

Press Release
August 24, 2022

Securitas announces new financial targets and Stanley Security update

Following the acquisition of STANLEY Security, that was completed and consolidated into Securitas as of July 22, 2022, the Group has defined new financial targets of 8-10 percent technology & solutions annual average real sales growth¹, 8 percent Group operating margin by year-end 2025 and a net debt to EBITDA ratio below 3.0x. Securitas will present the strategy and roadmap for the new targets, as well as a trading update for STANLEY Security, at an investor update today at 2.00 p.m. CEST.

Bringing together Securitas and STANLEY Security is an industry-defining event. We will have an outstanding position to serve complex security needs for our clients and by joining forces we are creating a strong global tech platform that will future proof the business for next-generation security solutions. We are now embarking on a truly exciting journey as one company, together geared for high value growth in the coming years.

The new financial targets are aligned with the strategy to be a security solutions partner with world-leading technology and expertise, strongly positioned to deliver superior growth and increased margins:

- 8-10 percent technology & solutions² annual average real sales growth
- 8 percent Group operating margin by year-end 2025, with a >10 percent long-term operating margin ambition
- A net debt to EBITDA ratio below 3.0x

The new margin target replaces the previous target of an average increase in earnings per share of 10 percent and the margin targets in the respective business segments related to the business transformation programs in the Group.

The existing operating cash flow target of 70-80 percent of operating income before amortization remains the same, and the new capital structure target of a net debt to EBITDA ratio of below 3.0x replaces the previous net debt to EBITDA ratio of on average 2.5x, and is estimated to be achieved in 2024.

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

² Previously denoted security solutions and electronic security.



The dividend policy is unchanged, remaining in a range of 50-60 percent of annual net income over time.

The strategic transformation ambition – to double the security solutions and electronic security sales by 2023, compared to 2018, is discontinued as the ambition was fulfilled by the acquisition of STANLEY Security.

The integration of STANLEY Security is proceeding well and according to plan. In 2021, STANLEY Security had an installation backlog growth of 33 percent. Adjusted sales were approximately MUSD 1 650 with organic sales growth of 7 percent during the year, and the adjusted EBITDA margin³ was 11 percent.

For the first six months of 2022, STANLEY Security had a record installation backlog, with growth of 18 percent compared to the same period last year. Adjusted sales were approximately MUSD 805 with organic sales growth of 3 percent. The adjusted EBITDA margin⁴ was 9 percent, temporarily impacted by the corona pandemic, supply chain issues, inflationary cost increases and obsolete pricing processes. The profitability improved in the second quarter 2022 compared to the first quarter 2022 with continued positive trend. Pricing, efficiency and cost actions have been implemented, and together with solid commercial momentum and accelerated value creation execution, profitability will improve going forward.

Welcome to our investor update, today August 24 at 2.00 p.m. to approximately 4.00 p.m. (CEST). Please see details below:

1.00 p.m. Presentation slides available

2.00 p.m. Presentation followed by a Q&A session

To follow the live web cast of the investor update and the telephone conference via the web, please follow the link www.securitas.com/webcasts

Questions for the management can be placed by phone or through the webcast question form. To ask questions by phone, access to the teleconference register by clicking on the link [To the teleconference](#)

After the registration to the teleconference, you will be provided phone numbers and a conference ID to access the conference. If you wish to ask a question, please dial *5 on your telephone keypad to enter the queue.

If you register in beforehand, please note the telephone number and conference ID. Otherwise you need to register again.

A recorded version of the web cast will be available on the same web page after the telephone conference. We value your privacy and want to be transparent with you on the way that we collect and use your personal data when you participate in the telephone conference. Please follow this link to read our privacy policy for telephone

^{3, 4} According to U.S. GAAP.



conferences/web casts in relation to publication of interim reports and investor presentations: www.securitas.com/privacy-policy-audiocasts.

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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. (CEST) on August 24, 2022.