

Annual General Meeting, May 8, 2015



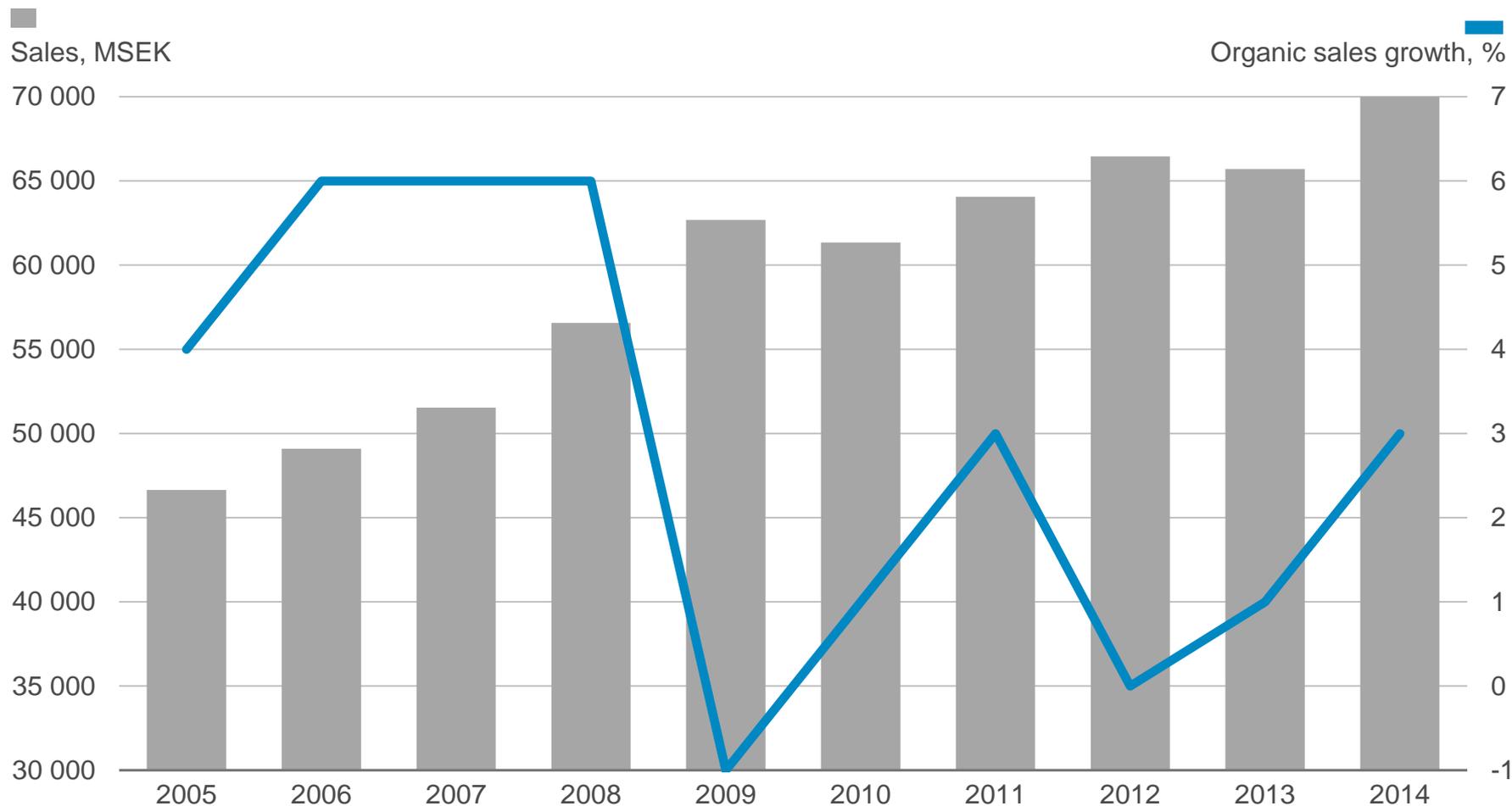
Advancing Security through New Technology



Alf Göransson
President and CEO

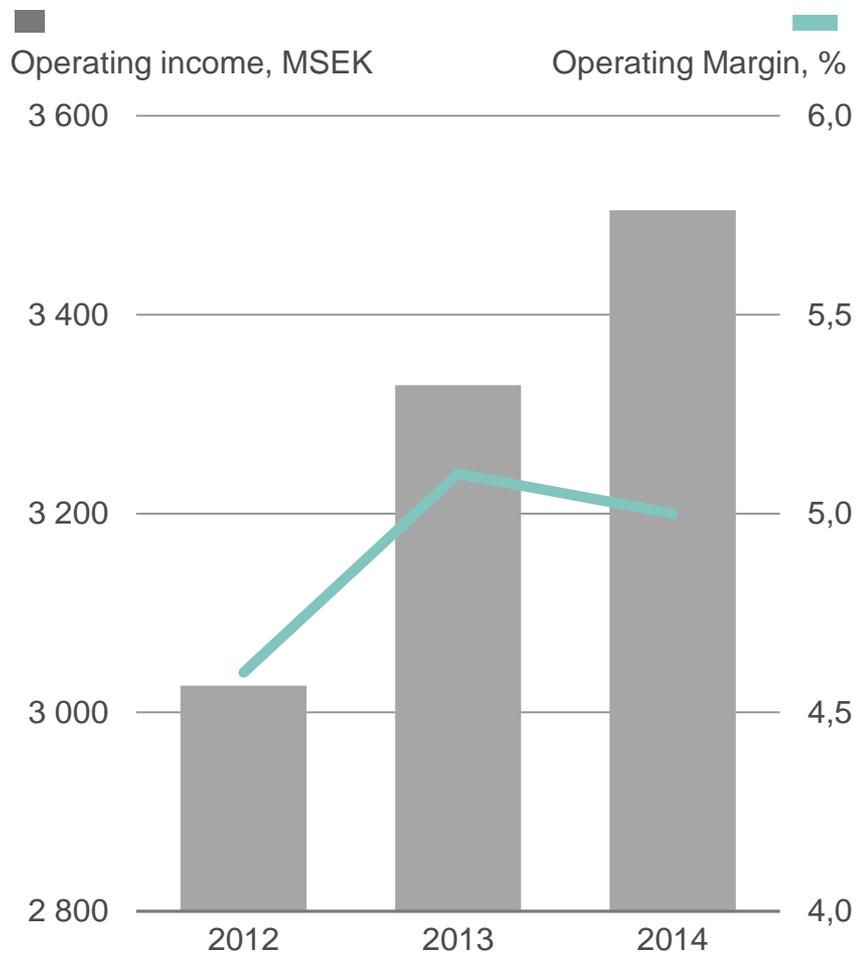
Securitas Group

–Sales Growth 2005-2014

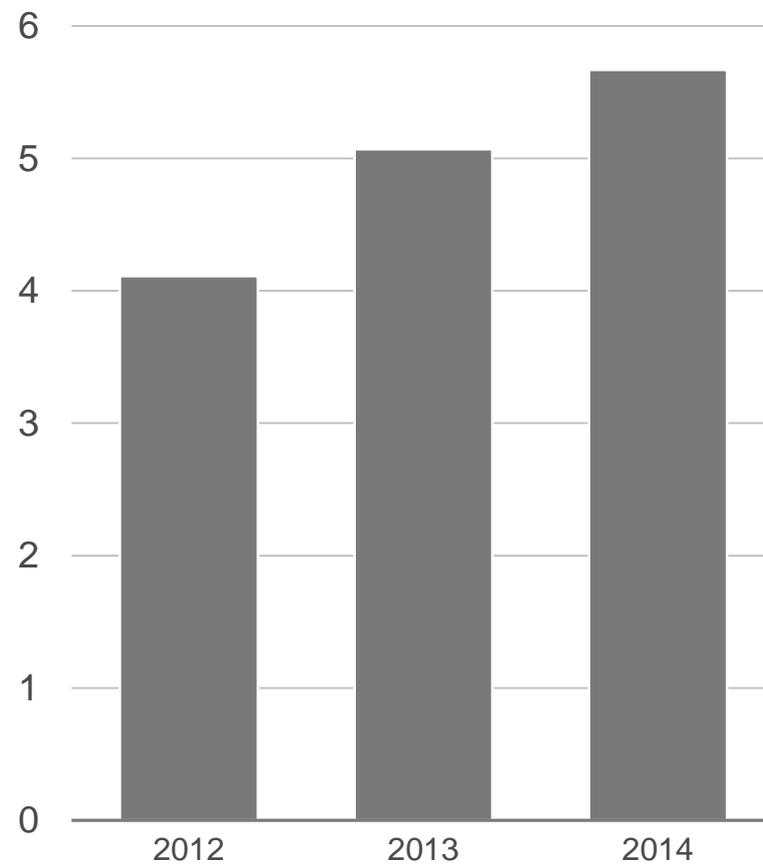


Securitas Group

– Income Development and Earnings Per Share

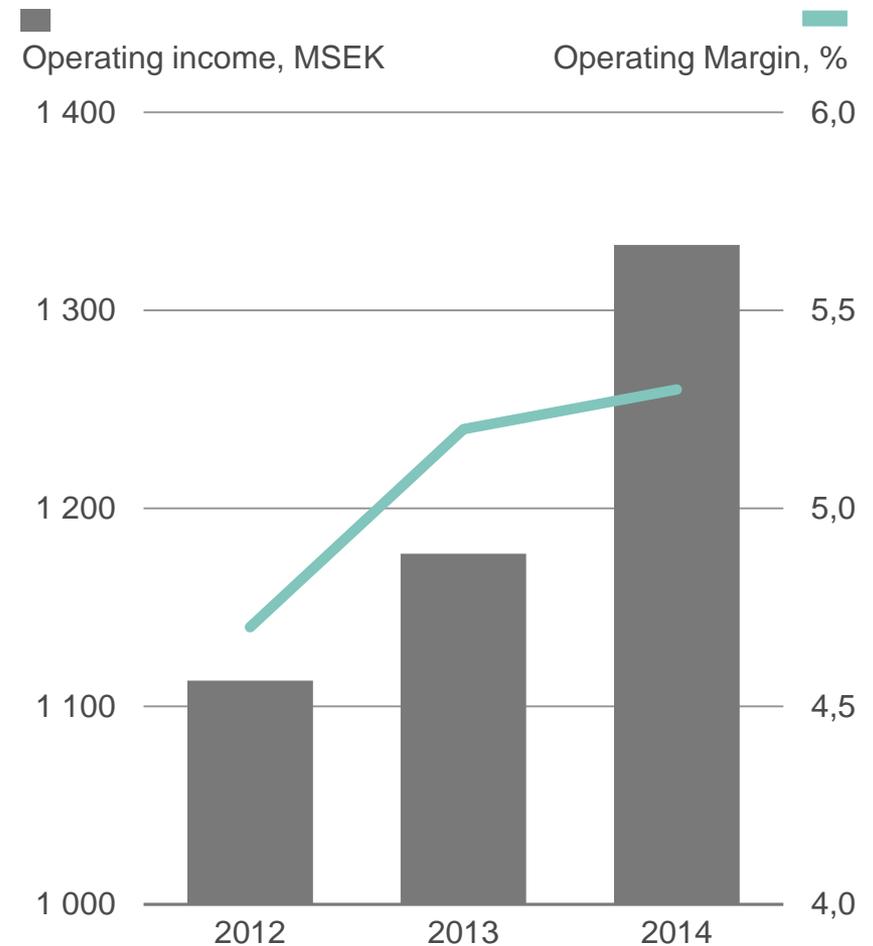
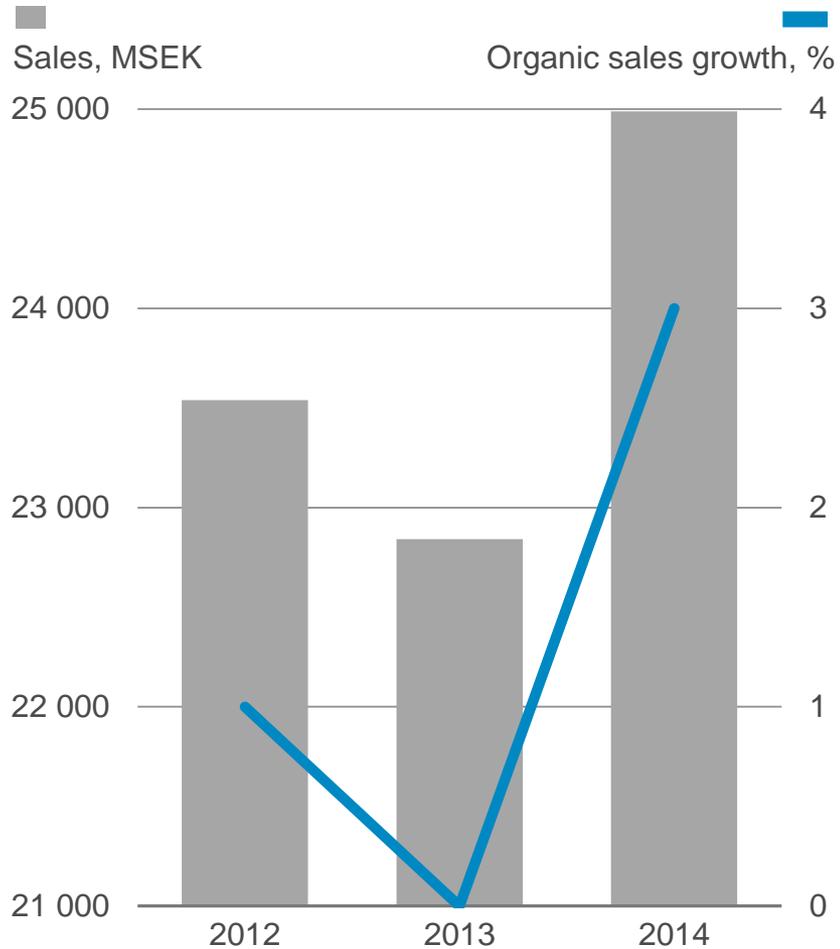


Earnings per share, SEK



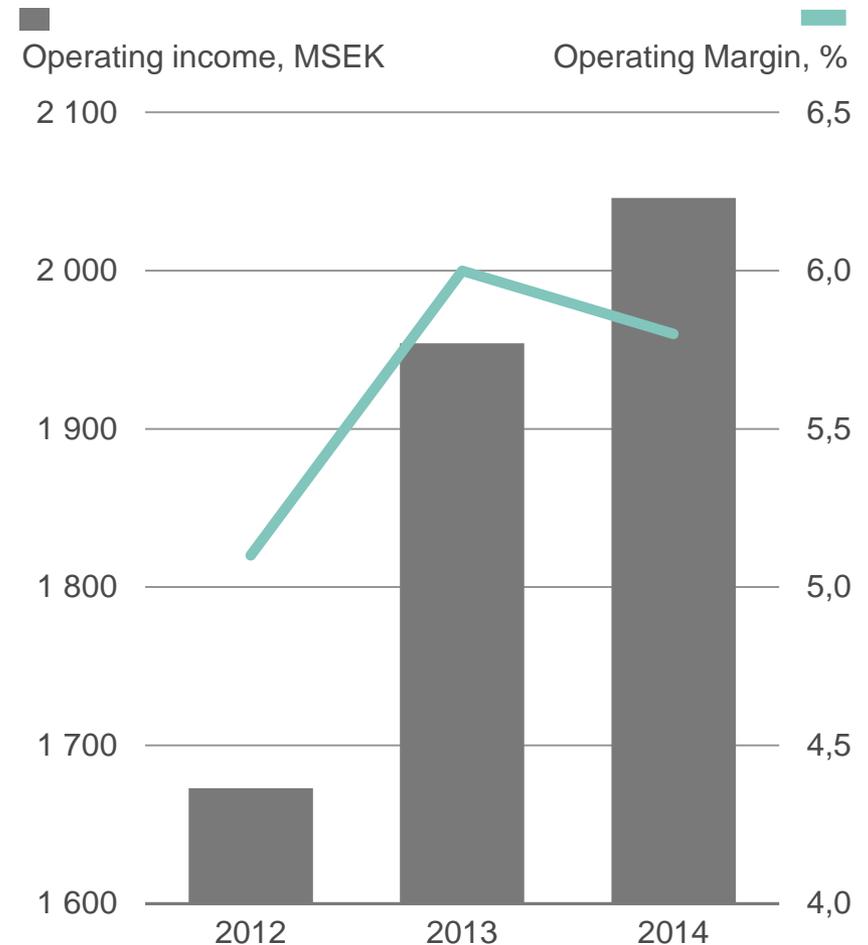
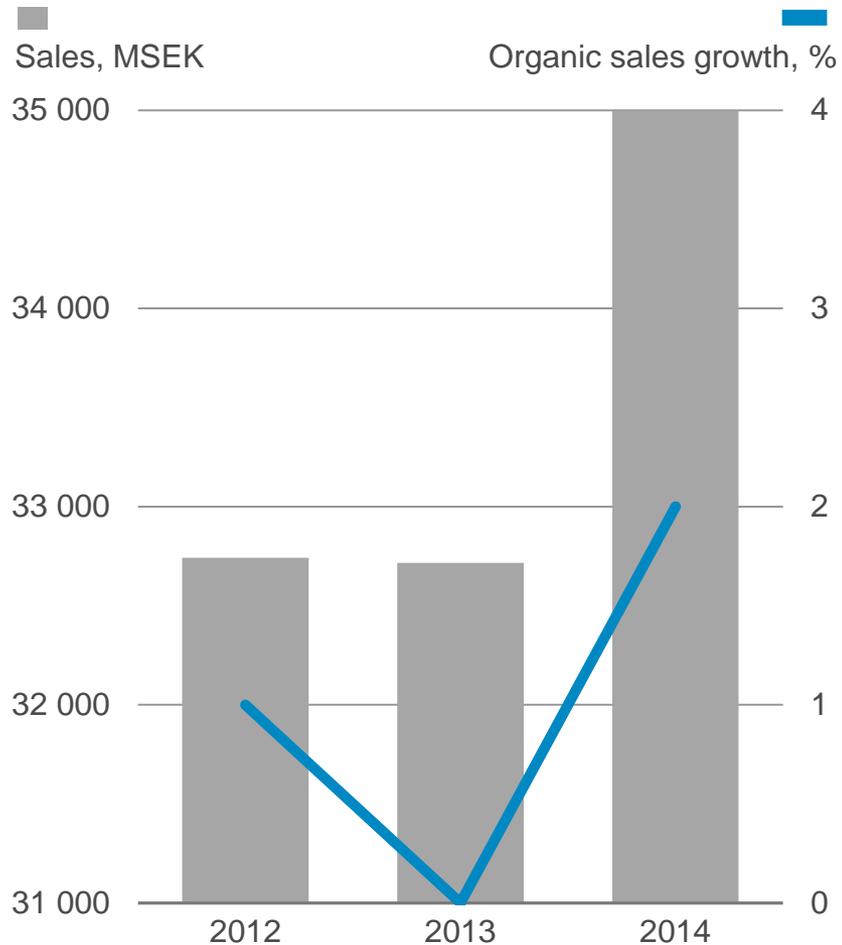
Security Services North America

– Sales Growth and Income Development

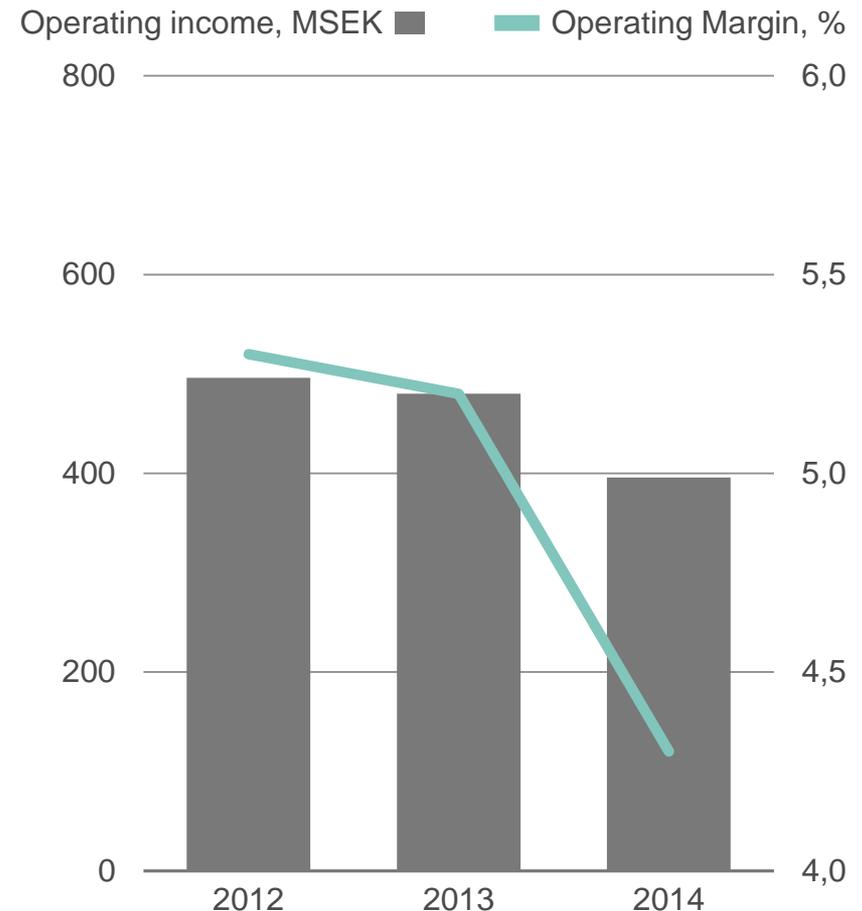
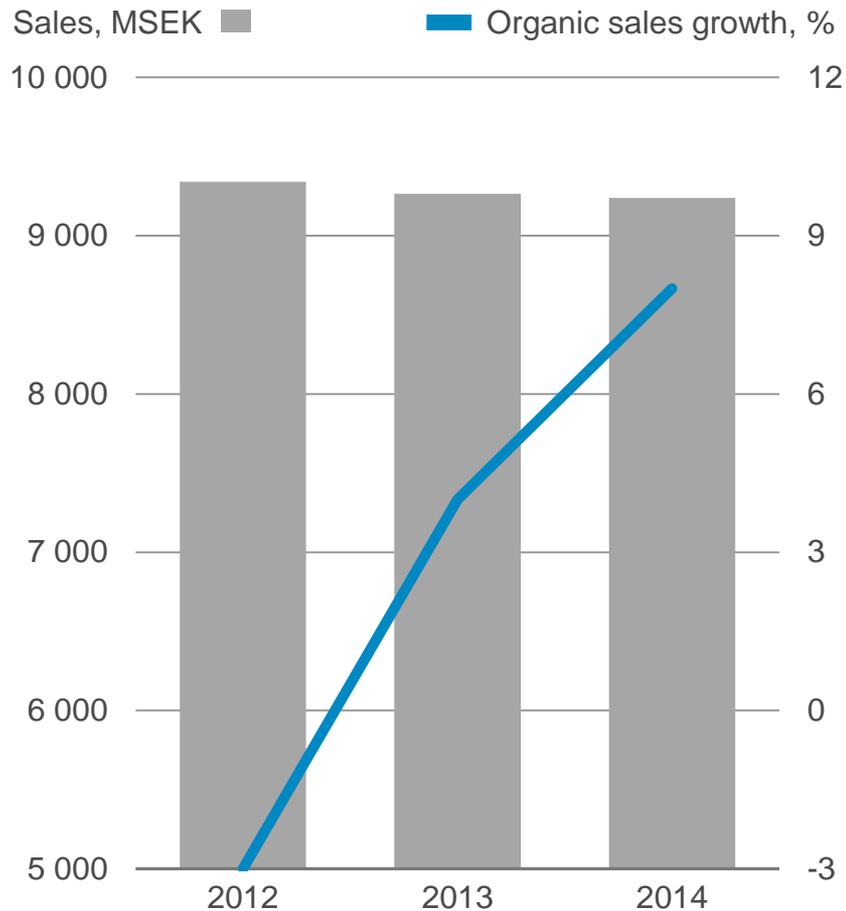


Security Services Europe

– Sales Growth and Income Development



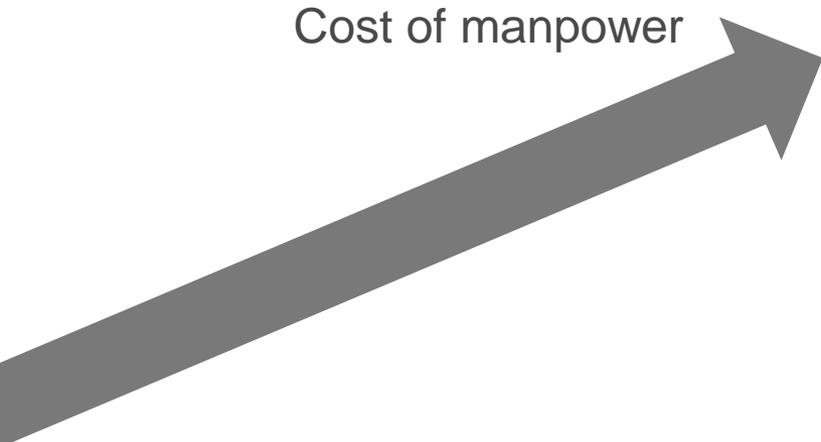
Security Services Ibero-America – Sales Growth and Income Development



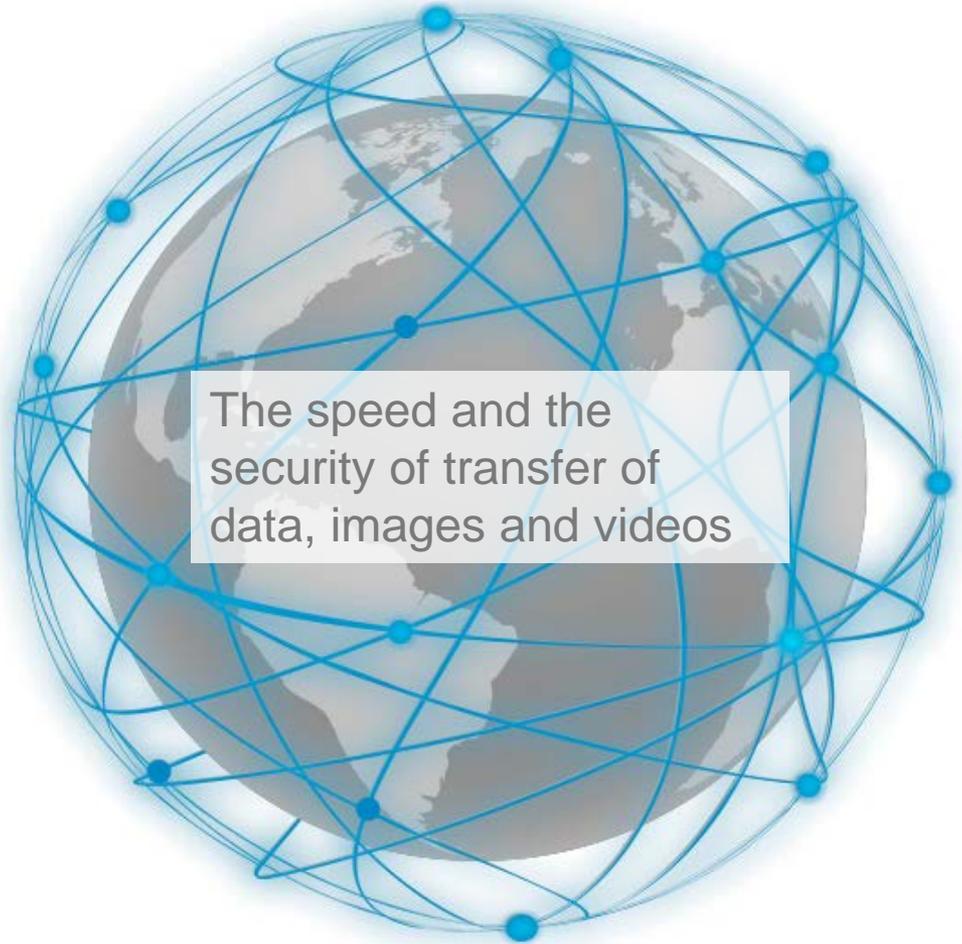
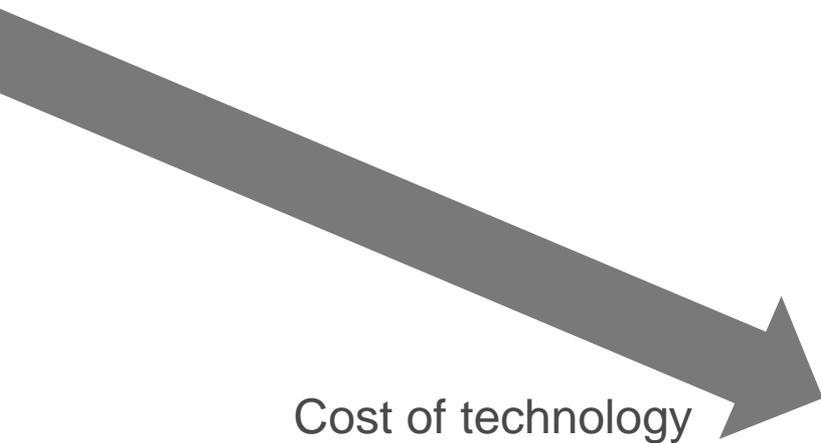
The Evolution



Cost of manpower



Cost of technology



The speed and the security of transfer of data, images and videos

Cost of Disruption is Increasing



The most important trends in the security services market are:

- Increased awareness and perception of the risks and threats to operations, assets and individuals
- Increased use of technology
- More sensitive production processes
- Growing high-value transport activities
- Greater interest in security issues among senior management

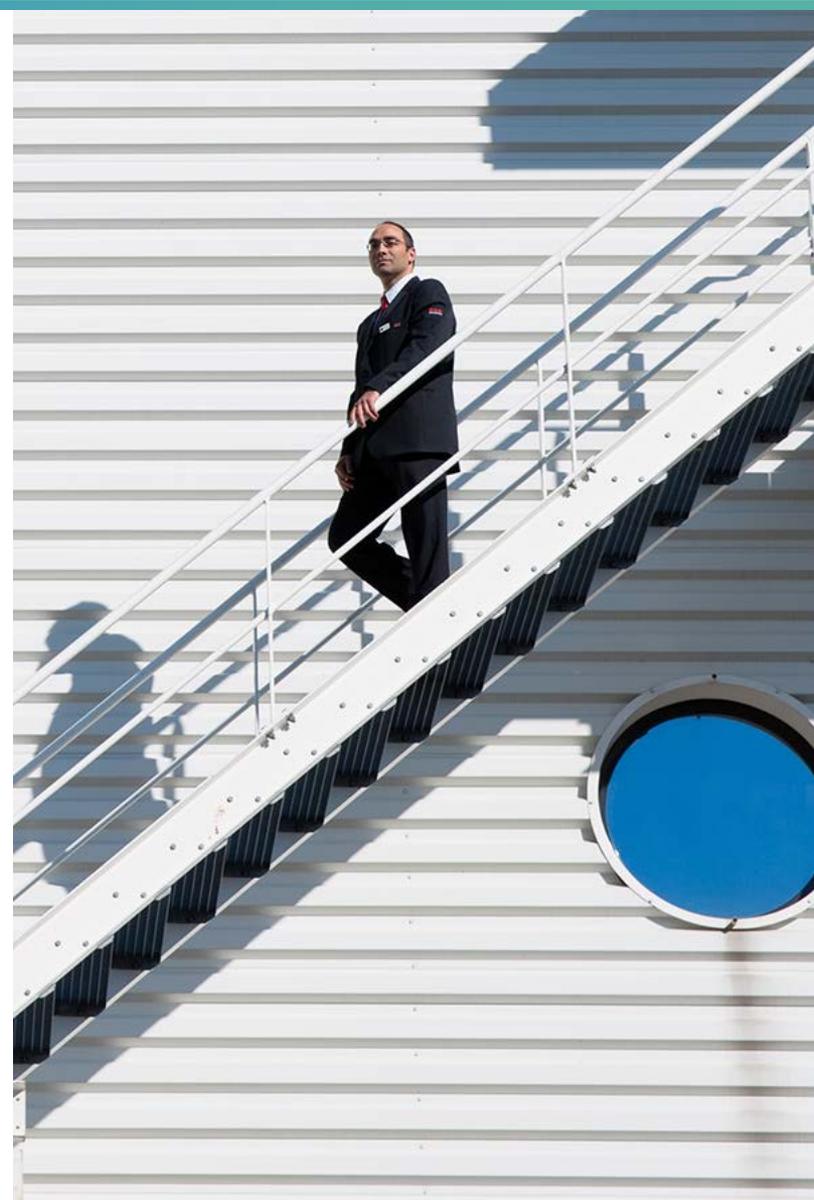


Important Topics for the Security Sector



- Demographic change
- Infrastructural and energy turnaround
- Increase in terrorist threats
- Need for protection of private households increases massively
- IT / network and data security
- Outsourcing of public / sovereign tasks

The private security industry can play a more active role in society and in support to governments

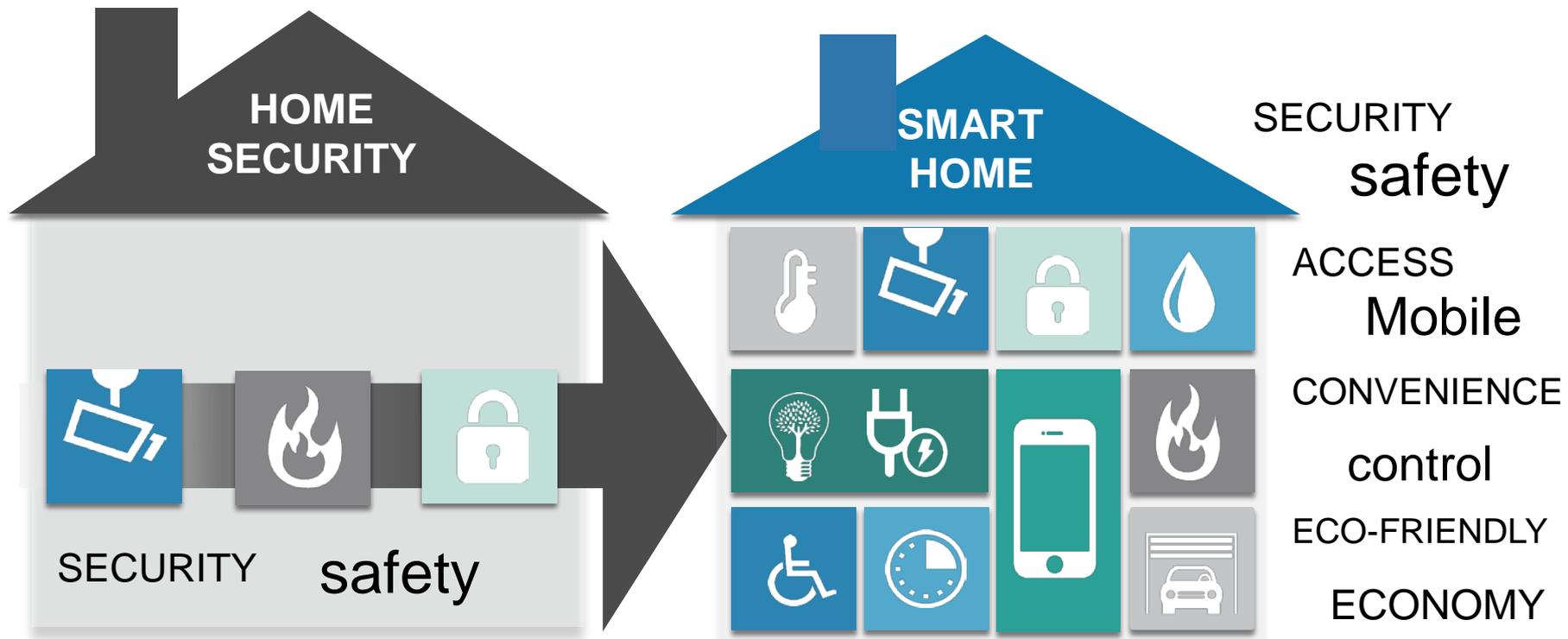


A Changing Security Industry



- Traditional guarding market growing in line with GDP
- Security is a growing industry
- Guarding is gradually changing from on-site to remote
- Huge opportunities for growth and strong competition for this growth from new players
- The security industry change accelerates
- Technology is changing fast

The Evolution from Home Security to Smart Home



The Smart Home Market is Moving – (new) Players are Lining Up



Samsung buys SmartThings

British Gas Jumps Into Home Automation with AlertMe Acquisition of \$68M to be an international player in connected home

Microsoft is betting on the future of the smart home, the company announced plans to launch a start-up accelerator focused specifically on home automation and the Internet of Things in an attempt to compete with Apple and Google.

By opening up its Digital Life platform, AT&T hopes to work with more partners and get deeper into the Internet of Things.

Apple's splash into home automation with addition of HomeKit to iOS 8 is expected to have a huge impact on sales of smart home devices in 2015 according to Park Associates

iControl Networks Acquires Blacksumac, The Company Behind The Piper Home Monitoring Device

After taking the security industry by surprise with its acquisition of Milestone Systems, one of the world's leading providers of video management software, Canon dropped another bombshell when it announced plans to acquire Axis Communications for just over \$2.8 billion.

Google purchases Nest for \$ 3.2 billion

Integrated Security is the Future



+



Detect



+



Respond





The Break In

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Detect the Crime before it Happens

The Security Equation



Value-added Creation Drives Margins



* Operating margin

Our Earnings Per Share Growth Strategy



Conversions and new sales of security solutions and technology will give us **growth** and **profitability**

Organic sales growth > 3 %

Gross margin, %



Indirect cost, %

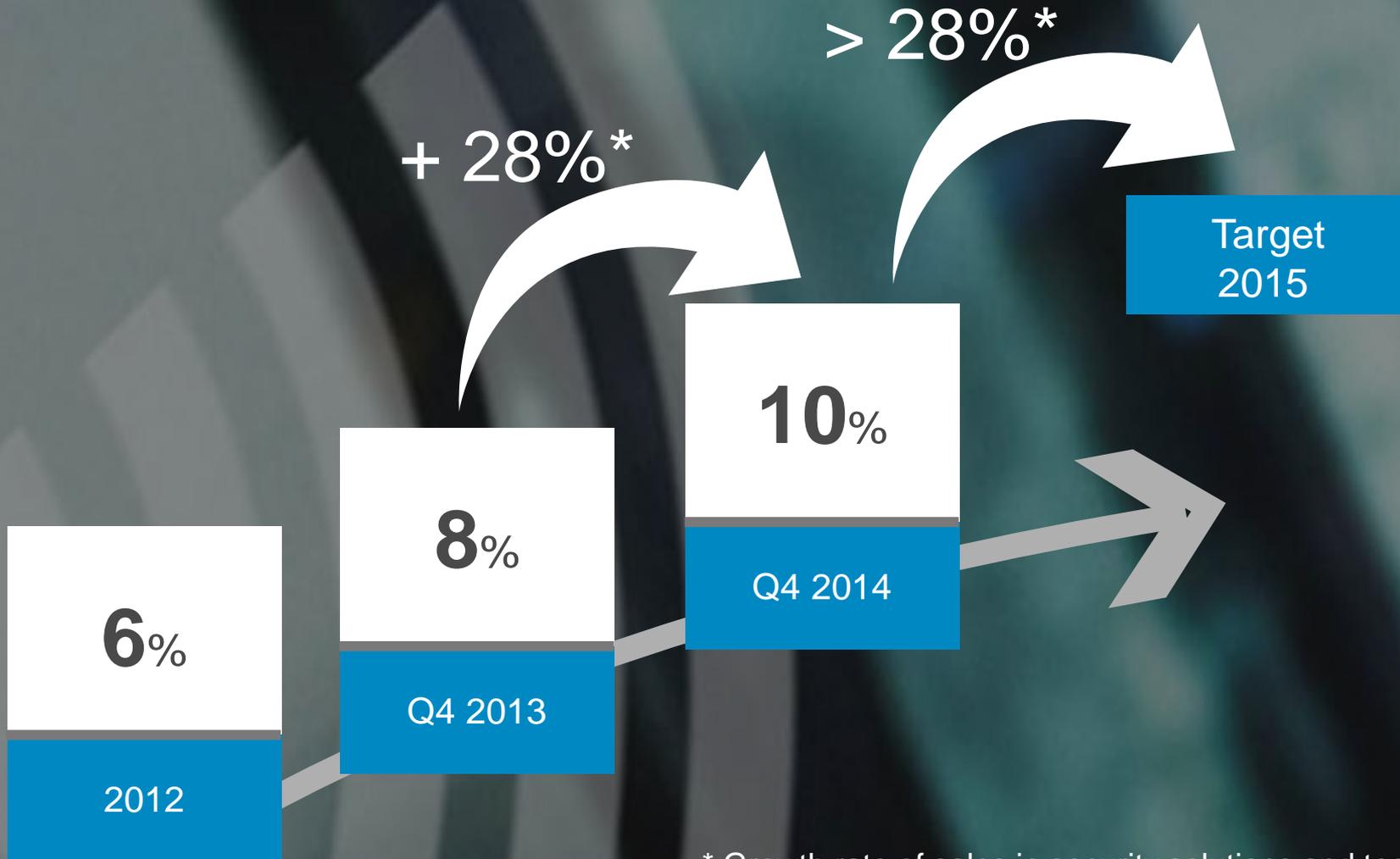


Operating margin, %



EPS improvement y-o-y
10 %

How do we Accelerate our Pace?

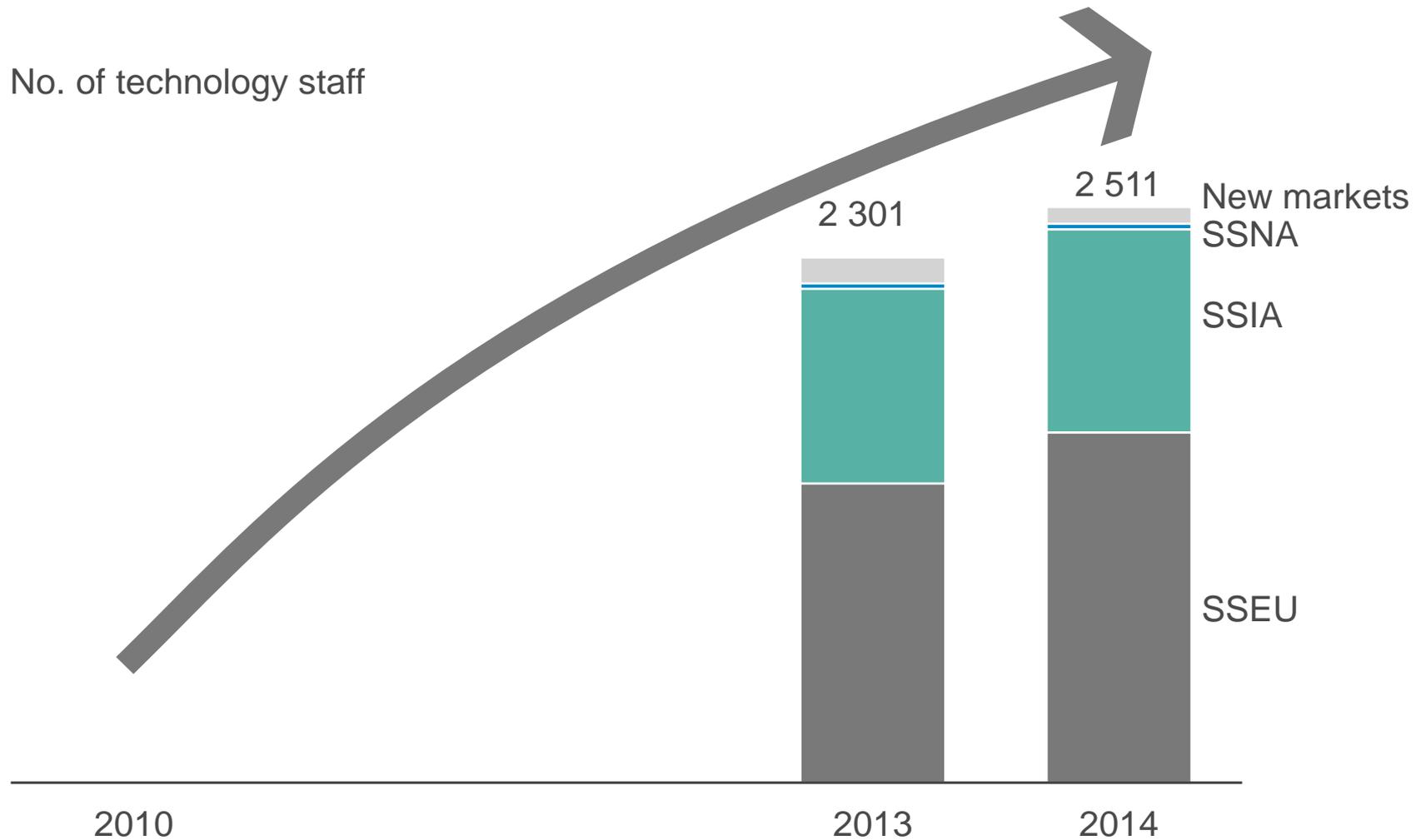


* Growth rate of sales in security solutions and technology

By Significant Investments in Technology Staff



No. of technology staff



By Thinking and Acting as One Company



- Common targets
- No internal markup or competition
- Shared P/L instead of silos

Technology

SSNA

Guarding

SSEU

Guarding

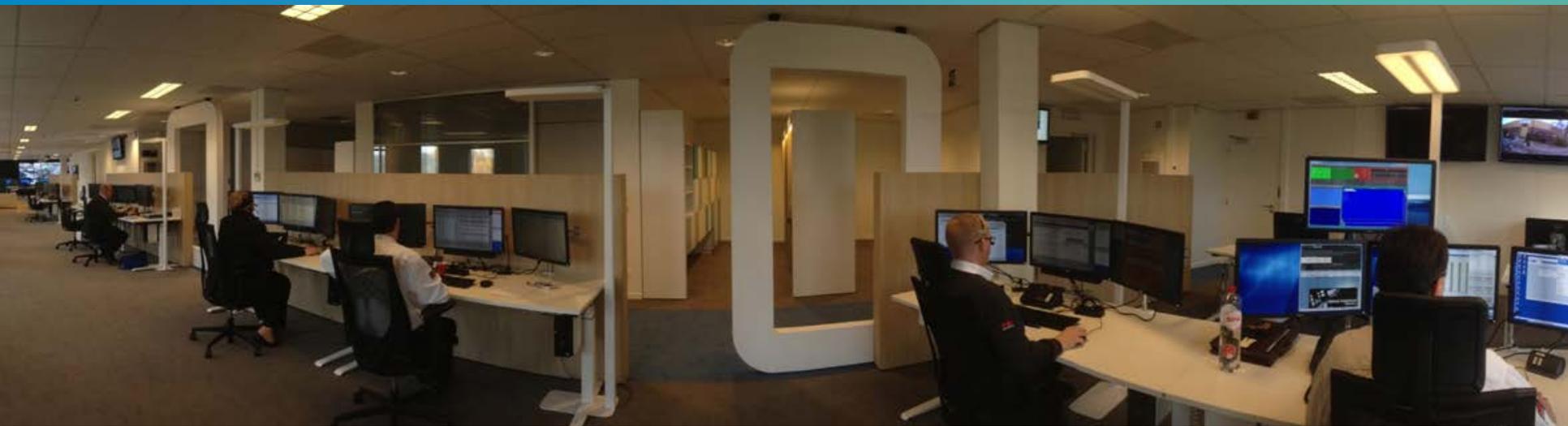
SSIA

Guarding

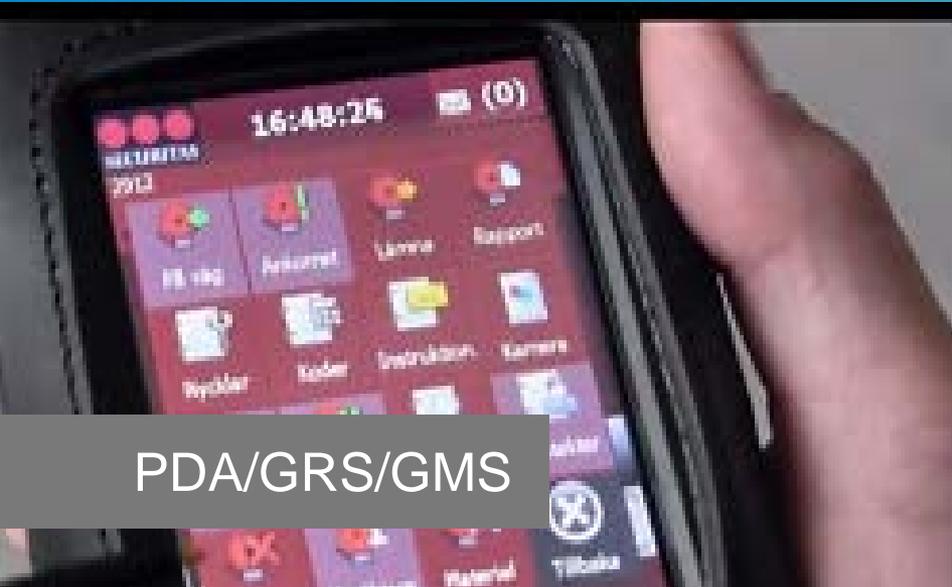
New markets

Guarding

By Security Operating Centers



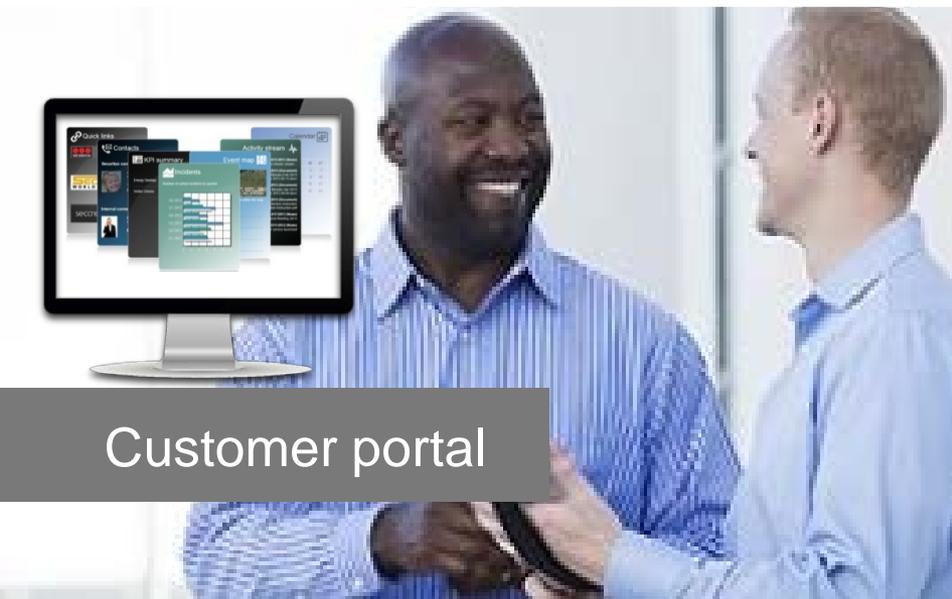
By Systems and Tools



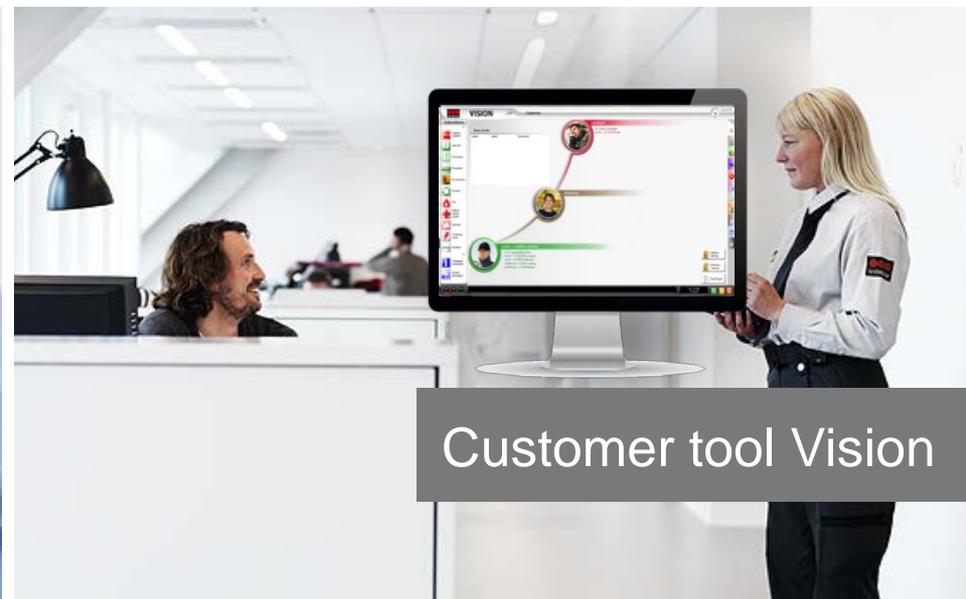
PDA/GRS/GMS



Monitoring



Customer portal



Customer tool Vision

By Making Acquisitions



By being a Responsible Company



- Securitas' Values and Ethics (the Code)
- Complementing Group and local codes, for example regarding anti-corruption, entertainment and gifts
- Mandatory training in the Code for all employees
- Securitas Integrity Line, reporting system for managing non-compliance issues
- Sustainability reporting, GRI 2014
- Risks related to non-compliance with the Code prioritized in the enterprise risk management process
 - CSR-related risks one of Securitas seven key risks
 - Monitored by self assessment, diagnostics and audits



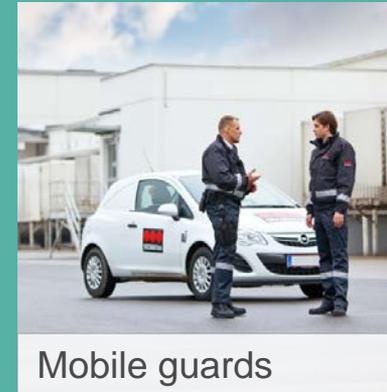
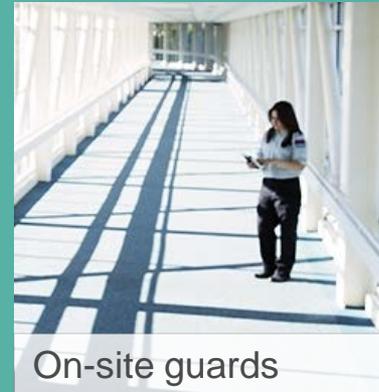
A Complete Integrated Security Solutions Service



Remote guarding

Interface

On-site guarding



Customer Case

Arla's Requirements



Challenges

- No more static guarding
- Expected cost savings
- Proprietary technology platform



Customer Case

The Contract



5 year contract

- Mobile patrol and call outs
- Remote monitoring and guarding
- Tamarond Teknik service
- Open technology platform
- Remote maintenance
- On-site Security Operating Center



Customer Case

The Arla Solution



Visitor system

- I/O modul for gate opening / Automatic on-site list
- SMS Gateway
- Printer for report
- Reader
- Printer for visitor badge

Intercom

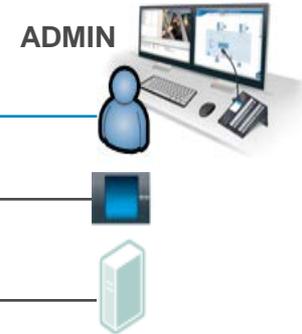
Door/gate control

Server

– sync HR-system



Arla's Security Center
06:00 – 18:00 mon-fri



Card reader and Intruder alarm



- Intruder alarm →
- Operation alarm →
- Panic alarm →

Camera



Local image storage

Security VLAN

Security VLAN Local



IPSec VPN

Securitas Alarm Receiving Center
18.00-06.00



Challenges

- Customer wants to guard gates with own staff
- Flow of external visitors
- Flow of employees
- Transports 7/24/365
- Perimeter protection
- Expected cost savings

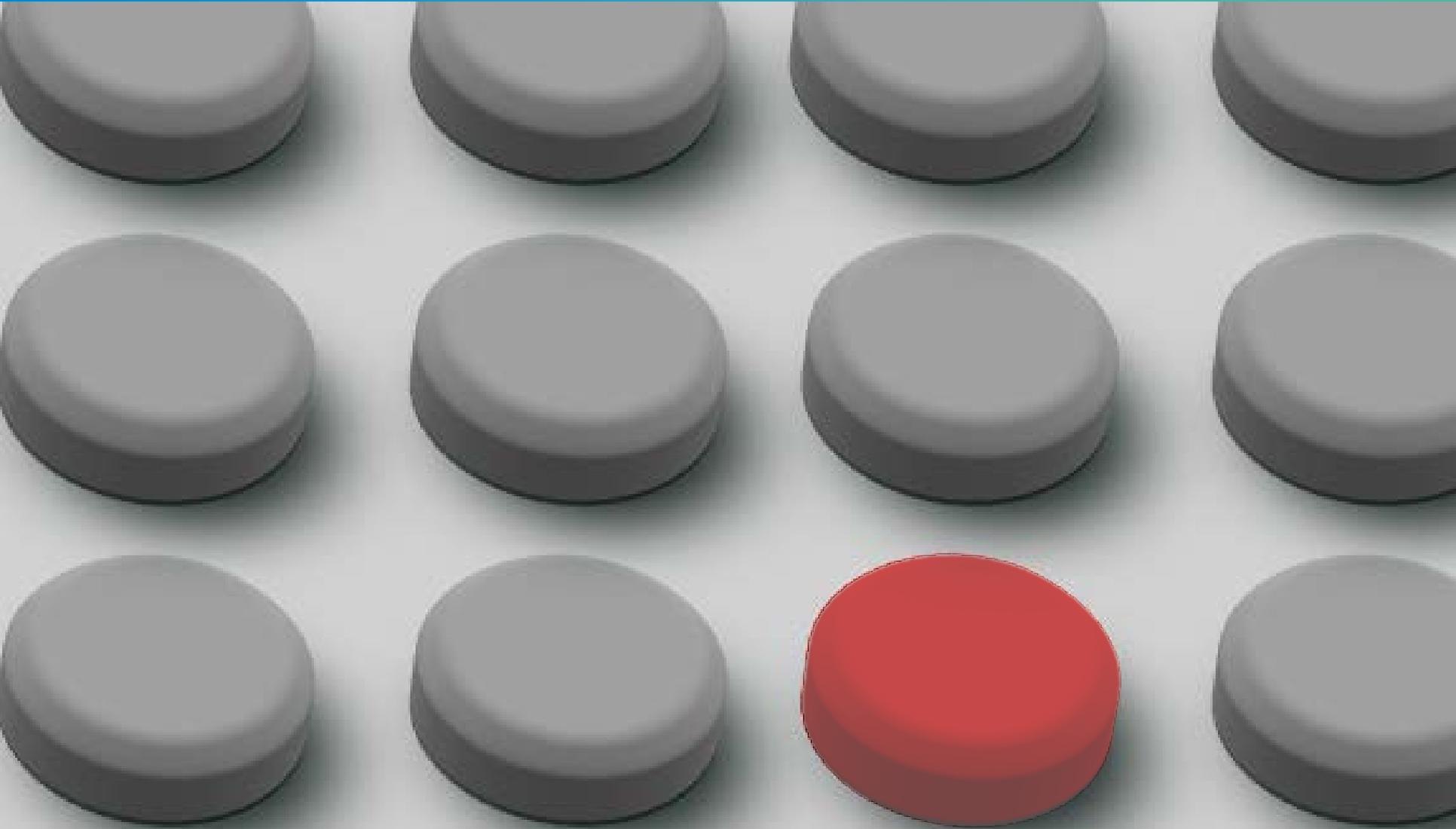
Solution

- Platform that control various gates and managed from Securitas alarm receiving center
- Un-manned automated visitor areas
- Access control system
- Open system with burglary detection, CCTV, video surveillance
- One supplier - Securitas

Result

- We reduced the manned guarding need to a minimum
- Less Arla staff or receptions
- Control of who are there
- Control of transports with log book
- Improved and more efficient security solution
- Substantial savings and improved service level

Securitas Makes a Difference





Integrity | Vigilance | Helpfulness

[securitas.com](https://www.securitas.com)