



# LEADING THE DEVELOPMENT OF THE SECURITY INDUSTRY

Annual General Meeting, May 6, 2019

Magnus Ahlqvist  
President and CEO



## 2018 – a very strong year

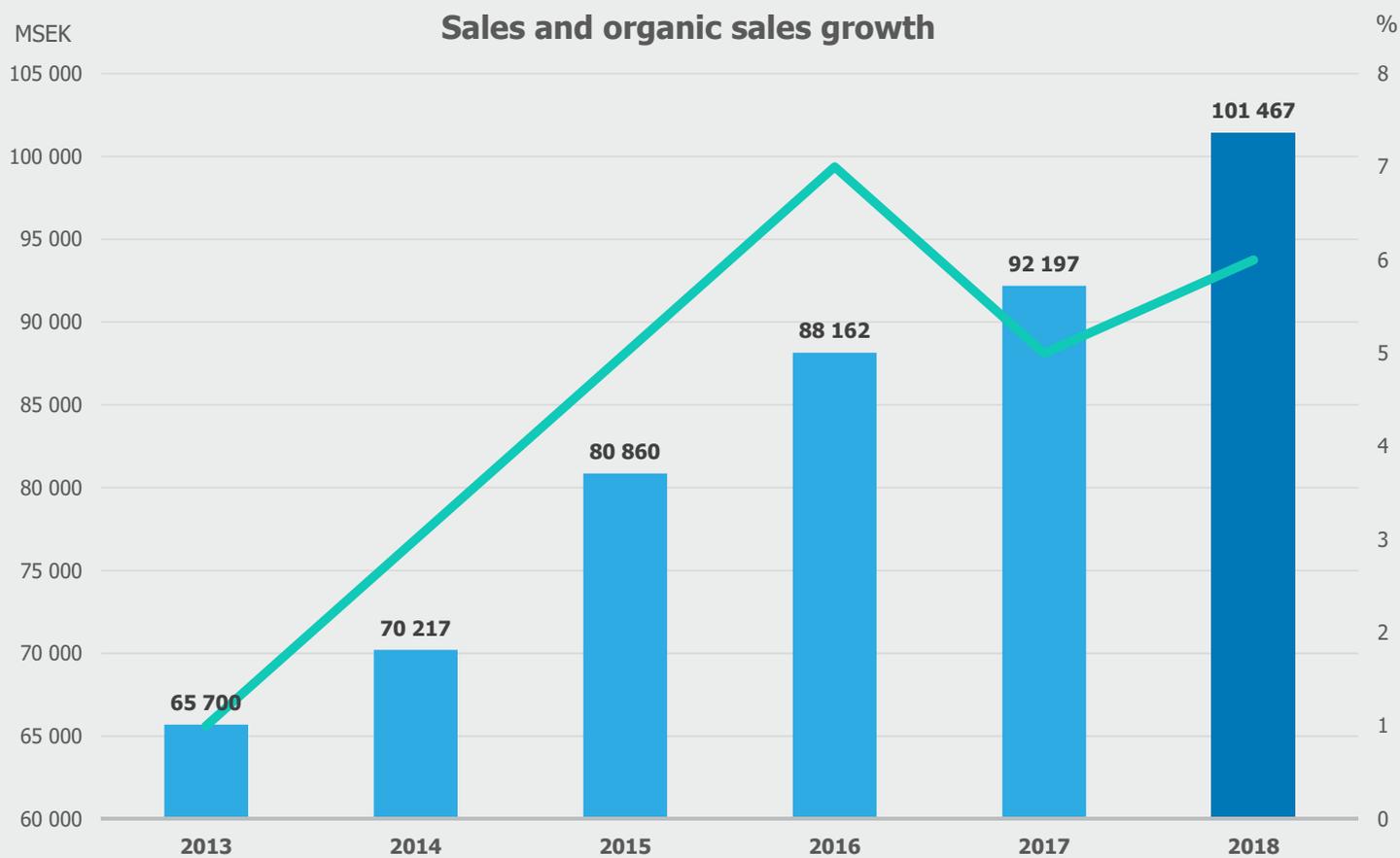


### Strong growth throughout the year

- Good organic sales growth 6% (5)
- Wage cost increases on par with price increases
- Improved operating margin 5.2% (5.1)
- EPS (before IAC) 12% real change
- Two major transformation programs initiated
- Cash flow generation unsatisfactory

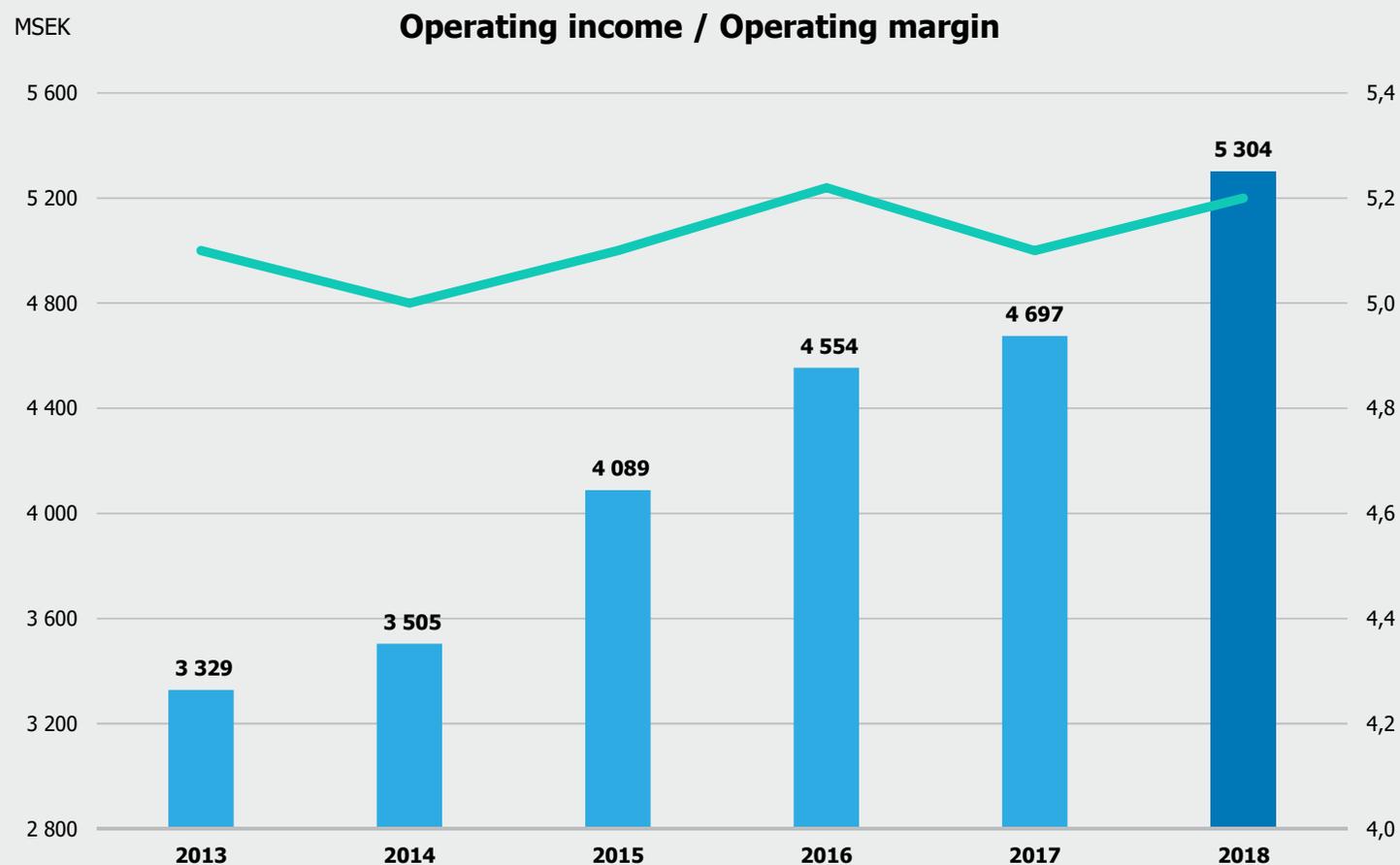
# Sales and organic sales growth 2013–2018

## Reaching sales of 100 BSEK in 2018



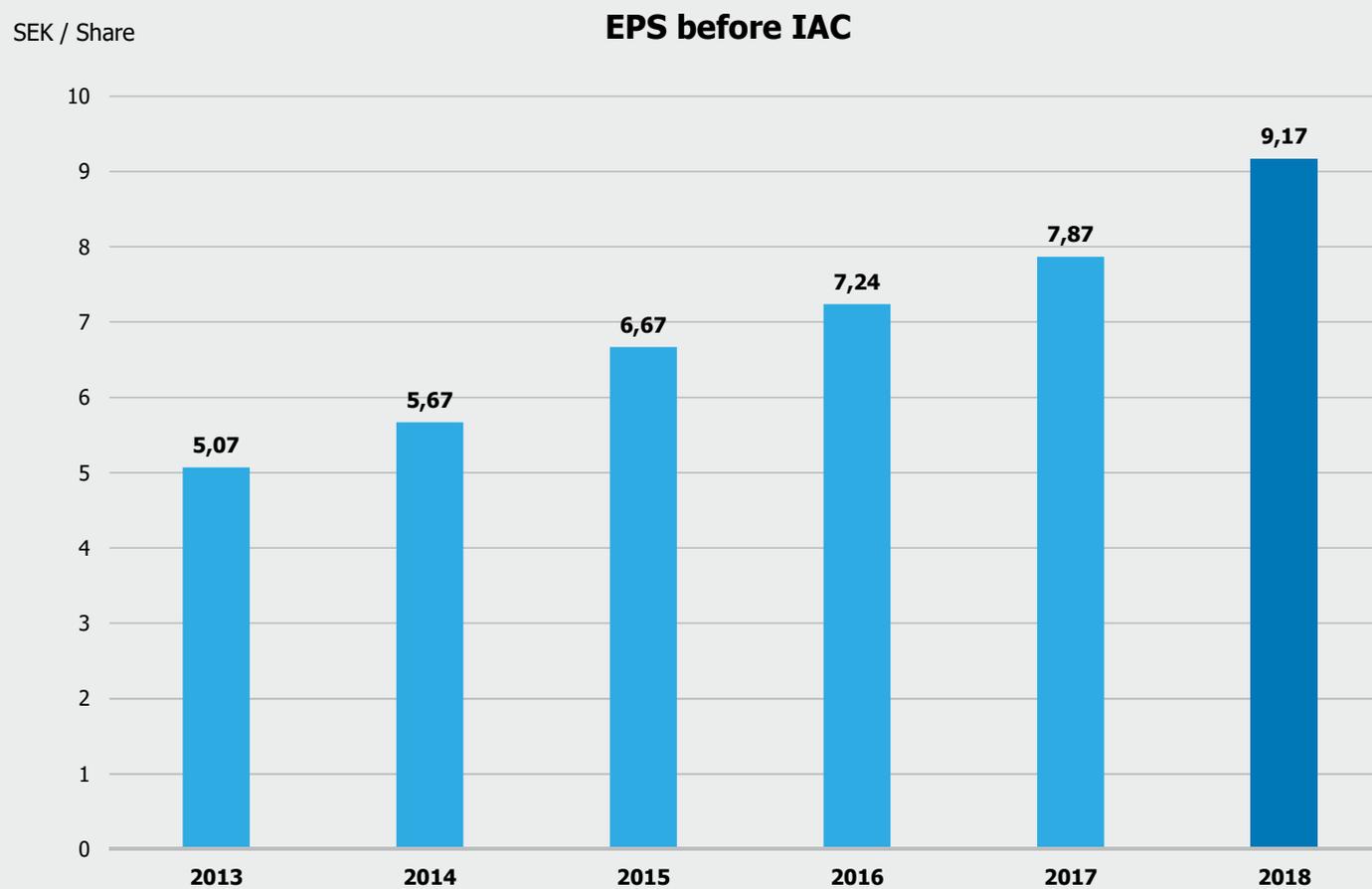
# Operating income and margin 2013–2018

## Strong increase



# Earnings per share 2013–2018

## A solid sustainable development



# Security Solutions and Electronic Security

## **Double digit growth in all business segments**



### **Security Solutions and Electronic Security**

#### **Real sales growth 21% (19)**

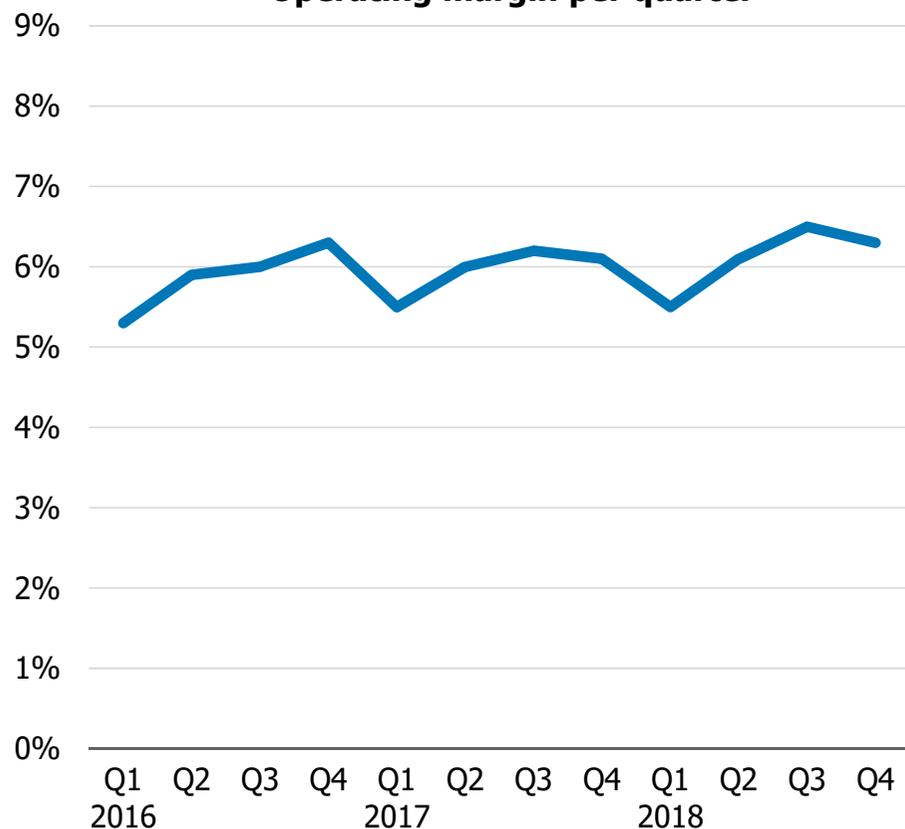
- Sales BSEK 20.4 (16.7)
- A good number of mid-sized and strategically important solution contracts started, delivering a range of protective services
- Several electronic security companies acquired to enhance national platforms, e.g. in France and in the Netherlands
- The acquisition of the division Kratos Public Safety and Security in the US was completed in June

# Security Services North America

## Good momentum both in sales growth and operating margin



Operating margin per quarter



### Organic sales growth 6% (5)

- Good portfolio momentum and solid client retention 91% (91)
- Security solutions and electronic security represented 17% (15) of total sales

### Operating margin 6.1% (5.9)

- The operating margin was supported by topline leverage, solid performance in risk management and good momentum of security solutions sales => strong improvement of the margin

# Security Services Europe

## Strong client retention and improved cost control



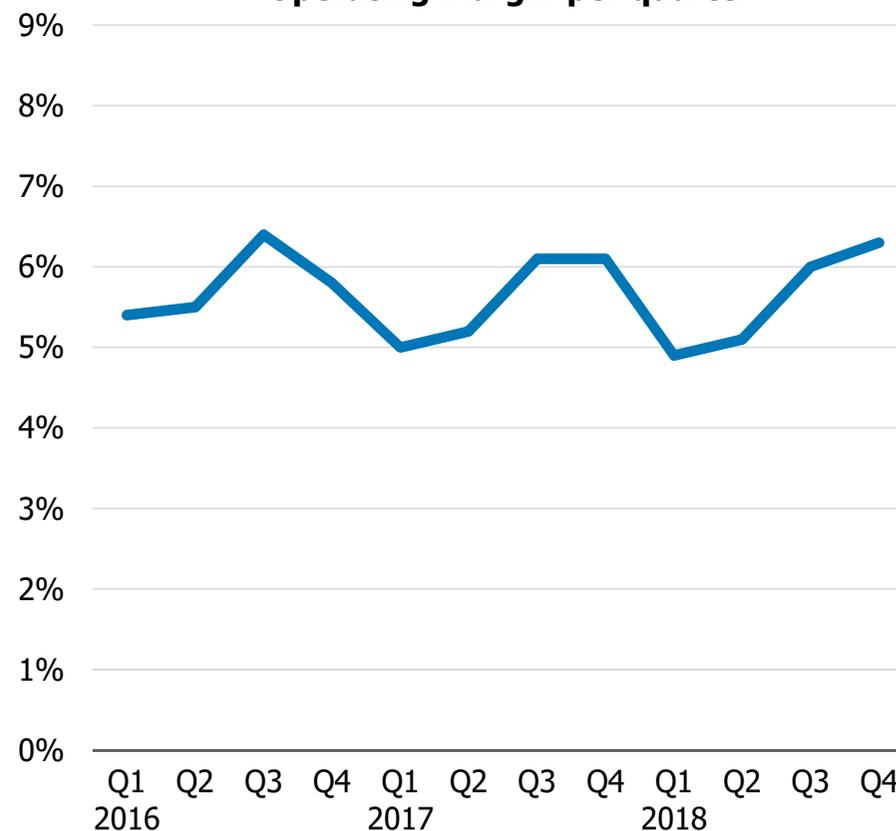
### Organic sales growth 4% (2)

- Strong client retention 93% (91)
- Almost all countries supported the development, especially Belgium, Germany and the guarding business in Turkey
- Lower refugee sales, almost 1% negative impact
- Security solutions and electronic security represented 21% (20) of total sales

### Operating margin 5.6% (5.6)

- As planned, the cost savings program initiated in Q3 had a positive impact in Q4

Operating margin per quarter



# Security Services Ibero-America

## Strong sales growth and solid operating margin



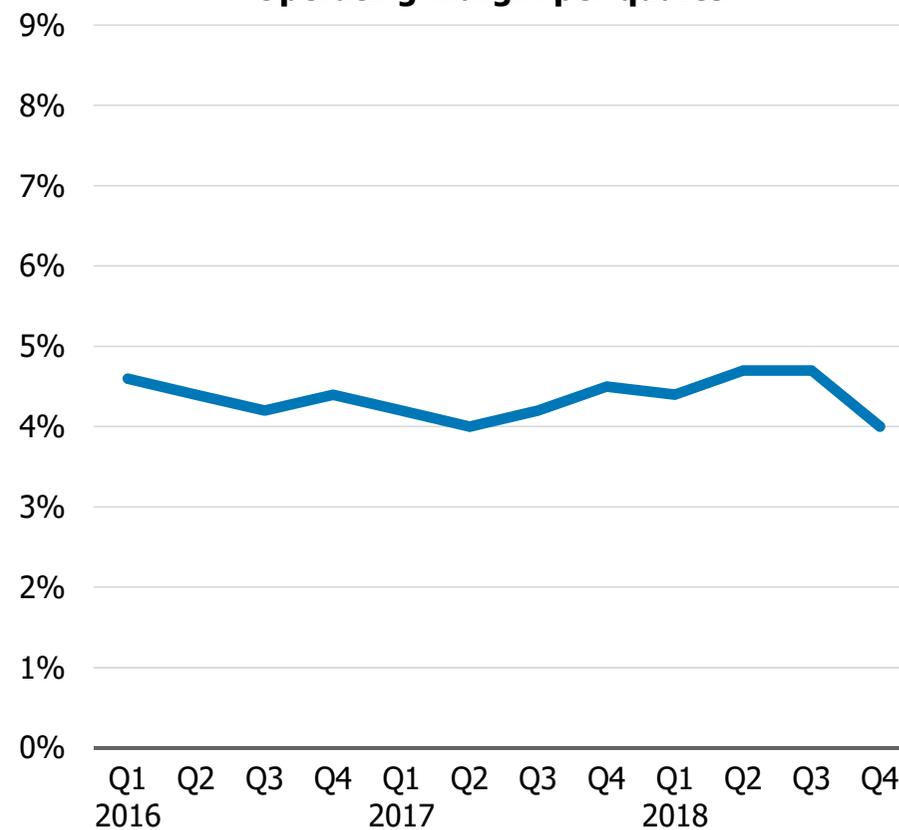
### Organic sales growth 12% (13)

- Strong client retention 92% (91)
- Security solutions and electronic security represented 27% (24) of total sales

### Operating margin 4.5% (4.2)

- Weak Q4 due to development in Argentina
- Spain showed strong performance throughout the year

Operating margin per quarter



# Strategy

# An important role in society and great opportunities

## Good growth prospects



Economic prosperity



Increasing emphasis on security and safety

## Innovation opportunity



Technology



Data and information

# The power of presence

We have leading market positions



**#1**  
security services  
provider

**58**  
markets

**370,000**  
employees

# Our strength is built on our security officers and culture



## OUR VALUES



- Integrity
- Vigilance
- Helpfulness

## OUR WAY OF WORKING



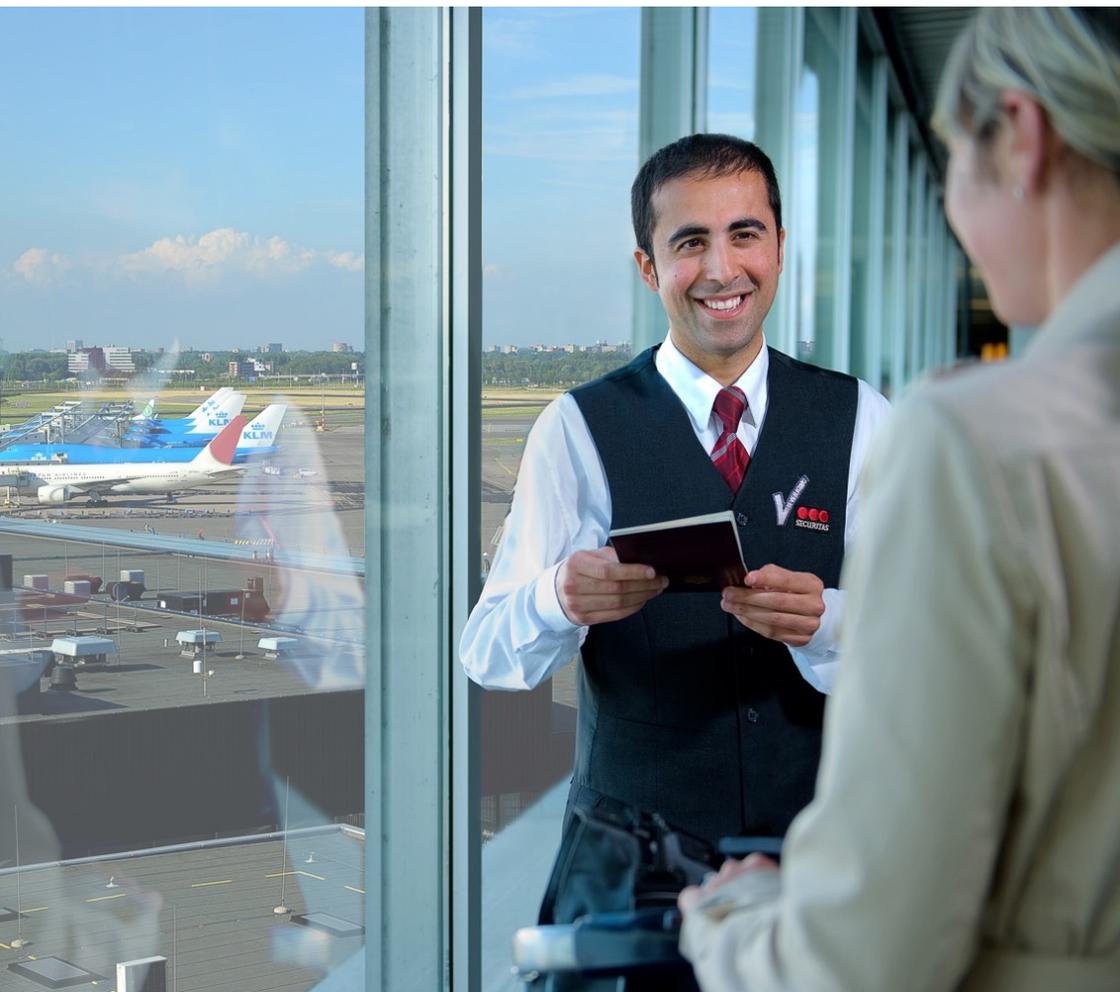
- Securitas Toolbox

## ETHICS AND COMPLIANCE



- Values and Ethics code
- Integrity line
- Sustainability reporting, GRI
- UN Global compact

**We have a strong, loyal client base  
with significant growth opportunities**



**150,000\***  
clients

**140**  
Global clients

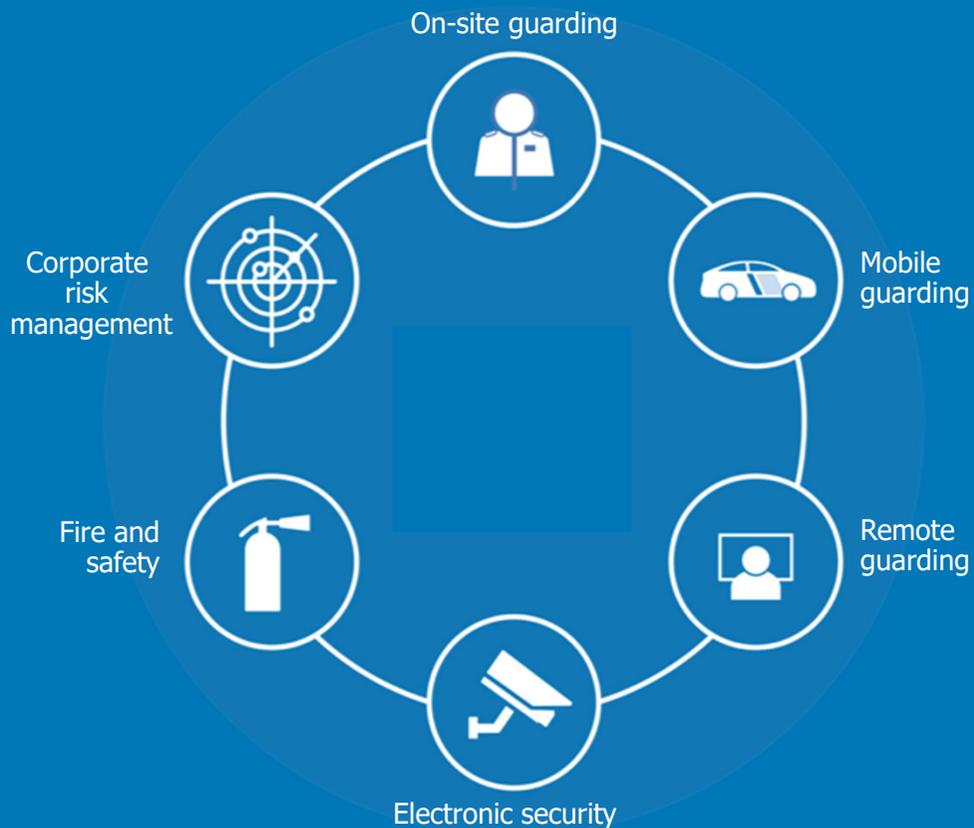
**91%**  
retention rate

\* Excluding monitoring only clients

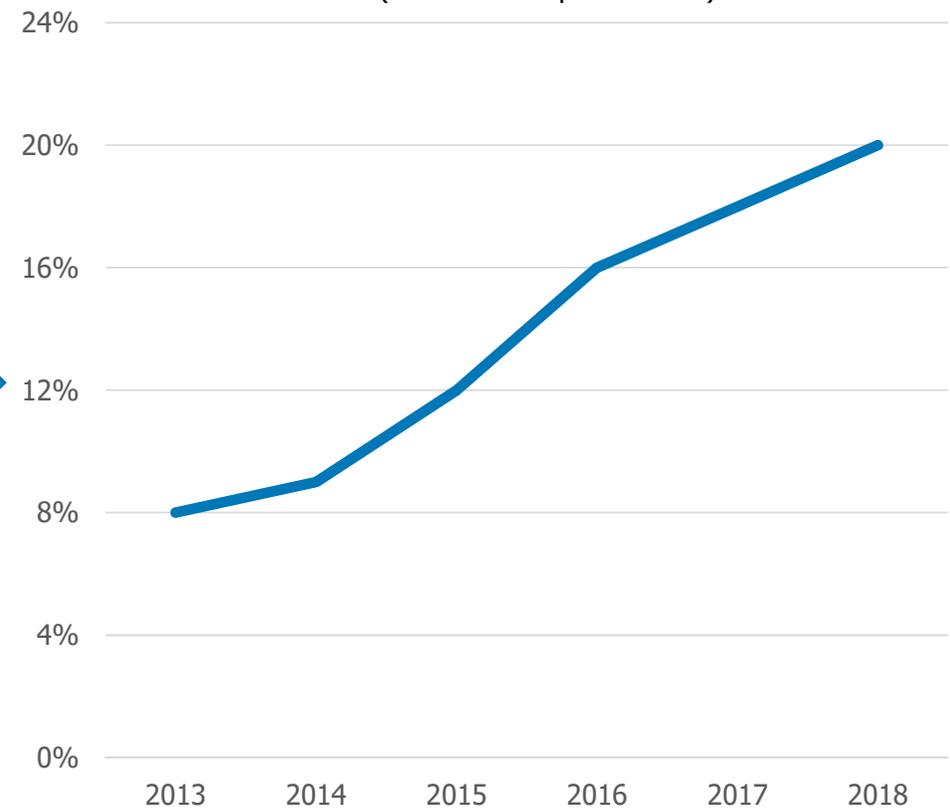
**Since 2013, we have extended our offering from on-site guarding to protective services...**



## PROTECTIVE SERVICES



**Sales of security solutions and electronic security**  
(share of Group total sales)



**... with a special focus on  
developing electronic security**



**Combining protective services in  
a packaged offering = security solutions**



## Key focus areas right now

**Client value proposition**

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**Protective services leadership**

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**Modernization and efficiency**



# We have a strong platform for future growth



**Leader in Security services**  
Guarding and security capability

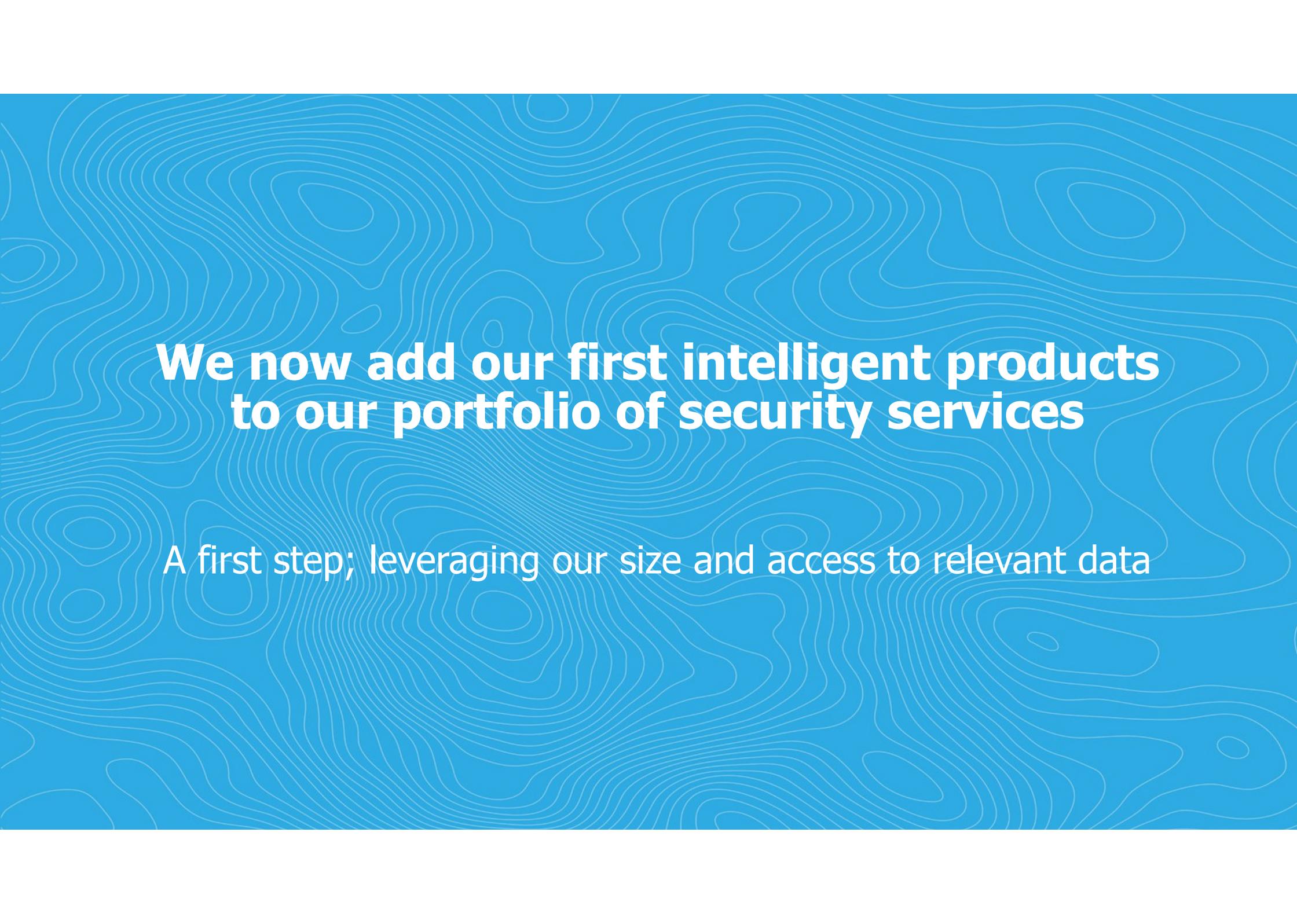
1990 onwards

**Leader in Protective services**  
Integration of solutions

2015 onwards

**Leader in Intelligent Services**  
Data-driven innovation

2020 and beyond



**We now add our first intelligent products  
to our portfolio of security services**

A first step; leveraging our size and access to relevant data



## Leading the transformation



**2018 was a very good year and we now have a strong platform for future long-term growth.**

**A future where Securitas continues to lead the transformation of the security industry.**



**THANK YOU**

