

November 8, 2016



January – September 2016

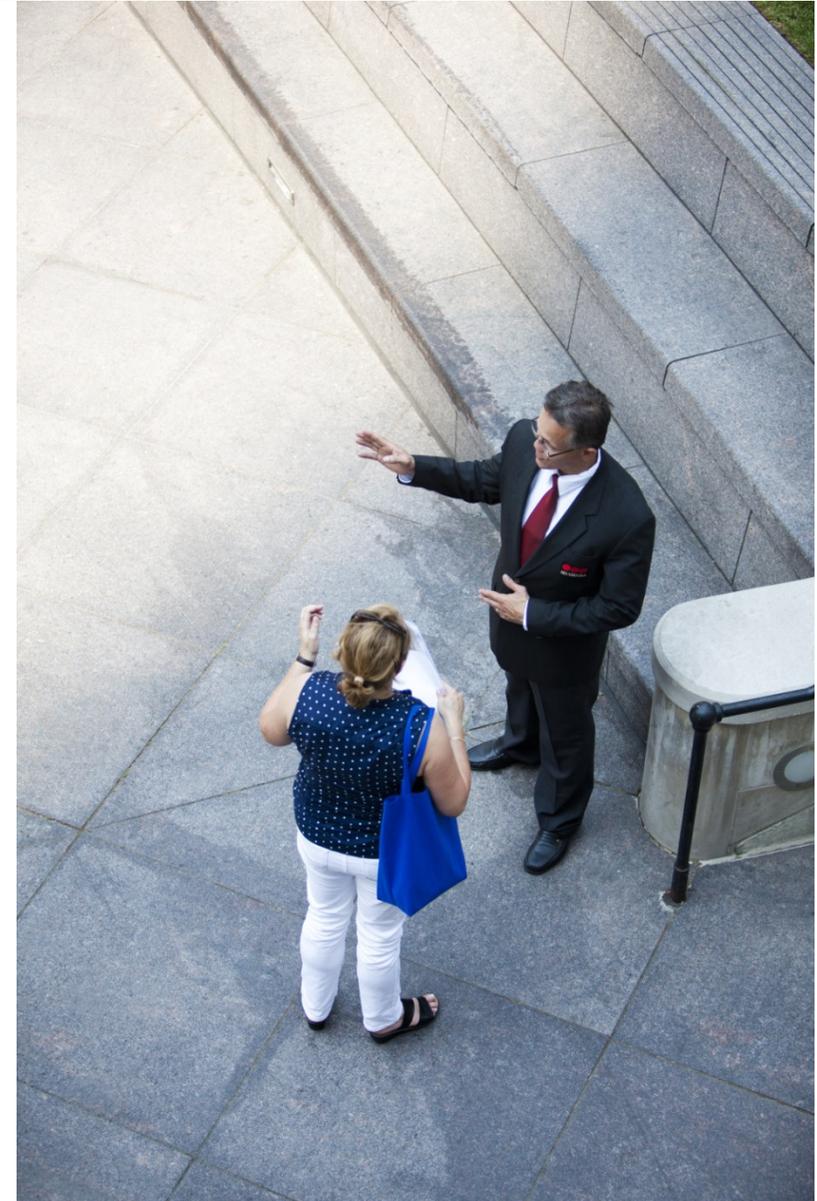


Alf Göransson, President and CEO

Highlights January - September



- Organic sales growth 8% (5) in the period and 7% (4) in Q3
- Extra sales declined in Q3 compared to Q2, and will continue to decline
- Operating margin 5.1% (4.9)
- Price/wage balance on par, with the exception from the wage increase in Spain
- EPS real change 13%
- Free Cash Flow to net debt ratio 0.12 (0.23)
- Strong growth of security solutions and electronic security sales
- We believe we can continue to grow security solutions and electronic security sales at a high pace in the coming years



Financial Highlights



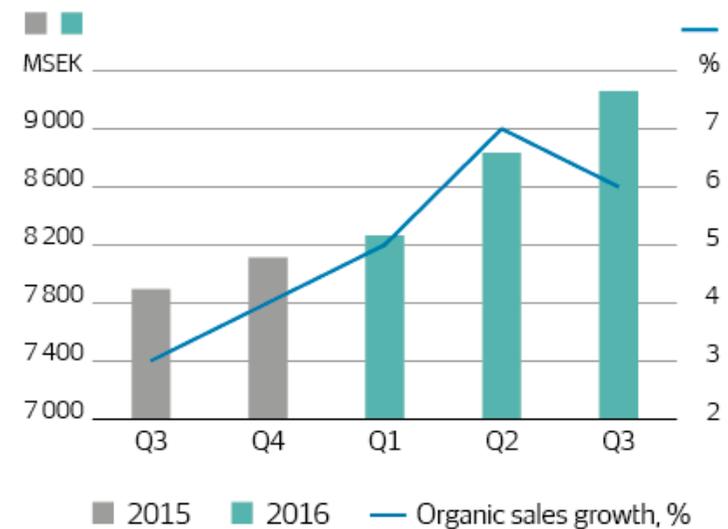
MSEK	Q3 2016	Q3 2015	Total change %	Real change %	9M 2016	9M 2015	Total change %	Real change %
Sales	22 316	20 468	9	11	64 447	59 829	8	11
<i>Organic sales growth, %</i>	7	4			8	5		
Operating income before amortization	1 230	1 121	10	12	3 313	2 956	12	16
<i>Operating margin, %</i>	5.5	5.5			5.1	4.9		
Amortization and impairment of acquisition related assets	-66	-68			-201	-202		
Acquisition related costs	-25	-4			-66	-21		
Operating income after amortization	1 139	1 049	9	10	3 046	2 733	11	15
Financial income and expenses	-103	-78			-284	-229		
Income before taxes	1 036	971	7	8	2 762	2 504	10	13
Net income for the period	729	687	6	7	1 942	1 773	10	13
Earnings per share (SEK)	2.00	1.88	6	7	5.32	4.84	10	13

Security Services North America

– Sales Development 9M 2016



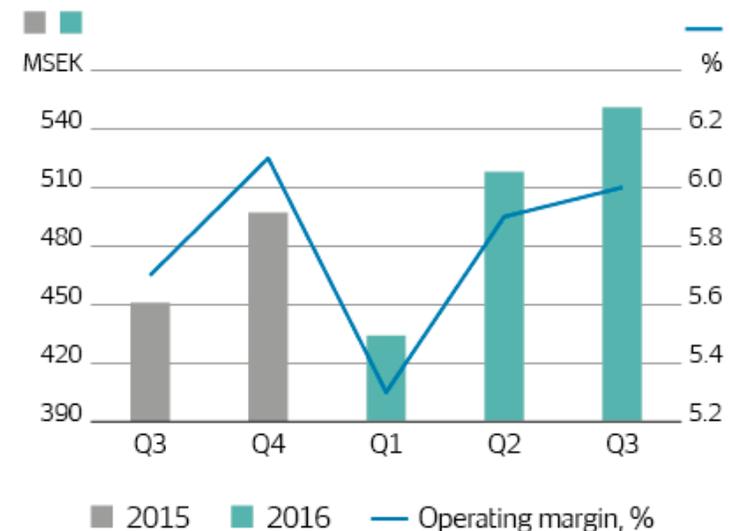
- Organic sales growth 6% (4), driven by good portfolio development, increased new sales and good client retention
- Our strategy of increasing sales of security solutions and electronic security also supported organic sales growth
- Positive sales development explained by the consolidation of the acquired Diebold Electronic Security in North America (Securitas Electronic Security)



Security Services North America – Income Development 9M 2016



- The operating margin was 5.7% (5.4)
- The inclusion of Securitas Electronic Security on February 1, 2016, and the strong top line growth leveraging the cost base were the main reasons behind the improvement

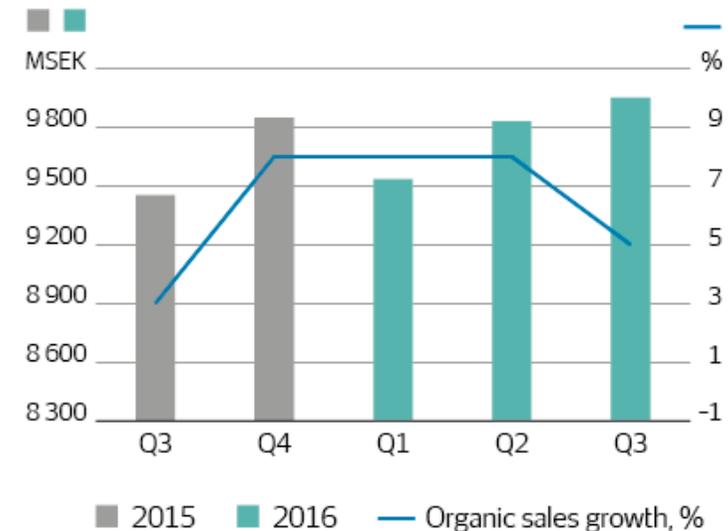


Security Services Europe

– Sales Development 9M 2016



- Organic sales growth 7% (3), driven by positive portfolio development and higher extra sales
- The increased security needs due to the refugee situation and terror threats represented about half of the organic sales growth, affecting primarily France, Belgium, Germany and the Nordic countries
- Some of these services are reducing significantly. Together with tough comparatives and a few contract losses, the trend of positive organic sales growth will reverse in the coming quarters
- Organic sales growth in line with security market growth is expected in the second half of 2017

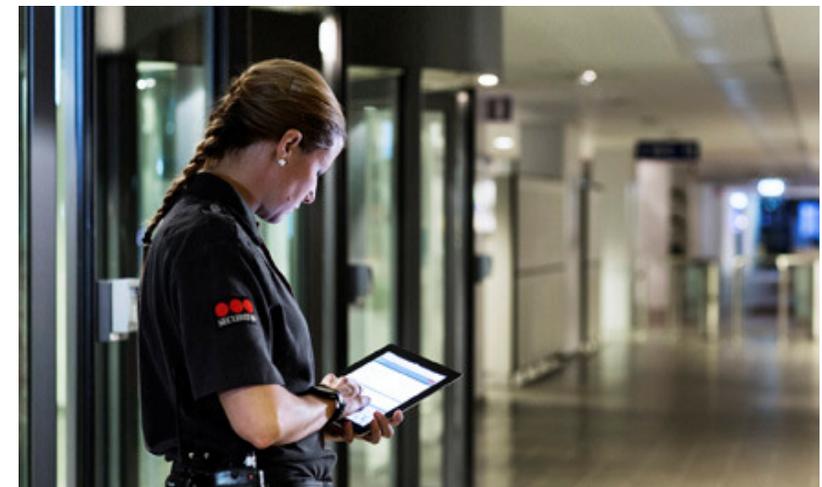
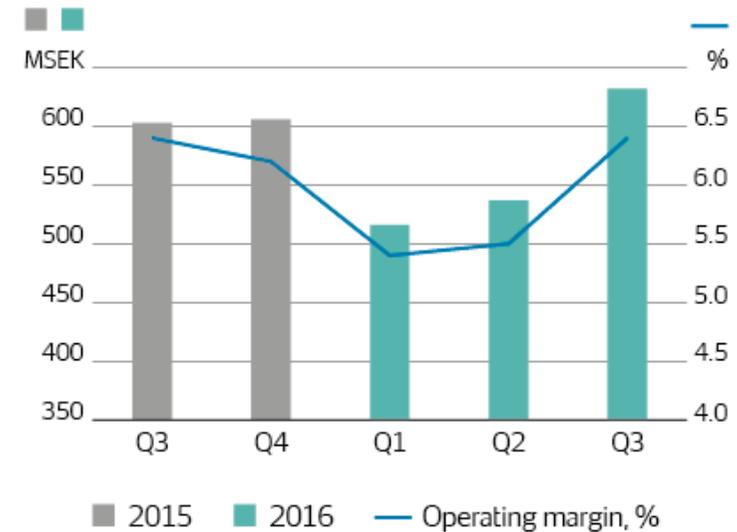


Security Services Europe

– Income Development 9M 2016



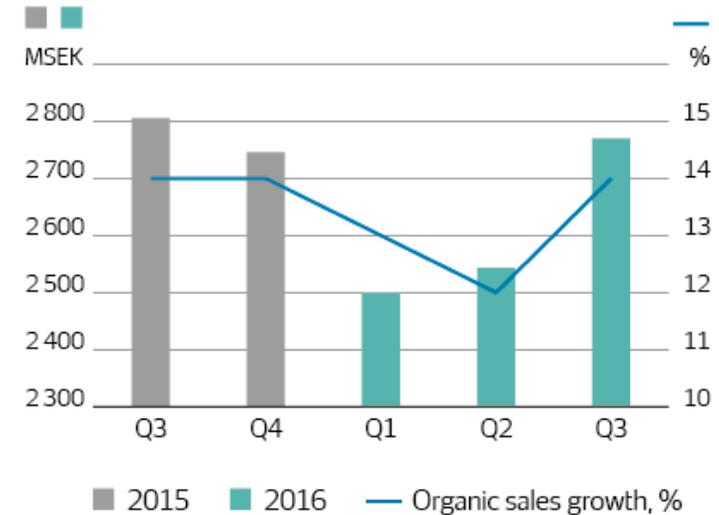
- Operating margin 5.7% (5.5), an improvement driven by Germany and the Nordic countries
- The high organic sales growth impacted positively through leverage of the cost base



Security Services Ibero-America – Sales Development 9M 2016



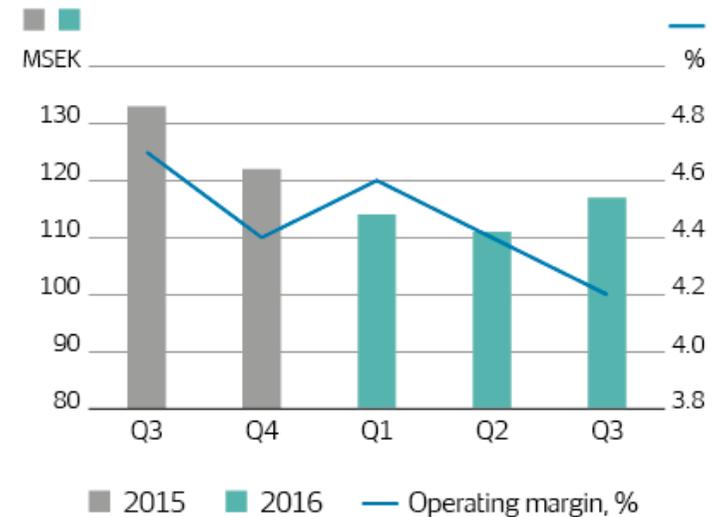
- Organic sales growth 13% (12), an improvement driven by Colombia, Portugal and Spain
- The Argentinian sales volume declined due to the devaluation of the Argentinian peso
- The organic sales growth was 21% (25) in Latin America
- Our strategy of increasing sales of security solutions and electronic security also supported organic sales growth



Security Services Ibero-America – Income Development 9M 2016



- Operating margin 4.4% (4.5)
- The devaluation of the Argentinian peso had a negative impact as did the wage increase in Spain effective from July 2016

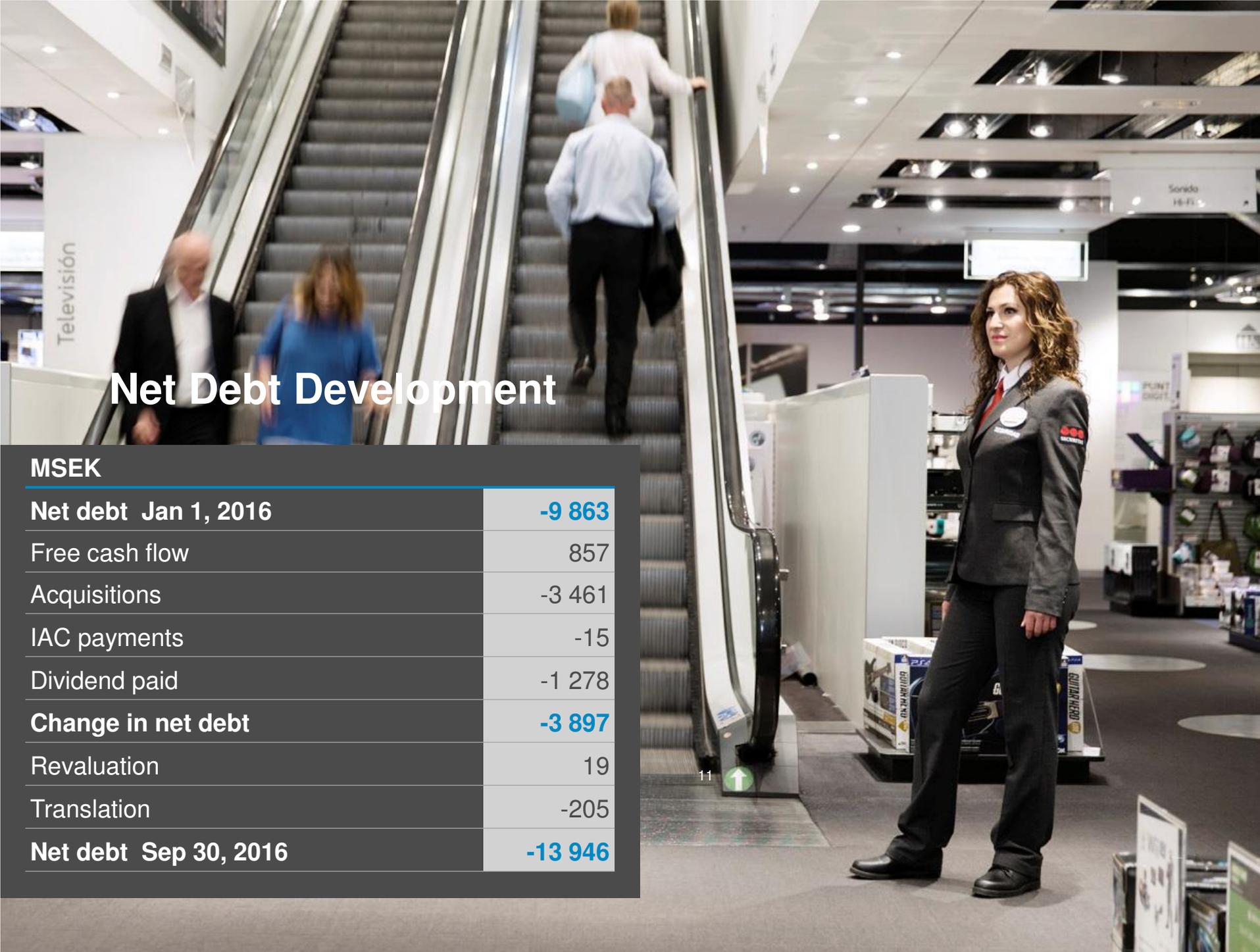


Cash flow



MSEK	Q3 2016	Q3 2015	9M 2016	9M 2015
Operating income before amortization	1 230	1 121	3 313	2 956
Investments in non-current tangible and intangible assets	-383	-276	-1 250	-996
Reversal of depreciation	326	267	892	792
Net investments in non-current assets	-57	-9	-358	-204
Change in accounts receivable	-199	-187	-742	-660
Change in other operating capital employed	160	373	-331	197
Cash flow from operating activities	1 134	1 298	1 882	2 289
<i>Cash flow from operating activities, %</i>	<i>92</i>	<i>116</i>	<i>57</i>	<i>77</i>
Financial income and expenses paid	-38	-41	-268	-280
Current taxes paid	-227	-227	-757	-653
Free cash flow	869	1 030	857	1 356
<i>As % of adjusted income</i>	<i>99</i>	<i>129</i>	<i>36</i>	<i>65</i>
<i>Free cash flow to net debt</i>	<i>--</i>	<i>--</i>	<i>0.12</i>	<i>0.23</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

Net debt Jan 1, 2016	-9 863
Free cash flow	857
Acquisitions	-3 461
IAC payments	-15
Dividend paid	-1 278
Change in net debt	-3 897
Revaluation	19
Translation	-205
Net debt Sep 30, 2016	-13 946

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

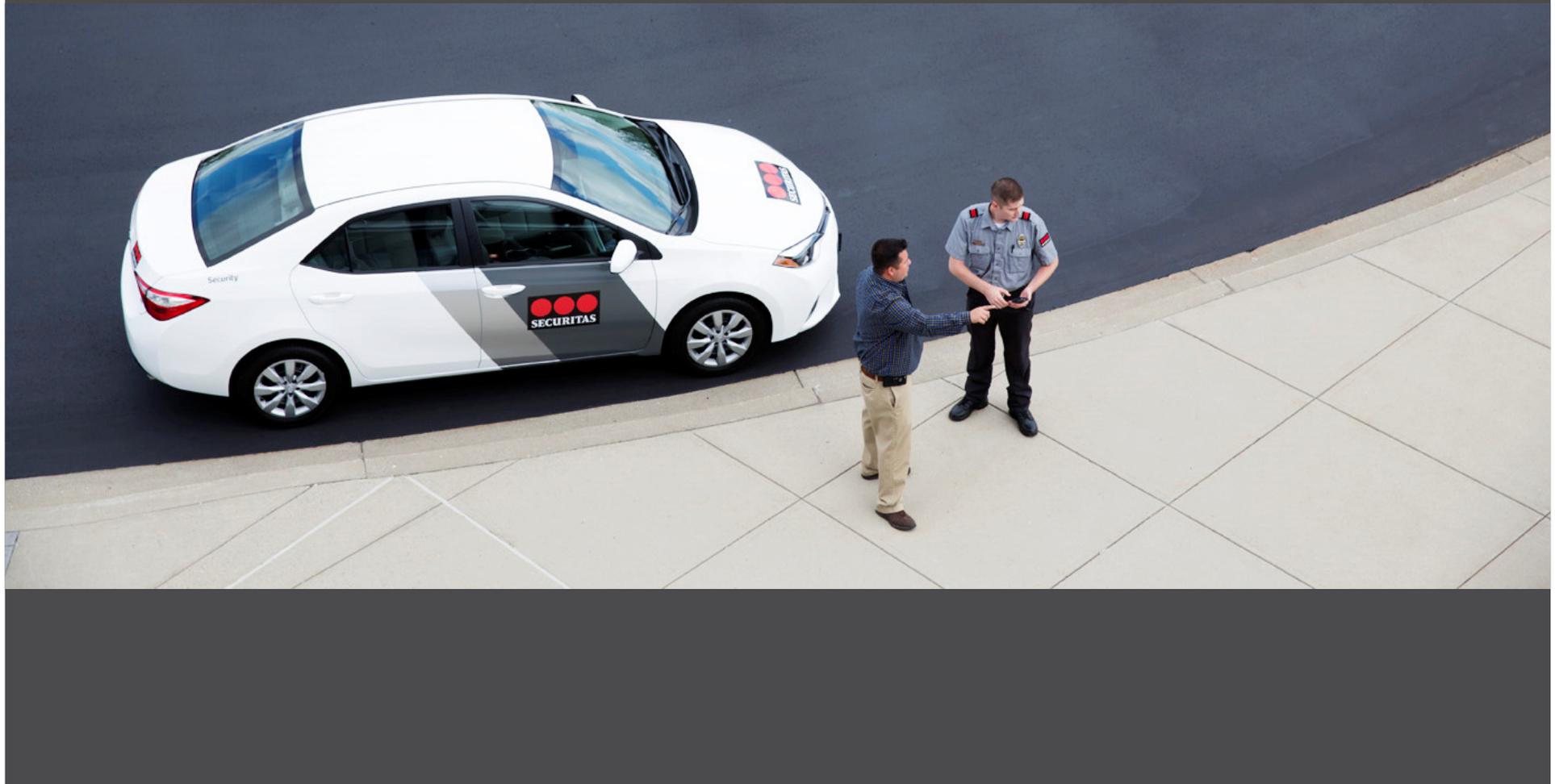
10%*

Security
solutions

* Operating margin



Questions and Answers





Integrity | Vigilance | Helpfulness

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