Full Year Report

Q4 2023 | January–December 2023

4

October–December 2023

39 542
Total sales, MSEK

6.8%
Operating margin

2.11
Earnings per share, SEK

- Total sales MSEK 39 542 (38 091)
- Organic sales growth 6 percent (9)
- Operating income before amortization MSEK 2 683 (2 491)
- Operating margin 6.8 percent (6.5)
- Items affecting comparability (IAC) MSEK –404 (–312), relating to the previously announced transformation programs and the acquisition of STANLEY Security
- Earnings per share before and after dilution SEK 2.11 (2.47)*
- Earnings per share before and after dilution, before IAC, SEK 2.44 (2.63)*
- Cash flow from operating activities 166 percent (83)

JANUARY–DECEMBER 2023

- Total sales MSEK 157 249 (133 237)
- Organic sales growth 9 percent (7)
- Operating income before amortization MSEK 10 247 (8 033)
- Operating margin 6.5 percent (6.0)
- Items affecting comparability (IAC) MSEK –4 669 (–1 086), relating to the capital loss of MSEK –3 321 from the divestiture of Securitas Argentina, the previously announced transformation programs and the acquisition of STANLEY Security
- Earnings per share before and after dilution SEK 2.24 (9.20)*
- Earnings per share before and after dilution, before IAC, SEK 9.59 (10.77)*
- Reported net debt/EBITDA 4.1 (4.0), net debt/EBITDA before IAC 2.7 (3.3)**
- Cash flow from operating activities 80 percent (71)
- Proposed dividend for 2023 of SEK 3.80 (3.45) per share, distributed in two installments

* Number of shares outstanding has been adjusted for the rights issue completed on October 11, 2022. For further information refer to Data per share on page 19.

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

CONTENTS

Comments from the President and CEO

"Strong Q4 cash flows and margin improvement from technology and solutions"

The operating margin of 6.8 percent (6.5) in the fourth quarter was supported by all three business segments driven by the technology and solutions business, primarily from a strong quarter in technology. Technology and solutions represented 55 percent of the Group's operating result, with an operating margin of 11.4 percent.

Organic sales growth was 6 percent in the fourth quarter and real sales growth in our technology and solutions business was 6 percent. The real sales growth in security services was driven by price increases and volume growth in our airport security business while hampered by the divestment of Securitas Argentina in July and active portfolio management.

The integration of STANLEY Security continued at a good pace with several important milestones achieved. We continue to be in a period of important work related to systems and support services which will continue in 2024. We have achieved the STANLEY Security acquisition MUSD 50 cost synergy target in the quarter, mainly impacting North America. Additional cost synergies for execution in 2024 have been identified, although these will be partly offset by operational cost increases from the ongoing system and support transitions. The realization of commercial synergies is gaining traction, confirming our strong combined offering and market position.

In security services, our main priority is to improve the profitability in our client portfolio. The results were mixed in the fourth quarter with positive impact from active portfolio management, a price and wage balance on par and somewhat improved labor markets in the second half of the year. The profitability was primarily hampered by negative result development in the Securitas Critical Infrastructure Services business and somewhat weaker performance in Europe.

The Group's operating cash flow in the fourth quarter was MSEK 4 465, equivalent to 166 percent (83) of the operating result, with continued deleveraging of our net debt to EBITDA ratio before items affecting comparability to 2.7.

TRANSFORMING IN LINE WITH OUR STRATEGY

The core to the execution of our strategy is leadership in technology and solutions and in digital capabilities. We have made substantial investments in our technology capabilities with the acquisition of STANLEY Security, and our combined solutions offering is unique. The transformation program we have implemented in North America supports our operational efficiency on a daily basis and the ongoing programs in Europe and Ibero-America are progressing according to plan. These investments will fundamentally shift our digital capabilities and will solidify our position as the leading security solutions company.

Another cornerstone of our strategy is to continuously assess our business mix and presence to further sharpen our position as the leading security solutions and technology company. As a result, we disposed Securitas Argentina in 2023 with positive margin and cash flow effects going forward.

The strategic transformation of Securitas is on the right path, which is confirmed by the performance in 2023. With our strong offering we are managing an uncertain economic environment and we are fully committed to achieving our financial targets.

Magnus Ahlqvist
President and CEO

January–December summary

ACQUISITION OF STANLEY SECURITY
The acquisition of STANLEY Security has a significant impact on Securitas' reporting that should be considered when reading this report.

STANLEY Security was consolidated as of July 22, 2022, and is consequently included in the full year 2023 income statement. In the full year 2022 income statement STANLEY Security is included from the date of consolidation.

STANLEY Security is according to Securitas' definition of organic sales growth excluded from the calculation of this key ratio during the first 12 months from the acquisition date, which means from July 22, 2022, until July 22, 2023. Real sales growth includes the contribution from STANLEY Security as acquired sales are included in the determination of this key ratio.

In the balance sheet STANLEY Security is included as of December 31, 2023, and December 31, 2022.

STANLEY Security is included in the operating and free cash flow in the full year 2023. In the operating and free cash flow for 2022, the contribution from STANLEY Security is attributable to the period July 22 to December 31, 2022.

In our segment reporting STANLEY Security is included in Securitas North America and Securitas Europe.

CHANGE IN THE BUSINESS SEGMENT REPORTING
In the third quarter 2023, the Securitas Critical Infrastructure Services business unit was moved from the business segment Securitas North America to Other. Comparatives have been restated and can be found at **www.securitas.com/en/investors/financial-reports-and-presentations/.**

FINANCIAL SUMMARY

	Q4		Change, %		Full year		Change, %	
MSEK	2023	2022	Total	Real	2023	2022	Total	Real
Sales	**39 542**	**38 091**	**4**	**4**	**157 249**	**133 237**	**18**	**15**
Organic sales growth, %	*6*	*9*			*9*	*7*		
Operating income before amortization	**2 683**	**2 491**	**8**	**9**	**10 247**	**8 033**	**28**	**24**
Operating margin, %	*6.8*	*6.5*			*6.5*	*6.0*		
Amortization of acquisition-related intangible assets	–152	–155			–620	–414		
Acquisition-related costs	–3	–4			–10	–49		
Items affecting comparability[1]	–404	–312			–4 669	–1 086		
Operating income after amortization	**2 124**	**2 020**	**5**	**7**	**4 948**	**6 484**	**–24**	**–28**
Financial income and expenses	–628	–336			–2 115	–758		
Income before taxes	**1 496**	**1 684**	**–11**	**–7**	**2 833**	**5 726**	**–51**	**–55**
Net income for the period	**1 209**	**1 374**	**–12**	**–8**	**1 297**	**4 316**	**–70**	**–74**
Earnings per share, SEK[2]	2.11	2.47	–15	–11	2.24	9.20	–76	–79
Earnings per share, before items affecting comparability, SEK[2]	2.44	2.63	–7	–3	9.59	10.77	–11	–14
Cash flow from operating activities, %	*166*	*83*			*80*	*71*		
Free cash flow	3 498	1 175			4 938	3 422		
Net debt to EBITDA ratio	*–*	*–*			*4.1*	*4.0*		

[1] Refer to note 7 on page 26 for further information.
[2] Number of shares outstanding has been adjusted for the rights issue completed on October 11, 2022. For further information refer to Data per share on page 19.

GROUP FINANCIAL TARGETS

The Group operating margin was 6.5 percent (6.0), with a target of reaching 8 percent by the end of 2025. Real sales growth of technology and solutions sales was 34 percent (44) in 2023 with an annual average target of 8–10 percent. Real sales growth including STANLEY Security for the comparable period (consolidated as of July 22, 2022) was 9 percent for the full year 2023.

The reported net debt to EBITDA ratio was 4.1 (4.0) and the net debt to EBITDA ratio before items affecting comparability (IAC) was 2.7 (3.3), with a target of below 3.0x. The operating cash flow was 80 percent (71) of operating income before amortization with an annual target of 70–80 percent.

ANNUAL GENERAL MEETING 2024

The Annual General Meeting (AGM) of Securitas AB will be held on Wednesday, May 8, 2024, in Stockholm. Additional information about the AGM will be published in the notice convening the AGM and on **www.securitas.com/agm2024**. The 2023 Annual and Sustainability Report of Securitas AB will be published on **www.securitas.com** on March 27, 2024.

PROPOSED DIVIDEND

The Board of Directors proposes a dividend for 2023 of SEK 3.80 (3.45) per share, distributed to the shareholders in two payments of SEK 1.90 per share and SEK 1.90 per share, respectively. The total proposed dividend amounts to 47 percent of net income adjusted for the divestment of Securitas Argentina capital loss. The record date for the first payment is proposed to be May 13, 2024, and for the second payment November 18, 2024. If the Annual General Meeting so resolves, the first payment is expected to be distributed by Euroclear Sweden AB starting May 16, 2024, and the second payment starting November 21, 2024.

ORGANIC SALES GROWTH AND OPERATING MARGIN DEVELOPMENT PER BUSINESS SEGMENT*

	Organic sales growth				Operating margin			
	Q4		Full year		Q4		Full year	
%	2023	2022	2023	2022	2023	2022	2023	2022
Securitas North America**	4	6	6	1	9.3	8.9	9.0	8.3
Securitas Europe	11	11	12	9	6.6	6.3	6.1	5.9
Securitas Ibero-America	7	17	15	16	7.2	6.3	6.4	6.0
Group	**6**	**9**	**9**	**7**	**6.8**	**6.5**	**6.5**	**6.0**

* The business segments have been renamed as of May 3, 2023.
** The Securitas Critical Infrastructure Services business unit was moved from Securitas North America into Other in the third quarter 2023. The comparatives have been restated.

FINANCIAL SUMMARY PER BUSINESS LINE

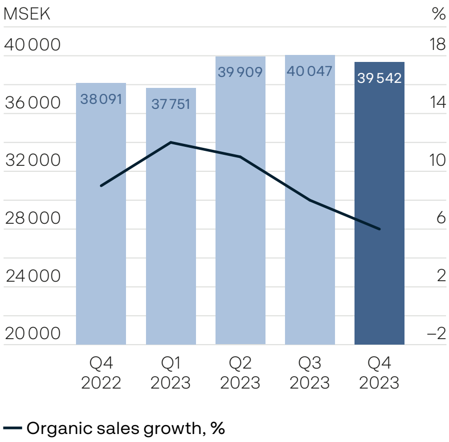
	Sales, MSEK		Real sales growth, %		Operating income before amortization, MSEK		Operating margin, %		% of Group sales		% of Group operating income before amortization	
Business line	Q4 2023	FY 2023	Q4 2023	FY 2023	Q4 2023	FY 2023	Q4 2023	FY 2023	Q4 2023	FY 2023	Q4 2023	FY 2023
Security services	25 845	103 677	5	8	1 271	5 123	4.9	4.9	65	66	47	50
Technology and solutions	12 947	50 514	6	34*	1 473	5 463	11.4	10.8	33	32	55	53
Risk management services and costs for Group functions	750	3 058	–	–	–61	–339	–	–	2	2	–2	–3
Group	**39 542**	**157 249**	**4**	**15**	**2 683**	**10 247**	**6.8**	**6.5**	**100**	**100**	**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 2023.

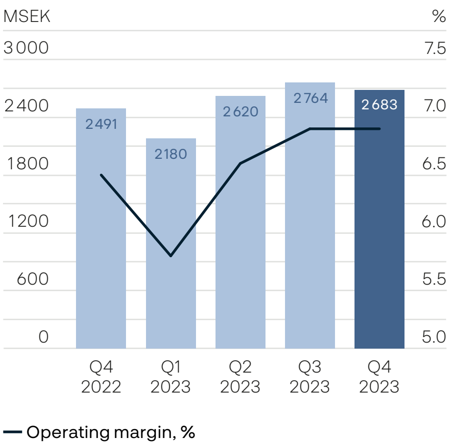
For further information regarding the revenue from the Group's business lines, refer to note 3.

Group development

QUARTERLY SALES DEVELOPMENT



QUARTERLY OPERATING INCOME DEVELOPMENT



OCTOBER–DECEMBER 2023

SALES DEVELOPMENT

Sales amounted to MSEK 39 542 (38 091) and organic sales growth to 6 percent (9).

Securitas North America had 4 percent (6) organic sales growth, driven by the Guarding business unit. Securitas Europe showed 11 percent (11), driven by overall strong price increases and further support from growth in technology and solutions and the airport security business. Organic sales growth in Securitas Ibero-America was 7 percent (17), a decline due to the divestiture of Securitas Argentina. Extra sales in the Group amounted to 13 percent (13) of total sales.

Real sales growth, including acquisitions and divestitures and adjusted for changes in exchange rates, was 4 percent (25).

Technology and solutions sales amounted to MSEK 12 947 (12 347) or 33 percent (32) of total sales in the quarter. Real sales growth, including acquisitions and divestitures and adjusted for changes in exchange rates, was 6 percent (80).

OPERATING INCOME BEFORE AMORTIZATION

Operating income before amortization was MSEK 2 683 (2 491) which, adjusted for changes in exchange rates, represented a real change of 9 percent (39).

The Group's operating margin was 6.8 percent (6.5), an improvement supported by all three business segments driven by technology and solutions. Other was negatively impacted by weak performance in a large contract in Securitas Critical Infrastructure Services and positively impacted by good control of Group costs.

OPERATING INCOME AFTER AMORTIZATION

Amortization of acquisition-related intangible assets amounted to MSEK –152 (–155).

Acquisition-related costs totaled MSEK –3 (–4). For further information refer to Acquisitions and divestitures on page 13 and note 6.

Items affecting comparability were MSEK –404 (–312), whereof MSEK –196 (–158) related to the acquisition of STANLEY Security and MSEK –208 (–154) were related to the transformation programs in Europe and Ibero-America. For further information refer to note 7.

FINANCIAL INCOME AND EXPENSES

Financial income and expenses amounted to MSEK –628 (–336), whereof MSEK –416 (–243) related to financing of the STANLEY Security acquisition. The impact from IAS 29 hyperinflation was MSEK 1 (58) relating to the net monetary gain. For further information refer to note 8. Interest income and expense excluding the financing related to STANLEY Security increased due to increased interest rates.

INCOME BEFORE TAXES

Income before taxes amounted to MSEK 1 496 (1 684).

TAXES, NET INCOME AND EARNINGS PER SHARE

The Group's tax rate was 19.2 percent (18.4). The Group's quarterly tax rate is positively affected by the reversal of tax provisions related to Spanish tax cases after a judgment from the Audiencia Nacional in Spain in favor of Securitas. Refer to Spain – tax audit in Other Significant Events on page 14. A similar positive effect impacted the quarterly tax rate in 2022, refer to note 7. The tax rate before tax on items affecting comparability was 26.4 percent (27.0)

Net income was MSEK 1 209 (1 374).

Earnings per share before and after dilution amounted to SEK 2.11 (2.47). Earnings per share before and after dilution and before items affecting comparability amounted to SEK 2.44 (2.63).

JANUARY–DECEMBER 2023

SALES DEVELOPMENT

Sales amounted to MSEK 157 249 (133 237) and organic sales growth to 9 percent (7).

Securitas North America had 6 percent (1) organic sales growth driven by the Guarding business unit with support from Technology. Securitas Europe showed 12 percent (9), driven by strong price increases across the business, and supported by technology and solutions and the airport security business. Securitas Ibero-America reported 15 percent (16), driven by price increases, mainly in the hyperinflationary environment in Argentina in the first six months before the divestiture of Securitas Argentina. Extra sales in the Group amounted to 12 percent (13) of total sales.

Real sales growth, including acquisitions and divestitures and adjusted for changes in exchange rates, was 15 percent (14).

Technology and solutions sales amounted to MSEK 50 514 (36 983) or 32 percent (28) of total sales for the full year. Real sales growth, including acquisitions and divestitures and adjusted for changes in exchange rates, was 34 percent (44) with the acquired STANLEY Security as the main contributor. Real sales growth including STANLEY Security for the comparable period (consolidated as of July 22, 2022) was 9 percent.

OPERATING INCOME BEFORE AMORTIZATION

Operating income before amortization was MSEK 10 247 (8 033) which, adjusted for changes in exchange rates, represented a real change of 24 percent (22).

The Group’s operating margin was 6.5 percent (6.0), an improvement supported by all three business segments, and mainly driven by technology and solutions including the acquired STANLEY Security business in North America and Europe. Price increases in the Group were on par with wage cost increases for the full year.

OPERATING INCOME AFTER AMORTIZATION

Amortization of acquisition-related intangible assets amounted to MSEK −620 (−414), whereof MSEK −365 (−163) related to the STANLEY Security acquisition.

Acquisition-related costs totaled MSEK −10 (−49). For further information refer to Acquisitions and divestitures on page 13 and note 6.

Items affecting comparability were MSEK −4 669 (−1 086), whereof MSEK −3 321 (0) related to capital loss from the divestiture of Securitas Argentina where the vast majority was accumulated non-cash foreign exchange translation losses, MSEK −662 (−454) related to the acquisition of STANLEY Security and MSEK −686 (−632) were related to the transformation programs in Europe and Ibero-America. For further information refer to note 7.

FINANCIAL INCOME AND EXPENSES

Financial income and expenses amounted to MSEK −2 115 (−758), whereof MSEK −1 615 (−413) related to financing of the STANLEY Security acquisition. The impact from IAS 29 hyperinflation was MSEK 186 (134) relating to the net monetary gain. For further information refer to note 8. Financial income and expense also include foreign currency gains, net, of MSEK 116 (40). Interest income and expense excluding the financing related to STANLEY Security increased due to increased interest rates.

INCOME BEFORE TAXES

Income before taxes amounted to MSEK 2 833 (5 726).

TAXES, NET INCOME AND EARNINGS PER SHARE

The Group’s tax rate was 54.2 percent (24.6). The full year tax rate for 2023 was negatively affected by the non-deductible capital loss from the divestiture of Securitas Argentina and positively affected by the reversal of tax provisions related to Spanish tax cases after a judgment from the Audiencia Nacional in Spain in favor of Securitas. Refer to Spain – tax audit in Other Significant Events on page 14. A similar positive effect from Spanish tax provision impacted the full year tax rate in 2022, refer to note 7. Excluding the capital loss and the reversal of tax provisions the tax rate was 26.9 percent. The tax rate before tax on items affecting comparability was 26.6 percent (26.6).

Net income was MSEK 1 297 (4 316).

Earnings per share before and after dilution amounted to SEK 2.24 (9.20). Earnings per share before and after dilution and before items affecting comparability amounted to SEK 9.59 (10.77).

Development in the Group's business segments

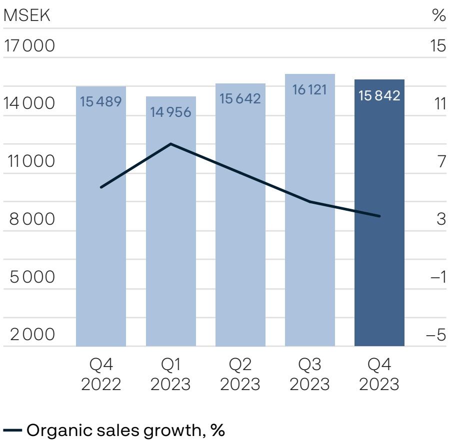
Securitas North America

Securitas North America provides protective services in the US, Canada and Mexico. The operations in the US are organized in three specialized units – Guarding, Technology and Pinkerton Corporate Risk Management. There is a unit for global and national clients as well as specialized client segment units, such as aviation, healthcare, manufacturing, and oil and gas.

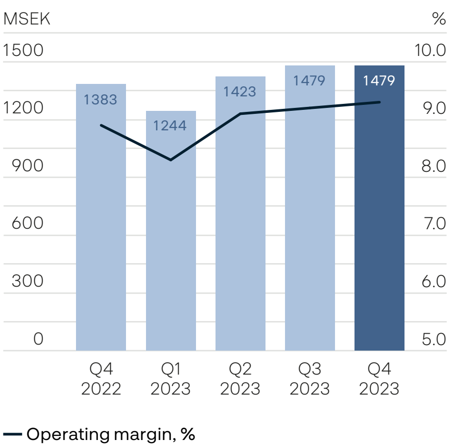
	Q4		Change, %		Full year		Change, %	
MSEK	2023	2022	Total	Real	2023	2022	Total	Real
Total sales	**15 842**	**15 489**	**2**	**4**	**62 561**	**51 943**	**20**	**17**
Organic sales growth, %	*4*	*6*			*6*	*1*		
Share of Group sales, %	*40*	*41*			*40*	*39*		
Operating income before amortization	**1 479**	**1 383**	**7**	**9**	**5 625**	**4 286**	**31**	**28**
Operating margin, %	*9.3*	*8.9*			*9.0*	*8.3*		
Share of Group operating income, %	*55*	*56*			*55*	*53*		

The Securitas Critical Infrastructure Services business unit was moved from Securitas North America into Other in the third quarter 2023. The comparatives have been restated.

QUARTERLY SALES DEVELOPMENT



QUARTERLY OPERATING INCOME DEVELOPMENT



OCTOBER–DECEMBER 2023

Organic sales growth was 4 percent (6), driven by the Guarding business unit with good portfolio new sales and a significant global guarding contract renewed and expanded as previously communicated, and price increases. Organic sales growth in the Technology business unit was flat in the quarter, however with continued good commercial activity and solid installation order backlog going into 2024.

A contract within the Guarding business unit (airport security) will be terminated as of March 31, 2024. The contract annual sales amounts to MSEK 1 300 (MCAD 165).

Technology and solutions sales accounted for MSEK 5 771 (5 575) or 36 percent (36) of total sales in the business segment, with real sales growth of 5 percent (133) in the fourth quarter.

The operating margin was 9.3 percent (8.9), driven by a strong quarter in the Technology business, including cost synergies. The operating margin in the Guarding business unit declined somewhat, due to higher medical expenses and reconciliation of year-end provisions.

The Swedish krona exchange rate strengthened against the US dollar, which had a negative impact on operating income in Swedish kronor. The real change was 9 percent (54) in the fourth quarter.

JANUARY–DECEMBER 2023

Organic sales growth was 6 percent (1), driven by the Guarding business unit. Price increases, healthy portfolio new sales and a significant guarding contract renewed and expanded, as previously communicated, contributed to the development. By comparison, 2022 was hampered by the termination of two significant security contracts. Organic sales growth was also supported by the Technology business unit primarily from improved installation sales. The client retention rate was 90 percent (86).

Technology and solutions sales accounted for MSEK 22 704 (15 634) or 36 percent (30) of total sales in the business segment, with real sales growth of 42 percent (69) for the full year. The acquired STANLEY Security business in North America was the main contributor to real sales growth, although double-digit real sales growth within solutions also supported.

The operating margin was 9.0 percent (8.3). The operating margin improvement stemmed from the Technology business unit, driven by the acquired STANLEY Security business including cost synergies. The operating margin in Guarding was stable, supported by active portfolio management and leverage from the topline growth but burdened by cost of risk and medical expenses.

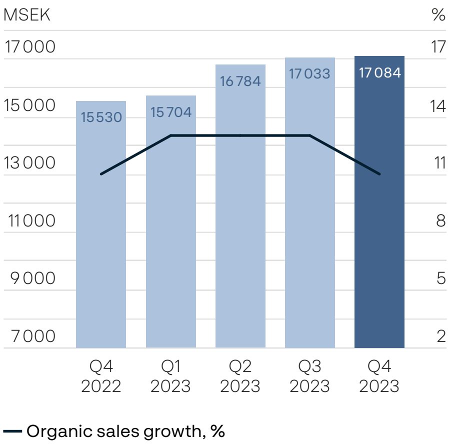
The Swedish krona exchange rate weakened against the US dollar, which had a positive impact on operating income in Swedish kronor. The real change was 28 percent (25) for the full year.

Securitas Europe

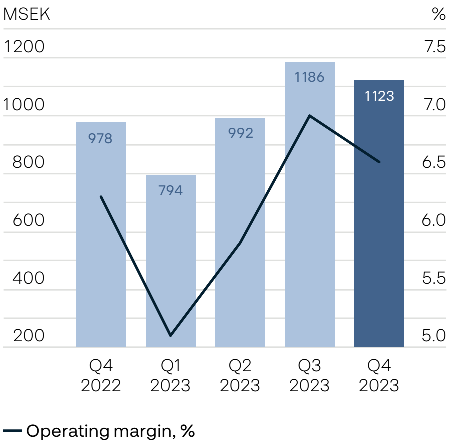
Securitas Europe provides protective services in 21 countries. The full range of protective services includes on-site, mobile and remote guarding, technology, fire and safety services and corporate risk management. In addition, there are three specialized units for global clients, technology and security solutions.

	Q4		Change, %		Full year		Change, %	
MSEK	2023	2022	Total	Real	2023	2022	Total	Real
Total sales	**17 084**	**15 530**	**10**	**11**	**66 605**	**54 409**	**22**	**19**
Organic sales growth, %	*11*	*11*			*12*	*9*		
Share of Group sales, %	*43*	*41*			*42*	*41*		
Operating income before amortization	**1 123**	**978**	**15**	**17**	**4 095**	**3 201**	**28**	**25**
Operating margin, %	*6.6*	*6.3*			*6.1*	*5.9*		
Share of Group operating income, %	*42*	*39*			*40*	*40*		

QUARTERLY SALES DEVELOPMENT



QUARTERLY OPERATING INCOME DEVELOPMENT



OCTOBER–DECEMBER 2023

Organic sales growth was 11 percent (11) in the quarter, and continued to be driven by strong price increases including the impact of the hyperinflationary environment in Türkiye. Technology and solutions also supported organic sales growth as did the airport security business.

Technology and solutions sales accounted for MSEK 5 728 (5 458) or 34 percent (35) of total sales in the business segment, with real sales growth of 6 percent (71) in the fourth quarter, supported by sales growth in both technology and solutions.

The operating margin was 6.6 percent (6.3). The improvement primarily stemmed from technology and solutions, driven by a strong quarter in the technology business. Active portfolio management continued to support the operating margin in security services whereas increased costs related to labor shortage, such as higher costs for subcontracting, continued to hamper.

The Swedish krona exchange rate weakened against the euro, which was more than offset by the development by the Turkish lira, resulting in a negative impact on operating income in Swedish kronor. The real change in operating income was 17 percent (25) in the fourth quarter.

JANUARY–DECEMBER 2023

Organic sales growth was 12 percent (9) for the full year, driven by strong price increases including the impact of the hyperinflationary environment in Türkiye. Organic sales growth was also supported by technology and solutions as well as the airport security business. The client retention rate was 91 percent (91).

Technology and solutions sales accounted for MSEK 22 063 (16 166) or 33 percent (30) of total sales in the business segment, with real sales growth of 34 percent (41) for the full year. The acquired STANLEY Security business in Europe was the main contributor to real sales growth, although double-digit real sales growth within solutions and good organic sales growth in technology also supported.

The operating margin was 6.1 percent (5.9), an improvement mainly from growth within technology and solutions, including STANLEY Security. Active portfolio management also supported the development. However, the operating margin was hampered by start-up costs within the airport security business and increased costs related to labor shortage, such as higher costs for subcontracting.

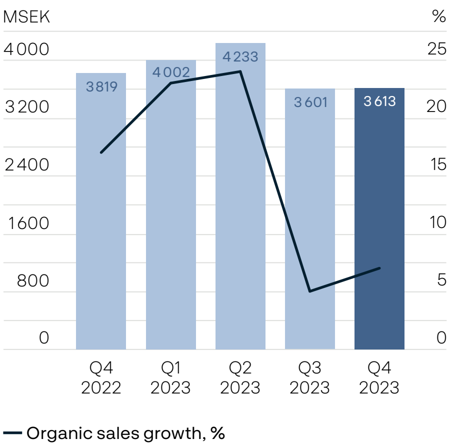
The Swedish krona exchange rate weakened primarily against the euro, which had a positive impact on operating income in Swedish kronor but was partly offset by the development of the Turkish lira. The real change in operating income was 25 percent (17) for the full year.

Securitas Ibero-America

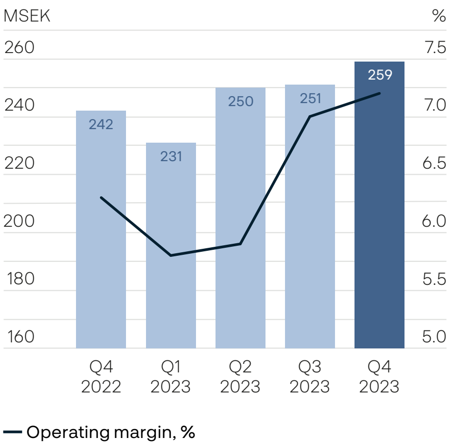
Securitas Ibero-America provides protective services in six Latin American countries as well as in Portugal and Spain in Europe. The offered services include on-site, mobile and remote guarding, technology, fire and safety services, and corporate risk management.

	Q4		Change, %		Full year		Change, %	
MSEK	2023	2022	Total	Real	2023	2022	Total	Real
Total sales	**3 613**	**3 819**	**–5**	**–10**	**15 449**	**14 604**	**6**	**6**
Organic sales growth, %	*7*	*17*			*15*	*16*		
Share of Group sales, %	*9*	*10*			*10*	*11*		
Operating income before amortization	**259**	**242**	**7**	**3**	**991**	**881**	**12**	**8**
Operating margin, %	*7.2*	*6.3*			*6.4*	*6.0*		
Share of Group operating income, %	*10*	*10*			*10*	*11*		

QUARTERLY SALES DEVELOPMENT



QUARTERLY OPERATING INCOME DEVELOPMENT



OCTOBER–DECEMBER 2023

Organic sales growth was 7 percent (17), a decline 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 held back by active portfolio management. In Latin America, organic sales growth continued to be driven by price increases.

Technology and solutions sales accounted for MSEK 1 253 (1 172) or 35 percent (31) of total sales in the business segment, with real sales growth of 3 percent (11) in the fourth quarter, negatively impacted by the divestiture of Securitas Argentina.

The operating margin was 7.2 percent (6.3), driven by improved margins in technology and solutions. Active portfolio management and the airport security business also supported, as did the divestiture of Securitas Argentina. The operating margin in Spain improved compared to last year, although wage increases continued to hamper.

The Swedish krona exchange rate weakened primarily against the euro which had a positive impact on operating income in Swedish kronor. The real change in the segment was 3 percent (18) in the fourth quarter.

JANUARY–DECEMBER 2023

Organic sales growth was 15 percent (16) driven by price increases, mainly in the hyperinflationary environment in Argentina in the first six months before the divestiture of Securitas Argentina. Organic sales growth in Spain was 5 percent (7), supported by price increases and improved installation sales, but held back by active portfolio management. Organic sales growth in Latin America was driven by price increases, especially in Argentina. The client retention rate was 93 percent (92).

Technology and solutions sales accounted for MSEK 5 011 (4 352) or 32 percent (30) of total sales in the business segment, with real sales growth of 9 percent (10) for the full year.

The operating margin was 6.4 percent (6.0), supported by higher margin technology and solutions sales, successful portfolio management and by the divestiture of Securitas Argentina. The operating margin was hampered by the wage increases in Spain and negative portfolio development in a few Latin American countries.

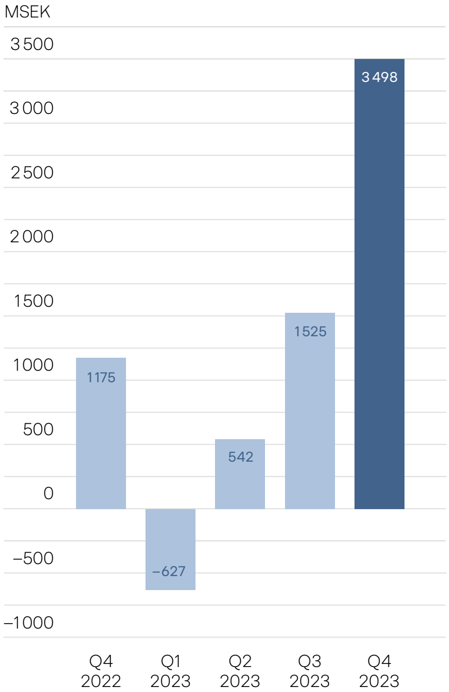
The Swedish krona exchange rate weakened primarily against the euro which had a positive impact on operating income in Swedish kronor, but was partly offset by the development of the Argentinian peso. The real change in the segment was 8 percent (21) for the full year.

Cash flow

FREE CASH FLOW

MSEK	Jan–Dec 2023
Operating income before amortization	**10 247**
Net investments	–558
Change in accounts receivable	–1 921
Change in other operating capital employed	417
Cash flow from operating activities	**8 185**
Financial income and expenses paid	–1 899
Current taxes paid	–1 348
Free cash flow	**4 938**

QUARTERLY FREE CASH FLOW



OCTOBER–DECEMBER 2023

Cash flow from operating activities amounted to MSEK 4 465 (2 075), equivalent to 166 percent (83) of operating income before amortization.

The strong cash flow in the fourth quarter was mainly derived from improved Days of Sales Outstanding (DSO), lower organic sales growth and an improved inventory and accounts payable position. The negative impact on accounts receivable from the ongoing STANLEY Security system integration work and system roll-out in our European transformation program reduced in the fourth quarter and will remain a focus area coming quarters.

The impact from changes in accounts receivable was MSEK 739 (–807), supported by the reduced Days of Sales Outstanding (DSO) and lower organic sales growth. Changes in other operating capital employed were MSEK 1 174 (527), positively impacted by an improved inventory and accounts payable position. The fourth quarter last year was negatively impacted by the final repayment of close to MSEK 700 out of the previously postponed corona-related payroll tax balances in North America.

Free cash flow was MSEK 3 498 (1 175), equivalent to 209 percent (59) of adjusted income.

Cash flow from investing activities, acquisitions and divestitures, was MSEK –18 (31). Refer to note 6 for further information.

Cash flow from items affecting comparability amounted to MSEK –365 (–366). Refer to note 7 for further information.

Cash flow from financing activities was MSEK –139 (–165) due to dividend paid of MSEK –974 (0) and a net increase in borrowings of MSEK 835 (–9 677). In 2022 the cash flow was also affected by the net proceeds from the rights issue of MSEK 9 512.

Cash flow for the period was MSEK 2 976 (675).

JANUARY–DECEMBER 2023

Cash flow from operating activities amounted to MSEK 8 185 (5 720), equivalent to 80 percent (71) of operating income before amortization.

The impact from changes in accounts receivable was MSEK –1 921 (–1 943). Changes in other operating capital employed were MSEK 417 (77).

Financial income and expenses paid was MSEK –1 899 (–657) and current taxes paid was MSEK –1 348 (–1 641).

Cash flow from operating activities includes net investments in non-current tangible and intangible assets, amounting to MSEK –558 (–447), also including capital expenditures in equipment for solutions contracts. The net investments are the result of investments of MSEK –4 114 (–3 567) and reversal of depreciation of MSEK 3 556 (3 120).

Free cash flow was MSEK 4 938 (3 422), equivalent to 75 percent (57) of adjusted income.

Cash flow from investing activities, acquisitions and divestitures, was MSEK –170 (–32 274). Refer to note 6 for further information.

Cash flow from items affecting comparability amounted to MSEK –1 403 (–1 171). Refer to note 7 for further information.

Cash flow from financing activities was MSEK –1 592 (31 393) due to dividend paid of MSEK –1 977 (–1 604) and net increase in borrowings of MSEK 385 (23 485). In 2022 the cash flow was also affected by the net proceeds from the rights issue of MSEK 9 512.

Cash flow for the period was MSEK 1 773 (1 370). The closing balance for liquid funds after translation differences of MSEK –154 was MSEK 7 942 (6 323).

Capital employed and financing

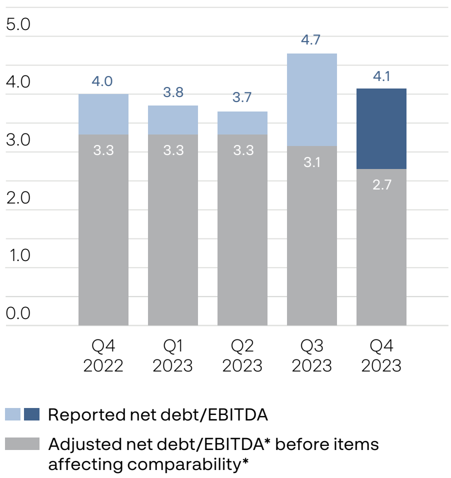
CAPITAL EMPLOYED AND FINANCING

MSEK	Dec 31, 2023
Operating capital employed	16 618
Goodwill	50 916
Acquisition-related intangible assets	6 340
Shares in associated companies	354
Capital employed	**74 228**
Net debt	37 530
Shareholders' equity	36 698
Financing	**74 228**

NET DEBT DEVELOPMENT

MSEK	Jan–Dec 2023
Jan 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
Dec 31, 2023	**–37 530**

NET DEBT/EBITDA



CAPITAL EMPLOYED AS OF DECEMBER 31, 2023

The Group's operating capital employed was MSEK 16 618 (18 377), corresponding to 11 percent of sales (13) adjusted for the full-year sales figures of acquired units. The translation of foreign operating capital employed to Swedish kronor decreased the Group's operating capital employed by MSEK 1 118.

The annual impairment test of all Cash Generating Units (CGU), which is required under IFRS, took place during the third quarter of 2023 in conjunction with the business plan process for 2024. None of the CGUs tested for impairment had a carrying amount that exceeded the recoverable amount. Consequently, no impairment losses have been recognized in 2023. No impairment losses were recognized in 2022 either.

The Group's total capital employed was MSEK 74 228 (76 972). The translation of foreign capital employed to Swedish kronor decreased the Group's capital employed by MSEK 3 531. The return on capital employed was 8 percent (9). The return on capital employed, excluding the capital loss from the divestiture of Securitas Argentina, was 12 percent.

FINANCING AS OF DECEMBER 31, 2023

The Group's net debt amounted to MSEK 37 530 (40 534). The net debt was impacted mainly by a dividend of MSEK –1 977 whereof MSEK –1 003 was paid to the shareholders in May 2023 and MSEK –974 was paid in November 2023, translation differences of MSEK 1 323, payments for items affecting comparability of MSEK –1 403, free cash flow of MSEK 4 938 and lease liabilities of MSEK 291.

The net debt to EBITDA ratio was 4.1 (4.0). The adjusted net debt/EBITDA ratio before items affecting comparability was 2.7 (3.3)*. The free cash flow to net debt ratio amounted to 0.13 (0.08). The interest coverage ratio amounted to 4.2 (8.7).

On December 31, 2023, Securitas had a Revolving Credit Facility with its eleven key relationship banks. The size of the facility amounted to MEUR 1 029 maturing 2027. The facility was undrawn on December 31, 2023.

The Commercial Paper Program amounts to MSEK 5 000. MSEK 1 915 was outstanding as of December 31, 2023.

A debt bridge facility was used to partly fund the acquisition of STANLEY Security. The original debt bridge facility amounted to MUSD 2 385 and had a final maturity date of July 22, 2024. In the first quarter of 2023 a majority of the bridge was refinanced through a MUSD 75 6-year Private Placement, a MEUR 1 100 term loan and a MEUR 300 Schuldschein loan. An additional MEUR 600 was repaid on April 4, 2023, from the proceeds of a 4-year Eurobond issue, reducing the bridge facility balance to MUSD 159 equivalent at end of June 2023. In July 2023, the remaining balance of MUSD 159 of the debt bridge facility of MUSD 2 385 raised for the acquisition of STANLEY Security was repaid.

On September 6, 2023, MEUR 550 of the MEUR 1 100 term loan was repaid from the proceeds of a MEUR 600 Eurobond issue with maturity in 2029.

On November 17, 2023, a new 3-year MUSD 600 term loan was signed with eight relationship banks. The proceeds were used to repay the remainder of the MEUR 1 100 term loan referred to above.

Standard & Poor's rating of Securitas is BBB-. The outlook was revised from Stable to Positive on August 11, 2023.

For further information regarding financial instruments and credit facilities is provided in note 9.

Shareholders' equity amounted to MSEK 36 698 (36 438). The translation of foreign assets and liabilities into Swedish kronor increased shareholders' equity by MSEK 459, including recycling of translation differences relating to the divestiture of Securitas Argentina of MSEK 2 667.

The total adjusted number of shares amounted to 572 917 552 (572 917 552) as of December 31, 2023. Refer to page 19 for further information.

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

Acquisitions and divestitures

ACQUISITIONS AND DIVESTITURES JANUARY–DECEMBER 2023 (MSEK)

Company	Business segment [1]	Included/ excluded from	Acquired/ divested share [2]	Annual sales [3]	Enterprise value [4,7]	Goodwill	Acq. related intangible assets
Opening balance						**51 021**	**7 180**
STANLEY Security	Securitas North America and Securitas Europe	–	–	–	–	2 139	–
Securitas Argentina (divestiture)	Securitas Ibero-America	July 25	100	–2 564	120	–527	–
Other acquisitions and divestitures [5,6]		–	–	3	41	6	1
Total acquisitions and divestitures January–December 2023				**–2 561**	**161**	**1 618**	**1**
Amortization of acquisition-related intangible assets						–	–620
Translation differences and remeasurement for hyperinflation						–1 723	–221
Closing balance						**50 916**	**6 340**

1) Refers to business segment with main responsibility for the acquisition/divestiture.
2) Refers to voting rights for acquisitions/divestitures in the form of share purchase agreements. For asset deals no voting rights are stated.
3) Estimated annual sales.
4) Purchase price paid/received plus acquired/divested net debt but excluding any deferred considerations.
5) Related to other acquisitions for the period and updated previous year acquisition calculations for the following entities: Draht+Schutz, Germany, Bewachungen ALWA (contract portfolio), Austria, DAK, Türkiye and Complete Security Integration, Australia. Related also to additional payment received for the divestiture of Securitas Egypt as well as to deferred considerations paid in the US, Germany, Austria, Türkiye, Spain and Australia.
6) Deferred considerations have been recognized mainly based on an assessment of the future profitability development in the acquired entities for an agreed period. The net of new deferred considerations, payments made from previously recognized deferred considerations and revaluation of deferred considerations in the Group was MSEK –30. Total deferred considerations, short-term and long-term, in the Group's balance sheet amount to MSEK 104.
7) Cash flow from acquisitions and divestitures amounts to MSEK –170, which is the sum of enterprise value MSEK –161 and acquisition-related costs paid MSEK –9.

All acquisition calculations are finalized no later than one year after the acquisition is made. Transactions with non-controlling interests are specified in the statement of changes in shareholders' equity on page 19. Transaction costs and revaluation of deferred considerations can be found in note 6 on page 25. Additional information regarding the acquisition of STANLEY Security can be found in note 13.

DIVESTITURE OF SECURITAS ARGENTINA

On July 25, 2023, the divestment of Securitas Argentina to local management was completed. Securitas exited the country due to the weak macroeconomic prospects and challenging business environment with limited opportunity to execute our long-term strategy and provide quality services to our clients with healthy profitability. Last 12 months' sales based on June 2023 of Securitas Argentina was BSEK 2.5, with an operating margin of below average in Securitas Ibero-America. The divestment resulted in a capital loss of MSEK 3 321, which was recognized as an item affecting comparability in the third quarter of 2023. The capital loss mainly comprised accumulated foreign currency losses. This impact was net neutral in Group equity. The divestiture had limited cash flow impact of MSEK –123, whereof MSEK –120 is reported as cash flow from investing activities, acquisitions and divestitures (refer to note 6) and MSEK –3 is reported as cash flow from items affecting comparability (refer to note 7).

Other significant events

For critical estimates and judgments, provisions and contingent liabilities refer to the 2022 Annual Report and to note 12 on page 28. If no significant events have occurred relating to the information in the Annual Report no further comments are made in the Full Year Report for the respective case.

UNITED STATES – GOVERNMENT INVESTIGATION

Securitas is aware that the U.S. Government is conducting an investigation into Paragon Systems, Inc., a Securitas' subsidiary within the business unit Securitas Critical Infrastructure Services, related to its relationship with various small business entities which were a direct or indirect party to contracts with the U.S. Government. The investigation relates to alleged misconduct by certain former Paragon employees. Paragon is cooperating fully with the investigation. Based on the information currently available, the Group assesses that neither the result nor the financial position of the Group will be materially affected by the investigation.

SPAIN – TAX AUDIT

The Spanish National Court Audiencia Nacional has on October 23, 2023, issued their judgment in favor of Securitas related to the financial years 2008–2009, concerning interest deductions related to acquisitions. The National Court has accepted Securitas' appeal and rejected the prior judgment from the Tribunal Económico Administrativo Central court. This has resulted in a reassessment of the Group's tax provisions and has led to a reversal of MSEK 118, which reduces the 2023 full year current tax expense, corresponding to 4.2 percent of the profit before tax. The provision release is excluded from the calculation of earnings per share before items affecting comparability.

Risks and uncertainties

Risk management is necessary for Securitas to be able to fulfill its strategies and achieve its corporate objectives. Securitas' risks fall into three main categories: operational risks, financial risks and strategic risks and opportunities. Securitas' approach to enterprise risk management is described in more detail in the Annual Report for 2022.

In the preparation of financial reports, the Board of Directors and Group Management make estimates and judgments. These impact the statement of income and balance sheet as well as disclosures such as contingent liabilities. The actual outcome may differ from these estimates and judgments under different circumstances and conditions.

Risks related to the general macroeconomic environment with the increase in inflation, interest rates, deteriorating insurance market, labor shortages and supply chain issues together with the changed geopolitical situation in the world, increased cyber security threats and lingering effects from the corona pandemic makes it difficult to predict the economic development of the different markets and geographies in which we operate.

On July 22, 2022, Securitas completed the acquisition of STANLEY Security. The acquisition and integration of new companies always carries certain risks. The profitability of the acquired company may be lower than expected and/or certain costs in connection with the acquisition may be higher than expected.

Our transformation programs in Europe and Ibero-America are in the execution phase in 2023 and 2024. The implementation and rollout of new systems and platforms to support this transformation naturally carries a risk in terms of potential disruptions to our operations that could result in a negative impact on our result, cash flow and financial position. This is mitigated by solid change management and a phased rollout on a country by country basis over a longer period.

The geopolitical situation in the world has changed radically with Russia's invasion of Ukraine at the end of February 2022 and the ongoing conflict in the Middle East. We have no operations either in Russia or in Ukraine and very limited presence in Israel but we follow the development closely and contribute to a safer society where we can.

For the forthcoming twelve-month period, the financial impact of the general macroeconomic environment described above, the acquisition and integration of STANLEY Security including increased interest rates for the acquisition-funding, the integration and implementation of new platforms as part of our transformation programs and STANLEY Security integration, as well as certain items affecting comparability, provisions and contingent liabilities, as described in the Annual Report for 2022 and, where applicable, under the heading Other significant events above, may vary from the current financial estimates and provisions made by management. This could affect the Group's profitability and financial position.

Parent Company operations

The Group's Parent Company, Securitas AB, is not involved in any operating activities. Securitas AB consists of Group Management and support functions for the Group.

JANUARY–DECEMBER 2023
The Parent Company's income amounted to MSEK 2 667 (1 975) and mainly relates to license fees and other income from subsidiaries.

Financial income and expenses amounted to MSEK 9 729 (10 292). The decrease compared with last year is mainly explained by lower dividends received from subsidiaries. Income before taxes amounted to MSEK 10 383 (10 893).

AS OF DECEMBER 31, 2023
The Parent Company's non-current assets amounted to MSEK 65 989 (66 354) and mainly comprise shares in subsidiaries of MSEK 63 933 (64 040). Current assets amounted to MSEK 23 778 (11 813) of which liquid funds accounted for MSEK 2 118 (2 376).

Shareholders' equity amounted to MSEK 56 660 (48 282). Total dividend amounts to MSEK 1 977 (1 604), whereof MSEK 1 003 (1 604) was paid to the shareholders in May 2023 and MSEK 974 (0) was paid to the shareholders in November 2023.

The Parent Company's liabilities and untaxed reserves amounted to MSEK 33 107 (29 885) and mainly consist of interest-bearing debt.

For further information, refer to the Parent Company's condensed financial statements on page 30.

Stockholm, February 7, 2024

Magnus Ahlqvist
President and Chief Executive Officer

This report has not been reviewed by the company's auditors.

Consolidated financial statements

STATEMENT OF INCOME

MSEK	Note	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
Sales		39 541	33 571	147 812	124 944
Sales, acquired business		1	4 520	9 437	8 293
Total sales	**3**	**39 542**	**38 091**	**157 249**	**133 237**
Organic sales growth, %	*4*	*6*	*9*	*9*	*7*
Production expenses		–31 322	–30 188	–125 123	–107 124
Gross income		**8 220**	**7 903**	**32 126**	**26 113**
Selling and administrative expenses		–5 572	–5 440	–22 004	–18 182
Other operating income	3	16	14	64	52
Share in income of associated companies		19	14	61	50
Operating income before amortization		**2 683**	**2 491**	**10 247**	**8 033**
Operating margin, %		*6.8*	*6.5*	*6.5*	*6.0*
Amortization of acquisition-related intangible assets		–152	–155	–620	–414
Acquisition-related costs	6	–3	–4	–10	–49
Items affecting comparability	7	–404	–312	–4 669	–1 086
Operating income after amortization		**2 124**	**2 020**	**4 948**	**6 484**
Financial income and expenses	8, 9	–628	–336	–2 115	–758
Income before taxes		**1 496**	**1 684**	**2 833**	**5 726**
Net margin, %		*3.8*	*4.4*	*1.8*	*4.3*
Current taxes		–383	–169	–1 552	–1 298
Deferred taxes		96	–141	16	–112
Net income for the period		**1 209**	**1 374**	**1 297**	**4 316**
Whereof attributable to:					
Equity holders of the Parent Company		1 209	1 373	1 285	4 310
Non-controlling interests		0	1	12	6
Earnings per share before and after dilution (SEK)[1]		2.11	2.47	2.24	9.20
Earnings per share before and after dilution and before items affecting comparability (SEK)[1]		2.44	2.63	9.59	10.77

[1] Number of shares outstanding has been adjusted for the rights issue completed on October 11, 2022. For further information refer to Data per share on page 19.

STATEMENT OF COMPREHENSIVE INCOME

MSEK	Note	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
Net income for the period		**1 209**	**1 374**	**1 297**	**4 316**
Other comprehensive income for the period					
Items that will not be reclassified to the statement of income					
Remeasurements of defined benefit pension plans net of tax		44	4	45	70
Total items that will not be reclassified to the statement of income	**10**	**44**	**4**	**45**	**70**
Items that subsequently may be reclassified to the statement of income					
Remeasurement for hyperinflation net of tax	8	54	91	437	837
Cash flow hedges net of tax		–113	–6	0	–32
Cost of hedging net of tax		–1	8	–1	–6
Net investment hedges net of tax		1 037	548	496	–954
Other comprehensive income from associated companies, translation differences		–30	–27	–14	22
Translation differences		–4 214	–2 146	–23	3 582
Total items that subsequently may be reclassified to the statement of income	**10**	**–3 267**	**–1 532**	**895**	**3 449**
Other comprehensive income for the period	**10**	**–3 223**	**–1 528**	**940**	**3 519**
Total comprehensive income for the period		**–2 014**	**–154**	**2 237**	**7 835**
Whereof attributable to:					
Equity holders of the Parent Company		–2 010	–154	2 227	7 827
Non-controlling interests		–4	0	10	8

STATEMENT OF CASH FLOW

Operating cash flow MSEK	Note	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
Operating income before amortization		**2 683**	**2 491**	**10 247**	**8 033**
Investments in non-current tangible and intangible assets		–972	–1 011	–4 114	–3 567
Reversal of depreciation		841	875	3 556	3 120
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*
Cash flow from investing activities, acquisitions and divestitures	6	–18	31	–170	–32 274
Cash flow from items affecting comparability	7	–365	–366	–1 403	–1 171
Cash flow from financing activities		–139	–165	–1 592	31 393
Cash flow for the period		**2 976**	**675**	**1 773**	**1 370**

Change in net debt MSEK	Note	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
Opening balance		**–42 579**	**–52 113**	**–40 534**	**–14 551**
Cash flow for the period		2 976	675	1 773	1 370
Change in lease liabilities		–48	–229	291	–1 274
Change in loans		–835	9 677	–385	–23 485
Change in net debt before revaluation and translation differences		**2 093**	**10 123**	**1 679**	**–23 389**
Revaluation of financial instruments	9	–129	–1	2	–50
Translation differences		3 085	1 457	1 323	–2 544
Change in net debt		**5 049**	**11 579**	**3 004**	**–25 983**
Closing balance		**–37 530**	**–40 534**	**–37 530**	**–40 534**

Cash flow MSEK	Note	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
Cash flow from operations		4 052	1 774	7 462	5 615
Cash flow from investing activities		–634	–612	–2 724	–34 487
Cash flow from financing activities		–442	–487	–2 965	30 242
Cash flow for the period		**2 976**	**675**	**1 773**	**1 370**

Change in liquid funds MSEK	Note	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
Opening balance		5 151	5 731	6 323	4 809
Cash flow for the period		2 976	675	1 773	1 370
Translation differences		–185	–83	–154	144
Closing balance		**7 942**	**6 323**	**7 942**	**6 323**

CAPITAL EMPLOYED AND FINANCING

MSEK	Note	Dec 31, 2023	Dec 31, 2022
Operating capital employed		**16 618**	**18 377**
Operating capital employed as % of sales		*11*	*13*
Return on operating capital employed, %		*32*	*49*
Goodwill		50 916	51 021
Acquisition-related intangible assets		6 340	7 180
Shares in associated companies		354	394
Capital employed		**74 228**	**76 972**
Return on capital employed, %		*8*	*9*
Net debt		**–37 530**	**–40 534**
Shareholders' equity		**36 698**	**36 438**
Net debt equity ratio, multiple		*1.02*	*1.11*

BALANCE SHEET

MSEK	Note	Dec 31, 2023	Dec 31, 2022
ASSETS			
Non-current assets			
Goodwill		50 916	51 021
Acquisition-related intangible assets		6 340	7 180
Other intangible assets		2 637	2 556
Right-of-use assets		4 495	4 903
Other tangible non-current assets		4 148	4 160
Shares in associated companies		354	394
Non-interest-bearing financial non-current assets		4 299	4 136
Interest-bearing financial non-current assets		1 513	1 285
Total non-current assets		**74 702**	**75 635**
Current assets			
Non-interest-bearing current assets		33 431	33 371
Other interest-bearing current assets		317	177
Liquid funds		7 942	6 323
Total current assets		**41 690**	**39 871**
TOTAL ASSETS		**116 392**	**115 506**

MSEK	Note	Dec 31, 2023	Dec 31, 2022
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Attributable to equity holders of the Parent Company		36 695	36 424
Non-controlling interests		3	14
Total shareholders' equity		**36 698**	**36 438**
Equity ratio, %		*32*	*32*
Long-term liabilities			
Non-interest-bearing long-term liabilities		303	321
Long-term lease liabilities		3 336	3 558
Other interest-bearing long-term liabilities		31 687	41 784
Non-interest-bearing provisions		3 734	3 675
Total long-term liabilities		**39 060**	**49 338**
Current liabilities			
Non-interest-bearing current liabilities and provisions		28 355	26 753
Current lease liabilities		1 333	1 496
Other interest-bearing current liabilities		10 946	1 481
Total current liabilities		**40 634**	**29 730**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**116 392**	**115 506**

CHANGES IN SHAREHOLDERS' EQUITY

	Dec 31, 2023			Dec 31, 2022		
MSEK	Attributable to equity holders of the Parent Company	Non-controlling interests	Total	Attributable to equity holders of the Parent Company	Non-controlling interests	Total
Opening balance January 1, 2023/2022	**36 424**	**14**	**36 438**	**20 792**	**8**	**20 800**
Total comprehensive income for the period	2 227	10	2 237	7 827	8	7 835
Transactions with non-controlling interests	–	–21	–21	1	–2	–1
Share-based incentive schemes	21	–	21[1]	–104	–	–104
Rights issue	–	–	–	9 512	–	9 512
Dividend to the shareholders of the Parent Company[2]	–1 977	–	–1 977	–1 604	–	–1 604
Closing balance December 31, 2023/2022	**36 695**	**3**	**36 698**	**36 424**	**14**	**36 438**

[1] Refers to share-based remuneration for the Group's participants in the long-term share-based incentive schemes for 2023 of MSEK 55 and also adjusted for actual leavers of MSEK –3, and also to shares awarded under Securitas' long-term share-based incentive scheme 2020/2022 of MSEK –33. Refers also to an adjustment of non-vested shares of MSEK 2 related to Securitas' short-term share-based incentive scheme 2021.

[2] Total dividend amounts to MSEK –1 977, whereof MSEK –1 003 was paid to the shareholders in May 2023 and a second dividend of MSEK –974 was paid in November 2023.

DATA PER SHARE

SEK	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
Share price, end of period[1]	98.58	86.96	98.58	86.96
Earnings per share before and after dilution[1,2,3]	2.11	2.47	2.24	9.20
Earnings per share before and after dilution and before items affecting comparability[1,2,3]	2.44	2.63	9.59	10.77
Dividend	–	–	3.80[5]	3.45
P/E-ratio after dilution and before items affecting comparability	–	–	10	8
Share capital (SEK)	573 392 552	573 392 552	573 392 552	573 392 552
Number of shares outstanding[1,2]	572 917 552	572 917 552	572 917 552	572 917 552
Average number of shares outstanding[1,2,4]	572 917 552	556 838 930	572 917 552	468 284 366
Treasury shares	475 000	475 000	475 000	475 000

[1] Share price, number of shares outstanding and the average number of shares outstanding have been adjusted for the rights issue completed on October 11, 2022. The bonus element of the rights issue has in accordance with IAS 33 §64 been calculated and the number of shares are represented based on the fair value per share immediately before the exercise of the rights divided by the theorethical ex-rights fair value per share (SEK 85.72/SEK 71.28). The number of shares outstanding on October 11, 2022, increased by 208 333 655 shares in total and the total number of outstanding shares on that date was 572 917 552 shares. Total number of shares, including treasury shares, as per the same date was 573 392 552 shares with a share capital of SEK 573 392 552.

[2] There are no convertible debenture loans. Consequently there is no difference before and after dilution regarding earnings per share and number of shares.

[3] Number of shares used for calculation of earnings per share includes shares related to the Group's share based incentive schemes that have been hedged through swap agreements.

[4] Used for calculation of earnings per share.

[5] Proposed dividend, distributed to the shareholders in two payments of SEK 1.90 per share and SEK 1.90 per share, respectively.

Segment overview October–December 2023 and 2022

OCTOBER–DECEMBER 2023

MSEK	Securitas North America	Securitas Europe	Securitas Ibero-America	Other	Eliminations	Group
Sales, external	15 796	17 084	3 613	3 049	–	39 542
Sales, intra-group	46	0	0	1	–47	–
Total sales	**15 842**	**17 084**	**3 613**	**3 050**	**–47**	**39 542**
Organic sales growth, %	*4*	*11*	*7*	*–*	*–*	*6*
Operating income before amortization	**1 479**	**1 123**	**259**	**–178**	**–**	**2 683**
of which share in income of associated companies	*–*	*0*	*–*	*19*	*–*	*19*
Operating margin, %	*9.3*	*6.6*	*7.2*	*–*	*–*	*6.8*
Amortization of acquisition-related intangible assets	–73	–68	–2	–9	–	–152
Acquisition-related costs	–	–3	–	0	–	–3
Items affecting comparability	–87	–268	–23	–26	–	–404
Operating income after amortization	**1 319**	**784**	**234**	**–213**	**–**	**2 124**
Financial income and expenses	–	–	–	–	–	–628
Income before taxes	**–**	**–**	**–**	**–**	**–**	**1 496**

OCTOBER–DECEMBER 2022

MSEK	Securitas North America[1]	Securitas Europe	Securitas Ibero-America	Other[1]	Eliminations[1]	Group
Sales, external	15 414	15 530	3 818	3 329	–	38 091
Sales, intra-group	75	0	1	2	–78	–
Total sales	**15 489**	**15 530**	**3 819**	**3 331**	**–78**	**38 091**
Organic sales growth, %	*6*	*11*	*17*	*–*	*–*	*9*
Operating income before amortization	**1 383**	**978**	**242**	**–112**	**–**	**2 491**
of which share in income of associated companies	*–*	*1*	*–*	*13*	*–*	*14*
Operating margin, %	*8.9*	*6.3*	*6.3*	*–*	*–*	*6.5*
Amortization of acquisition-related intangible assets	–74	–70	–1	–10	–	–155
Acquisition-related costs	–3	–3	–	2	–	–4
Items affecting comparability	–210	–263	–26	187	–	–312
Operating income after amortization	**1 096**	**642**	**215**	**67**	**–**	**2 020**
Financial income and expenses	–	–	–	–	–	–336
Income before taxes	**–**	**–**	**–**	**–**	**–**	**1 684**

[1] As of the third quarter 2023, the Critical Infrastructure Services business unit has been moved from business segment Securitas North America into Other. Comparatives have been restated.

Segment overview January–December 2023 and 2022

JANUARY–DECEMBER 2023

MSEK	Securitas North America	Securitas Europe	Securitas Ibero-America	Other	Eliminations	Group
Sales, external	62 353	66 604	15 449	12 843	–	157 249
Sales, intra-group	208	1	0	2	–211	–
Total sales	**62 561**	**66 605**	**15 449**	**12 845**	**–211**	**157 249**
Organic sales growth, %	*6*	*12*	*15*	–	–	*9*
Operating income before amortization	**5 625**	**4 095**	**991**	**–464**	–	**10 247**
of which share in income of associated companies	–	*0*	–	*61*	–	*61*
Operating margin, %	*9.0*	*6.1*	*6.4*	–	–	*6.5*
Amortization of acquisition-related intangible assets	–293	–281	–6	–40	–	–620
Acquisition-related costs	–	–10	–	0	–	–10
Items affecting comparability	–345	–863	–3 389	–72	–	–4 669
Operating income after amortization	**4 987**	**2 941**	**–2 404**	**–576**	**–**	**4 948**
Financial income and expenses	–	–	–	–	–	–2 115
Income before taxes	**–**	**–**	**–**	**–**	**–**	**2 833**

JANUARY–DECEMBER 2022

MSEK	Securitas North America[1]	Securitas Europe	Securitas Ibero-America	Other[1]	Eliminations[1]	Group
Sales, external	51 820	54 408	14 603	12 406	–	133 237
Sales, intra-group	123	1	1	6	–131	–
Total sales	**51 943**	**54 409**	**14 604**	**12 412**	**–131**	**133 237**
Organic sales growth, %	*1*	*9*	*16*	–	–	*7*
Operating income before amortization	**4 286**	**3 201**	**881**	**–335**	**–**	**8 033**
of which share in income of associated companies	–	*1*	–	*49*	–	*50*
Operating margin, %	*8.3*	*5.9*	*6.0*	–	–	*6.0*
Amortization of acquisition-related intangible assets	–185	–182	–7	–40	–	–414
Acquisition-related costs	–32	–17	–	0	–	–49
Items affecting comparability	–332	–675	–58	–21	–	–1 086
Operating income after amortization	**3 737**	**2 327**	**816**	**–396**	**–**	**6 484**
Financial income and expenses	–	–	–	–	–	–758
Income before taxes	**–**	**–**	**–**	**–**	**–**	**5 726**

[1] As of the third quarter 2023, the Critical Infrastructure Services business unit has been moved from business segment Securitas North America into Other. Comparatives have been restated.

Notes

NOTE 1
Accounting principles

This full year report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

Securitas' consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's standard RFR 1 Supplementary Accounting Rules for Groups. The most important accounting principles under IFRS, which is the basis for the preparation of this full year report, can be found in note 2 on pages 67 to 73 in the Annual Report for 2022. The accounting principles are also available on the Group's website **www.securitas.com** under the section Investors – Financial data – Accounting Principles.

The Parent Company's financial statements are prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's standard RFR 2 Accounting for Legal Entities. The most important accounting principles used by the Parent Company can be found in note 41 on page 122 in the Annual Report for 2022.

Introduction and effect of new and revised IFRS 2023

IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts. The new standard had no impact on the Group's consolidated financial statements.

Amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as for right-of-use assets and related lease liabilities and decommissioning liabilities recognized as part of the acquisition value of tangible fixed assets. The amendments had no impact on the Group's consolidated financial statements.

None of the other published standards and interpretations that are mandatory for the Group's financial year 2023 are assessed to have any significant impact on the Group's financial statements.

Introduction and effect of new and revised IFRS 2024 or later

None of the published standards and interpretations that are mandatory for the Group's financial year 2024 are assessed to have any significant impact on the Group's financial statements.

The effect on the Group's financial statements from standards and interpretations that are mandatory for the Group's financial year 2025 or later remain to be assessed.

Usage of key ratios not defined in IFRS

For definitions and calculations of key ratios not defined in IFRS, refer to notes 4 and 5 in this full year report as well as to note 3 in the Annual Report 2022.

NOTE 2
Events after the balance sheet date

There have been no significant events with effect on the financial reporting after the balance sheet date.

NOTE 3
Revenue

MSEK	Oct–Dec 2023	%	Oct–Dec 2022	%	Jan–Dec 2023	%	Jan–Dec 2022	%
Security services[1]	25 845	65	24 841	66	103 677	66	93 032	70
Technology and solutions	12 947	33	12 347	32	50 514	32	36 983	28
Risk management services[1]	750	2	903	2	3 058	2	3 222	2
Total sales	**39 542**	**100**	**38 091**	**100**	**157 249**	**100**	**133 237**	**100**
Other operating income	16	0	14	0	64	0	52	0
Total revenue	**39 558**	**100**	**38 105**	**100**	**157 313**	**100**	**133 289**	**100**

[1] Comparatives have been restated for a move of certain ancillary business from Risk management services to Security services.

Security services

This comprises on-site and mobile guarding, which are services with the same revenue recognition pattern. Revenue is recognized over time, as the services are rendered by Securitas and simultaneously consumed by the client. Such services cannot be reperformed.

Technology and solutions

This comprises two broad categories regarding technology and solutions.

Technology consists of the sale of alarm, access control and video installations comprising design, installation and integration (time, material and related expenses). Revenue is recognized as per the contract, either upon completion of the conditions in the contract, or over time based on the percentage of completion. Remote guarding (in the form of alarm monitoring services), that is sold separately and not as part of a solution, is also included in this category. Revenue recognition is over time as this is also a service that is rendered by Securitas and simultaneously consumed by the clients. The category further includes maintenance services, that are either performed upon request (time and material) with revenue recognition at a point in time (when the work has been performed), or over time if part of a service level contract with a subscription fee. Finally, there are also product sales (alarms and components) without any design or installation. The revenue recognition is at a point in time (upon delivery).

Solutions are a combination of services such as on-site and/or mobile guarding and/or remote guarding. These services are combined with a technology component in terms of equipment owned and managed by Securitas and used in the provision of services. The equipment is installed at the client site. The revenue recognition pattern is over time, as the services are rendered by Securitas and simultaneously consumed by the client. A solution normally constitutes one performance obligation.

Risk management services

This comprises various types of risk management services that are either recognized over time or at a point in time depending on the type of service. These services include risk advisory, security management, executive protection, corporate investigations, due diligence and similar services.

Other operating income

Other operating income consists mainly of trade mark fees for the use of the Securitas brand name.

Revenue per segment

The disaggregation of revenue by segment is shown in the tables below. Total sales agree to total sales in the segment overviews.

	Securitas North America[2]		Securitas Europe		Securitas Ibero-America		Other[2]		Eliminations[2]		Group	
MSEK	Oct–Dec 2023	Oct–Dec 2022	Oct–Dec 2023	Oct–Dec 2022	Oct–Dec 2023	Oct–Dec 2022	Oct–Dec 2023	Oct–Dec 2022	Oct–Dec 2023	Oct–Dec 2022	Oct–Dec 2023	Oct–Dec 2022
Security services[1]	9 321	9 011	11 356	10 072	2 360	2 647	2 814	3 096	–6	15	25 845	24 841
Technology and solutions	5 771	5 575	5 728	5 458	1 253	1 172	236	235	–41	–93	12 947	12 347
Risk management services[1]	750	903	–	–	–	–	–	–	–	–	750	903
Total sales	**15 842**	**15 489**	**17 084**	**15 530**	**3 613**	**3 819**	**3 050**	**3 331**	**–47**	**–78**	**39 542**	**38 091**
Other operating income	–	–	–	–	–	–	16	14	–	–	16	14
Total revenue	**15 842**	**15 489**	**17 084**	**15 530**	**3 613**	**3 819**	**3 066**	**3 345**	**–47**	**–78**	**39 558**	**38 105**

[1] Comparatives have been restated for a move of certain ancillary business from Risk management services to Security services.
[2] As of the third quarter 2023, the Critical Infrastructure Services business unit has been moved from the business segment Securitas North America into Other. Comparatives have been restated.

	Securitas North America[2]		Securitas Europe		Securitas Ibero-America		Other[2]		Eliminations[2]		Group	
MSEK	Jan–Dec 2023	Jan–Dec 2022	Jan–Dec 2023	Jan–Dec 2022	Jan–Dec 2023	Jan–Dec 2022	Jan–Dec 2023	Jan–Dec 2022	Jan–Dec 2023	Jan–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
Security services[1]	36 799	33 087	44 542	38 243	10 438	10 252	11 936	11 488	–38	–38	103 677	93 032
Technology and solutions	22 704	15 634	22 063	16 166	5 011	4 352	909	924	–173	–93	50 514	36 983
Risk management services[1]	3 058	3 222	–	–	–	–	–	–	–	–	3 058	3 222
Total sales	**62 561**	**51 943**	**66 605**	**54 409**	**15 449**	**14 604**	**12 845**	**12 412**	**–211**	**–131**	**157 249**	**133 237**
Other operating income	–	–	–	–	–	–	64	52	–	–	64	52
Total revenue	**62 561**	**51 943**	**66 605**	**54 409**	**15 449**	**14 604**	**12 909**	**12 464**	**–211**	**–131**	**157 313**	**133 289**

[1] Comparatives have been restated for a move of certain ancillary business from Risk management services to Security services.
[2] As of the third quarter 2023, the Critical Infrastructure Services business unit has been moved from business segment Securitas North America into Other. Comparatives have been restated.

NOTE 4
Organic sales growth and currency changes

The calculation of real and organic sales growth and the specification of currency changes on operating income before and after amortization, income before taxes, net income and earnings per share are specified below. The impact from remeasurement for hyperinflation due to the application of IAS 29 is included in currency change.

MSEK	Oct–Dec 2023	Oct–Dec 2022	%	Jan–Dec 2023	Jan–Dec 2022	%
Total sales	**39 542**	**38 091**	**4**	**157 249**	**133 237**	**18**
Currency change from 2022	243	–		–4 125	–	
Real sales growth, adjusted for changes in exchange rates	**39 785**	**38 091**	**4**	**153 124**	**133 237**	**15**
Acquisitions/divestitures	–1	–583		–9 437	–1 427	
Organic sales growth	**39 784**	**37 508**	**6**	**143 687**	**131 810**	**9**
Operating income before amortization	**2 683**	**2 491**	**8**	**10 247**	**8 033**	**28**
Currency change from 2022	38	–		–273	–	
Real operating income before amortization, adjusted for changes in exchange rates	**2 721**	**2 491**	**9**	**9 974**	**8 033**	**24**
Operating income after amortization	**2 124**	**2 020**	**5**	**4 948**	**6 484**	**–24**
Currency change from 2022	28	–		–252	–	
Real operating income after amortization, adjusted for changes in exchange rates	**2 152**	**2 020**	**7**	**4 696**	**6 484**	**–28**
Income before taxes	**1 496**	**1 684**	**–11**	**2 833**	**5 726**	**–51**
Currency change from 2022	78	–		–233	–	
Real income before taxes, adjusted for changes in exchange rates	**1 574**	**1 684**	**–7**	**2 600**	**5 726**	**–55**
Net income for the period	**1 209**	**1 374**	**–12**	**1 297**	**4 316**	**–70**
Currency change from 2022	50	–		–176	–	
Real net income for the period, adjusted for changes in exchange rates	**1 259**	**1 374**	**–8**	**1 121**	**4 316**	**–74**
Net income attributable to equity holders of the Parent Company	**1 209**	**1 373**	**–12**	**1 285**	**4 310**	**–70**
Currency change from 2022	51	–		–175	–	
Real net income attributable to equity holders of the Parent Company, adjusted for changes in exchange rates	**1 260**	**1 373**	**–8**	**1 110**	**4 310**	**–74**
Average number of shares outstanding[1]	572 917 552	556 838 930		572 917 552	468 284 366	
Real earnings per share, adjusted for changes in exchange rates	**2.20**	**2.47**	**–11**	**1.94**	**9.20**	**–79**
Net income attributable to equity holders of the Parent Company	**1 209**	**1 373**	**–12**	**1 285**	**4 310**	**–70**
Items affecting comparability net of taxes	190	94		4 209	731	
Net income attributable to equity holders of the Parent Company, adjusted for items affecting comparability	**1 399**	**1 467**	**–5**	**5 494**	**5 041**	**9**
Currency change from 2022	70	–		–205	–	
Real net income attributable to equity holders of the Parent Company, adjusted for items affecting comparability and changes in exchange rates	**1 469**	**1 467**	**0**	**5 289**	**5 041**	**5**
Average number of shares outstanding[1]	572 917 552	556 838 930		572 917 552	468 284 366	
Real earnings per share, adjusted for items affecting comparability and changes in exchange rates	**2.56**	**2.63**	**–3**	**9.23**	**10.77**	**–14**

[1] Comparatives have been adjusted for the rights issue completed on October 11, 2022. For further information refer to Data per share on page 19.

NOTE 5
Definitions and calculation of key ratios

The calculations below relate to the period January–December 2023.

Interest coverage ratio

Operating income before amortization (rolling 12 months) plus interest income (rolling 12 months) in relation to interest expenses (rolling 12 months).
Calculation: (10 247 + 206) / 2 499 = 4.2

Cash flow from operating activities, %

Cash flow from operating activities as a percentage of operating income before amortization.
Calculation: 8 185 / 10 247 = 80%

Free cash flow as % of adjusted income

Free cash flow as a percentage of adjusted income (operating income before amortization adjusted for financial income and expenses, excluding revaluation of financial instruments, and current taxes).
Calculation: 4 938 / (10 247 – 2 115 – 2 – 1 552) = 75%

Free cash flow in relation to net debt

Free cash flow (rolling 12 months) in relation to closing balance net debt.
Calculation: 4 938 / 37 530 =0.13

Net debt to EBITDA ratio

Net debt in relation to operating income after amortization (rolling 12 months) plus amortization of acquisition-related intangible assets (rolling 12 months) and depreciation (rolling 12 months).
Calculation: 37 530 / (4 948 + 620 + 3 556) = 4.1

Operating capital employed as % of total sales

Operating capital employed as a percentage of total sales adjusted for the full-year sales of acquired and divested entities.
Calculation: 16 618 / 156 925 = 11%

Return on operating capital employed

Operating income before amortization (rolling 12 months) plus items affecting comparability (rolling 12 months) as a percentage of the average balance of operating capital employed.
Calculation: (10 247 – 4 669) / ((16 618 + 18 377) / 2) = 32%

Return on capital employed

Operating income before amortization (rolling 12 months) plus items affecting comparability (rolling 12 months) as a percentage of closing balance of capital employed.
Calculation: (10 247 – 4 669) / 74 228 = 8%

Net debt equity ratio

Net debt in relation to shareholders' equity.
Calculation: 37 530 / 36 698 = 1.02

NOTE 6
Acquisition-related costs and cash flow from acquisitions and divestitures

MSEK	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
Restructuring and integration costs	–2	–3	–6	–43
Transaction costs	–	1	–	–1
Revaluation of deferred considerations	–1	–2	–4	–5
Total acquisition-related costs	**–3**	**–4**	**–10**	**–49**
Cash flow impact from acquisitions and divestitures				
Purchase price payments	–16	36	–41	–32 817
Assumed net debt	0	1	–120	606
Acquisition-related costs paid	–2	–6	–9	–63
Total cash flow impact from acquisitions and divestitures	**–18**	**31**	**–170**	**–32 274**

For further information regarding the Group's acquisitions and divestitures, refer to the section Acquisitions and divestitures.

NOTE 7
Items affecting comparability

MSEK	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
Recognized in the statement of income				
Transformation programs, Group[1]	–208	–154	–686	–632
Acquisition of STANLEY Security[2]	–196	–158	–662	–454
Divestiture of Securitas Argentina[3]	–	–	–3 321	–
Total recognized in operating income after amortization	**–404**	**–312**	**–4 669**	**–1 086**
Financial income and expenses[4]	–	–16	–	–67
Total recognized in income before taxes	**–404**	**–328**	**–4 669**	**–1 153**
Taxes[5]	214	234	460	422
Total recognized in net income for the period	**–190**	**–94**	**–4 209**	**–731**
Cash flow impact				
Transformation programs, Group[1]	–161	–168	–624	–744
Cost-savings program, Group[6]	–7	–12	–15	–48
Cost-savings program, Securitas Europe[7]	0	0	0	–1
Acquisition of STANLEY Security[2]	–196	–186	–761	–378
Divestiture of Securitas Argentina[3]	–1	–	–3	–
Total cash flow impact	**–365**	**–366**	**–1 403**	**–1 171**

[1] Related to the previously announced business transformation program in Securitas North America, Securitas Europe and Securitas Ibero-America, as well as the previously announced global IS/IT transformation program. The business transformation program in Securitas North America and the global IS/IT transformation program were finalized in 2021 but still impacted cash flow 2022.
[2] Related to transaction costs, restructuring and integration costs.
[3] Includes costs related to the divestiture of Securitas Argentina. The divestiture had limited cash flow impact of MSEK –123, whereof MSEK –120 is reported as cash flow from investing activities, acquisitions and divestitures (note 6) and MSEK –3 is reported as cash flow from items affecting comparability.
[4] Interest expense and fees relating to the MUSD 915 bridge facility repaid on October 18, 2022. This financing cost is considered as an item affecting comparability as it is repaid by the proceeds from the rights issue and will consequently not result in any further impact in the statement of income after October 18, 2022. The cost recognized above relates to the period July 22, 2022, to October 18, 2022.
[5] Including reversal of a tax provision in Spain of MSEK 118 in 2023 and MSEK 151 in 2022.
[6] Related to the cost savings program in the Group that was communicated in 2020. Includes costs related to exit of business operations while cash flow related to exit of business operations is accounted for as cash flow from investing activities. This program was finalized in 2021 but still impacts cash flow.
[7] Related to the cost savings program in Securitas Europe. This program was finalized in 2018 but still impacts cash flow.

NOTE 8
Remeasurement for hyperinflation

The Group's subsidiaries in countries that according to IAS 29 Financial reporting in hyperinflationary economies are classified as hyperinflationary economies are accounted for in the Group's financial statements after remeasurement for hyperinflation. Securitas' operations accounted for according to IAS 29 are Argentina and, as from the second quarter of 2022, Türkiye. Securitas Argentina is included up to the second quarter of 2023, but was divested on July 25, 2023, and is no longer consolidated in Securitas Group from this date.

The impact on the consolidated statement of income and other comprehensive income from the remeasurement according to IAS 29 is illustrated below. The index used by Securitas for the remeasurement of the financial statements is the consumer price index with base period January 2003 for Argentina and base period January 2005 for Türkiye.

EXCHANGE RATES AND INDEX

	Dec 31, 2023	Dec 31, 2022
Exchange rate Argentina, SEK/ARS	–	0.06
Index, Argentina	–	68.66
Exchange rate Türkiye, SEK/TRY	0.34	0.56
Index, Türkiye	16.24	9.86

NET MONETARY GAIN RECOGNIZED IN THE CONSOLIDATED STATEMENT OF INCOME

MSEK	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
Net monetary gain, Argentina	–	12	48	56
Net monetary gain, Türkiye	1	46	138	78
Total financial income and expenses	**1**	**58**	**186**	**134**

REMEASUREMENT IMPACT RECOGNIZED IN OTHER COMPREHENSIVE INCOME

MSEK	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
Remeasurement, Argentina	–	49	141	210
Remeasurement, Türkiye	54	42	296	627
Total remeasurement impact recognized in other comprehensive income	**54**	**91**	**437**	**837**

NOTE 9
Financial instruments and credit facilities

Revaluation of financial instruments

Revaluation of financial instruments is recognized in the statement of income on the line financial income and expenses. Revaluation of cash flow hedges (and the subsequent recycling into the statement of income) is recognized in other comprehensive income on the line cash flow hedges. Cost of hedging (and the subsequent recycling into the statement of income) is recognized on the corresponding line in other comprehensive income.

The amount disclosed in the specification of change in net debt is the total revaluation before tax in the table below.

MSEK	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
Recognized in the statement of income				
Revaluation of financial instruments	–1	–4	2	–2
Deferred tax	–	–	–	–
Impact on net income	**–1**	**–4**	**2**	**–2**
Recognized in the statement of comprehensive income				
Cash flow hedges	–127	–6	1	–40
Cost of hedging	–1	9	–1	–8
Deferred tax	14	–1	–1	10
Total recognized in the statement of comprehensive income	**–114**	**2**	**–1**	**–38**
Total revaluation before tax	–129	–1	2	–50
Total deferred tax	14	–1	–1	10
Total revaluation after tax	**–115**	**–2**	**1**	**–40**

Fair value hierarchy

The methods and assumptions used by the Group in estimating the fair value of the financial instruments are disclosed in note 7 in the Annual Report 2022. Further information regarding the accounting principles for financial instruments is disclosed in note 2 in the Annual Report 2022.

There have been no transfers between any of the the valuation levels during the period.

MSEK	Quoted market prices	Valuation techniques using observable market data	Valuation techniques using non-observable market data	Total
December 31, 2023				
Financial assets at fair value through profit or loss	–	69	–	**69**
Financial liabilities at fair value through profit or loss	–	–112	–104	**–216**
Derivatives designated for hedging with positive fair value	–	481	–	**481**
Derivatives designated for hedging with negative fair value	–	–640	–	**–640**
December 31, 2022				
Financial assets at fair value through profit or loss	–	20	–	**20**
Financial liabilities at fair value through profit or loss	–	–38	–128	**–166**
Derivatives designated for hedging with positive fair value	–	22	–	**22**
Derivatives designated for hedging with negative fair value	–	–1 060	–	**–1 060**

Financial instruments by category – carrying and fair values

For financial assets and liabilities other than those disclosed in the table below, fair value is deemed to approximate the carrying value.
A full comparison of fair value and carrying value for all financial assets and liabilities is disclosed in note 7 in the Annual Report for 2022.

	Dec 31, 2023		Dec 31, 2022	
MSEK	Carrying value	Fair value	Carrying value	Fair value
Long-term loan liabilities	22 005	21 983	10 346	9 922
Short-term loan liabilities	5 391	5 345	–	–
Total financial instruments by category	**27 396**	**27 328**	**10 346**	**9 922**

SUMMARY OF DEBT FINANCING AS OF DECEMBER 31, 2023

Type	Currency	Total amount (million)	Available amount (million)	Maturity
EMTN Eurobond, 1.125 % fixed	EUR	350	0	2024
EMTN private placement, fixed	USD	50	0	2024
EMTN private placement, fixed	USD	105	0	2024
EMTN private placement, floating	SEK	2 000	0	2024
EMTN private placement, floating	SEK	1 500	0	2024
EMTN Eurobond, 1.25 % fixed	EUR	300	0	2025
Schuldschein dual currency facility	EUR	52	0	2026
Term Facility	USD	600	0	2026
Revolving Credit Facility	EUR	1 029	1 029	2027
EMTN private placement, fixed	USD	40	0	2027
EMTN private placement, fixed	USD	60	0	2027
EMTN Eurobond, 4.25 % fixed	EUR	600	0	2027
Schuldschein dual currency facility	EUR	244	0	2028
EMTN Eurobond, 0.25 % fixed	EUR	350	0	2028
EMTN private placement, fixed	USD	75	0	2029
EMTN Eurobond, 4.375 % fixed	EUR	600	0	2029
Commercial Paper (uncommitted)	SEK	5 000	3 085	n/a

For further information regarding Multicurrency Term Facilities refer to Capital employed and financing on page 12.

NOTE 10
Deferred tax on other comprehensive income

MSEK	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
Deferred tax on remeasurements of defined benefit pension plans	–19	–3	–21	–21
Deferred tax on remeasurement for hyperinflation	–1	–1	–8	–14
Deferred tax on cash flow hedges	14	0	–1	8
Deferred tax on cost of hedging	0	–1	0	2
Deferred tax on net investment hedges	–212	–110	–101	253
Deferred tax on net investment hedges included in translation differences	182	139	114	–235
Total deferred tax on other comprehensive income	**–36**	**24**	**–17**	**–7**

NOTE 11
Pledged assets

MSEK	Dec 31, 2023	Dec 31, 2022
Pension balances, defined contribution plans[1]	234	229
Total pledged assets	**234**	**229**

[1] Refers to assets relating to insured pension plans excluding social benefits.

NOTE 12
Contingent liabilities

MSEK	Dec 31, 2023	Dec 31, 2022
Guarantees	–	–
Guarantees related to discontinued operations	16	16
Total contingent liabilities	**16**	**16**

For critical estimates and judgments, provisions and contingent liabilities, refer to note 4 and note 39 in the Annual Report 2022 as well as to the section Other significant events in this report.

NOTE 13
Acquisition of STANLEY Security

Consolidation

On December 8, 2021, Securitas announced that it had signed an agreement to acquire the Electronic Security Solutions business from Stanley Black & Decker Inc. ("STANLEY Security") for a purchase price of MUSD 3 200 on a debt and cash free basis. All regulatory conditions were approved as communicated on July 14, 2022. The transaction was completed on July 22, 2022, and consolidated into Securitas as of the same date.

Purchase price allocation

The purchase price paid on July 22, 2022, amounted to MSEK 32 783 and the purchase price allocation includes goodwill of MSEK 25 868. The final purchase price will depend on the final outcome of net working capital reconciliation and adjustments for net debt. As of the date of the publication of this report this reconciliation was still ongoing. Any further adjustments will hence be recognized in the statement of income.

The purchase price allocation was completed on July, 22, 2023. Identifiable assets and liabilities are valued at fair value. Acquisition-related intangible assets have been allocated to customer-related, brand-related and technology-related intangible assets. Brand-related intangible assets are deemed to have an indefinite useful life and is not subject to amortization but will be tested yearly for impairment or when indication that the carrying amount may not be recoverable. Brand-related intangible assets amount to MSEK 417 out of a total of acquisition-related intangible assets of MSEK 5 450. The valuation of acquisition-related intangible assets has not been changed. Acquisition-related intangibles that are subject to amortization have a useful life estimated from eight to 15 years. Amortization amounted to MSEK –90 (–91) for the fourth quarter and MSEK –365 (–163) for the full year 2023.

Deferred taxes have been considered where applicable and where identified tax losses carried forward have been valued when it is judged that there will be taxable future income for which the tax losses can be utilized.

The difference between the purchase price and the acquired net assets including acquisition-related intangible assets is accounted for as goodwill. Goodwill is not subject to amortization but will be tested yearly for impairment or when indication that the carrying amount may not be recoverable. Goodwill is made up of a number of components such as synergies (commercial and cost synergies), trained workforce and the increased geographical footprint.

The purchase price allocation has been based on available information and has been subject to adjustments both in relation to the final purchase price that will be adjusted for net debt and net working capital but also as further information regarding facts and circumstances in existence as of July 22, 2022, relating to the acquired entities became known during the year following the completion of the transaction. Adjustments have been made both in relation to acquired net assets and consequently goodwill. The adjustments made during 2023 are mainly related to contract assets such as accounts receivables and accrued sales income, installations projects and to inventory balances and are disclosed in the table below.

The acquisition is a combination of share purchase transactions and to a lesser extent asset transactions. In all share purchases the acquired share corresponds to 100 percent.

Transaction costs

Total transaction costs incurred from 2021 to December 31, 2023, amounted to MSEK –256, whereof MSEK –3 (–20) in the fourth quarter and MSEK –14 (–180) for the full year 2023. Transaction costs are included in items affecting comparability, for further information see note 7.

ADJUSTMENTS OF PURCHASE PRICE ALLOCATION AS OF JULY 22, 2022

MSEK	Fair value acquisition balance
Operating non-current assets	–400
Accounts receivable	–463
Other current assets	–473
Other liabilities	–803
Total operating capital employed	**–2 139**
Goodwill	2 139
Acquisition-related intangible assets	–
Total capital employed	**–**
Net debt	–
Total acquired net assets	**–**
Purchase price paid	–
Liquid funds in accordance with acquisition analysis	–
Total impact on the Group's liquid funds	**–**

Parent Company

STATEMENT OF INCOME

MSEK	Jan–Dec 2023	Jan–Dec 2022
License fees and other income	2 667	1 975
Gross income	**2 667**	**1 975**
Administrative expenses	–1 533	–1 173
Operating income	**1 134**	**802**
Financial income and expenses	9 729	10 292
Income after financial items	**10 863**	**11 094**
Appropriations	–480	–201
Income before taxes	**10 383**	**10 893**
Taxes	–189	15
Net income for the period	**10 194**	**10 908**

BALANCE SHEET

MSEK	Dec 31, 2023	Dec 31, 2022
ASSETS		
Non-current assets		
Shares in subsidiaries	63 933	64 040
Shares in associated companies	112	112
Other non-interest-bearing non-current assets	331	408
Interest-bearing financial non-current assets	1 613	1 794
Total non-current assets	**65 989**	**66 354**
Current assets		
Non-interest-bearing current assets	10 929	1 015
Other interest-bearing current assets	10 731	8 422
Liquid funds	2 118	2 376
Total current assets	**23 778**	**11 813**
TOTAL ASSETS	**89 767**	**78 167**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Restricted equity	7 936	7 936
Non-restricted equity	48 724	40 346
Total shareholders' equity	**56 660**	**48 282**
Untaxed reserves	**571**	**571**
Long-term liabilities		
Non-interest-bearing long-term liabilities/provisions	230	221
Interest-bearing long-term liabilities	9 042	17 527
Total long-term liabilities	**9 272**	**17 748**
Current liabilities		
Non-interest-bearing current liabilities	2 003	1 776
Interest-bearing current liabilities	21 261	9 790
Total current liabilities	**23 264**	**11 566**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**89 767**	**78 167**

Financial information

FINANCIAL INFORMATION CALENDAR

March 7, 2024, 2 p.m. (CET)
Investor Day in Stockholm

May 8, 2024, 8 a.m. (CEST)
Interim Report
January–March 2024

May 8, 2024, 4 p.m. (CEST)
Annual General Meeting 2024
in Stockholm

July 30, 2024, approx. 1 p.m (CEST)
Interim Report
January–June 2024

November 6, 2024, 8 a.m (CET)
Interim Report
January–September 2024

For further information regarding Securitas' IR activities, refer to **www.securitas.com**

PRESENTATION OF THE FULL YEAR REPORT

Analysts and media are invited to participate in a telephone conference on February 7, 2024, at **9.30 a.m. (CET)** where President and CEO Magnus Ahlqvist and CFO Andreas Lindback will present the report and answer questions. The telephone conference will also be audio cast live via Securitas' website **www.securitas.com**

To follow the audio cast of the telephone conference via the web, please follow the link **www.securitas.com/en/investors/financial-reports-and-presentations/**

A recorded version of the audio cast will be available at **www.securitas.com/en/investors/financial-reports-and-presentations/** after the telephone conference.

For further information, please contact:
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ABOUT SECURITAS

Securitas is a world-leading safety and security solutions partner that helps make your world a safer place. Almost nine decades of deep experience means we see what others miss. By leveraging technology in partnership with our clients, combined with an innovative, holistic approach, we're transforming the security industry. With approximately 358 000 employees in 44 markets, we see a different world and create sustainable value for our clients by protecting what matters most – their people and assets.

Group financial targets
Securitas has four financial targets:

- 8–10 percent technology and solutions annual average real sales growth
- 8 percent Group operating margin by year-end 2025, with a >10 percent long-term operating margin ambition
- A net debt to EBITDA ratio below 3.0x
- An operating cash flow of 70–80 percent of operating income before amortization

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