

August 5, 2014



January – June 2014



Alf Göransson, President and CEO

Highlights January - June



- Organic sales growth 2% (1), an improvement in all business segments
- Positive organic sales growth in France in Q2, Spain still negative
- Sales of security solutions & technology 9% of Group sales (run rate in Q2)
- Operating margin 4.6% (4.8) – flat margins in SSNA and SSE but negative development in SSIA due to tough conditions in Spain
- Negative FX from Argentina of MSEK -38
- Improved net income and EPS growth of 3 percent
- Free Cash Flow to net debt ratio 0.20 (0.15)



Financial Highlights



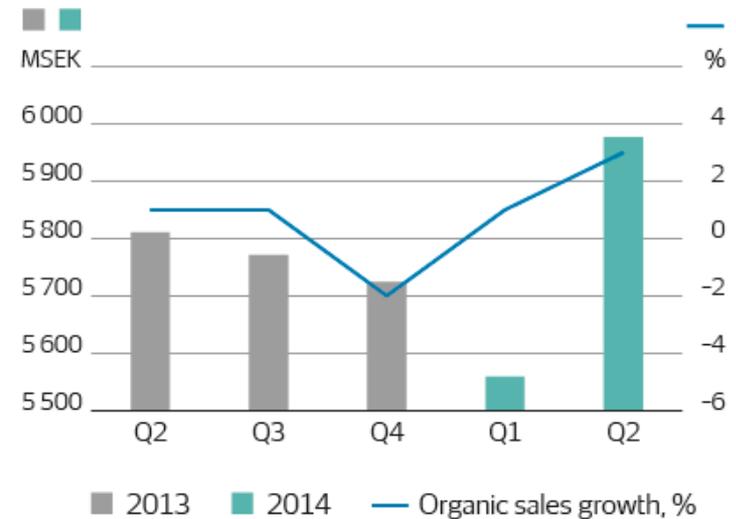
MSEK	Q2 2014	Q2 2013	Total change %	Real change %	H1 2014	H1 2013	Total change %	Real change %
Sales	17 120	16 510	4	3	33 231	32 370	3	3
<i>Organic sales growth, %</i>	3	1			2	1		
Operating income before amortization	788	809	-3	-2	1 526	1 558	-2	-1
<i>Operating margin, %</i>	4.6	4.9			4.6	4.8		
Amortization and impairment of acquisition related assets	-60	-64			-121	-128		
Acquisition related costs	-7	-6			-11	-14		
Operating income after amortization	721	738	-2	-1	1 394	1 416	-2	0
Financial income and expenses	-82	-80			-163	-217		
Income before taxes	639	658	-3	-3	1 231	1 199	3	3
Net income for the period	449	462	-3	-3	864	842	3	3
Earnings per share (SEK)	1.23	1.26	-2	-3	2.36	2.30	3	3

Security Services North America

– Sales Development H1 2014



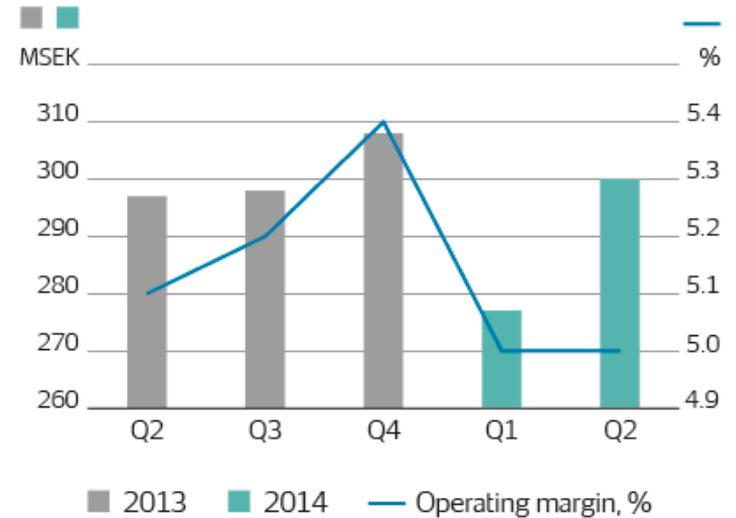
- Organic sales growth 3% (1) in Q2 and 2% (1) in H1. Primarily supported by the business unit critical infrastructure.
- The actions taken last year to strengthen the sales organization are supporting the organic sales growth
- 60% of the US portfolio is compliant with the US healthcare reform (ACA)
- Acquisition of 24% of Iverify to strengthen our security solutions and technology business in the US



Security Services North America – Income Development H1 2014



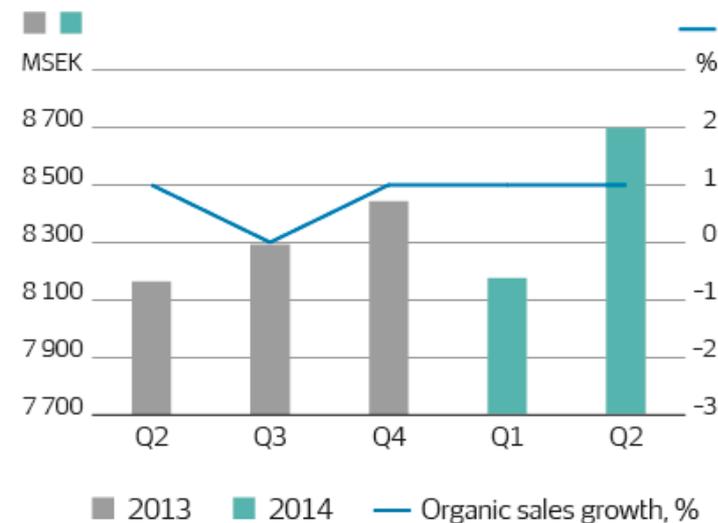
- The operating margin 5.0% (5.0)



Security Services Europe – Sales Development H1 2014



- Organic sales growth 1% (0)
- Turkey had a very good development, as did Norway
- France is back to positive organic sales growth

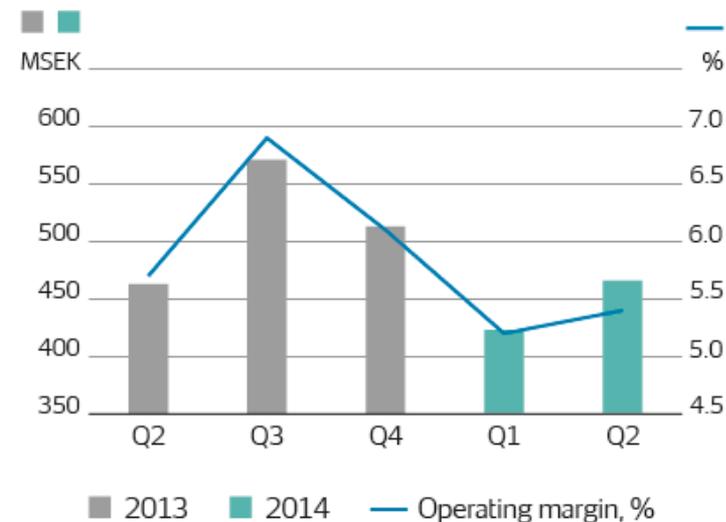


Security Services Europe

– Income Development H1 2014



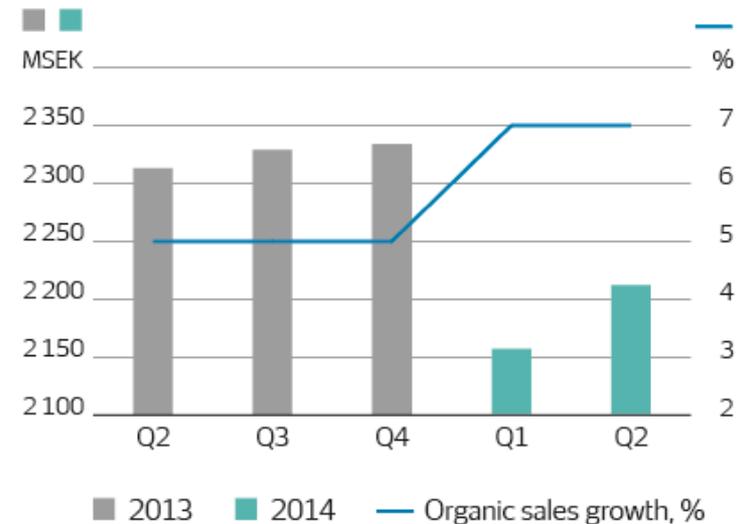
- Operating margin 5.3% (5.4), impacted by one-off timing differences in France related to social costs and training expenses
- Renewed aviation contracts, extended for multiple years, had a negative impact on the operating margin



Security Services Ibero-America – Sales Development H1 2014



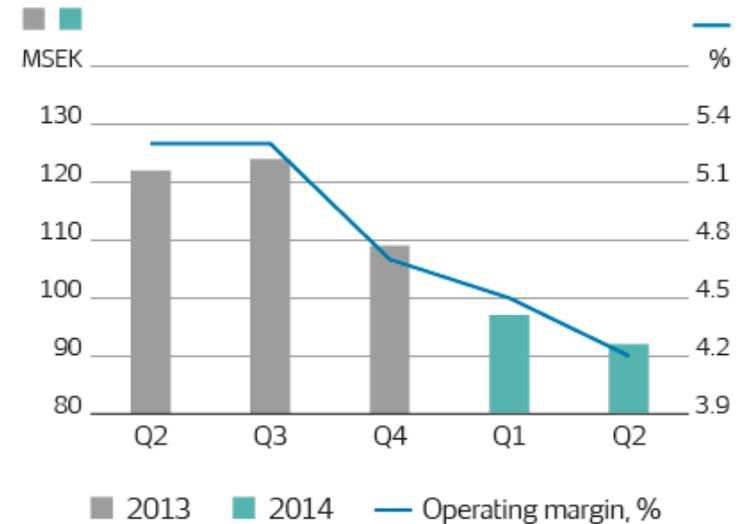
- Organic sales growth 7% (3)
- In Latin America the organic sales growth was 22%, mainly driven by price increases in Argentina
- Organic sales growth in Spain was -9% (-12)
- Macro economic conditions improve in Spain, but tough market conditions with fierce price competition remains



Security Services Ibero-America – Income Development H1 2014



- Operating margin 4.3% (5.4)
- The operating margin in Spain was negatively impacted by the labor related taxes that were introduced in December 2013
- Also, market conditions are continuously tough with volume losses and price concessions
- Negative FX from Argentina of MSEK -38



Cash flow



MSEK	Q2 2014	Q2 2013	H1 2014	H1 2013
Operating income before amortization*	788	809	1 526	1 558
Investments in non-current tangible and intangible assets	-299	-227	-557	-421
Reversal of depreciation	236	241	469	476
Change in accounts receivable	-188	-152	-304	-187
Change in other operating capital employed*	-19	-377	-560	-980
Cash flow from operating activities	518	294	574	446
<i>Cash flow from operating activities, %</i>	<i>66</i>	<i>36</i>	<i>38</i>	<i>29</i>
Financial income and expenses paid	-36	-262	-219	-421
Current taxes paid	-284	-158	-388	-275
Free cash flow	198	-126	-33	-250
<i>As % of adjusted income</i>	<i>36</i>	<i>-22</i>	<i>-3</i>	<i>-24</i>
<i>Free cash flow to net debt</i>	<i>-</i>	<i>-</i>	<i>0.20</i>	<i>0.15</i>

The net investments are reflecting our strategy to increase sales of security solutions and technology

Net Debt Development



MSEK

Net debt Jan 1, 2014	-9 610
Free cash flow	-33
Acquisitions	-225
IAC payments	-46
Dividend paid	-1 095
Change in net debt	-1 399
Translation and revaluation	-311
Net debt Jun 30, 2014	-11 320

Our Strategy for Future Growth



Past

Present

Potential

Security market growth:
GDP + 1-2%

Security market growth:
GDP +/- 0%

Enlarge the private security market

Insourced security market

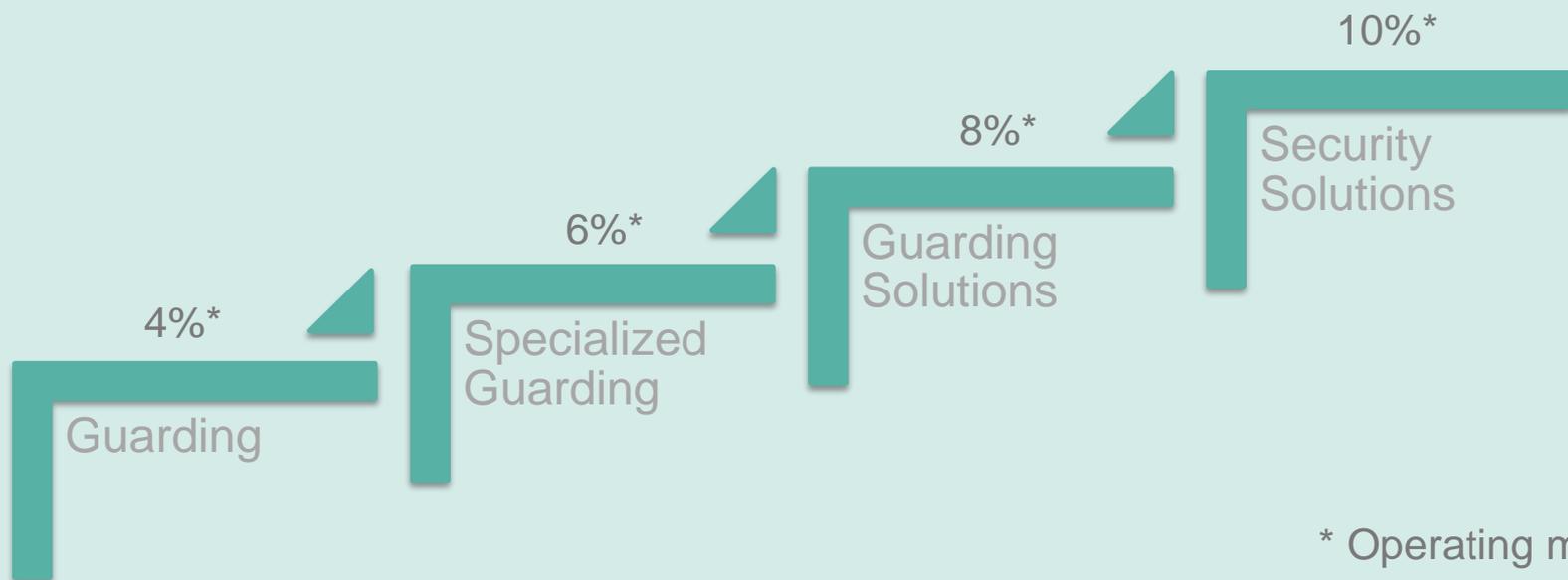


Our path

Focus areas in 2014 – increase sales of security solutions and technology



- Sales of security solutions and technology 6% of Group sales in 2012 and 9% in Q2 2014 – target to triple share by end of 2015
- We will continue to selectively acquire technology operations to build and strengthen our technology platform



Questions and Answers





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