Full Year Report Q4/FY 2021

Magnus Ahlqvist, President and CEO
Andreas Lindback, CFO

Securitas

Strong margin improvement and transformative tech acquisition

- **Record level operating result and highest operating margin in more than a decade**
  - Our strategy, investments and actions are paying off and resulting in increased profitability in all business segments
- **Modernized and more efficient business operations – three programs closed end of 2021**
  - Cost savings targets achieved in key areas and good benefit realization in North America towards the end of the year. Stronger foundation to enhance client value and drive operating margin improvement
- **Transformative acquisition of Stanley Security announced – positioning Securitas as a leading security solutions partner**
  - Over 50 percent of the profit contribution will be generated from high-margin electronic security going forward

Ending the year with good momentum

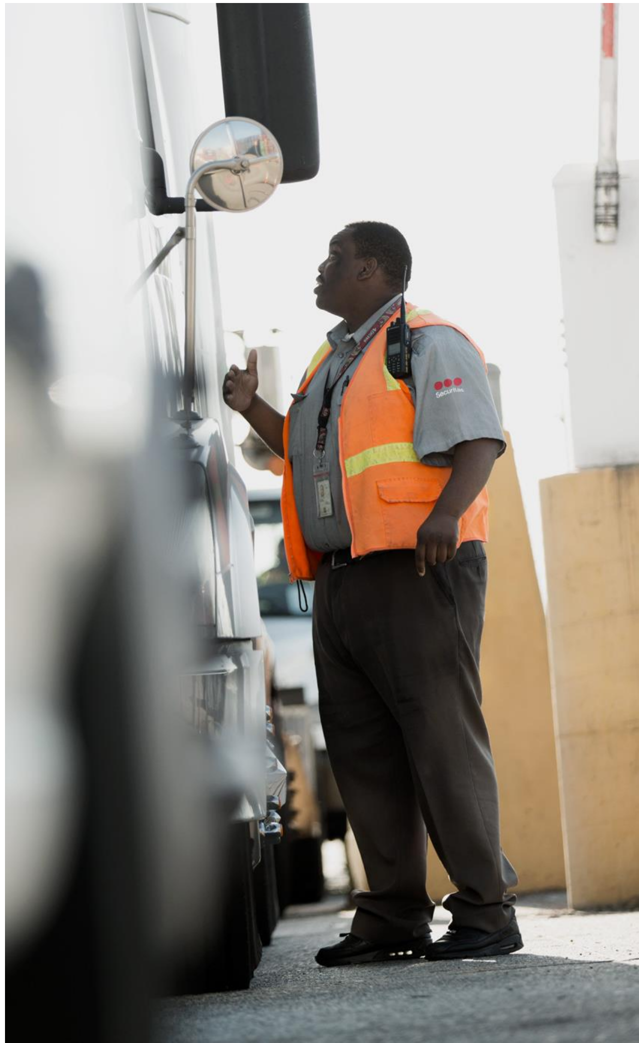
- **Organic sales growth 4 percent (1) and 10 percent (4) real sales growth in solutions and electronic security in Q4**
    - Strong client value proposition and commercial momentum with gradual recovery of C-19 portfolio reductions. New sales with improved margins.
- **Operating margin 5.9 percent (5.3) in Q4, with improvements throughout the Group**
    - Profitability focus and active portfolio management strengthened all business segments
    - The cost-savings program initiated during 2020 and lower levels of provisioning compared to 2020 supported as well
    - Materially reduced government grants and support in the fourth quarter
    - Price and wage balance on par – well positioned for 2022
    - Proposed dividend SEK 4.40 (4.00)
- **Strong operating cash flow of 93 percent in 2021**

Security Services North America

Reduced corona-related extra sales, strong profitable growth of new sales

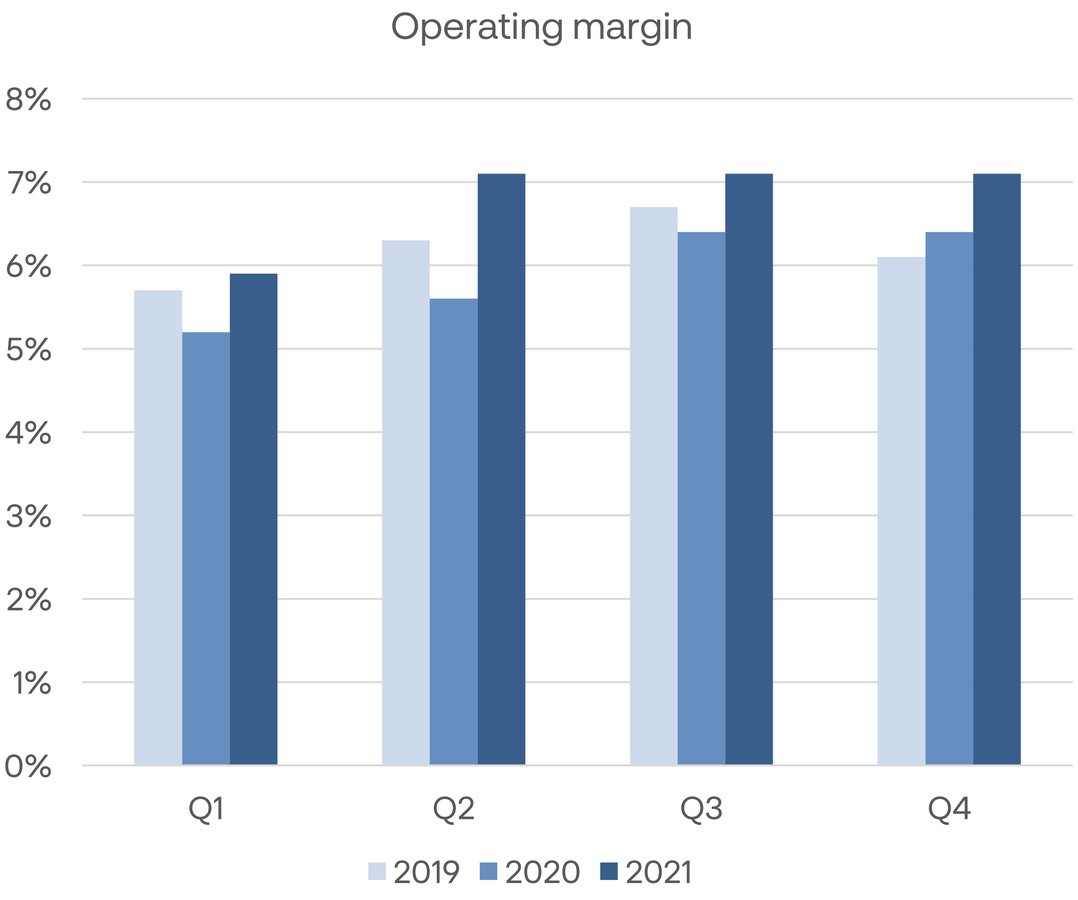
Organic sales growth 0% (4) in Q4, 3% (2) in FY

- Strong growth in new sales and price increases achieved, negative impact due to lower corona-related extra sales in Guarding
- Gradual improvement in mainly Electronic Security and Critical Infrastructure Services
- Client retention 86% (91)
- Security Solutions and Electronic Security represented 18% (17) of total sales in FY
- Previously communicated contract loss of healthcare contract as of December 2, 2021 will have full impact in Q1 2022



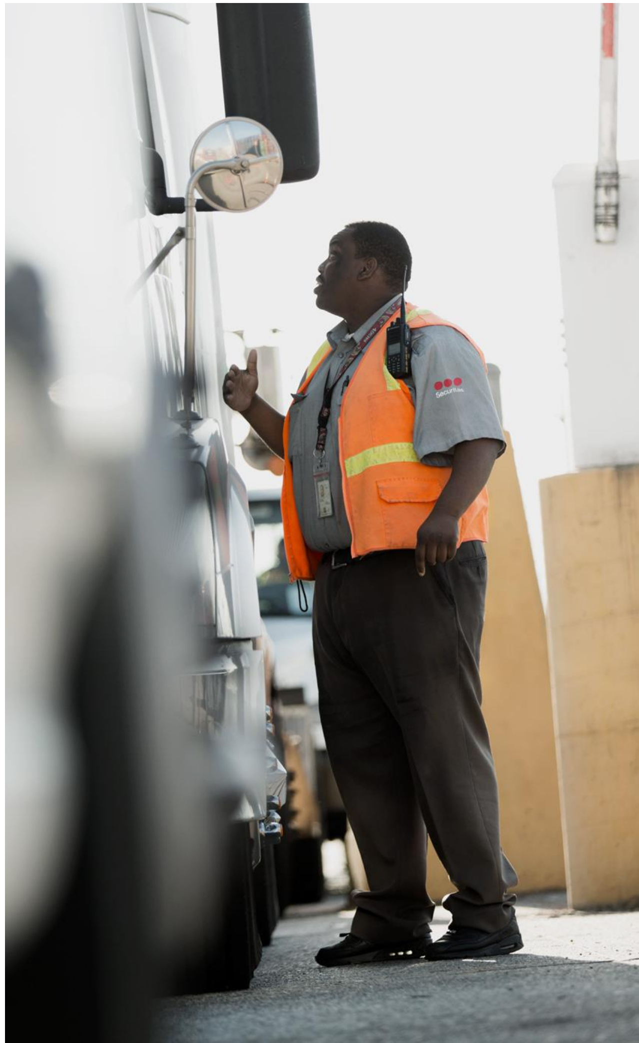
Security Services North America

Continued strong operating margin trajectory



Operating margin 7.1% (6.4) in Q4, 6.8% (5.9) in FY

- Improved operating margin in Guarding despite lower corona-related extra sales
- Positive impact from SSNA business transformation in Q4
- Electronic Security improved, supported by the acquisition of FE Moran Security Solutions
- Strong performance in Pinkerton
- Last year impacted by a higher level of provisioning



Security Services Europe

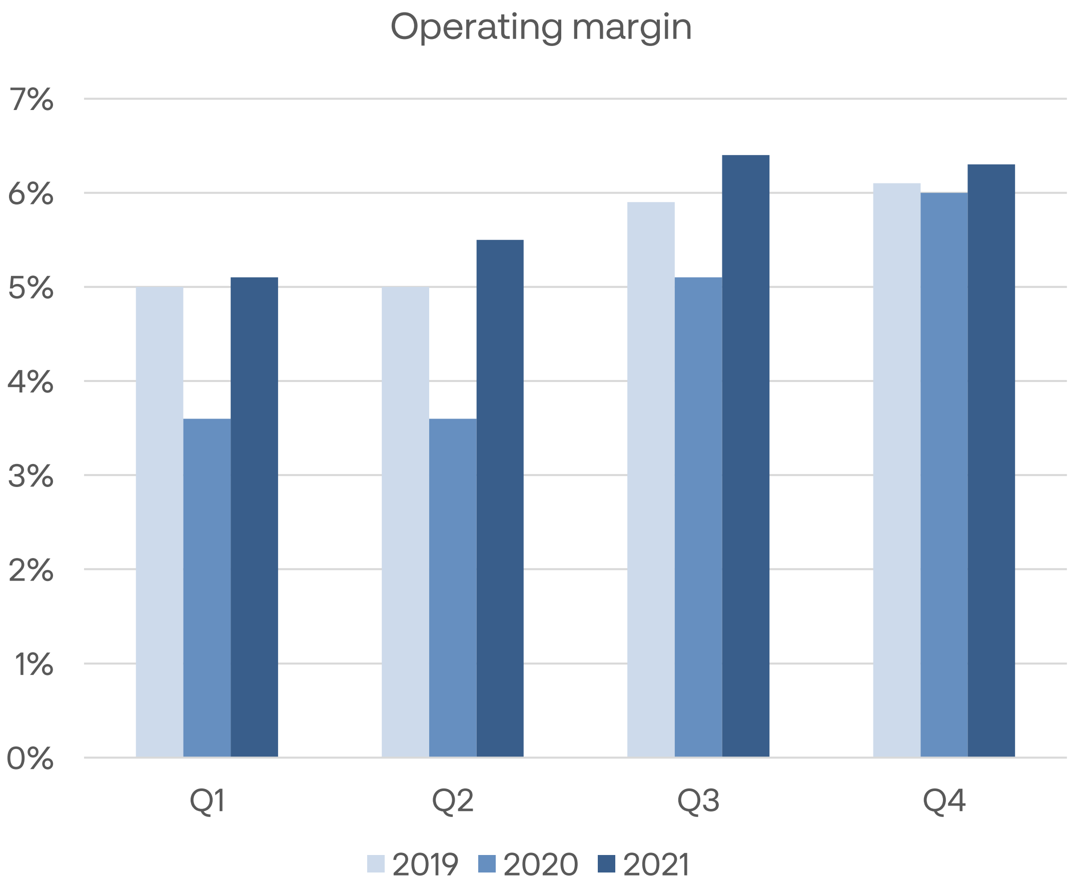
Strong momentum in many countries

Organic sales growth 5% (-1) in Q4, 5% (-2) in FY

- Almost all countries had positive organic sales growth, reflecting the gradual recovery
- Good new sales at improved margins
- Double digit real sales growth in Security Solutions and Electronic Security in Q4, representing 25% (24) of total sales in FY
- Airport security continues to recover
- Client retention 92% (90)

Security Services Europe

Broad-based improvement and strong recovery in the airport security business



Operating margin 6.3% (6.0) in Q4, 5.8% (4.6) in FY

- Most countries contributed to the development
- The improvement was supported by the cost-savings program
- Improved profitability in the airport security contract portfolio and corona-related high-margin extra sales important factors in 2021
- Materially lower level of government grants in Q4
- Last year impacted by a higher level of provisioning

Security Services Ibero-America

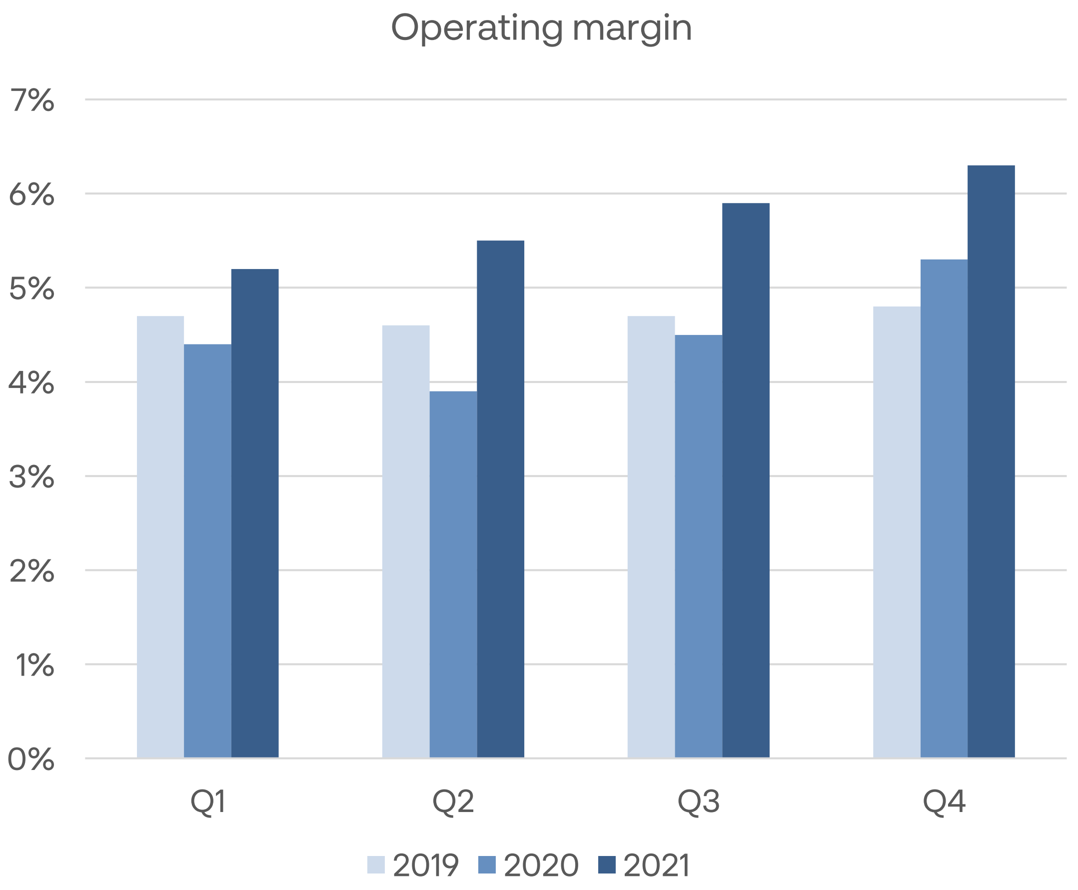
Solid development in Spain and Latin America

Organic sales growth 11% (-1) in Q4, 6% (2) in FY

- Solid development in Spain with 8% (1) organic sales growth in Q4
- Improvements in Latin America, with price increases in Argentina as the main driver
- Double digit real sales growth of Security Solutions and Electronic Security in Q4, representing 30% (30) of total sales in FY
- Client retention 94% (93)

Security Services Ibero-America

Strong recovery from the pandemic – strategic actions paying off



Operating margin 6.3% (5.3) in Q4, 5.7% (4.5) in FY

- The improvement was primarily driven by Spain in 2021 with a strong performance across the business, further supported by efficiency gains from the integration of Techco Security
- In Latin America, the operating margin was supported by portfolio refinement programs in Peru and Argentina
- The cost-savings program initiated in 2020 also had a positive impact
- Last year impacted by a higher level of provisioning

Financials

Andreas Lindback
CFO

A strong fourth quarter and full year

MSEK	Q4 2021	Q4 2020	FY 2021	FY 2020
Sales	**28 049**	**26 477**	**107 700**	**107 954**
Organic sales growth, %	*4*	*1*	*4*	*0*
Operating income before amort.	**1 646**	**1 404**	**5 978**	**4 892**
Operating margin, %	*5.9*	*5.3*	*5.6*	*4.5*
Amort. of acquisition-related intangible assets	-99	-79	-290	-286
Acquisition-related costs	-49	-47	-122	-137
Items affecting comparability	-356	-422	-871	-640
Operating income after amortization	**1 142**	**856**	**4 695**	**3 829**
Financial income and expenses	-83	-118	-364	-500
Income before taxes	**1 059**	**738**	**4 331**	**3 329**
Tax, %	*29.7*	*29.0*	*27.6*	*27.4*
Net income for the period	**745**	**524**	**3 134**	**2 416**
EPS, SEK	**2.05**	**1.45**	**8.59**	**6.63**
EPS, SEK before IAC	**2.85**	**2.38**	**10.41**	**8.02**

- Strong operating margin improvement vs both 2020 and 2019 with all-time high 2021 FY operating income
- Corona-related government grants and support of MSEK 50 (230) in Q4 and MSEK 550 (780) in FY
  - mostly related to temporary unemployment
  - as partial compensation for increased idle-time cost
- Net items affecting comparability of MSEK -356 (-422) in Q4
  - MSEK -111: cost-savings program related to C-19
  - MSEK -183: transformation programs
  - MSEK -62: relating to the acquisition of Stanley Security
- Financial income and expenses positively impacted by lower interest rates and exchange rates
- Tax: 27.6% (27.4) for the full year

Items affecting comparability: Three programs closed, solid value realization execution

- Accounting impact (non-cash) from IFRS IC's agenda decision related to cloud computing

FY 2021

Programs	MSEK	-923
AFA*	MSEK	+114
Stanley	MSEK	- 62
Net IAC	**MSEK**	**-871**

* See the Full Year Report for further details

Transformation programs - Global IS/IT & North America, announced Q4 2018

Total program cost at announcement: MSEK -850
Cloud computing: No material impact

Programs closed in line with initial announcement – Total program cost MSEK -868

C19 and 11 Exits, announced Q2 2020 and Q4 2020

Total program cost range at announcement: MSEK -350 to -500 (C19) and MSEK -100 (11 Exits)
Cloud computing: No impact

Program closed within announced total – Total program cost MSEK -579

Transformation programs – Europe and Ibero-America, announced Q4 2020

Total program cost announced: MSEK -1 400 over period 2021-2023. Total IAC 2021: MSEK -380.
Cloud computing: MSEK ~250 CAPEX to IAC transfer (non-cash) over 2022-23. No material historical impact.

Estimated IAC-range of MSEK -500 to -600 in 2022 including cloud computing impact

Stanley Security acquisition

Total MUSD -135 (app. BSEK -1.2) acquisition-related cost, majority in 2022-2023
Q4 2021: MSEK -62

Reduced impact from FX in the quarter compared to the full year

MSEK	Q4 2021	Q4 2020	Change Total, %	Change Real*, %
Sales	28 049	26 477	6	4
Operating income	1 646	1 404	17	15
EPS, SEK	2.05	1.45	41	42
EPS, SEK, before IAC	2.85	2.38	20	23

** Including acquisitions and adjusted FX*

MSEK	FY 2021	FY 2020	Change Total, %	Change Real*, %
Sales	107 700	107 954	0	5
Operating income	5 978	4 892	22	28
EPS, SEK	8.59	6.63	30	37
EPS, SEK, before IAC	10.41	8.02	30	37

** Including acquisitions and adjusted FX*

FX SEK END-RATES

	Q4 2021	Q4 2020	%
USD	9.05	8.19	10.5
EUR	10.24	10.05	1.9
ARS	0.09	0.10	-10.0

Strong cash flow performance

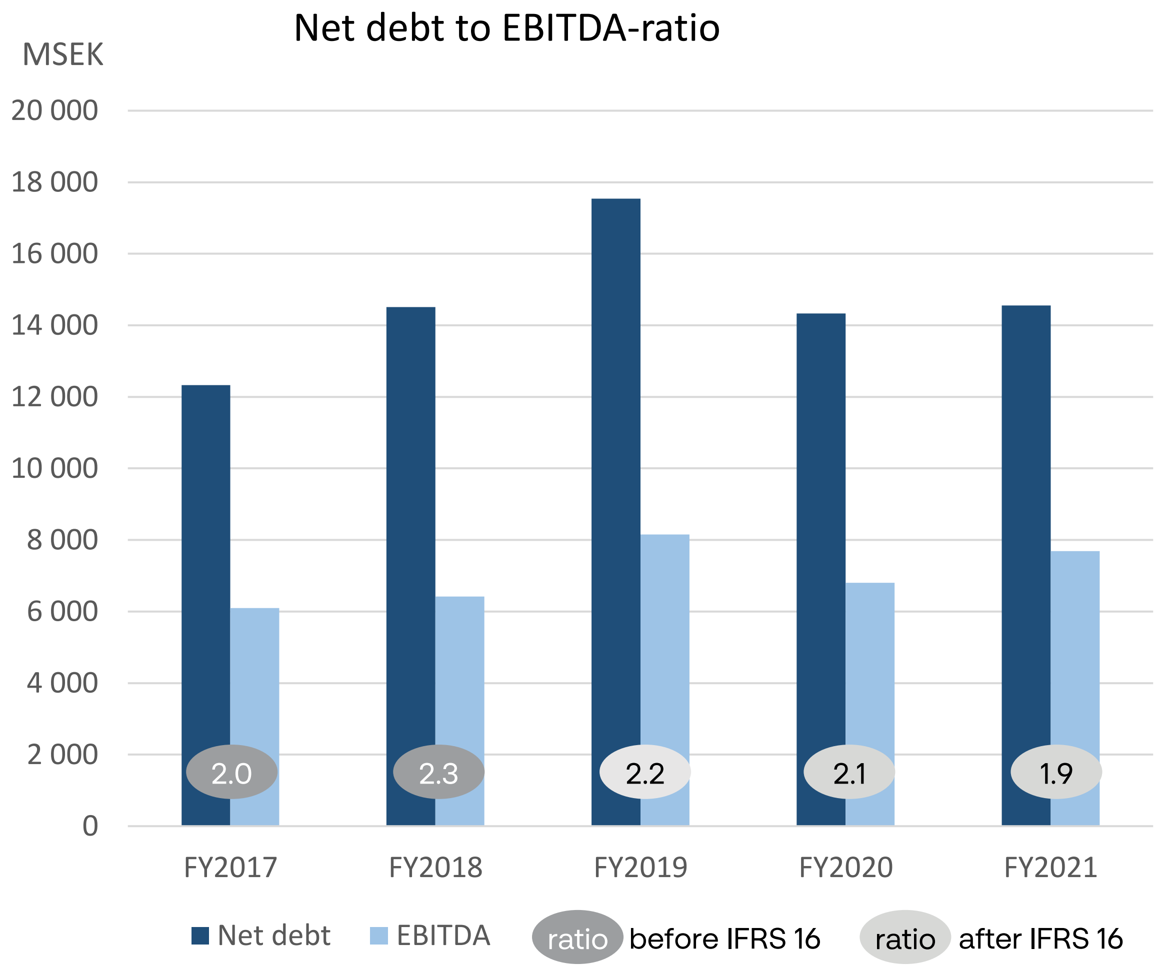
MSEK	Q4 2021	Q4 2020	FY 2021	FY 2020
Operating income before amortization	**1 646**	**1 404**	**5 978**	**4 892**
Net investments in non-current assets	-90	-20	-120	-97
Change in accounts receivable	462	-166	117	123
Change in other operating capital employed	142	309	-399	2 289
Cash flow from operating activities	**2 160**	**1 527**	**5 576**	**7 207**
Cash flow from operating activities, %	*131*	*109*	*93*	*147*
Financial income and expenses paid	-35	-46	-312	-401
Current taxes paid	-369	-61	-1 265	-862
Free cash flow	**1 756**	**1 420**	**3 999**	**5 944**

- Cash flow positively impacted by good collections and reduced days sales outstanding
- 2020 was supported by BSEK 1.3 from corona-related relief measures regarding payment timing of social security and VAT in North America and Europe
- Approx. MSEK 600 of these timing reliefs were paid in 2021, and the remaining approx. MSEK 600 will be paid in 2022
- Net investments of MSEK -120 in FY results from
  - Investments of MSEK -2 824
  - Reversal of depreciation of MSEK 2 704
- Capital expenditure <3% of Group sales annually, including transformation programs

Reduced net debt to EBITDA-ratio, well ahead of Group target

MSEK

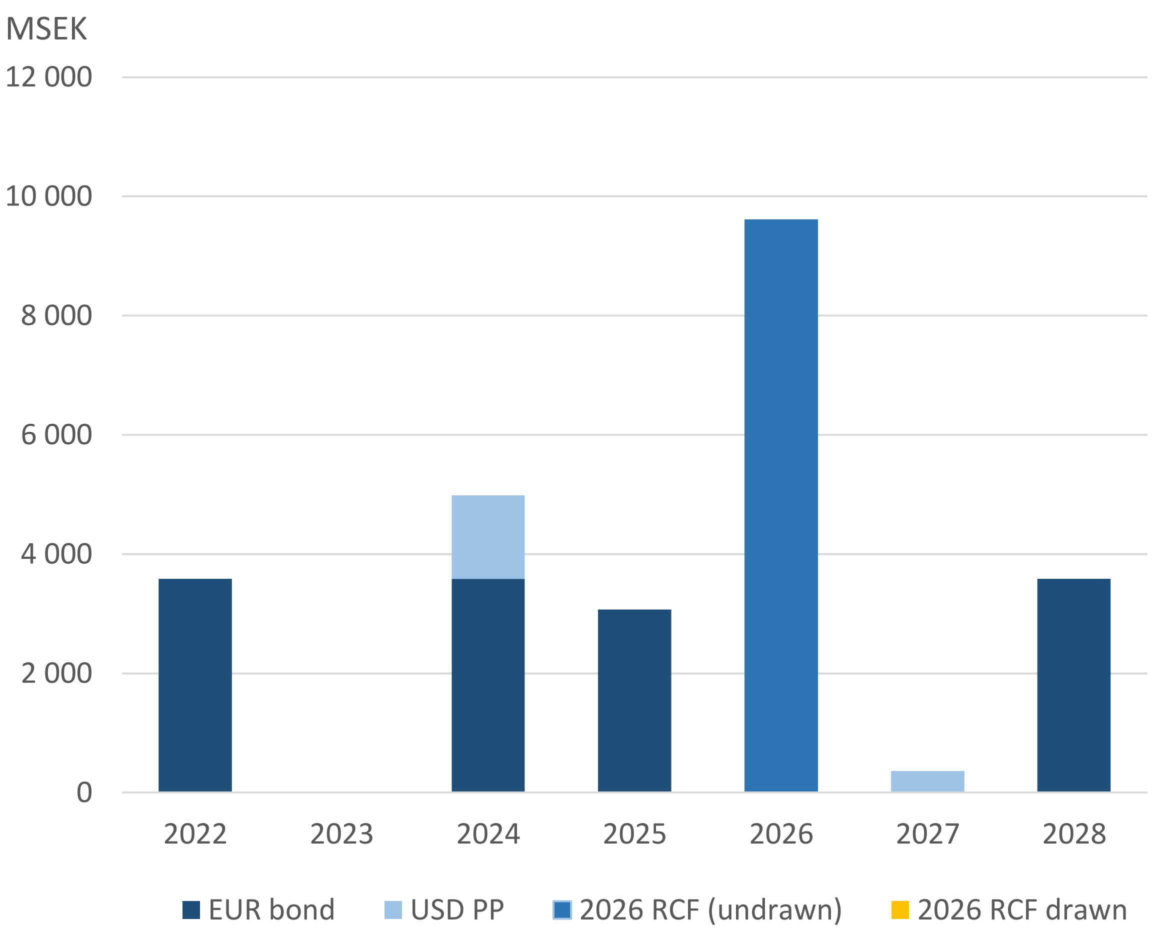
Net debt Jan 1, 2021	**-14 335**
Free cash flow	3 999
Acquisitions/Divestitures	-1 366
IAC	-602
Dividend paid	-1 460
Lease liabilities	107
Change in net debt	**678**
Revaluation	-56
Translation	-838
Net debt Dec 31, 2021	**-14 551**



Solid financing in place, preparing for Stanley Security closing

- Solid financing in place, no financial covenants
- Good liquidity at year end: BSEK 4.8
- RCF extended to 2026 and is fully undrawn
- 2022 MEUR 350 maturity to be refinanced in Q1
- Bridge facility connected to the BUSD 3.2 Stanley Security transaction signed. The facility was subsequently syndicated among 7 core relationship banks.
- Bridge to be refinanced after completion by a mix of equity and long-term debt, including a rights issue of approx. USD 915 million.
- S&P BBB rating from Standard & Poor's. CreditWatch Negative on announced acquisition of Stanley Security.
- Remain committed to investment grade rating

Committed funding maturity profile



Accelerating our leadership in the industry

Transforming the profile of Securitas

Securitas

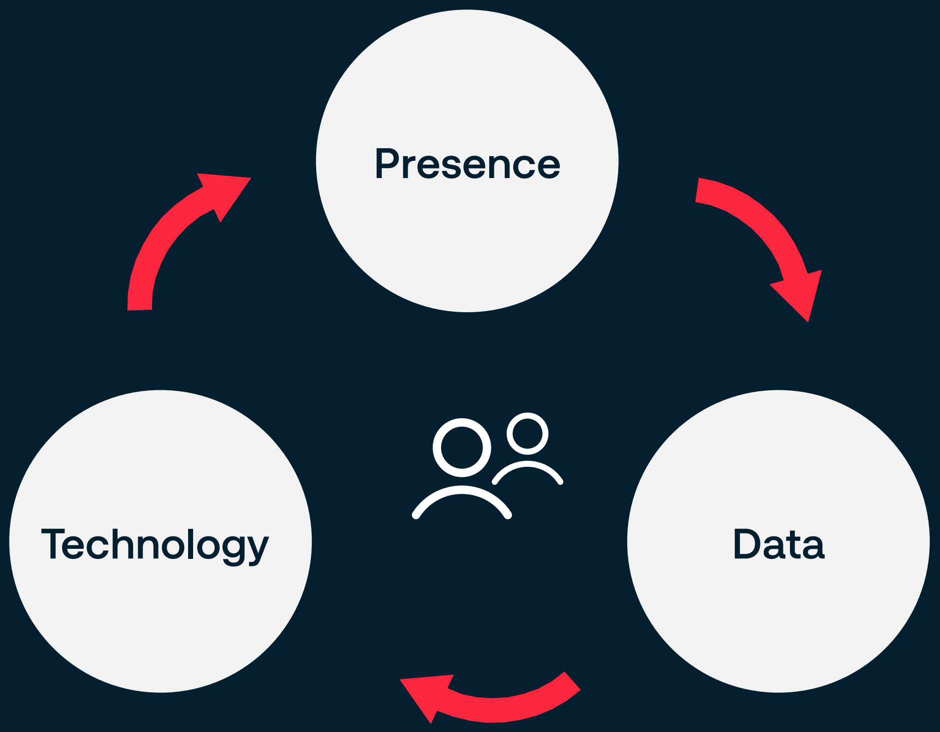
A leading guarding company with electronic security & solutions capabilities

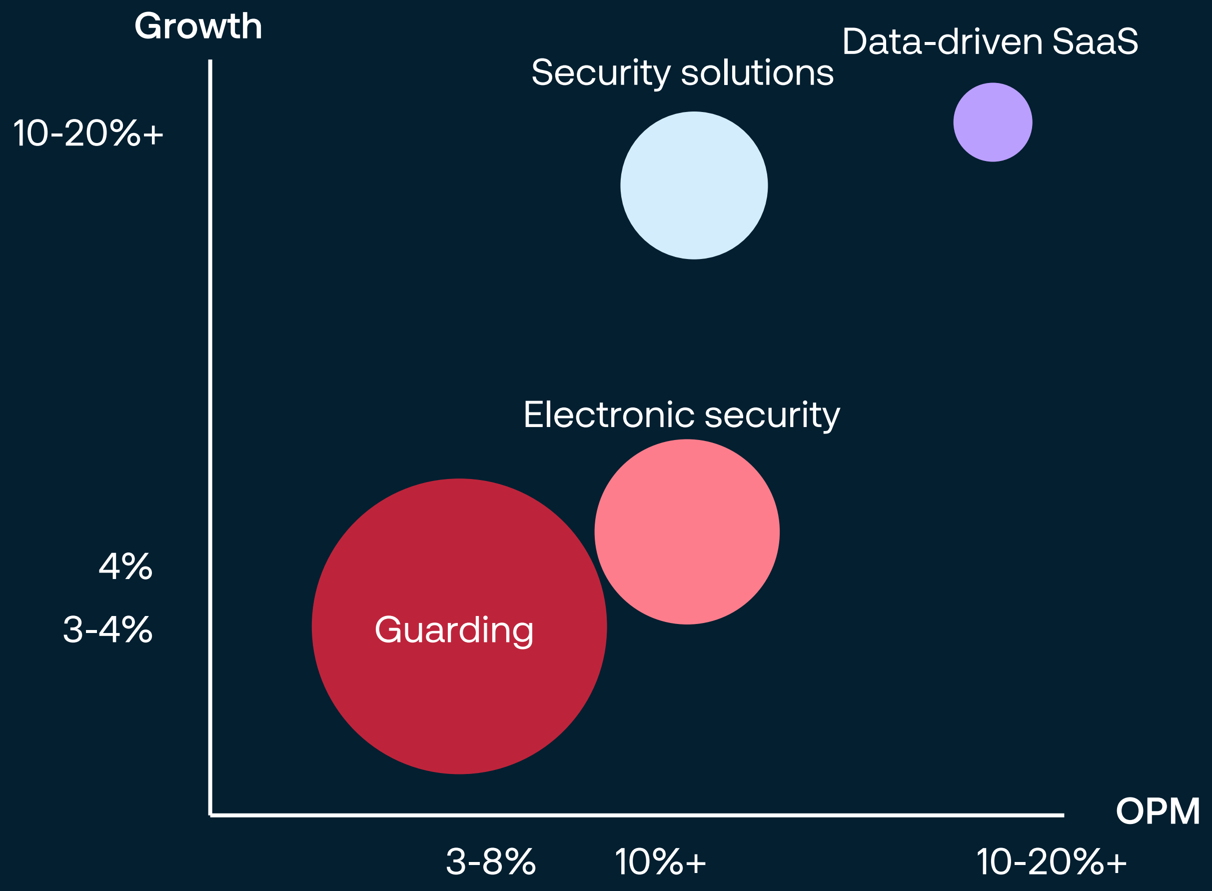
A leading intelligent security solutions partner

STANLEY Security

A leader in commercial electronic security with highly innovative solutions

The future value drivers of the security industry are based on presence, the use of data and tech-enabled solutions





For illustrative purposes – based on internal assumptions and estimates

Securitas and Stanley Security – forming a winning team

— Transforms Securitas' position as a leading intelligent security solutions provider, with initially **over 50% of the profit contribution generated from security solutions and electronic security**

— Strong commercial opportunity, enhancing the client proposition, **unlocking growth and transforming the margin** profile by an acquisition with a strong cultural fit

— Very **well received by our clients** – very positive feedback relating to the future opportunities of the combination

— **Strong value creation** in a highly synergistic combination, with EPS accretion in the first full year post completion (excluding items affecting comparability and costs associated with the transaction)

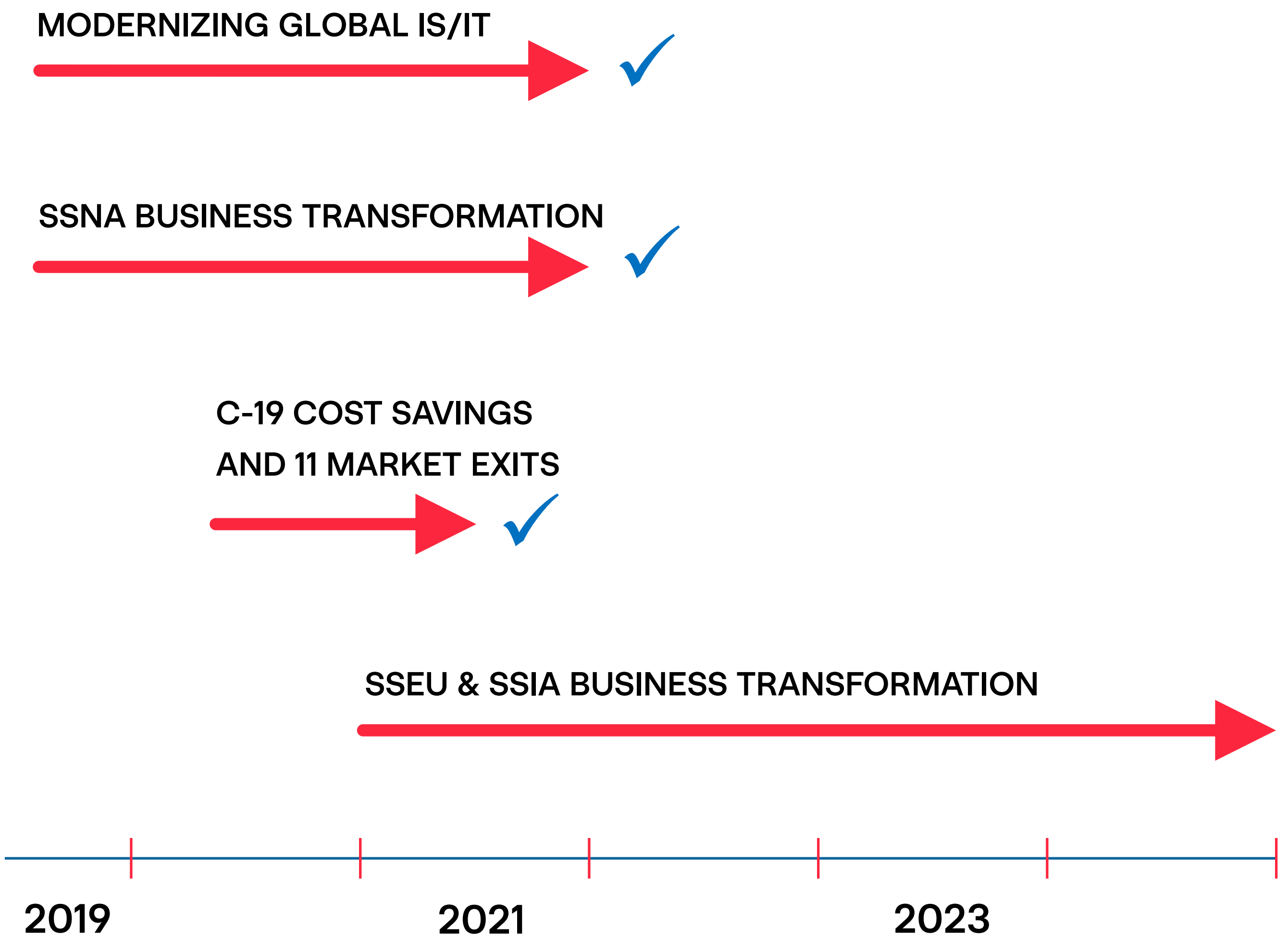
— **Closing process progresses according to plan** with estimated closing in H1 2022

— **Integration and value creation planning well advanced** and on track

— Together with ongoing initiatives **will enable substantial operating margin improvement over time**

Solid progress with the transformation programs. The first three programs closed at the end of 2021

Modernization and efficiency



Targeted impacts

Group: MSEK 300 savings upon completion by 2022

SSNA: Up to 0.5% margin benefit by 2022, gradual improvement in 2021

C-19: 2 year pay-back period

Exit: Focus and less complexity

SSEU: Around 6.5% OPM by 2024. First impact 2022

SSIA: Around 6.0% OPM by 2024

North-American business transformation

Successful implementation – up to 0.5% margin benefit by 2022 – on track

End-to-end digitalization

Core processes
- Order to cash
- Purchase to pay
- Recruitment to pay

State-of-the-art applications
- Clients & contract management
- Workforce management
- Human capital management
- Finance and reporting

Extensively rolled-out
- 10 000+ clients
- 120 000 employees
- 4 000 line and support staff
- Cloud and mobile enabled

Key benefits

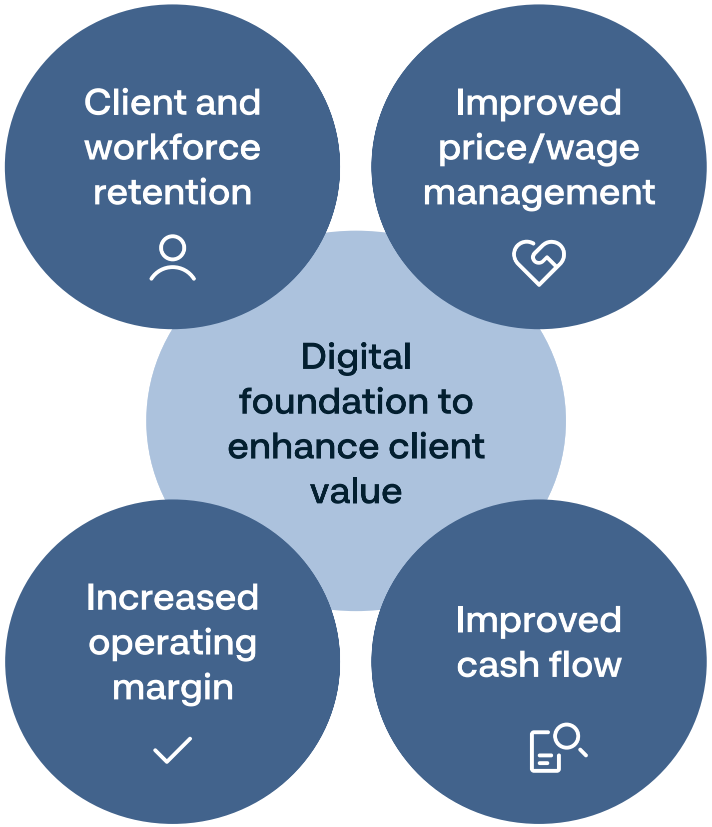
Improved client management & interaction
- Digitalization of client experience
- Improved HR management
- Data based risk insights improving security

Improved portfolio management capabilities
- Reduced unbilled overtime
- Reduced wage creep
- Daily contract price / wage transparency

Strengthened HR capabilities
- Digitalization of employee experience
- Better and faster recruitment processes
- Reduced recruitment spend

Financial efficiencies
- Automated billing
- More accurate billing
- Faster invoicing

Value creation



Ending the year on a strong note and with record-high profitability: 4% (1) organic sales growth and 5.9% (5.3) operating margin

Building the new Securitas – a modern, digitized and innovative security solutions partner:

- Continued strong focus on contract profitability
- Full preparation on-going for Stanley Security closing, integration and value creation
- Full benefit realization of SSNA transformation program
- Price/wage focus going into 2022 – well positioned

Investor Day on March 21 cancelled – Strategy update will be arranged once the acquisition is closed in H1 2022

Securitas