Full year Report January–December 2021

4

October–December 2021

28 049
Total sales, MSEK

5.9%
Operating margin

2.05
Earnings per share, SEK

- Total sales MSEK 28 049 (26 477)
- Organic sales growth 4 percent (1)
- Operating income before amortization MSEK 1 646 (1 404)
- Operating margin 5.9 percent (5.3)
- Items affecting comparability (IAC) MSEK –356 (–422), mainly relating to the previously announced transformation programs and the cost-savings program in the Group
- Earnings per share SEK 2.05 (1.45)
- Earnings per share, before IAC, SEK 2.85 (2.38)
- Cash flow from operating activities 131 percent (109)

JANUARY–DECEMBER 2021

- Total sales MSEK 107 700 (107 954)
- Organic sales growth 4 percent (0)
- Operating income before amortization MSEK 5 978 (4 892)
- Operating margin 5.6 percent (4.5)
- Items affecting comparability (IAC) MSEK –871 (–640), mainly relating to the previously announced transformation programs and the cost-savings program in the Group
- Earnings per share SEK 8.59 (6.63)
- Earnings per share, before IAC, SEK 10.41 (8.02)
- Net debt/EBITDA 1.9 (2.1)
- Cash flow from operating activities 93 percent (147)
- Proposed dividend for 2021 of SEK 4.40 (4.00) per share

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Comments from the President and CEO

"Strong margin improvement and preparing ourselves for significant future enhancement"

- Record level operating result and highest operating margin in more than a decade. Our strategy, investments and actions are starting to pay off and resulting in increasing profitability in all business segments
- Strong cash flow generation leading to reduced leverage and a solid financial position at year end, preparing ourselves for the Stanley Security acquisition closing
- Finalized two transformation programs and the cost savings program. Cost savings targets achieved in key areas and good benefit realization in North America towards the end of the year. Stronger foundation to enhance client value and drive operating margin improvement
- Transformative acquisition of Stanley Security announced – positioning Securitas as a leading intelligent security solutions partner with over 50 percent of profit generated from high-margin electronic security and solutions sales going forward

We finished the year with 4 percent organic sales growth in the quarter and full year. The conditions in the business environment improved gradually during the year, with good commercial activity across all business segments while growth was hampered in North America due to reduced corona-related extra sales and the previously announced contract losses.

Sales of security solutions and electronic security showed real sales growth of 8 percent (5) in 2021, representing 22 percent of Group sales. We saw improved growth in the fourth quarter despite challenges related to component shortages.

The operating result for the Group, adjusted for changes in exchange rates, increased by 15 percent (4) in the fourth quarter and by 28 percent (–10) for the full year. The operating margin improved to 5.9 percent (5.3) in the quarter and to 5.6 percent (4.5) for 2021. Our focus on delivering the leading client value proposition combined with strong focus on profitability through active portfolio management strengthened all business segments. The improvement was further supported by the cost-savings program initiated during 2020 and lower levels of provisioning compared to 2020.

With the continued return to business as usual related to the pandemic, government grants and support were materially reduced in the fourth quarter. The price and wage balance was successfully kept on par throughout the year. Going into 2022 we are well positioned to maintain this balance.

The Group delivered a strong operating cash flow, corresponding to 93 percent of operating income in 2021. The net debt to EBITDA ratio was 1.9 (2.1).

TRANSFORMATIVE ACQUISITION FOR TECHNOLOGY LEADERSHIP

At the end of 2021, we took a significant step in our strategy to pursue value growth with technology by announcing the agreement to acquire Stanley Security. This is a transformative acquisition, which we expect will lead to significant added commercial growth and a substantial operating margin improvement over time.

The future of security will be built around a combination of global presence, connected technology and intelligent use of data, and together with Stanley, we will be perfectly placed to win in this environment.

AN EXCITING JOURNEY AHEAD

Going into 2022, we are preparing to close the acquisition of Stanley Security. The integration and value creation planning have started and is well on track. We are continuing to execute on our transformation programs in Europe and Ibero-America, which are developing according to plan. The transformation program in North America was successfully finalized in 2021 and we see positive impacts on our operations and the operating margin at the end of 2021 with further opportunity going into 2022.

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.

None of the above would be possible without a strong team. I would like to take the opportunity to express my deepest gratitude to the Securitas team for their resilience and phenomenal work during 2021.

Magnus Ahlqvist
President and CEO

January–December summary

FINANCIAL SUMMARY

	Q4		Change, %		Full year		Change, %	
MSEK	2021	2020	Total	Real	2021	2020	Total	Real
Sales	**28 049**	**26 477**	**6**	**4**	**107 700**	**107 954**	**0**	**5**
Organic sales growth, %	*4*	*1*			*4*	*0*		
Operating income before amortization	**1 646**	**1 404**	**17**	**15**	**5 978**	**4 892**	**22**	**28**
Operating margin, %	*5.9*	*5.3*			*5.6*	*4.5*		
Amortization of acquisition-related intangible assets	−99	−79			−290	−286		
Acquisition-related costs	−49	−47			−122	−137		
Items affecting comparability *	−356	−422			−871	−640		
Operating income after amortization	**1 142**	**856**	**33**	**32**	**4 695**	**3 829**	**23**	**29**
Financial income and expenses	−83	−118			−364	−500		
Income before taxes	**1 059**	**738**	**43**	**44**	**4 331**	**3 329**	**30**	**37**
Net income for the period	**745**	**524**	**42**	**43**	**3 134**	**2 416**	**30**	**37**
Earnings per share, SEK	2.05	1.45	41	42	8.59	6.63	30	37
EPS before items affecting comparability, SEK	2.85	2.38	20	23	10.41	8.02	30	37
Cash flow from operating activities, %	*131*	*109*			*93*	*147*		
Free cash flow	1 756	1 420			3 999	5 944		
Net debt to EBITDA ratio	*–*	*–*			*1.9*	*2.1*		

* Refer to note 7 on page 27 for further information.

EARNINGS PER SHARE AND KEY RATIOS FOR CASH FLOW AND NET DEBT

Earnings per share amounted to SEK 8.59 (6.63), a total change of 30 percent compared with the preceding year. The real change in earnings per share in 2021 was 37 percent. EPS before items affecting comparability amounted to SEK 10.41 (8.02), representing a total change of 30 percent compared with the preceding year and a real change of 37 percent in 2021. Cash flow from operating activities was 93 percent (147). The net debt to EBITDA ratio was 1.9 (2.1). For further information, refer to note 5 on page 26.

ANNUAL GENERAL MEETING 2022

The Annual General Meeting (AGM) of Securitas AB will be held on Thursday, May 5, 2022.

Additional information about the AGM will be published in the notice convening the AGM and on www.securitas.com/agm2022. The 2021 Annual and Sustainability Report of Securitas AB will be published on www.securitas.com on March 25, 2022.

PROPOSED DIVIDEND

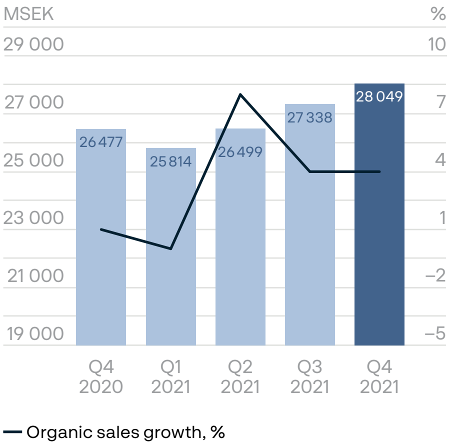
The Board of Directors proposes a dividend for 2021 of SEK 4.40 (4.00) per share. The total proposed dividend amounts to 51 percent of net income and 42 percent of net income before items affecting comparability. Monday, May 9, 2022, is proposed as record date for the dividend. If the AGM so resolves, the dividend is expected to be distributed by Euroclear starting May 12, 2022.

ORGANIC SALES GROWTH AND OPERATING MARGIN DEVELOPMENT PER BUSINESS SEGMENT

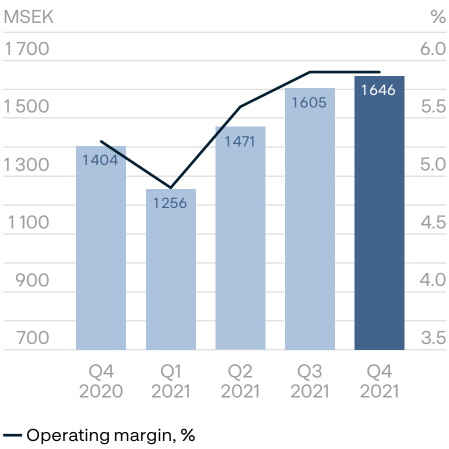
	Organic sales growth				Operating margin			
	Q4		Full year		Q4		Full year	
%	2021	2020	2021	2020	2021	2020	2021	2020
Security Services North America	0	4	3	2	7.1	6.4	6.8	5.9
Security Services Europe	5	−1	5	−2	6.3	6.0	5.8	4.6
Security Services Ibero-America	11	−1	6	2	6.3	5.3	5.7	4.5
Group	**4**	**1**	**4**	**0**	**5.9**	**5.3**	**5.6**	**4.5**

Group development

QUARTERLY SALES DEVELOPMENT



QUARTERLY OPERATING INCOME DEVELOPMENT



OCTOBER–DECEMBER 2021

SALES DEVELOPMENT

Sales amounted to MSEK 28 049 (26 477) and organic sales growth to 4 percent (1), driven by Security Services Europe and Security Services Ibero-America while Security Services North America had 0 percent (4) organic sales growth, hampered by reduced corona-related extra sales and previously announced contract losses. Security Services Europe had 5 percent (–1), supported by most countries including the airport security business. Security Services Ibero-America showed 11 percent (–1), primarily driven by Spain and price increases in Argentina. Extra sales was 15 percent (17) of total sales, and the decline related primarily to Security Services North America.

Real sales growth, including acquisitions and adjusted for changes in exchange rates, was 4 percent (3).

Security solutions and electronic security sales amounted to MSEK 6 470 (5 883) or 23 percent (22) of total sales in the fourth quarter. Real sales growth, including acquisitions and adjusted for changes in exchange rates, was 10 percent (4).

OPERATING INCOME BEFORE AMORTIZATION

Operating income before amortization was MSEK 1 646 (1 404) which, adjusted for changes in exchange rates, represented a real change of 15 percent (4). The operating income was supported by corona-related government grants and support measures of MSEK 50 (230) in the fourth quarter, mostly within Security Services Europe. These grants and support measures relate primarily to partial unemployment support and compensate partly for increased cost levels due to idle time.

The Group's operating margin was 5.9 percent (5.3), an improvement seen in all business segments. The operating margin improvement in Security Services North America was driven by the business units Guarding and Electronic Security. In Security Services Europe, most countries contributed to the positive development. The cost-savings program initiated in 2020 supported the improvement in Security Services Europe, as well as in Security Services Ibero-America, where several countries were behind the positive development. Last year had a higher level of provisioning.

OPERATING INCOME AFTER AMORTIZATION

Amortization of acquisition-related intangible assets amounted to MSEK –99 (–79).

Acquisition-related costs totaled MSEK –49 (–47). For further information refer to Acquisitions and divestitures on page 13 and note 6.

Items affecting comparability were MSEK –356 (–422), whereof MSEK –294 (–422) related to the cost-savings program and to the transformation programs in the Group. Items affecting comparability also included MSEK –62 (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 –83 (–118). The financial income and expenses were positively impacted by lower interest rates, and foreign exchange rates.

INCOME BEFORE TAXES

Income before taxes amounted to MSEK 1 059 (738).

TAXES, NET INCOME AND EARNINGS PER SHARE

The Group's tax rate was 29.7 percent (29.0). The tax rate before tax on items affecting comparability was 26.9 percent (25.3).

Net income was MSEK 745 (524).

Earnings per share amounted to SEK 2.05 (1.45). Earnings per share before items affecting comparability amounted to SEK 2.85 (2.38).

JANUARY–DECEMBER 2021

SALES DEVELOPMENT

Sales amounted to MSEK 107 700 (107 954) and organic sales growth to 4 percent (0) where all business segments contributed. Extra sales amounted to 15 percent (16) of total sales. Organic sales growth in Security Services North America was 3 percent (2), supported by all business units. Security Services Europe had 5 percent (–2), supported by most countries in the segment and Security Services Ibero-America showed 6 percent (2).

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 24 105 (23 478) or 22 percent (22) of total sales in 2021. Real sales growth, including acquisitions and adjusted for changes in exchange rates, was 8 percent (5).

OPERATING INCOME BEFORE AMORTIZATION

Operating income before amortization was MSEK 5 978 (4 892) which, adjusted for changes in exchange rates, represented a real change of 28 percent (–10). The operating income was supported by corona-related government grants and support measures of MSEK 550 (780) in 2021, mostly within Security Services Europe. These grants and support measures relate primarily to partial unemployment support and compensate partly for increased cost levels due to idle time.

The Group's operating margin was 5.6 percent (4.5), an improvement seen in all business segments including a lower level of provisioning compared to last year. All business units supported the development in Security Services North America. In Security Services Europe, most countries supported the development including the airport security business and the cost-savings program initiated in 2020. The improvement in Security Services Ibero-America was primarily driven by Spain and Peru, also supported by the cost-savings program initiated in 2020. Total price adjustments in the Group were on par with wage cost increases in 2021.

OPERATING INCOME AFTER AMORTIZATION

Amortization of acquisition-related intangible assets amounted to MSEK –290 (–286).

Acquisition-related costs totaled MSEK –122 (–137). For further information refer to Acquisitions and divestitures on page 13 and note 6.

Items affecting comparability were MSEK –871 (–640), whereof MSEK –923 (–640) related to the cost-savings program and to the transformation programs in the Group. The decided exit from 11 countries, as communicated in the fourth quarter of 2020, resulted in a net gain of MSEK 1 (–117), which is included in items affecting comparability above. Items affecting comparability further included MSEK 114 (0), related to a lump-sum payment received in the fourth quarter from the AFA insurance company for the collectively bargained AGS group sickness insurance policy in Sweden as well as MSEK –62 (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 –364 (–500). The financial income and expenses were positively impacted by lower interest rates and the exchange rates for interest income and expenses.

INCOME BEFORE TAXES

Income before taxes amounted to MSEK 4 331 (3 329).

TAXES, NET INCOME AND EARNINGS PER SHARE

The Group's tax rate was 27.6 percent (27.4). The full year tax rate increased from 27.0 percent in the first nine months to 27.6 percent for the full year where the majority of the increase was related to tax effects on non-deductible transaction costs for the Stanley Security acquisition. The tax rate before tax on items affecting comparability was 27.0 percent (26.4).

Net income was MSEK 3 134 (2 416).

Earnings per share amounted to SEK 8.59 (6.63). Earnings per share before items affecting comparability amounted to SEK 10.41 (8.02).

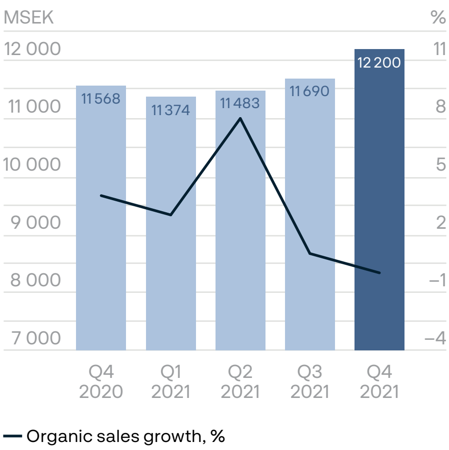
Development in the Group's business segments

Security Services North America

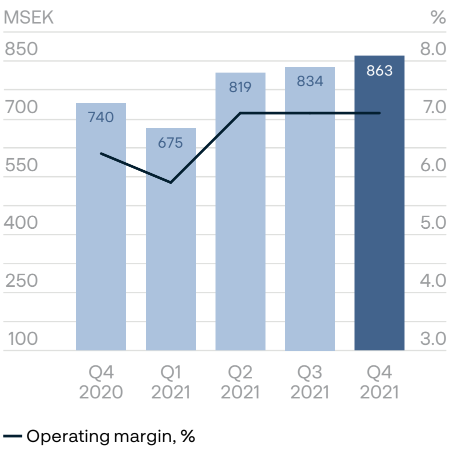
Security Services North America provides protective services in the US, Canada and Mexico. The operations in the US are organized in four specialized units – Guarding, Electronic Security, Pinkerton Corporate Risk Management and Critical Infrastructure Services. There is a unit for global and national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

	Q4		Change, %		Full year		Change, %	
MSEK	2021	2020	Total	Real	2021	2020	Total	Real
Total sales	**12 200**	**11 568**	**5**	**0**	**46 747**	**47 801**	**–2**	**4**
Organic sales growth, %	*0*	*4*			*3*	*2*		
Share of Group sales, %	*43*	*44*			*43*	*44*		
Operating income before amortization	**863**	**740**	**17**	**10**	**3 191**	**2 800**	**14**	**19**
Operating margin, %	*7.1*	*6.4*			*6.8*	*5.9*		
Share of Group operating income, %	*52*	*53*			*53*	*57*		

QUARTERLY SALES DEVELOPMENT



QUARTERLY OPERATING INCOME DEVELOPMENT



OCTOBER–DECEMBER 2021

Organic sales growth was 0 percent (4). The decline was primarily related to the Guarding business unit, where a lower level of corona-related extra sales had a significant impact in the quarter. The termination of the airport security contract in Hawaii and the security contract within the healthcare client segment, as previously communicated, also had a negative impact. The healthcare contract of MSEK 1 300 (MUSD 150) was terminated on December 2 , 2021, and will have full impact in the first quarter of 2022.

Growth in the remaining portfolio was strong. The installation business within Electronic Security gradually recovered throughout 2021, although it was hampered due to corona-related global supply chain issues. The business unit Critical Infrastructure Services has also recovered during the year, albeit on strong comparatives in the fourth quarter. Organic sales growth in Pinkerton was strong.

Security solutions and electronic security sales represented MSEK 2 193 (1 948) or 18 percent (17) of total sales in the business segment in the fourth quarter.

The operating margin was 7.1 percent (6.4), supported by our strong focus on profitable sales growth and active portfolio management as well as successfully managing the challenging labor situation and efficiency contribution from the well-executed transformation program. The operating margin in Guarding improved despite the lower level of corona-related extra sales and the impact of labor pressure. Electronic Security performed well and was supported by the integration of FE Moran Security Solutions. Critical Infrastructure Services delivered a somewhat weaker performance than in the fourth quarter last year, on strong comparatives, while Pinkerton performed well, primarily driven by sales growth. Last year had a higher level of provisioning.

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 10 percent (12) in the fourth quarter.

JANUARY–DECEMBER 2021

Organic sales growth was 3 percent (2). All business units improved except Guarding where the level of corona-related extra sales decreased compared to last year. The business units Electronic Security and Critical Infrastructure Services have gradually recovered from the severe impacts from the corona pandemic last year, and Pinkerton had a strong development across the business. The client retention rate was 86 percent (91), negatively impacted by the above mentioned contract terminations but excluding the effect of corona-related temporary reductions.

Security solutions and electronic security sales represented MSEK 8 279 (8 365) or 18 percent (17) of total sales in the business segment in 2021.

The operating margin was 6.8 percent (5.9), an improvement driven by all business units supported by our strong focus on profitable growth and active portfolio management. Last year was hampered by the corona pandemic, including a higher level of provisioning. The operating margin in Guarding improved as did Electronic Security, supported by the recovery of the installation business and the acquisition of FE Moran Security Solutions. The strong performance in Pinkerton was primarily driven by leverage from the sales growth whereas the operating margin in Critical Infrastructure Services was stable.

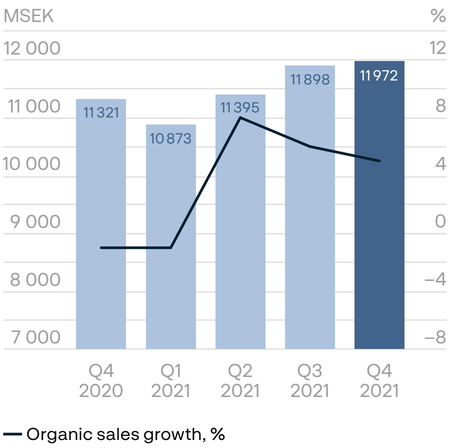
The Swedish krona exchange rate strengthened against the US dollar, which had a negative effect on operating income in Swedish kronor. The real change was 19 percent (–2) in 2021.

Security Services Europe

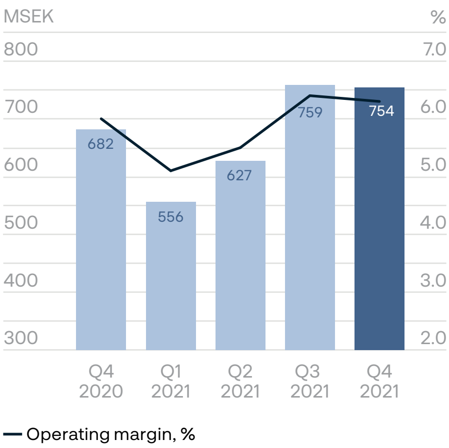
Security Services Europe provides protective services with operations in 22 countries. The full range of protective services includes on-site, mobile and remote guarding, electronic security, fire and safety services and corporate risk management. In addition there are three specialized units for global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

	Q4		Change, %		Full year		Change, %	
MSEK	2021	2020	Total	Real	2021	2020	Total	Real
Total sales	**11 972**	**11 321**	**6**	**7**	**46 138**	**45 188**	**2**	**6**
Organic sales growth, %	*5*	*–1*			*5*	*–2*		
Share of Group sales, %	*43*	*43*			*43*	*42*		
Operating income before amortization	**754**	**682**	**11**	**15**	**2 696**	**2 069**	**30**	**35**
Operating margin, %	*6.3*	*6.0*			*5.8*	*4.6*		
Share of Group operating income, %	*46*	*49*			*45*	*42*		

QUARTERLY SALES DEVELOPMENT



QUARTERLY OPERATING INCOME DEVELOPMENT



OCTOBER–DECEMBER 2021

Organic sales growth was 5 percent (–1) in the fourth quarter, on weak comparatives due to the corona pandemic primarily within airport security. Most countries had good momentum and the positive organic sales growth reflected the gradual recovery throughout 2021, primarily driven by the Nordic countries and Turkey. Airport security business sales improved compared to the fourth quarter last year, and we are continuing to review the airport security contract portfolio.

Security solutions and electronic security sales represented MSEK 3 124 (2 867) or 26 percent (25) of total sales in the business segment.

The operating margin was 6.3 percent (6.0). Most countries contributed to the operating margin improvement, supported by the cost-savings program that was initiated in the Group in 2020 and high-margin corona-related extra sales. The level of corona-related government grants and support was substantially lower compared to last year, which also had a higher level of provisioning.

The Swedish krona exchange rate strengthened primarily against the Turkish lira, which had a negative effect on operating income in Swedish kronor. The real change was 15 percent (–3) in the fourth quarter.

JANUARY–DECEMBER 2021

Organic sales growth was 5 percent (–2), with last year negatively impacted by the corona pandemic, primarily within airport security. Most countries reported positive organic sales growth reflecting the gradual recovery in the business environment. The client retention rate was 92 percent (90), excluding the effect of corona-related temporary reductions.

Security solutions and electronic security sales represented MSEK 11 366 (10 758) or 25 percent (24) of total sales in the business segment in 2021.

The operating margin was 5.8 percent (4.6), supported by our strong focus on profitable sales growth and active portfolio management. Most countries contributed to the operating margin development, with improved profitability in the airport security contract portfolio and high-margin corona-related extra sales acting as contributing factors. The improvement was further supported by the cost-savings program that was initiated in the Group in 2020, which also had a higher level of provisioning. Corona-related government grants and support helped to offset certain negative impacts from the corona pandemic.

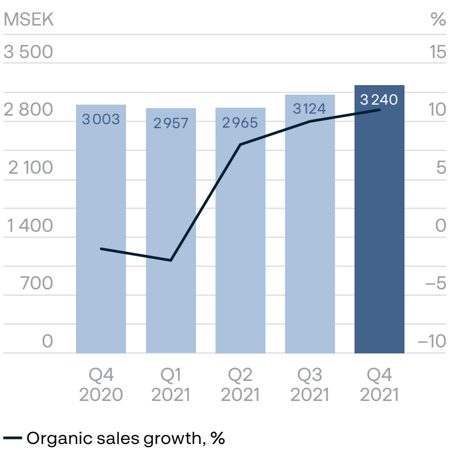
The Swedish krona exchange rate strengthened against foreign currencies, primarily the euro, which had a negative effect on operating income in Swedish kronor. The real change was 35 percent (–17) in 2021.

Security Services Ibero-America

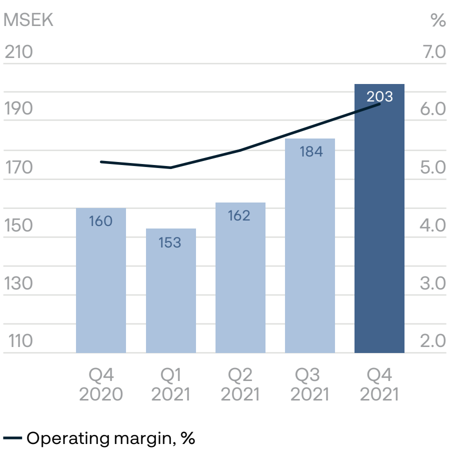
Security Services Ibero-America provides protective services in seven Latin American countries as well as in Portugal and Spain in Europe. The offered services include on-site, mobile and remote guarding, electronic security, fire and safety services, and corporate risk management.

	Q4		Change, %		Full year		Change, %	
MSEK	2021	2020	Total	Real	2021	2020	Total	Real
Total sales	3 240	3 003	8	11	12 286	12 552	–2	6
Organic sales growth, %	*11*	*–1*			*6*	*2*		
Share of Group sales, %	*12*	*11*			*11*	*12*		
Operating income before amortization	203	160	27	26	702	570	23	32
Operating margin, %	*6.3*	*5.3*			*5.7*	*4.5*		
Share of Group operating income, %	*12*	*11*			*12*	*12*		

QUARTERLY SALES DEVELOPMENT



QUARTERLY OPERATING INCOME DEVELOPMENT



OCTOBER–DECEMBER 2021

Organic sales growth was 11 percent (–1), with the fourth quarter last year severely hampered by the corona pandemic. Organic sales growth in Spain was 8 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. The airport security business gradually recovered, although still below pre-corona levels. Portfolio refinement programs in Argentina and Peru hampered organic sales growth.

Security solutions and electronic security sales represented MSEK 987 (915) or 30 percent (30) of total sales in the business segment.

The operating margin was 6.3 percent (5.3), which among other countries included a strong performance in Spain. The improvement was supported by Peru, including impacts from the portfolio refinement program. The cost-savings program that was initiated in the Group in 2020 and a higher level of provisioning last year also supported the improvement. The operating margin in Argentina included a net positive impact from corona-related support, which ended in November.

The Swedish krona exchange rate weakened somewhat against most currencies, which had a slightly positive impact on operating income in Swedish kronor. The real change in the segment was 26 percent (20) in the fourth quarter.

JANUARY–DECEMBER 2021

Organic sales growth was 6 percent (2), driven by organic sales growth in Spain of 5 percent (1) and by price increases in Argentina. The portfolio refinement programs in Argentina and Peru hampered organic sales growth and the client retention rate was 94 percent (93) excluding the effect of corona-related temporary reductions.

Security solutions and electronic security sales represented MSEK 3 743 (3 720) or 30 percent (30) of total sales in the business segment in 2021.

The operating margin was 5.7 percent (4.5), an improvement supported by Spain including efficiency gains from the integration of Techco Security. The operating margin in Latin America also improved supported by bad debt provision recovery and portfolio refinement programs in Argentina and Peru. Last year had a higher level of provisioning. The improvement was further supported by the cost-savings program that was initiated in the Group in 2020.

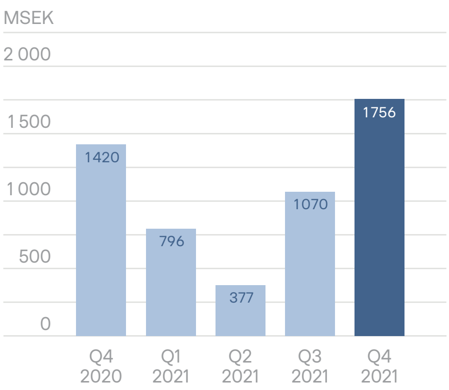
The Swedish krona exchange rate strengthened against the Argentinian peso and the euro, which had a negative impact on operating income in Swedish kronor. The real change in the segment was 32 percent (3) in 2021.

Cash flow

FREE CASH FLOW

MSEK	Jan–Dec 2021
Operating income before amortization	**5 978**
Net investments	–120
Change in accounts receivable	117
Change in other operating capital employed	–399
Cash flow from operating activities	**5 576**
Financial income and expenses paid	–312
Current taxes paid	–1 265
Free cash flow	**3 999**

QUARTERLY FREE CASH FLOW



OCTOBER–DECEMBER 2021

Cash flow from operating activities amounted to MSEK 2 160 (1 527), equivalent to 131 percent (109) of operating income before amortization.

The impact from changes in accounts receivable was MSEK 462 (–166). The level of days of sales outstanding improved but there was negative impact from the improved organic sales growth. Changes in other operating capital employed were MSEK 142 (309).

Free cash flow was MSEK 1 756 (1 420), equivalent to 152 percent (154) of adjusted income.

Cash flow from investing activities, acquisitions and divestitures, was MSEK –233 (–1 291). Refer to note 6 for further information.

Cash flow from items affecting comparability amounted to MSEK –34 (–188). Refer to note 7 for further information.

Cash flow from financing activities was MSEK –616 (–2 329) due to dividend paid of MSEK 0 (–1 752) and a net decrease in borrowings of MSEK –616 (–577).

Cash flow for the period was MSEK 873 (–2 388).

JANUARY–DECEMBER 2021

Cash flow from operating activities amounted to MSEK 5 576 (7 207), equivalent to 93 percent (147) of operating income before amortization.

The impact from changes in accounts receivable was MSEK 117 (123). The positive cash flow impact comes from further improvement of the level of days of sales outstanding reflecting our collection effort but is also with a negative offset coming from the improved organic sales growth that drive up the level of accounts receivable in absolute terms. The comparatives for last year also saw a positive cash flow impact from accounts receivable explained by both lower organic sales growth as well as a lower level of days of sales outstanding. Changes in other operating capital employed were MSEK –399 (2 289). In the third quarter approximately MSEK 600 out of the previously postponed payroll tax balances in the North American operations were paid. The comparatives were positively impacted by the timing of payments relating to payroll taxes and value added tax in Europe and North America of approximately MSEK 1 300. Other than the remaining amount for payroll taxes in the North American operations of an additional approximately MSEK 600 to be paid in 2022, no material balances remain to be settled out of the various governmental schemes for postponement of various tax payments introduced during the corona pandemic.

Financial income and expenses paid was MSEK –312 (–401) and current taxes paid was MSEK –1 265 (–862).

Cash flow from operating activities includes net investments in non-current tangible and intangible assets, amounting to MSEK –120 (–97), also including capital expenditures in equipment for solutions contracts. The net investments are the result of investments of MSEK –2 824 (–2 787) and reversal of depreciation of MSEK 2 704 (2 690).

Free cash flow was MSEK 3 999 (5 944), equivalent to 95 percent (178) of adjusted income.

Cash flow from investing activities, acquisitions and divestitures, was MSEK –1 366 (–1 801). Refer to note 6 for further information.

Cash flow from items affecting comparability amounted to MSEK –602 (–405). Refer to note 7 for further information.

Cash flow from financing activities was MSEK –1 935 (–2 762) due to dividend paid of MSEK –1 460 (–1 752) and a net decrease in borrowings of MSEK –475 (–1 010).

Cash flow for the period was MSEK 96 (976). The closing balance for liquid funds after translation differences of MSEK –7 was MSEK 4 809 (4 720).

Capital employed and financing

CAPITAL EMPLOYED AND FINANCING

MSEK	Dec 31, 2021
Operating capital employed	9 908
Goodwill	23 373
Acquisition-related intangible assets	1 732
Shares in associated companies	338
Capital employed	**35 351**
Net debt	14 551
Shareholders' equity	20 800
Financing	**35 351**

NET DEBT DEVELOPMENT

MSEK	Jan–Dec 2021
Jan 1, 2021	**–14 335**
Free cash flow	3 999
Acquisitions / divestitures	–1 366
Items affecting comparability	–602
Dividend paid	–1 460
Lease liabilities	107
Change in net debt	**678**
Revaluation	–56
Translation	–838
Dec 31, 2021	**–14 551**

NET DEBT TO EBITDA RATIO

CAPITAL EMPLOYED AS OF DECEMBER 31, 2021

The Group's operating capital employed was MSEK 9 908 (8 893), corresponding to 9 percent of sales (8), 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 556.

The annual impairment test of all Cash Generating Units (CGU), which is required under IFRS, took place during the third quarter 2021 in conjunction with the business plan process for 2022. None of the CGUs tested for impairment had a carrying amount that exceeded the recoverable amount. Consequently, no impairment losses have been recognized in 2021. No impairment losses were recognized in 2020 either.

The Group's total capital employed was MSEK 35 351 (32 042). The translation of foreign capital employed to Swedish kronor increased the Group's capital employed by MSEK 1 906. The return on capital employed was 14 percent (13).

FINANCING AS OF DECEMBER 31, 2021

The Group's net debt amounted to MSEK 14 551 (14 335). The net debt was positively impacted mainly by the free cash flow of MSEK 3 999, while it was negatively impacted mainly by a dividend of MSEK –1 460, paid to the shareholders in May 2021, net payments for acquisitions and divestitures of MSEK –1 366, translation differences of MSEK –838 and payments for items affecting comparability of MSEK –602.

The net debt to EBITDA ratio was 1.9 (2.1). The free cash flow to net debt ratio amounted to 0.27 (0.41). The interest coverage ratio amounted to 13.8 (9.1).

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 2021, the maturity was extended to 2026 and there is a possibility to extend in 2022 to 2027. It was undrawn on December 31, 2021.

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, of which MSEK 700 was issued as of December 31, 2021.

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.

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

Shareholders' equity amounted to MSEK 20 800 (17 707). The translation of foreign assets and liabilities into Swedish kronor increased shareholders' equity by MSEK 1 068. Refer to the statement of comprehensive income on page 17 for further information.

The total number of shares amounted to 365 058 897 (365 058 897) as of December 31, 2021. Refer to page 20 for further information.

Acquisitions and divestitures

ACQUISITIONS AND DIVESTITURES JANUARY–DECEMBER 2021 (MSEK)

Company	Business segment [1]	Included from	Acquired share [2]	Annual sales [3]	Enterprise value [4]	Goodwill	Acq. related intangible assets
Opening balance						**21 414**	**1 424**
Dansk Brandteknik, Denmark	Security Services Europe	Feb 22	100	81	148	80	75
Protection One, Germany	Security Services Europe	Aug 19	100	337	674	445	171
Tepe Güvenlik, Turkey	Security Services Europe	Aug 24	100	85	99	62	34
Supreme Security Systems, the US	Security Services North America	Dec 1	–	90	184	135	54
Other acquisitions and divestitures [5, 6]		–	–	–127	139	–136	201
Total acquisitions and divestitures January–December 2021				**466**	**1 244** [7]	**586**	**535**
Amortization of acquisition-related intangible assets						–	–290
Translation differences and remeasurement for hyperinflation						1 373	63
Closing balance						**23 373**	**1 732**

[1] Refers to business segment with main responsibility for the acquisition.
[2] Refers to voting rights for acquisitions in the form of share purchase agreements. For asset deals no voting rights are stated.
[3] Estimated annual sales.
[4] Purchase price paid/received plus acquired/divested net debt but excluding any deferred considerations.
[5] Related to other acquisitions for the period and updated previous year acquisition calculations for the following entities: FE Moran Security Solutions, the US, Protector i Sundsvall, Eventsäkerhet/7H Bevakning (contract portfolios), Polar Park (contract portfolio), NVS Bevakning (contract portfolio), Sweden, SAMCA Vagt, KLEY (contract portfolio), Denmark, Oy Bevex Security (contract portfolio), Kokkolan Vartiointi ja Kiinteistövalvonta Pekka Isoaho (contract portfolio), Finland, ORQUAL, Switzerland, KONTROLL DATA-SERVICE Gesellschaft für Sicherheit und Kontrollwesen, Austria, STANLEY Security in Germany, Switzerland, Portugal, Singapore and India and Fredon Security, Australia. Related also to divestitures of Securitas Teleassistance, France, Securitas Estonia, Securitas Slovenia, Securitas Greece, Securitas Panama (asset deal), Securitas Sri Lanka, Securitas Egypt and Securitas Jordan as well as to deferred considerations paid in the US, Sweden, Germany, France, Austria, Turkey, Spain, Australia and China.
[6] 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 –137. Total deferred considerations, short-term and long-term, in the Group's balance sheet amount to MSEK 134.
[7] Cash flow from acquisitions and divestitures amounts to MSEK –1 366, which is the sum of enterprise value MSEK –1 244 and acquisition-related costs paid MSEK –122.

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 20. Transaction costs and revaluation of deferred considerations can be found in note 6 on page 26.

DANSK BRANDTEKNIK, DENMARK
Securitas has acquired Dansk Brandteknik, a leading Danish fire and safety company that specializes in fire and safety services and equipment, including related consulting and training services. The acquisition will significantly enhance Securitas' protective services capabilities in Denmark and is in line with the Group's strategy of doubling its security solutions and electronic security sales by 2023.

The company has a nationwide presence in Denmark with 40 employees and approximately 7 500 business clients, mainly in the small- and medium-sized enterprise (SME) segment, with high client retention rates. The acquisition-related costs are expected to be MSEK 6, to be recognized in 2021 and 2022, respectively. The acquisition is expected to be accretive to EPS as of 2021 and was consolidated in Securitas as of February 22, 2021.

PROTECTION ONE, GERMANY
Securitas has acquired Protection One, the German market leader specializing in remote technology-driven security solutions and electronic security. The acquisition will enhance Securitas' protective services capabilities in Germany and is in line with the Group's strategy of doubling its security solutions and electronic security sales by 2023.

The company has 230 employees in Germany and is present at 12 locations with the operation center based in Meerbusch, offering remote monitoring services with 24/7 real-time intervention. Combining its high-performance and tailor-made installation offering, the company provides full scope of electronic security services across 10 300 objects for approximately 7 000 clients, mainly small and medium-sized businesses.

The acquisition-related costs are expected to be MSEK 45, to be recognized in the period 2021 to 2023. The acquisition is expected to be accretive to EPS as of 2022. The acquisition was approved by competition authorities during the third quarter of 2021 and was consolidated in Securitas as of August 19, 2021.

TEPE GÜVENLIK, TURKEY
Securitas has acquired Tepe Güvenlik, a leading electronic security company in Turkey. Through this acquisition, Securitas becomes number two in the monitoring market in Turkey, and the acquisition is in line with the Group's strategy of doubling its security solutions and electronic security sales by 2023.

The company has 250 employees and operations mainly in Ankara and Istanbul, including an operation center and a nationwide technical service network. Tepe Güvenlik specializes in electronic security solutions, alarm systems and alarm monitoring for corporate clients, SMEs and residentials. The company has more than 50 000 connections, representing a significant addition to Securitas' existing connection base in Turkey today.

The acquisition-related costs are expected to be approximately MSEK 13, to be recognized in the period 2021 to 2023. The acquisition is expected to be accretive to EPS as of 2023. The acquisition was approved by competition authorities during the third quarter of 2021 and was consolidated in Securitas as of August 24, 2021.

SUPREME SECURITY SYSTEMS, THE US

Securitas has acquired Supreme Security Systems, a top 50 alarm monitoring company in the US. The acquisition increases Securitas' service capabilities and client offerings in the northeast US and aligns with Securitas' ambition to double the size of its security solutions and electronic security business by 2023. The acquisition will be accretive to the Group operating margin through its resilient recurring monthly revenue (RMR) portfolio representing more than 70 percent of the revenue.

Founded in 1929, Supreme Security Systems provides security alarm monitoring services to clients primarily in the New Jersey market. Their portfolio includes electronic security services, such as intrusion, video, fire and access control systems, as well as UL-listed, FM approved, TMA Five Diamond certified alarm monitoring. The company has an outstanding reputation with its tenured client base and is known for providing best-in-class service.

The acquisition-related costs are expected to be MSEK 12, recognized across 2022 and 2023. The acquisition is expected to be EPS accretive as of 2022 and was consolidated in Securitas as of December 1, 2021.

STANLEY SECURITY, THE US

On December 8, 2021, Securitas entered into an agreement to acquire the Electronic Security Solutions business from Stanley Black & Decker Inc. ("Stanley Security") for a cash purchase price of MUSD 3 200 on a debt and cash free basis, representing a multiple of approximately 13x Stanley Security's estimated adjusted EBITDA 2021 including cost synergies of approximately MUSD 50, before commercial synergies and strategic benefits.

Stanley Security is a highly reputable provider of electronic security solutions with operations in 12 markets globally, expected to generate sales of nearly MUSD 1 700 in 2021, of which around 40 percent is recurring revenue. The future of security is built around the combination of global presence, connected technology and intelligent use of data and, together with Stanley Security, Securitas is perfectly placed to win in this environment with an outstanding offering and client experience.

The acquisition brings significant commercial synergy opportunities with over 500 000 existing as well as new clients, adds significant scale and innovation potential in the attractive BUSD 70 electronic security market, and creates a leading platform to accelerate growth. It is expected to be immediately operating margin accretive to the Group on completion, create compelling cost synergy opportunities, deliver accretion in earnings per share in the first full year post completion (excluding items affecting comparability and costs associated with the transaction) and lead to substantial operating margin improvement over time.

The acquisition is fully funded through an underwritten bridge facility which is expected to be refinanced by long-term debt financing and an equity rights issue of MUSD 915, intended to be launched following completion. Current shareholders have in total provided commitments, declarations of intent and guarantees to subscribe for 44.6 percent of the rights issue.

Investment AB Latour and subsidiaries, Melker Schörling AB and EQT have also entered into guarantee commitments to subscribe for an additional 21.9 percent of the rights issue without subscription rights. The agreed fee is 1 percent of the guaranteed amounts.

The acquisition is expected to complete in the first half year of 2022, subject to customary regulatory approvals and closing conditions.

Other significant events

For critical estimates and judgments, provisions and contingent liabilities refer to the 2020 Annual Report and to note 12 on page 29. If no significant events have occurred relating to the information in the Annual Report or previous Interim Reports published during 2021, no further comments are made in the Interim Report for the respective case.

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 2020.

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 full year 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 rates, 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.

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.

For the forthcoming 12-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 2020 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–DECEMBER 2021
The Parent Company's income amounted to MSEK 1 734 (1 233) and mainly relates to license fees and other income from subsidiaries.

Financial income and expenses amounted to MSEK 1 635 (1 067). The increase compared with last year is mainly explained by higher dividends received from subsidiaries. Income before taxes amounted to MSEK 1 994 (1 280).

AS OF DECEMBER 31, 2021
The Parent Company's non-current assets amounted to MSEK 46 173 (45 822) and mainly comprise shares in subsidiaries of MSEK 44 932 (44 233). Current assets amounted to MSEK 5 350 (4 052) of which liquid funds accounted for MSEK 1 070 (151).

Shareholders' equity amounted to MSEK 29 448 (28 999). A dividend of MSEK 1 460 was paid to the shareholders in May 2021. Last year, a dividend of MSEK 1 752 was paid to the shareholders in December 2020.

The Parent Company's liabilities and untaxed reserves amounted to MSEK 22 075 (20 875) and mainly consist of interest-bearing debt.

For further information, refer to the Parent Company's condensed financial statements on page 30.

Stockholm, February 8, 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	Oct–Dec 2021	Oct–Dec 2020	Jan–Dec 2021	Jan–Dec 2020
Sales		27 768	26 143	106 538	106 642
Sales, acquired business		281	334	1 162	1 312
Total sales	**3**	**28 049**	**26 477**	**107 700**	**107 954**
Organic sales growth, %	*4*	*4*	*1*	*4*	*0*
Production expenses		–22 729	–21 543	–87 855	–89 046
Gross income		**5 320**	**4 934**	**19 845**	**18 908**
Selling and administrative expenses		–3 701	–3 550	–13 953	–14 100
Other operating income	3	12	11	43	39
Share in income of associated companies		15	9	43	45
Operating income before amortization		**1 646**	**1 404**	**5 978**	**4 892**
Operating margin, %		*5.9*	*5.3*	*5.6*	*4.5*
Amortization of acquisition-related intangible assets		–99	–79	–290	–286
Acquisition-related costs	6	–49	–47	–122	–137
Items affecting comparability	7	–356	–422	–871	–640
Operating income after amortization		**1 142**	**856**	**4 695**	**3 829**
Financial income and expenses	8, 9	–83	–118	–364	–500
Income before taxes		**1 059**	**738**	**4 331**	**3 329**
Net margin, %		*3.8*	*2.8*	*4.0*	*3.1*
Current taxes		–404	–362	–1 389	–1 048
Deferred taxes		90	148	192	135
Net income for the period		**745**	**524**	**3 134**	**2 416**
Whereof attributable to:					
Equity holders of the Parent Company		747	527	3 133	2 419
Non-controlling interests		–2	–3	1	–3
Earnings per share before and after dilution (SEK)		2.05	1.45	8.59	6.63
Earnings per share before and after dilution and before items affecting comparability (SEK)		2.85	2.38	10.41	8.02

STATEMENT OF COMPREHENSIVE INCOME

MSEK	Note	Oct–Dec 2021	Oct–Dec 2020	Jan–Dec 2021	Jan–Dec 2020
Net income for the period		**745**	**524**	**3 134**	**2 416**
Other comprehensive income for the period					
Items that will not be reclassified to the statement of income					
Remeasurements of defined benefit pension plans net of tax		186	–97	294	–78
Total items that will not be reclassified to the statement of income	**10**	**186**	**–97**	**294**	**–78**
Items that subsequently may be reclassified to the statement of income					
Remeasurement for hyperinflation net of tax	8	27	24	92	62
Cash flow hedges net of tax		–37	27	–53	–22
Cost of hedging net of tax		–3	–4	9	34
Net investment hedges net of tax		–146	556	–382	528
Other comprehensive income from associated companies, translation differences		9	–25	22	–40
Translation differences		451	–2 143	1 428	–3 087
Total items that subsequently may be reclassified to the statement of income	**10**	**301**	**–1 565**	**1 116**	**–2 525**
Other comprehensive income for the period	**10**	**487**	**–1 662**	**1 410**	**–2 603**
Total comprehensive income for the period		**1 232**	**–1 138**	**4 544**	**–187**
Whereof attributable to:					
Equity holders of the Parent Company		1 233	–1 135	4 542	–180
Non-controlling interests		–1	–3	2	–7

STATEMENT OF CASH FLOW

Operating cash flow MSEK	Note	Oct–Dec 2021	Oct–Dec 2020	Jan–Dec 2021	Jan–Dec 2020
Operating income before amortization		**1 646**	**1 404**	**5 978**	**4 892**
Investments in non-current tangible and intangible assets		–858	–673	–2 824	–2 787
Reversal of depreciation		768	653	2 704	2 690
Change in accounts receivable		462	–166	117	123
Change in other operating capital employed		142	309	–399	2 289
Cash flow from operating activities		**2 160**	**1 527**	**5 576**	**7 207**
Cash flow from operating activities, %		*131*	*109*	*93*	*147*
Financial income and expenses paid		–35	–46	–312	–401
Current taxes paid		–369	–61	–1 265	–862
Free cash flow		**1 756**	**1 420**	**3 999**	**5 944**
Free cash flow, %		*152*	*154*	*95*	*178*
Cash flow from investing activities, acquisitions and divestitures	6	–233	–1 291	–1 366	–1 801
Cash flow from items affecting comparability	7	–34	–188	–602	–405
Cash flow from financing activities		–616	–2 329	–1 935	–2 762
Cash flow for the period		**873**	**–2 388**	**96**	**976**

Change in net debt MSEK	Note	Oct–Dec 2021	Oct–Dec 2020	Jan–Dec 2021	Jan–Dec 2020
Opening balance		**–15 612**	**–13 535**	**–14 335**	**–17 541**
Cash flow for the period		873	–2 388	96	976
Change in lease liabilities		–55	–62	107	–139
Change in loans		616	577	475	1 010
Change in net debt before revaluation and translation differences		**1 434**	**–1 873**	**678**	**1 847**
Revaluation of financial instruments	9	–50	29	–56	17
Translation differences		–323	1 044	–838	1 342
Change in net debt		**1 061**	**–800**	**–216**	**3 206**
Closing balance		**–14 551**	**–14 335**	**–14 551**	**–14 335**

Cash flow MSEK	Note	Oct–Dec 2021	Oct–Dec 2020	Jan–Dec 2021	Jan–Dec 2020
Cash flow from operations		2 513	1 820	5 980	8 072
Cash flow from investing activities		–781	–1 677	–3 029	–3 438
Cash flow from financing activities		–859	–2 531	–2 855	–3 658
Cash flow for the period		**873**	**–2 388**	**96**	**976**

Change in liquid funds MSEK	Note	Oct–Dec 2021	Oct–Dec 2020	Jan–Dec 2021	Jan–Dec 2020
Opening balance		3 957	7 203	4 720	3 948
Cash flow for the period		873	–2 388	96	976
Translation differences		–21	–95	–7	–204
Closing balance		**4 809**	**4 720**	**4 809**	**4 720**

CAPITAL EMPLOYED AND FINANCING

MSEK	Note	Dec 31, 2021	Dec 31, 2020
Operating capital employed		**9 908**	**8 893**
Operating capital employed as % of sales		*9*	*8*
Return on operating capital employed, %		*54*	*39*
Goodwill		23 373	21 414
Acquisition-related intangible assets		1 732	1 424
Shares in associated companies		338	311
Capital employed		**35 351**	**32 042**
Return on capital employed, %		*14*	*13*
Net debt		**–14 551**	**–14 335**
Shareholders' equity		**20 800**	**17 707**
Net debt equity ratio, multiple		*0.70*	*0.81*

BALANCE SHEET

MSEK	Note	Dec 31, 2021	Dec 31, 2020
ASSETS			
Non-current assets			
Goodwill		23 373	21 414
Acquisition-related intangible assets		1 732	1 424
Other intangible assets		1 834	1 788
Right-of-use assets		3 348	3 334
Other tangible non-current assets		3 482	3 262
Shares in associated companies		338	311
Non-interest-bearing financial non-current assets		1 893	1 835
Interest-bearing financial non-current assets		494	686
Total non-current assets		**36 494**	**34 054**
Current assets			
Non-interest-bearing current assets		21 857	20 209
Other interest-bearing current assets		203	144
Liquid funds		4 809	4 720
Total current assets		**26 869**	**25 073**
TOTAL ASSETS		**63 363**	**59 127**

MSEK	Note	Dec 31, 2021	Dec 31, 2020
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Attributable to equity holders of the Parent Company		20 792	17 697
Non-controlling interests		8	10
Total shareholders' equity		**20 800**	**17 707**
Equity ratio, %		*33*	*30*
Long-term liabilities			
Non-interest-bearing long-term liabilities		270	265
Long-term lease liabilities		2 573	2 554
Other interest-bearing long-term liabilities		12 207	11 694
Non-interest-bearing provisions		2 278	2 477
Total long-term liabilities		**17 328**	**16 990**
Current liabilities			
Non-interest-bearing current liabilities and provisions		19 958	18 793
Current lease liabilities		897	876
Other interest-bearing current liabilities		4 380	4 761
Total current liabilities		**25 235**	**24 430**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**63 363**	**59 127**

CHANGES IN SHAREHOLDERS' EQUITY

	Dec 31, 2021			Dec 31, 2020		
MSEK	Attributable to equity holders of the Parent Company	Non-controlling interests	Total	Attributable to equity holders of the Parent Company	Non-controlling interests	Total
Opening balance January 1, 2021 / 2020	**17 697**	**10**	**17 707**	**19 569**	**30**	**19 599**
Total comprehensive income for the period	4 542	2	4 544	–180	–7	–187
Transactions with non-controlling interests	–	–4	–4	–	–13	–13
Share-based incentive schemes	13	–	13[1]	60	–	60
Dividend paid to the shareholders of the Parent Company	–1 460	–	–1 460	–1 752	–	–1 752
Closing balance December 31, 2021 / 2020	**20 792**	**8**	**20 800**	**17 697**	**10**	**17 707**

[1] Refers to share-based remuneration for the Group's participants in the share based incentive schemes 2021 of MSEK 219 and a swap agreement for shares in Securitas AB of MSEK –159, hedging the share portion of Securitas share based incentive scheme 2020. Refers also to repurchase of own shares of MSEK –47.

DATA PER SHARE

SEK	Oct–Dec 2021	Oct–Dec 2020	Jan–Dec 2021	Jan–Dec 2020
Share price, end of period	124.65	132.75	124.65	132.75
Earnings per share before and after dilution[1,2]	2.05	1.45	8.59	6.63
Earnings per share before and after dilution and before items affecting comparability[1,2]	2.85	2.38	10.41	8.02
Dividend	–	–	4.40[5]	4.00
P/E-ratio after dilution and before items affecting comparability	–	–	12	17
Share capital (SEK)	365 058 897	365 058 897	365 058 897	365 058 897
Number of shares outstanding[1]	364 583 897	364 933 897	364 583 897	364 933 897
Average number of shares outstanding[1,3]	364 583 897	364 933 897	364 738 281	364 933 897
Treasury shares[4]	475 000	125 000	475 000	125 000

[1] There are no convertible debenture loans. Consequently there is no difference before and after dilution regarding earnings per share and number of shares.
[2] 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.
[3] Used for calculation of earnings per share.
[4] In June 2021, 350 000 shares were repurchased.
[5] Proposed dividend.

Segment overview October–December 2021 and 2020

OCTOBER–DECEMBER 2021

MSEK	Security Services North America	Security Services Europe	Security Services Ibero-America	Other	Eliminations	Group
Sales, external	12 192	11 971	3 239	647	–	28 049
Sales, intra-group	8	1	1	0	–10	–
Total sales	**12 200**	**11 972**	**3 240**	**647**	**–10**	**28 049**
Organic sales growth, %	*0*	*5*	*11*	–	–	*4*
Operating income before amortization	**863**	**754**	**203**	**–174**	**–**	**1 646**
of which share in income of associated companies	*2*	*1*	–	*12*	–	*15*
Operating margin, %	*7.1*	*6.3*	*6.3*	–	–	*5.9*
Amortization of acquisition-related intangible assets	–22	–66	–2	–9	–	–99
Acquisition-related costs	–26	–18	–2	–3	–	–49
Items affecting comparability	–17	–198	–21	–120	–	–356
Operating income after amortization	**798**	**472**	**178**	**–306**	**–**	**1 142**
Financial income and expenses	–	–	–	–	–	–83
Income before taxes	**–**	**–**	**–**	**–**	**–**	**1 059**

OCTOBER–DECEMBER 2020

MSEK	Security Services North America	Security Services Europe	Security Services Ibero-America	Other	Eliminations	Group
Sales, external	11 553	11 321	3 002	601	–	26 477
Sales, intra-group	15	0	1	0	–16	–
Total sales	**11 568**	**11 321**	**3 003**	**601**	**–16**	**26 477**
Organic sales growth, %	*4*	*–1*	*–1*	–	–	*1*
Operating income before amortization	**740**	**682**	**160**	**–178**	**–**	**1 404**
of which share in income of associated companies	*1*	*–1*	–	*9*	–	*9*
Operating margin, %	*6.4*	*6.0*	*5.3*	–	–	*5.3*
Amortization of acquisition-related intangible assets	–18	–32	–4	–25	–	–79
Acquisition-related costs	–12	–22	–3	–10	–	–47
Items affecting comparability	–44	–251	–35	–92	–	–422
Operating income after amortization	**666**	**377**	**118**	**–305**	**–**	**856**
Financial income and expenses	–	–	–	–	–	–118
Income before taxes	**–**	**–**	**–**	**–**	**–**	**738**

Segment overview January–December 2021 and 2020

JANUARY–DECEMBER 2021

MSEK	Security Services North America	Security Services Europe	Security Services Ibero-America	Other	Eliminations	Group
Sales, external	46 728	46 137	12 285	2 550	–	107 700
Sales, intra-group	19	1	1	1	–22	–
Total sales	**46 747**	**46 138**	**12 286**	**2 551**	**–22**	**107 700**
Organic sales growth, %	*3*	*5*	*6*	–	–	*4*
Operating income before amortization	**3 191**	**2 696**	**702**	**–611**	**–**	**5 978**
of which share in income of associated companies	*6*	*1*	–	*36*	–	*43*
Operating margin, %	*6.8*	*5.8*	*5.7*	–	–	*5.6*
Amortization of acquisition-related intangible assets	–84	–162	–11	–33	–	–290
Acquisition-related costs	–47	–52	–15	–8	–	–122
Items affecting comparability	–94	–317	–182	–278	–	–871
Operating income after amortization	**2 966**	**2 165**	**494**	**–930**	**–**	**4 695**
Financial income and expenses	–	–	–	–	–	–364
Income before taxes	**–**	**–**	**–**	**–**	**–**	**4 331**

JANUARY–DECEMBER 2020

MSEK	Security Services North America	Security Services Europe	Security Services Ibero-America	Other	Eliminations	Group
Sales, external	47 773	45 188	12 551	2 442	–	107 954
Sales, intra-group	28	0	1	1	–30	–
Total sales	**47 801**	**45 188**	**12 552**	**2 443**	**–30**	**107 954**
Organic sales growth, %	*2*	*–2*	*2*	–	–	*0*
Operating income before amortization	**2 800**	**2 069**	**570**	**–547**	**–**	**4 892**
of which share in income of associated companies	*4*	*–1*	–	*42*	–	*45*
Operating margin, %	*5.9*	*4.6*	*4.5*	–	–	*4.5*
Amortization of acquisition-related intangible assets	–80	–144	–16	–46	–	–286
Acquisition-related costs	–37	–25	–55	–20	–	–137
Items affecting comparability	–140	–319	–36	–145	–	–640
Operating income after amortization	**2 543**	**1 581**	**463**	**–758**	**–**	**3 829**
Financial income and expenses	–	–	–	–	–	–500
Income before taxes	**–**	**–**	**–**	**–**	**–**	**3 329**

Notes

NOTE 1
Accounting principles

This full year 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 full year report, can be found in note 2 on pages 87 to 93 in the Annual Report for 2020. The accounting principles are also available on the Group's website 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 142 in the Annual Report for 2020.

The IFRS Interpretations Committee (IFRS IC) published an agenda decision in April 2021 on "cloud computing arrangement costs", that is costs for configuring or adapting software in a cloud-based solution. The Group has during 2021 conducted a review of all major projects and the adjustments relating to previously recognized assets are not material. Some of the future transformation activities will be impacted by the agenda decision and this is expected to result in approximately MSEK 250 of planned capital expenditure and future amortization charges being charged directly as an expense during the project phase and classified as items affecting comparability. This does not impact the total cash expenditure nor the business case for the transformation programs. The Group's accounting principles have been updated to reflect the agenda decision by IFRS IC and will be published in the Annual Report for 2021.

None of the other published standards and interpretations that are mandatory for the Group's financial year 2021 have had any impact on the Group's financial statements.

Introduction and effect of new and revised IFRS 2021

Securitas has adopted phase 2 of the amendments to IFRS 9 Financial instruments related to the IBOR reform that came into effect on January 1, 2021. Phase 2 addresses the accounting for effects on the financial statements due to the IBOR reform, including the effects of changes to contractual cash flows or hedging relationships that may arise as a consequence of the interest rate benchmark reform. The amendments ensure that there is no significant impact on the Group's financial statements due to the IBOR reform.

Securitas has adopted the practical expedient to IFRS 16 Leases that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the corona pandemic. The practical expedient applies to rent concessions up until June 30, 2022 and has had no significant impact on the Group's financial statements.

Introduction and effect of new and revised IFRS 2022

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 impact on the Group's financial statements.

Usage of key ratios not defined in IFRS

For definitions and calculations of key ratios not defined in IFRS, refer to notes 4 and 5 in this full year report as well as to note 3 in the Annual Report 2020.

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	Oct–Dec 2021	%	Oct–Dec 2020	%	Jan–Dec 2021	%	Jan–Dec 2020	%
Guarding services	20 717	74	19 897	75	80 602	75	81 838	76
Security solutions and electronic security	6 470	23	5 883	22	24 105	22	23 478	22
Other	862	3	697	3	2 993	3	2 638	2
Total sales	**28 049**	**100**	**26 477**	**100**	**107 700**	**100**	**107 954**	**100**
Other operating income	12	0	11	0	43	0	39	0
Total revenue	**28 061**	**100**	**26 488**	**100**	**107 743**	**100**	**107 993**	**100**

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 reperformed.

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 in its entirety 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.

	Security Services North America		Security Services Europe		Security Services Ibero-America		Other		Eliminations		Group	
MSEK	Oct–Dec 2021	Oct–Dec 2020	Oct–Dec 2021	Oct–Dec 2020	Oct–Dec 2021	Oct–Dec 2020	Oct–Dec 2021	Oct–Dec 2020	Oct–Dec 2021	Oct–Dec 2020	Oct–Dec 2021	Oct–Dec 2020
Guarding services	9 145	8 923	8 848	8 454	2 253	2 088	481	448	–10	–16	20 717	19 897
Security solutions and electronic security	2 193	1 948	3 124	2 867	987	915	166	153	–	–	6 470	5 883
Other	862	697	–	–	–	–	–	–	–	–	862	697
Total sales	**12 200**	**11 568**	**11 972**	**11 321**	**3 240**	**3 003**	**647**	**601**	**–10**	**–16**	**28 049**	**26 477**
Other operating income	–	–	–	–	–	–	12	11	–	–	12	11
Total revenue	**12 200**	**11 568**	**11 972**	**11 321**	**3 240**	**3 003**	**659**	**612**	**–10**	**–16**	**28 061**	**26 488**

	Security Services North America		Security Services Europe		Security Services Ibero-America		Other		Eliminations		Group	
MSEK	Jan–Dec 2021	Jan–Dec 2020	Jan–Dec 2021	Jan–Dec 2020	Jan–Dec 2021	Jan–Dec 2020	Jan–Dec 2021	Jan–Dec 2020	Jan–Dec 2021	Jan–Dec 2020	Jan–Dec 2021	Jan–Dec 2020
Guarding services	35 475	36 798	34 772	34 430	8 543	8 832	1 834	1 808	–22	–30	80 602	81 838
Security solutions and electronic security	8 279	8 365	11 366	10 758	3 743	3 720	717	635	–	–	24 105	23 478
Other	2 993	2 638	–	–	–	–	–	–	–	–	2 993	2 638
Total sales	**46 747**	**47 801**	**46 138**	**45 188**	**12 286**	**12 552**	**2 551**	**2 443**	**–22**	**–30**	**107 700**	**107 954**
Other operating income	–	–	–	–	–	–	43	39	–	–	43	39
Total revenue	**46 747**	**47 801**	**46 138**	**45 188**	**12 286**	**12 552**	**2 594**	**2 482**	**–22**	**–30**	**107 743**	**107 993**

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	Oct–Dec 2021	Oct–Dec 2020	%	Jan–Dec 2021	Jan–Dec 2020	%
Total sales	**28 049**	**26 477**	**6**	**107 700**	**107 954**	**0**
Currency change from 2020	−401	–		5 484	–	
Real sales growth, adjusted for changes in exchange rates	**27 648**	**26 477**	**4**	**113 184**	**107 954**	**5**
Acquisitions/divestitures	−281	−68		−1 162	−275	
Organic sales growth	**27 367**	**26 409**	**4**	**112 022**	**107 679**	**4**
Operating income before amortization	**1 646**	**1 404**	**17**	**5 978**	**4 892**	**22**
Currency change from 2020	−25	–		300	–	
Real operating income before amortization, adjusted for changes in exchange rates	**1 621**	**1 404**	**15**	**6 278**	**4 892**	**28**
Operating income after amortization	**1 142**	**856**	**33**	**4 695**	**3 829**	**23**
Currency change from 2020	−9	–		229	–	
Real operating income after amortization, adjusted for changes in exchange rates	**1 133**	**856**	**32**	**4 924**	**3 829**	**29**
Income before taxes	**1 059**	**738**	**43**	**4 331**	**3 329**	**30**
Currency change from 2020	7	–		232	–	
Real income before taxes, adjusted for changes in exchange rates	**1 066**	**738**	**44**	**4 563**	**3 329**	**37**
Net income for the period	**745**	**524**	**42**	**3 134**	**2 416**	**30**
Currency change from 2020	4	–		168	–	
Real net income for the period, adjusted for changes in exchange rates	**749**	**524**	**43**	**3 302**	**2 416**	**37**
Net income attributable to equity holders of the Parent Company	**747**	**527**	**42**	**3 133**	**2 419**	**30**
Currency change from 2020	5	–		169	–	
Real net income attributable to equity holders of the Parent Company, adjusted for changes in exchange rates	**752**	**527**	**43**	**3 302**	**2 419**	**37**
Average number of shares outstanding	364 583 897	364 933 897		364 738 281	364 933 897	
Real earnings per share, adjusted for changes in exchange rates	**2.06**	**1.45**	**42**	**9.05**	**6.63**	**37**
Net income attributable to equity holders of the Parent Company	**747**	**527**	**42**	**3 133**	**2 419**	**30**
Items affecting comparability net of taxes	290	343		665	507	
Net income attributable to equity holders of the Parent Company adjusted for items affecting comparability	**1 037**	**870**	**19**	**3 798**	**2 926**	**30**
Currency change from 2020	26	–		204	–	
Real net income attributable to equity holders of the Parent Company, adjusted for items affecting comparability and changes in exchange rates	**1 063**	**870**	**22**	**4 002**	**2 926**	**37**
Number of shares	364 583 897	364 933 897		364 738 281	364 933 897	
Real earnings per share, adjusted for items affecting comparability and changes in exchange rates	**2.92**	**2.38**	**23**	**10.97**	**8.02**	**37**

NOTE 5
Definitions and calculation of key ratios

The calculations below relate to the period January–December 2021.

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: (5 978 + 51) / 437 = 13.8

Cash flow from operating activities, %

Cash flow from operating activities as a percentage of operating income before amortization.
Calculation: 5 576 / 5 978 = 93%

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: 3 999 / (5 978 – 364 – 0 – 1 389) = 95%

Free cash flow in relation to net debt

Free cash flow (rolling 12 months) in relation to closing balance net debt.
Calculation: 3 999 / 14 551 = 0.27

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: 14 551 / (4 695 + 290 + 2 704) = 1.9

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: 9 908 / 108 006 = 9%

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: (5 978 – 871) / ((9 908 + 8 893) / 2) = 54%

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: (5 978 – 871) / 35 351 = 14%

Net debt equity ratio

Net debt in relation to shareholders' equity.
Calculation: 14 551 / 20 800 = 0.70

NOTE 6
Acquisition-related costs and cash flow from acquisitions and divestitures

MSEK	Oct–Dec 2021	Oct–Dec 2020	Jan–Dec 2021	Jan–Dec 2020
Restructuring and integration costs	–41	–15	–96	–92
Transaction costs	–5	–30	–20	–40
Revaluation of deferred considerations	–3	–2	–6	–5
Total acquisition-related costs	**–49**	**–47**	**–122**	**–137**
Cash flow impact from acquisitions and divestitures				
Purchase price payments	–200	–1 285	–1 247	–1 780
Assumed net debt	5	48	3	98
Acquisition-related costs paid	–38	–54	–122	–119
Total cash flow impact from acquisitions and divestitures	**–233**	**–1 291**	**–1 366**	**–1 801**

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

NOTE 7
Items affecting comparability

MSEK	Oct–Dec 2021	Oct–Dec 2020	Jan–Dec 2021	Jan–Dec 2020
Recognized in the statement of income				
Transformation programs, Group[1]	–183	–192	–633	–351
Cost-savings program, Group[2]	–111	–230	–290	–289
Acquisition of Stanley Security	–62	–	–62	–
Repayment AFA, Security Services Europe[3]	–	–	114	–
Total recognized in the statement of income before tax	**–356**	**–422**	**–871**	**–640**
Taxes	66	79	206	133
Total recognized in the statement of income after tax	**–290**	**–343**	**–665**	**–507**
Cash flow impact				
Transformation programs, Group[1]	–96	–90	–403	–251
Cost-savings program, Group[2]	–41	–84	–279	–111
Cost-savings program, Security Services Europe	–8	–14	–31	–43
Acquisition of Stanley Security	–3	–	–3	–
Repayment AFA, Security Services Europe[3]	114	–	114	–
Total cash flow impact	**–34**	**–188**	**–602**	**–405**

[1] 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.
[2] Includes costs related to exit of business operations. Cash flow related to exit of business operations is accounted for as cash flow from investing activities.
[3] Related to a lump-sum payment in the fourth quarter from the AFA insurance company for the collectively bargained AGS group sickness insurance policy in Sweden. The repayment was received on October 19, 2021.

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

	Dec 31, 2021	Dec 31, 2020
Exchange rate SEK/ARS	0.09	0.10
Index	35.23	23.35

NET MONETARY GAIN RECOGNIZED IN THE CONSOLIDATED STATEMENT OF INCOME

MSEK	Oct–Dec 2021	Oct–Dec 2020	Jan–Dec 2021	Jan–Dec 2020
Net monetary gain	6	6	20	14
Total financial income and expenses	**6**	**6**	**20**	**14**

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	Oct–Dec 2021	Oct–Dec 2020	Jan–Dec 2021	Jan–Dec 2020
Recognized in the statement of income				
Revaluation of financial instruments	0	0	0	1
Deferred tax	–	–	–	–
Impact on net income	**0**	**0**	**0**	**1**
Recognized in the statement of comprehensive income				
Cash flow hedges	–46	34	–67	–28
Cost of hedging	–4	–5	11	44
Deferred tax	10	–6	12	–4
Total recognized in the statement of comprehensive income	**–40**	**23**	**–44**	**12**
Total revaluation before tax	–50	29	–56	17
Total deferred tax	10	–6	12	–4
Total revaluation after tax	**–40**	**23**	**–44**	**13**

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 2020. Further information regarding the accounting principles for financial instruments is disclosed in note 2 in the Annual Report 2020.

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
December 31, 2021				
Financial assets at fair value through profit or loss	–	8	–	**8**
Financial liabilities at fair value through profit or loss	–	–9	–134	**–143**
Derivatives designated for hedging with positive fair value	–	117	–	**117**
Derivatives designated for hedging with negative fair value	–	–265	–	**–265**
December 31, 2020				
Financial assets at fair value through profit or loss	–	20	–	**20**
Financial liabilities at fair value through profit or loss	–	–11	–295	**–306**
Derivatives designated for hedging with positive fair value	–	362	–	**362**
Derivatives designated for hedging with negative fair value	–	–159	–	**–159**

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 2020.

	Dec 31, 2021		Dec 31, 2020	
MSEK	Carrying value	Fair value	Carrying value	Fair value
Long-term loan liabilities	10 237	10 258	10 118	10 336
Short-term loan liabilities	3 586	3 591	3 528	3 531
Total financial instruments by category	**13 823**	**13 849**	**13 646**	**13 867**

SUMMARY OF CREDIT FACILITIES AS OF DECEMBER 31, 2021

Type	Currency	Facility amount (million)	Available amount (million)	Maturity
EMTN Eurobond, 1.25 % fixed	EUR	350	0	2022
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 Eurobond, 1.25 % fixed	EUR	300	0	2025
Revolving Credit Facility	EUR	938	938	2026
EMTN FRN private placement	USD	40	0	2027
EMTN Eurobond, 0.25 % fixed	EUR	350	0	2028
Commercial Paper (uncommitted)	SEK	5 000	4 300	n/a

NOTE 10
Deferred tax on other comprehensive income

MSEK	Oct–Dec 2021	Oct–Dec 2020	Jan–Dec 2021	Jan–Dec 2020
Deferred tax on remeasurements of defined benefit pension plans	–54	22	–76	19
Deferred tax on cash flow hedges	9	–7	14	6
Deferred tax on cost of hedging	1	1	–2	–10
Deferred tax on net investment hedges	38	–152	99	–144
Deferred tax on net investment hedges included in translation differences	–57	153	–134	244
Total deferred tax on other comprehensive income	**–63**	**17**	**–99**	**115**

NOTE 11
Pledged assets

MSEK	Dec 31, 2021	Dec 31, 2020
Pension balances, defined contribution plans[1]	175	144
Total pledged assets	**175**	**144**

[1] Refers to assets relating to insured pension plans excluding social benefits.

NOTE 12
Contingent liabilities

MSEK	Dec 31, 2021	Dec 31, 2020
Guarantees	–	–
Guarantees related to discontinued operations	16	15
Total contingent liabilities	**16**	**15**

For critical estimates and judgments, provisions and contingent liabilities, refer to note 4 and note 39 in the Annual Report 2020 as well as to the section Other significant events in this report.

Parent Company

STATEMENT OF INCOME

MSEK	Jan–Dec 2021	Jan–Dec 2020
License fees and other income	1 734	1 233
Gross income	**1 734**	**1 233**
Administrative expenses	–1 095	–949
Operating income	**639**	**284**
Financial income and expenses	1 635	1 067
Income after financial items	**2 274**	**1 351**
Appropriations	–280	–71
Income before taxes	**1 994**	**1 280**
Taxes	–14	150
Net income for the period	**1 980**	**1 430**

BALANCE SHEET

MSEK	Dec 31, 2021	Dec 31, 2020
ASSETS		
Non-current assets		
Shares in subsidiaries	44 932	44 233
Shares in associated companies	112	112
Other non-interest-bearing non-current assets	319	344
Interest-bearing financial non-current assets	810	1 133
Total non-current assets	**46 173**	**45 822**
Current assets		
Non-interest-bearing current assets	1 207	571
Other interest-bearing current assets	3 073	3 330
Liquid funds	1 070	151
Total current assets	**5 350**	**4 052**
TOTAL ASSETS	**51 523**	**49 874**
SHAREHOLDERS’ EQUITY AND LIABILITIES		
Shareholders’ equity		
Restricted equity	7 729	7 730
Non-restricted equity	21 719	21 269
Total shareholders’ equity	**29 448**	**28 999**
Untaxed reserves	**798**	**723**
Long-term liabilities		
Non-interest-bearing long-term liabilities/provisions	205	169
Interest-bearing long-term liabilities	12 199	11 679
Total long-term liabilities	**12 404**	**11 848**
Current liabilities		
Non-interest-bearing current liabilities	1 638	960
Interest-bearing current liabilities	7 235	7 344
Total current liabilities	**8 873**	**8 304**
TOTAL SHAREHOLDERS’ EQUITY AND LIABILITIES	**51 523**	**49 874**

Financial information

FINANCIAL INFORMATION CALENDAR

March 25, 2022
Annual and sustainability report for 2021 will be published

May 4, 2022, app. 1.00 p.m. (CET)
Interim Report January–March 2022

May 5, 2022
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**

PRESENTATION OF THE FULL YEAR REPORT

Analysts and media are invited to participate in a telephone conference on February 8, 2022 at **9:30 a.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**.

A recorded version of the audio cast will be available at **www.securitas.com/investors/webcasts** after the telephone conference.

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

ABOUT SECURITAS

Securitas has a leading global and local market presence with operations in 46 countries. 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 8.00 a.m. (CET) on Tuesday, February 8, 2022.