

07.03.2024

# Securitas Investor Day 2024

## Building the future Securitas – executing on our strategy



Magnus Ahlqvist  
President and CEO



# Video

~1.5 minutes



# Today's speakers and topics

14:00

**Building the future Securitas**

Magnus Ahlqvist



**Finance**

Andreas Lindback



**Securitas Technology**

Tony Byerly



**Global Clients**

Brian Riis Nielsen



15:15

**Q&A session  
Break**

15 min  
15 minutes

**Securitas North America**

Greg Anderson



**Securitas Europe**

Henrik Zetterberg



**Securitas Digital**

Martin Althén



**Sustainability**

Frida Rosenholm and  
Sune Chabert Larsen



17:00

**Q&A session  
Closing remarks**

20 min  
10 minutes

17:30

**End of session**



## Progress since the last Investor Day – August 2022

- + Creation of Securitas Technology with integration of STANLEY Security
- + Improvements across all segments
- + 9% technology and solutions growth
- + Significant client wins
- + Digitalization: 130 000 client sites, 60 000 officers
- + Sharpening the business – exiting low-performing, non-core markets
- + Promoting and adding high caliber and more diverse leaders
- + SBTi - first major company in our industry



**Executing on  
our strategy  
to build the  
future  
Securitas**

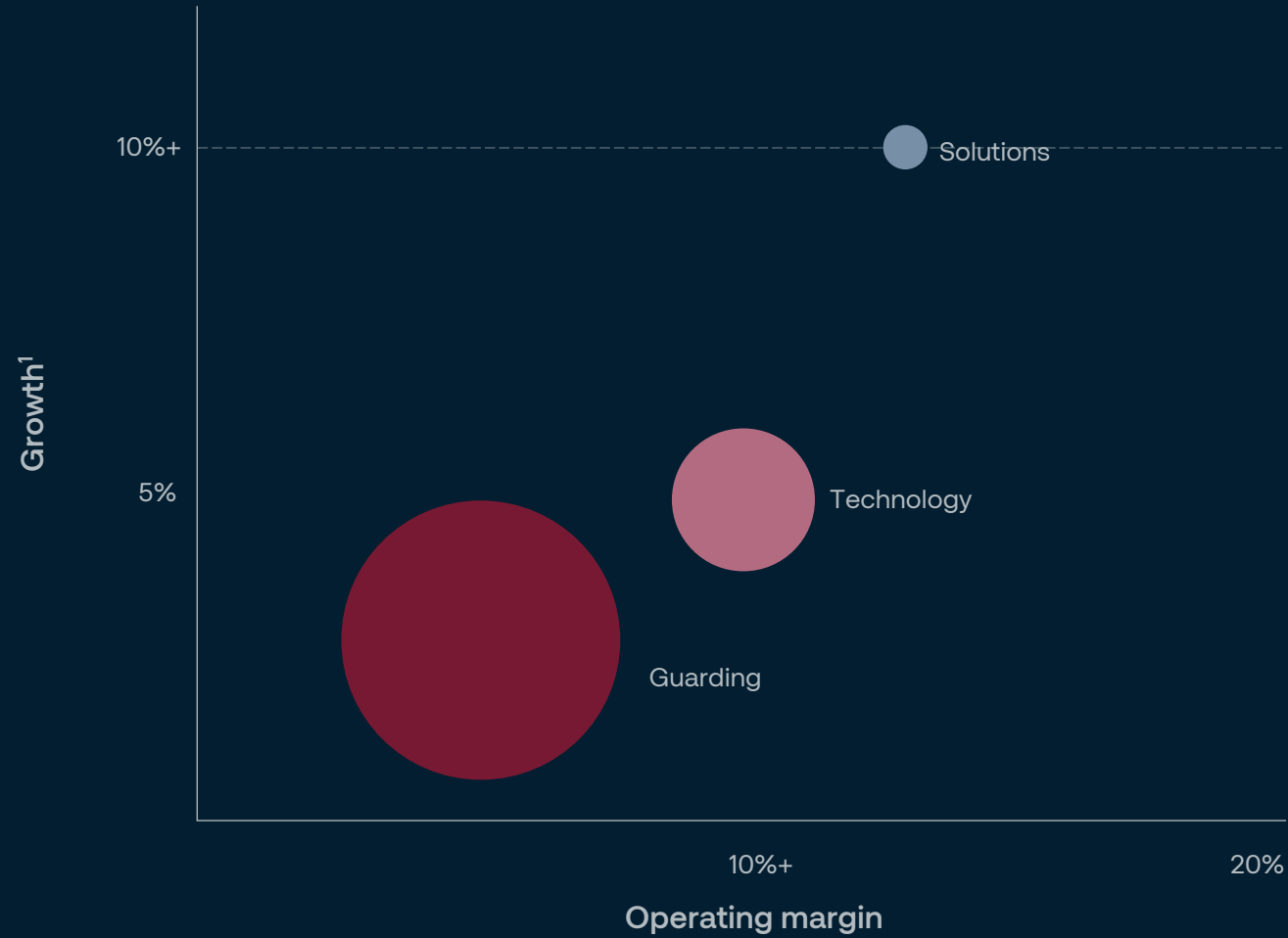


# A client-focused transformation journey





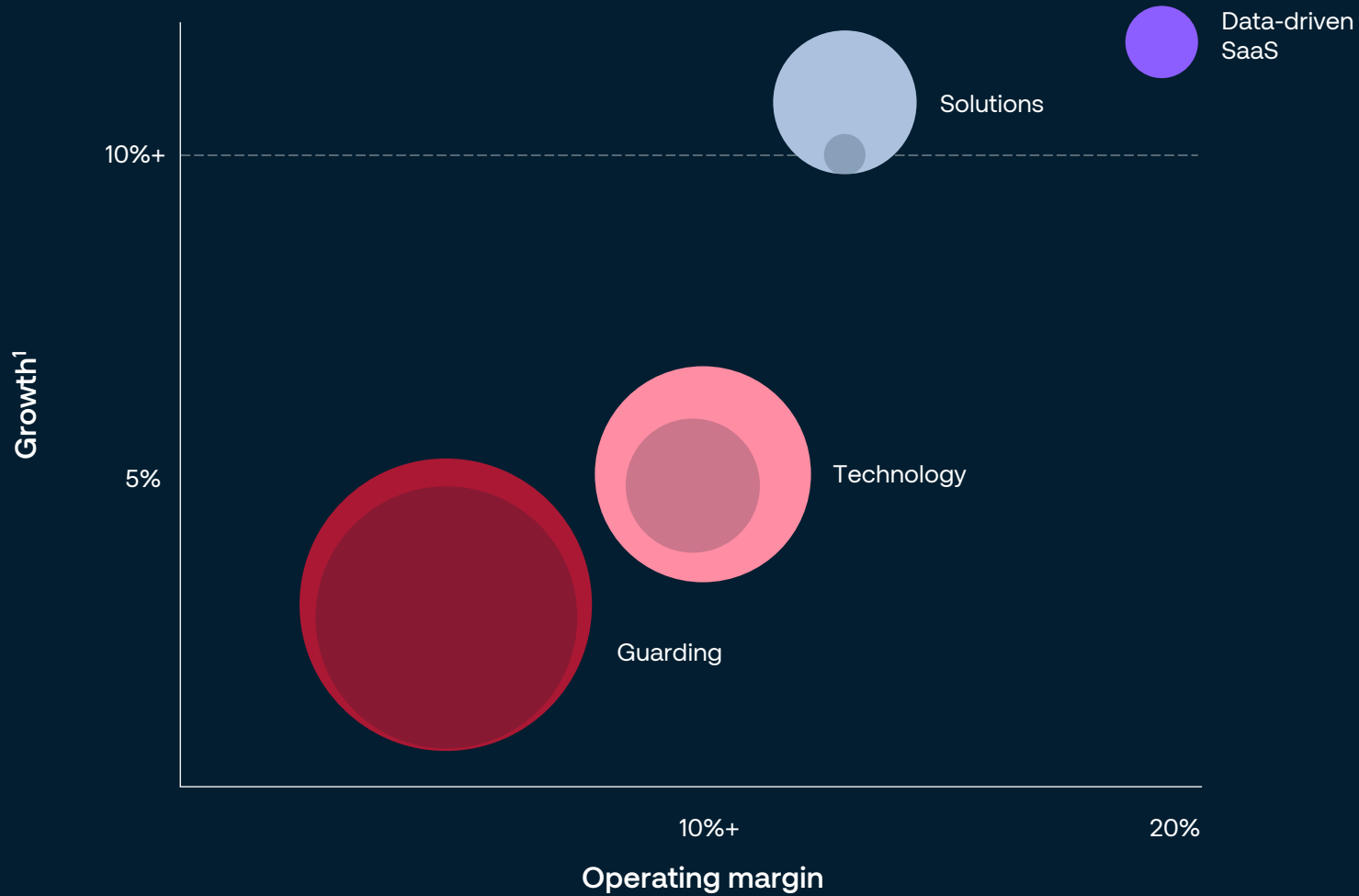
# The security market ten years ago...



Source: Freedonia and management estimates.  
1) Not adjusted for current inflationary environment.



# ...and how it has evolved



**Market size**  
2023

Technology<sup>2</sup>  
**BUSD >70**

Solutions  
**Fast growth**

Guarding  
**BUSD 140**

Source: Freedonia, OMDIA and management estimates.  
1) Not adjusted for current inflationary environment; 2) Commercial electronic security market.

# Client needs and demands are increasingly more complex and dynamic

## Before

Stand-alone needs

Protection of buildings and assets

Pure security

Static view of risk – observe and report

Focus on the input

## Next phase

Clients re-think their security due to higher complexity and scarcity of people

Protection of people and supply chain

Focus on compliance and sustainability

Security solutions based on dynamic risk models – anticipate and respond

Focus on the benefits we deliver

Rise of knowledge products

Automation – enabled by technology







# Transforming Securitas into a world-leading security solutions company



Note: Technology and solutions EBITA in 2018 is indicative.



# Key capabilities to win in the security industry

## Presence

A diverse workforce in terms of competence and footprint

## Technology

The capability to deploy and monitor connected technology at global scale

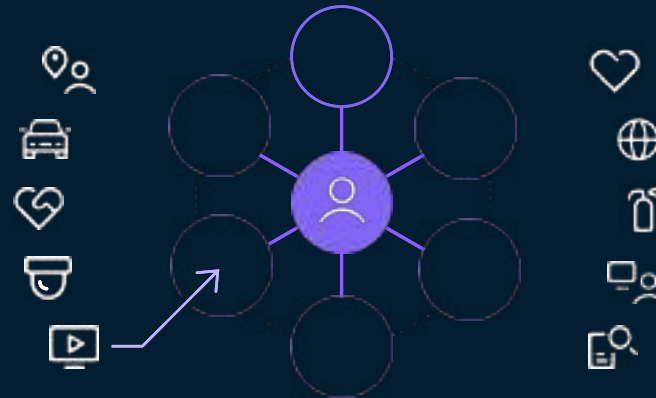
## Data

Ability to harmonize and leverage ever expanding volumes of security data





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



**Providing solutions globally**

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

**Unmatched client offering**

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

**Technology and innovation**

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



# Global presence in strategic markets with strengthened technology capabilities

## Markets

44

Positioned to serve global clients, 16% of Group sales 2023

## Technology acquisitions

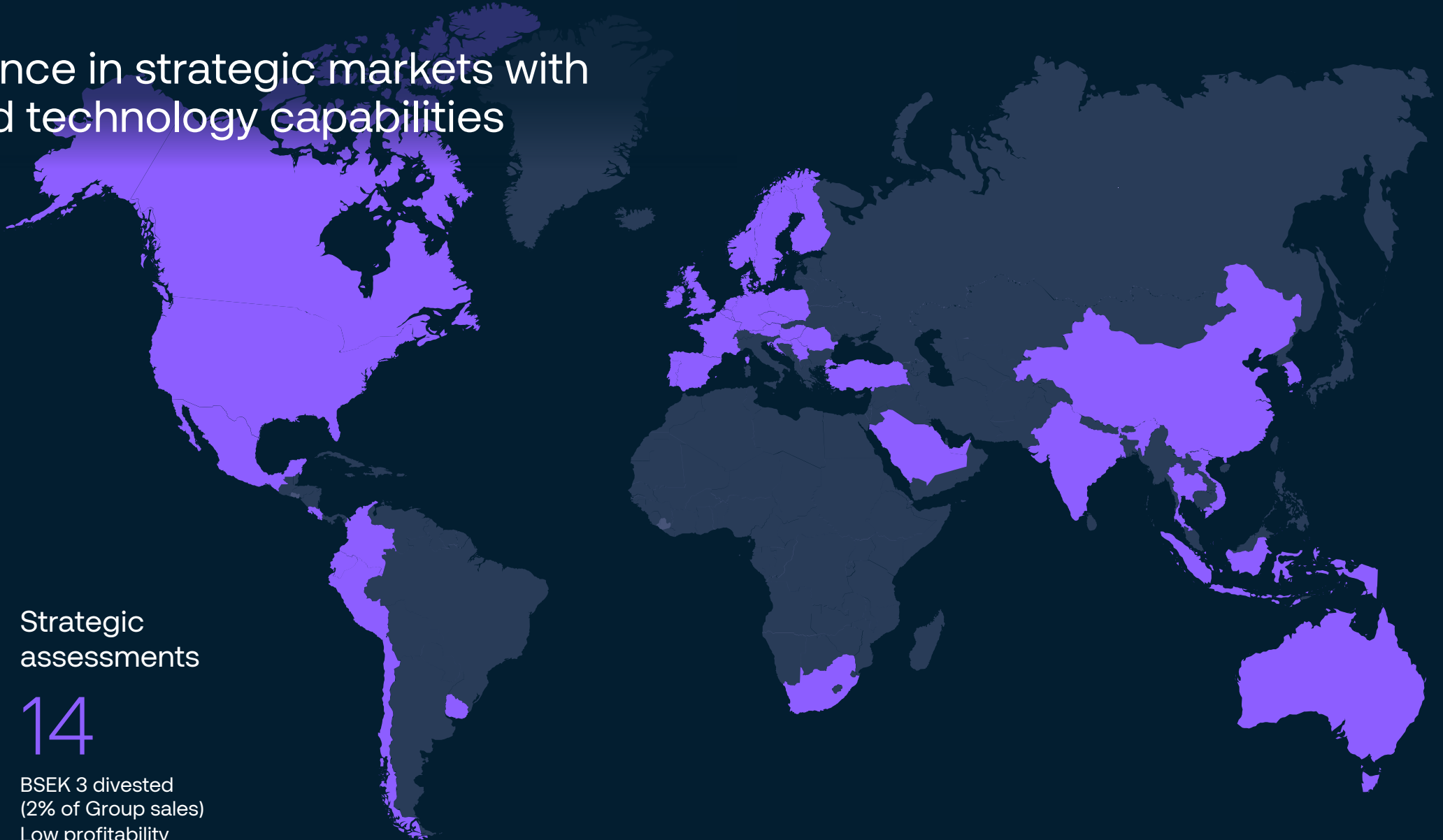
21

Technology and solutions sales more than doubled since 2018

## Strategic assessments

14

BSEK 3 divested (2% of Group sales)  
Low profitability





# Strategic focus areas to deliver on our targets

Taking the lead within technology...

...with quality guarding services focused on profitability...

...to become a global security solutions partner...

...leveraging our global platform to drive innovation



- 21% of Group sales 2023
- Design, integration, installation of security technology and RMR (maintenance, monitoring, 40% of sales)
- **Focus areas:**
  - Taking a world leading position
  - Finalize integration with MUSD 20-25 additional cost synergies
  - Growth through cross-selling

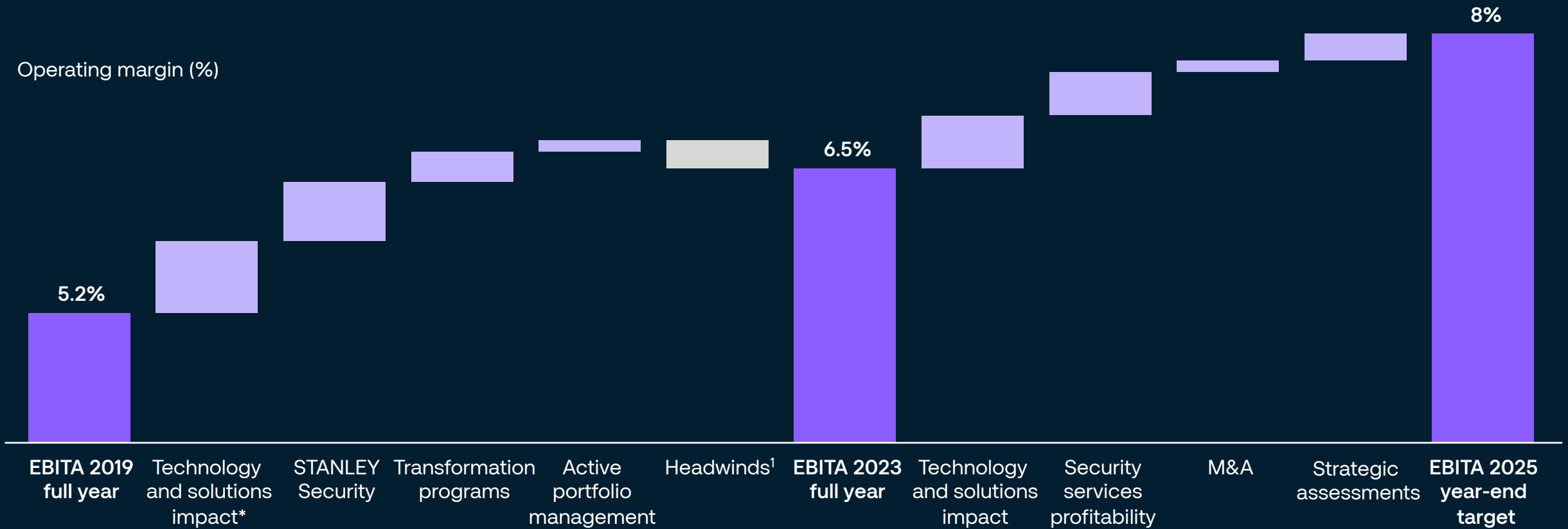
- 66% of Group sales 2023
- On-site and mobile services
- **Profitability focus**
  - Active portfolio management
  - Increased thresholds on new sales margin
  - Labor productivity
  - Cost efficiency

- 11% of Group sales 2023
- Integrated solutions addressing the holistic security needs of our clients
- **Growth focus:**
  - Implementation of solutions organization
  - Cross-selling to existing clients

- Strategically important to become a 10% operating margin company
- Digital products and SaaS
- **Focus areas:**
  - Strengthened digital client engagement
  - Developing and commercializing high-margin digital products
  - Leveraging AI for internal productivity and additional client value



# We are committed to achieving 8% operating margin by the end of 2025



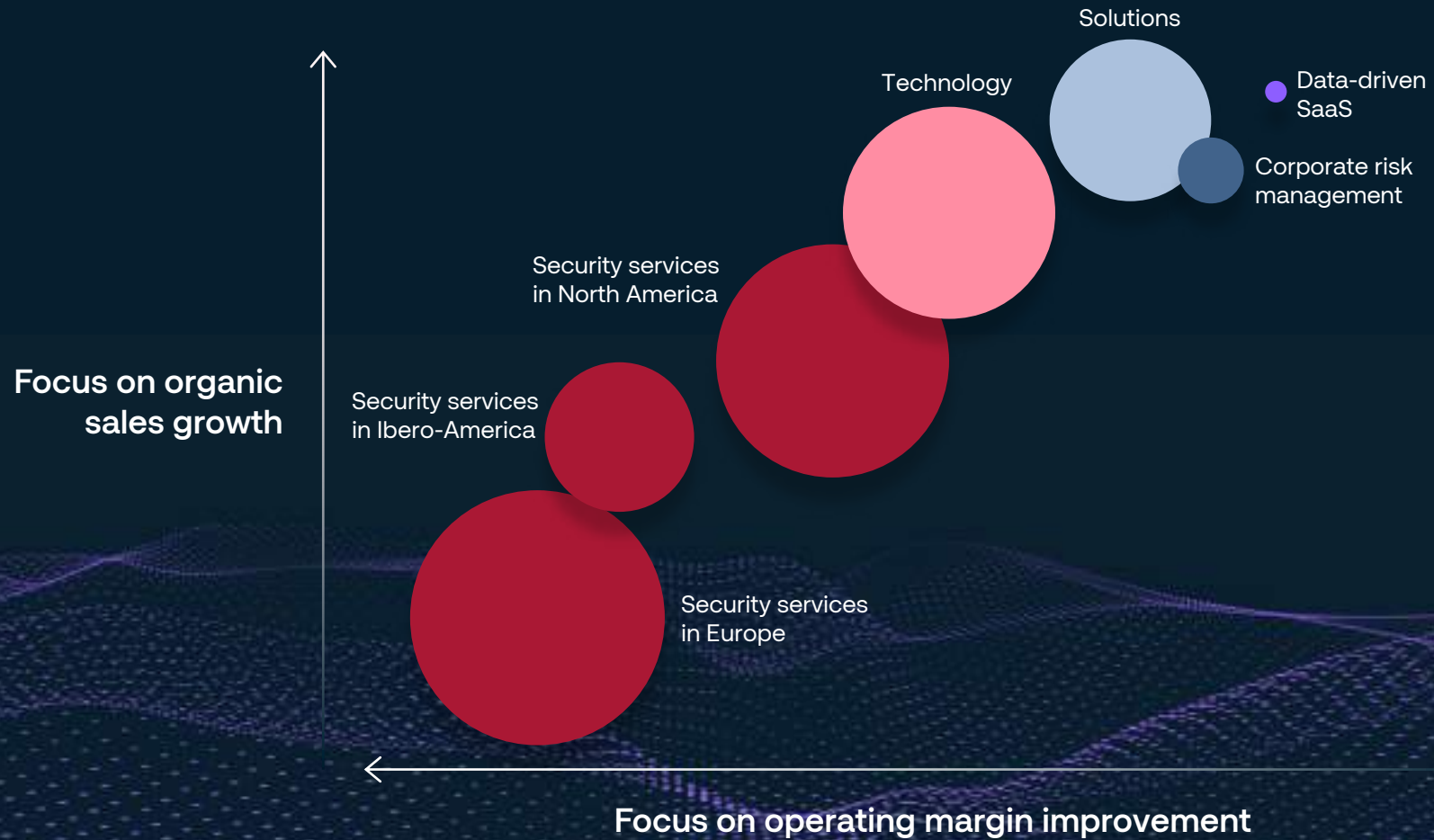
Note: Indicative only.

\* Including cost synergies from STANLEY Security acquisition.

1) Primarily Security services, including negative mix impact from inflation-driven guarding growth, and SCIS contract performance.



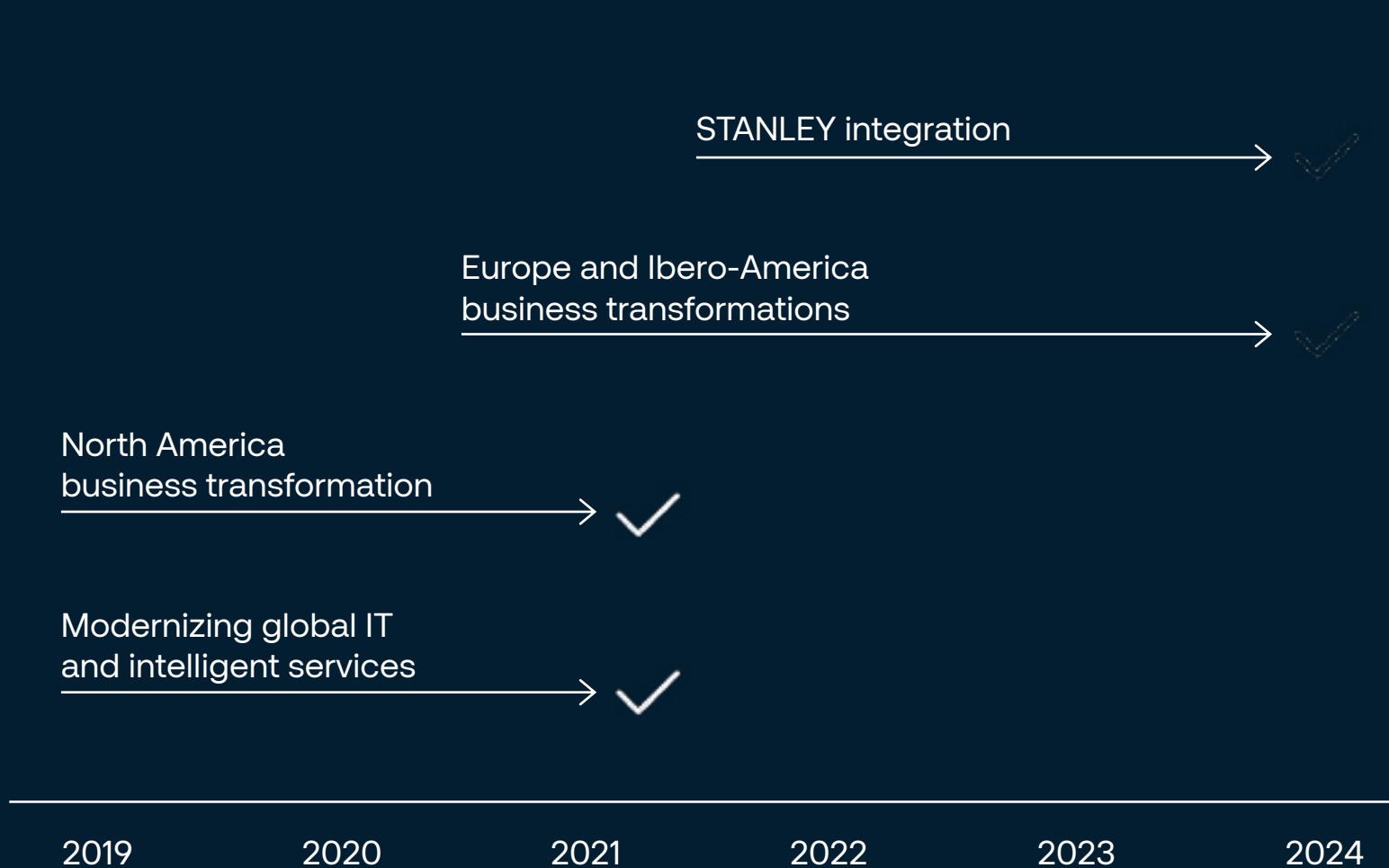
# Driving profitable growth to support our roadmap to 8%



Note: Circle sizes are indicative and intended for visualization only.



# We have come far in the transformation of Securitas



**Business benefits**

**STANLEY integration**

- A world-leading technology platform
- MUSD 70-75 total cost synergies
- Significant commercial synergies

**Business transformations**

- Harmonized way of working
- Stronger digital client and people offering
- Improved labor productivity
- Digitalization of people, operational and financial processes
- Improved transparency and performance management
- Cost efficiency

**Global IT and intelligent services**

- Scalable modern IT backbone
- Cost efficiency
- Foundation for digitalization





# Scaling great leaders and aligning incentives, leveraging our values and toolbox



## Strategy-based incentive models

- Incentive programs are now aligned with our targets for margin improvement and cash flow
- Parts of the incentive programs have been designed around commercial synergies of technology and solutions sales



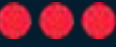
## The right leaders, in the right positions

- A mix of new ideas and experiences from other sectors with the most knowledgeable security experts
- Building successful teams with a scalable leadership model



## Renewed Toolbox launched

- A set of tools designed to guide leaders and provide a common language
- 90% of managers trained in 2023



# Leading the industry with ambitious sustainability targets



## SBTi – climate

42%

Reduction of emissions in scope 1, 2, and 3 by 2030

## People

20%

Share of female managers at all levels and functions

5%

Annual injury rate reduction

## Responsible business

100%

Completion of all mandatory training on values and ethics

100%

Roll-out updated business ethics compliance programs in all markets

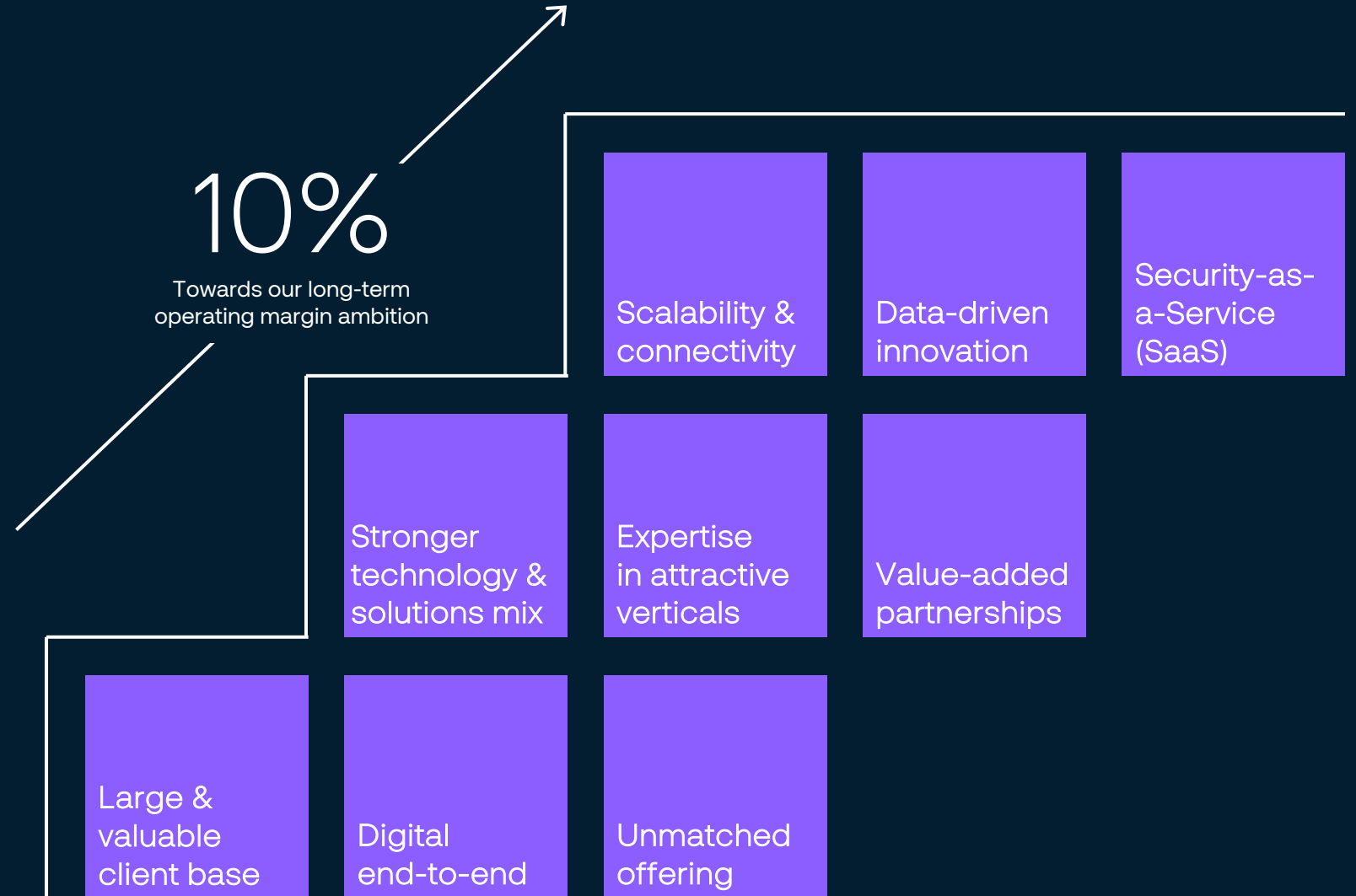


# Beyond 2025 – shaping the security and safety services industry through innovation

Strengthening the building blocks needed for data-driven innovation.

Redefining security services with the most comprehensive offering of specialized services.

Leveraging AI across all parts of our business.



Increasingly output-driven and scalable business





**Becoming the intelligent security solutions partner with world-leading technology and expertise**

# Accelerating financial performance and shareholder returns



Andreas Lindback  
Chief Financial Officer



# Strong performance in 2023 building on significant transformation



## Our transformation: 2018 to 2023

Technology and solutions  
% of sales      20% → 32%

Technology and solutions  
% of operating result      38% → 53%

Securitas Group  
operating margin      5.2% → 6.5%

## Strong performance in 2023

9%      80%

Technology and solutions  
real sales growth (12%)

Operating cash flow  
(71%)

6.5%

Operating margin  
(6.0%)

2.7x

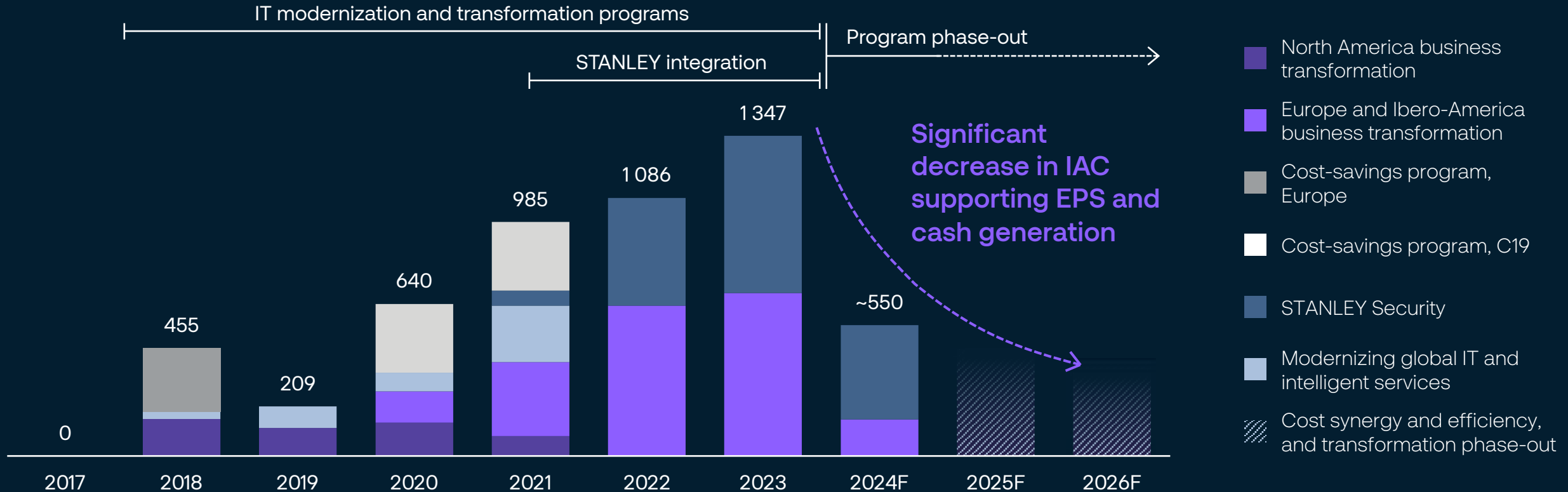
Leverage<sup>1</sup>  
(3.3x)

Note: Figures within brackets are 2022 actuals; Technology and solutions % of operating result 2018 indicative. 1) Defined as Net debt/EBITDA, adjusted for IAC and STANLEY R12.



# Our major transformation and integration programs are coming to an end

## Items affecting comparability (IAC), MSEK



Note: Excluding Argentina divestment and AFA repayment in 2021. 2025 and beyond: Illustrative only.



# Our financial position has strengthened since the STANLEY acquisition

9.6 bn

Rights issue 2022

31 bn

Debt refinanced  
last 15 months

<4 bn

Debt maturities in 2024

2.7x

Leverage<sup>1</sup>

BBB

S&P credit rating  
Stable outlook

upgrade February 2024

None

Financial covenants

1) Net debt/EBITDA, adjusted for IAC. All figures in SEK.





# We are on the right track to achieve our financial targets

## Financial targets

## Outcome

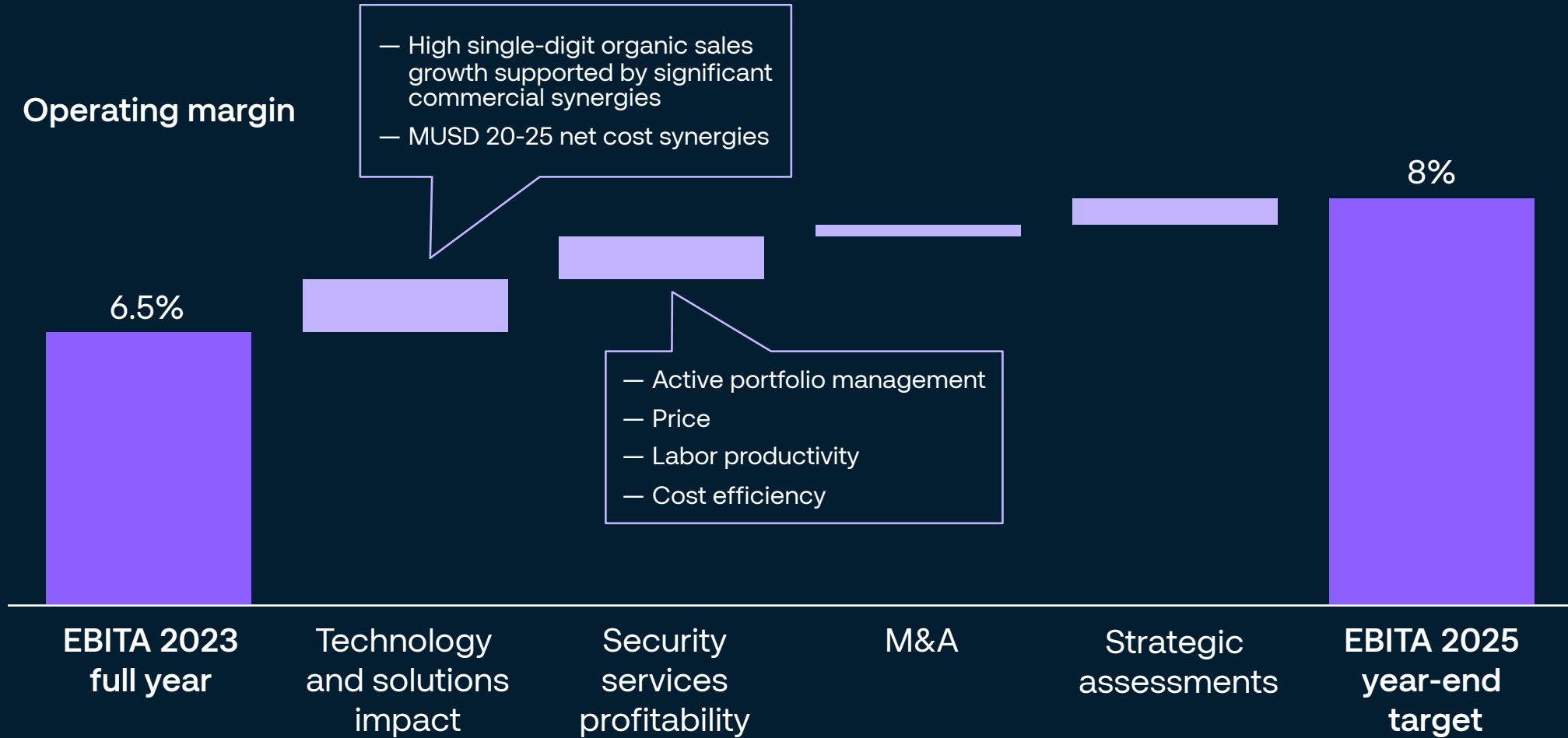
<b>Growth</b>	Technology and solutions annual average real sales growth <sup>1</sup>	8-10%	10% <sup>2</sup>	✓
<b>Profitability</b>	Group EBITA margin by year-end 2025	8%	6.5%	↗
	Long-term EBITA margin ambition	>10%		
<b>Cash flow</b>	Average operating cash flow of 70-80% of operating income before amortization	70-80%	76% <sup>3</sup>	✓
<b>Capital structure</b>	Net debt in relation to EBITDA, adjusted for IAC, below 3x	<3x	2.7x	✓
<b>Dividend policy</b>	A dividend in the range of 50-60% of annual net income over time	50-60%	47% <sup>3</sup>	✓

Note: Outcome refers to YTD December 2023.

1) For the 2022-26 period; sales growth adjusted for changes in exchange rates. 2) CAGR 2022-2023 3) Average 2022-2023.



# Clear roadmap to achieve 8% operating margin by the end of 2025

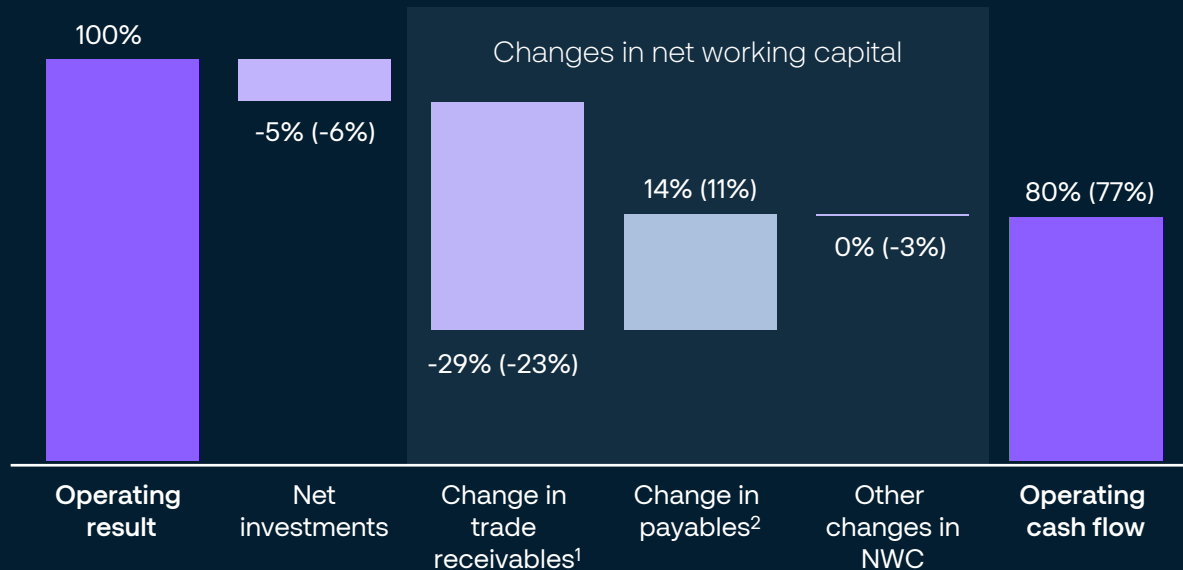




# We are an asset light business with strong and stable cash flows..

## Operating cash flow bridge

As % of operating income before amortization 2023 (historical average\*)



## Ambition: cash flows at upper end of 70-80% target

- Net investments negative mainly due to inflation and transformation CAPEX
- Trade receivables main driver of cash flow
  - Trade receivables BSEK 25, cash flow sensitive to growth
  - 1 day DSO; MSEK ~500 or ~5% of operating cash flow<sup>3</sup>
- Majority of payables consists of employee-related liabilities, limited opportunity to impact and less sensitive to growth

\* 2014-2023 excluding 2020-21 due to C19.

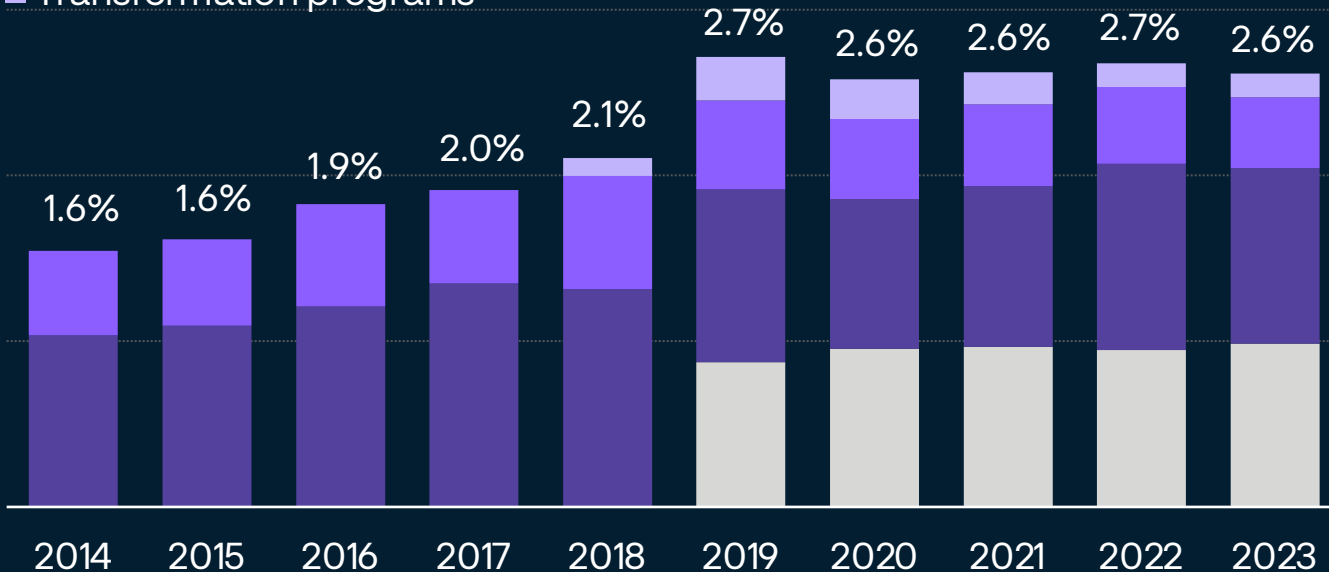
1) Accounts receivable and accrued- and deferred income. 2) Includes employee-related liabilities and accounts payable among others. 3) Refers to 2023.



# ...with continued CAPEX requirements of less than 3% of sales...

## CAPEX to sales (%)

- Right-of-use assets
- Maintenance\*
- Solutions
- Transformation programs



## CAPEX to remain low at <3% of sales

### Securitas Group

CAPEX-light business: ~2.7% of sales 2019-2023  
 (~1.6% excluding right-of-use assets)

### Security services and technology (incl. STANLEY)<sup>1</sup>

Low CAPEX need: Mainly maintenance and right-of-use assets

### Solutions<sup>1</sup>

Medium CAPEX needs: technology component of client contracts (~5% of Solutions sales) in addition to regular maintenance CAPEX

### Transformation programs

- BSEK 1.3 in CAPEX investments 2018-2023
- 2024 estimate MSEK 100, further reduced 2025 and beyond

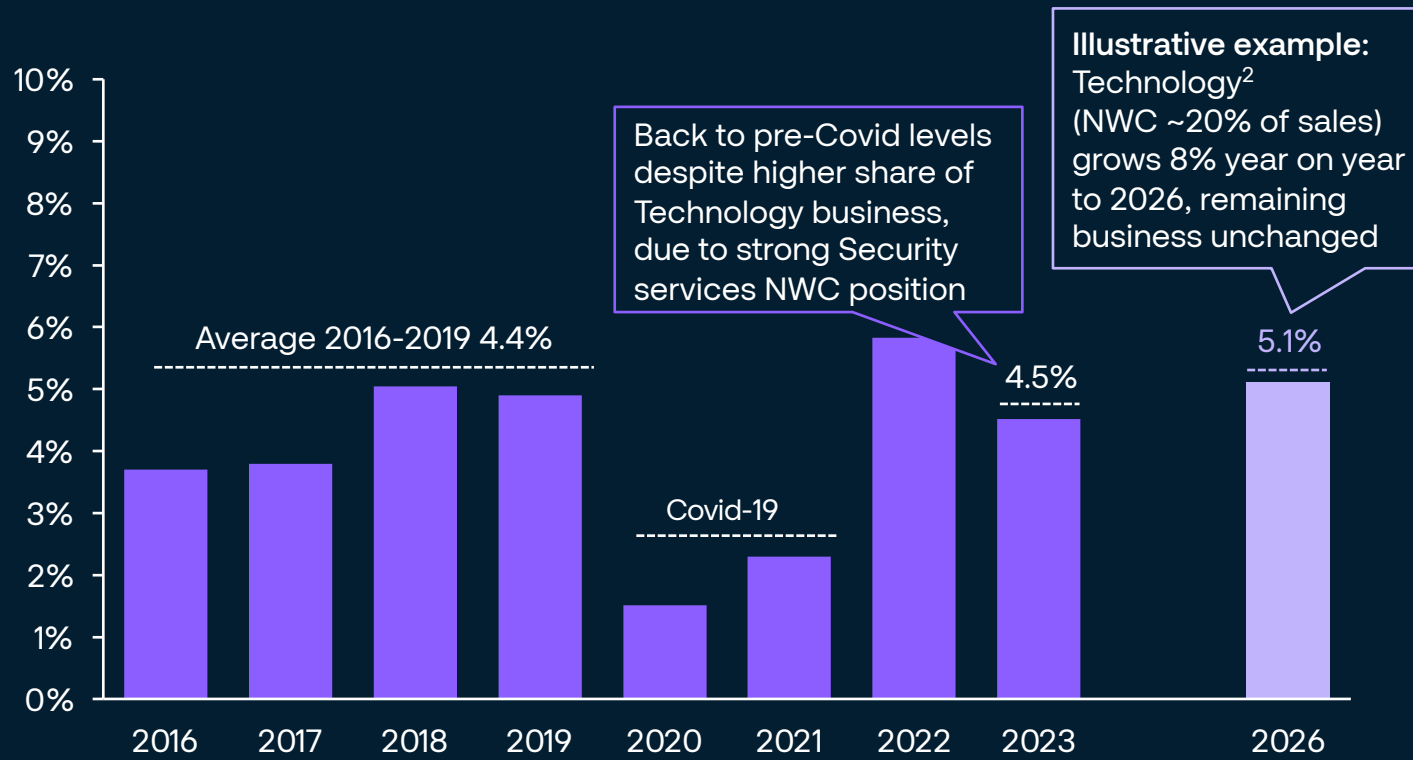
\* Primarily vehicles, premises and IT.

<sup>1</sup>) Security services and Technology represents 87% of Group sales and Solutions 11% in 2023.



# ..low continued net working capital requirements

Net working capital<sup>1</sup> to sales (%)



## Key levers to improve NWC

- 1 STANLEY Security integration
- 2 Cash flow in incentive programs
- 3 Client contract terms and escalation procedures
- 4 Invoice automation in transformation programs
- 5 Minimum payment terms for suppliers



NWC to sales remains low by mitigating business mix effect through disciplined improvement activities

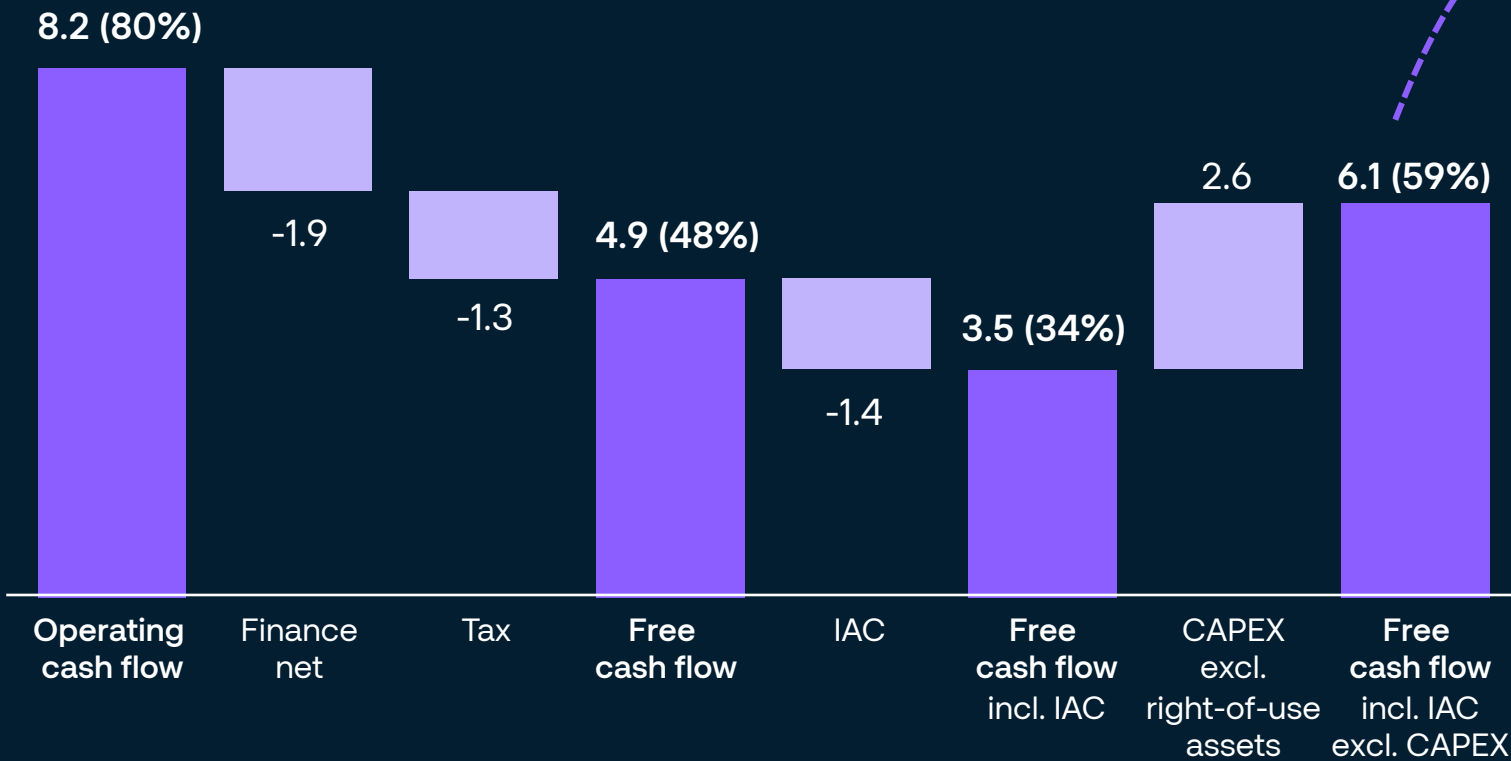
Additional reporting disclosures on net working capital and cash flow in H1 2024

1) NWC is operating capital employed as reported, adjusted for fixed assets and non-operating cash flow items. Indicative only. 2) Technology was 21% of Group sales 2023, Solutions similar NWC-profile as Security services.



# ...and robust free cash flow conversion

**2023 operating cash flow to free cash flow bridge**  
 BSEK (% of operating income before amortization)



**2024-2025**

- + Increased expected profitability
- + Reduced IAC spend

**Finance net:**

- + Reduced net debt and interest rates to support over time
- + Opportunity to continue refinance existing floating debt at lower margins
- Estimate of BSEK -2.2 in 2024, mainly due to timing impact of interest payments



# Disciplined capital allocation focused on shareholder returns

Resilient financial position

<3x net debt to EBITDA<sup>1</sup> over time

Invest in  
organic growth

CAPEX to remain  
<3% of sales

Dividend

Dividend of 50-60%  
of net income over time

M&A

Disciplined M&A

Primarily technology and  
solutions bolt-on

Digital service offering

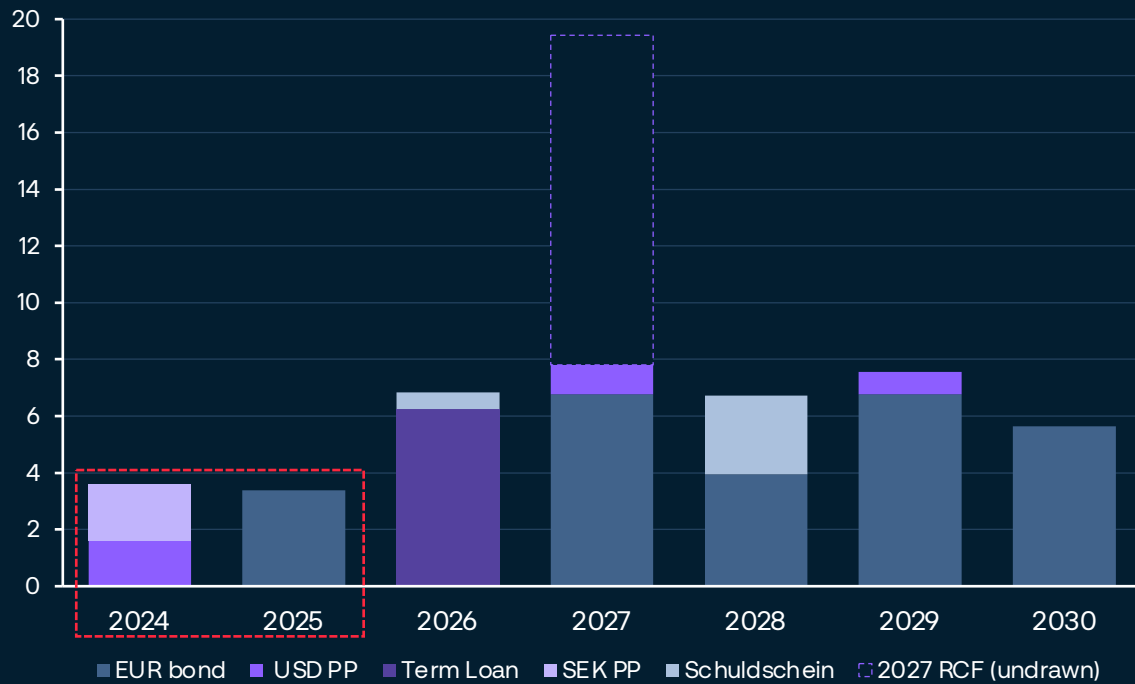
<sup>1</sup>) Excluding items affecting comparability (IAC).



# Limited near-term refinancing with financial net estimated to remain flat in 2024<sup>1</sup>

## Maturity profile: Limited near-term refinancing

February 2024 (BSEK)

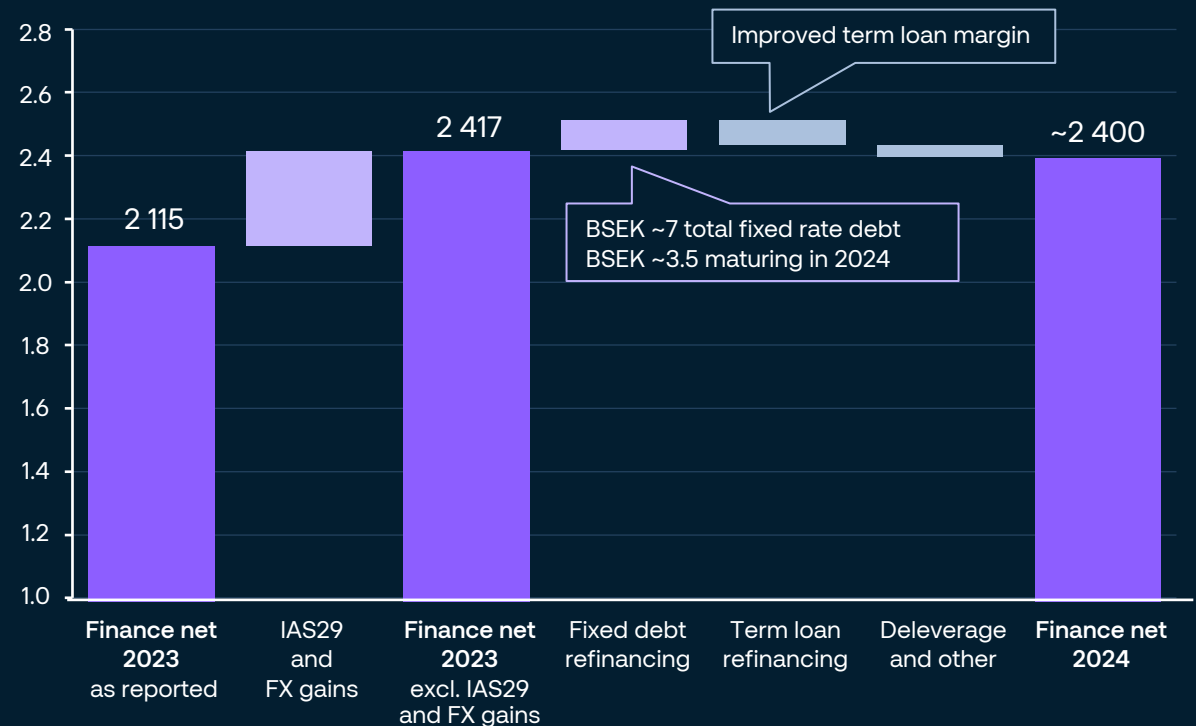


Debt structure: USD 50%, EUR 25%, Other 25%

We remain committed to our investment grade rating

## Finance net: Bridge to 2024 estimate

(BSEK)



<sup>1</sup>) Estimate only, excluding IAS29 and FX gains and losses.





## Accelerating financial performance and shareholder returns

Building a high margin technology and solutions business with robust margin improvement roadmap



8% Operating margin by end of 2025

8-10% T&S annual real sales growth

10% Long-term operating margin ambition

EPS growth supported by reduced IAC and reduced finance net over time

Asset light business with improved future free cash flow conversion



70-80% Operating cash flow

Strongly reduced leverage at 2.7x in 2023



<3x Net debt in relation to EBITDA, adjusted for IAC

Disciplined capital allocation to maximize shareholder value



50-60% Dividends, of annual net income over time



# Appendix: Operating cash flow and net working capital insights

## Operating cash flow

	2023	2023 (%*)	Average <sup>1</sup> (%*)
<b>Operating Result</b>	<b>10 247</b>	<b>100%</b>	<b>100%</b>
Capital Expenditures	-4 114	-40%	-41%
Depreciation	3 556	35%	34%
<b>Net Investments</b>	<b>-558</b>	<b>-5%</b>	<b>-7%</b>
Changes in Trade receivables <sup>2</sup>	-2 986	-29%	-23%
Changes in Payables <sup>3</sup>	1 512	15%	11%
Changes in Inventory	-116	-1%	-2%
Changes in other Net Working Capital	87	1%	-4%
<b>Changes in Net Working Capital</b>	<b>-1 504</b>	<b>-15%</b>	<b>-17%</b>
<b>Operating Cash Flow</b>	<b>8 185</b>	<b>80%</b>	<b>77%</b>

## Fixed assets and net working capital

	2023	2023 (% of sales)
<b>Total sales</b>	<b>157 249</b>	<b>100%</b>
Tangible and Intangible Assets	6 785	4%
Right of Use	4 495	3%
<b>Fixed Assets</b>	<b>11 280</b>	<b>7%</b>
Trade receivables <sup>2</sup>	25 368	17%
Payables <sup>3</sup>	-17 648	-11%
Inventory	1 443	1%
Other Net Working Capital	-2 071	-2%
<b>Net Working Capital</b>	<b>7 091</b>	<b>5%</b>

\* As % of operating income before amortization.

Note: NWC is operating capital employed as reported, adjusted for fixed assets and non-operating cash flow items.

1) 2014-2023 excluding 2020-2021 due to C19. 2) Accounts receivable and accrued- and deferred income. 3) Includes employee-related liabilities and accounts payable among others.



# Establishing global Technology business key to achieving 8% journey – *and beyond*

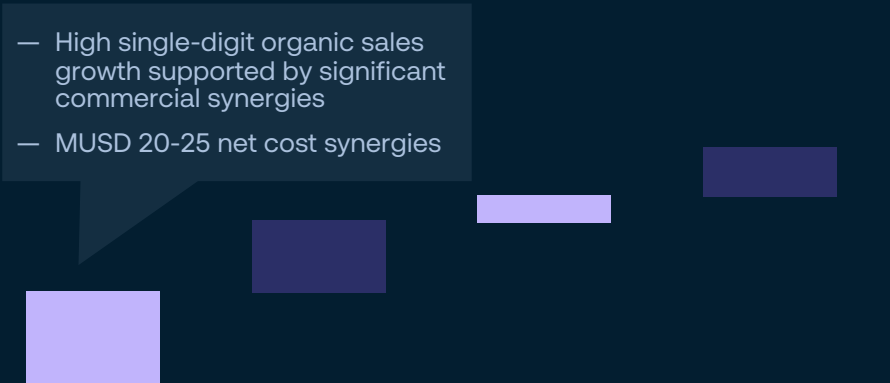
Securitas  
Technology



Tony Byerly  
Global President, Securitas Technology



# Creating a scalable global platform to address an attractive and growing market, supporting Securitas' journey towards 8% operating margin



1 Well-positioned with strong value proposition to exceed industry growth rate in attractive and growing total addressable market supported by significant commercial synergy opportunities

3 Strong value-creation opportunity through accretive strategic bolt-on acquisitions in a highly fragmented industry





# Global market leader with leading capabilities

**BSEK 34**  
2023 full year sales

**#2**  
Global market position

**~11%**  
Operating margin

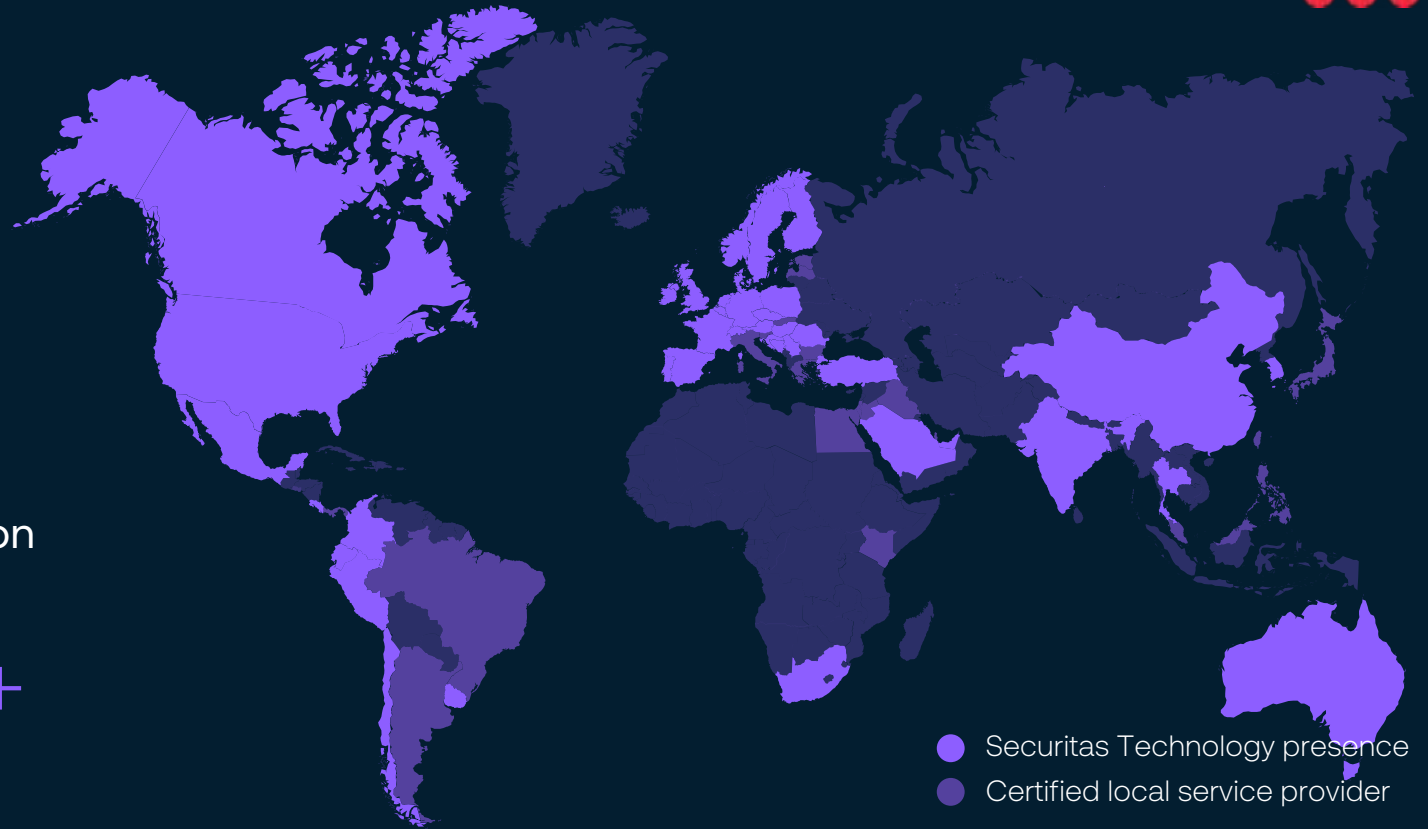
**1 000 000+**  
Client sites

**40+**  
Markets with capabilities

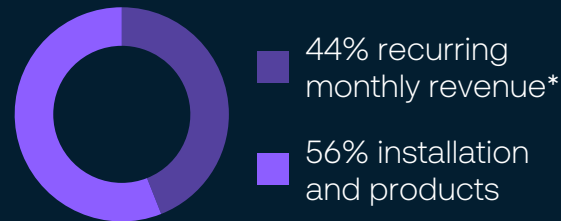
**13 000**  
Dedicated employees

**12**  
Markets with top-3 market position

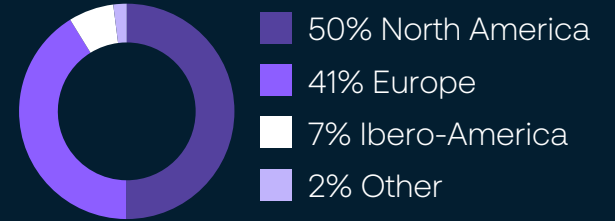
**6**  
Markets with top-5 market position



Sales by revenue type



Sales by geography



\*Includes contracted recurring monthly revenue and time and material service revenue.



# Video

~6 minutes



# STANLEY integration progressing well, now entering the last phase

- ✓ Launched Securitas Technology brand
- ✓ Completed carve out from STANLEY parent
- ✓ Achieved **MUSD 50** cost-synergy target
- ✓ Established leadership and organization
- ✓ Exited transitional services agreement
- ✓ Negotiated global supplier agreements

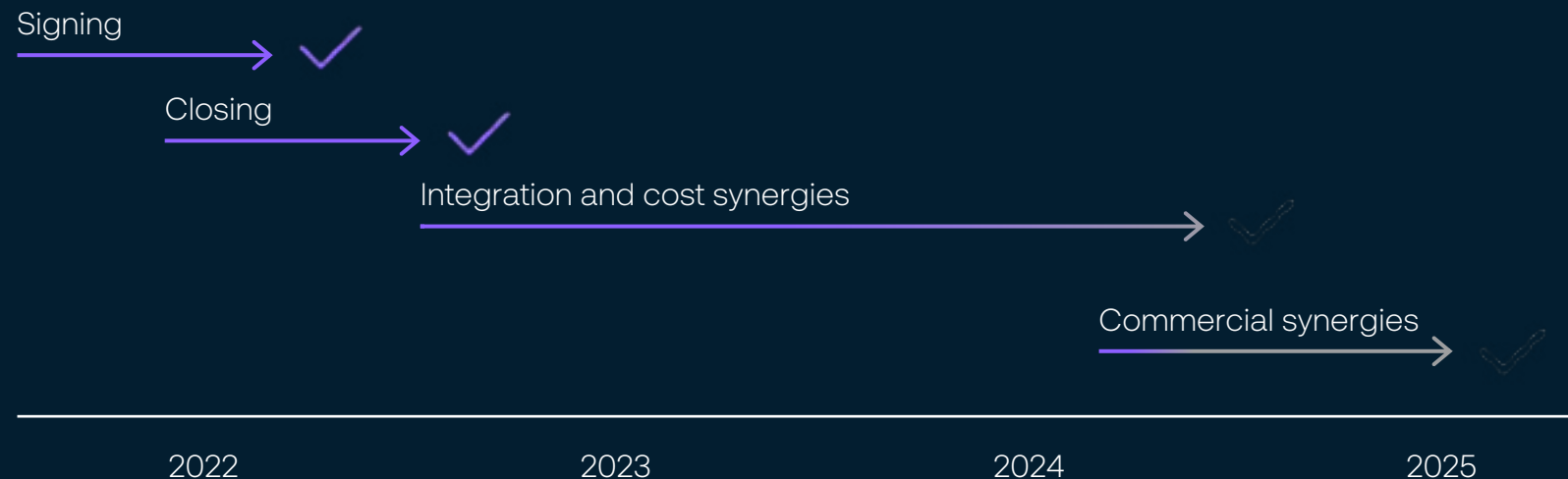
## Key value creation levers

- Consolidating back-office support
- Combining corporate infrastructure
- Facility consolidations
- Strengthened purchasing power

Estimated MUSD  
20-25 additional  
cost synergy  
opportunity

## Accelerating the integration

- Leveraging proven integration and governance model
- Combining people, processes and systems
- North America substantially complete
- Europe to be substantially complete by end of 2024
- Shifting focus to business optimization and commercial synergy acceleration





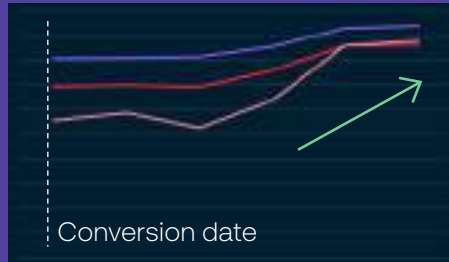
# Integration outcome in North America strengthening client value proposition

## Top five reasons clients buy\*

## Integration driving differentiation aligned with why clients buy

- 1 Service maintenance and repair capabilities
- 2 Reputation and brand
- 3 Sales relationship and account management
- 4 Installation and project management capabilities
- 5 Monitoring services and capabilities

### Service level agreement (SLA) attainment



Significant SLA improvements

Expanded coverage and system optimization improve service levels and overall client satisfaction

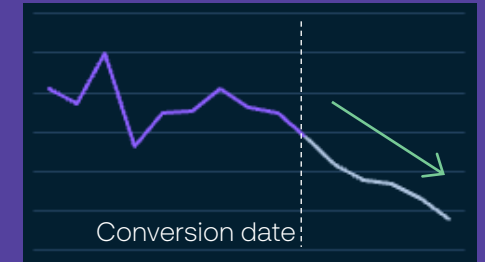
### Service technician coverage



99% of all locations within 1 hour of service tech

Enhanced coverage and market density differentiate capabilities and put us closer to our clients

### Alarm monitoring response time



Significant response time improvements

Combining people, processes and systems improve response times and reduce overtime demand

\*Source: Responses from 2023 Securitas Technology Global Client Survey.





# Security technology is a sizable industry with attractive growth potential

## Large total addressable market

With presence in 60% of global total addressable market today

Strong presence and focus in 18 key strategic markets

BUSD >70\*

## A growing and resilient industry

All commercial businesses utilize some form of electronic security systems and services

Positioned well to exceed market growth rate

4-5% CAGR\*

## Highly fragmented industry

Thousands of small and local commercial electronic security providers across the globe

Acquisitive growth opportunity to drive bolt-on value creation

M&A opportunity



## Enhanced client-value proposition hitting the mark with commercial synergy opportunities



Largest vendor of computer software with 220 000+ employees globally

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**Existing Guarding and Technology client**  
– expanding share of wallet

### Key differentiators

- Combined operational capability, technical certification and global footprint of the new Securitas Technology
- Ability to provide multiple services (technology and guarding) as a single provider, with deep specialization in each



Data center services and infrastructure provider with 300+ data centers across 25+ countries

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**Existing STANLEY client**  
– expanding Technology and Guarding

### Key differentiators

- Expanded capabilities and proven operational excellence of legacy STANLEY Security relationship
- Improved presence, coverage and density in growth areas now combined as Securitas



Healthcare and pharmacy services provider with 300 000 employees across 9 000 locations

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**Existing Technology and STANLEY client**  
– expanding share of wallet

### Key differentiators

- Strong relationships of legacy Securitas and STANLEY Security teams
- Expanded offerings portfolio and enhanced field operational capability across entire client footprint



# Creating a scalable global platform to address an attractive and growing market

Global market leader with leading capabilities

Integration work to be substantially complete in 2024

Positioned well to exceed market growth rate

Leverage bolt-on M&A for strong value creation

Achieving a differentiated client-value proposition





# Global Clients supports Securitas' journey towards 8% margin – *and beyond*

**Brian Riis Nielsen**  
President Global Clients



# Increasing client demands for global solutions in a complex world

Securitas Global Clients support more than 150 leading global organizations across 65 markets

## Why Global Clients are expanding with us

- Clear strategic focus with senior engagement
- Global presence and agility
- Shared values and strong sustainability focus
- Unique global value proposition
- Focus on vertical client specialization

# #1

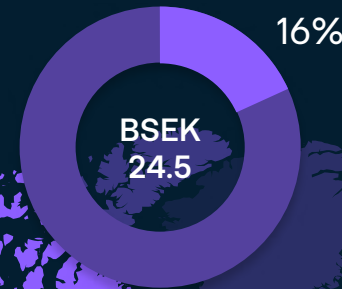
Global Clients Security services position

## Significant market opportunity

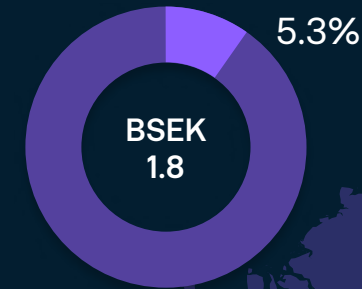
New Global Technology capabilities – a strong catalyst for accelerating partnerships

The share of Global Clients’ technology and solutions sales has increased by 100% in 2023

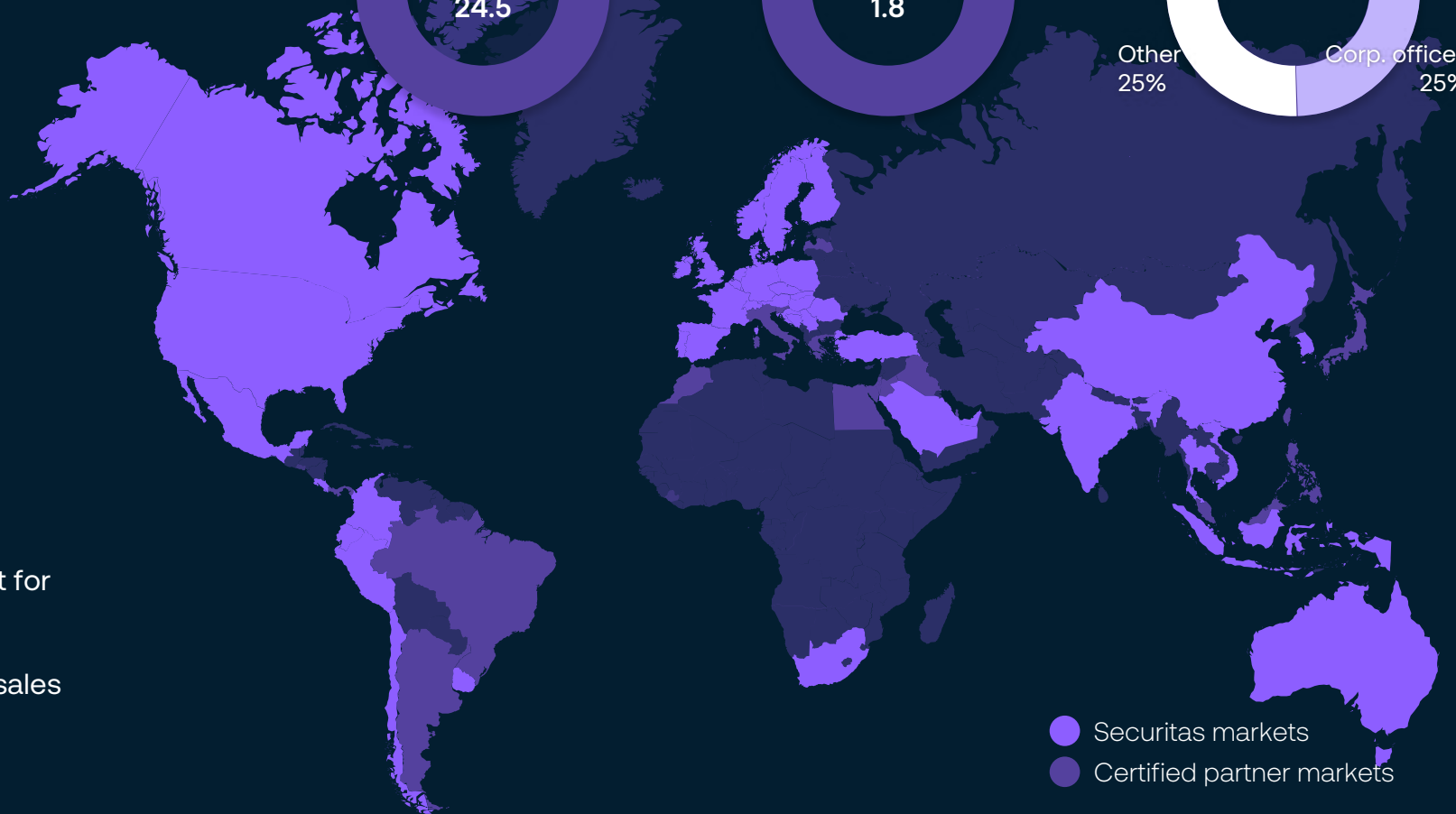
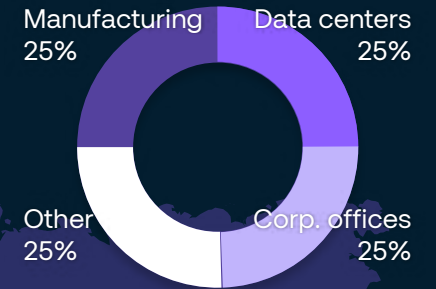
Global Client’s share of Group sales





Technology and solutions sales



Major segments



 Securitas markets  
 Certified partner markets



# The strengthened global clients value proposition is paying off

## CAGR 13.5%

Superior growth since 2019

## ~2%

Margin improvement since 2019

- Premium of enhanced Global Programs
- Outcome based partnership

## 2023 – Y1 of new Securitas

### 30%

Organic sales growth

### ~1%

Margin improvement

### >95%

Client retention

Technology representing 50% of margin improvement

### Securitas AB Newsroom

Securitas certifies 10 000 data center professionals. Driven by a commitment to Global data center security, Securitas aims to certify 10 000 officers as Data Center Security and Safety Professionals.

Published  
February 21, 2024



# Client partnerships behind the success

We build long-term sustainable partnerships based on co-creation and transformation. Combining technology data-driven innovation with higher skilled people.



**Global data center contract renewed in 2023.** Growing technology partnership.

Supporting Microsoft in Global Data Center expansion




**Global corporate award for 52 countries mobilized in 2023.**

Upskilling >6 000 officers to higher paid Security Specialists



From traditional client vendor relationship to **co-creation** of future “vested” partnership.



**Our first global security and safety program.** Fully digitalized security program.



Fully digitalized security program. Supported by Risk intelligence Services

6 of Top10 Global Clients contracts renewed and extended over the last 15 months with increased margins and significant growth !



# Video

1.5 minutes





## A trusted partner with new global capabilities

Global credibility with very strong reference cases – ready to be scaled

Enhanced value proposition with new global technology and digital capabilities

Accelerated growth and continued strong margin increases

Supporting the journey towards 8% margin – *and beyond*



07.03.2024

# Q&A session



15 minutes



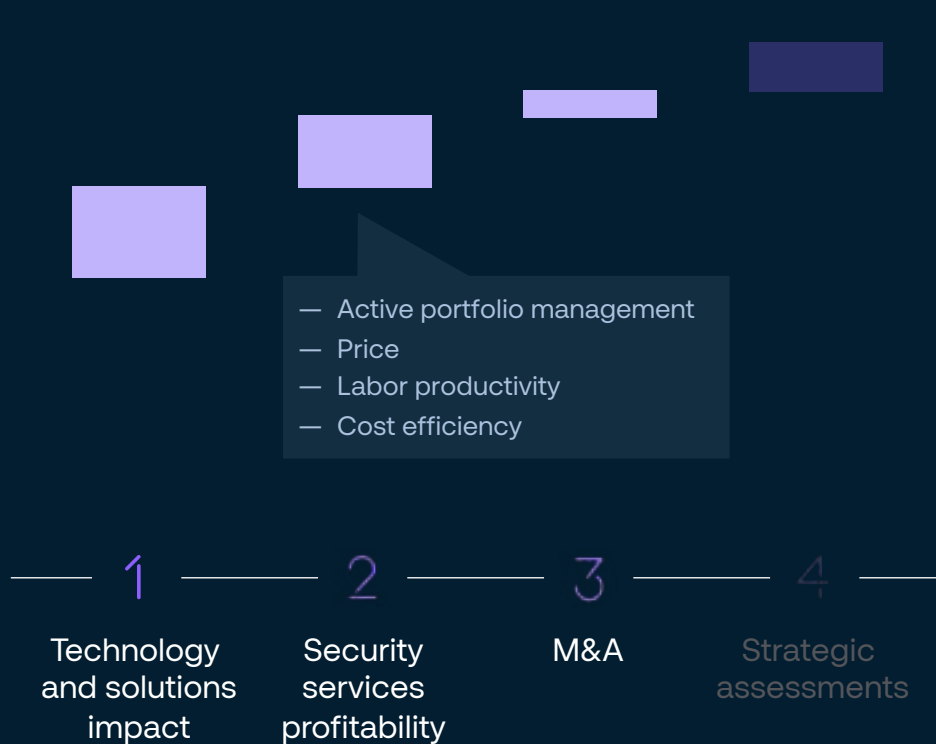
# Securitas North America – driving profitable growth at scale



Greg Anderson  
Divisional President, Securitas North America



# North America already clearly contributing to Securitas' operating margin target...



- 1 Strong cross-selling opportunities, 75-90% of our guarding portfolio has potential to be converted to technology and solutions
- 2 Further value realization opportunities, leveraging completed business transformation and continued refinement of our guarding portfolio
- 3 Increasing our footprint within technology and solutions



# ...strong market position for further profitable growth

## #2

Guarding market position

## #2

Technology market position

## 3

Markets

## 6%

Organic sales growth

## 9.0%

Operating margin

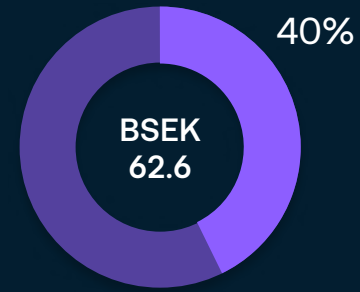
## 80%

Operating cash flow\*

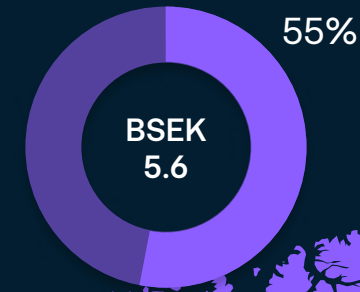
## ~100 000

Employees

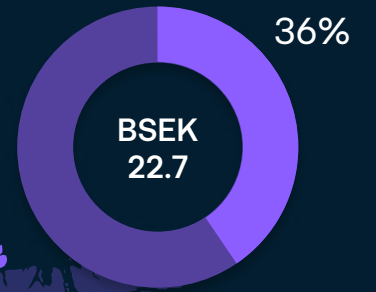
North America's share of Group sales



North America's share of Group EBITA



Technology and solutions sales



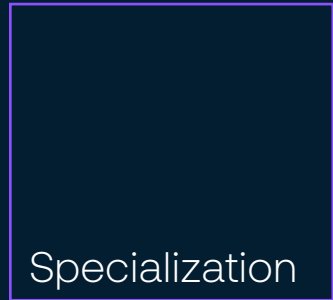
\* Weighted average 2021-2023 adjusted for repayment of the postponed C19-related tax balances in 2021 and 2022.



## Our transformation since 2020 has delivered superior client value

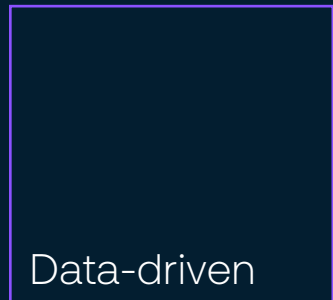


Business  
transformation



Specialization

Advancing  
solutions



Data-driven

Accelerated  
integration



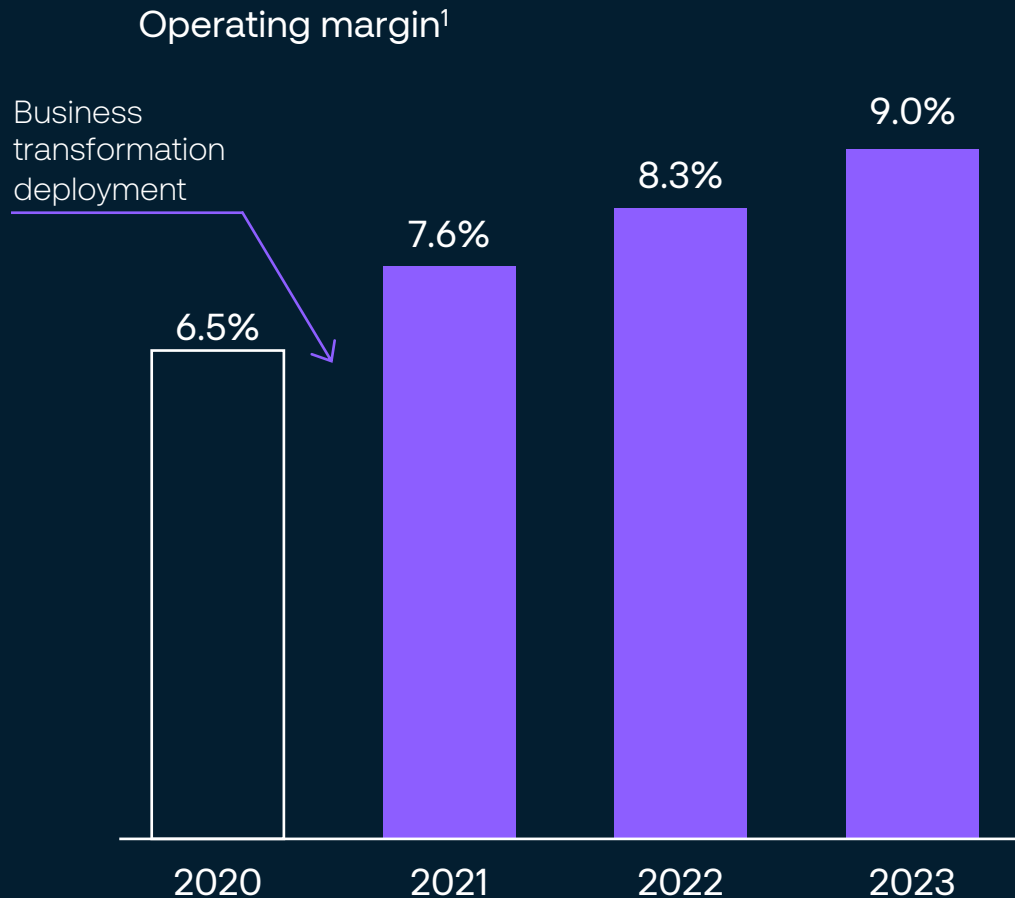
### Focus and resilience through challenging times

---

- Covid-19 crisis
- Systems transformation
- Hiring challenges
- Wage inflation



...as well as improving operating margins by 2.5 percentage points



### Three key business levers

- 1 Transformational value realization
- 2 Sharpened focus on new sales growth and margin development
- 3 Technology and solutions momentum – leveraging higher-value solutions for our clients

1) Securitas North America excluding SCIS.



# Leveraging modern, connected systems to elevate performance

## Early business transformation value realization

### Security services

- Real-time performance visibility
- Active portfolio management
- Labor productivity
- Intelligent growth promoting margin development
- Hiring process automation
- Cash flow efficiencies
- Increasing employee value proposition
- Sustainability insights

### Technology and solutions

- Accelerated integration activities
- 2023 cost-synergy targets realized
- Early commercial leverage and strong client alignment
- Solutions sales momentum – consistent double-digit organic sales growth

## Focused for 2024 and beyond



Building a digital ecosystem to elevate client value: speed, insight and dynamic intelligent services





# Sharpened focus on new sales growth and margin development

## The guarding opportunity

Total US Security market: BUSD 45\*  
 BUSD 33 contracted security - BUSD 12 proprietary/in-house security

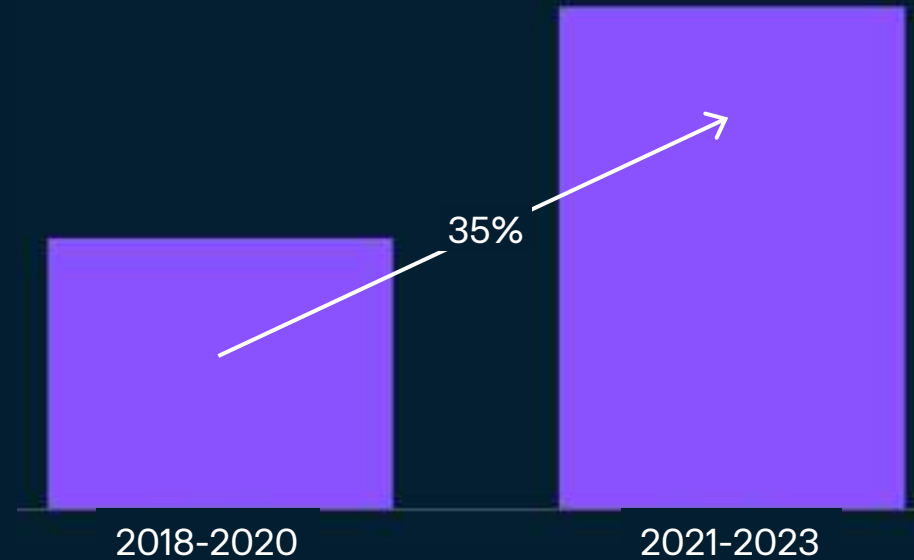
## Leveraging our strength

Engaging and participating in 70-80% of North American new market opportunities annually. Estimated at BUSD ~4-4.5

## Specialization services in key client segments

- |               |                        |
|---------------|------------------------|
| Retail        | Finance                |
| High tech     | Distribution           |
| Data centers  | Healthcare             |
| Manufacturing | Commercial real estate |
| Logistics     |                        |

## New sales – driving profitable growth at scale



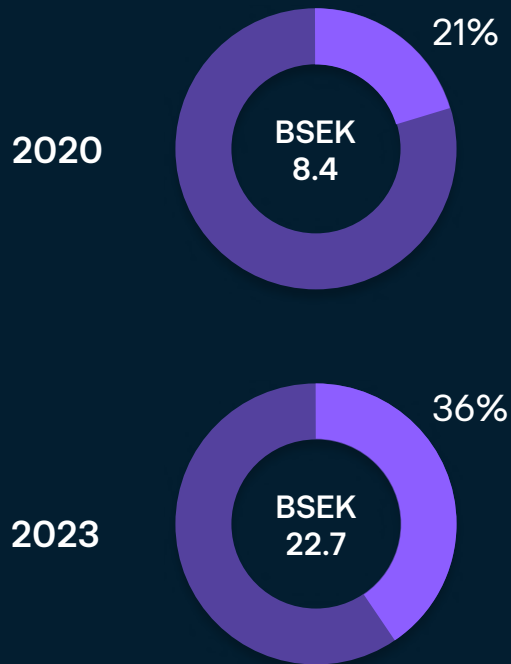
Increase new sales growth trends, +35%  
 Strong elevated margin improvements, +2.5%

\*Robert H Perry, 2023 US Security Market White Paper.



# Technology and solutions momentum - leveraging higher-value solutions for our clients

## Strong technology and solutions momentum



## Focused on converting existing guarding portfolio

Guarding portfolio client segmentation		Share of new sales 2023	Number of client sites	Share of solutions
Global and national	70%	} 65%	600+	9%
Large	10%		1 000+	14%
Medium	15%	25%	4 300+	14%
Small	5%	10%	4 500+	10%

75-90% of our guarding portfolio has potential to be converted to technology and solutions

## Strengthening our client-value proposition by leveraging people, technology and data



### The power of presence

~100 000 security officers supported by largest network of district managers and branch offices in North America

### Strongest end-to-end offering in North America

- Technology
- Premium on-site guarding
- Remote and mobile guarding
- Security solutions
- Risk advisory
- Intelligence

### Modern, connected systems

- Data-driven insights
- Efficiencies
- Dynamic guarding
- Integrated services and technologies

### Focused service delivery and client engagement

- End-to-end security capabilities
- Client alignment
- Trusted advisor
- Supported officers

## Building on our transformation for increased growth, further margin improvement opportunity, and strong cash flows

### Modern and dynamic operational platform

Connecting clients, managers, officers and protective services to deliver intelligent security

### Focused growth mindset

Combining power of people, technology and data to elevate client value

### Highly differentiated solutions and technology offering

Leveraging established guarding portfolio to drive commercial synergies and become technology provider of choice

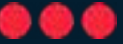


A man in a blue polo shirt is shown in profile, using a red-handled screwdriver to screw a small globe into a white wall. The globe is partially embedded in the wall. The background is a bright, white wall with a curved line of small lights or rivets. The overall scene is brightly lit, creating a clean and professional atmosphere.

# Securitas Europe – driving margins with clear proof of impact



**Henrik Zetterberg**  
Divisional President, Securitas Europe



# Excellence in each service provides excellence in the totality

#2

Guarding market position

#2

Technology market position

21

Markets

12%

Organic sales growth

6.1%

Operating margin

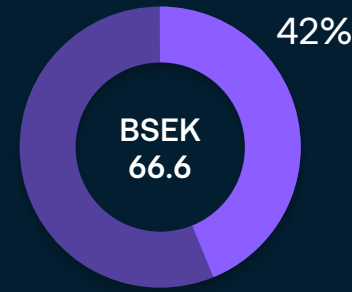
90%

Operating cash flow\*

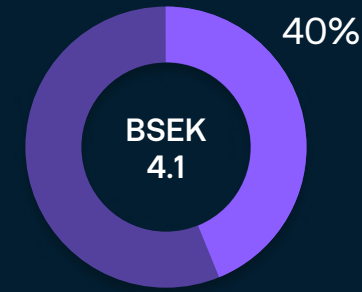
123 000

Employees

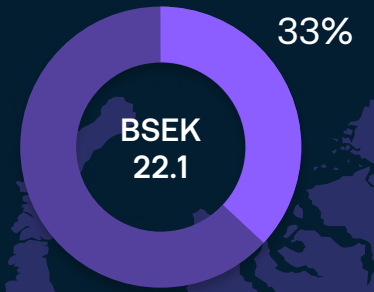
Europe's share of Group sales



Europe's share of Group EBITA



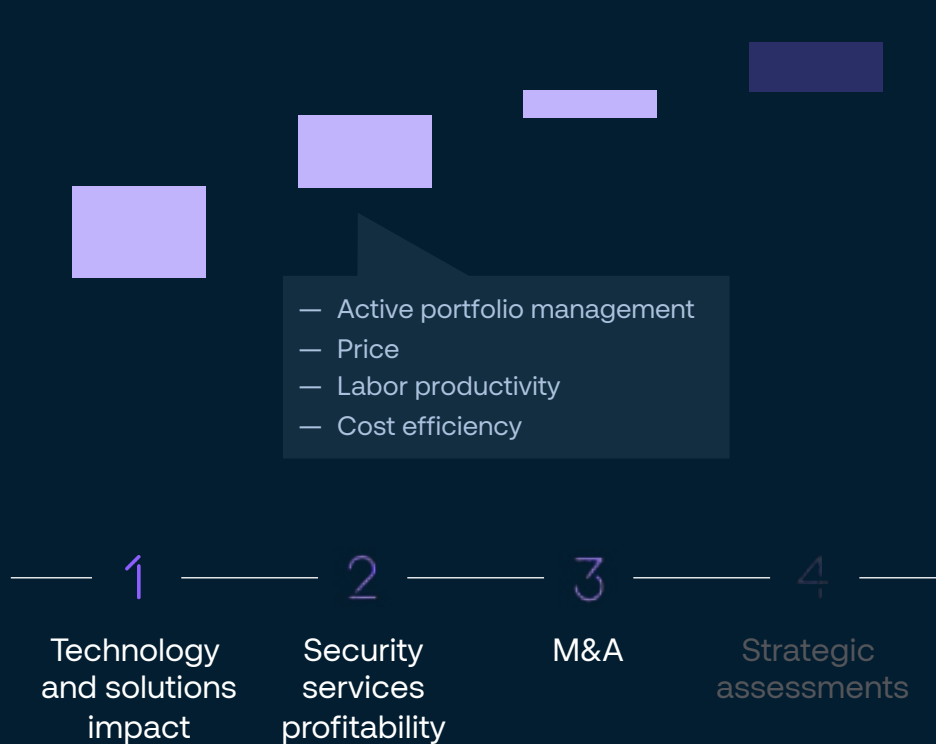
Technology and solutions sales



\* Weighted average 2021-2023.



# Driving commercial development during continued transformation



- 1 Strengthened Solutions team leveraging world-leading technology competence and existing client portfolio
- 2 Driving quality guarding portfolio, through active portfolio management and internal efficiency
- 3 Increasing our footprint within technology and solutions through M&A in key markets

Role models leading the way –  
four countries over 8% operating  
margin, whereof two over 10% –  
in total 18% of sales in Europe

#### Key actions last 18 months

- Change in mindset and leadership
- Increased Solutions team
- Strengthened financial follow-up
- Implementing clear commercial agenda
- Refocused modernization and transformation  
from IT first to **business first**







# Leveraging our guarding portfolio to drive technology and solutions growth

Technology and solutions representing

55%

of our operating result

Growth 2021-2023

17%

Solutions CAGR

62%

Technology CAGR

Ready to speed up technology and solutions growth

Historical growth of technology and solutions

Substantially higher margin and client stickiness with solutions

Guarding portfolio as base for technology and solutions growth



## We are uniquely positioned with presence and knowledge to offer the totality across borders

New capabilities position us to accelerate growth

We are now the leading security technology company in many of our markets and are accelerating our focus on combined offerings, targeted to client needs

- Small and medium clients are looking for **one partner** solving their security need as one solution
- Larger and more complex clients are a significant opportunity for **cross-selling**
- We are uniquely positioned with presence and knowledge to **offer the totality across borders**

### Example of commercial synergy case from France

500 cross-selling opportunities identified and addressed, driving increased client value and higher margins

Mobile offering to clients in five priority segments

Expanding services to technology clients

Expanding technology to services clients

Technology offering to key accounts and local accounts

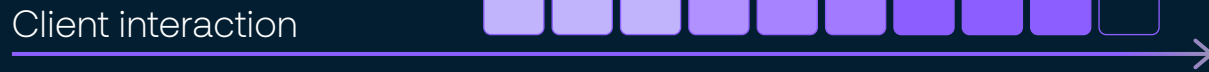
One Securitas with common sales and go to market



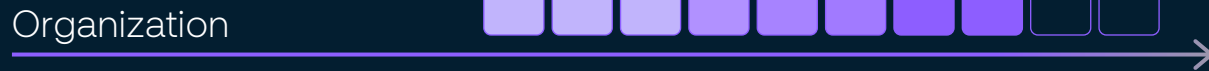
# European business transformation already enabling commercial synergies and increased client value



✓ Expanded solutions driving 17% growth\*



✓ Digital interaction with more than 100 000 client sites in MySecuritas



✓ All leaders assessed in 2023 and 2024 for strategic fit

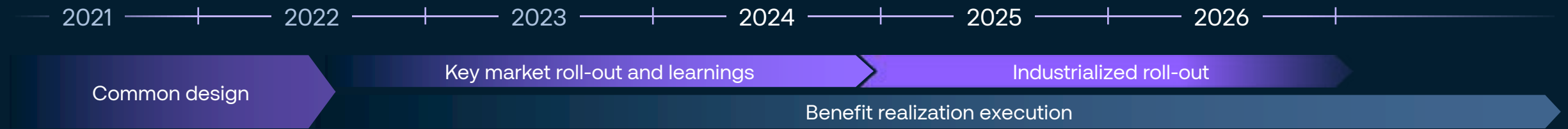


✓ Doubling hire rate through standardized recruitment system

\* 2021-2023 solutions CAGR.



# Industrialized roll-out of scalable IT-platform enables material value realization



## Fragmented landscape

Starting point fragmented, obsolete and under-invested

## Common design

Design of a leading, integrated platform, purpose-built for our protective services including CRM, ERP, WFM, HR, recruitment, tech platform and BI

## US transformation

System designed and deployed based on the learnings from the US transformation

## Key market implementation

Roll-out to key markets representing significant share of revenue spread across our protective services

## Industrialized and cost-efficient roll-out

One roll-out team across Europe on One standardized platform

## Value realization

- Labor productivity – employee turnover and optimized planning
- Cost efficiency – based on centralized support services
- Performance management through transparency
- Improved cash generation through automation and standardization
- AI enabled savings

## Optimizing our guarding portfolio...

Transforming market-leading guarding presence by:

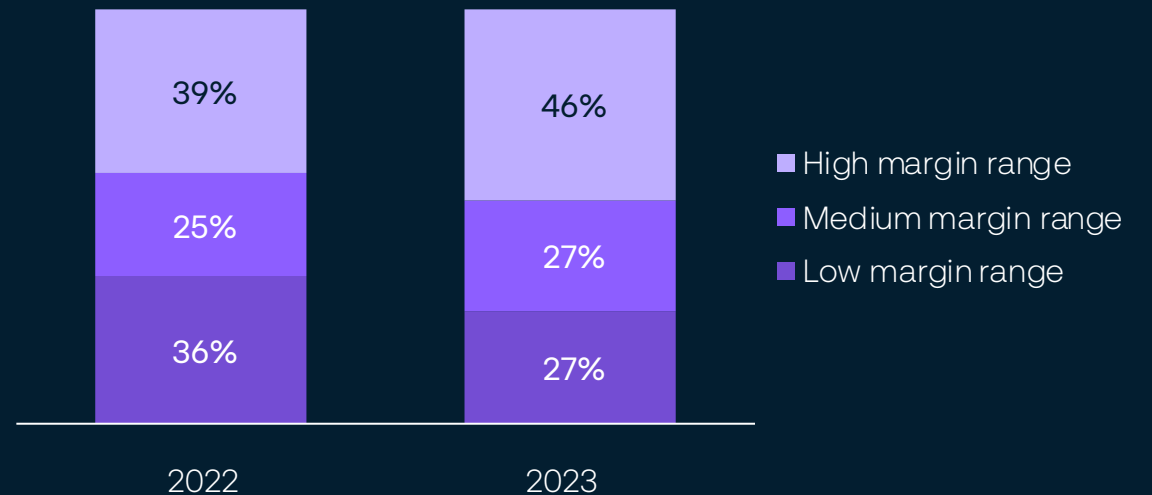
- Focusing on **solutions**
- Focusing on **price**
- Focusing on **operational efficiency**
- **Exiting low-margin contracts** when no other option is feasible
- **Having the right incentives**

## ...with Germany taking the lead

Comprehensive program executed in close dialog with clients

- Substantial margin uplift
- Very limited client churn, less than 10% of low-margin revenue lost
- Reduction of low-margin contracts with 9 pp

Germany contract margin profile





# Europe has a clear roadmap to support 8% operating margin through strengthened leadership and a unique client offering

## Unique market position

Leading technology competence meeting the client needs through solutions

## Strengthened leadership

Shift in leadership and culture, focusing on high-value services

## Modernization and digitalization

Driving optimization and efficiency

## Quality guarding portfolio

Focusing on active portfolio management, price, conversion to solutions and productivity



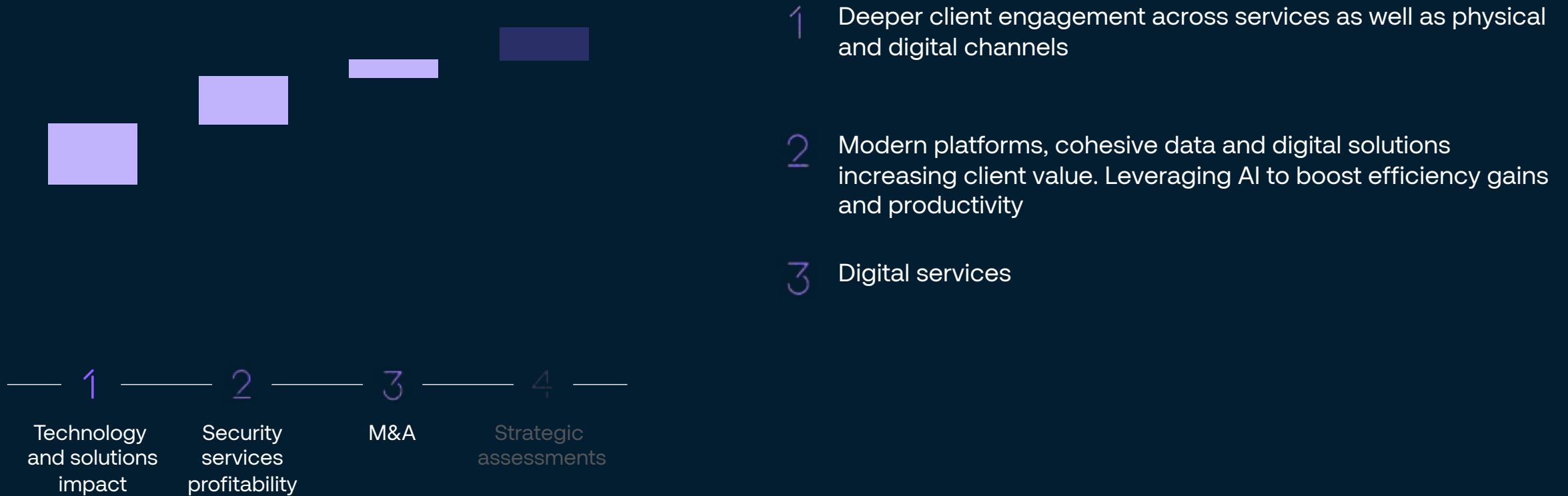


# Driving client value and growth through digitalization and innovation

Martin Althén  
President Securitas Digital



# Digitalization and innovation contributing increasingly to our 8% operating margin target



Note: Size of bridge components relevant for Securitas Group (indicative only), not applicable to individual segments.





## Significant progress and returns on our digital investment

	2020	2021	2022	2023	2024 Targets
<b>Client digitalization</b> <i>#client sites onboarded to MySecuritas</i>	<1 000	10 000	50 000	130 000	180 000
<b>Global guarding digitalization</b> <i>#security officers reporting according to global standard</i>	0	30 000	45 000	55 000	80 000
<b>Digital products' recurring revenue growth</b>	0	First revenue	30%	218%	120%
<b>Annual AI-enabled productivity gains</b>	0	0	MSEK 19	MSEK 50	MSEK 75

# Investing to increase client value and growth



## Digitalize

Modernizing our services with focus on client engagement and experience



## Innovate

Optimizing our business and finding new ways of creating value for our clients

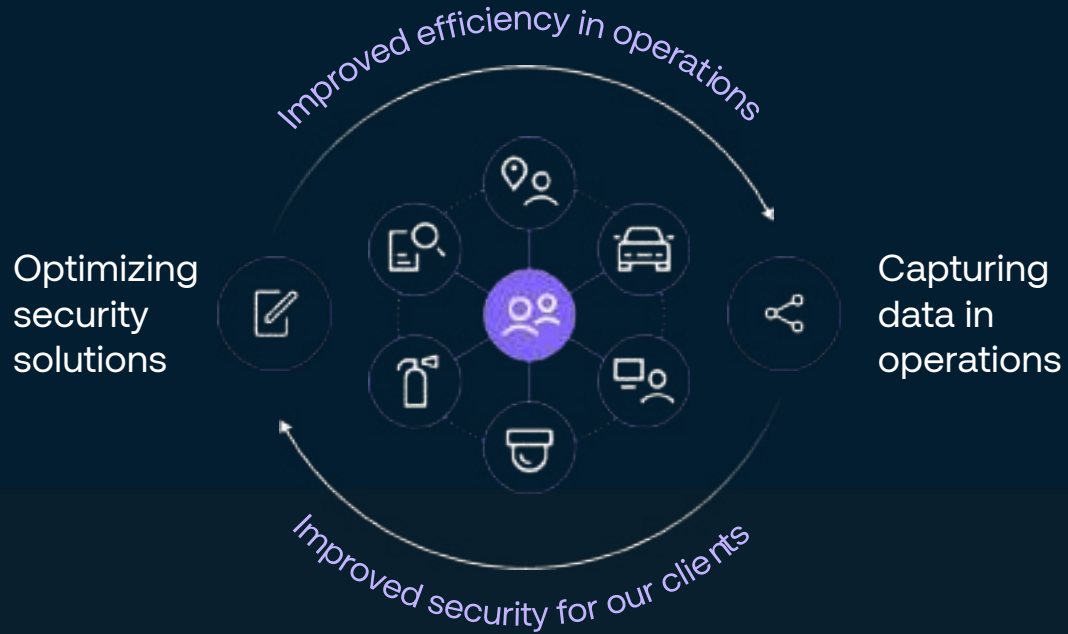


## Data-driven SaaS

Building a portfolio of high-margin software-as-a-service products



# Digital client engagement in MySecuritas increases client value through access to data-driven insights, real time interaction and new digital services



MySecuritas interface





Being an early adopter of AI helps us to fast-track further innovation...

**Scalable platform**

Leveraging industry-leading platforms to capture data and insights from people and installed technology at global scale

**Specialized teams**

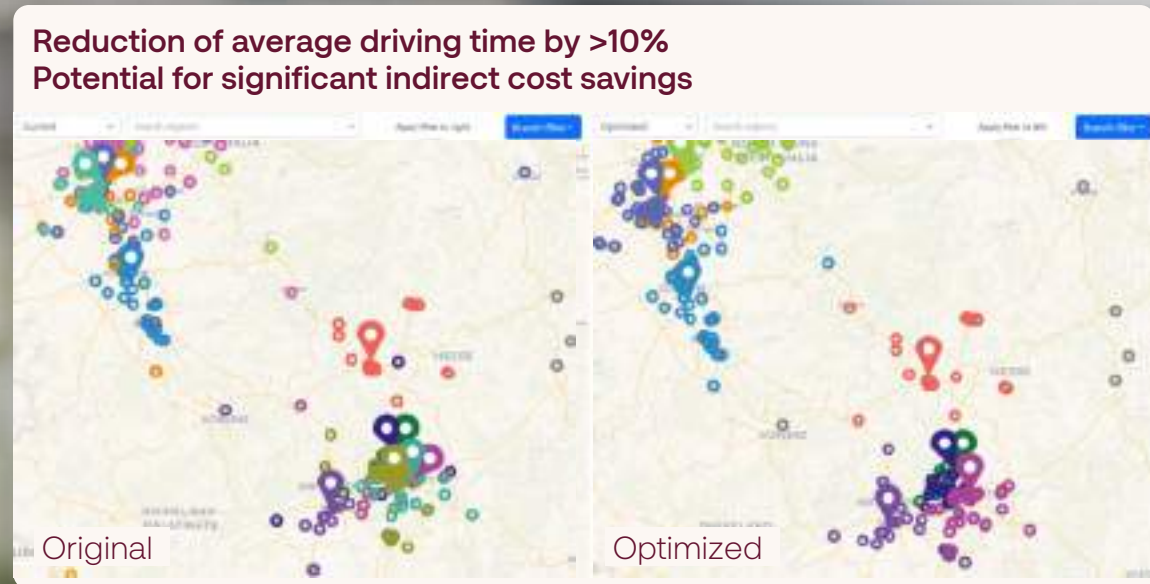
AI, data science and innovation teams driving 20+ digital innovation projects annually and continuously deploying value



# ...to improve operational efficiency...

We are improving quality and efficiency in our core operations through AI

## Optimized guarding office locations for internal efficiency



# ...and create higher value for our clients

By leveraging our presence and unique data, we create additional client value

## Sustainability insights and cost-saving benefits for clients



Rapid growth in high-margin SaaS products will be a key contributor to our longer-term margin ambition



>70%

product margin



Risk Intelligence



Risk Prediction



Digital ID Protection

Complementing Securitas' current offering to improve business mix

Digital marketing, sales and delivery of high-margin products

Scaling successful digital services globally, across our markets



## Innovation and digitalization showing tangible benefits for our clients, and for Securitas

- ✓ Increasing client retention
- ✓ Improving efficiency and productivity
- ✓ Enabling cross-sales and solutions growth
- ✓ New high-margin revenue from data-driven SaaS
- ✓ Winning new business





# Securing a sustainable future, supporting us to achieve our financial targets

Frida Rosenholm

Senior Vice President, General Counsel, Legal, Risk, Ethics and Sustainability

Sune Chabert Larsen

Chief Ethics and Sustainability Officer



Securing a sustainable future,  
supporting us to achieve our  
financial targets



## Sustainability is at our core and our license to operate

An important part of delivering  
8% operating margin

Ambitious climate  
targets



Help secure a  
sustainable future

Increase employee  
retention and efficiency



Reduce  
costs

Winning client trust



Increase high  
margin sales

## Ensuring transparency

by implementing CSRD 2024



# Our targets elevate Securitas as a responsible and resilient organization

## Climate

First global security provider committing to the Science Based Target initiative (SBTi)



## People

Diverse workforce, committed to safe working conditions, high engagement and inclusion



## Responsible business

High ethical business practices and zero tolerance for non-compliance



## Targets

42%

Reduction of emissions by 2030

- Roadmaps and action plans in place
- Included in LTI program for top leaders

>20%

Share of female managers

5%

Reduction of annual injury rate



Measuring Global engagement and inclusion index




100%

Roll-out of updated business ethics compliance programs in all markets







Our sustainability agenda supports our target to achieve 8% operating margin target, enabling growth and higher returns for our shareholders


### Partnering with our clients

-  Circularity focus through equipment recycling programs
-  Energy-optimized security solutions
-  Business resilience through increased focus on risk and the safety of our clients

### Driving sustainability in day-to-day operations

-  A strong employee value proposition to attract and retain talent
-  Data centers running on renewable energy
-  Switching to a hybrid and electric fleet
-  Structured and data-driven approach

### Leveraging technology, data and innovation

-  Leveraging AI in route planning to reduce driving time and distance
-  Utilizing technology to prevent forest fires
-  Tracking energy and cost saving actions by security officers



# Accelerating transparency and stakeholder engagement with a dedicated sustainability day during 2024

**CSRD**  
Corporate Sustainability Reporting Directive

**GRI**  
Global Reporting Initiative  
Reporting since 2014

**WE SUPPORT**  
UN GLOBAL COMPACT  
Signatory since 2015

**SCIENCE BASED TARGETS**  
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

**SUSTAINABLE DEVELOPMENT GOALS**  
Signatory since 2015

3 GOOD HEALTH AND WELL-BEING  
4 QUALITY EDUCATION  
5 GENDER EQUALITY  
8 DECENT WORK AND ECONOMIC GROWTH  
9 AFFORDABLE AND CLEAN ENERGY  
13 CLIMATE ACTION  
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

**MSCI ESG RATINGS**  
BBB  
RATING ACTION DATE: October 27, 2023  
LAST REPORT UPDATE: October 27, 2023

**SUSTAINALYTICS**  
ESG risk rating  
13.3  
Low Risk

**UPRIGHT PROJECT**  
+70%  
Net Impact Ratio  
\*Fortune Global 500 benchmark -16%



**With our 341 000 people  
and strong capabilities  
– we have a unique  
opportunity to make a  
difference**



07.03.2024

# Q&A session



Securitas

20 minutes



# Shaping Securitas for long-term, sustainable shareholder value





88

Becoming the intelligent security solutions partner with world-leading technology and expertise