

August 5, 2015



January – June 2015



Alf Göransson, President and CEO

Highlights January - June



- Organic sales growth 5% (2) with improvements in all business segments
- Operating margin 4.7% (4.6), driven by SSNA
- Price/wage balance on par
- EPS real change 10%
- Free Cash Flow to net debt ratio 0.19 (0.20)
- Q2 development supports the target of at least 28% growth of security solutions and technology in 2015



Financial Highlights

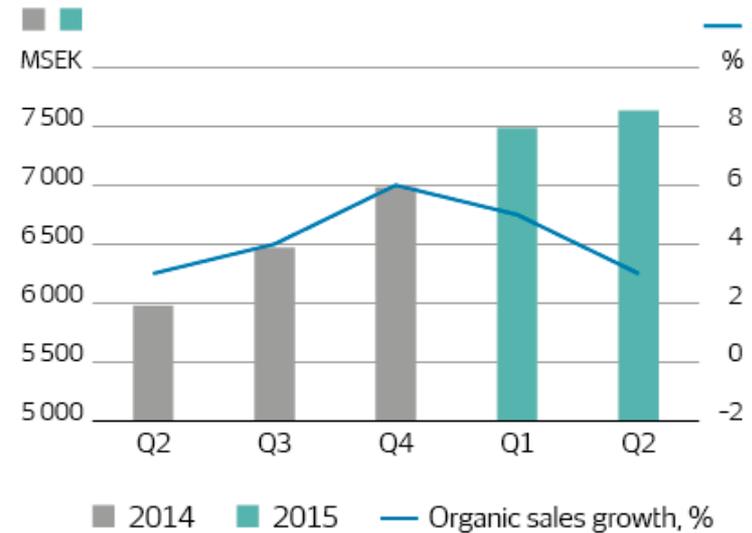


MSEK	Q2 2015	Q2 2014	Total change %	Real change %	H1 2015	H1 2014	Total change %	Real change %
Sales	19 875	17 120	16	5	39 361	33 231	18	5
<i>Organic sales growth, %</i>	4	3			5	2		
Operating income before amortization	926	788	18	6	1 835	1 526	20	6
<i>Operating margin, %</i>	4.7	4.6			4.7	4.6		
Amortization and impairment of acquisition related assets	-66	-60			-134	-121		
Acquisition related costs	-7	-7			-17	-11		
Operating income after amortization	853	721	18	6	1 684	1 394	21	6
Financial income and expenses	-76	-82			-151	-163		
Income before taxes	777	639	22	8	1 533	1 231	25	9
Net income for the period	550	449	23	10	1 086	864	26	10
Earnings per share (SEK)	1.51	1.23	23	10	2.96	2.36	25	10

Security Services North America – Sales Development H1 2015



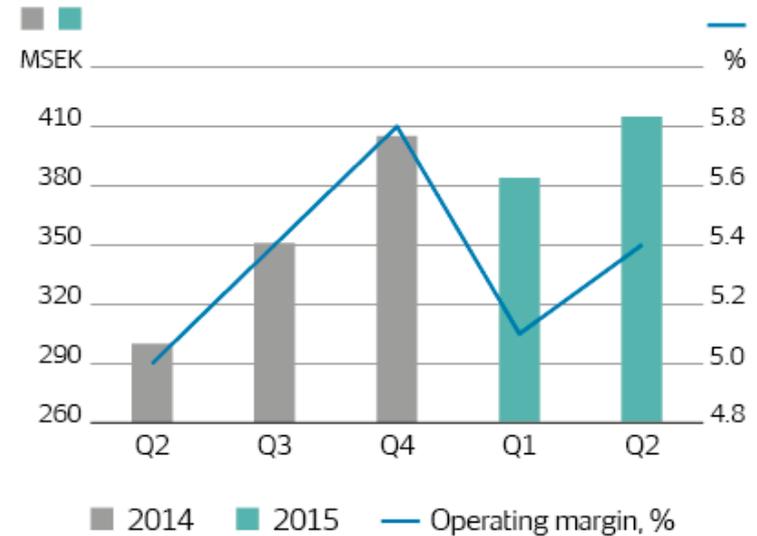
- Organic sales growth 4% (2) in the period
- Organic sales growth was primarily driven by the five guarding regions, supported by our strategy of increasing sales of security solutions and technology
- Net impact on organic sales growth in Security Services North America in 2015 due to ACA is estimated to app. 1%



Security Services North America – Income Development H1 2015



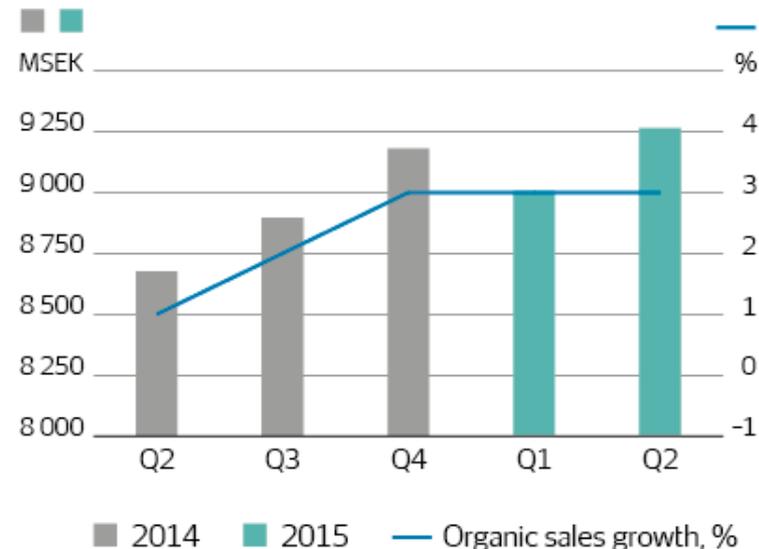
- The operating margin was 5.3% (5.0) in the period
- The margin improvement relates to the leverage effect from good organic sales growth and lower payroll taxes
- Our strategy of increasing sales of security solutions and technology also had positive margin impact



Security Services Europe – Sales Development H1 2015



- Organic sales growth 3% (1) in the period, driven by a good development in many countries, such as Germany, Sweden and Turkey
- Organic sales growth is supported by our strategy of security solutions and technology resulting in a growth pace slightly ahead of the European market's growth pace

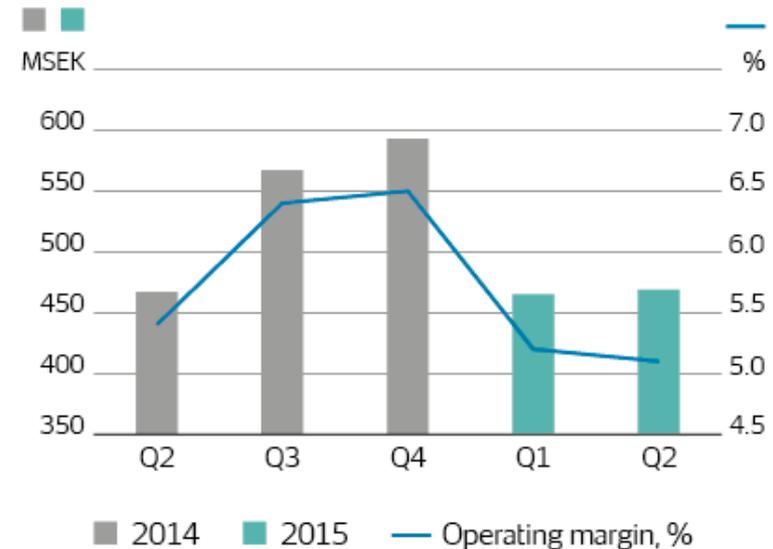


Security Services Europe

– Income Development H1 2015



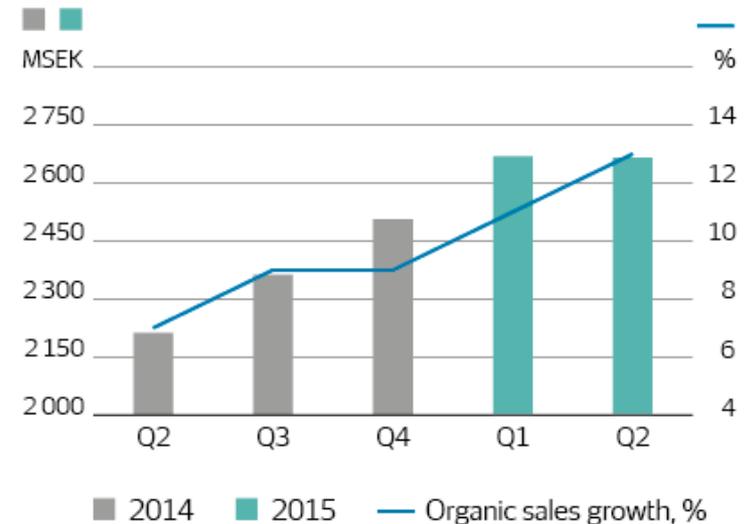
- Operating margin 5.1% (5.3)
- The decline is mainly due to Sweden, where higher social costs and training costs had a negative impact, and Netherlands where the market is difficult
- Social costs for young employees have been raised in Sweden. The full year negative impact on operating result in 2015 is estimated to be MSEK -20 and for 2016 MSEK -50



Security Services Ibero-America – Sales Development H1 2015



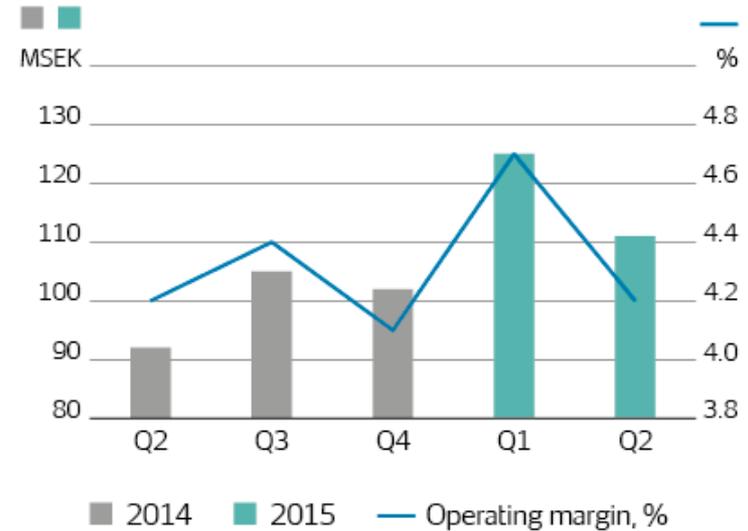
- Organic sales growth 12% (7) in the period, driven by all countries except Ecuador and Portugal
- In Latin America the organic sales growth was 25%, even though the macro economy is slowing down considerably
- The macro economy recovery in Spain drives an improving organic sales growth trend, but the termination of a non-profitable airport security contract will impact somewhat negative going forward
- Our strategy of specialization, security solutions and technology is supporting the strong growth



Security Services Ibero-America – Income Development H1 2015



- Operating margin 4.4% (4.3) in the period, mainly driven by the improvement in Spain but hampered by Peru and Portugal
- A collective bargaining agreement was signed in Spain during July, fixing wage increases at app. 1.5 percent in 2016 allowing price negotiations well in advance



Cash flow



MSEK	Q2 2015	Q2 2014	H1 2015	H1 2014
Operating income before amortization	926	788	1 835	1 526
Investments in non-current tangible and intangible assets	-403	-298	-719	-557
Reversal of depreciation	264	235	525	469
Net investments in non-current assets	-139	-63	-194	-88
Change in accounts receivable	-261	-188	-473	-304
Change in other operating capital employed	31	-19	-176	-560
Cash flow from operating activities	557	518	992	574
<i>Cash flow from operating activities, %</i>	<i>60</i>	<i>66</i>	<i>54</i>	<i>38</i>
Financial income and expenses paid	-36	-36	-240	-219
Current taxes paid	-262	-284	-426	-388
Free cash flow	259	198	326	-33
<i>As % of adjusted income</i>	<i>39</i>	<i>36</i>	<i>25</i>	<i>-3</i>
<i>Free cash flow to net debt</i>	<i>--</i>	<i>--</i>	<i>0.19</i>	<i>0.20</i>

The net investments primarily relate to capex in security solution contracts, reflecting our strategy to increase sales of security solutions and technology

The net investments affect free cash flow and are depreciated over the contract period

Net Debt Development

MSEK

Net debt Jan 1, 2015	-10 422
Free cash flow	326
Acquisitions	-120
IAC payments	-10
Dividend paid	-1 095
Change in net debt	-899
Translation and revaluation	-237
Net debt Jun 30, 2015	-11 558

Questions and Answers





Integrity | Vigilance | Helpfulness

[securitas.com](https://www.securitas.com)