

May 4, 2016



# January – March 2016

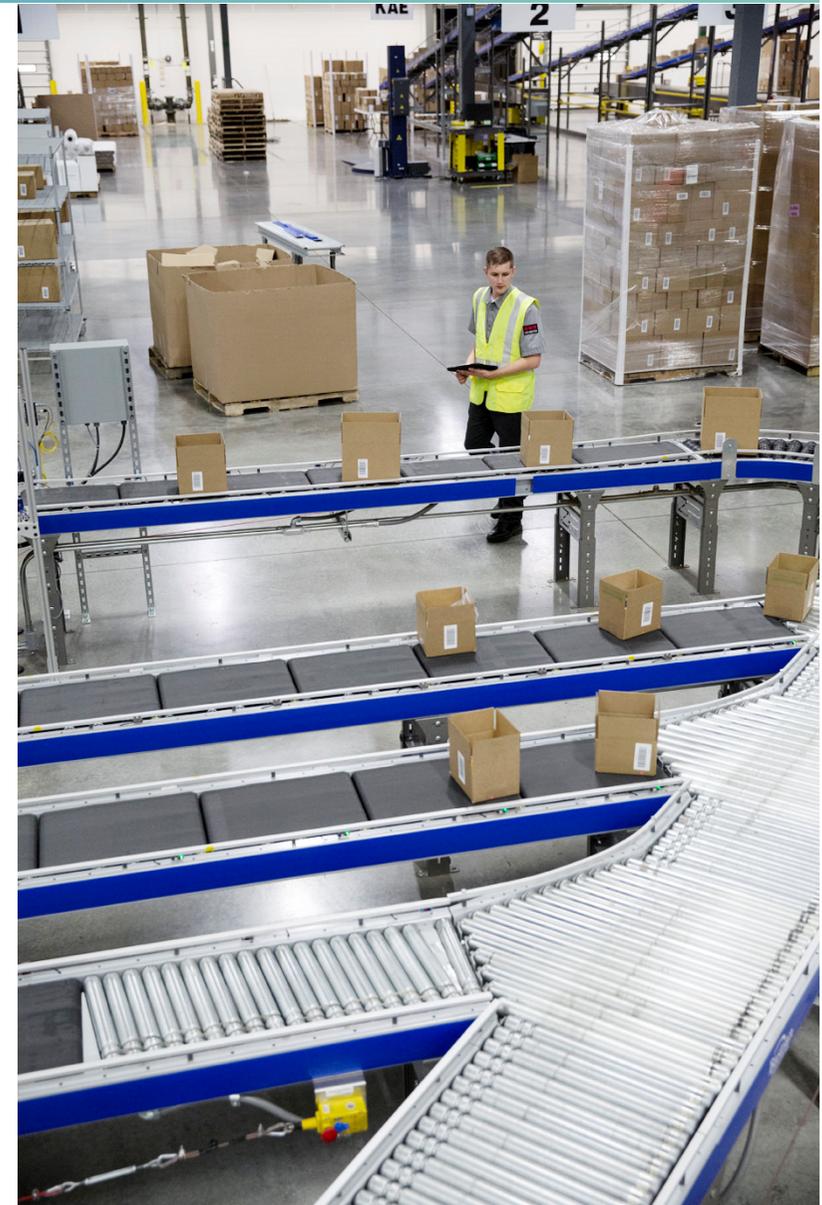


Alf Göransson, President and CEO

# Highlights January - March



- Organic sales growth 8% (5),
- Operating margin 4.8% (4.7), driven by SSNA och SSE
- Price/wage balance on par
- EPS real change 14%
- Free Cash Flow to net debt ratio 0.14 (0.20)
- Strong growth of security solutions and electronic security
- We believe we can continue to grow security solutions and electronic security sales at a high pace in the coming years
- Acquisition of Diebold Electronic Security in North America finalized February 1



# Financial Highlights

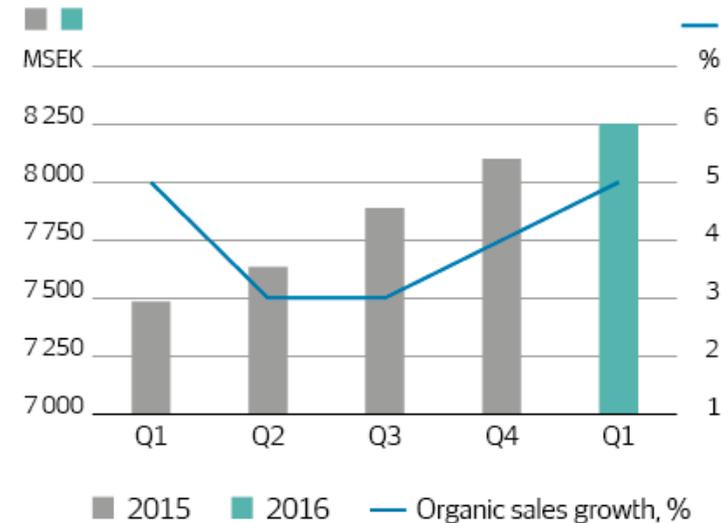


MSEK	Q1 2016	Q1 2015	Total change %	Real change %	2015	Total change %
<b>Sales</b>	<b>20 614</b>	<b>19 486</b>	<b>6</b>	<b>10</b>	<b>80 860</b>	<b>15</b>
<i>Organic sales growth, %</i>	<i>8</i>	<i>5</i>			<i>5</i>	
<b>Operating income before amortization</b>	<b>996</b>	<b>909</b>	<b>10</b>	<b>15</b>	<b>4 089</b>	<b>17</b>
<i>Operating margin, %</i>	<i>4.8</i>	<i>4.7</i>			<i>5.1</i>	
Amortization and impairment of acquisition related assets	-66	-68			-275	
Acquisition related costs	-20	-10			-29	
<b>Operating income after amortization</b>	<b>910</b>	<b>831</b>	<b>10</b>	<b>15</b>	<b>3 785</b>	<b>17</b>
Financial income and expenses	-84	-75			-309	
<b>Income before taxes</b>	<b>826</b>	<b>756</b>	<b>9</b>	<b>14</b>	<b>3 476</b>	<b>19</b>
<b>Net income for the period</b>	<b>581</b>	<b>535</b>	<b>9</b>	<b>13</b>	<b>2 444</b>	<b>18</b>
Earnings per share (SEK)	1.59	1.46	9	14	6.67	18

# Security Services North America – Sales Development Q1 2016



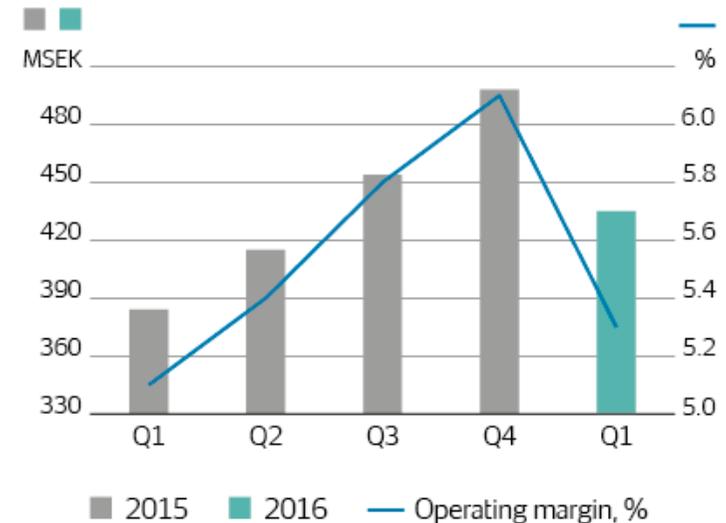
- Organic sales growth 5% (5), including effect of leap day of 1%
- Organic sales growth was primarily driven by the five geographical regions and critical infrastructure services
- Strong new sales
- Our strategy of increasing sales of security solutions and electronic security also supported organic sales growth
- Positive sales development explained by the consolidation of the acquired Diebold Electronic Security in North America (Securitas Electronic Security)



# Security Services North America – Income Development Q1 2016



- The operating margin was 5.3% (5.1)
- Main positive impact stemmed from the inclusion of Securitas Electronic Security on February 1, 2016
- Our strategy of increasing sales of security solutions and electronic security also supported

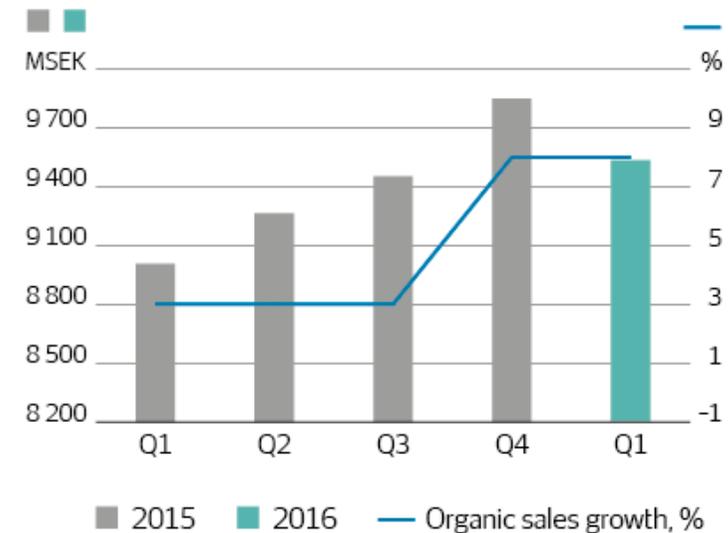


# Security Services Europe

## – Sales Development Q1 2016



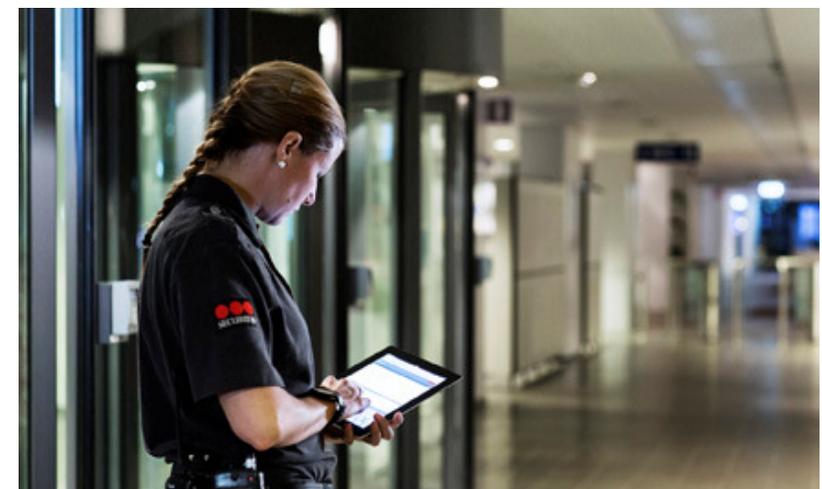
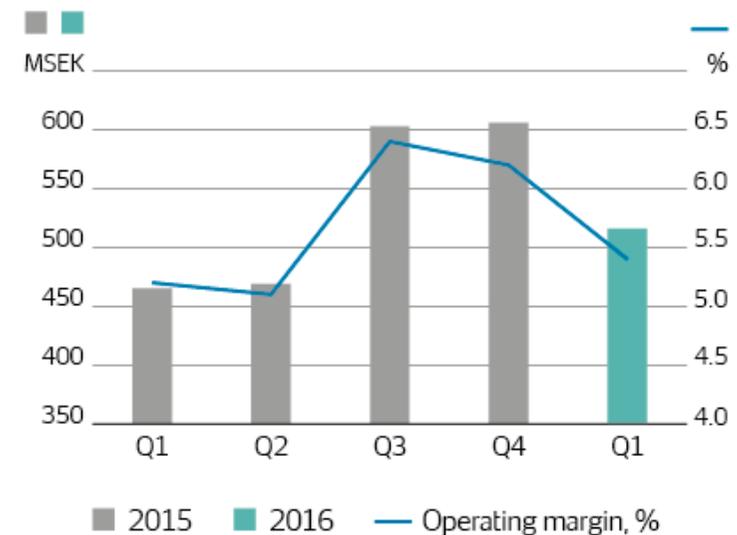
- Organic sales growth 8% (3), driven by positive portfolio net change, price increases and higher extra sales
- The increased security needs due to the refugee situation and terror attacks represented about half of the organic sales growth, affecting primarily France, Belgium, Germany and the Nordic countries
- Our strategy of increasing sales of security solutions and electronic security also supported organic sales growth



# Security Services Europe – Income Development Q1 2016



- Operating margin 5.4% (5.2)
- The high organic sales growth impacted positively through leverage of the cost base

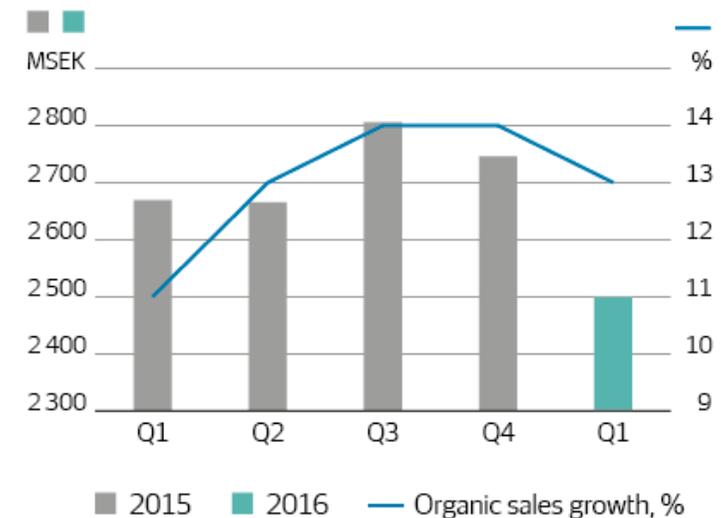


# Security Services Ibero-America

## – Sales Development Q1 2016



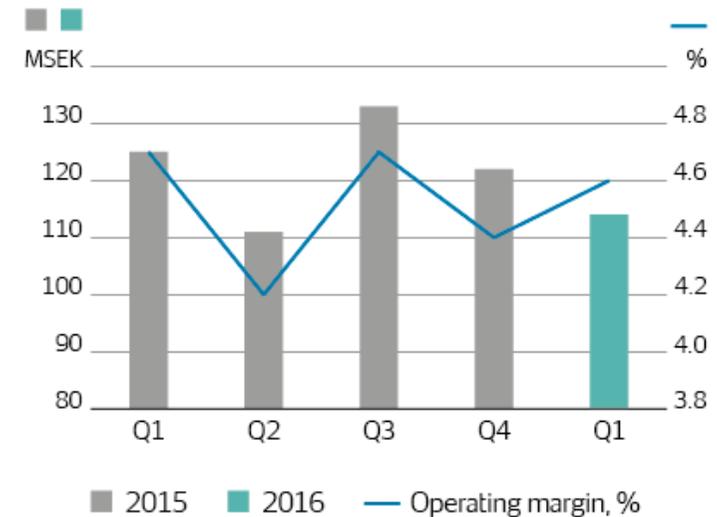
- Organic sales growth 13% (11), driven by Argentina, Colombia, Peru and Portugal
- The Argentinian sales volume declined due to the devaluation of the Argentinian peso
- In Latin America the organic sales growth was 24% (23), despite a considerable slowdown in the macro economy
- Our strategy of increasing sales of security solutions and electronic security also supported organic sales growth



# Security Services Ibero-America – Income Development Q1 2016



- Operating margin 4.6% (4.7)
- The decline is explained by the devaluation of the Argentinian peso as Argentina has a higher than average operating margin in the business segment



# Cash flow



MSEK	Q1 2016	Q1 2015	2015
<b>Operating income before amortization</b>	<b>996</b>	<b>909</b>	<b>4 089</b>
Investments in non-current tangible and intangible assets	-325	-316	-1 329
Reversal of depreciation	282	262	1 072
<b>Net investments in non-current assets</b>	<b>-43</b>	<b>-54</b>	<b>-257</b>
Change in accounts receivable	-187	-213	-707
Change in other operating capital employed	-591	-207	274
<b>Cash flow from operating activities</b>	<b>175</b>	<b>435</b>	<b>3 399</b>
<i>Cash flow from operating activities, %</i>	<i>18</i>	<i>48</i>	<i>83</i>
Financial income and expenses paid	-193	-203	-322
Current taxes paid	-209	-165	-914
<b>Free cash flow</b>	<b>-227</b>	<b>67</b>	<b>2 163</b>
<i>As % of adjusted income</i>	<i>-32</i>	<i>10</i>	<i>78</i>
<i>Free cash flow to net debt</i>	<i>0.14</i>	<i>0.20</i>	<i>0.22</i>

The net investments include capex in security solution contracts, reflecting our strategy to increase sales of security solutions and electronic security. These investments affect free cash flow and are depreciated over the contract period.

# Net Debt Development

## MSEK

<b>Net debt Jan 1, 2016</b>	<b>-9 863</b>
Free cash flow	-227
Acquisitions	-3 200
IAC payments	-3
<b>Change in net debt</b>	<b>-3 430</b>
Revaluation	-40
Translation	183
<b>Net debt Mar 31, 2016</b>	<b>-13 150</b>



# Executing on our Strategy



## Guarding

- Sales

2014: 63,7 BSEK

2015: 71,6 BSEK

## Security Solutions and Electronic Security

- Sales

2014: 6,5 BSEK

2015: 9,3 BSEK

4%\*

Guarding

6%\*

Specialized  
guarding

8%\*

Guarding  
solutions

10%\*

Security  
solutions

\* Operating margin

# Taking the Next Step: Securitas Vision 2020



## Protective services



On-site guarding



Mobile guarding



Remote guarding



Electronic security

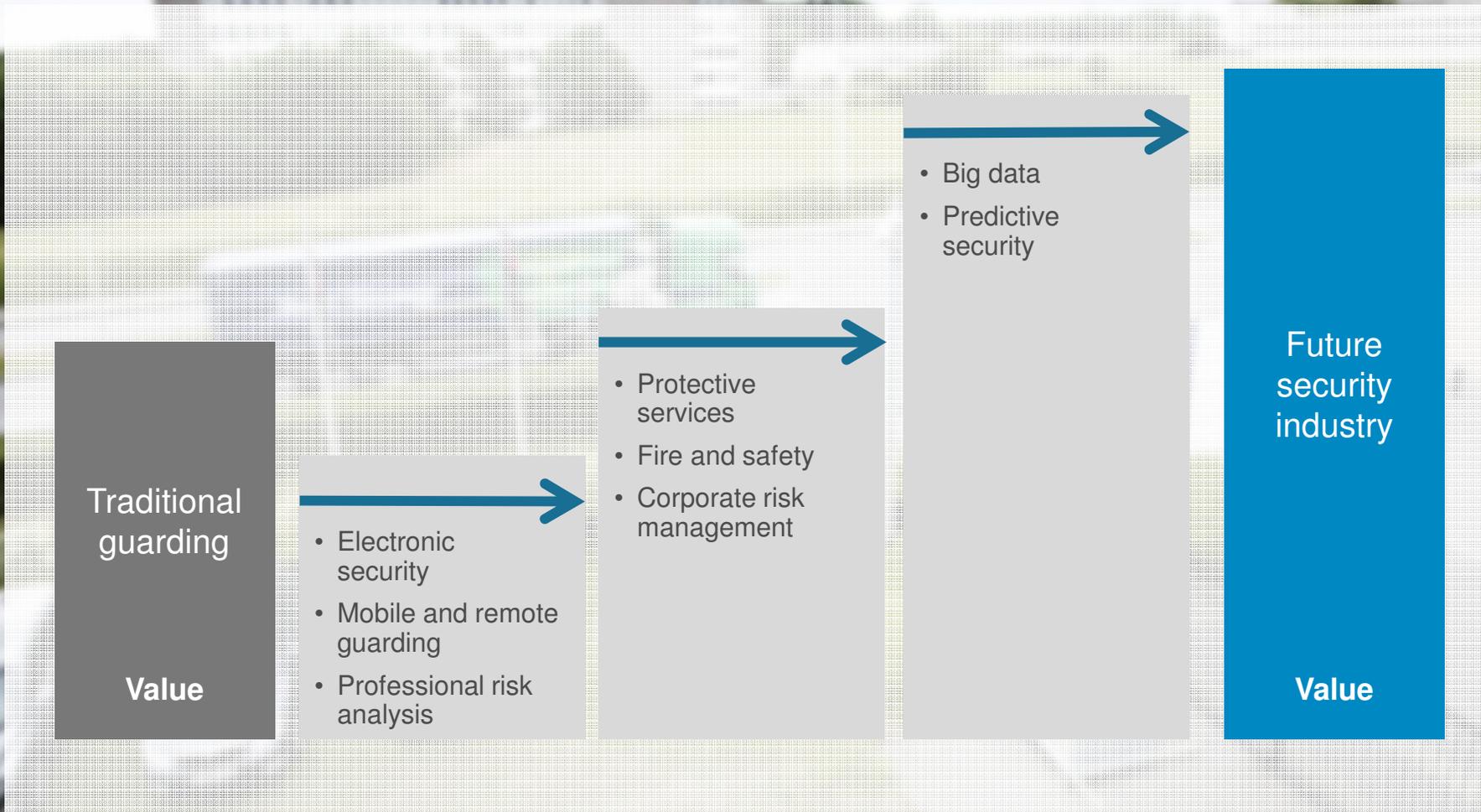


Fire and safety



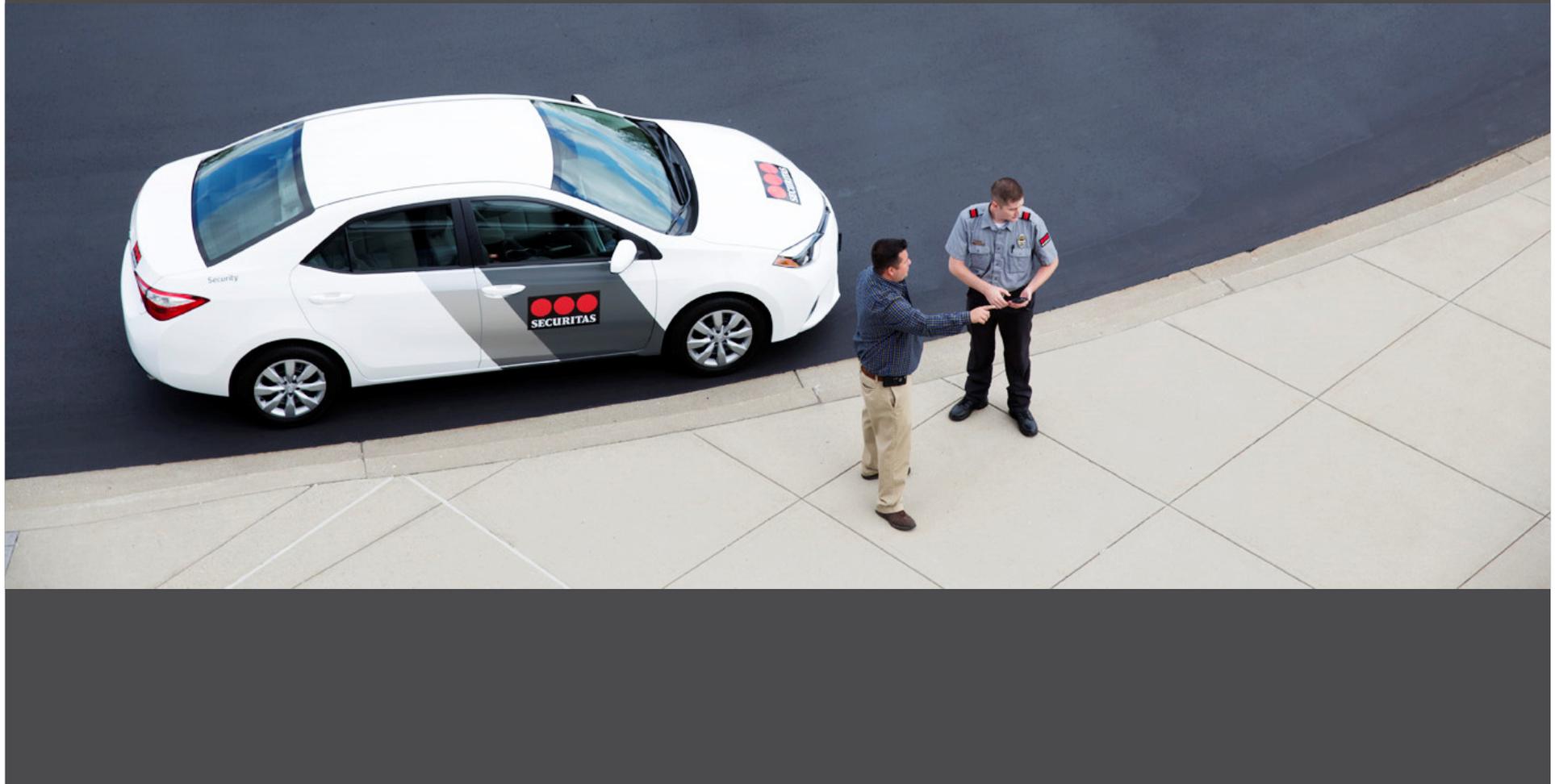
Corporate risk management

# From Personnel-Intensive to more Capex and Knowledge-Intensive





# Questions and Answers





Integrity | Vigilance | Helpfulness

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