



# Press Release

March 23, 2020

## Securitas update on operational and financial impacts related to the COVID-19

**The Group believes there is a risk of material impact compared to earlier expectations. Based on current assessment, a negative impact on the Group's organic sales growth is expected of around -1,5 to -2,5 percentage points for Q1 2020 resulting from COVID-19. The Group's operating margin for Q1 2020 is expected to decline by -0,5 to -1,0 percentage points for the same reason. These effects are related to the month of March only as there was no earlier significant impact. Due to the uncertainty of how the COVID-19 situation will develop, it is too early to draw any conclusion for future periods.**

"The COVID-19 situation is evolving rapidly. Securitas' response to this outbreak prioritizes on fulfilling our role in society, continuing to provide 24/365 support to our clients, the well-being of our 370 000 employees and on protecting our long-term financial sustainability. Securitas executes significant response efforts and we are working closely together with our clients to secure the provisioning of safety and security during a challenging time. I am very thankful to witness how our teams and individual employees support and provide help in responding to this situation", says Magnus Ahlqvist, Securitas President and CEO.

Securitas has presence in 56 markets globally and approximately 370 000 employees. The majority of the business is in Europe and North America. Securitas offers protective services to clients in a variety of segments, such as aviation, office buildings, education, retail, manufacturing, healthcare, public transportation, logistics and automotive. Of the mentioned client segments, aviation stands for 7 percent of Group sales. Securitas runs a portfolio business where approximately 81 percent of Group sales refer to fixed contracts, 14 percent refer to extra sales and 5 percent to installation sales. Extra sales entails short term and incidental services related to e.g., large events and exhibitions, societal disturbances and extreme weather conditions.

Securitas is your intelligent protective services partner. We base our protective services on customer-specific needs through different combinations of on-site, mobile and remote guarding, electronic security, fire and safety and corporate risk management. Everywhere from homes to airports, our 370 000 employees are making your world a safer place.

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**This is information that Securitas AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08.00 (CET) on March, 23, 2020.**

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The spread of the COVID-19 and the measures put in place to prevent further spreading impact markets where Securitas has a significant presence. In terms of sales, the company sees a reduction in certain parts of its business. Such relates foremost to the aviation segment and extra sales. As passenger traffic has decreased sharply, sales related to passenger and luggage screening have declined. Extra sales affected at this point in time relate to cancelled events and exhibitions. A current reduction in some of the portfolio business is also noted due to clients implementing Business Contingency Plan measures, as are currently reduced levels of installations of larger electronic security projects. There are also certain increases in service levels, mostly related to protection of closed stores and facilities, crowd control for grocery stores and healthcare institutions, but also an increasing focus on technology solutions where we have strong capabilities and offerings.

Further to the effect of lower sales, the income statement is affected by higher operational costs related to foremost increased sickness levels among our employees combined with idle time, however somewhat offset by lower costs for overtime. Final effects due to operational costs are heavily dependent on which mitigation measures the different governments are putting in place related to sickness regimes and potential temporary unemployment benefits and our own further mitigation actions.

Consequently, based on current assessment, Securitas expects a material negative impact on the Group's organic sales growth and operating margin in the first quarter 2020 due to the COVID-19 situation, mainly resulting from the business in Europe. The COVID-19 negative impact on the Group's organic sales growth is expected to be around -1,5 and -2,5 percentage points for Q1 2020. The Group's operating margin for Q1 2020 is expected to decline by -0,5 to -1,0 percentage points due to COVID-19. These effects are related to the month of March only as there was no earlier significant impact. Due to the uncertainty of how the COVID-19 situation will develop, it is too early to draw any conclusions for future periods.

"Securitas is in a strong position and well placed to maintain high service level of protective services also during a crisis. I am very proud of our teams and people who are showing strong leadership, agility and resilience in close collaboration with our clients," says Magnus Ahlqvist, Securitas President and CEO.

The interim report January-March is due on May 7, 2020. This press release is also available at:

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

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