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Securitas AB

Schuldschein Investor Presentation

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Contents

1. Securitas overview and strategy	5-11
2. Stanley acquisition highlights	12-17
3. Financial overview	18-26
4. Schuldschein summary	27-29

Securitas overview and strategy





A world leading security solutions provider

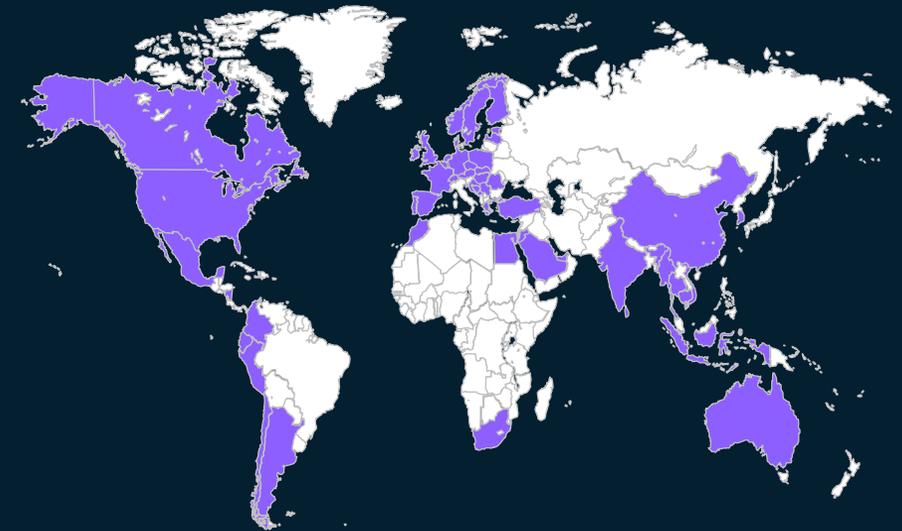
Second largest global security provider

- Essential services in **46** markets
- **>650k** clients¹ **~90%** retention rate
- **~353 000** employees¹
- **122 BSEK** 2021 sales¹
- **31%** Security Solutions and Technology of total sales 2021¹
- **88%** average operating cash flow
- **Russia/Ukraine** exposure: very limited
- **BBB-** rating by S&P – stable outlook

Securitas' security services

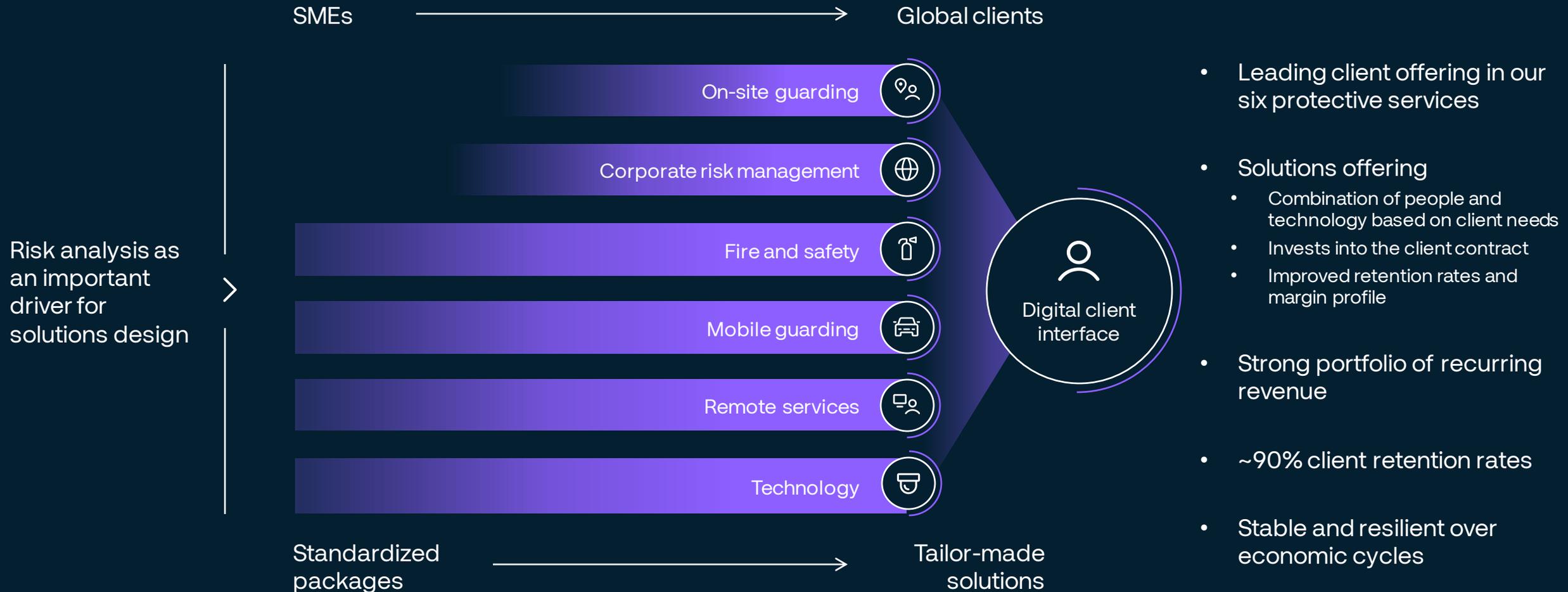
-  On-site guarding
-  Corporate risk management
-  Fire and safety
-  Mobile services
-  Remote services
-  Technology

Securitas' global presence



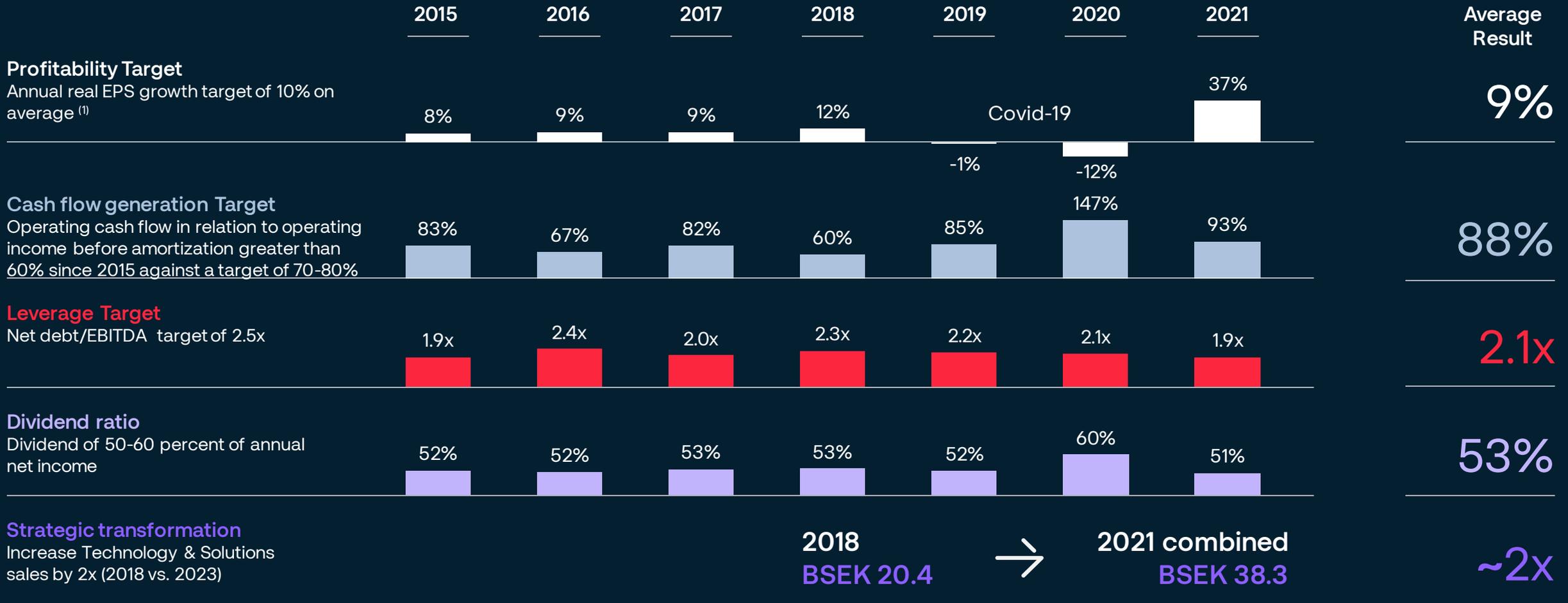


Securitas has a long term, unrivalled client base and solutions offering with strong client retention rates





Securitas has a solid track record of delivering on its financial targets



(1) Adjusted for IAC

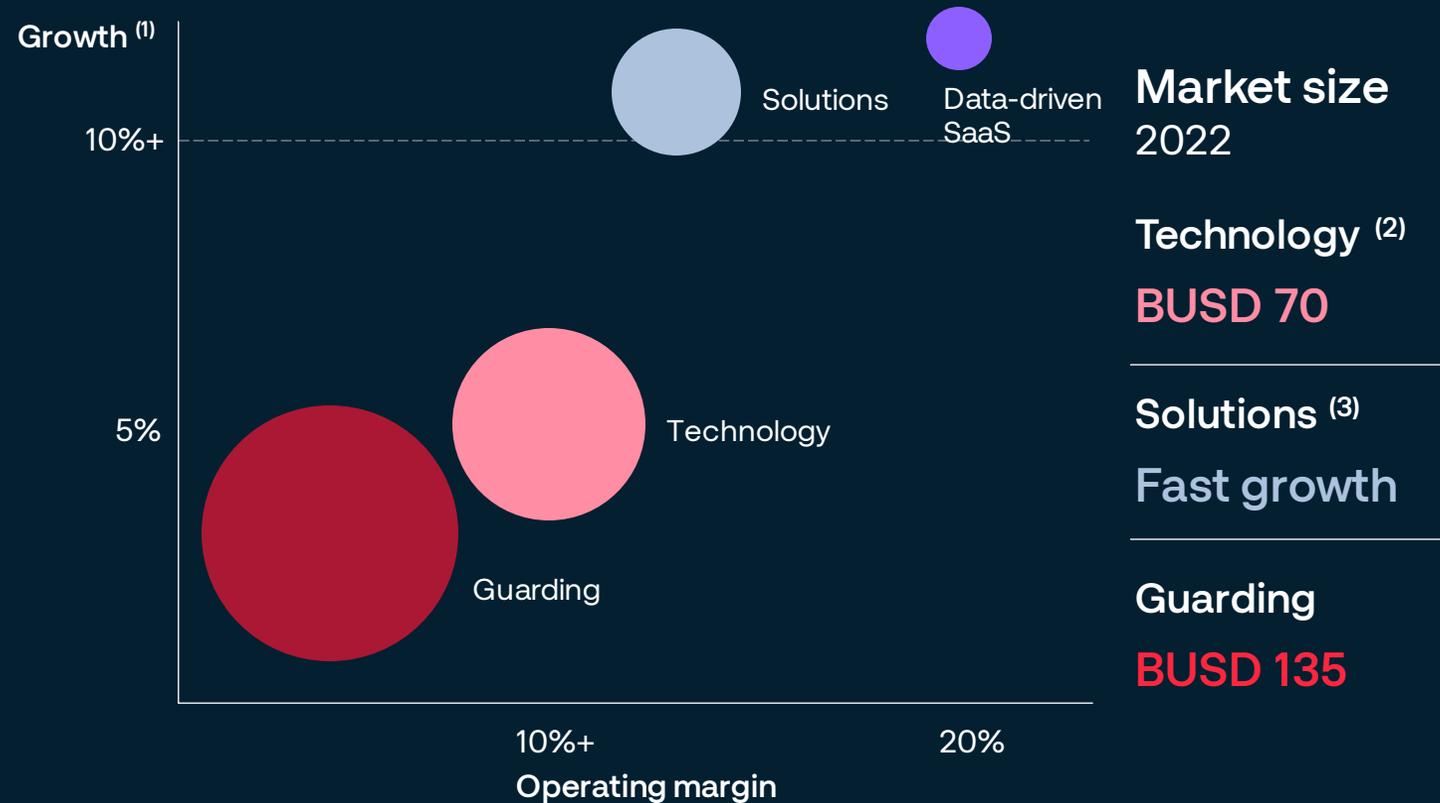


Large and consistently growing market opportunity

Global growth drivers

- Increasing security concerns 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...

...with quality guarding services focused on profitability...

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

...leveraging our global platform to drive innovation



- 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

- 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

- 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

- 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



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 commit to SBTi, ongoing work to finalize targets



Environment

Scope 1 and 2

1.5 degrees,
42% reduction by 2040

Scope 3

1.5 degrees,
42% reduction by 2030

Scope 3 (employee commuting)

<2.0 degrees,
25% reduction by 2030



Health and Safety

5% reduction p.a. of injury rate



Diversity, Equity & Inclusion

High portion of female managers at all levels by 2025



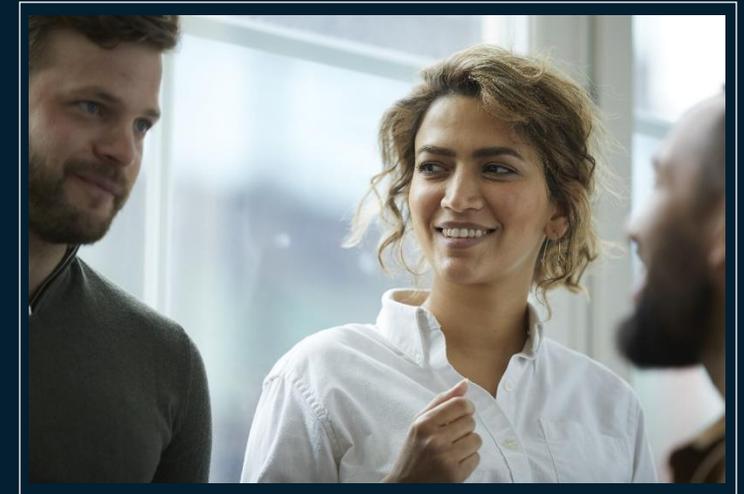
Ethics

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

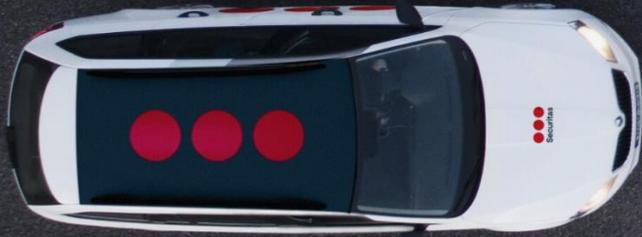


Learning and Development

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



Stanley acquisition highlights





A leading guarding company
with electronic security &
solutions capabilities

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

STANLEY
Security

A leading commercial
electronic security provider
with highly innovative solutions

- Transaction was completed on July 22, 2022
- Purchase price of MUSD 3 200 on a debt and cash free basis
- Funded through bridge facilities
 - MUSD 915 bridge to equity facility: repaid after BSEK 9.6 rights issue
 - MUSD 2 385 bridge to debt facility with maturity in July 2024

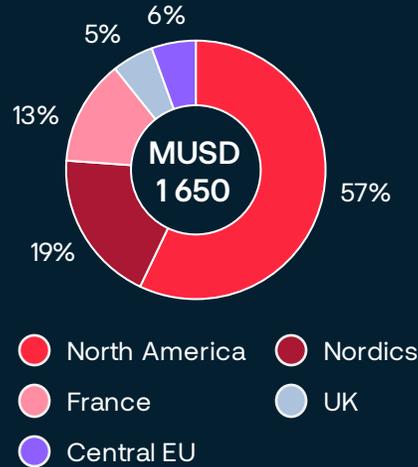




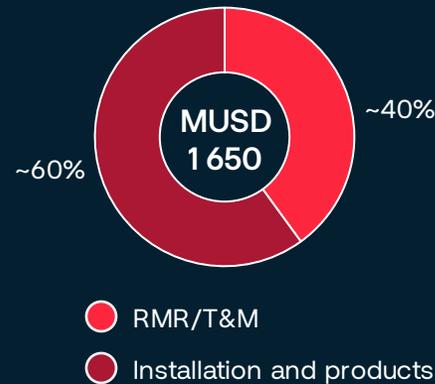
STANLEY Security overview

- Active in technology services, focusing on installation, maintenance and monitoring
- Primarily active in North America and Europe, with headquarters in Indianapolis
- ~7 800 highly skilled security professionals
- Strong competitive position globally with more than 500 000 customers across millions of sites
- Highly attractive RMR (Recurring Monthly Revenue) approx. 40% of sales
- New innovative technology offerings in the health, safety and security space

Geographic sales split (2021)



Sales type split (2021)

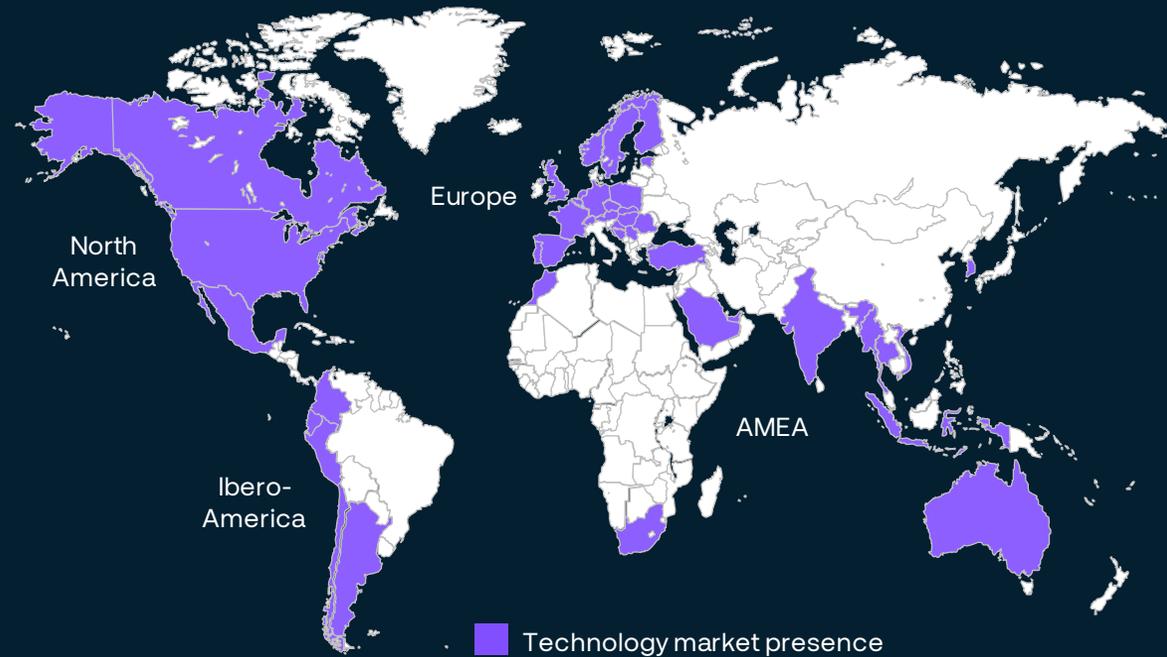




Securitas is now a global leader in technology

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



Strong commercial and cost synergies with experienced integration team

Highly compelling and tangible cost synergies

- + Creating one common technology organization
- + Consolidate back-office support
- + Overlap in support and operational facilities
- + Leveraging strengthened purchasing power



Additional significant sustainable margin accretion potential

- + Strong commercial cross-selling and solutions synergies
- + Significant recurring revenue streams enhances revenue stability and profitability, through fixed cost absorption
- + Innovative offering strengthens client value proposition with high-margin services
- + STANLEY Products & STANLEY Healthcare offerings enhance portfolio and client share of wallet

MUSD 50

Cost synergies



Strong levers for continued margin expansion



Quality guarding services with global presence generating steady and strong cash flows

Leading global market position ⁽¹⁾

Global market position within guarding 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 from 2021 to Q3 2022

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

Guarding represented 66% of sales in 2021 (combined) ⁽²⁾: focus on quality, productivity and profitability



Financial overview



Securitas' new financial targets

Growth

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
- Bolt-on M&A opportunities: post deleveraging of balance sheet

Higher margins

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

Operating cash flow

70-80%

of operating income before amortization

Capital structure

<3x

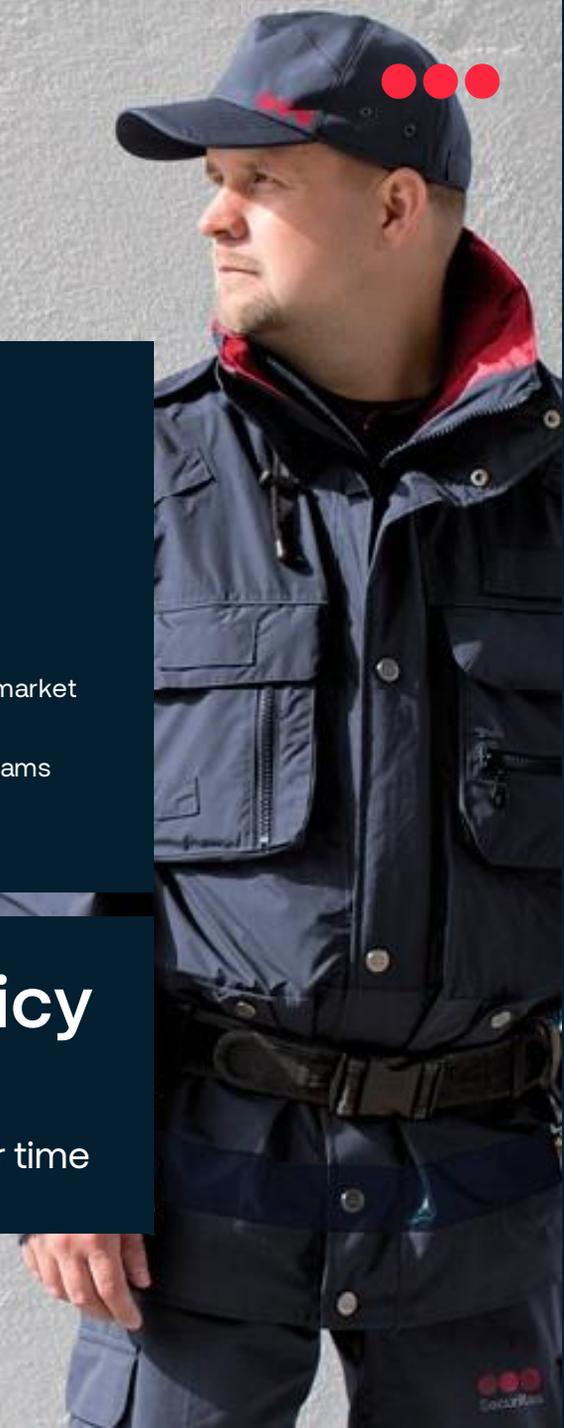
Net debt to EBITDA-ratio

Dividend policy

50-60%

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 compared to pre-pandemic years

- Improved mix, higher T&S of total sales
- Solid price/wage management
- Transformation programs, first benefits realized
- Cost efficiency throughout pandemic
- Sharpened the business through exit program

* Based on latest market consensus as per November 2022.



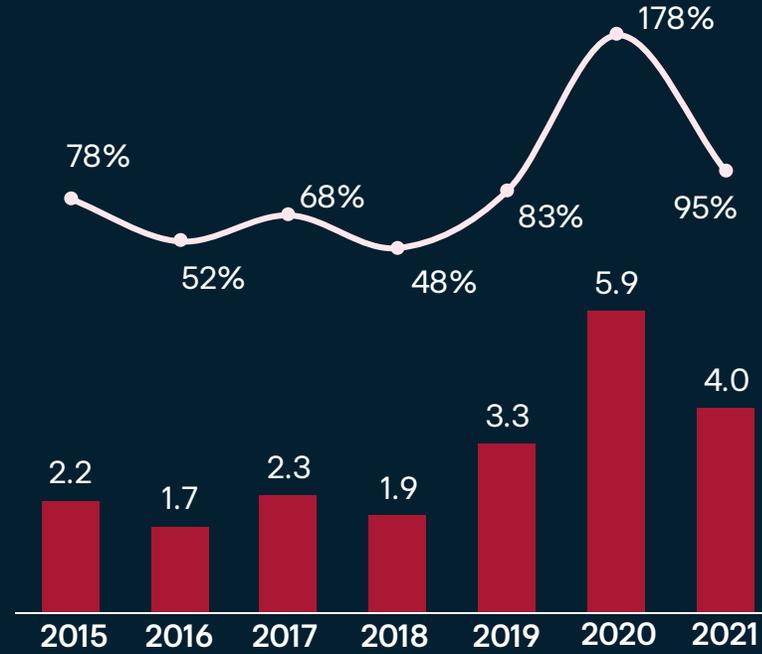
Strong recurring cash flow generation supports our growth and investments

Operating cash flow (BSEK)

Operating cash flow as % of EBITA

Free cash flow (BSEK)

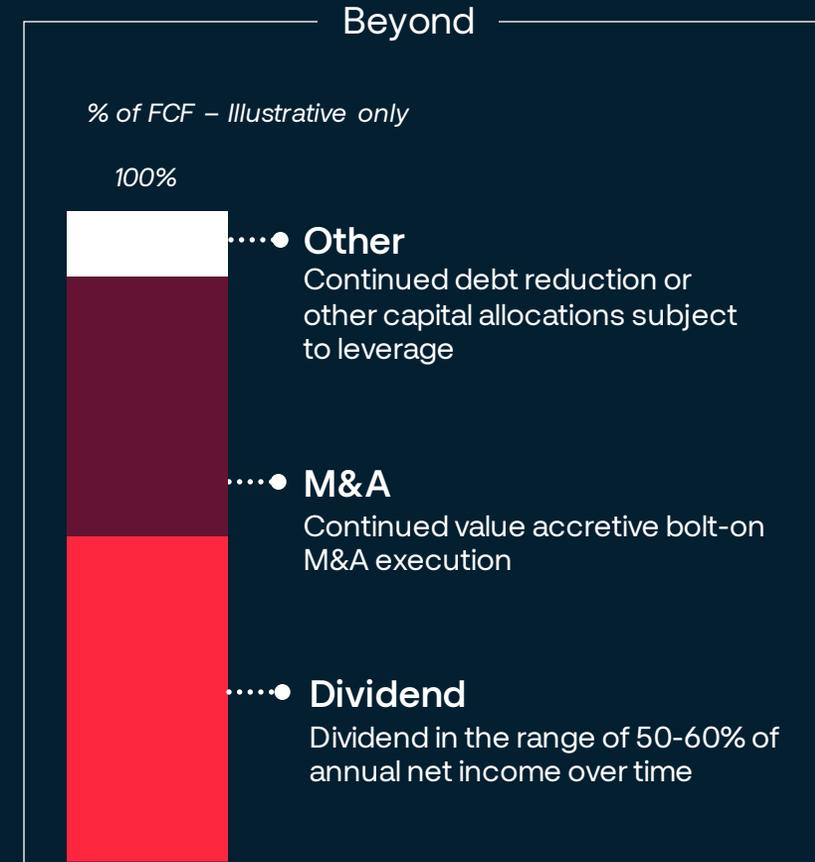
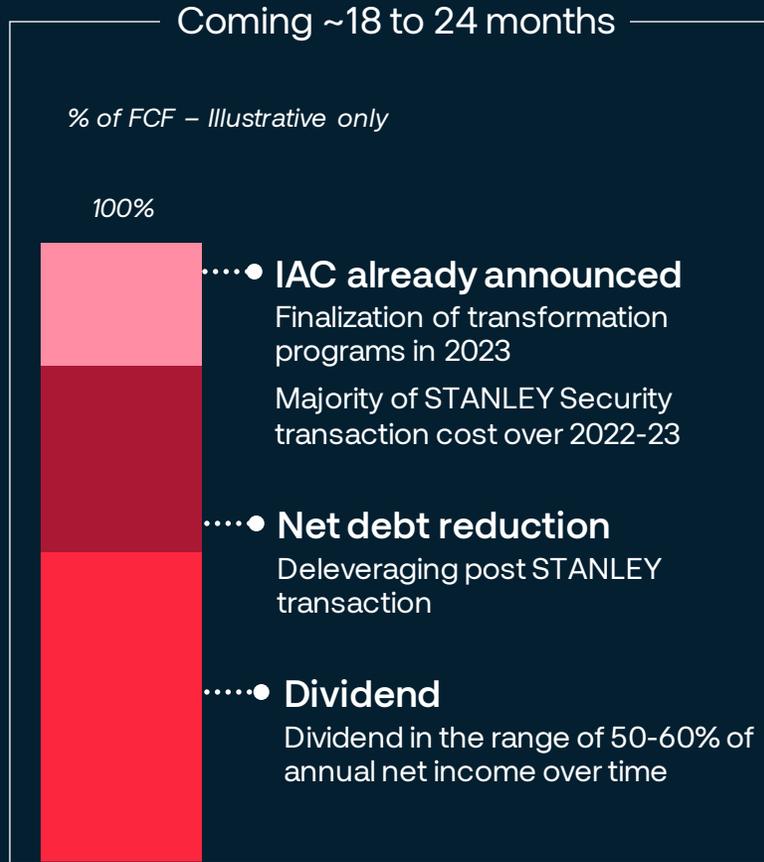
Free cash flow as % of adjusted income



- Average operating cash flow of 88% 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

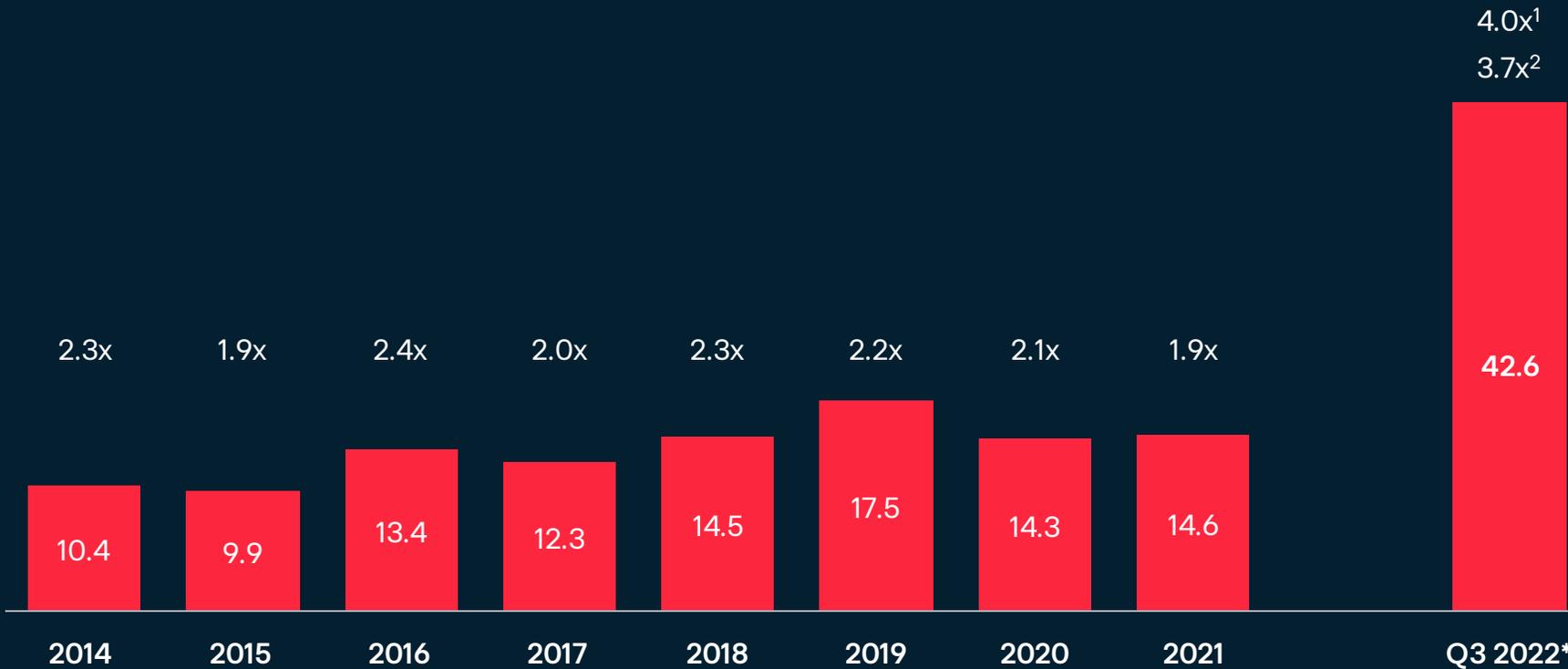


Note: The capital allocation excludes lease liabilities, revaluation and translation



Net debt to EBITDA target of <3x estimated to be achieved in 2024

Net debt development (BSEK) and leverage ratio



- Well prepared ahead of the STANLEY acquisition, solid balance sheet with leverage below financial target
- Combined net debt to EBITDA-ratio of 4.0x¹ as of September 2022
- New financial target of net debt to EBITDA-ratio <3x, estimated to be reached in 2024

* Net debt as per September 30th, adjusted for 9.6 bn SEK rights issue completed in October

¹ Including rights issue proceeds and adjusted estimated STANLEY 12 months EBITDA

² Including rights issue proceeds and adjusted estimated STANLEY 12 months EBITDA, excluding IAC



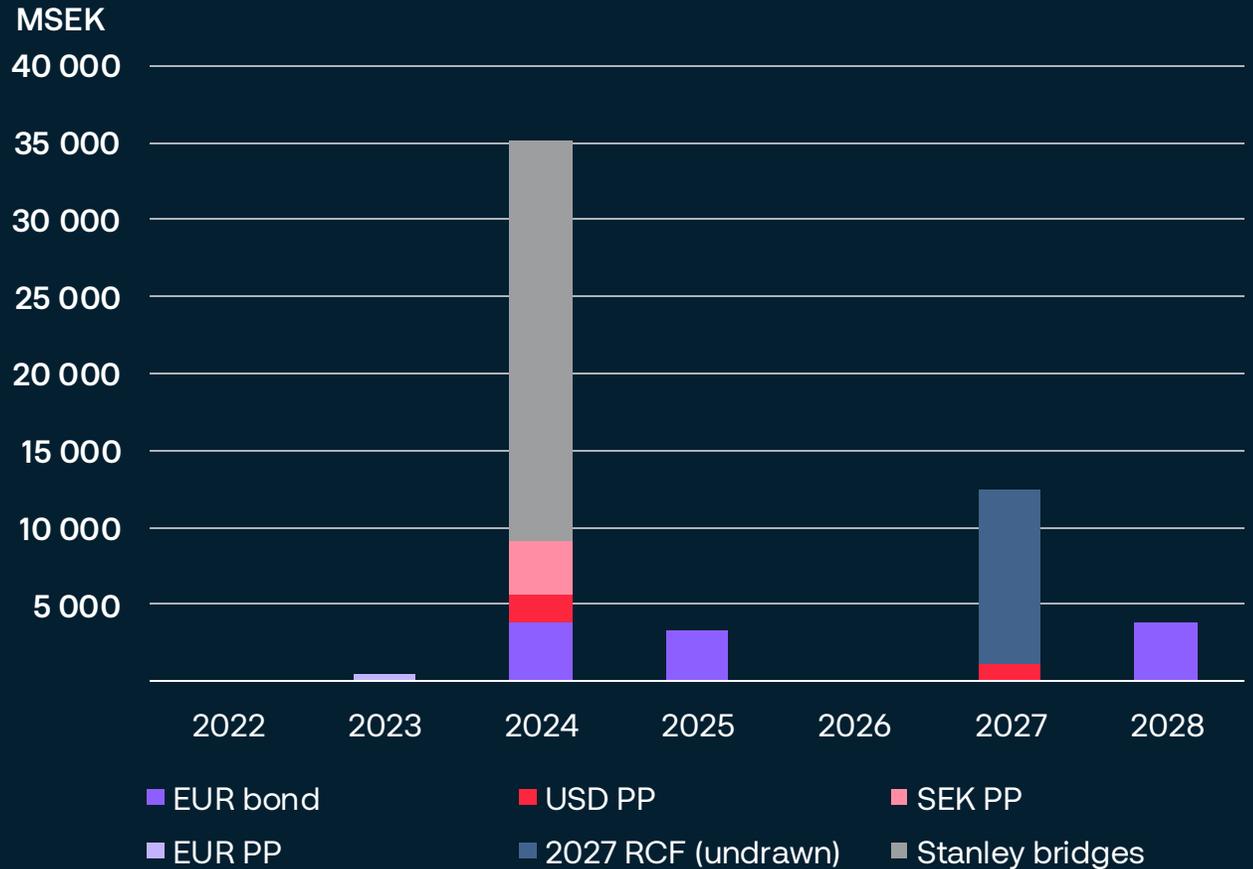
Financing overview

- No financial covenants
- Strong liquidity at end of Q3: BSEK 5.7
- MEUR 1 029 RCF extended to 2027 in April and is fully undrawn
- Bridge facilities related to BUSD 3.3 STANLEY Security acquisition
 - MUSD 915 bridge to equity facility fully repaid after successful completion of BSEK 9.6 rights issue in October
 - MUSD 2 385 bridge to debt facility with maturity in July 2024
 - Preparations ongoing to refinance bridge to debt facility through a mix of long-term debt financing

Strong Group of Core Banks:

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

Committed Funding Maturity Profile





S&P Rating - Credit Strengths and Risks

Agency

S&P

Key Strengths

- Largest security provider, wide geographical presence, well diversified customer base across vertical markets
- Successful track record of integrating acquisitions
- Strong liquidity position maintained through the pandemic

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
- Competitive market environment given consolidating industry and potential pressure on wage price

Short-Term

A-3

Swedish Short-Term

K-3

Outlook

Stable

Securitas is committed to Investment Grade rating



Investment Highlights

- Securitas is a **resilient** business with **strong growth** and **margin prospects**
- **#2 global market positioning** in both guarding and technology after acquisition of Stanley
- Leading client offering with **strong recurring revenue** and portfolio of essential services revenue
- **Diverse customer base** across 500k+ clients in 46 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

Schuldschein summary





Schuldschein Transaction Overview

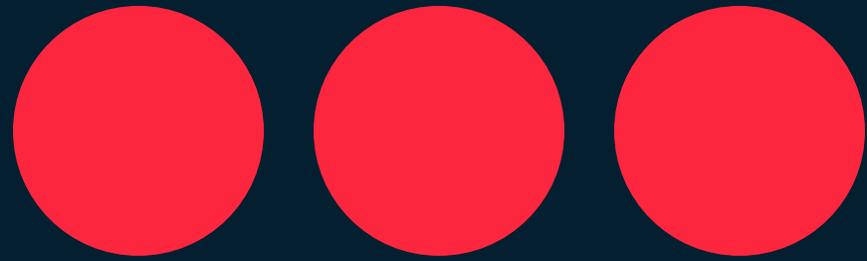
Borrower	Securitas Treasury Ireland DAC		
Guarantor	Securitas AB (publ)		
Rating	BBB- (stable) by S&P		
Use of proceeds	General corporate purposes incl. refinancing of bridge loan		
Instrument	Schuldscheindarlehen		
Status	Senior, unsecured		
Volume	EUR 150m (demand-driven increase possible)		
Tenors	3 years	5 years	7 years
Reoffer spreads EUR	165-185 bps	190-210 bps	210-230 bps
Reoffer spreads USD	215-235 bps	240-260 bps	260-280 bps
Reference Rates	EUR: Mid-Swaps & 6M Euribor (both floored at 0%) USD: 3m Term SOFR (floored at 0%)		
Documentation	Schuldschein Loan Agreement (German law and English language binding version) to be based on the LMA template and, as applicable, aligned with the Borrower's existing loan documentation including but not limited to: Pari Passu, Negative Pledge, Asset Disposal, Change of Control, Cross Default, External Legal Opinions		
Minimum subscription	Minimum amount of EUR/USD 1,000,000; thereafter EUR/USD 500,000		
Joint Arrangers	Commerzbank Aktiengesellschaft, ING Bank, a branch of ING-DiBa AG, Skandinaviska Enskilda Banken AB (publ) Frankfurt Branch, UniCredit Bank AG		
Paying Agent	Commerzbank Aktiengesellschaft		



Schuldschein Transaction Overview

12 January 2023	Launch of transaction
19 January 2023	Investor Conference Call 2:00 pm CET
07 February 2023	Q4/Full Year Report 2022
10 February 2023	Deadline for comments on documentation / KYC
21 February 2023	Close of orderbooks at 02:00 pm CET
22 February 2023	Allocation
23 March 2023	Pricing Fixed rate Tranches / Signing
02 March 2023	Settlement

Q&A



Securitas