Interim Report Q2/H1 2021

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Bart Adam, CFO

Securitas

A strong quarter throughout the Group

- **The strategy is paying off while we continue to manage the effects from Covid**
    - Sharpened the business
    - Business transformation progressing according to plan
    - Positive developments in our solutions and electronic security business
- **Organic sales growth 8 percent (-4)**
    - Commercial activity picking up across the Group
- **Operating margin 5.6 percent (4.0), with improvements in all business segments**
    - Continued support from the cost-savings program initiated during 2020
    - Continued government grants and support relating mostly to temporary unemployment
    - Normalized provisioning levels
    - Price and wage balance on par
    - Profitability improvement through reviewing the entire contract portfolio to ensure satisfactory margins
- **Good operating cash flow**

Acquisition of leading electronic security company in Germany

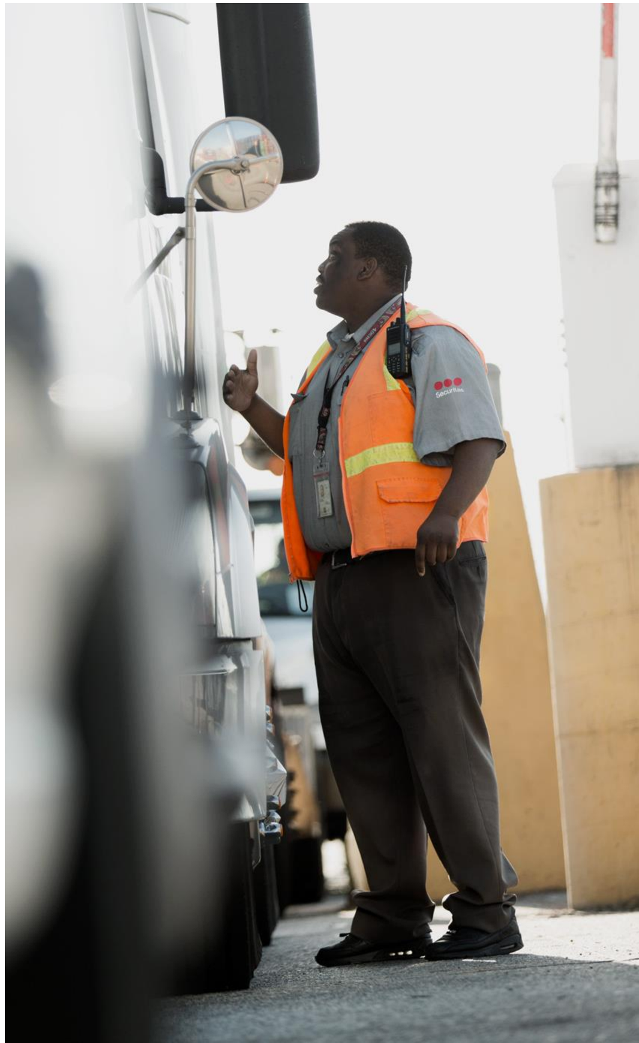
- **Protection One, the German leader specializing in remote tech-driven security solutions and electronic security**
  - In line with the Group's strategy of doubling security solutions and electronic security sales by 2023
  - The purchase price app. MEUR 72 (MSEK 735) on a debt-free basis
- **Sales in 2020 more than MEUR 33 (MSEK 337), over 90 percent RMR**
  - 230 employees, presence in 12 locations
  - Operation center in Meerbusch with 24/7 real-time intervention
- **High-performance and tailor-made installation offering, full scope of electronic security services across 10 300 object for 7 000 clients, mainly SME's**
  - Acquisition-related costs expected to MSEK 45, to be recognized 2021-2023
  - Accretive to EPS as of 2022
  - Subject to approval from competition authorities, expected finalization in Q3 2021

Security Services North America

Recovering growth across the business segment

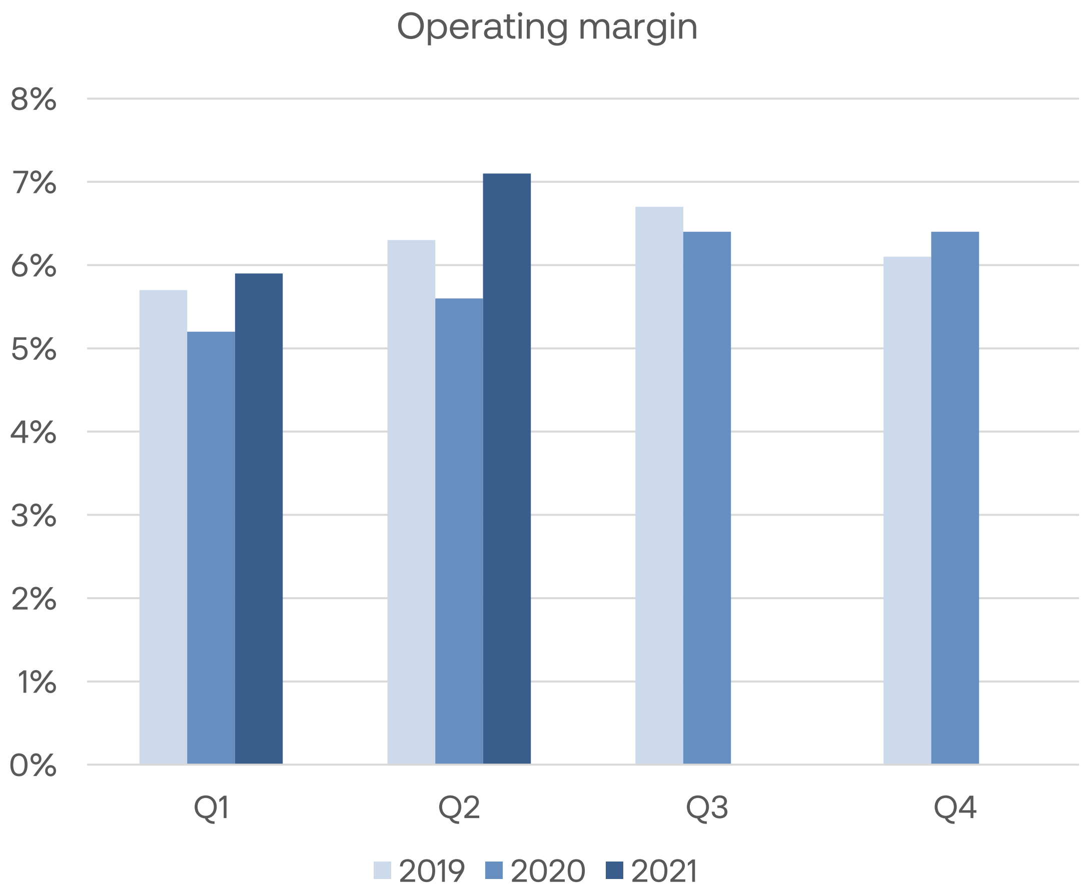
Organic sales growth 8% (-2) in Q2, 5% (0) in H1

- Gradual improvement in primarily Electronic Security and Critical Infrastructure Services
- Stable organic sales growth in Guarding with increased portfolio sales offsetting declining corona-related extra sales
- Client retention was 90% (92)
- Security solutions and electronic security represented 18% (18) of total sales in H1



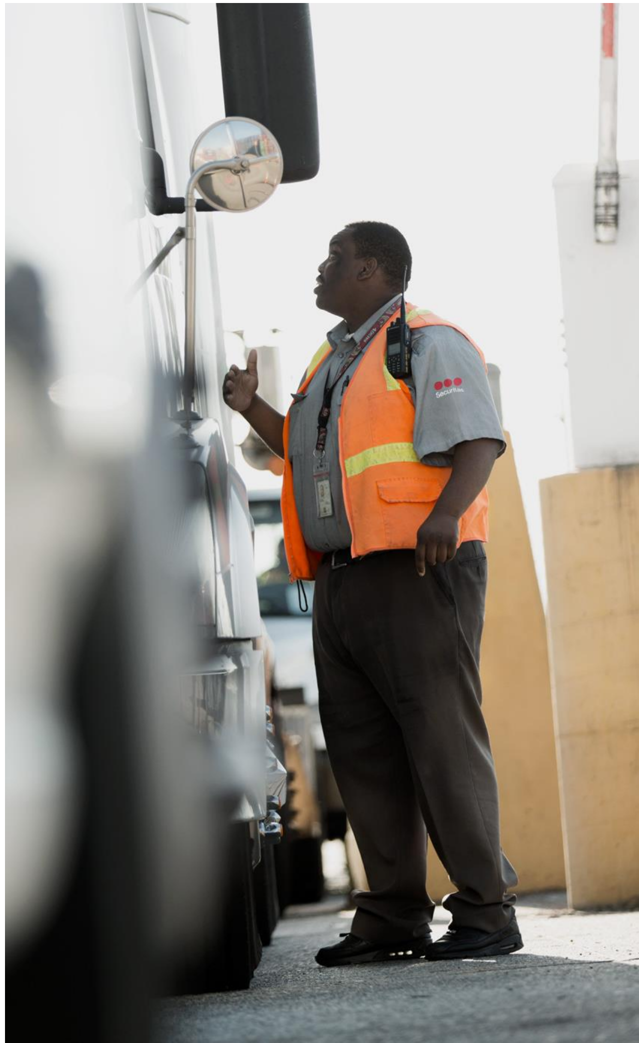
Security Services North America

Strong performance in the quarter



Operating margin 7.1% (5.6) in Q2, 6.5% (5.4) in H1

- Improvement driven from all business units
- Stable operating margin in Guarding
- Installations business within Electronic Security has gradually recovered
- The acquisition of FE Moran Security Solutions contributed positively
- Critical Infrastructure Services improved following eased restrictions and lock-downs



Security Services Europe

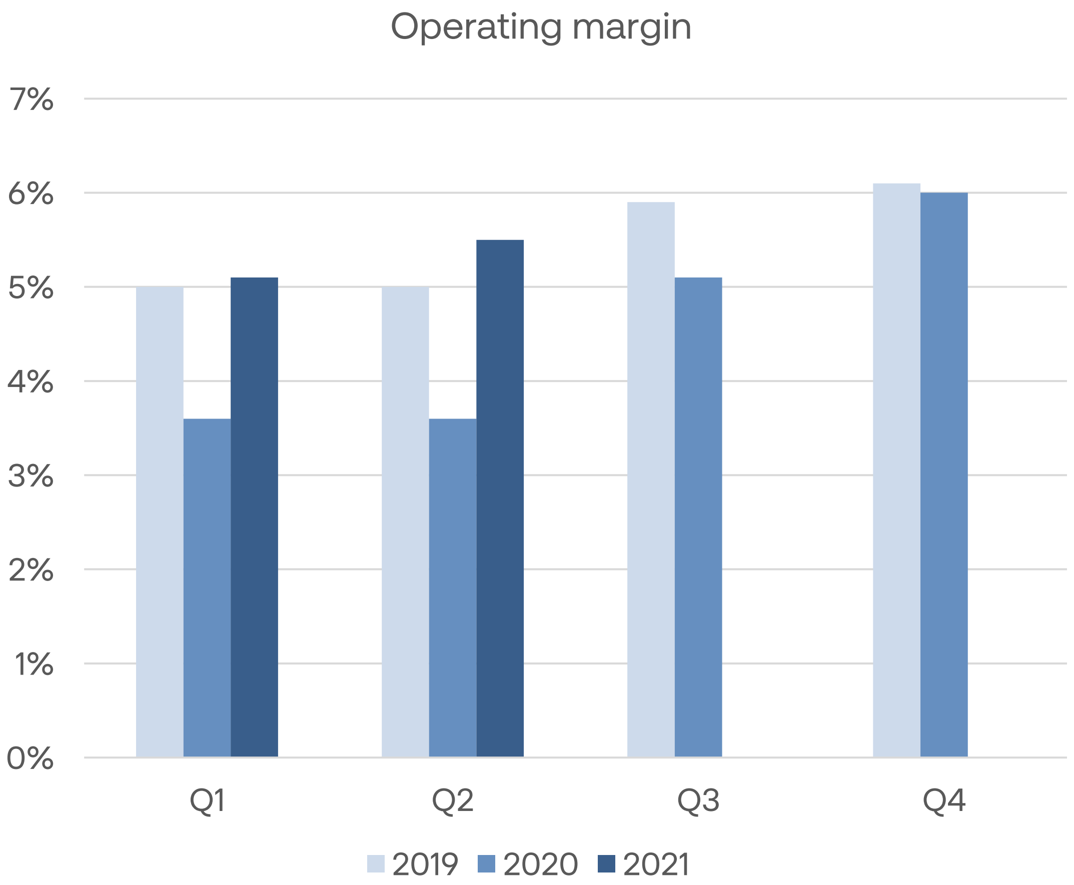
A good recovery, but on a weak comparative

Organic sales growth 8% (-6) in Q2, 3% (-3) in H1

- Almost all countries had positive organic sales growth, reflecting the gradual recovery as restrictions and lock-downs are easing
- Security solutions and electronic security sales was 24% (23) of total sales in H1
- Client retention was 92% (90)

Security Services Europe

Strong improvement over last year



Operating margin 5.5% (3.6) in Q2, 5.3% (3.6) in H1

- Most countries contributed to the development
- The improvement was supported by the cost-savings program and normalized levels of provisioning
- Continued government grants relating mostly to temporary unemployment
- Change in business mix, with high-margin extra sales and lower airport security sales, also supported the operating margin development

Security Services Ibero-America

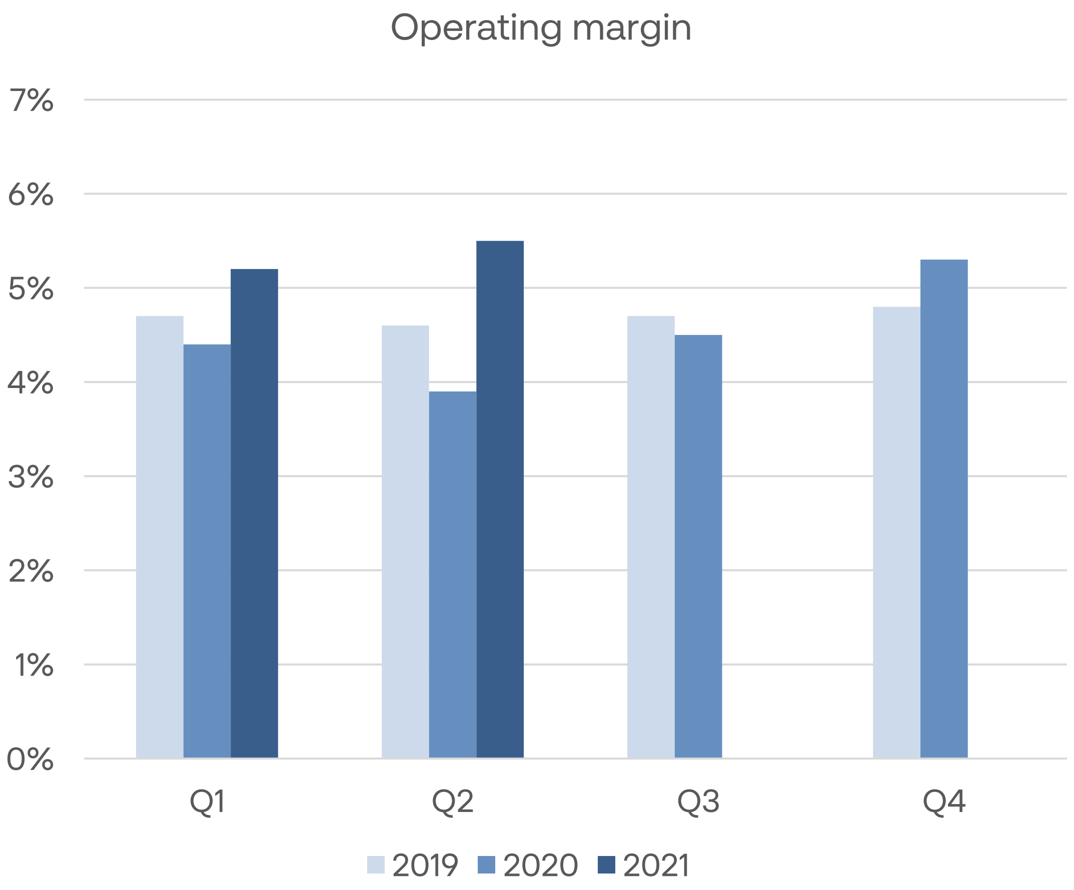
Solid development in Spain, mixed picture in Latin America

Organic sales growth 8% (-1) in Q2, 2% (4) in H1

- Organic sales growth in Spain was 9% (-4) in Q2, with a solid development
- Mixed picture in Latin America, and a hampering impact due to portfolio refinement programs in Argentina and Peru
- Security solutions and electronic security sales was 30% (29) of total sales in H1
- Client retention was 93% (93)

Security Services Ibero-America

A recovery driven by Spain



Operating margin 5.5% (3.9) in Q2, 5.3% (4.2) in H1

- The improvement was primarily driven by Spain, also supported by efficiency gains from the integration of Techco Security
- In Latin America, the operating margin was supported by portfolio refinement programs in Argentina and Peru
- The cost-savings program initiated in 2020 also had a positive impact

Financials

Bart Adam
CFO

A strong second quarter and first six months

MSEK	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Sales	**26 499**	**26 556**	**52 313**	**54 976**	**107 954**
Organic sales growth, %	*8*	*-4*	*4*	*-1*	*0*
Operating income before amort.	**1 471**	**1 075**	**2 727**	**2 161**	**4 892**
Operating margin, %	*5.6*	*4.0*	*5.2*	*3.9*	*4.5*
Amort. of acquisition-related intangible assets	-63	-69	-128	-141	-286
Acquisition-related costs	-13	-63	-42	-80	-137
Items affecting comparability	-259	-61	-395	-106	-640
Operating income after amortization	**1 136**	**882**	**2 162**	**1 834**	**3 829**
Financial income and expenses	-91	-137	-185	-281	-500
Income before taxes	**1 045**	**745**	**1 977**	**1 553**	**3 329**
Tax, %	*27.0*	*26.8*	*27.0*	*27.0*	*27.4*
Net income for the period	**763**	**545**	**1 443**	**1 133**	**2 416**
EPS, SEK	**2.09**	**1.50**	**3.95**	**3.11**	**6.63**
EPS, SEK before IAC	**2.64**	**1.62**	**4.75**	**3.32**	**8.02**

- Corona-related government grants and support of MSEK 195 in Q2 and MSEK 400 in H1
  - mostly related to temporary unemployment
  - as compensation for increased idle-time cost
- Acquisition-related costs from the earlier disclosed acquisitions
- Items affecting comparability of MSEK -395 in H1
  - MSEK -144: cost-savings program related to C-19
  - MSEK -251: transformation programs
- Financial income and expenses positively impacted by favorable net debt development, lower interest rates and margins and exchange rates
- Tax: 27.0% for the full year

Items Affecting Comparability, programs on track

Modernization and efficiency

IAC in H1: MSEK -395

FY 2021: expect MSEK -800 to -950

Transformation programs

Announced Q4 2018
- Global IS/IT
- North America

Total announced MSEK -850

FY 2021: total of app. MSEK -250
- Expected to close end of 2021 within announced total

C19 and 11 Exits

Announced Q2 2020 and Q4 2020
- C19: range of MSEK -350 to -500
- 11 Exits: app. MSEK -100

Recognized in FY 2020 MSEK -289

FY 2021: range of MSEK -200 to -300
- Final outcome highly depending on further C19 development and continuation of grants
- Remains open till Q4 2021

Transformation programs

Announced Q4 2020
- Europe
- Ibero-America

Total MSEK -1 400, period 2021-2023

FY 2021: speeding up, total of app. -350 to -400 MSEK
- MSEK -450 per year assuming an equal execution
- H1 2021 IAC MSEK -251

Substantial negative impact from FX development in H1

MSEK	Q2 2021	Q2 2020	Change Total, %	Change Real*, %
Sales	26 499	26 556	0	9*
Operating income	1 471	1 075	37	50
EPS, SEK	2.09	1.50	39	52
EPS, SEK, before IAC	2.64	1.62	63	75

** Including acquisition and adjusted FX*

MSEK	H1 2021	H1 2020	Change Total, %	Change Real*, %
Sales	52 313	54 976	-5	5*
Operating income	2 727	2 161	26	40
EPS, SEK	3.95	3.11	27	39
EPS, SEK, before IAC	4.75	3.32	43	55

** Including acquisition and adjusted FX*

FX SEK END RATES

	Q2 2021	Q2 2020	%
USD	8.52	9.29	-8.3
EUR	10.15	10.49	-3.2
ARS	0.09	0.13	-30.8

Good cash flow performance

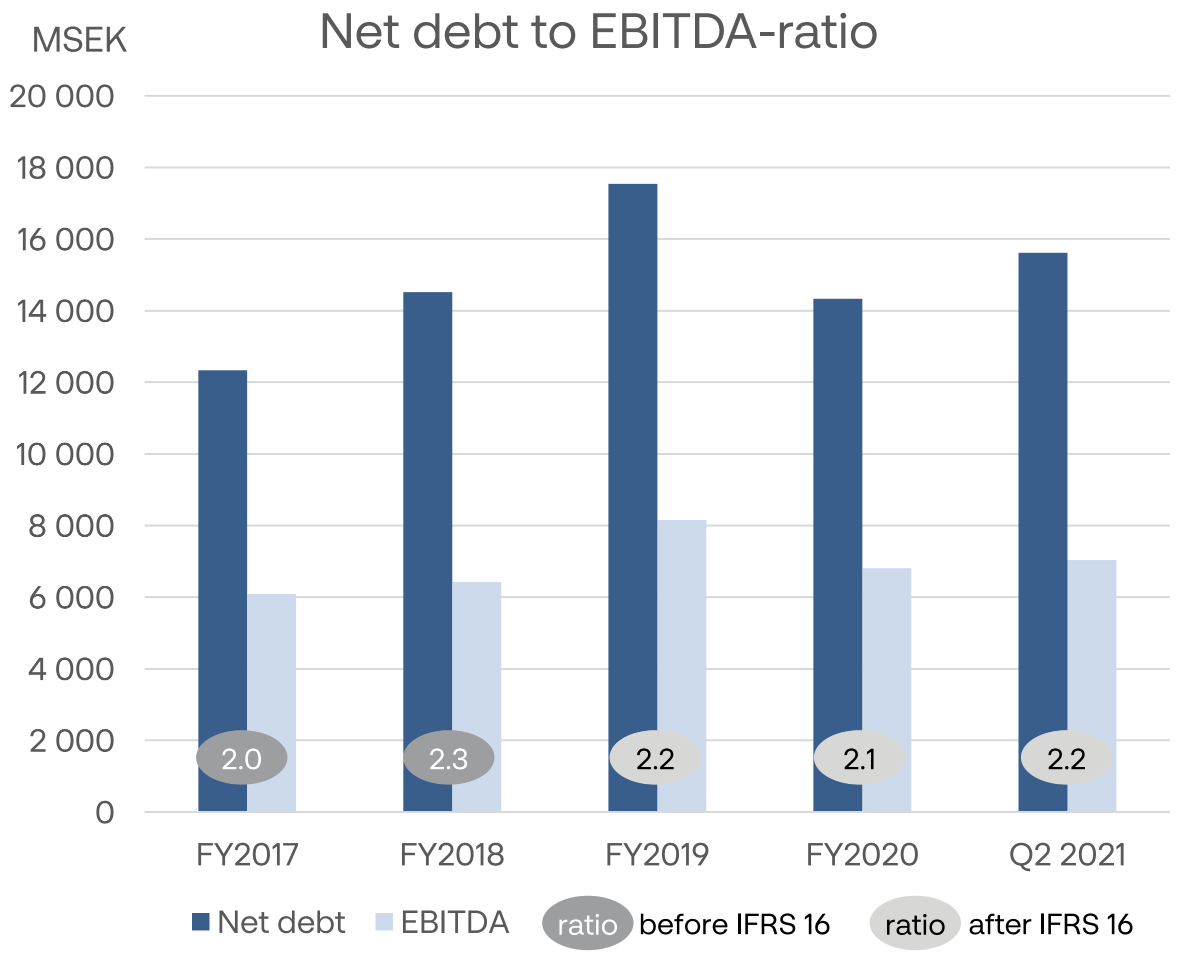
MSEK	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Operating income before amortization	**1 471**	**1 075**	**2 727**	**2 161**	**4 892**
Net investments in non-current assets	-38	-4	-33	-61	-97
Change in accounts receivable	-380	857	-240	203	123
Change in other operating capital employed	-123	741	-241	738	2 289
Cash flow from operating activities	**930**	**2 669**	**2 213**	**3 041**	**7 207**
Cash flow from operating activities, %	*63*	*248*	*81*	*141*	*147*
Financial income and expenses paid	-16	-41	-258	-331	-401
Current taxes paid	-537	-189	-782	-595	-862
Free cash flow	**377**	**2 439**	**1 173**	**2 115**	**5 944**

- Good collections, though cash flow negatively impacted from higher organic sales growth
- Corona-related government payment relief measures of app. MSEK 1 300 is due to be paid later in H2 2021 and in 2022
- Net investments of MSEK -33 in H1 results from
  - Investments of MSEK -1 313
  - Reversal of depreciation of MSEK 1 280
- Capital expenditure <3% of Group sales annually

Stable net debt to EBITDA-ratio, well ahead of Group target

MSEK

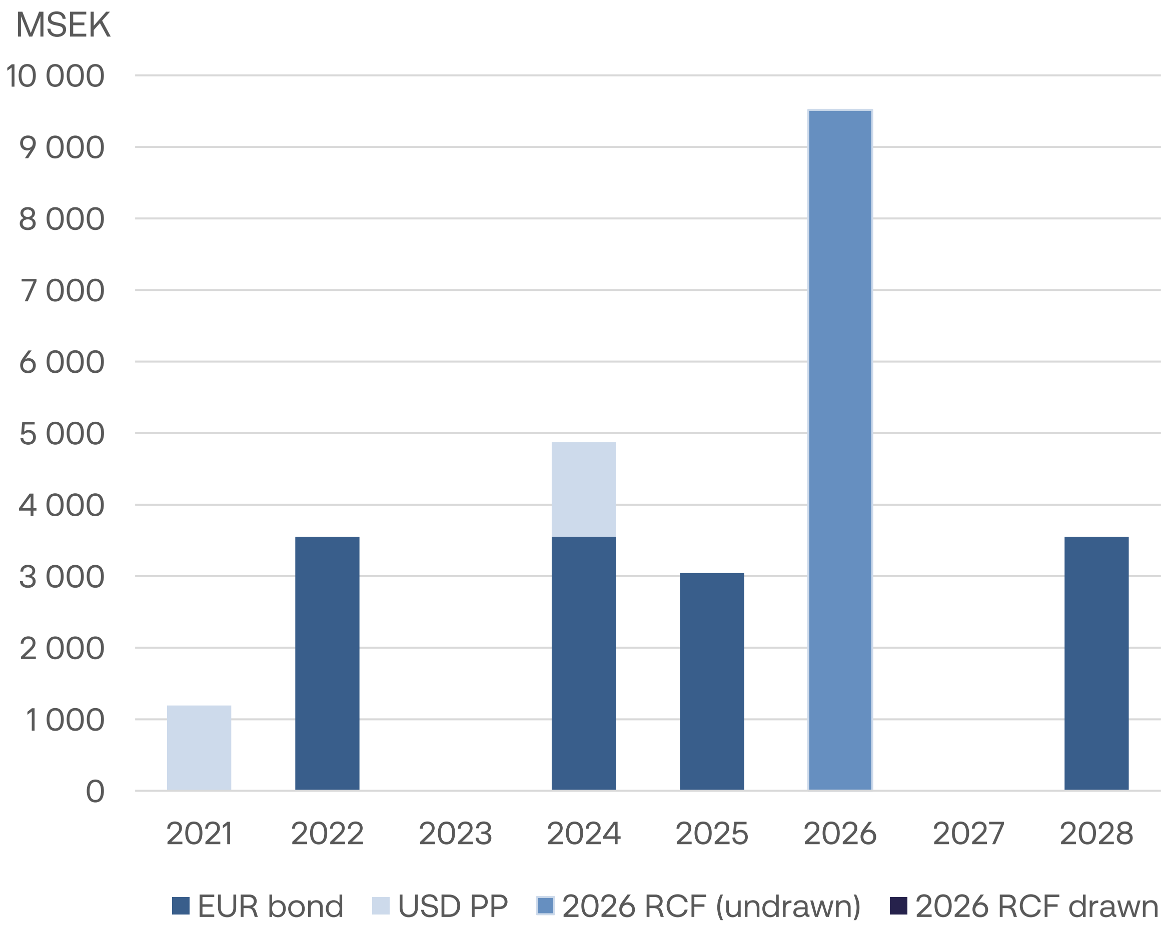
Net debt Dec 31, 2020	**-14 335**
Free cash flow	1 173
Acquisitions/Divestitures	-295
IAC	-411
Dividend paid	-1 460
Lease liabilities	77
Change in net debt	**-916**
Revaluation	-24
Translation	-343
Net debt June 30, 2021	**-15 618**



We are backed up with solid financing

- BBB/A-2 rating, stable outlook (S&P, May 25, 2021)
- Committed to solid investment grade rating
- BSEK 4.2 in liquid funds
- RCF now extended to 2026
  - With the possibility to extend another year to 2027
  - All 10 relationship banks participated in the extension
  - Significant undrawn committed funding BSEK 9.6
- No financial covenants
- We are very well positioned for the future and in a strong position to accelerate the transformation

Committed funding maturity profile

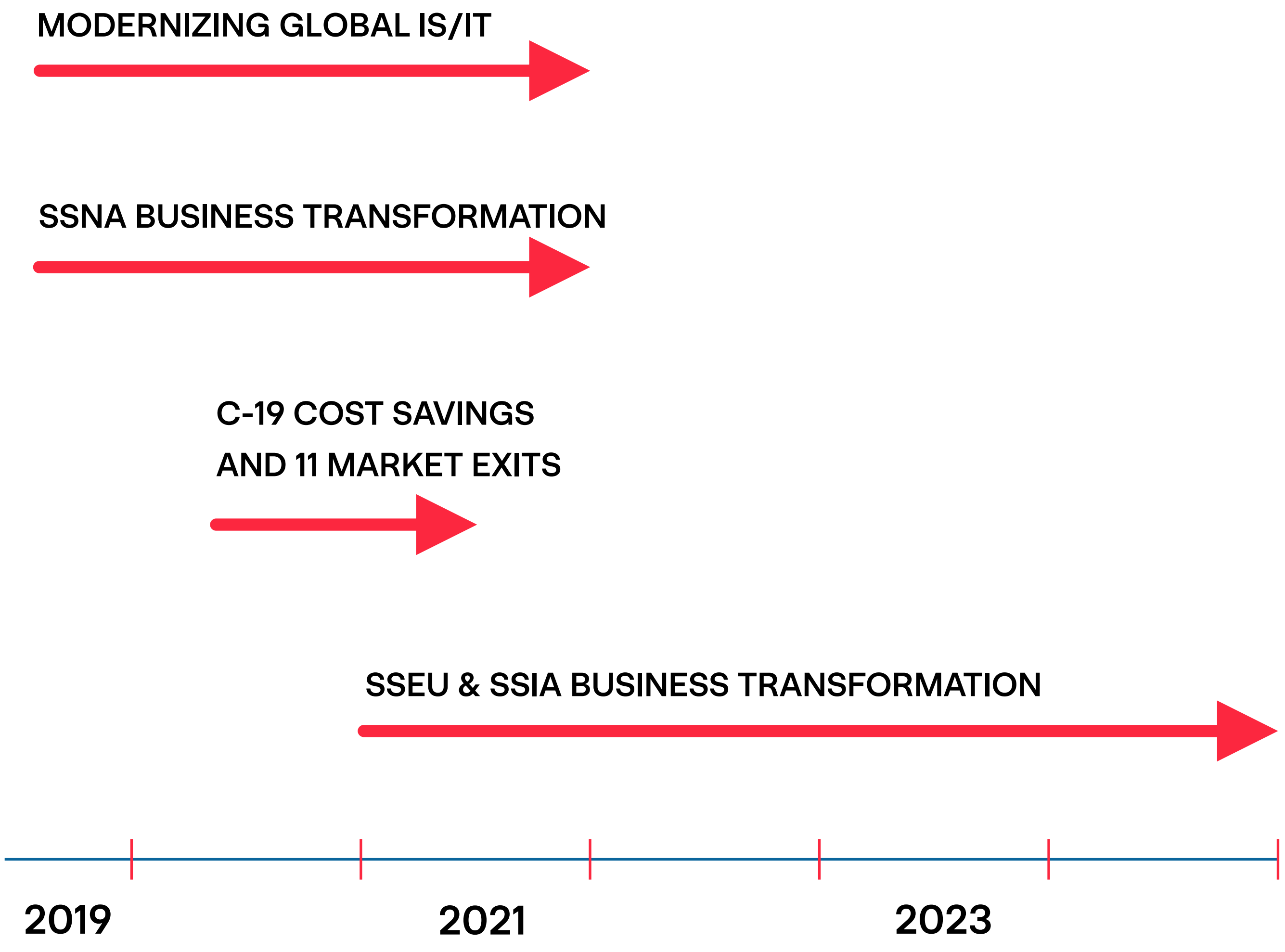


RCF maturity reflecting extension from 2025 to 2026 in April 2021

Committed to the transformation targets

Group transformation to modernize, digitize and improve margins by 2024

Modernization and efficiency



Targeted impacts

Group: MSEK 300 savings upon completion by 2022

SSNA: Up to 0.5% margin benefit by 2022, gradual improvement in 2021

C-19: 2 year pay-back period

Exit: Focus and less complexity

SSEU: Around 6.5% OPM by 2024. First impact 2022

SSIA: Around 6.0% OPM by 2024

Q2 summary: Strong 8% (-4) organic sales growth and solid 5.6% (4.0) operating margin

Our performance is proof of our strategy paying off:

- We have sharpened the business over the last year through focus on profitability and cost management to create healthy margins in the overall business
- The transformation programs are being implemented according to plan and we are now seeing benefits in practice
- We are seeing positive development in our solutions and electronic security business, and it is a clear focus to further accelerate momentum
- Commercial activity is picking up, uncertainty due to the corona pandemic remaining, but with clear priorities and a strong position to ensure continued resilience

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