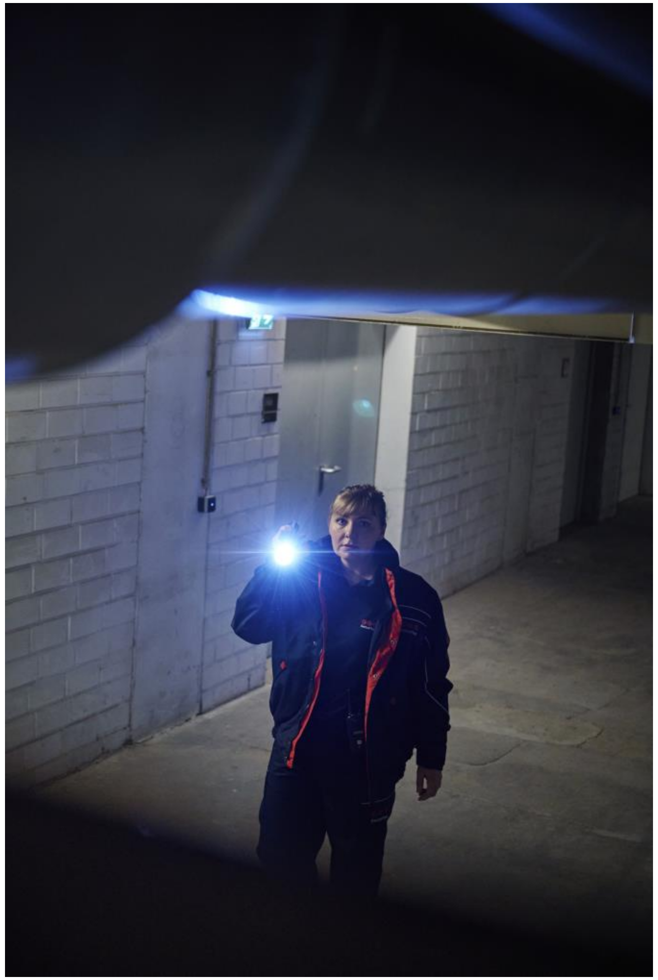
** Real sales growth including STANLEY Security for the comparable period (consolidated as of July 22, 2022) was 9 percent for the full year*
*** EBITA = operating income before amortization*

Securitas North America

Organic sales growth driven by the Guarding business

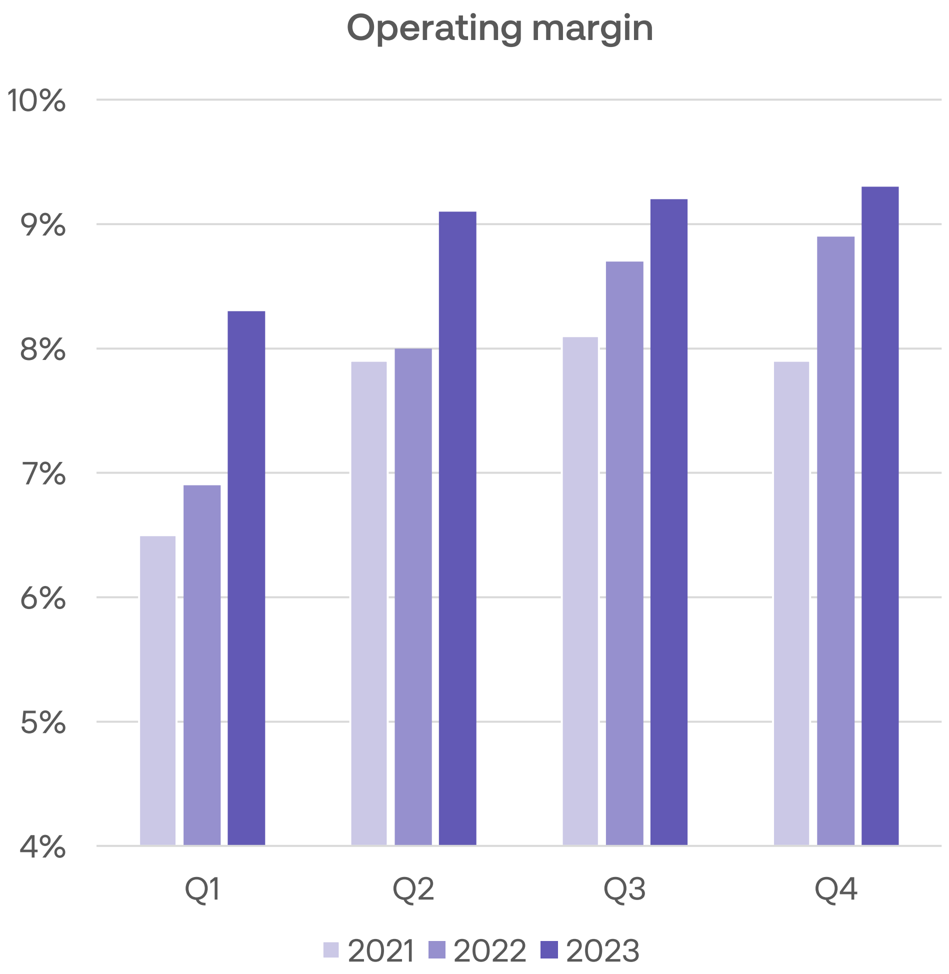
Organic sales growth 4% (6) in Q4, 6% (1) in FY

- Driven by portfolio new sales and a significant client contract renewed and extended, as previously communicated, and price increases
- The Technology business unit was flat in the quarter although with continued good commercial activity
- A contract within airport security of MSEK 1 300 will be terminated as of March 31, 2024
- Technology and solutions sales represented 36 percent (36) of total sales in Q4
- Client retention rate 90 percent (86)



Securitas North America

Strong margin uplift driven by the Technology business



Operating margin 9.3% (8.9) in Q4, 9.0% (8.3) in FY

- The development was driven by the Technology business unit:
  - strong integration execution
  - positive impact from cost synergies
  - solid installation margins
  - good development in the RMR portfolio
- The operating margin in the Guarding business unit declined, hampered by higher medical expenses and reconciliation of year-end provisions

Securitas Europe

Strong organic sales growth mainly driven by price increases

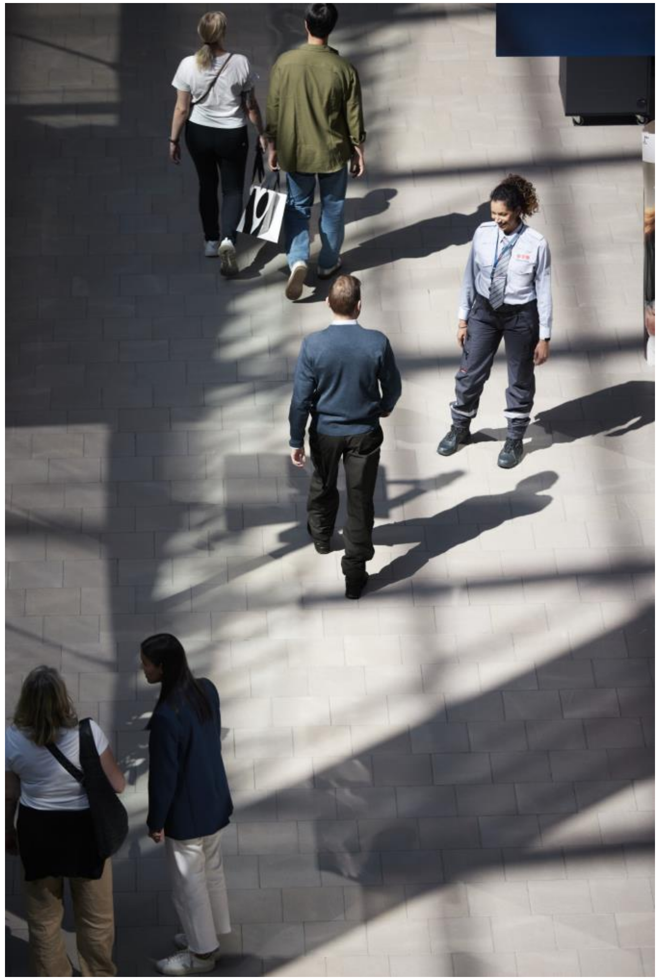
Organic sales growth 11% (11) in Q4, 12% (9) in FY

— Strong price increases supported organic sales growth including impacts from the hyperinflationary environment in Türkiye

— Supported also by technology and solutions as well as the airport security business

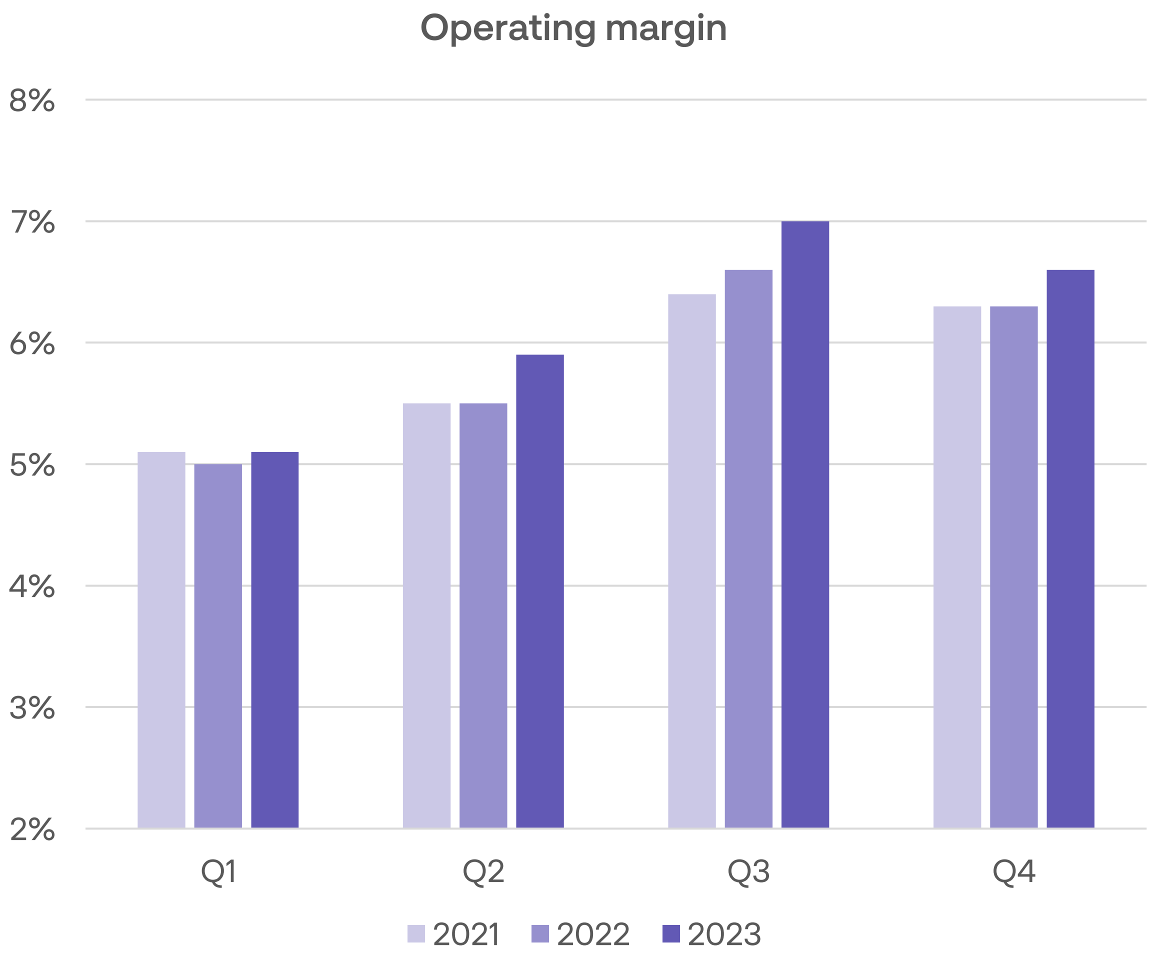
— Technology and solutions sales represented 34 percent (35) of total sales in Q4

— Client retention rate 91 percent (91)



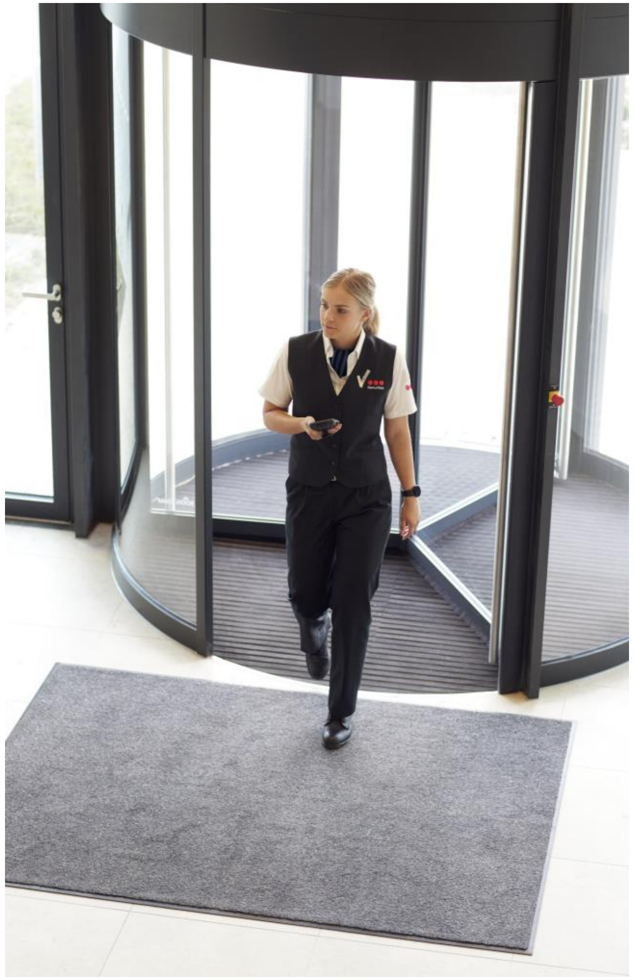
Securitas Europe

Operating margin improvement driven by technology and solutions



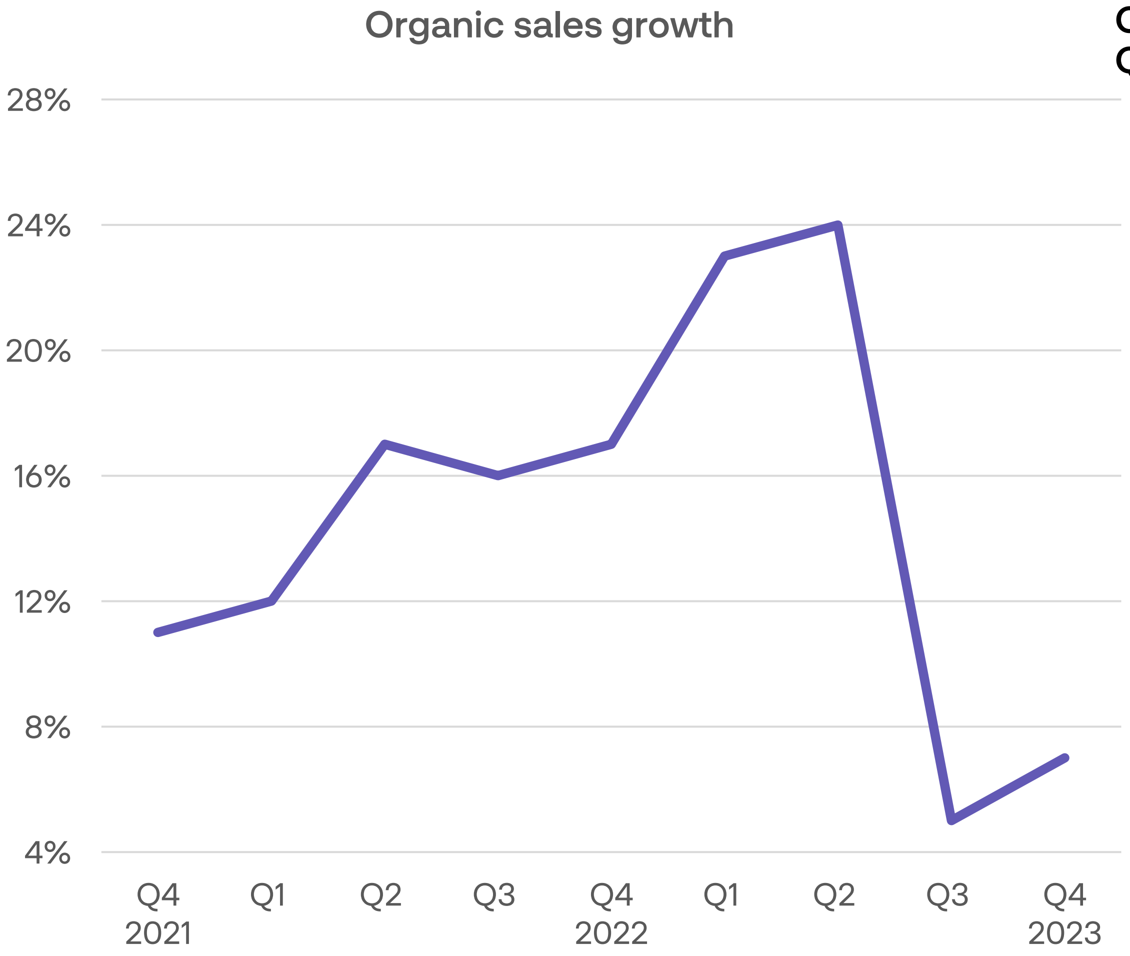
Operating margin 6.6% (6.3) in Q4, 6.1% (5.9) in FY

- The improvement was driven mainly from technology and solutions, where technology had a strong quarter
- Active portfolio management also contributed
- Hampered by increased costs related to labor shortage, such as subcontracting



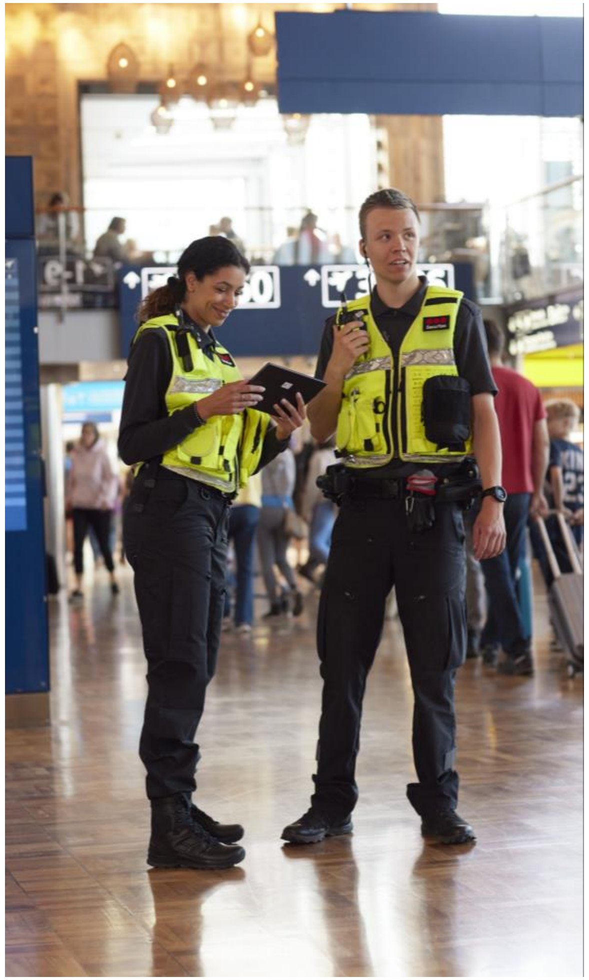
Securitas Ibero-America

The decline in organic sales growth is due to the divestment of Securitas Argentina



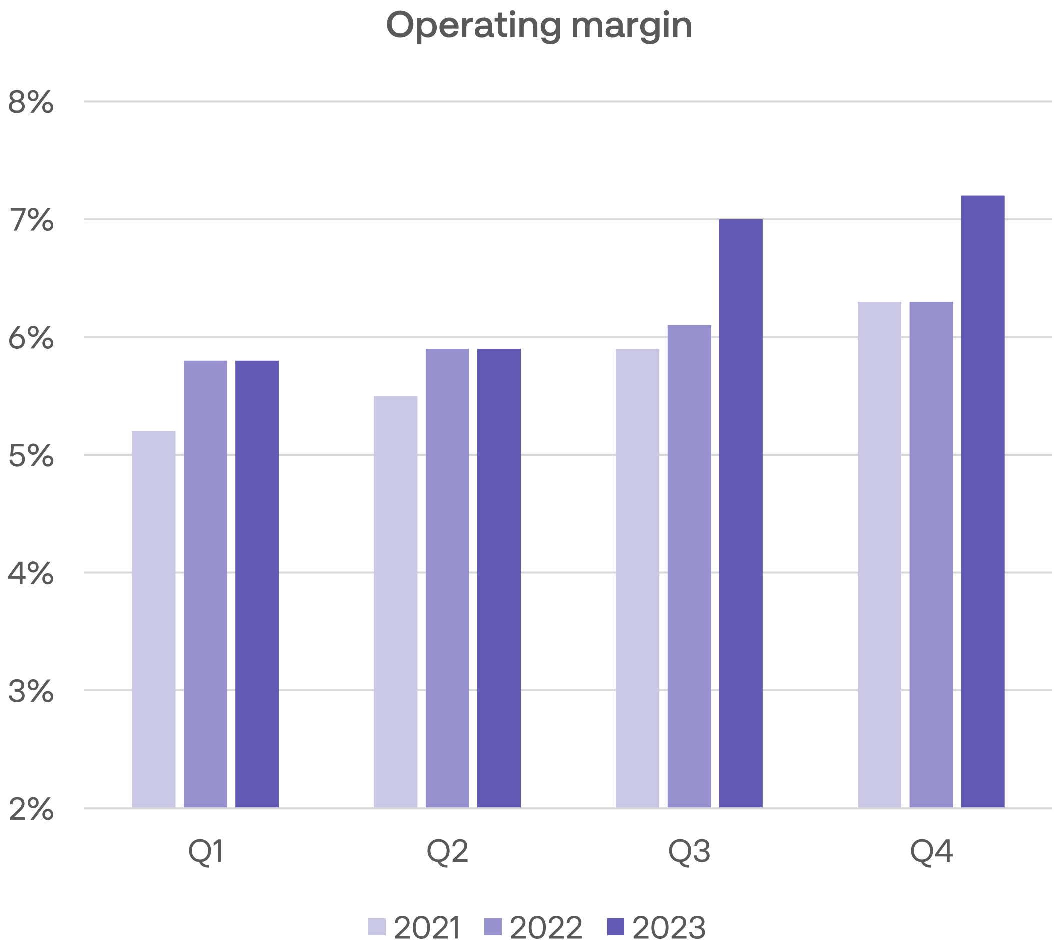
Organic sales growth 7% (17) in Q4, 15% (16) in FY

- Organic sales growth declined due to the divestiture of Securitas Argentina
- Organic sales growth in Spain was 6 percent (4), supported by price increases and improved technology and solutions sales but hampered by active portfolio management
- Technology and solutions sales represented 35 percent (31) of total sales in Q4
- Client retention rate 93 percent (92)



Securitas Ibero-America

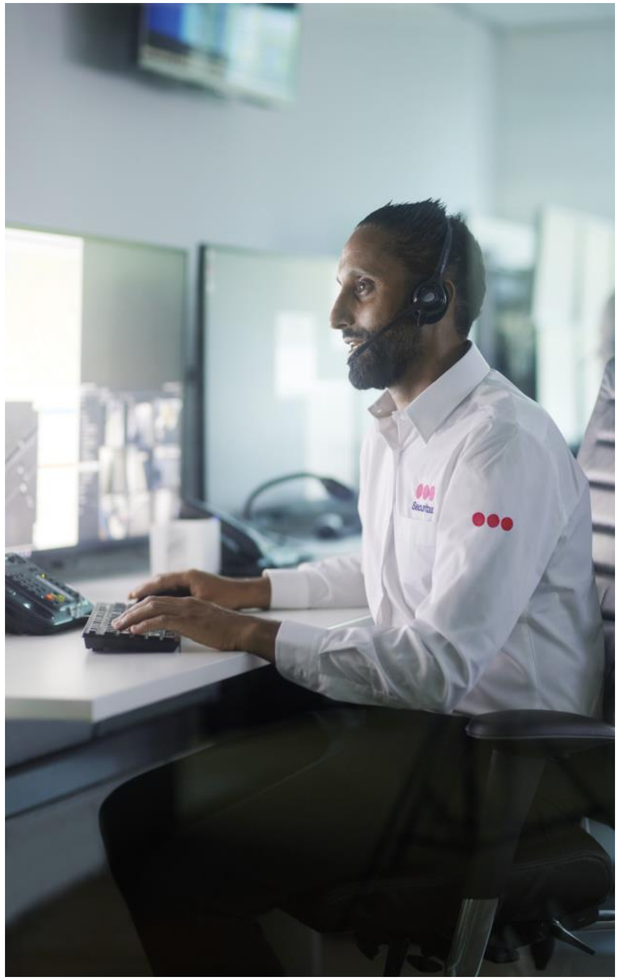
The improved operating margin was driven by technology and solutions



Operating margin 7.2% (6.3) in Q4, 6.4% (6.0) in FY

— Improved margins in technology and solutions and in airport security supported, as well as the divestiture of Securitas Argentina

— The operating margin in Spain improved compared to last year, although wage increase continued to hamper



Financials

Andreas Lindback
CFO

Financial highlights

MSEK	Q4 2023	Q4 2022	FY 2023	FY 2022
Sales	**39 542**	**38 091**	**157 249**	**133 237**
Organic sales growth, %	*6*	*9*	*9*	*7*
Operating income before amortization	**2 683**	**2 491**	**10 247**	**8 033**
Operating margin, %	*6.8*	*6.5*	*6.5*	*6.0*
Amort. of acquisition-related intangible assets	-152	-155	-620	-414
Acquisition-related costs	-3	-4	-10	-49
IAC	-404	-312	-4 669	-1 086
Operating income after amortization	**2 124**	**2 020**	**4 948**	**6 484**
Financial income and expenses	-628	-336	-2 115	-758
Income before taxes	**1 496**	**1 684**	**2 833**	**5 726**
Tax, %	*19.2*	*18.4*	*54.2*	*24.6*
Net income for the period	**1 209**	**1 374**	**1 297**	**4 316**
EPS, SEK*	**2.11**	**2.47**	**2.24**	**9.20**
EPS, SEK before IAC*	**2.44**	**2.63**	**9.59**	**10.77**

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

- The Securitas Critical Infrastructure Services (SCIS) business unit moved from segment Securitas North America to Other in Q3 2023
- Amortization of acquisition-related intangible assets MSEK –152 (–155) in Q4
- IAC of MSEK –404 (–312) in Q4
  - whereof MSEK -196 (-158) related to STANLEY Security
  - whereof MSEK -208 (-154) related to the transformation programs in Europe and Ibero-America
- Financial income and expenses were MSEK -628 (-336) in Q4
- Tax rate of 54.2 percent for FY 2023, impacted negatively by the non-tax deductible capital loss from the divestiture of Securitas Argentina and positively impacted by the reversal of tax provisions related to Spanish tax cases in Q4
- Excluding these impacts, the tax rate was 26.9% in FY 2023

Items affecting comparability

FY 2023: BSEK 1.35

FY 2024:

Estimate around BSEK 0.55

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

- 2021-2022: MSEK -1 012
- **FY 2023 IAC MSEK -686/ FY 2024 IAC estimated to approximately MSEK -150**
- CAPEX: 2021-2022 MSEK –295 / FY 2023 CAPEX MSEK -225 / FY 2024 estimated to MSEK -100

STANLEY Security acquisition, announced in Q4 2021

- Total MUSD -135 (app. BSEK -1.5) acquisition-related cost, majority in 2022-2023
- FY 2022 MSEK -454 / FY 2021 MSEK -62
- **FY 2023 IAC MSEK –662 / FY 2024 IAC estimated to MSEK -400**

Declining tailwind from FX

			Change	
MSEK	**Q4 2023**	Q4 2022	Total, %	Real*, %
Sales	**39 542**	38 091	4	4
Operating income	**2 683**	2 491	8	9
EPS, SEK**	**2.11**	2.47	-15	-11
EPS, SEK, before IAC**	**2.44**	2.63	-7	-3
EPS, SEK, before IAC, constant shares***	**2.44**	2.56	-5	0

			Change	
MSEK	**FY 2023**	FY 2022	Total, %	Real*, %
Sales	**157 249**	133 237	18	15
Operating income	**10 247**	8 033	28	24
EPS, SEK**	**2.24**	9.20	-76	-79
EPS, SEK, before IAC**	**9.59**	10.77	-11	-14
EPS, SEK, before IAC, constant shares***	**9.59**	8.80	9	5

FX SEK END-RATES	**Q4 2023**	Q4 2022	%
USD	**9.930**	10.483	-5.27
EUR	**11.037**	11.144	-0.96

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

Cash flow target reached for the full year

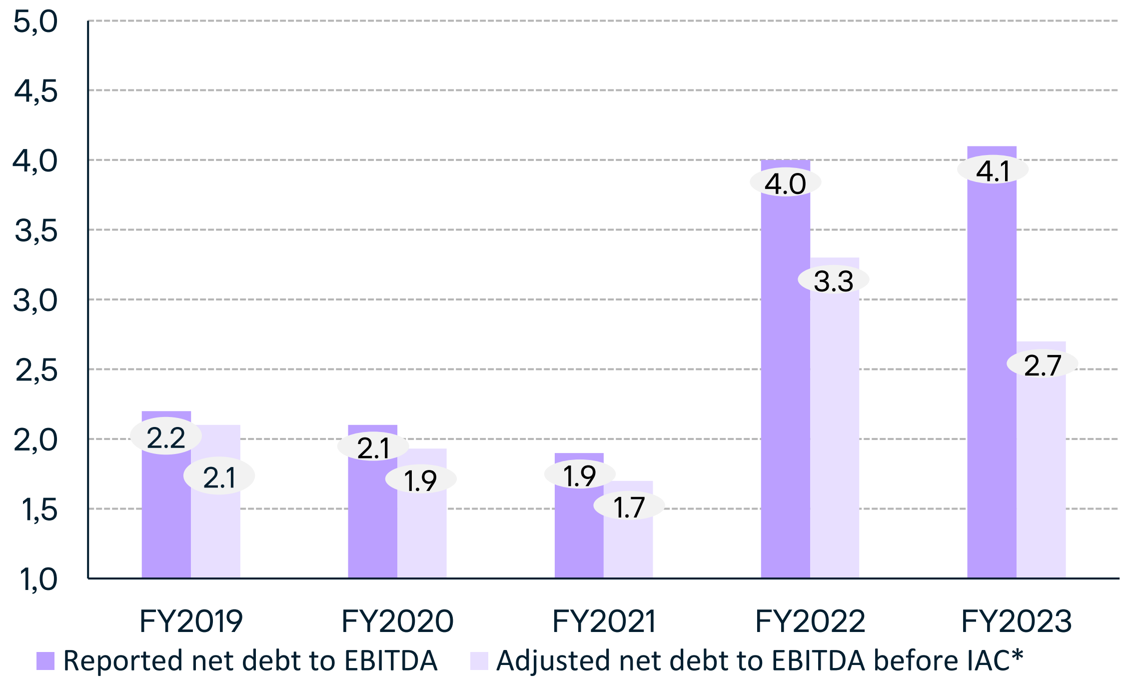
MSEK	Q4 2023	Q4 2022	FY 2023	FY 2022
Operating income before amortization	**2 683**	**2 491**	**10 247**	**8 033**
Net investments in non-current assets	-131	-136	-558	-447
Change in accounts receivable	739	-807	-1 921	-1 943
Change in other operating capital employed	1 174	527	417	77
Cash flow from operating activities	**4 465**	**2 075**	**8 185**	**5 720**
Cash flow from operating activities, %	*166*	*83*	*80*	*71*
Financial income and expenses paid	-420	-243	-1 899	-657
Current taxes paid	-547	-657	-1 348	-1 641
Free cash flow	**3 498**	**1 175**	**4 938**	**3 422**
Free cash flow, %	*209*	*59*	*75*	*57*

- Net investments of MSEK -131 (-136) in Q4
  - CAPEX of MSEK –972 and reversal of depreciation of MSEK 841
  - CAPEX <3% of Group sales annually
- Reduced DSO and lower organic sales growth supported accounts receivable
- Change in other operating capital employed was positively impacted by improved inventory and accounts payable
- Ongoing integration work continued to have negative impact on accounts receivable although solid improvements were seen in Q4 vs Q3
- Q4 last year negatively impacted by MSEK 700 related to corona government relief payments in North America

Solid deleveraging to 2.7x net debt to EBITDA-ratio before IAC

MSEK	
Net debt January 1, 2023	**-40 534**
Free cash flow	4 938
Acquisitions/Divestitures	-170
Items affecting comparability	-1 403
Dividend paid	-1 977
Lease liabilities	291
Change in net debt	**1 679**
Revaluation	2
Translation	1 323
Net debt December 31, 2023	**-37 530**

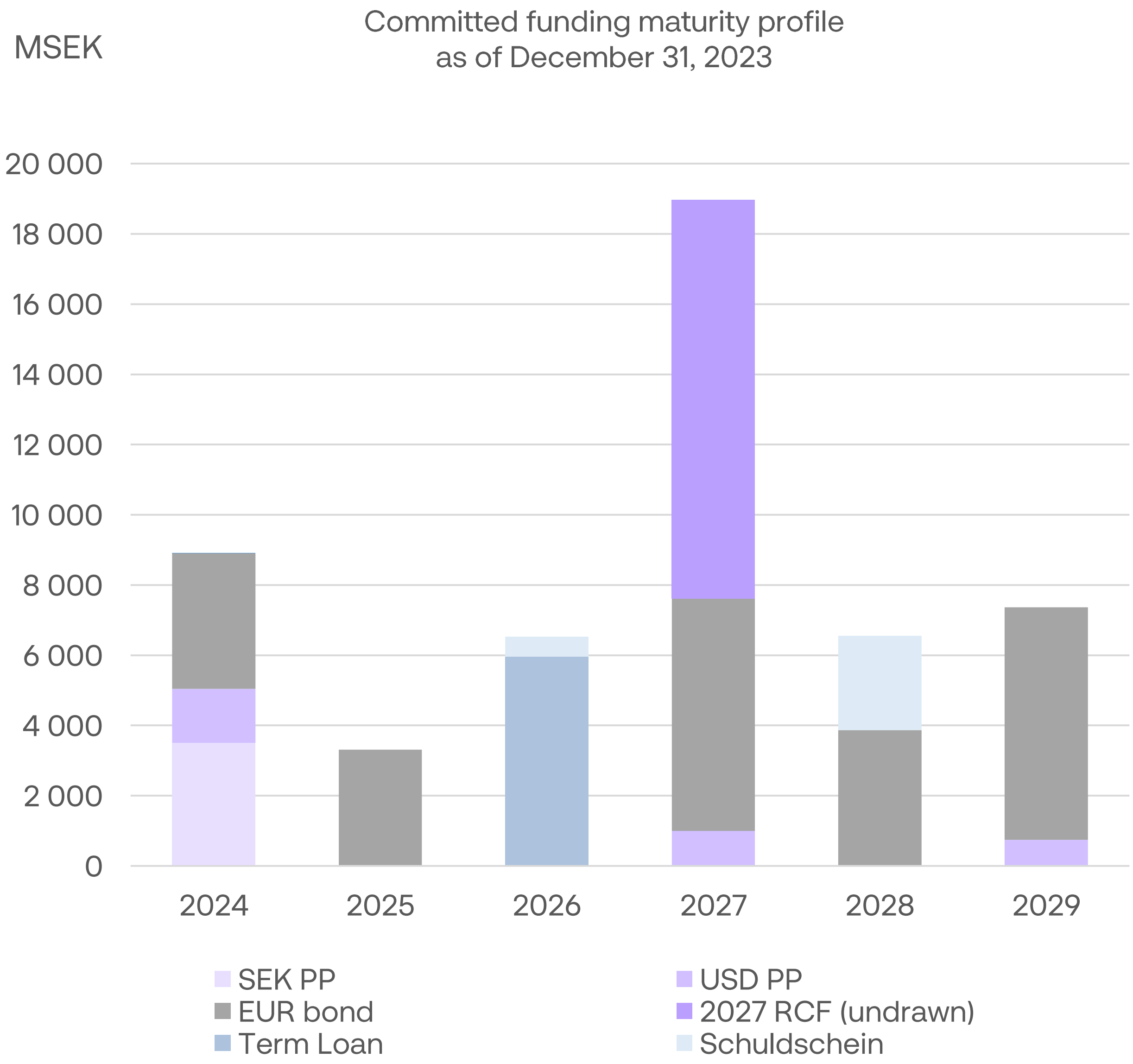
Net debt to EBITDA-ratio



** The comparative for FY2022 is adjusted for rights issue proceeds received in October 2022 and includes STANLEY Security's 12 months adjusted estimated EBITDA*

Financing overview

- No financial covenants
- Strong liquidity at the end of Q4: BSEK 7.9
- MEUR 1 029 RCF matures in 2027 and is fully undrawn
- MUSD 2 385 STANLEY Security bridge to debt facility fully refinanced by July 2023
- Early repayment of MEUR 1 100 term loan in H2 2023
  - MEUR 550 of term loan repaid in Q3 from MEUR 600 Eurobond issuance
  - Remaining term loan repaid and replaced by new MUSD 600 3-year term loan signed and drawn in Q4
- S&P credit rating BBB-, positive outlook
- Remain committed to investment grade rating



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

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

Investor Day on March 7, 2024, at 14.00-17.00 CET

Venue: Headquarters in Stockholm

To be webcasted live as well

More information to follow
closer to the event

Executing our strategy is driving performance

- The operating margin improved to 6.8 percent (6.5) in the fourth quarter driven by all business segments
- Technology and solutions was the main driver across the Group
- Price increases and wage cost increases on par in 2023
- Operating cash flow 166 percent (83) in the fourth quarter and 80 percent (71) for the full year
- Integration processes with STANLEY Security on track
- Net debt to EBITDA before IAC ratio 2.7 (3.3)

Securitas