



# Interim Report Q2/H1 2024

## Solid performance in all business segments

- Organic sales growth of 5 percent (11) in the second quarter
  - Technology and solutions had 8 percent real sales growth excluding Securitas Argentina
- Operating margin reached 6.9 percent (6.6) in the second quarter, driven by all business segments, with an improved margin development in our European operations
- Price and wage balance in the Group slightly positive in the first six months
- Operating cash flow was 60 percent (46) in the second quarter and net debt to EBITDA ratio was 2.9 (3.3\*)

*\*The comparative is adjusted and includes STANLEY Security's 12 months adjusted estimated EBITDA*



## Two-year anniversary of the closing of the STANLEY Security acquisition

- #2 global market position in Technology
- Healthy Q2 organic sales growth of 8 percent in Technology
- > BSEK 1.25 high-margin recurring monthly revenue in our monitoring and maintenance business
- > MUSD 50 cost synergy take-out
- Significantly improved operating margin improvement since closing
- Majority of integration finalized in North America and good progress in Europe





## Strong improvement in the security services business line

Business line	Real sales growth		% of Group sales		EBITA margin		% of Group EBITA**	
	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023
Security services	1	12	65	66	5.6	5.1	52	52
Technology and solutions	7	73*	33	32	10.4	10.3	50	50
Risk mgmt services and costs for Group functions	-	-	2	2	-	-	-2	-2
<b>Group</b>	<b>3</b>	<b>25</b>	<b>100</b>	<b>100</b>	<b>6.9</b>	<b>6.6</b>	<b>100</b>	<b>100</b>

- Good underlying performance within security services in Europe
- Improvements also within technology and solutions, where cost benefits and operational scalability supported

\*Excluding STANLEY Security real sales growth was 12 percent in the second quarter of 2023

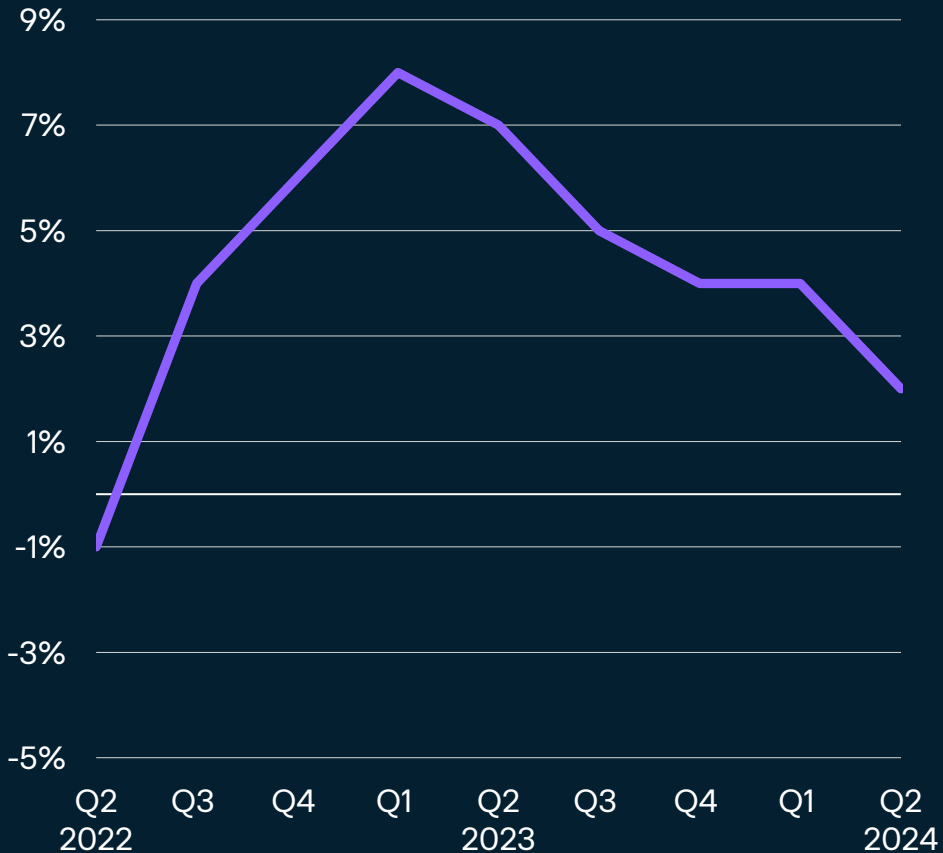
\*\*EBITA = operating income before amortization



Securitas North America

# Organic sales growth driven by the Technology business unit

Organic sales growth



Organic sales growth 2% (7) in Q2

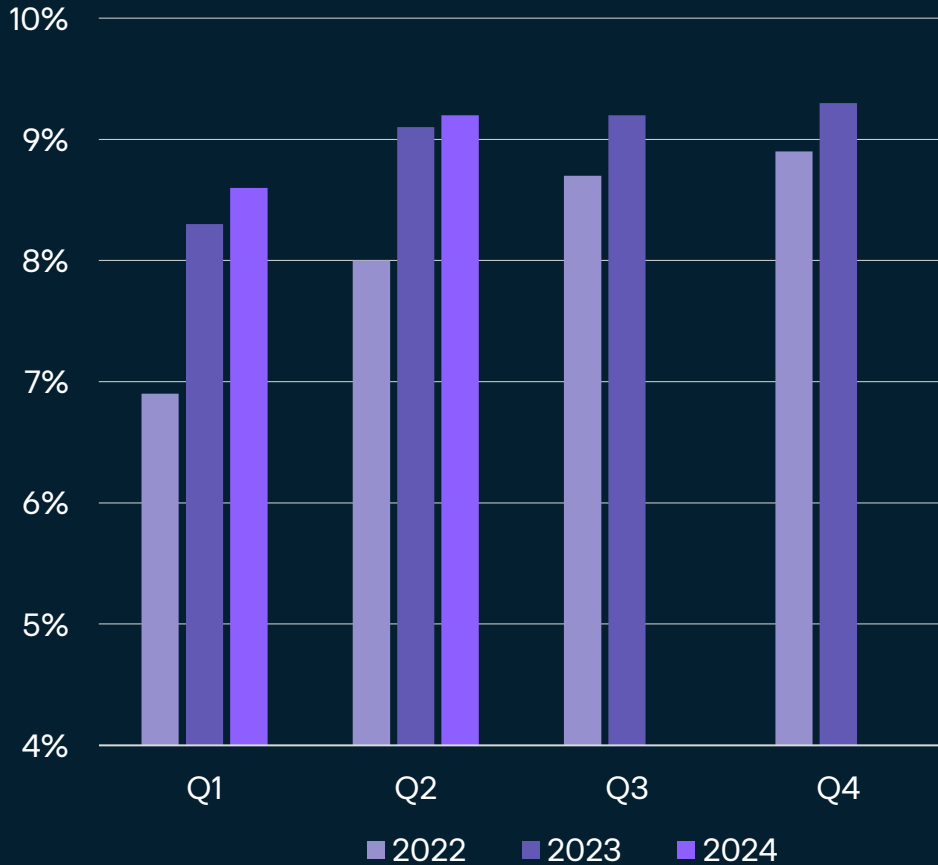
- Driven by good installation sales momentum in Technology
- Organic sales growth in Guarding was hampered by the termination of a contract within the airport business as previously communicated
- Technology and solutions sales represented 38 percent (36) of total sales in the second quarter
- Client retention rate 86 percent (86)



Securitas North America

# The margin improvement was driven by the Technology business unit

Operating margin



Operating margin 9.2% (9.1) in Q2

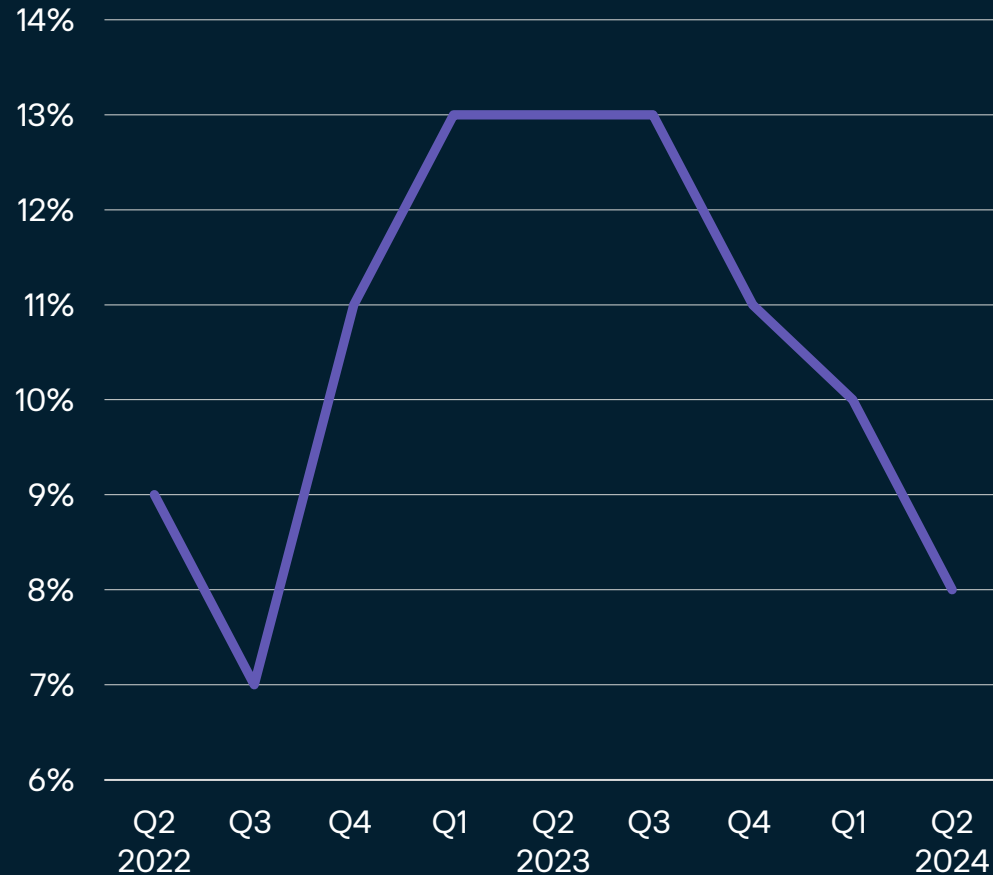
- The development was driven by the Technology business unit including cost synergies and leverage from the sales growth
- The operating margin in the Guarding business was stable



## Securitas Europe

# Organic sales growth mainly driven by technology and healthy price increases

Organic sales growth



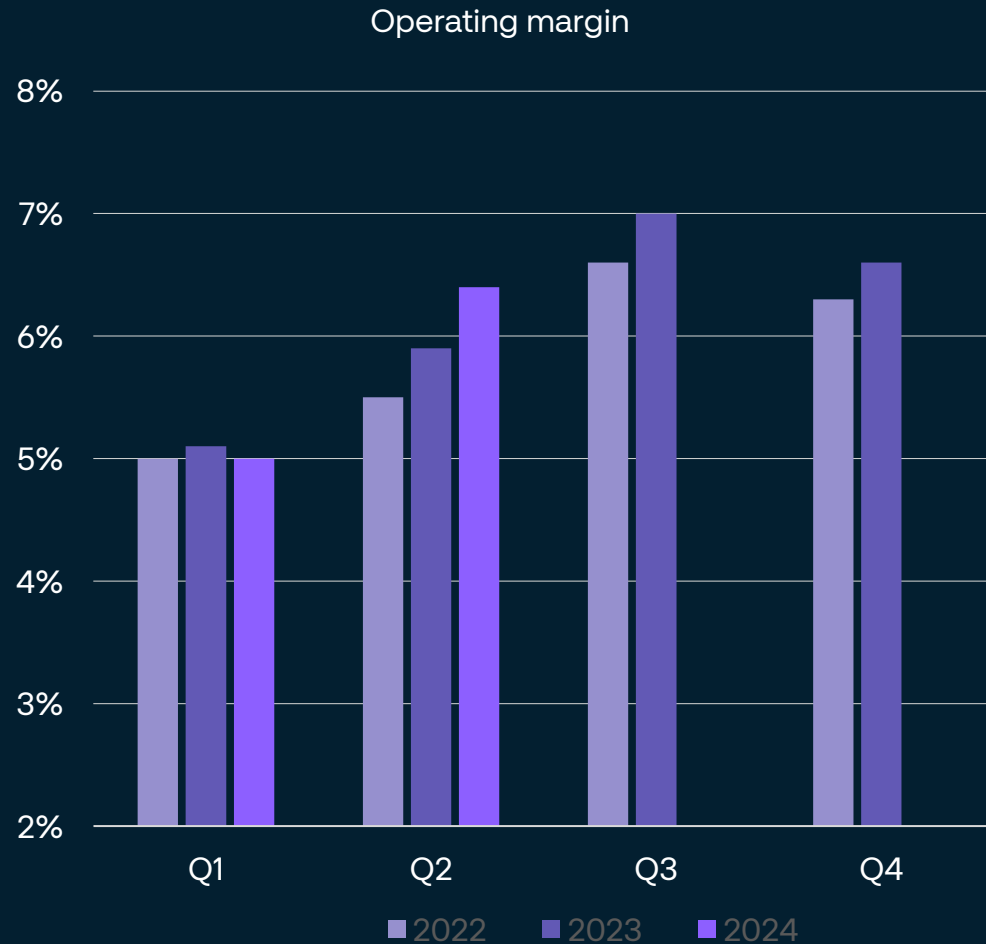
## Organic sales growth 8% (13) in Q2

- Organic sales growth was driven by good growth in technology and price increases including impacts from the hyperinflationary environment in Türkiye
- Technology and solutions sales represented 33 percent (33) of total sales in the second quarter
- Client retention rate 92 percent (90)



## Securitas Europe

# Strong operating margin improvement within security services



Operating margin 6.4% (5.9) in Q2

- The improvement was driven by security services through active portfolio management and a positive development within airport security
- The operating margin in the technology business line also improved due to good progress in the integration work as well as synergy execution

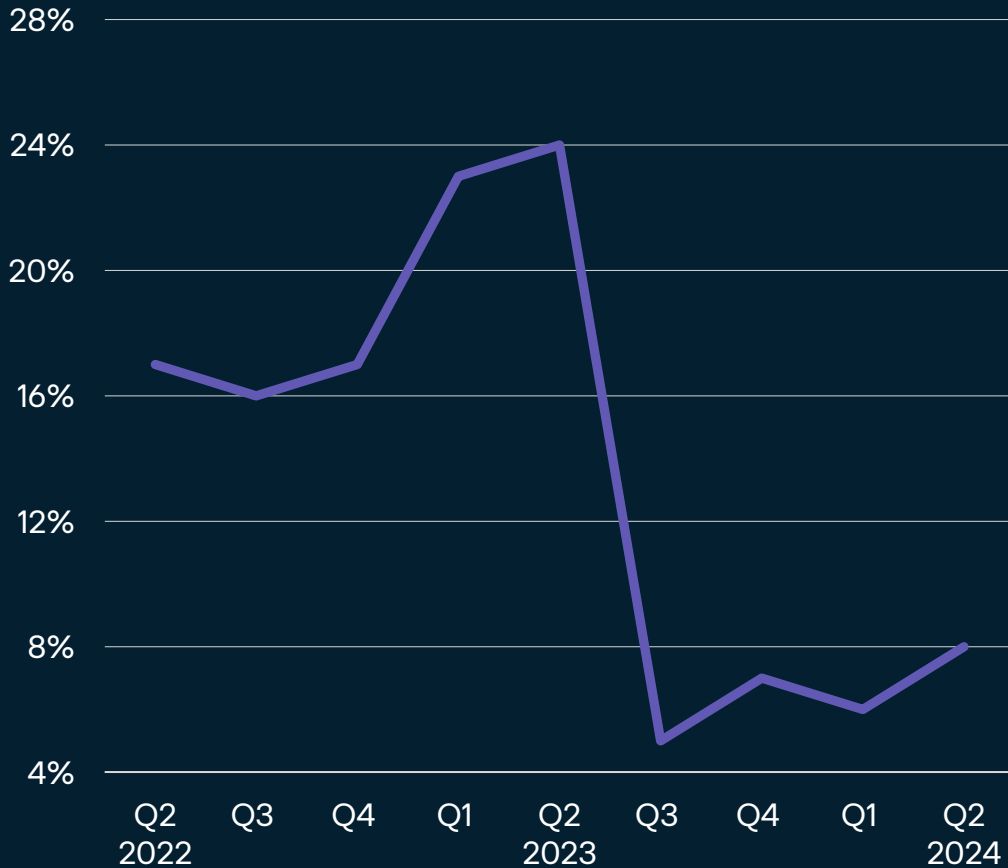




Securitas Ibero-America

# Strong growth numbers in Ibero-America

Organic sales growth



## Organic sales growth 8% (24) in Q2

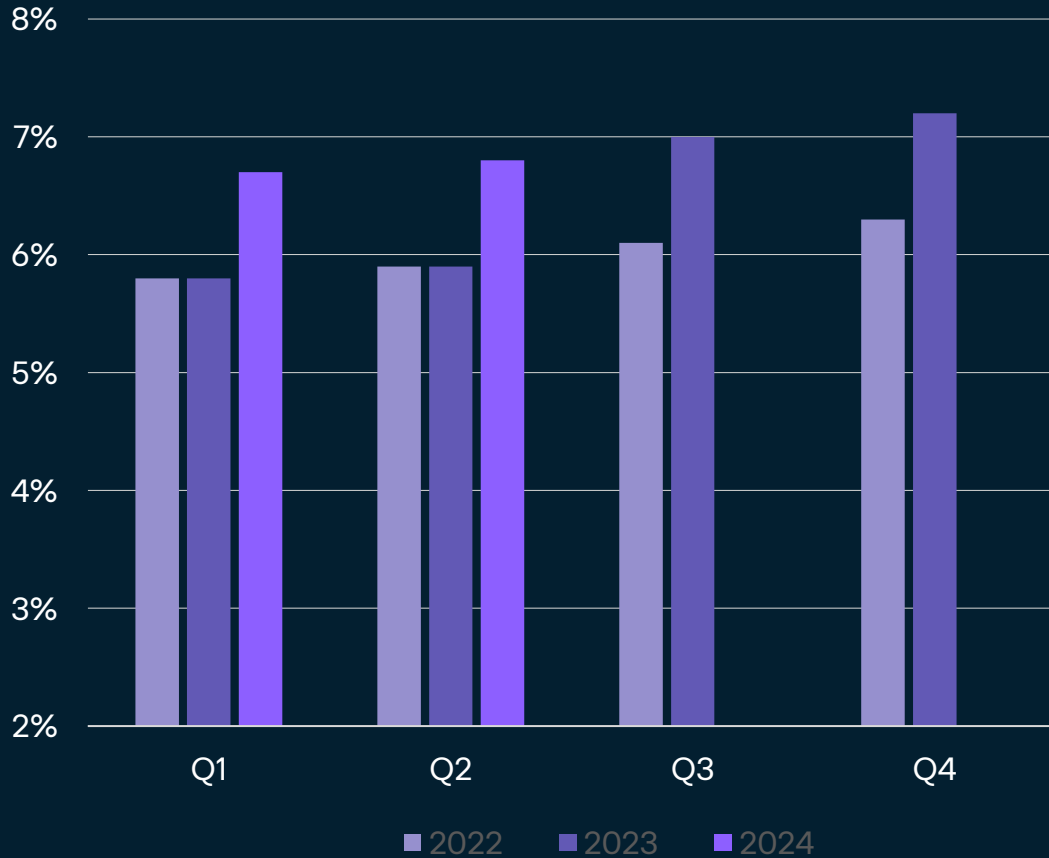
- Strong organic sales growth, where the comparative included the now divested Securitas Argentina
- Organic sales growth in Spain was 9 percent (3), supported by technology and solutions sales and price increases
- In Latin America, organic sales growth continued to be driven by price increases
- Technology and solutions sales represented 36 percent (31) of total sales in the second quarter
- Client retention rate 92 percent (92)



Securitas Ibero-America

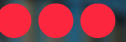
# The improved operating margin was driven by both business lines

Operating margin



Operating margin 6.8% (5.9) in Q2

- Improved margins in security services as well as in technology and solutions due to active portfolio management and change in business mix
- The divestment of Securitas Argentina also supported



# Financials



**Andreas Lindback**  
Chief Financial Officer



# Financial highlights

MSEK	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
<b>Sales</b>	<b>40 638</b>	<b>39 909</b>	<b>79 898</b>	<b>77 660</b>	<b>157 249</b>
<i>Organic sales growth, %</i>	5	11	6	11	9
<b>Operating income before amortization</b>	<b>2 801</b>	<b>2 620</b>	<b>5 158</b>	<b>4 800</b>	<b>10 247</b>
<i>Operating margin, %</i>	6.9	6.6	6.5	6.2	6.5
Amort. of acq.-related intangible assets	-153	-157	-304	-311	-620
Acquisition-related costs	-6	-2	-7	-3	-10
Items affecting comparability	-243	-311	-460	-592	-4 669
<b>Operating income after amortization</b>	<b>2 399</b>	<b>2 150</b>	<b>4 387</b>	<b>3 894</b>	<b>4 948</b>
Financial income and expenses	-617	-541	-1 171	-969	-2 115
<b>Income before taxes</b>	<b>1 782</b>	<b>1 609</b>	<b>3 216</b>	<b>2 925</b>	<b>2 833</b>
<i>Tax, %</i>	26.5	26.8	26.5	26.8	54.2
<b>Net income for the period</b>	<b>1 310</b>	<b>1 178</b>	<b>2 364</b>	<b>2 141</b>	<b>1 297</b>
<b>EPS, SEK</b>	<b>2.28</b>	<b>2.05</b>	<b>4.12</b>	<b>3.71</b>	<b>2.24</b>
<b>EPS, SEK before IAC</b>	<b>2.60</b>	<b>2.46</b>	<b>4.72</b>	<b>4.49</b>	<b>9.59</b>

- IAC of MSEK -243 (-311)
  - whereof MSEK -219 (-170) related to STANLEY Security
  - whereof MSEK -24 (-141) related to the transformation program in Europe and Ibero-America
- Financial income and expenses MSEK -617 (-541)
  - whereof IAS 29 hyperinflation MSEK 27 (26)
- Tax rate of 26.5 percent (26.8)



# Significant reduction of items affecting comparability in 2024 compared to 2023

## Items affecting comparability

FY 2023: BSEK -1.35

FY 2024: BSEK -0.70 to -0.75

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

- Total program (adjusted for Cloud computing): MSEK -1 650 and CAPEX of MSEK -850
- IAC: FY 2021-23 MSEK -1 698, H1-24 MSEK -113, Q2-24 MSEK -24, **FY24 estimated to approx. MSEK -150**
- CAPEX: FY 2021-23 MSEK -520, FY24 estimated to MSEK -100

### STANLEY Security acquisition, announced in Q4 2021

- Total program cost announced: MUS\$ -135 (approx. BSEK -1.5)
- IAC: FY 2021-23 MSEK -1 178, H1-24 MSEK -347, **FY24 estimated to approx. MSEK -550 to -600**



## Limited impact from FX

MSEK	Q2 2024	Q2 2023	Change	
			Total, %	Real*, %
Sales	40 638	39 909	2	3
Operating income	2 801	2 620	7	8
EPS, SEK	2.28	2.05	11	14
EPS, SEK, before IAC	2.60	2.46	6	8

### FX SEK END-RATES

	Q2 2024	Q2 2023	%
USD	10.587	10.784	-1.82
EUR	11.331	11.782	-3.83



\* Including acquisitions and adjusted FX



## Improved operating cash flow

MSEK	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
<b>Operating income before amortization</b>	<b>2 801</b>	<b>2 620</b>	<b>5 158</b>	<b>4 800</b>	<b>10 247</b>
Investments in non-current tangible and intangible assets	-1 142	-1 119	-2 213	-2 066	-4 114
<i>CAPEX to sales, %</i>	<i>2.8</i>	<i>2.8</i>	<i>2.8</i>	<i>2.7</i>	<i>2.6</i>
Reversal of depreciation	928	895	1 832	1 773	3 556
Change in trade receivables	-869	-1 760	-1 790	-2 179	-2 986
Change in operating payables	201	758	-985	-722	1 477
Change in other net working capital	-240	-195	-685	-220	5
<b>Cash flow from operating activities</b>	<b>1 679</b>	<b>1 199</b>	<b>1 317</b>	<b>1 386</b>	<b>8 185</b>
<i>Cash flow from operating activities, %</i>	<i>60</i>	<i>46</i>	<i>26</i>	<i>29</i>	<i>80</i>
Financial income and expenses paid	-490	-354	-1 236	-872	-1 899
Current taxes paid	-760	-303	-1 011	-599	-1 348
<b>Free cash flow</b>	<b>429</b>	<b>542</b>	<b>-930</b>	<b>-85</b>	<b>4 938</b>

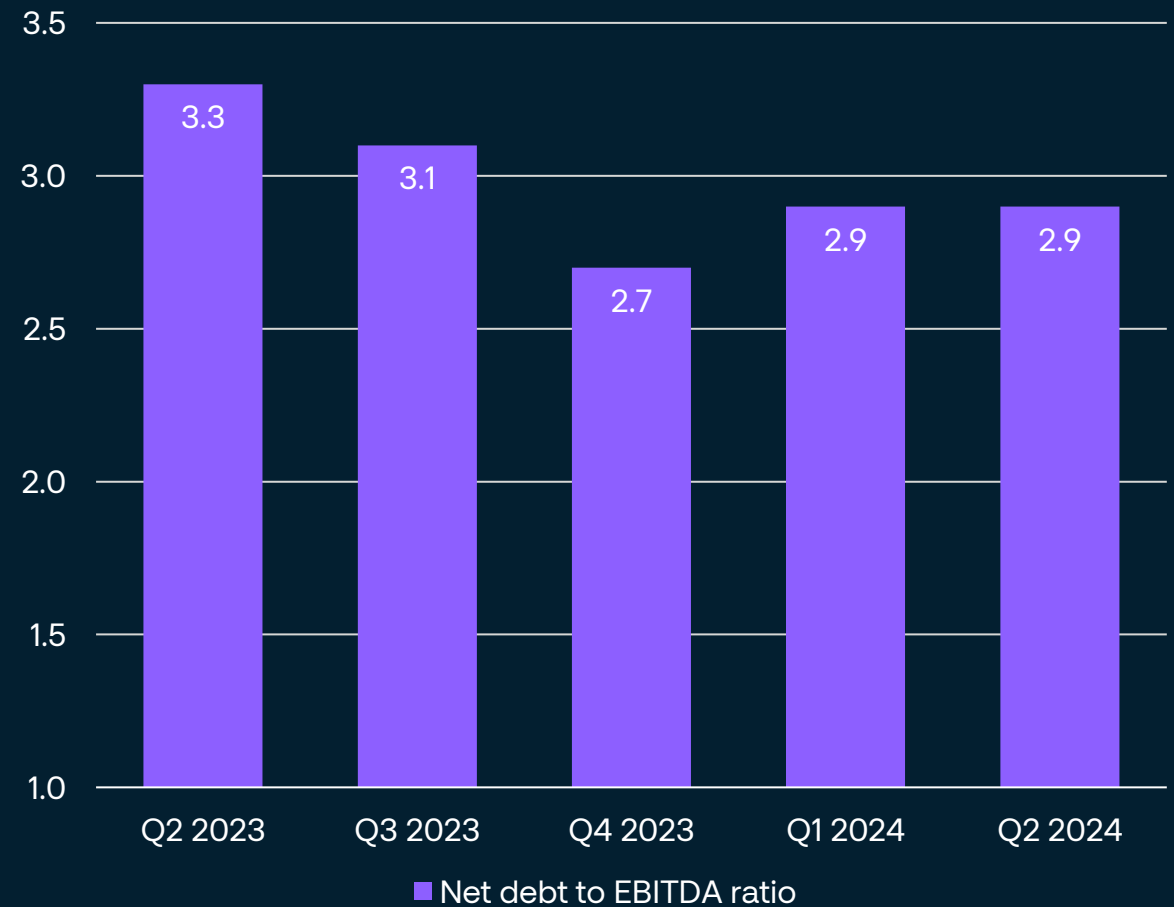
- Improved Q2 operating cash flow
  - Positive Easter timing impact
  - Reduced organic sales growth
  - Account payable position hampered
- Free cash flow
  - Negative timing impact from tax payments
  - Increased interest rates
- CAPEX <3% of Group sales annually



## Net debt to EBITDA ratio remaining below 3.0x financial target

### MSEK

<b>Net debt January 1, 2024</b>	<b>-37 530</b>
Free cash flow	-930
Acquisitions/Divestitures	-154
Items affecting comparability	-545
Dividend paid	-1 089
Lease liabilities	143
<b>Change in net debt</b>	<b>-2 575</b>
Revaluation	-27
Translation	-1 735
<b>Net debt June 30, 2024</b>	<b>-41 867</b>

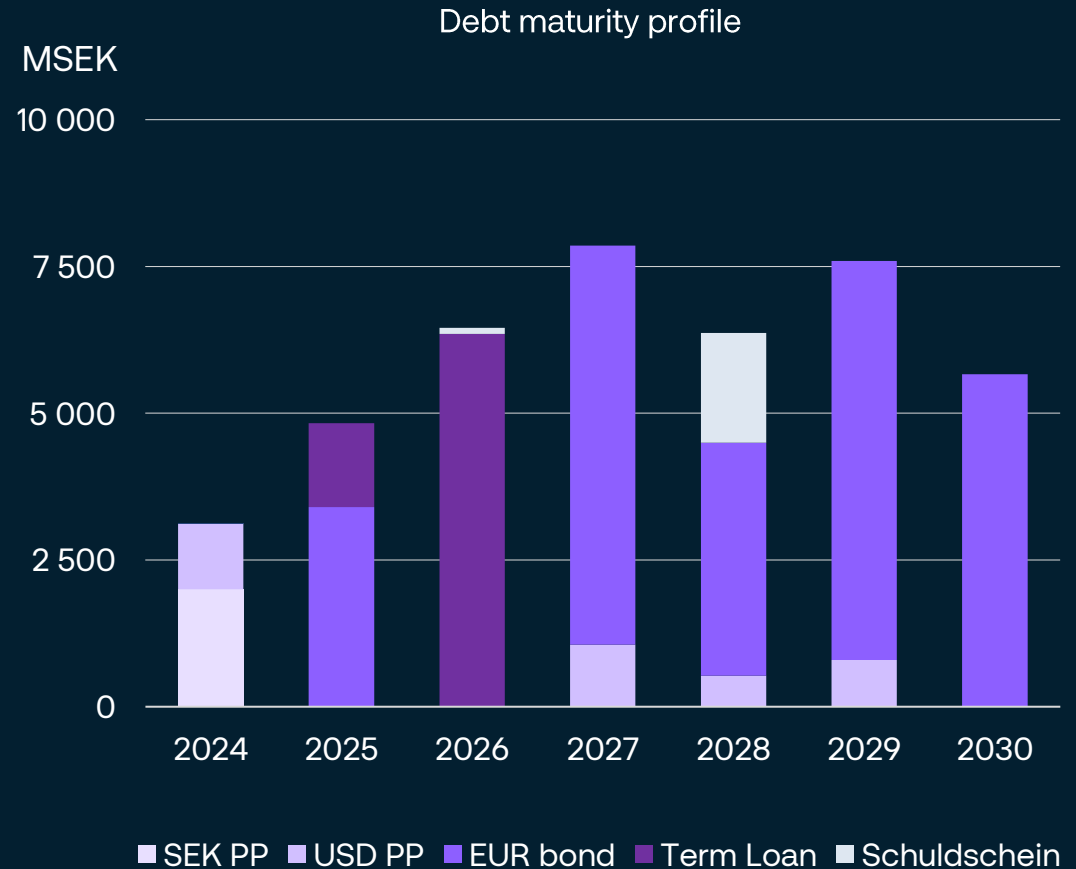






# Financing overview

- No financial covenants
- Strong liquidity at end of the quarter: BSEK 5.2
- MEUR 1 029 RCF matures in 2027 and is fully undrawn
- MUSD 135 Schuldschein refinanced with term loan
- S&P Liquidity upgraded Liquidity rating from Adequate to Strong
- Remain committed to investment grade rating



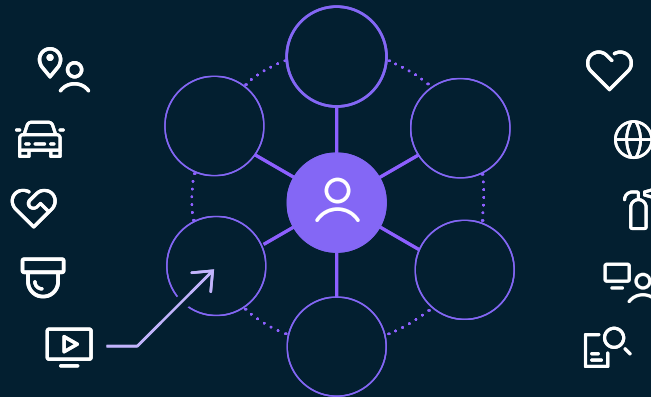
*The debt maturity chart shows the position as per June 30, 2024, adjusted for a MUSD 50 Private Placement drawn July 23, 2024*



# Shaping the future Securitas



# We have established a unique position, with an unparalleled client offering to solve increasingly complex security needs



## Providing solutions globally

Global presence based on extensive local presence, #1-3 player in key strategic markets

## Unmatched client offering

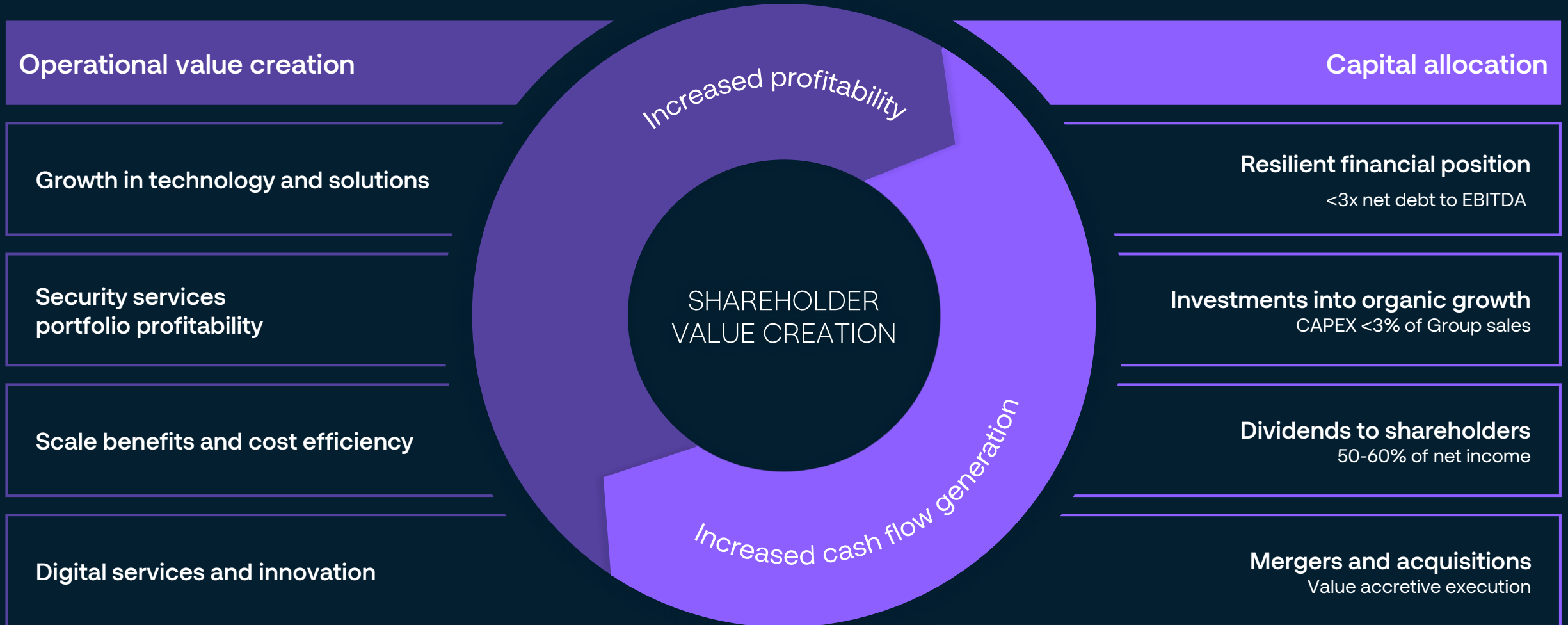
Bespoke offerings, combining people and technology in sustainable and world-leading security solutions

## Technology and innovation

Developing and partnering to offer industry-leading products and innovative solutions



# Shaping Securitas for long-term, sustainable shareholder value



## Executing our strategy is driving performance

- The operating margin improved to 6.9 percent (6.6) in the second quarter
- Both business lines security services and technology and solutions improved the operating margin compared to last year
- Price increases were slightly ahead of wage cost increases in the first half-year
- Operating cash flow 60 percent (46)
- Net debt to EBITDA ratio 2.9 (3.3)





The intelligent security solutions partner with world-leading technology and expertise





Securitas