



# Press Release

February 6, 2019

## Securitas accelerates the transformation of the Group

**The Board of Directors has approved two transformation programs with approximately MSEK -650 as future items affecting comparability and future capital expenditure of approximately MSEK 550 to be recognized 2019–2020. With the first program, IT costs in the Group are expected to be reduced by MSEK 300 upon completion in 2022. With the second program, the operating margin in Security Services North America is expected to be supported up to 0.5 percentage points by 2022, everything else equal.**

Securitas is initiating two major transformation programs in the further digitization of the company. The first program will radically modernize the global IS/IT foundation throughout the Group. The second program will drive a business transformation in Security Services North America.

Magnus Ahlqvist, Securitas President and CEO: "This investment into our global IS/IT foundation and the creation of a global IS/IT organization will make us more efficient. With the second program we are driving a business transformation of our North American operations with the objective to operate in a more effective way, with expected positive impact on our customer offering, competitiveness and bottom line. The programs have been initiated and are expected to be completed over the next 24 to 36 months."

Related to these two programs, MSEK -187 has been recognized as items affecting comparability in the income statement in the fourth quarter. An additional amount of approximately MSEK -650 will be recognized as items affecting comparability over the course of the next two years. Such costs relate primarily to the impairment of assets, organizational restructuring charges and other non-recurring items. Furthermore, an estimated amount of MSEK 550 related to these two programs will be capitalized and amortized over the life time of the assets.

Magnus Ahlqvist continues: "When fully implemented, we expect to have a more technology-enabled platform across the Group, creating the capability to develop and launch digital services at scale for our customers, as well as a more cost-efficient base. Upon expected completion in 2022, the investment into our global IS/IT foundation is expected to reduce our current IT costs across the Group by MSEK 300. With higher efficiency and productivity, we will free up resources to invest in speeding up the development and delivery of intelligent services and to improve margins. The business transformation program in North America will, everything else equal, support our North American operating margin up to 0.5 percentage points with a first positive impact starting in 2021 and gradually increasing during 2022.

We will analyze further opportunities similar to the North American business transformation initiative. Our focus is on our European operations to assess the feasibility of such an initiative and the business case and we expect to provide further information in the second half of the year."

**Information:** Telephone conference on February 7 at 09.30 CET, in conjunction with the presentation of the Full Year Report 2018. For details about the telephone conference, please see <https://www.securitas.com/full-year-report-to-be-published-febr-7-2019>

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Securitas is a global knowledge leader in security. We base our protective services on customer-specific needs through different combinations of on-site, mobile and remote guarding, electronic security, fire and safety and corporate risk management. Everywhere from small stores to airports, our 345 000 employees are making a difference.

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