



# Interim Report January–March 2022

The background of the entire page is a dark blue field filled with a grid of small, light purple dots. The dots are arranged in a pattern that creates a sense of depth and perspective, with the grid lines curving away from the viewer. In the bottom right corner, a large, bold, white number "1" is prominently displayed.

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# January–March 2022

## 28 598

Total sales, MSEK

## 5.1%

Operating margin

## 2.30

Earnings per share, SEK

- Total sales MSEK 28 598 (25 814)
- Organic sales growth 4 percent (0)
- Operating income before amortization MSEK 1 452 (1 256)
- Operating margin 5.1 percent (4.9)
- Items affecting comparability (IAC) MSEK –134 (–136), mainly relating to the previously announced transformation programs
- Earnings per share SEK 2.30 (1.86)
- Earnings per share, before IAC, SEK 2.57 (2.11)
- Net debt/EBITDA 2.0 (2.1)
- Cash flow from operating activities –9 percent (102)

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# Comments from the President and CEO



“A robust start to the year with continued margin improvement”

We continue to execute on our strategy to be the leading security solutions partner to our clients with world-leading technology and expertise, and this is generating results. We recorded the highest first quarter operating margin in more than a decade, with record levels in North America and Ibero-America.

We started the year with 4 percent organic sales growth in the first quarter, with strong organic sales growth in Europe and Ibero-America. As expected, organic sales growth in North America came in negative due to the previously communicated contract terminations and lower levels of corona-related extra sales. The overall conditions in the business environment

further normalized in the first quarter compared to the same period last year.

Increased market activity and client interactions generated good momentum in the business including 9 percent sales growth of security solutions and electronic security in the Group, now representing 23 percent (22) of Group sales.

The price and wage balance was successfully kept on par and we are well positioned to maintain this balance. The operating result for the Group, adjusted for changes in exchange rates, increased by 8 percent (30) in the first quarter and the operating margin improved to 5.1 percent (4.9). Strong performance in North America and Ibero-America together with improving sales of security solutions and electronic security across all segments contributed to the positive margin development, as did our continued high focus on profitability through active portfolio management, our transformation programs and general cost control. This enabled us to offset the challenges in the quarter with labor shortages in several markets and increased sickness costs in Europe. Adjusted for this impact, the underlying margin development in Europe was well ahead of last year.

It is with deep regret that we have witnessed the development in Ukraine and my thoughts are with everyone affected. We do not have any business in either Russia or Ukraine but we have organized company-wide activities to provide individual and company contributions to e.g. the Red Cross and UNHCR. I would like to emphasize the outstanding support provided by many Securitas colleagues and their families in neighboring countries to help a large number of refugees from Ukraine.

## CREATING THE NEW SECURITAS

We are realizing value in the transformation program in North America which is evidenced in the operating margin development. We are now executing on the remaining business transformation programs in Europe and Ibero-America and we expect to realize strong financial and operational benefits in the years to come. These transformation programs will provide us with a significantly stronger foundation to enhance client value and drive operating margin improvement.

We have the ambition to close the acquisition of Stanley Security towards the end of the second quarter 2022. This acquisition is transformational for Securitas as well as the security industry. The integration and value creation planning is ongoing and on track.

When Stanley is integrated and the transformation programs are fully implemented, we will have built a new Securitas – a modern, digitized and innovative security solutions partner for our clients with a structurally higher margin profile.

Magnus Ahlqvist  
President and CEO

# January–March summary

## FINANCIAL SUMMARY

MSEK	Q1		Change, %		Full year	Change, %
	2022	2021	Total	Real	2021	Total
<b>Sales</b>	<b>28 598</b>	<b>25 814</b>	<b>11</b>	<b>5</b>	<b>107 700</b>	<b>0</b>
<i>Organic sales growth, %</i>	4	0			4	
<b>Operating income before amortization</b>	<b>1 452</b>	<b>1 256</b>	<b>16</b>	<b>8</b>	<b>5 978</b>	<b>22</b>
<i>Operating margin, %</i>	5.1	4.9			5.6	
Amortization of acquisition-related intangible assets	-61	-65			-290	
Acquisition-related costs	-10	-29			-122	
Items affecting comparability*	-134	-136			-871	
<b>Operating income after amortization</b>	<b>1 247</b>	<b>1 026</b>	<b>22</b>	<b>13</b>	<b>4 695</b>	<b>23</b>
Financial income and expenses	-95	-94			-364	
<b>Income before taxes</b>	<b>1 152</b>	<b>932</b>	<b>24</b>	<b>15</b>	<b>4 331</b>	<b>30</b>
<b>Net income for the period</b>	<b>841</b>	<b>680</b>	<b>24</b>	<b>15</b>	<b>3 134</b>	<b>30</b>
Earnings per share, SEK	2.30	1.86	24	15	8.59	30
EPS before items affecting comparability, SEK	2.57	2.11	22	13	10.41	30
<i>Cash flow from operating activities, %</i>	-9	102			93	
Free cash flow	-687	796			3 999	
<i>Net debt to EBITDA ratio</i>	2.0	2.1			1.9	

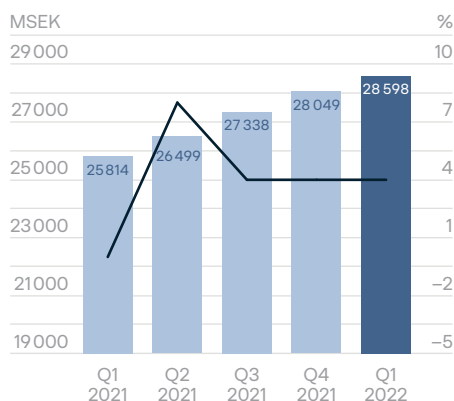
\* Refer to note 7 on page 24 for further information.

## ORGANIC SALES GROWTH AND OPERATING MARGIN DEVELOPMENT PER BUSINESS SEGMENT

%	Organic sales growth		Operating margin	
	Q1		Q1	
	2022	2021	2022	2021
Security Services North America	-2	3	6.4	5.9
Security Services Europe	8	-1	5.0	5.1
Security Services Ibero-America	12	-2	5.8	5.2
<b>Group</b>	<b>4</b>	<b>0</b>	<b>5.1</b>	<b>4.9</b>

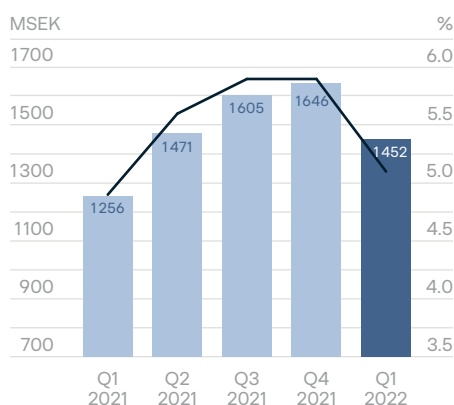
# Group development

## QUARTERLY SALES DEVELOPMENT



— Organic sales growth, %

## QUARTERLY OPERATING INCOME DEVELOPMENT



— Operating margin, %

## JANUARY–MARCH 2022

### SALES DEVELOPMENT

Sales amounted to MSEK 28 598 (25 814) and organic sales growth to 4 percent (0), driven by Security Services Europe and Security Services Ibero-America. Security Services Europe had 8 percent (–1), supported by most countries including the airport security business, as well as price increases. Security Services Ibero-America showed 12 percent (–2), primarily driven by Spain and price increases in Argentina. Security Services North America had –2 percent (3) organic sales growth, burdened by previously announced contract terminations and reduced corona-related extra sales. Extra sales in the Group amounted to 13 percent (16) of total sales.

Real sales growth, including acquisitions and adjusted for changes in exchange rates, was 5 percent (1).

Security solutions and electronic security sales amounted to MSEK 6 565 (5 738) or 23 percent (22) of total sales in the quarter. Real sales growth, including acquisitions and adjusted for changes in exchange rates, was 9 percent (2).

### OPERATING INCOME BEFORE AMORTIZATION

Operating income before amortization was MSEK 1 452 (1 256) which, adjusted for changes in exchange rates, represented a real change of 8 percent (30). The operating income was supported by corona-related government grants and support measures of MSEK 37 (205) in the quarter, mostly within Security Services Europe.

The Group's operating margin was 5.1 percent (4.9), an improvement driven by Security Services North America and Security Services Ibero-America. The operating margin improvement in Security Services North America was

supported by all four business units, whereas the improvement in Security Services Ibero-America was driven by Spain and recovery in the airport security business. The operating margin in Security Services Europe was below last year, due to higher corona-related sickness costs and costs related to labor shortage. Total price adjustments in the Group were on par with wage cost increases in the first quarter.

### OPERATING INCOME AFTER AMORTIZATION

Amortization of acquisition-related intangible assets amounted to MSEK –61 (–65).

Acquisition-related costs totaled MSEK –10 (–29). For further information refer to Acquisitions and divestitures on page 11 and note 6.

Items affecting comparability were MSEK –134 (–136), whereof MSEK –121 (–26) related the transformation programs in Europe and Ibero-America. Items affecting comparability also included MSEK –13 (0) relating to the acquisition of Stanley Security. For further information refer to note 7.

### FINANCIAL INCOME AND EXPENSES

Financial income and expenses amounted to MSEK –95 (–94).

### INCOME BEFORE TAXES

Income before taxes amounted to MSEK 1 152 (932).

### TAXES, NET INCOME AND EARNINGS PER SHARE

The Group's tax rate was 27.0 percent (27.0). The tax rate before tax on items affecting comparability was 27.0 percent (27.8).

Net income was MSEK 841 (680).

Earnings per share amounted to SEK 2.30 (1.86). Earnings per share before items affecting comparability amounted to SEK 2.57 (2.11).

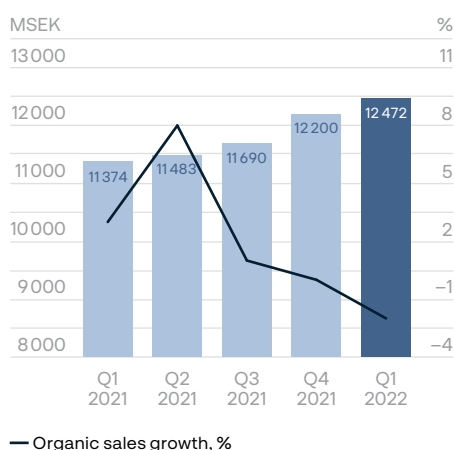
# Development in the Group's business segments

## Security Services North America

Security Services North America provides protective services in the US, Canada and Mexico. The operations in the US are organized in four specialized units – Guarding, Electronic Security, Pinkerton Corporate Risk Management and Critical Infrastructure Services. There is a unit for global and national clients as well as specialized client segment units, such as aviation, healthcare, manufacturing, and oil and gas.

MSEK	Q1		Change, %		Full year
	2022	2021	Total	Real	2021
<b>Total sales</b>	<b>12 472</b>	<b>11 374</b>	<b>10</b>	<b>-2</b>	<b>46 747</b>
Organic sales growth, %	-2	3			3
Share of Group sales, %	44	44			43
<b>Operating income before amortization</b>	<b>802</b>	<b>675</b>	<b>19</b>	<b>7</b>	<b>3 191</b>
Operating margin, %	6.4	5.9			6.8
Share of Group operating income, %	55	54			53

### QUARTERLY SALES DEVELOPMENT



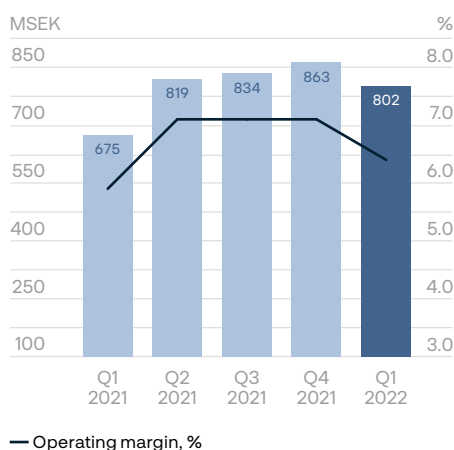
### JANUARY–MARCH 2022

Organic sales growth was –2 percent (3). The decline was primarily related to the terminated security contract within the healthcare client segment and the termination of the airport security contract in Hawaii, as previously communicated. The lower level of corona-related extra sales also had a negative impact compared to the first quarter last year. The installation business within Electronic security hampered organic sales growth, negatively impacted by global supply chain shortages and corona-related sick leave.

(2 039) or 18 percent (18) of total sales in the business segment, with real sales growth of 1 percent (1) in the first quarter.

The operating margin was 6.4 percent (5.9), supported by all business units. The operating margin in Guarding improved despite the lower level of corona-related extra sales and the impact of labor pressure, supported by the finalized business transformation program and the above-mentioned contract terminations at below average operating margins. Electronic Security and Critical Infrastructure Services performed well and were supported by the business mix within both units. Pinkerton delivered a strong result, primarily driven by sales growth.

### QUARTERLY OPERATING INCOME DEVELOPMENT



Successful price increase campaigns and good commercial activity within Guarding offset some of the negative impacts above. The business unit Critical Infrastructure Services supported organic sales growth in the first quarter, albeit on a weak comparative, and organic sales growth in Pinkerton was continuously strong.

Security solutions and electronic security sales represented MSEK 2 289

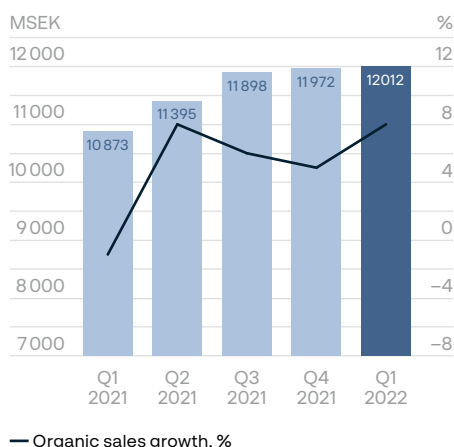
The Swedish krona exchange rate weakened against the US dollar, which had a positive impact on operating income in Swedish kronor. The real change was 7 percent (18) in the quarter.

## Security Services Europe

Security Services Europe provides protective services with operations in 22 countries. The full range of protective services includes on-site, mobile and remote guarding, electronic security, fire and safety services and corporate risk management. In addition, there are three specialized units for global clients, electronic security and security solutions.

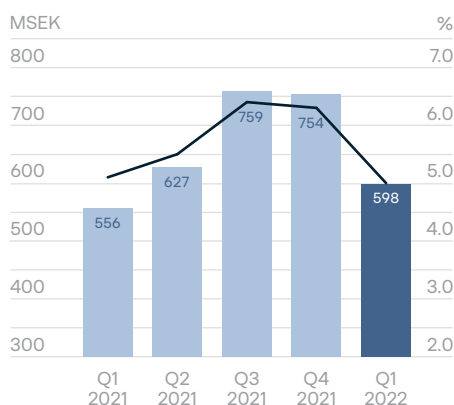
MSEK	Q1		Change, %		Full year
	2022	2021	Total	Real	2021
<b>Total sales</b>	<b>12 012</b>	<b>10 873</b>	<b>10</b>	<b>9</b>	<b>46 138</b>
Organic sales growth, %	8	-1			5
Share of Group sales, %	42	42			43
<b>Operating income before amortization</b>	<b>598</b>	<b>556</b>	<b>8</b>	<b>7</b>	<b>2 696</b>
Operating margin, %	5.0	5.1			5.8
Share of Group operating income, %	41	44			45

### QUARTERLY SALES DEVELOPMENT



— Organic sales growth, %

### QUARTERLY OPERATING INCOME DEVELOPMENT



— Operating margin, %

### JANUARY–MARCH 2022

Organic sales growth was 8 percent (-1) in the quarter, on weak comparatives due to the corona pandemic primarily within airport security. Most countries contributed to the organic sales growth improvement, with good momentum within security solutions and electronic security. Strong price increases and continued post corona recovery, particularly in the airport security business, supported organic sales growth combined with the high inflationary environment in Turkey.

Security solutions and electronic security sales represented MSEK 3 059 (2 640) or 25 percent (24) of total sales in the business segment, with real sales growth of 15 percent (5) in the first quarter.

The operating margin was 5.0 percent (5.1), a decline due to higher level of

corona-related sickness costs and increased costs related to labor shortage, together representing approximately -0.4 percentage points negative impact. The underlying margin development was healthy and well ahead of last year. The operating margin was supported by previously implemented cost measures and cost leverage on the strong sales growth. The contribution from previously acquired electronic security businesses also impacted the margin positively. The level of corona-related government grants and support was substantially lower compared to the first quarter last year.

The Swedish krona exchange rate weakened primarily against the euro but was offset by the development of the Turkish lira. The real change was 7 percent (41) in the quarter.

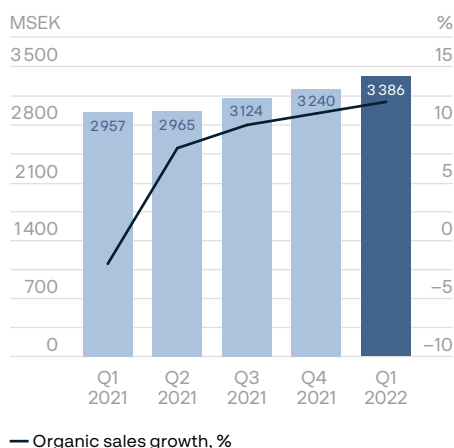


## Security Services Ibero-America

Security Services Ibero-America provides protective services in seven Latin American countries as well as in Portugal and Spain in Europe. The offered services include on-site, mobile and remote guarding, electronic security, fire and safety services, and corporate risk management.

MSEK	Q1		Change, %		Full year
	2022	2021	Total	Real	2021
<b>Total sales</b>	<b>3 386</b>	<b>2 957</b>	<b>15</b>	<b>12</b>	<b>12 286</b>
Organic sales growth, %	12	-2			6
Share of Group sales, %	12	11			11
<b>Operating income before amortization</b>	<b>196</b>	<b>153</b>	<b>28</b>	<b>23</b>	<b>702</b>
Operating margin, %	5.8	5.2			5.7
Share of Group operating income, %	13	12			12

### QUARTERLY SALES DEVELOPMENT



### JANUARY–MARCH 2022

Organic sales growth was 12 percent (–2), on a weak comparative. Organic sales growth in Spain was 10 percent (–1) with a strong development across the business. Organic sales growth in Latin America improved compared to last year with most countries showing positive organic sales growth, although price increases in Argentina were the primary driver. Good momentum of security solutions and electronic security sales supported organic sales growth and the recovery in the airport security business continued.

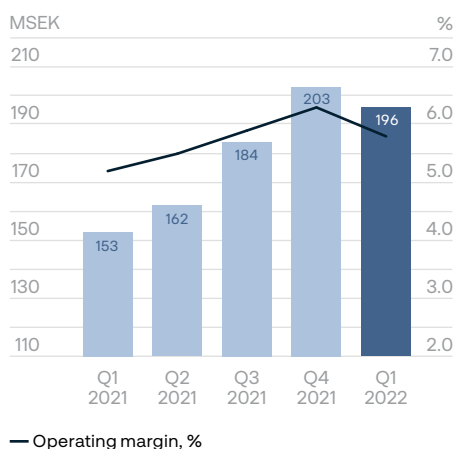
in the business segment, with real sales growth of 10 percent (–1) in the first quarter.

The operating margin was 5.8 percent (5.2), primarily driven by a strong performance in Spain, Portugal and Colombia including the recovery in the airport security business. Challenging market conditions in Argentina hampered.

The Swedish krona exchange rate weakened primarily against the euro, which had a positive impact on operating income in Swedish kronor. The real change in the segment was 23 percent (13) in the quarter.

Security solutions and electronic security sales represented MSEK 1 010 (889) or 30 percent (30) of total sales

### QUARTERLY OPERATING INCOME DEVELOPMENT



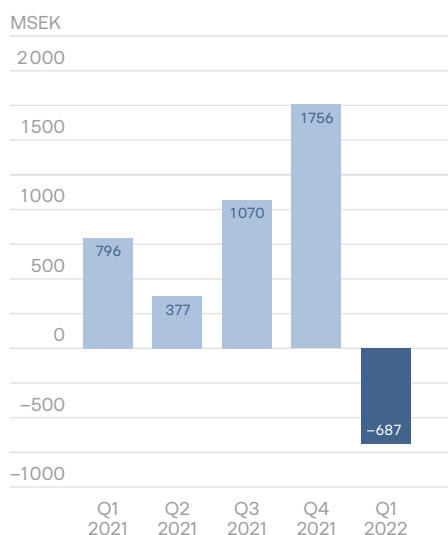


# Cash flow

## FREE CASH FLOW

MSEK	Jan–Mar 2022
<b>Operating income before amortization</b>	<b>1 452</b>
Net investments	–43
Change in accounts receivable	–448
Change in other operating capital employed	–1 090
<b>Cash flow from operating activities</b>	<b>–129</b>
Financial income and expenses paid	–236
Current taxes paid	–322
<b>Free cash flow</b>	<b>–687</b>

## QUARTERLY FREE CASH FLOW



## JANUARY–MARCH 2022

Cash flow from operating activities amounted to MSEK –129 (1 283), equivalent to –9 percent (102) of operating income before amortization. Last year there was an exceptionally strong cash flow for a first quarter, which historically has proven to be weaker in terms of cash conversion.

The impact from changes in accounts receivable was MSEK –448 (140) and was negatively impacted by higher organic sales growth and an increase in days of sales outstanding (DSO) compared to the low year-end position. DSO improved compared to the first quarter last year. Changes in other operating capital employed were MSEK –1 090 (–118), where last year was positively impacted primarily by positive payroll timing in North America and in the Netherlands with approximately MSEK 600.

Financial income and expenses paid was MSEK –236 (–242) and current taxes paid was MSEK –322 (–245).

Cash flow from operating activities includes net investments in non-current tangible and intangible

assets, amounting to MSEK –43 (5), also including capital expenditures in equipment for solutions contracts. The net investments are the result of investments of MSEK –727 (–638) and reversal of depreciation of MSEK 684 (643).

Free cash flow was MSEK –687 (796), equivalent to –65 percent (92) of adjusted income.

Cash flow from investing activities, acquisitions and divestitures, was MSEK –7 (–179). Refer to note 6 for further information.

Cash flow from items affecting comparability amounted to MSEK –267 (–170). Refer to note 7 for further information.

Cash flow from financing activities was MSEK –197 (225) due to a net decrease in borrowings.

Cash flow for the period was MSEK –1 158 (672). The closing balance for liquid funds after translation differences of MSEK 36 was MSEK 3 687 (4 809 as of December 31, 2021).

# Capital employed and financing

## CAPITAL EMPLOYED AND FINANCING

MSEK	Mar 31, 2022
Operating capital employed	12 177
Goodwill	23 877
Acquisition-related intangible assets	1 708
Shares in associated companies	351
<b>Capital employed</b>	<b>38 113</b>
Net debt	16 059
Shareholders' equity	22 054
<b>Financing</b>	<b>38 113</b>

## NET DEBT DEVELOPMENT

MSEK	Jan–Mar 2022
<b>Jan 1, 2022</b>	<b>-14 551</b>
Free cash flow	-687
Acquisitions / divestitures	-7
Items affecting comparability	-267
Lease liabilities	-202
<b>Change in net debt</b>	<b>-1 163</b>
Revaluation	-7
Translation	-338
<b>Mar 31, 2022</b>	<b>-16 059</b>

## NET DEBT TO EBITDA RATIO



## CAPITAL EMPLOYED AS OF MARCH 31, 2022

The Group's operating capital employed was MSEK 12 177 (9 908 as of December 31, 2021), corresponding to 11 percent of sales (9 as of December 31, 2021), adjusted for the full-year sales figures of acquired units. The translation of foreign operating capital employed to Swedish kronor increased the Group's operating capital employed by MSEK 263.

The Group's total capital employed was MSEK 38 113 (35 351 as of December 31, 2021). The translation of foreign capital employed to Swedish kronor increased the Group's capital employed by MSEK 759. The return on capital employed was 14 percent (14 as of December 31, 2021).

## FINANCING AS OF MARCH 31, 2022

The Group's net debt amounted to MSEK 16 059 (14 551 as of December 31, 2021). The net debt was impacted mainly by the free cash flow of MSEK -687, translation differences of MSEK -338, payments for items affecting comparability of MSEK -267 and lease liabilities of MSEK -202.

The net debt to EBITDA ratio was 2.0 (2.1). The free cash flow to net debt ratio amounted to 0.16 (0.49). The interest coverage ratio amounted to 14.2 (10.2).

Securitas has a Revolving Credit Facility with its ten key relationship banks. The credit facility comprises one tranche of MEUR 938 originally maturing in 2025. In April 2022, the maturity was extended by all banks to 2027. It was undrawn on March 31, 2022.

The MEUR 4 000 Euro Medium Term Note program (EMTN) was updated on April 9, 2021. The Commercial Paper

Program amounts to MSEK 5 000. No commercial paper was issued as of March 31, 2022.

On December 8, 2021, Securitas signed a Multicurrency Term Facilities Agreement with SEB. There are two facilities totaling MUSD 3 300. The purpose of the facilities is to fund the acquisition of the Electronic Security Solutions business from Stanley Black & Decker Inc. The facilities will be refinanced after completion by a mix of equity and long-term debt. The facilities were subsequently partly syndicated among seven core relationship banks, BBVA, CIC, Citi, Commerzbank, Danske, ING and Unicredit.

On December 8, 2021, Standard & Poor's placed Securitas on CreditWatch Negative on announced acquisition of Stanley Security.

In February and March 2022, Securitas have issued three Private Placement notes for respectively MSEK 2 000 and MSEK 1 500, maturing in 2024, and MEUR 50, maturing in 2023.

Further information regarding financial instruments and credit facilities is provided in note 9.

Shareholders' equity amounted to MSEK 22 054 (20 800 as of December 31, 2021). The translation of foreign assets and liabilities into Swedish kronor increased shareholders' equity by MSEK 421. Refer to the statement of comprehensive income on page 15 for further information.

The total number of shares amounted to 365 058 897 (365 058 897) as of March 31, 2022. Refer to page 18 for further information.

# Acquisitions and divestitures

## ACQUISITIONS AND DIVESTITURES JANUARY–MARCH 2022 (MSEK)

Company	Business segment <sup>1)</sup>	Included from	Acquired share <sup>2)</sup>	Annual sales <sup>3)</sup>	Enterprise value <sup>4)</sup>	Goodwill	Acq. related intangible assets
<b>Opening balance</b>						<b>23 373</b>	<b>1 732</b>
Other acquisitions and divestitures <sup>5, 6)</sup>		–	–	–21	–6	–	4
<b>Total acquisitions and divestitures January–March 2022</b>				<b>–21</b>	<b>–6<sup>7)</sup></b>	<b>–</b>	<b>4</b>
Amortization of acquisition related intangible assets						–	–61
Translation differences and remeasurement for hyperinflation						504	33
<b>Closing balance</b>						<b>23 877</b>	<b>1 708</b>

<sup>1)</sup> Refers to business segment with main responsibility for the acquisition.

<sup>2)</sup> Refers to voting rights for acquisitions in the form of share purchase agreements. For asset deals no voting rights are stated.

<sup>3)</sup> Estimated annual sales.

<sup>4)</sup> Purchase price paid/received plus acquired/divested net debt but excluding any deferred considerations.

<sup>5)</sup> Related to acquisition of Digital Alarm Technologies, Singapore, additional payment received for the divestiture of Securitas Egypt and divestiture of Securitas Electronic Security India (asset deal), as well as to deferred considerations paid in Sweden and Portugal.

<sup>6)</sup> Deferred considerations have been recognized mainly based on an assessment of the future profitability development in the acquired entities for an agreed period. The net of new deferred considerations, payments made from previously recognized deferred considerations and revaluation of deferred considerations in the Group was MSEK –1. Total deferred considerations, short-term and long-term, in the Group's balance sheet amount to MSEK 136.

<sup>7)</sup> Cash flow from acquisitions and divestitures amounts to MSEK –7, which is the sum of enterprise value MSEK 6 and acquisition-related costs paid MSEK –13.

All acquisition calculations are finalized no later than one year after the acquisition is made. Transactions with non-controlling interests are specified in the statement of changes in shareholders' equity on page 18. Transaction costs and revaluation of deferred considerations can be found in note 6 on page 23.

# Other significant events

For critical estimates and judgments, provisions and contingent liabilities refer to the 2021 Annual Report and to note 12 on page 26. If no significant

events have occurred relating to the information in the Annual Report no further comments are made in the Interim Report for the respective case.

# Changes in Group Management

Axel Sundén, Area Manager Northern Sweden and with Securitas since 2012, will take over the role of Divisional President AMEA and becomes a member of Group Management effective September 1, 2022.

Brett Pickens, who has been with Securitas since 2018 and as Divisional President AMEA since 2021, has decided to leave Securitas for personal reasons. Brett remains in his role until

August 31, 2022, and the handover process to Axel will start immediately.

# Risks and uncertainties

Risk management is necessary for Securitas to be able to fulfill its strategies and achieve its corporate objectives. Securitas' risks fall into three main categories; contract and acquisition risks, operational assignment risks and financial risks. Securitas' approach to enterprise risk management is described in more detail in the Annual Report for 2021.

In the preparation of financial reports, the Board of Directors and Group Management make estimates and judgments. These impact the statement of income and balance sheet as well as disclosures such as contingent liabilities. The actual outcome may differ from these estimates and judgments under different circumstances and conditions.

Securitas as well as other companies continue to face the challenge of the corona pandemic. As disclosed in earlier reports and further in this interim report, the corona pandemic has in different ways impacted the Group's result, and poses an additional

challenge when making estimates and judgments. It is still unclear when certain service levels will return to normal levels and to what extent any costs will be further supported by government grants. With government support measures in the form of cash grants and deferred payment schemes being unwound, the valuation of accounts receivable remains another key topic in relation to estimates and judgments in preparing the statement of income and balance sheet as well as disclosures. Further, risks related to the general macro-economic environment still remain including the recent increase in inflation and interest rates, supply chain issues and it is still unclear what type of impact the corona pandemic will have in terms of economic development and recovery of the different markets and geographies in which we operate including potential labor shortages.

On December 8, 2021, Securitas entered into an agreement to acquire the Electronic Security Solutions business from Stanley Black & Decker Inc. The acquisition and integration of

new companies always carries certain risks. The profitability of the acquired company may be lower than expected and/or certain costs in connection with the acquisition may be higher than expected.

The geopolitical situation in the world has changed radically with Russia's invasion of Ukraine at the end of February 2022. We have no operations either in Russia or in Ukraine but we follow the development closely and contribute to a safer society where we can.

For the forthcoming nine-month period, the financial impact of the corona pandemic, the acquisition and integration of Stanley Security as well as certain items affecting comparability, provisions and contingent liabilities, as described in the Annual Report for 2021 and, where applicable, under the heading Other significant events above, may vary from the current financial estimates and provisions made by management. This could affect the Group's profitability and financial position.

# Parent Company operations

The Group's Parent Company, Securitas AB, is not involved in any operating activities. Securitas AB consists of Group Management and support functions for the Group.

## **JANUARY–MARCH 2022**

The Parent Company's income amounted to MSEK 434 (326) and mainly relates to license fees and other income from subsidiaries.

Financial income and expenses amounted to MSEK 293 (1 391). The decrease compared with last year is mainly explained by lower dividends received from subsidiaries. Income before taxes amounted to MSEK 500 (1 532).

## **AS OF MARCH 31, 2022**

The Parent Company's non-current assets amounted to MSEK 46 579 (46 173 as of December 31, 2021) and mainly comprise shares in subsidiaries of MSEK 45 103 (44 932 as of December 31, 2021). Current assets amounted to MSEK 6 282 (5 350 as of December 31, 2021) of which liquid funds accounted for MSEK 830 (1 070 as of December 31, 2021).

Shareholders' equity amounted to MSEK 29 925 (29 448 as of December 31, 2021). The Parent Company's liabilities and untaxed reserves amounted to MSEK 22 936 (22 075 as of December 31, 2021) and mainly consist of interest-bearing debt.

For further information, refer to the Parent Company's condensed financial statements on page 27.

Stockholm, May 4, 2022

Magnus Ahlqvist  
President and Chief Executive Officer

This report has not been reviewed by the company's auditors.

# Consolidated financial statements

## STATEMENT OF INCOME

MSEK	Note	Jan–Mar 2022	Jan–Mar 2021	Jan–Dec 2021
Sales		28 453	25 533	106 538
Sales, acquired business		145	281	1 162
<b>Total sales</b>	<b>3</b>	<b>28 598</b>	<b>25 814</b>	<b>107 700</b>
<i>Organic sales growth, %</i>	4	4	0	4
Production expenses		–23 445	–21 192	–87 855
<b>Gross income</b>		<b>5 153</b>	<b>4 622</b>	<b>19 845</b>
Selling and administrative expenses		–3 722	–3 384	–13 953
Other operating income	3	12	10	43
Share in income of associated companies		9	8	43
<b>Operating income before amortization</b>		<b>1 452</b>	<b>1 256</b>	<b>5 978</b>
<i>Operating margin, %</i>		5.1	4.9	5.6
Amortization of acquisition-related intangible assets		–61	–65	–290
Acquisition-related costs	6	–10	–29	–122
Items affecting comparability	7	–134	–136	–871
<b>Operating income after amortization</b>		<b>1 247</b>	<b>1 026</b>	<b>4 695</b>
Financial income and expenses	8, 9	–95	–94	–364
<b>Income before taxes</b>		<b>1 152</b>	<b>932</b>	<b>4 331</b>
<i>Net margin, %</i>		4.0	3.6	4.0
Current taxes		–302	–295	–1 389
Deferred taxes		–9	43	192
<b>Net income for the period</b>		<b>841</b>	<b>680</b>	<b>3 134</b>
<b>Whereof attributable to:</b>				
Equity holders of the Parent Company		839	679	3 133
Non-controlling interests		2	1	1
Earnings per share before and after dilution (SEK)		2.30	1.86	8.59
Earnings per share before and after dilution and before items affecting comparability (SEK)		2.57	2.11	10.41

## STATEMENT OF COMPREHENSIVE INCOME

MSEK	Note	Jan–Mar 2022	Jan–Mar 2021	Jan–Dec 2021
<b>Net income for the period</b>		<b>841</b>	<b>680</b>	<b>3 134</b>
<b>Other comprehensive income for the period</b>				
<b>Items that will not be reclassified to the statement of income</b>				
Remeasurements of defined benefit pension plans net of tax		94	141	294
<b>Total items that will not be reclassified to the statement of income</b>	<b>10</b>	<b>94</b>	<b>141</b>	<b>294</b>
<b>Items that subsequently may be reclassified to the statement of income</b>				
Remeasurement for hyperinflation net of tax	8	40	23	92
Cash flow hedges net of tax		–2	–48	–53
Cost of hedging net of tax		–3	–2	9
Net investment hedges net of tax		–131	–264	–382
Other comprehensive income from associated companies, translation differences		5	15	22
Translation differences		547	1 166	1 428
<b>Total items that subsequently may be reclassified to the statement of income</b>	<b>10</b>	<b>456</b>	<b>890</b>	<b>1 116</b>
<b>Other comprehensive income for the period</b>	<b>10</b>	<b>550</b>	<b>1 031</b>	<b>1 410</b>
<b>Total comprehensive income for the period</b>		<b>1 391</b>	<b>1 711</b>	<b>4 544</b>
<b>Whereof attributable to:</b>				
Equity holders of the Parent Company		1 389	1 710	4 542
Non-controlling interests		2	1	2



**STATEMENT OF CASH FLOW**

<b>Operating cash flow MSEK</b>	<b>Note</b>	<b>Jan–Mar 2022</b>	<b>Jan–Mar 2021</b>	<b>Jan–Dec 2021</b>
<b>Operating income before amortization</b>		<b>1 452</b>	<b>1 256</b>	<b>5 978</b>
Investments in non-current tangible and intangible assets		-727	-638	-2 824
Reversal of depreciation		684	643	2 704
Change in accounts receivable		-448	140	117
Change in other operating capital employed		-1 090	-118	-399
<b>Cash flow from operating activities</b>		<b>-129</b>	<b>1 283</b>	<b>5 576</b>
<i>Cash flow from operating activities, %</i>		-9	102	93
Financial income and expenses paid		-236	-242	-312
Current taxes paid		-322	-245	-1 265
<b>Free cash flow</b>		<b>-687</b>	<b>796</b>	<b>3 999</b>
<i>Free cash flow, %</i>		-65	92	95
Cash flow from investing activities, acquisitions and divestitures	6	-7	-179	-1 366
Cash flow from items affecting comparability	7	-267	-170	-602
Cash flow from financing activities		-197	225	-1 935
<b>Cash flow for the period</b>		<b>-1 158</b>	<b>672</b>	<b>96</b>
<b>Change in net debt MSEK</b>	<b>Note</b>	<b>Jan–Mar 2022</b>	<b>Jan–Mar 2021</b>	<b>Jan–Dec 2021</b>
<b>Opening balance</b>		<b>-14 551</b>	<b>-14 335</b>	<b>-14 335</b>
Cash flow for the period		-1 158	672	96
Change in lease liabilities		-202	-5	107
Change in loans		197	-225	475
<b>Change in net debt before revaluation and translation differences</b>		<b>-1 163</b>	<b>442</b>	<b>678</b>
Revaluation of financial instruments	9	-7	-64	-56
Translation differences		-338	-545	-838
<b>Change in net debt</b>		<b>-1 508</b>	<b>-167</b>	<b>-216</b>
<b>Closing balance</b>		<b>-16 059</b>	<b>-14 502</b>	<b>-14 551</b>
<b>Cash flow MSEK</b>	<b>Note</b>	<b>Jan–Mar 2022</b>	<b>Jan–Mar 2021</b>	<b>Jan–Dec 2021</b>
Cash flow from operations		-271	1 197	5 980
Cash flow from investing activities		-456	-523	-3 029
Cash flow from financing activities		-431	-2	-2 855
<b>Cash flow for the period</b>		<b>-1 158</b>	<b>672</b>	<b>96</b>
<b>Change in liquid funds MSEK</b>	<b>Note</b>	<b>Jan–Mar 2022</b>	<b>Jan–Mar 2021</b>	<b>Jan–Dec 2021</b>
Opening balance		4 809	4 720	4 720
Cash flow for the period		-1 158	672	96
Translation differences		36	49	-7
<b>Closing balance</b>		<b>3 687</b>	<b>5 441</b>	<b>4 809</b>

**CAPITAL EMPLOYED AND FINANCING**

MSEK	Note	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
<b>Operating capital employed</b>		<b>12 177</b>	<b>9 408</b>	<b>9 908</b>
<i>Operating capital employed as % of sales</i>		11	9	9
<i>Return on operating capital employed, %</i>		48	47	54
Goodwill		23 877	22 378	23 373
Acquisition-related intangible assets		1 708	1 646	1 732
Shares in associated companies		351	329	338
<b>Capital employed</b>		<b>38 113</b>	<b>33 761</b>	<b>35 351</b>
<i>Return on capital employed, %</i>		14	13	14
<b>Net debt</b>		<b>-16 059</b>	<b>-14 502</b>	<b>-14 551</b>
<b>Shareholders' equity</b>		<b>22 054</b>	<b>19 259</b>	<b>20 800</b>
<i>Net debt equity ratio, multiple</i>		0.73	0.75	0.70

**BALANCE SHEET**

MSEK	Note	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill		23 877	22 378	23 373
Acquisition-related intangible assets		1 708	1 646	1 732
Other intangible assets		1 895	1 851	1 834
Right-of-use assets		3 608	3 440	3 348
Other tangible non-current assets		3 510	3 280	3 482
Shares in associated companies		351	329	338
Non-interest-bearing financial non-current assets		1 916	1 836	1 893
Interest-bearing financial non-current assets		664	421	494
<b>Total non-current assets</b>		<b>37 529</b>	<b>35 181</b>	<b>36 494</b>
<b>Current assets</b>				
Non-interest-bearing current assets		23 786	21 801	21 857
Other interest-bearing current assets		175	248	203
Liquid funds		3 687	5 441	4 809
<b>Total current assets</b>		<b>27 648</b>	<b>27 490</b>	<b>26 869</b>
<b>TOTAL ASSETS</b>		<b>65 177</b>	<b>62 671</b>	<b>63 363</b>

MSEK	Note	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity</b>				
Attributable to equity holders of the Parent Company		22 044	19 248	20 792
Non-controlling interests		10	11	8
<b>Total shareholders' equity</b>		<b>22 054</b>	<b>19 259</b>	<b>20 800</b>
<i>Equity ratio, %</i>		34	31	33
<b>Long-term liabilities</b>				
Non-interest-bearing long-term liabilities		282	287	270
Long-term lease liabilities		2 765	2 642	2 573
Other interest-bearing long-term liabilities		16 322	11 945	12 207
Non-interest-bearing provisions		2 246	2 350	2 278
<b>Total long-term liabilities</b>		<b>21 615</b>	<b>17 224</b>	<b>17 328</b>
<b>Current liabilities</b>				
Non-interest-bearing current liabilities and provisions		20 010	20 163	19 958
Current lease liabilities		971	906	897
Other interest-bearing current liabilities		527	5 119	4 380
<b>Total current liabilities</b>		<b>21 508</b>	<b>26 188</b>	<b>25 235</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>65 177</b>	<b>62 671</b>	<b>63 363</b>

## CHANGES IN SHAREHOLDERS' EQUITY

MSEK	Mar 31, 2022			Mar 31, 2021			Dec 31, 2021		
	Attributable to equity holders of the Parent Company	Non-controlling interests	Total	Attributable to equity holders of the Parent Company	Non-controlling interests	Total	Attributable to equity holders of the Parent Company	Non-controlling interests	Total
<b>Opening balance January 1, 2022 / 2021</b>	<b>20 792</b>	<b>8</b>	<b>20 800</b>	<b>17 697</b>	<b>10</b>	<b>17 707</b>	<b>17 697</b>	<b>10</b>	<b>17 707</b>
Total comprehensive income for the period	1 389	2	1 391	1 710	1	1 711	4 542	2	4 544
Transactions with non-controlling interests	–	–	–	–	–	–	–	–4	–4
Share-based incentive schemes	–137	–	–137 <sup>1)</sup>	–159	–	–159	13	–	13
Dividend paid to the shareholders of the Parent Company	–	–	–	–	–	–	–1 460	–	–1 460
<b>Closing balance</b>									
<b>March 31 / December 31, 2022 / 2021</b>	<b>22 044</b>	<b>10</b>	<b>22 054</b>	<b>19 248</b>	<b>11</b>	<b>19 259</b>	<b>20 792</b>	<b>8</b>	<b>20 800</b>

<sup>1)</sup> Refers to a swap agreement for shares in Securitas AB of MSEK –134, hedging the share portion of Securitas share based incentive scheme 2021, and adjustment to grant date value of non-vested shares of MSEK –3, related to Securitas share based incentive scheme 2020.

## DATA PER SHARE

SEK	Jan–Mar 2022	Jan–Mar 2021	Jan–Dec 2021
Share price, end of period	106.45	148.50	124.65
Earnings per share before and after dilution <sup>1,2)</sup>	2.30	1.86	8.59
Earnings per share before and after dilution and before items affecting comparability <sup>1,2)</sup>	2.57	2.11	10.41
Dividend	–	–	4.40 <sup>5)</sup>
P/E-ratio after dilution and before items affecting comparability	–	–	12
Share capital (SEK)	365 058 897	365 058 897	365 058 897
Number of shares outstanding <sup>1)</sup>	364 583 897	364 933 897	364 583 897
Average number of shares outstanding <sup>1,3)</sup>	364 583 897	364 933 897	364 738 281
Treasury shares <sup>4)</sup>	475 000	125 000	475 000

<sup>1)</sup> There are no convertible debenture loans. Consequently there is no difference before and after dilution regarding earnings per share and number of shares.

<sup>2)</sup> Number of shares used for calculation of earnings per share includes shares related to the Group's share based incentive schemes that have been hedged through swap agreements.

<sup>3)</sup> Used for calculation of earnings per share.

<sup>4)</sup> In June 2021, 350 000 shares were repurchased.

<sup>5)</sup> Proposed dividend.



# Notes

## NOTE 1

### Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

Securitas' consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's standard RFR 1 Supplementary Accounting Rules for Groups. The most important accounting principles under IFRS, which is the basis for the preparation of this interim report, can be found in note 2 on pages 61 to 67 in the Annual Report for 2021. The accounting principles are also available on the Group's website [www.securitas.com](http://www.securitas.com) under the section Investors – Financial data – Accounting Principles.

The Parent Company's financial statements are prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's standard RFR 2 Accounting for Legal Entities. The most important accounting principles used by the Parent Company can be found in note 41 on page 116 in the Annual Report for 2021.

#### Introduction and effect of new and revised IFRS 2022

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As of January 1, 2022, the amendments to IAS 37, Provisions, Contingent Liabilities and Contingent Assets came into effect. The amendments clarify that when assessing and identifying whether a contract is onerous, all costs directly related to the contract should be included, both incremental costs and an allocation of costs directly related to the contract. The amendments are assessed to have no significant impact on the Group's financial statements.

None of the other published standards and interpretations that are mandatory for the Group's financial year 2022 are assessed to have any significant impact on the Group's financial statements.

#### Introduction and effect of new and revised IFRS 2023 or later

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The effect on the Group's financial statements from standards and interpretations that are mandatory for the Group's financial year 2023 or later remain to be assessed.

#### Usage of key ratios not defined in IFRS

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For definitions and calculations of key ratios not defined in IFRS, refer to notes 4 and 5 in this interim report as well as to note 3 on page 67 in the Annual Report 2021.

## NOTE 2

### Events after the balance sheet date

There have been no significant events with effect on the financial reporting after the balance sheet date.

## NOTE 3

### Revenue

MSEK	Jan–Mar 2022	%	Jan–Mar 2021	%	Jan–Dec 2021	%
Guarding services	21 077	74	19 387	75	80 602	75
Security solutions and electronic security	6 565	23	5 738	22	24 105	22
Other	956	3	689	3	2 993	3
<b>Total sales</b>	<b>28 598</b>	<b>100</b>	<b>25 814</b>	<b>100</b>	<b>107 700</b>	<b>100</b>
Other operating income	12	0	10	0	43	0
<b>Total revenue</b>	<b>28 610</b>	<b>100</b>	<b>25 824</b>	<b>100</b>	<b>107 743</b>	<b>100</b>

#### Guarding services

This comprises on-site and mobile guarding, which is services with the same revenue recognition pattern. Revenue is recognized over time, as the services are rendered by Securitas and simultaneously consumed by the customers. Such services cannot be reperfomed.

#### Security solutions and electronic security

This comprises two broad categories regarding security solutions and electronic security.

Security solutions are a combination of services such as on-site and/or mobile guarding and/or remote guarding. These services are combined with a technology component in terms of equipment owned and managed by Securitas and used in the provision of services. The equipment is installed at the customer site. The revenue recognition pattern is over time, as the services are rendered by Securitas and simultaneously consumed by the customers. A security solution normally constitutes one performance obligation.

Electronic security consists of the sale of alarm installations comprising design and installation (time, material and related expenses). Revenue is recognized as per the contract, either upon completion of the conditions

in the contract, or over time based on the percentage of completion. Remote guarding (in the form of alarm monitoring services), that is sold separately and not as part of a security solution, is also included in this category. Revenue recognition is over time as this is also a service that is rendered by Securitas and simultaneously consumed by the customers. The category further includes maintenance services, that are either performed upon request (time and material) with revenue recognition at a point in time (when the work has been performed), or over time if part of a service level contract with a subscription fee. Finally, there is also to a limited extent product sales (alarms and components) without any design or installation. The revenue recognition is at a point in time (upon delivery).

#### Other

Other comprises mainly corporate risk management services that are either recognized over time or at a point in time as well as other ancillary business.

#### Other operating income

Other operating income consists mainly of trade mark fees for the use of the Securitas brand name.

#### Revenue per segment

The disaggregation of revenue by segment is shown in the tables below. Total sales agree to total sales in the segment overviews.

MSEK	Security Services North America		Security Services Europe		Security Services Ibero-America		Other		Eliminations		Group	
	Jan–Mar 2022	Jan–Mar 2021	Jan–Mar 2022	Jan–Mar 2021	Jan–Mar 2022	Jan–Mar 2021	Jan–Mar 2022	Jan–Mar 2021	Jan–Mar 2022	Jan–Mar 2021	Jan–Mar 2022	Jan–Mar 2021
Guarding services	9 227	8 646	8 953	8 233	2 376	2 068	523	443	-2	-3	21 077	19 387
Security solutions and electronic security	2 289	2 039	3 059	2 640	1 010	889	207	170	-	-	6 565	5 738
Other	956	689	-	-	-	-	-	-	-	-	956	689
<b>Total sales</b>	<b>12 472</b>	<b>11 374</b>	<b>12 012</b>	<b>10 873</b>	<b>3 386</b>	<b>2 957</b>	<b>730</b>	<b>613</b>	<b>-2</b>	<b>-3</b>	<b>28 598</b>	<b>25 814</b>
Other operating income	-	-	-	-	-	-	12	10	-	-	12	10
<b>Total revenue</b>	<b>12 472</b>	<b>11 374</b>	<b>12 012</b>	<b>10 873</b>	<b>3 386</b>	<b>2 957</b>	<b>742</b>	<b>623</b>	<b>-2</b>	<b>-3</b>	<b>28 610</b>	<b>25 824</b>

## NOTE 4

## Organic sales growth and currency changes

The calculation of real and organic sales growth and the specification of currency changes on operating income before and after amortization, income before taxes, net income and earnings per share are specified below. The impact from remeasurement for hyperinflation due to the application of IAS 29 is included in currency change.

MSEK	Jan–Mar 2022	Jan–Mar 2021	%
<b>Total sales</b>	<b>28 598</b>	<b>25 814</b>	<b>11</b>
Currency change from 2021	-1 525	-	
<b>Real sales growth, adjusted for changes in exchange rates</b>	<b>27 073</b>	<b>25 814</b>	<b>5</b>
Acquisitions/divestitures	-145	-36	
<b>Organic sales growth</b>	<b>26 928</b>	<b>25 778</b>	<b>4</b>
<b>Operating income before amortization</b>	<b>1 452</b>	<b>1 256</b>	<b>16</b>
Currency change from 2021	-92	-	
<b>Real operating income before amortization, adjusted for changes in exchange rates</b>	<b>1 360</b>	<b>1 256</b>	<b>8</b>
<b>Operating income after amortization</b>	<b>1 247</b>	<b>1 026</b>	<b>22</b>
Currency change from 2021	-86	-	
<b>Real operating income after amortization, adjusted for changes in exchange rates</b>	<b>1 161</b>	<b>1 026</b>	<b>13</b>
<b>Income before taxes</b>	<b>1 152</b>	<b>932</b>	<b>24</b>
Currency change from 2021	-81	-	
<b>Real income before taxes, adjusted for changes in exchange rates</b>	<b>1 071</b>	<b>932</b>	<b>15</b>
<b>Net income for the period</b>	<b>841</b>	<b>680</b>	<b>24</b>
Currency change from 2021	-59	-	
<b>Real net income for the period, adjusted for changes in exchange rates</b>	<b>782</b>	<b>680</b>	<b>15</b>
<b>Net income attributable to equity holders of the Parent Company</b>	<b>839</b>	<b>679</b>	<b>24</b>
Currency change from 2021	-59	-	
<b>Real net income attributable to equity holders of the Parent Company, adjusted for changes in exchange rates</b>	<b>780</b>	<b>679</b>	<b>15</b>
Average number of shares outstanding	364 583 897	364 933 897	
<b>Real earnings per share, adjusted for changes in exchange rates</b>	<b>2.14</b>	<b>1.86</b>	<b>15</b>
<b>Net income attributable to equity holders of the Parent Company</b>	<b>839</b>	<b>679</b>	<b>24</b>
Items affecting comparability net of taxes	98	91	
<b>Net income attributable to equity holders of the Parent Company adjusted for items affecting comparability</b>	<b>937</b>	<b>770</b>	<b>22</b>
Currency change from 2021	-67	-	
<b>Real net income attributable to equity holders of the Parent Company, adjusted for items affecting comparability and changes in exchange rates</b>	<b>870</b>	<b>770</b>	<b>13</b>
Number of shares	364 583 897	364 933 897	
<b>Real earnings per share, adjusted for items affecting comparability and changes in exchange rates</b>	<b>2.39</b>	<b>2.11</b>	<b>13</b>



## NOTE 5

### Definitions and calculation of key ratios

The calculations below relate to the period January–March 2022.

#### Interest coverage ratio

Operating income before amortization (rolling 12 months) plus interest income (rolling 12 months) in relation to interest expenses (rolling 12 months).  
Calculation:  $(6\,174 + 51) / 439 = 14.2$

#### Cash flow from operating activities, %

Cash flow from operating activities as a percentage of operating income before amortization.  
Calculation:  $-129 / 1\,452 = -9\%$

#### Free cash flow as % of adjusted income

Free cash flow as a percentage of adjusted income (operating income before amortization adjusted for financial income and expenses, excluding revaluation of financial instruments, and current taxes).  
Calculation:  $-687 / (1\,452 - 95 + 1 - 302) = -65\%$

#### Free cash flow in relation to net debt

Free cash flow (rolling 12 months) in relation to closing balance net debt.  
Calculation:  $2\,516 / 16\,059 = 0.16$

#### Net debt to EBITDA ratio

Net debt in relation to operating income after amortization (rolling 12 months) plus amortization of acquisition-related intangible assets (rolling 12 months) and depreciation (rolling 12 months).  
Calculation:  $16\,059 / (4\,916 + 286 + 2\,745) = 2.0$

#### Operating capital employed as % of total sales

Operating capital employed as a percentage of total sales adjusted for the full-year sales of acquired and divested entities.  
Calculation:  $12\,177 / 115\,736 = 11\%$

#### Return on operating capital employed

Operating income before amortization (rolling 12 months) plus items affecting comparability (rolling 12 months) as a percentage of the average balance of operating capital employed.  
Calculation:  $(6\,174 - 869) / ((12\,177 + 9\,908) / 2) = 48\%$

#### Return on capital employed

Operating income before amortization (rolling 12 months) plus items affecting comparability (rolling 12 months) as a percentage of closing balance of capital employed.  
Calculation:  $(6\,174 - 869) / 38\,113 = 14\%$

#### Net debt equity ratio

Net debt in relation to shareholders' equity.  
Calculation:  $16\,059 / 22\,054 = 0.73$

## NOTE 6

### Acquisition-related costs and cash flow from acquisitions and divestitures

MSEK	Jan–Mar 2022	Jan–Mar 2021	Jan–Dec 2021
Restructuring and integration costs	-9	-23	-96
Transaction costs	0	-5	-20
Revaluation of deferred considerations	-1	-1	-6
<b>Total acquisition-related costs</b>	<b>-10</b>	<b>-29</b>	<b>-122</b>
<b>Cash flow impact from acquisitions and divestitures</b>			
Purchase price payments	-3	-120	-1 247
Assumed net debt	9	-23	3
Acquisition-related costs paid	-13	-36	-122
<b>Total cash flow impact from acquisitions and divestitures</b>	<b>-7</b>	<b>-179</b>	<b>-1 366</b>

For further information regarding the Group's acquisitions, refer to the section Acquisitions and divestitures.

## NOTE 7

### Items affecting comparability

MSEK	Jan–Mar 2022	Jan–Mar 2021	Jan–Dec 2021
<b>Recognized in the statement of income</b>			
Transformation programs, Group <sup>1)</sup>	-121	-104	-633
Cost-savings program, Group <sup>2)</sup>	-	-32	-290
Acquisition of Stanley Security	-13	-	-62
Repayment AFA, Security Services Europe <sup>3)</sup>	-	-	114
<b>Total recognized in the statement of income before tax</b>	<b>-134</b>	<b>-136</b>	<b>-871</b>
Taxes	36	45	206
<b>Total recognized in the statement of income after tax</b>	<b>-98</b>	<b>-91</b>	<b>-665</b>
<b>Cash flow impact</b>			
Transformation programs, Group <sup>1)</sup>	-183	-72	-403
Cost-savings program, Group <sup>2)</sup>	-11	-84	-279
Cost-savings program, Security Services Europe <sup>4)</sup>	-1	-14	-31
Acquisition of Stanley Security	-72	-	-3
Repayment AFA, Security Services Europe <sup>3)</sup>	-	-	114
<b>Total cash flow impact</b>	<b>-267</b>	<b>-170</b>	<b>-602</b>

<sup>1)</sup> Related to the previously announced business transformation program in Security Services North America, Security Services Europe and Security Services Ibero-America, as well as the previously announced global IS/IT transformation program. The business transformation program in Security Services North America and the global IS/IT transformation program were finalized in 2021 but still impact cash flow.

<sup>2)</sup> Related to the cost savings program in the Group that was communicated in 2020. Includes costs related to exit of business operations while cash flow related to exit of business operations is accounted for as cash flow from investing activities. This program was finalized in 2021 but still impacts cash flow.

<sup>3)</sup> Related to a lump-sum payment in 2021 from the AFA insurance company for the collectively bargained AGS group sickness insurance policy in Sweden.

<sup>4)</sup> Related to the cost savings program in Security Services Europe. This program was finalized in 2018 but still impacts cash flow.

## NOTE 8

### Remeasurement for hyperinflation

The Group's subsidiaries in countries that according to IAS 29 Financial reporting in Hyperinflationary economies are classified as hyperinflationary economies are accounted for in the Group's financial statements after remeasurement for hyperinflation. Currently, Securitas' operations in Argentina are accounted for according to IAS 29.

The impact on the consolidated statement of income from the remeasurement according to IAS 29 is illustrated below. The index used by Securitas for the remeasurement of the financial statements is the consumer price index with base period January 2003.

#### EXCHANGE RATES AND INDEX

	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Exchange rate SEK/ARS	0.08	0.10	0.09
Index	40.90	26.17	35.23

#### NET MONETARY GAIN RECOGNIZED IN THE CONSOLIDATED STATEMENT OF INCOME

MSEK	Jan–Mar 2022	Jan–Mar 2021	Jan–Dec 2021
Net monetary gain	12	8	20
<b>Total financial income and expenses</b>	<b>12</b>	<b>8</b>	<b>20</b>

## NOTE 9

### Financial instruments and credit facilities

#### Revaluation of financial instruments

Revaluation of financial instruments is recognized in the statement of income on the line financial income and expenses. Revaluation of cash flow hedges (and the subsequent recycling into the statement of income) is recognized in other comprehensive income on the line cash flow hedges. Cost of hedging (and the subsequent recycling into the statement of income) is recognized on the corresponding line in other comprehensive income.

The amount disclosed in the specification of change in net debt is the total revaluation before tax in the table below.

MSEK	Jan–Mar 2022	Jan–Mar 2021	Jan–Dec 2021
<b>Recognized in the statement of income</b>			
Revaluation of financial instruments	-1	0	0
Deferred tax	-	-	-
<b>Impact on net income</b>	<b>-1</b>	<b>0</b>	<b>0</b>
<b>Recognized in the statement of comprehensive income</b>			
Cash flow hedges	-3	-61	-67
Cost of hedging	-3	-3	11
Deferred tax	1	14	12
<b>Total recognized in the statement of comprehensive income</b>	<b>-5</b>	<b>-50</b>	<b>-44</b>
Total revaluation before tax	-7	-64	-56
Total deferred tax	1	14	12
<b>Total revaluation after tax</b>	<b>-6</b>	<b>-50</b>	<b>-44</b>

#### Fair value hierarchy

The methods and assumptions used by the Group in estimating the fair value of the financial instruments are disclosed in note 7 in the Annual Report 2021. Further information regarding the accounting principles for financial instruments is disclosed in note 2 in the Annual Report 2021.

There have been no transfers between any of the the valuation levels during the period.

MSEK	Quoted market prices	Valuation techniques using observable market data	Valuation techniques using non-observable market data	Total
<b>March 31, 2022</b>				
Financial assets at fair value through profit or loss	-	15	-	<b>15</b>
Financial liabilities at fair value through profit or loss	-	-4	-136	<b>-140</b>
Derivatives designated for hedging with positive fair value	-	48	-	<b>48</b>
Derivatives designated for hedging with negative fair value	-	-480	-	<b>-480</b>
<b>December 31, 2021</b>				
Financial assets at fair value through profit or loss	-	8	-	<b>8</b>
Financial liabilities at fair value through profit or loss	-	-9	-134	<b>-143</b>
Derivatives designated for hedging with positive fair value	-	117	-	<b>117</b>
Derivatives designated for hedging with negative fair value	-	-265	-	<b>-265</b>

#### Financial instruments by category – carrying and fair values

For financial assets and liabilities other than those disclosed in the table below, fair value is deemed to approximate the carrying value.

A full comparison of fair value and carrying value for all financial assets and liabilities is disclosed in note 7 in the Annual Report 2021.

MSEK	Mar 31, 2022		Dec 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
Long-term loan liabilities	9 981	9 903	10 155	10 258
Short-term loan liabilities	-	-	3 586	3 591
<b>Total financial instruments by category</b>	<b>9 981</b>	<b>9 903</b>	<b>13 741</b>	<b>13 849</b>

**SUMMARY OF CREDIT FACILITIES AS OF MARCH 31, 2022**

Type	Currency	Facility amount (million)	Available amount (million)	Maturity
EMTN FRN private placement	EUR	50	0	2023
EMTN Eurobond, 1.125% fixed	EUR	350	0	2024
EMTN FRN private placement	USD	50	0	2024
EMTN FRN private placement	USD	105	0	2024
EMTN FRN private placement	SEK	2 000	0	2024
EMTN FRN private placement	SEK	1 500	0	2024
EMTN Eurobond, 1.25% fixed	EUR	300	0	2025
Revolving Credit Facility	EUR	938	938	2026
EMTN FRN private placement	USD	40	0	2027
EMTN FRN private placement	USD	60	0	2027
EMTN Eurobond, 0.25% fixed	EUR	350	0	2028
Commercial Paper (uncommitted)	SEK	5 000	5 000	n/a
Multicurrency Term Facilities	USD	3 300	3 300	*

\* Subject to closing date of Stanley Security acquisition.

**NOTE 10****Deferred tax on other comprehensive income**

MSEK	Jan–Mar 2022	Jan–Mar 2021	Jan–Dec 2021
Deferred tax on remeasurements of defined benefit pension plans	-17	-28	-76
Deferred tax on cash flow hedges	1	13	14
Deferred tax on cost of hedging	0	1	-2
Deferred tax on net investment hedges	34	69	99
Deferred tax on net investment hedges included in translation differences	-45	-90	-134
<b>Total deferred tax on other comprehensive income</b>	<b>-27</b>	<b>-35</b>	<b>-99</b>

**NOTE 11****Pledged assets**

MSEK	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Pension balances, defined contribution plans <sup>1)</sup>	185	160	175
<b>Total pledged assets</b>	<b>185</b>	<b>160</b>	<b>175</b>

<sup>1)</sup> Refers to assets relating to insured pension plans excluding social benefits.

**NOTE 12****Contingent liabilities**

MSEK	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Guarantees	-	-	-
Guarantees related to discontinued operations	16	16	16
<b>Total contingent liabilities</b>	<b>16</b>	<b>16</b>	<b>16</b>

For critical estimates and judgments, provisions and contingent liabilities, refer to note 4 and note 39 in the Annual Report 2021 as well as to the section Other significant events in this report.

# Parent Company

## STATEMENT OF INCOME

MSEK	Jan–Mar 2022	Jan–Mar 2021	Jan–Dec 2021
License fees and other income	434	326	1 734
<b>Gross income</b>	<b>434</b>	<b>326</b>	<b>1 734</b>
Administrative expenses	–185	–161	–1 095
<b>Operating income</b>	<b>249</b>	<b>165</b>	<b>639</b>
Financial income and expenses	293	1 391	1 635
<b>Income after financial items</b>	<b>542</b>	<b>1 556</b>	<b>2 274</b>
Appropriations	–42	–24	–280
<b>Income before taxes</b>	<b>500</b>	<b>1 532</b>	<b>1 994</b>
Taxes	–46	–3	–14
<b>Net income for the period</b>	<b>454</b>	<b>1 529</b>	<b>1 980</b>

## BALANCE SHEET

MSEK	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Shares in subsidiaries	45 103	44 201	44 932
Shares in associated companies	112	112	112
Other non-interest-bearing non-current assets	328	565	319
Interest-bearing financial non-current assets	1 036	857	810
<b>Total non-current assets</b>	<b>46 579</b>	<b>45 735</b>	<b>46 173</b>
<b>Current assets</b>			
Non-interest-bearing current assets	1 970	1 765	1 207
Other interest-bearing current assets	3 482	3 959	3 073
Liquid funds	830	1 594	1 070
<b>Total current assets</b>	<b>6 282</b>	<b>7 318</b>	<b>5 350</b>
<b>TOTAL ASSETS</b>	<b>52 861</b>	<b>53 053</b>	<b>51 523</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Restricted equity	7 729	7 730	7 729
Non-restricted equity	22 196	22 698	21 719
<b>Total shareholders' equity</b>	<b>29 925</b>	<b>30 428</b>	<b>29 448</b>
<b>Untaxed reserves</b>	<b>767</b>	<b>725</b>	<b>798</b>
<b>Long-term liabilities</b>			
Non-interest-bearing long-term liabilities/provisions	215	187	205
Interest-bearing long-term liabilities	16 314	11 939	12 199
<b>Total long-term liabilities</b>	<b>16 529</b>	<b>12 126</b>	<b>12 404</b>
<b>Current liabilities</b>			
Non-interest-bearing current liabilities	2 485	1 730	1 638
Interest-bearing current liabilities	3 155	8 044	7 235
<b>Total current liabilities</b>	<b>5 640</b>	<b>9 774</b>	<b>8 873</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>52 861</b>	<b>53 053</b>	<b>51 523</b>

# Financial information

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## FINANCIAL INFORMATION CALENDAR

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**May 5, 2022, 1 p.m. (CET)**  
Annual General Meeting 2022  
in Stockholm

**July 28, 2022, app. 1.00 p.m. (CET)**  
Interim Report January–June 2022

**November 8, 2022, app. 1.00 p.m. (CET)**  
Interim Report  
January–September 2022

For further information regarding  
Securitas IR activities, refer to  
[www.securitas.com/investors/  
financial-calendar](http://www.securitas.com/investors/financial-calendar)

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## PRESENTATION OF THE INTERIM REPORT

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Analysts and media are invited to participate in a telephone conference on May 4, 2022, at **2:30 p.m. (CET)** where President and CEO Magnus Ahlqvist and CFO Andreas Lindback will present the report and answer questions. The telephone conference will also be audio cast live via Securitas' website. To participate in the telephone conference, please dial in five minutes prior to the start of the conference call:

**US: + 1 631 913 1422**

**Sweden: + 46 8 566 426 51**

**UK: + 44 333 3000 804**

Please use the following pin code for the telephone conference: **621 490 78#**

To follow the audio cast of the telephone conference via the web, please follow the link [www.securitas.com/investors/webcasts](http://www.securitas.com/investors/webcasts).

A recorded version of the audio cast will be available at [www.securitas.com/investors/webcasts](http://www.securitas.com/investors/webcasts) after the telephone conference.

For further information, please contact:  
Micaela Sjökvist, Vice President, Investor Relations + 46 76 116 7443

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## ABOUT SECURITAS

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Securitas has a leading global and local market presence with operations in 47 markets. Our operations are organized in three business segments: Security Services North America, Security Services Europe and Security Services Ibero-America. We also have operations in Africa, the Middle East, Asia and Australia, which form the AMEA division. Securitas serves a wide range of clients of all sizes in a variety of industries and segments. Security solutions based on client-specific needs are built through different combinations of on-site, mobile and remote guarding, electronic security, fire and safety, and corporate risk management. We adapt our security solutions based on the risks and needs of each client through increased client engagement and continuously enhanced knowledge. Securitas is listed in the Large Cap segment at Nasdaq Stockholm.

### Group strategy

At Securitas, we are leading the transformation of the security industry by putting our clients at the heart of our business. We solve our clients' security needs by offering qualified and engaged people, in-depth expertise and innovation within each of our protective services, the ability to combine services into solutions and by using data to add further intelligence. To execute on our strategy to become the intelligent protective services partner, we are focusing on four areas: empowering our people, client engagement, protective services leadership and innovation, and efficiency.

### Group financial targets

Securitas has three financial targets:

- An annual average increase in earnings per share of 10 percent
- Net debt to EBITDA ratio of on average 2.5
- An operating cash flow of 70 to 80 percent of operating income before amortization

Securitas has also set a strategic transformation ambition – to double our security solutions and electronic security sales by 2023, compared with 2018.

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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 1.00 p.m. (CET) on Wednesday, May 4, 2022.

