

May 3, 2017



January – March 2017



Alf Göransson, President and CEO

Highlights January - March



- Organic sales growth 4% (8), reflecting the decline in SSE due to lower extra sales and a few contracts terminations
- Organic sales growth continued on good levels in both SSNA and SSIA
- Operating margin 4.7% (4.8), mainly due to operational overcapacity and negative leverage in a few countries in SSE
- EPS real change 3%
- Free cash flow to net debt ratio 0.12 (0.14)
- Net debt to EBITDA ratio 2.4 (2.5)
- Sales of security solutions and electronic security continued to grow at a high pace

Financial Highlights



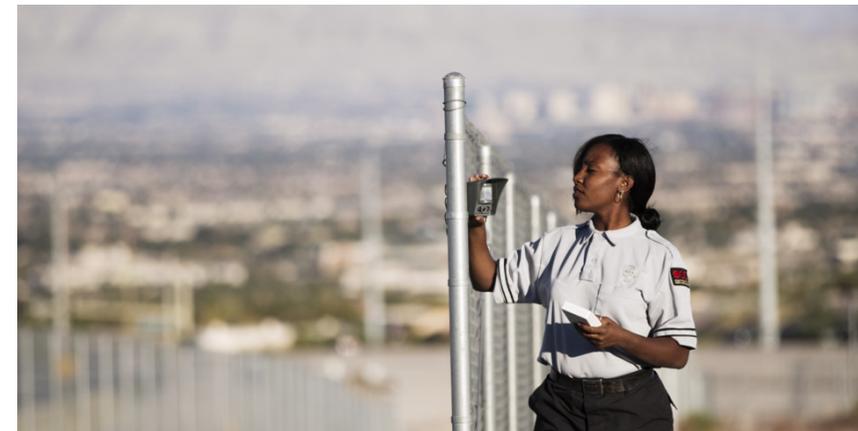
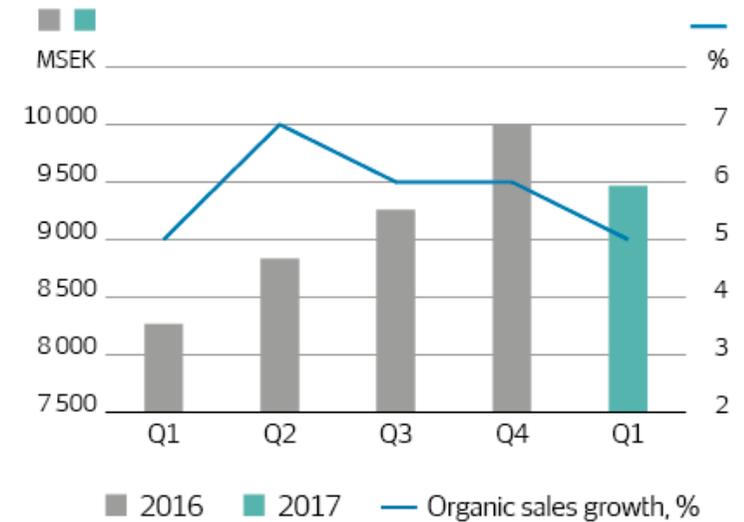
MSEK	Q1 2017	Q1 2016	Total change %	Real change %	2016	Total change %
Sales	22 491	20 614	9	5	88 162	9
<i>Organic sales growth, %</i>	<i>4</i>	<i>8</i>			<i>7</i>	
Operating income before amortization	1 051	996	6	1	4 554	11
<i>Operating margin, %</i>	<i>4.7</i>	<i>4.8</i>			<i>5.2</i>	
Amortization and impairment of acquisition-related assets	-63	-66			-288	
Acquisition-related costs	-4	-20			-113	
Operating income after amortization	984	910	8	4	4 153	10
Financial income and expenses	-102	-84			-389	
Income before taxes	882	826	7	2	3 764	8
Net income for the period	624	581	7	3	2 646	8
Earnings per share (SEK)	1.71	1.59	8	3	7.24	9

Security Services North America

– Sales Development Q1 2017



- Organic sales growth 5% (5)
- Strong organic sales in almost all units, driven by strong new sales and high client retention
- Our strategy of increasing sales of security solutions and electronic security supported organic sales growth

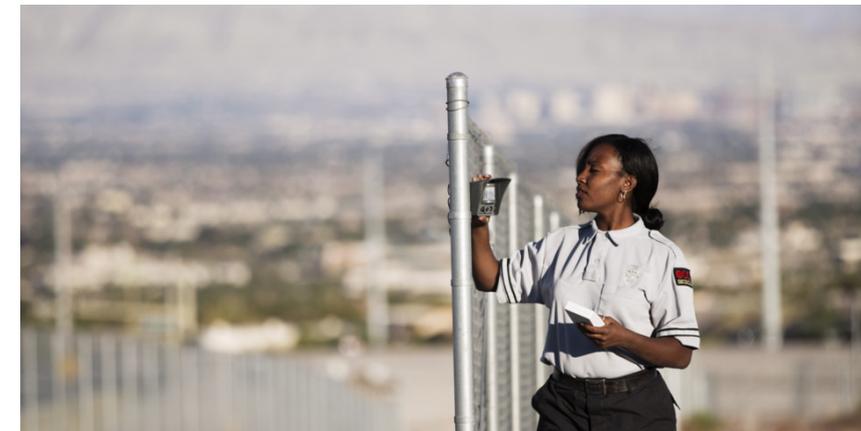
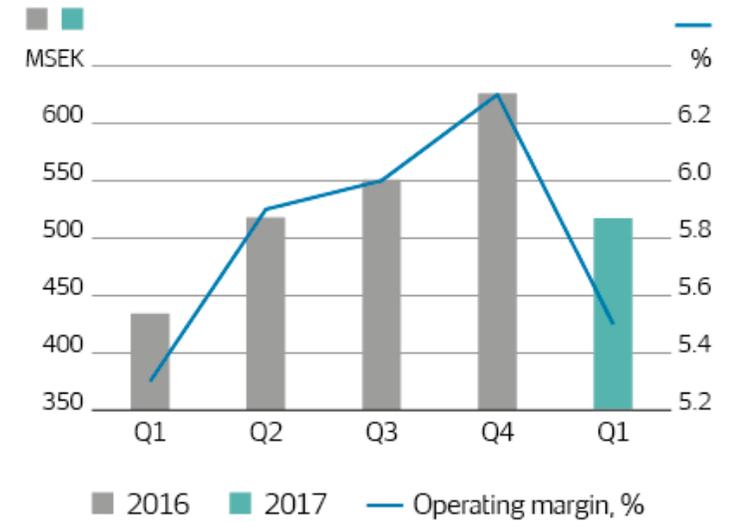


Security Services North America

– Income Development Q1 2017



- Operating margin 5.5% (5.3)
- The improvement a result of the strong topline which gave leverage to the cost base

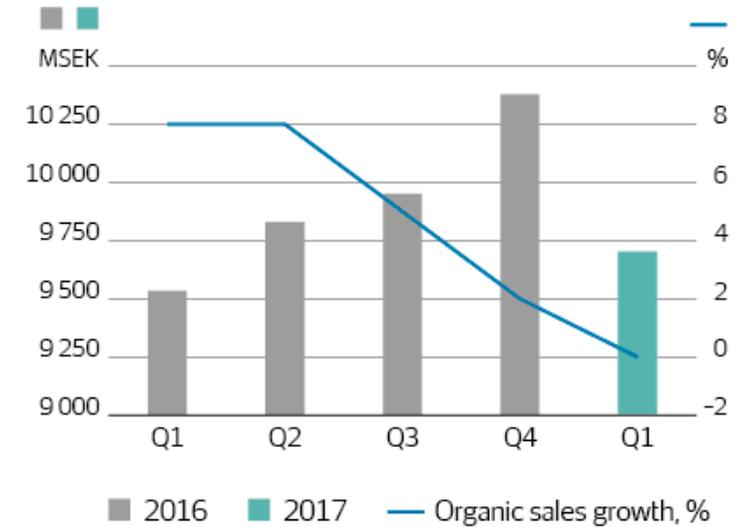


Security Services Europe

– Sales Development Q1 2017



- Organic sales growth 0% (8), mainly explained by lower refugee-related extra sales and the previously communicated contract terminations in the UK and Sweden
- We expect a gradual recovery of the portfolio business towards the end of 2017

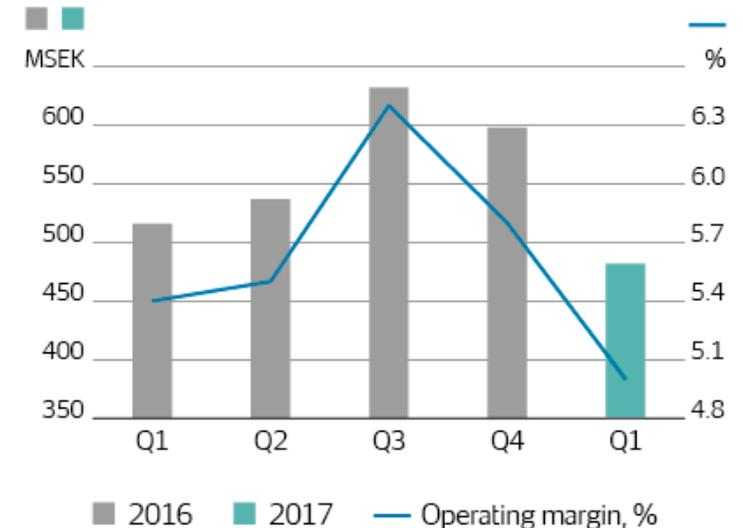


Security Services Europe

– Income Development Q1 2017



- Operating margin 5.0% (5.4)
- The decline is mainly explained by higher costs in a few countries as extra sales ramped up to extraordinary high levels in 2016, and there is now some operational overcapacity and negative leverage in a few countries
- Also, the operating margin was negatively affected by the reduced client retention caused by higher turnover in the contract portfolio, and by investments in the Vision 2020 strategy

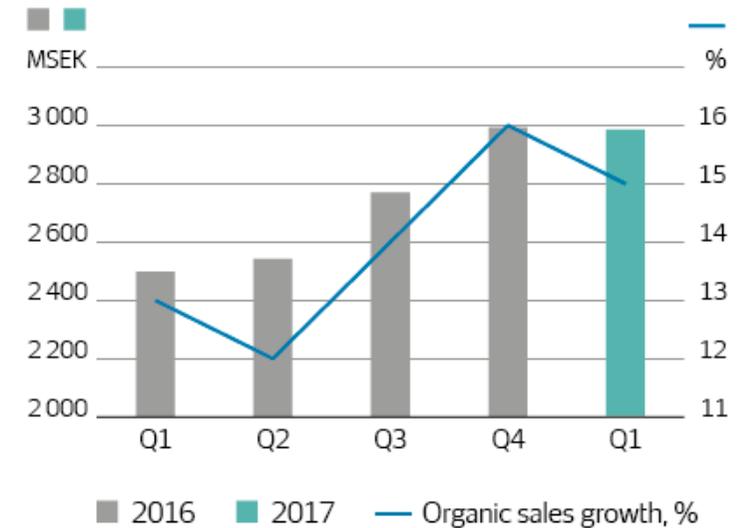


Security Services Ibero-America

– Sales Development Q1 2017



- Organic sales growth 15% (13), an improvement driven by Portugal and Spain
- Organic sales growth 22% (24) in Latin America
- Our strategy of increasing sales of security solutions and electronic security supported organic sales growth

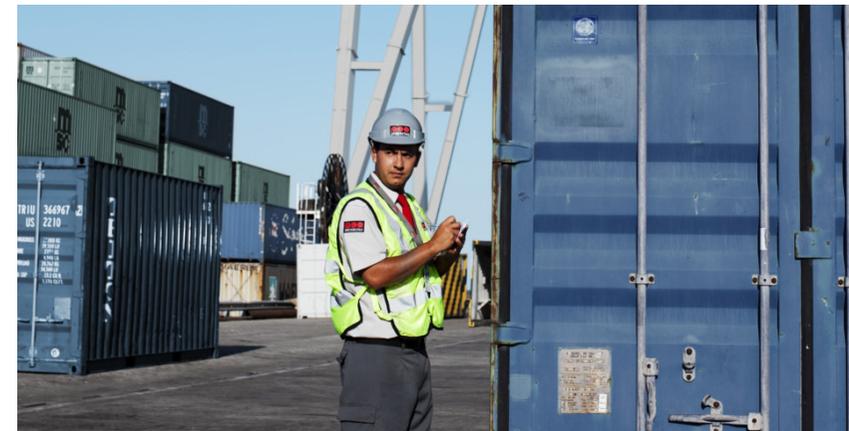
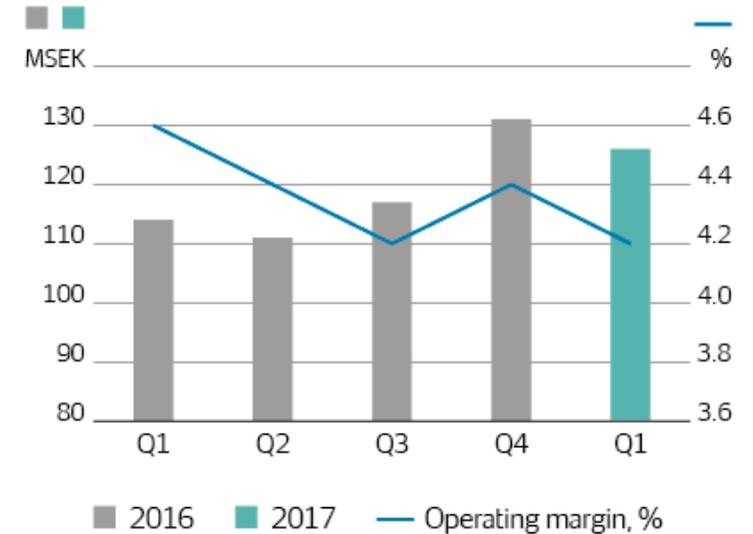


Security Services Ibero-America

– Income Development Q1 2017



- Operating margin 4.2% (4.6)
- The decline mainly stemmed from difficulties in Peru
- The wage increase in Spain, effective from July 2016, is gradually being recovered through price increases and no further wage increases are expected for 2017



Cash flow



MSEK	Q1 2017	Q1 2016	2016
Operating income before amortization	1 051	996	4 554
Investments in non-current tangible and intangible assets	-392	-325	-1 658
Reversal of depreciation	332	282	1 229
Net investments in non-current assets	-60	-43	-429
Change in accounts receivable	325	-187	-1 039
Change in other operating capital employed	-944	-591	-47
Cash flow from operating activities	372	175	3 039
<i>Cash flow from operating activities, %</i>	<i>35</i>	<i>18</i>	<i>67</i>
Financial income and expenses paid	-306	-193	-301
Current taxes paid	-312	-209	-1 017
Free cash flow	-246	-227	1 721
<i>As % of adjusted income</i>	<i>-33</i>	<i>-32</i>	<i>52</i>
<i>Free cash flow to net debt</i>	<i>0.12</i>	<i>0.14</i>	<i>0.13</i>

The **net investments** include capex in security solutions contracts

Free cash flow affected by interest payments on the Eurobonds and higher taxes paid, due to higher taxable income

Measures are taken to improve the cash flow in 2017



Net Debt Development

MSEK

Net debt Jan 1, 2017	-13 431
Free cash flow	-246
Acquisitions	-107
Change in net debt	-353
Revaluation	-17
Translation	118
Net debt March 31, 2017	-13 683

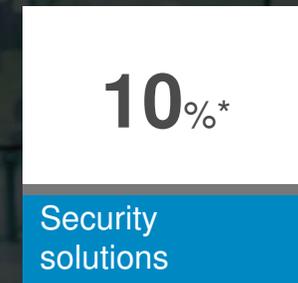
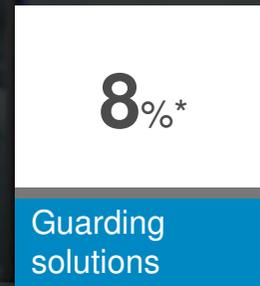
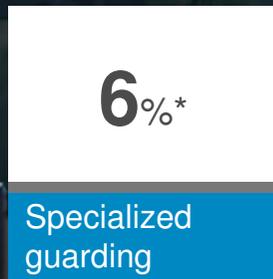
Executing on our Strategy

Guarding – Sales

2014: 63,7 BSEK
 2015: 71.6 BSEK
 2016: 74.1 BSEK

Security Solutions and Electronic Security – Sales

2014 : 6,5 BSEK (9% of total, +28%)
 2015 : 9.3 BSEK (11,5% of total, +38%)
 2016 : 14.1 BSEK (16% of total, +56%)



Questions and Answers





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