

Securitas AB

Bond Investor Presentation

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Under the Company's EMTN programme, an offering circular comprising a base prospectus, for the purpose of article 8 of the Prospectus Regulation, was approved by the Central Bank of Ireland on 13 February, 2024 (together the "Offering Circular"). Potential investors should read the Offering Circular before making an investment decision in order to fully understand the potential risks associated with a decision to invest in the Notes (see "Risk factors" in the Offering Circular). The approval of the Offering Circular should not be understood as an endorsement of the Notes.

The Offering Circular is available at the Company's website <https://www.securitas.com/en/investors/funding/listing-documents/>. The final terms of an issue of Notes under the Company's EMTN programme will also be made available on the same website. This document is an advertisement and investors should not subscribe for or purchase any Notes except on the basis of information provided in the Offering Circular.



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Highlights

1. S&P rating upgraded to BBB with a stable outlook, 14th February 2024
2. Strong Group margin improvement to 6.5% in FY23 (6.0% FY22)
3. Strong cash flow of 8.2 bn SEK (80%) in FY23, at the upper end of financial target
4. Stanley acquisition: Post-acquisition integration, cost synergy take out well on track
5. Solid deleveraging: net debt to EBITDA before IAC 2.7x, meeting financial target 1 year earlier than plan
6. Prudent 47% dividend for 2023, below policy (50-60%) to support credit metrics
7. Argentina operations divested in July 2023
8. Purpose of proposed Eurobond is refinancing maturing and existing debt and general corporate purposes

Securitas overview and strategy





A world leading security solutions provider

Second largest global security provider

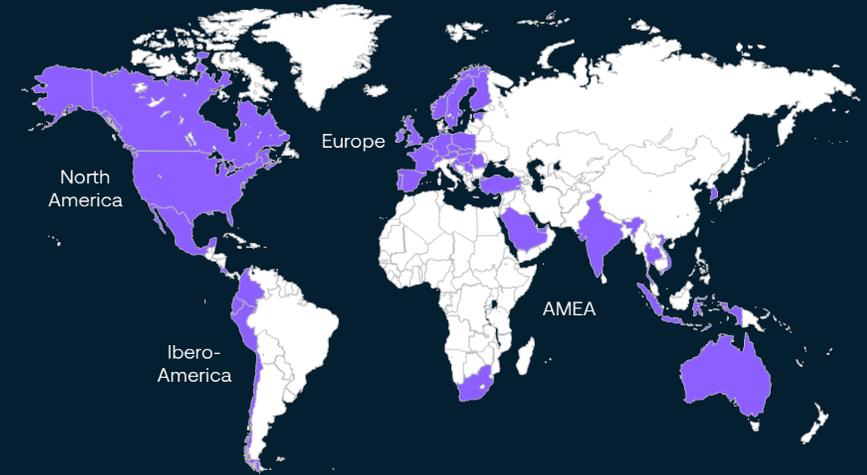
Highly diversified client portfolio with stable recurring revenue and cash flows in a continuously resilient and growing security market

- Essential services in 44 markets
- >150k clients ⁽¹⁾ ~90% retention rate
- ~350 000 employees
- BSEK 157 2023 sales
- 32% - Technology and Solutions portion of total sales 2023
- 85% average operating cash flow since 2015
- Russia/Ukraine: no operations
- Rating upgraded to BBB by S&P – stable outlook

Securitas' security services

-  On-site guarding
-  Corporate risk management
-  Fire and safety
-  Mobile services
-  Remote services
-  Technology

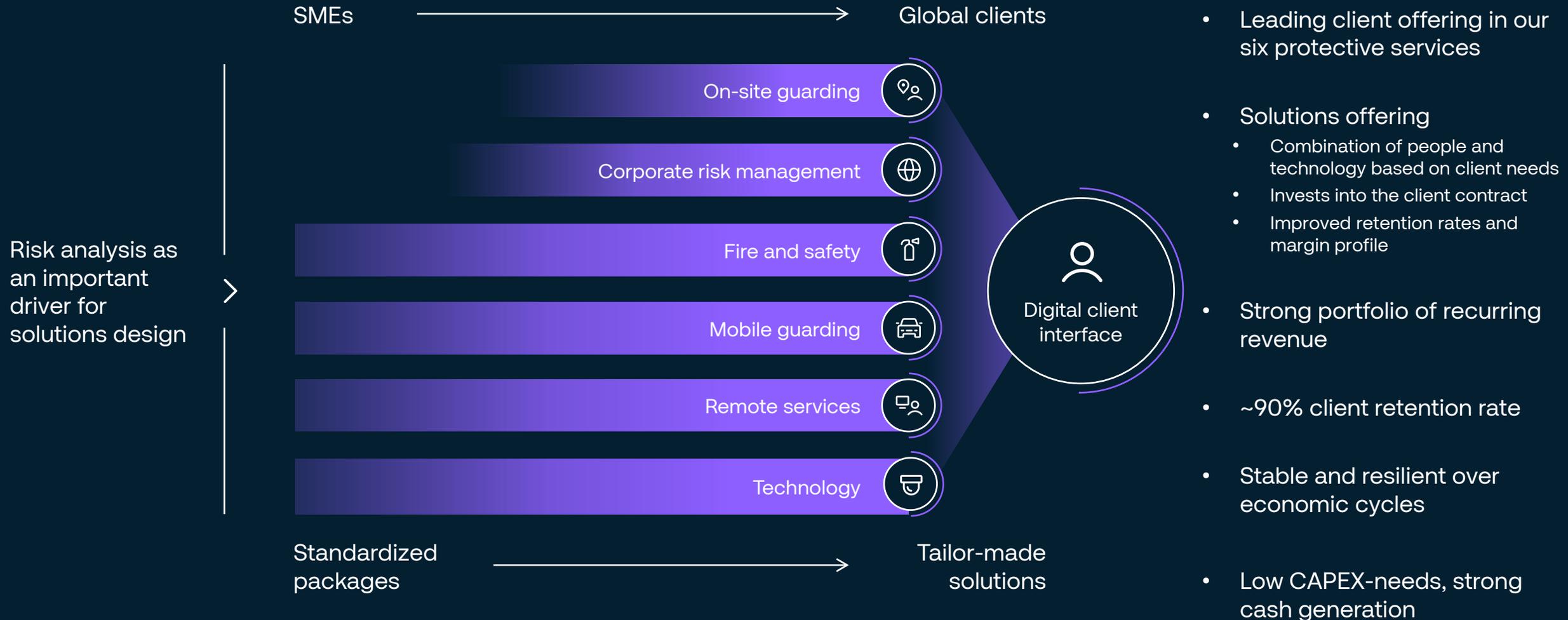
Securitas' global presence



(1) Security Services clients only



Securitas has a long term, unrivalled client base and solutions offering with strong client retention rates



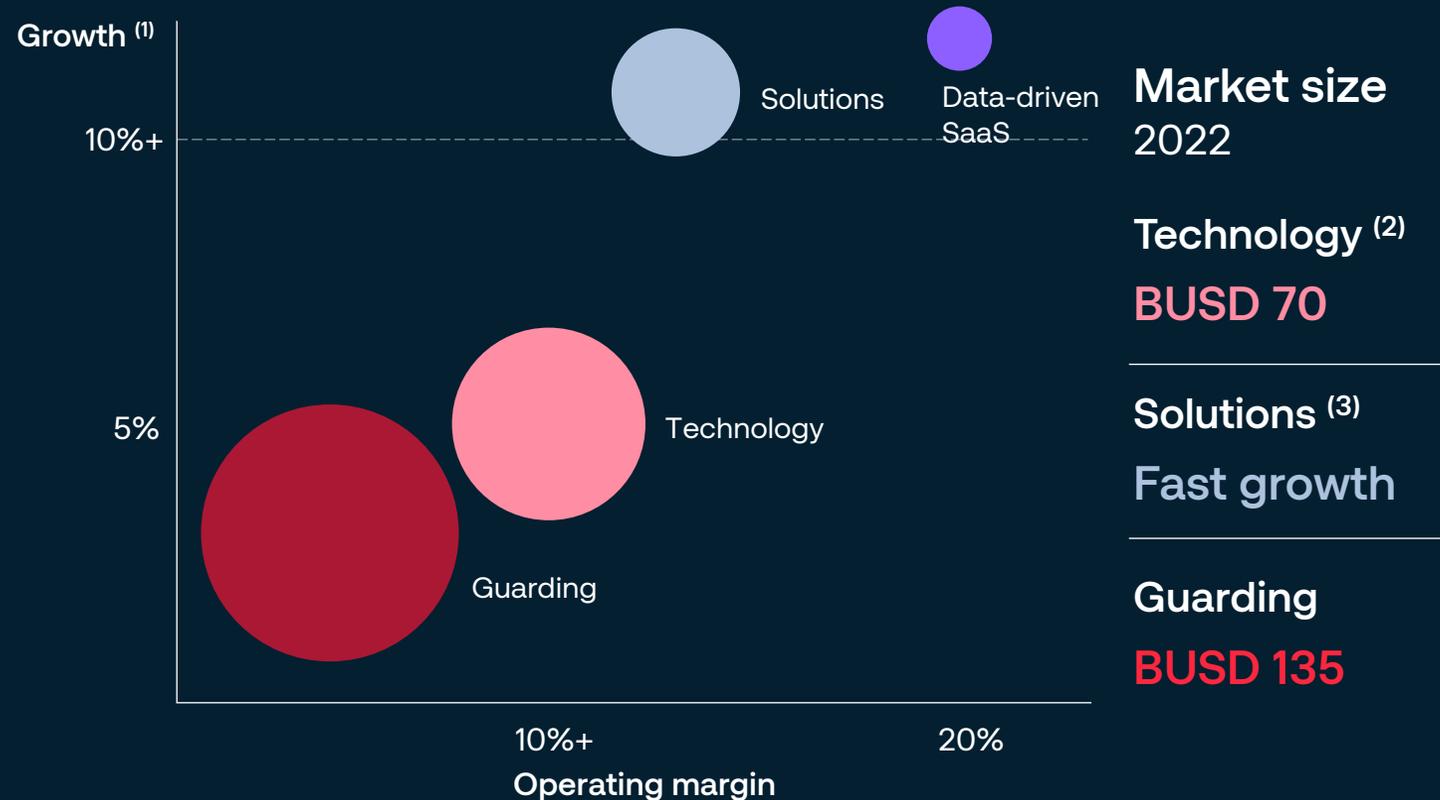


Large and consistently growing market opportunity

Global growth drivers

- Increasing security concerns ⁽¹⁾ in general
- Increasing income and societal gaps
- Rapid urbanisation and industrialisation
- Growing awareness of the need to protect critical infrastructure
- Increased focus on compliance and sustainability

Positioning Securitas in higher growth and margin markets



Source: Freedonia, OMDIA and management estimates

(1) Not adjusted for current inflationary environment; (2) Commercial electronic security market; (3) Solutions is specific to Securitas and so a global market size figure is not available



Securitas is positioned to deliver sustainable growth, margins and cash flow

Taking the lead within Technology...



- Outstanding position in the technology market by teaming up with STANLEY Security to deliver superior growth
- High recurring revenue, with technology platform further driving shift to cloud and subscription-based business models and growing recurring revenue

...with quality security services focused on profitability...



- Diversified portfolio business with a leading market position globally
- Profitability focus in stable high recurring revenue guarding business
- Scale, transparency and efficiency gains with digital leadership and acceleration towards solutions

...to become a global security solutions partner...



- A security solutions partner with leading technology and expertise
- Well positioned to serve the comprehensive and increasingly complex needs from global clients to SMEs, through client-specific combination of six protective services

...leveraging our global platform to drive innovation



- A strong global technology platform future proofing the business for next-generation solutions
- Strengthened proposition and profitability upside by scaling Technology & Solutions (>10%)

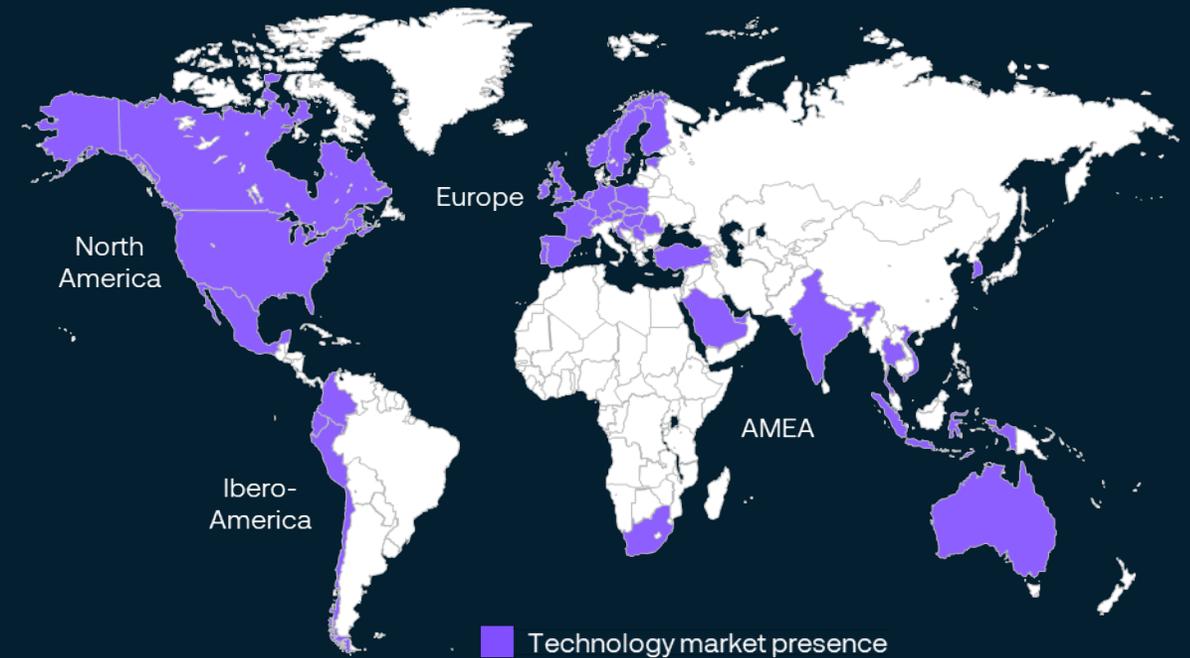
... with a stable and resilient business model based on long term client partnerships and consistent cash flow generation



Securitas is now a global leader in technology

Strong market position
in strategic markets:
#2 globally

Including United States, Sweden, France, Spain,
Norway, Finland, the Netherlands, the United Kingdom,
Belgium, Canada, Denmark



Well diversified and positioned into the global commercial security technology market with strong position in key countries



Quality Security Services with global presence generating steady and strong cash flows

Leading global market position ⁽¹⁾

Global market position within Security Services: **#2**

Strong position in key markets globally

Leading mobile patrol and response network density

High-quality offering creating client value and retention

>150 000 clients with cross-selling and solutions opportunities

~90% overall client retention

>95% global client retention

Successful price vs. wage management

Price/wage well managed in 2022 and 2023

Dynamic price management

Enabled by new digital platforms

Margin improvement focus

Transformation programs

- End-to-end digitalization transformation
- Digitalized workforce management and client interaction
- Increased operational and financial transparency

Active portfolio management

- Profitability focus

Security Services represented 66% of sales in 2023: focus on quality, productivity and profitability

(1) The Freedonia Group, Global Security Services, April 2022. Market position based on Securitas' sales in 2021 in relation to its competitors' sales in 2021





Accelerating our sustainability agenda

Ambitious goals underpin an already ambitious sustainability strategy, as demonstrated by Securitas being rated AAA by Net Impact

First global security company to have environmental targets validated by SBTi.

Environment

Scope 1 and 2

1.5 degrees,
42% reduction by 2030

Scope 3 (relevant categories)

1.5 degrees,
42% reduction by 2030

Health and Safety

5% reduction p.a. of injury rate

Ethics

Strong culture of integrity and zero tolerance of non-compliance with values and ethics

Diversity, Equity & Inclusion

20% of female managers at all levels by 2025

Learning and Development

High quality services and low attrition through skilled colleagues and capable leaders





A leading guarding company
with electronic security &
solutions capabilities



Being a security
solutions partner
with world-leading
technology and
expertise



A leading commercial
electronic security provider
with highly innovative solutions



Financial overview



Securitas' financial targets

Superior growth

2023: 9%

8-10%

Technology & Solutions annual average real sales growth ¹⁾

- A leading global Technology & Solutions provider with strong position in key geographical markets
- Compelling solutions and cross-selling opportunities
- Attractive M&A opportunities after deleveraging phase

Higher margins

2023: 6.5%

8%

Group EBITA margin by year-end 2025

>10%

Long-term EBITA margin ambition

- Increased exposure to high-margin Technology & Solutions market
- Strong cost synergies with STANLEY (MUSD 50)
- Margin enhancement through business transformation programs
- Active portfolio management and continuous review of non-performing contracts

Operating cash flow

70-80% 2023: 80%

of operating income before amortization

Capital structure

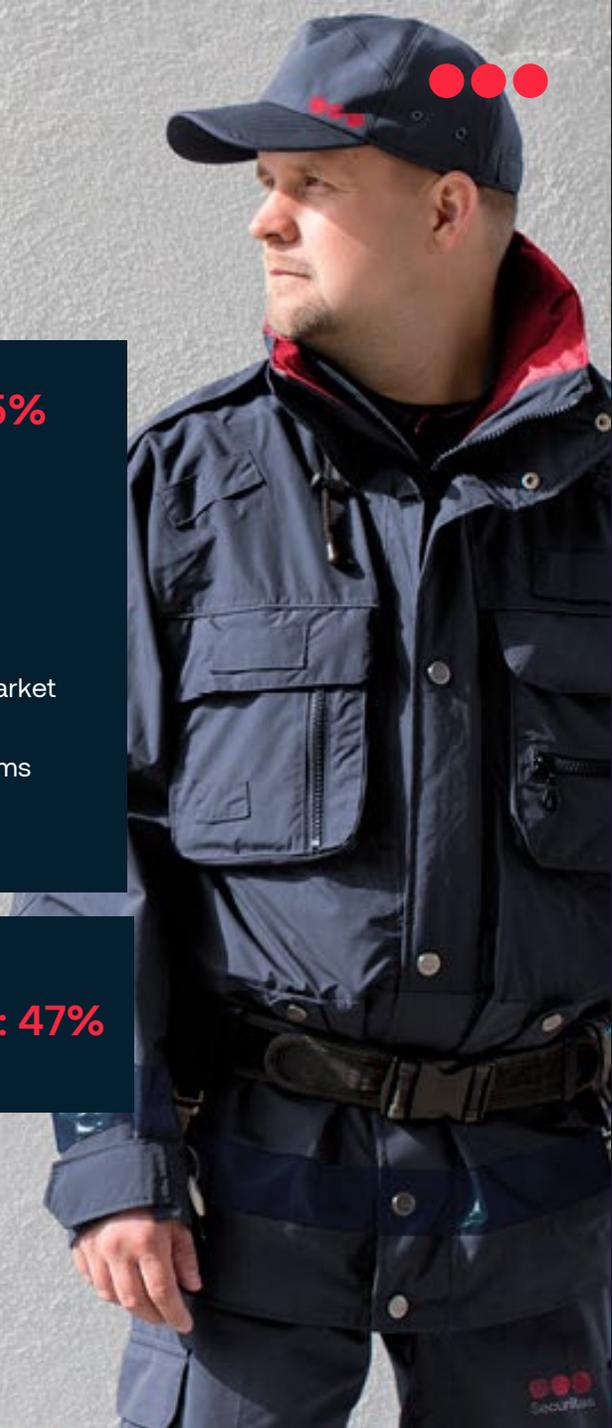
<3x 2023: <3

Net debt to EBITDA-ratio

Dividend policy

50-60% 2023: 47%

of annual net income over time



¹⁾ For the 2022-26 period. Sales growth adjusted for changes in exchange rates



Our strategy is delivering results

Group sales and EBITA margin development



Continuously higher operating margin

- Strong development in Technology and Solutions
- Stanley MUSD 50 cost synergies achieved
- Stanley integration progressing well
- Price/wage management throughout 2023 on par
- Transformation programs on track
- Sharpened the business through exit program



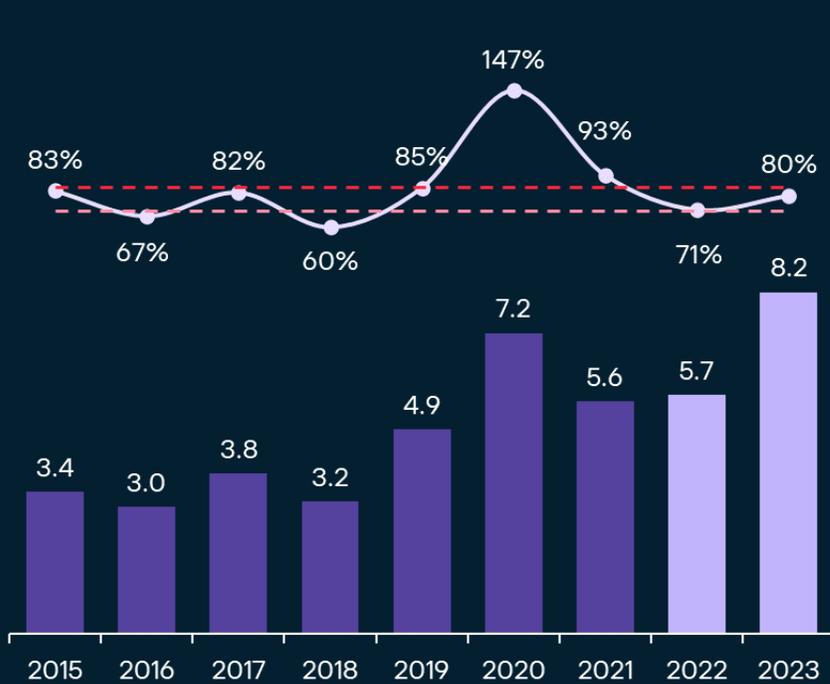
Strong recurring cash flow generation supports our growth and investments

Operating cash flow (BSEK)

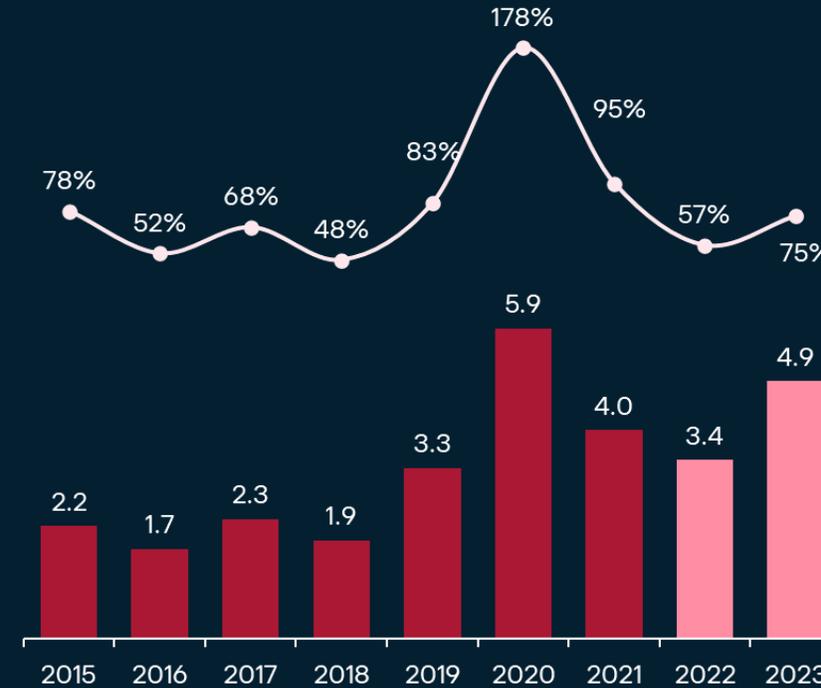
Operating cash flow as % of EBITA

Free cash flow (BSEK)

Free cash flow as % of adjusted income



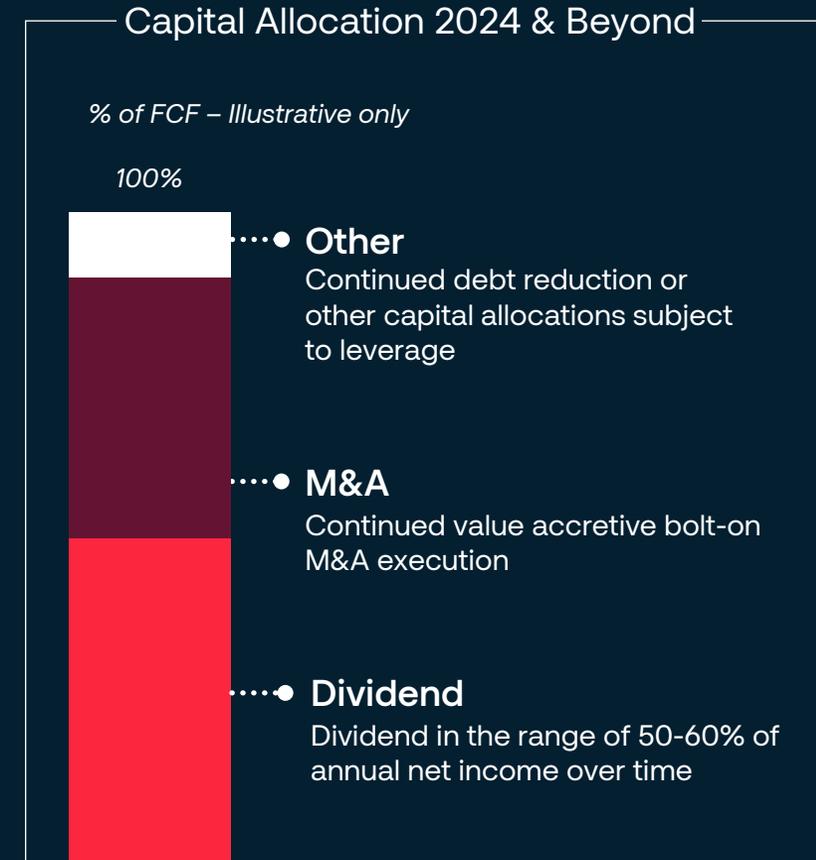
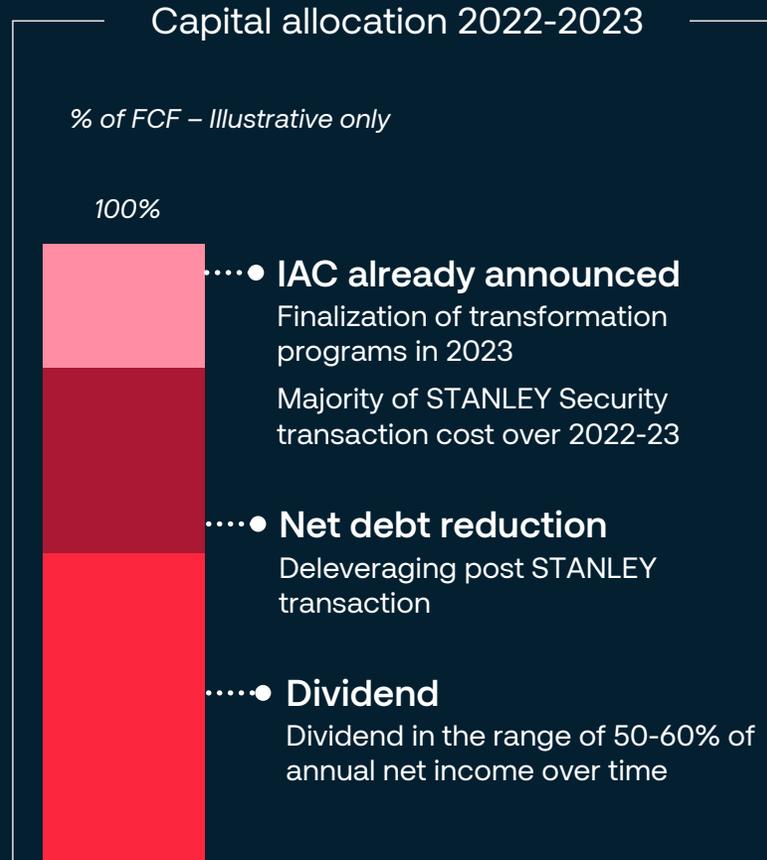
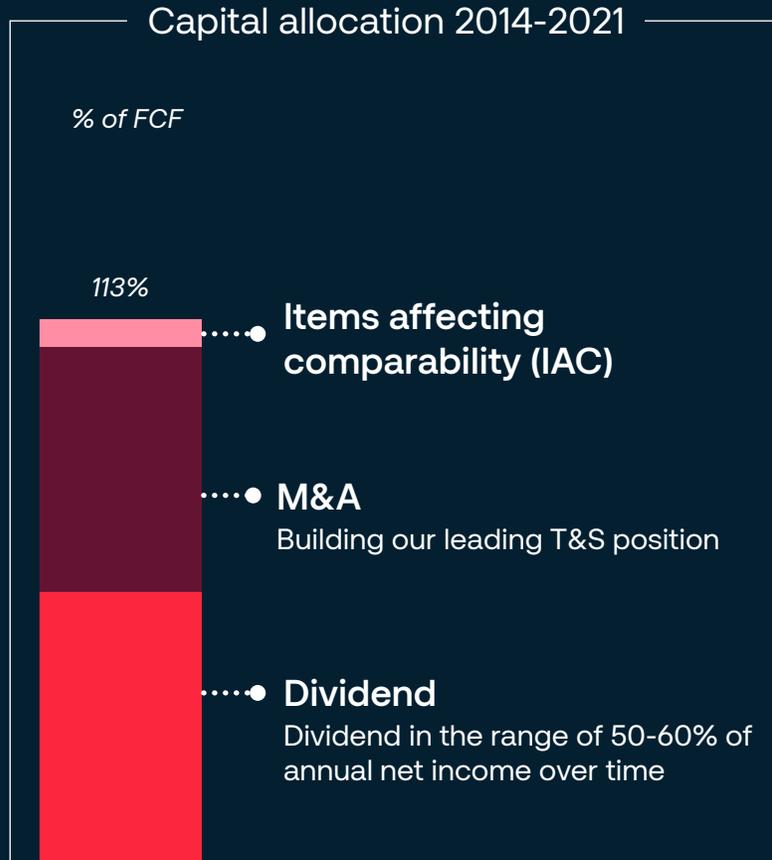
2015-23 average: **85%**
Target: **70-80%**



- Average operating cash flow of 85% since 2015
- Portfolio business with steady, recurring cash flow profile over time
- Low CAPEX need, less than 3% of sales including IFRS 16 historically, mainly solutions, IT and maintenance CAPEX
- Solid foundation to deliver strong cash flows within our target range in coming years



Capital allocation focusing on deleveraging



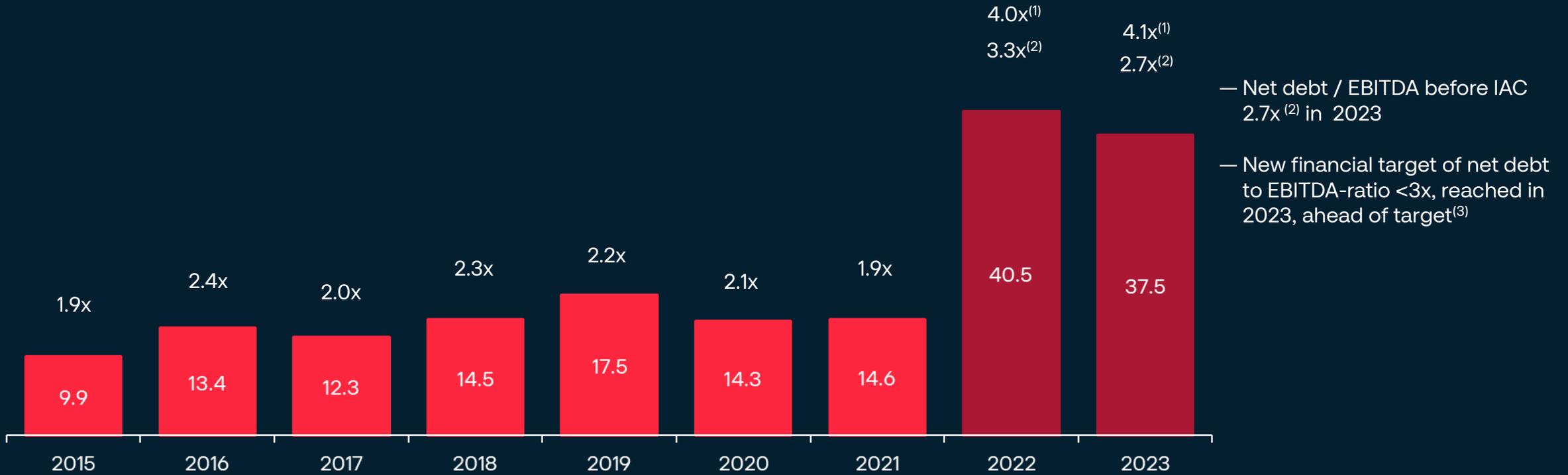
Note: The capital allocation excludes lease liabilities, revaluation and translation

Source: 'Presentation investor update 2022' (<https://www.securitas.com/en/investors/presentations/investor-days/>)



Net debt to EBITDA target of <3x

Net debt development (BSEK) and leverage ratio



(1) As reported (2) 2022 includes STANLEY Security's 12 months adjusted estimated EBITDA (3) Source: Rights Issue Prospectus Securitas AB (16 September 2022) (<https://www.securitas.com/en/investors/rights-issue-2022/>)

Financing update

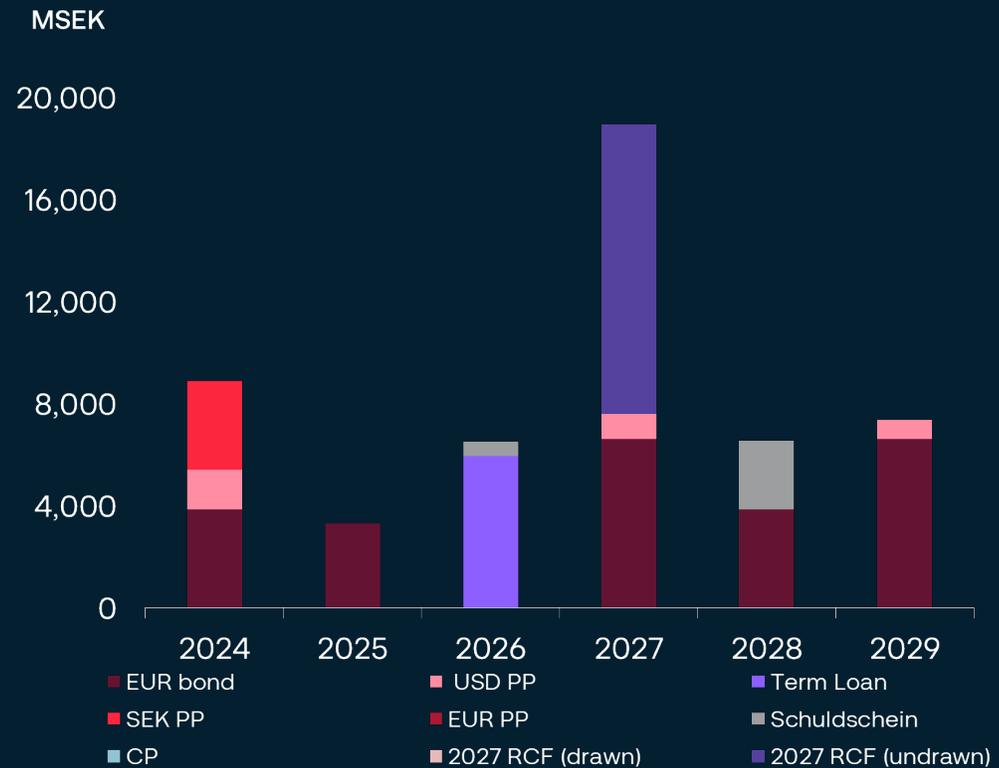




Financing overview – Committed to investment grade rating

- No financial covenants
- Strong liquidity at end of Q4: BSEK 7.9
- MEUR 1 029 RCF matures in 2027 and is fully undrawn
- MUSD 2 385 STANLEY Security bridge to debt facility fully refinanced by July 2023
- Early repayment of MEUR 1 100 term loan in H2-23
 - MEUR 550 of term loan repaid in Q3 from MEUR 600 Eurobond issuance
 - Remaining term loan repaid and replaced by new MUSD 600 3-year term loan signed and drawn in Q4

Committed Funding Maturity Profile as at Dec 31st



Strong Group of Core Banks:

Bank of America	BBVA	CIC
Citibank	Commerzbank	Danske Bank
DnB	ING	KBC
SEB	Unicredit	

Securitas is committed to Investment Grade rating



S&P Rating – Credit strengths and risks

Agency

S&P

Key Strengths

- Largest security service provider, wide geographical presence, well diversified customer base across vertical markets
- Successful track record of integrating acquisitions
- Operates a strong liquidity position

Long-Term

BBB

Key Risks

- Competitive and fragmented industry with low entry barriers especially in manned guarding leading to modest EBITDA margins
- Company has operations in high-risk countries, such as Argentina where economic conditions remain challenging (Note, Argentina divested July 2023)
- Competitive market environment given consolidating industry and potential pressure on wage price

Short-Term

A-2

Swedish Short-Term

K-2

On 14 February 2024, S&P published a revised long-term credit rating of BBB with stable outlook.

- “Securitas AB Upgraded To ‘BBB’ On Lower Leverage And Strong Cash Flow Generation; Outlook Stable.”
- “... driven by our expectation of solid operational performance with 4% revenue growth in 2024”
- “We anticipate a major leap in profitability in 2024.”
- “Credit metrics will continue to improve in 2024.”

Outlook

Stable

Investment Highlights

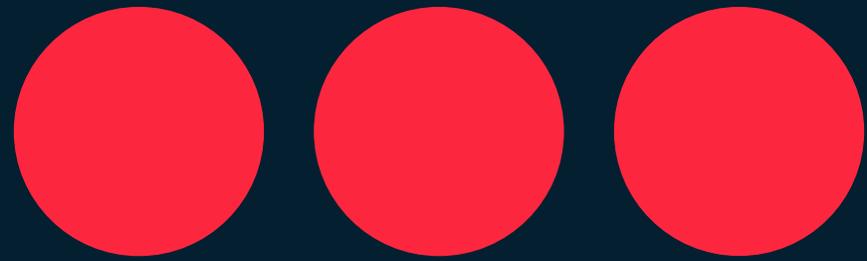




Investment highlights

- Securitas is a **resilient** business with **strong growth** and **margin prospects**
- **#2 global market positioning** in both security services and technology after acquisition of Stanley
- Leading client offering with **90% retention rate, strong recurring revenue** and portfolio of essential services revenue
- **Diverse customer base** across 150k+ clients ⁽¹⁾ in 44 markets
- **Consistent, long-term strategy** with improved margins and strong price / wage management
- Proven track record of **stability and resilience throughout economic downturn** and crises
- Low working capital and capex needs generating **solid cash flows throughout the cycle**
- **Well managed debt and funding**, supported by strong group of relationship banks
- Committed to **investment grade** rating
- **No operations in Ukraine/Russia**

.1. Security Services clients only



Securitas