

Acquisition of Stanley Security

Transforming Securitas and the security industry



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Transforming the profile of Securitas



Securitas

A leading guarding company with electronic security & solutions capabilities



STANLEY
Security

A leader in commercial electronic security with highly innovative solutions





Transaction highlights

Acquisition of Stanley Security

- Securitas makes transformative acquisition of the electronic security solutions business of Stanley Black & Decker, Inc. (“Stanley Security”)
- Stanley Security is a highly reputable global electronic security provider
- Stanley Security is expected to generate nearly MUSD 1 700 of sales in 2021*, of which 40% is recurring revenue, and an adjusted EBITDA margin of close to 12%
- Cash purchase price of MUSD 3 200, on a debt and cash free basis, representing a multiple of app. 13x 2021E adjusted EBITDA, incl. cost synergies of approximately MUSD 50, before commercial synergies and strategic benefits
- Transaction expected to close in the first half of 2022, subject to customary regulatory clearances

Strategic rationale and value creation

- **The acquisition is a significant step in delivering on our strategy to be a leading intelligent security solutions partner. We more than double our ES business and are very close in achieving our ambition of doubling security solutions & electronic security sales by 2023**
- **The acquisition will accelerate differentiation vs. competition in terms of customer experience and offer future-proven solutions to meet changing client references**
- **Expected to be immediately accretive to Group operating margin on completion, with >50% of profit contribution generated from security solutions & electronic security going forward, and lead to substantial operating margin improvement over time**
- **Compelling cost synergy opportunities, commercial synergies and strategic benefits**
- **Accretive to earnings per share** in the first full year post completion**

Financing

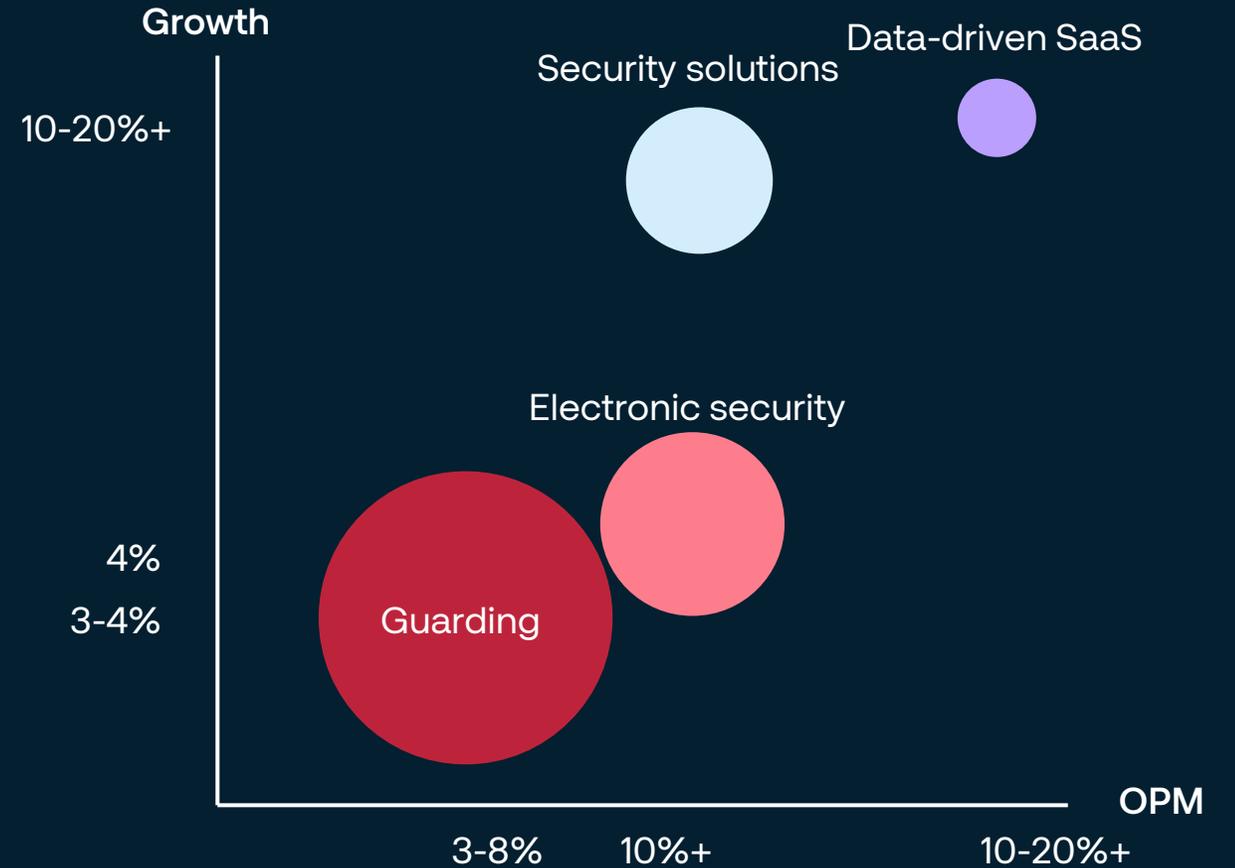
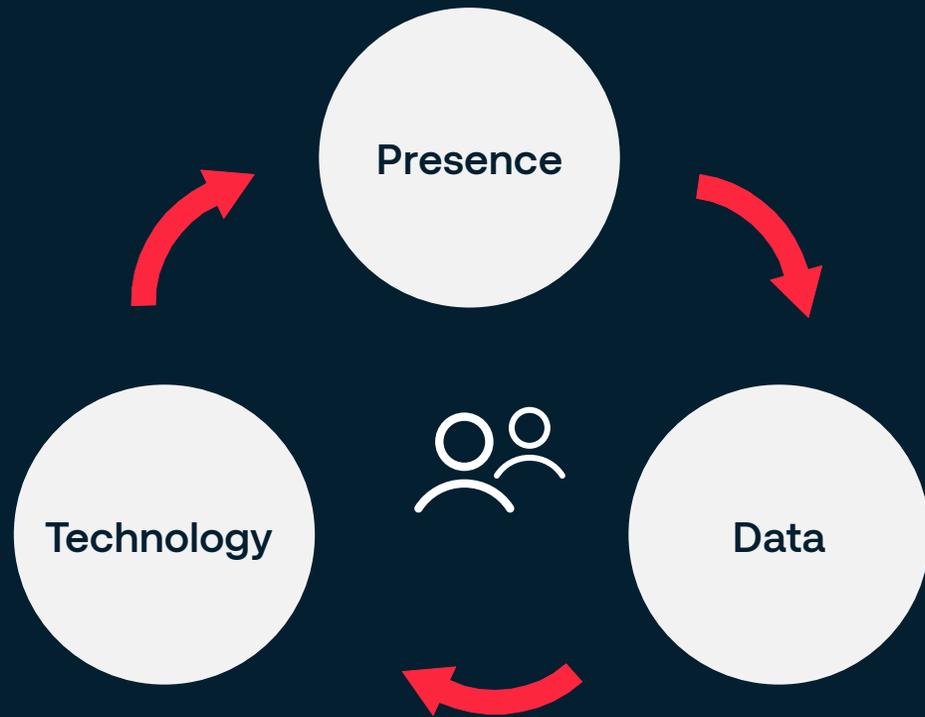
- Financing secured through underwritten bridge facilities, expected to be refinanced by a mix of debt and equity via app. MUSD 915*** rights issue post closing
- Current shareholders have in total provided commitments, declarations of intent and guarantees to subscribe for 44.6% of the rights issue
- Securitas confirms it is committed and expects to maintaining its investment grade rating with Standard & Poor’s

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The future value drivers of the security industry are based on presence, the use of data and tech-enabled solutions



For illustrative purposes – based on internal assumptions and estimates



Electronic security – a BUSD* 70 market with significant innovation opportunities, growing 4% annually

- The need for security is growing and is increasingly complex
- Growing emphasis on technology and data for all security solutions
- Technology improvement with shorter replacement cycles and higher ongoing maintenance
- Significant growth opportunities within Security-as-a-Service (SaaS)
- Economic efficiency and sustainability
- Global ES players: JCI/Tyco, Stanley Security, API/Chubb Fire & Safety, Siemens and Securitas ES





A gigantic step towards achieving our vision

2020 and beyond

A leader in intelligent services
A leading intelligent security solutions partner
Data-driven innovation

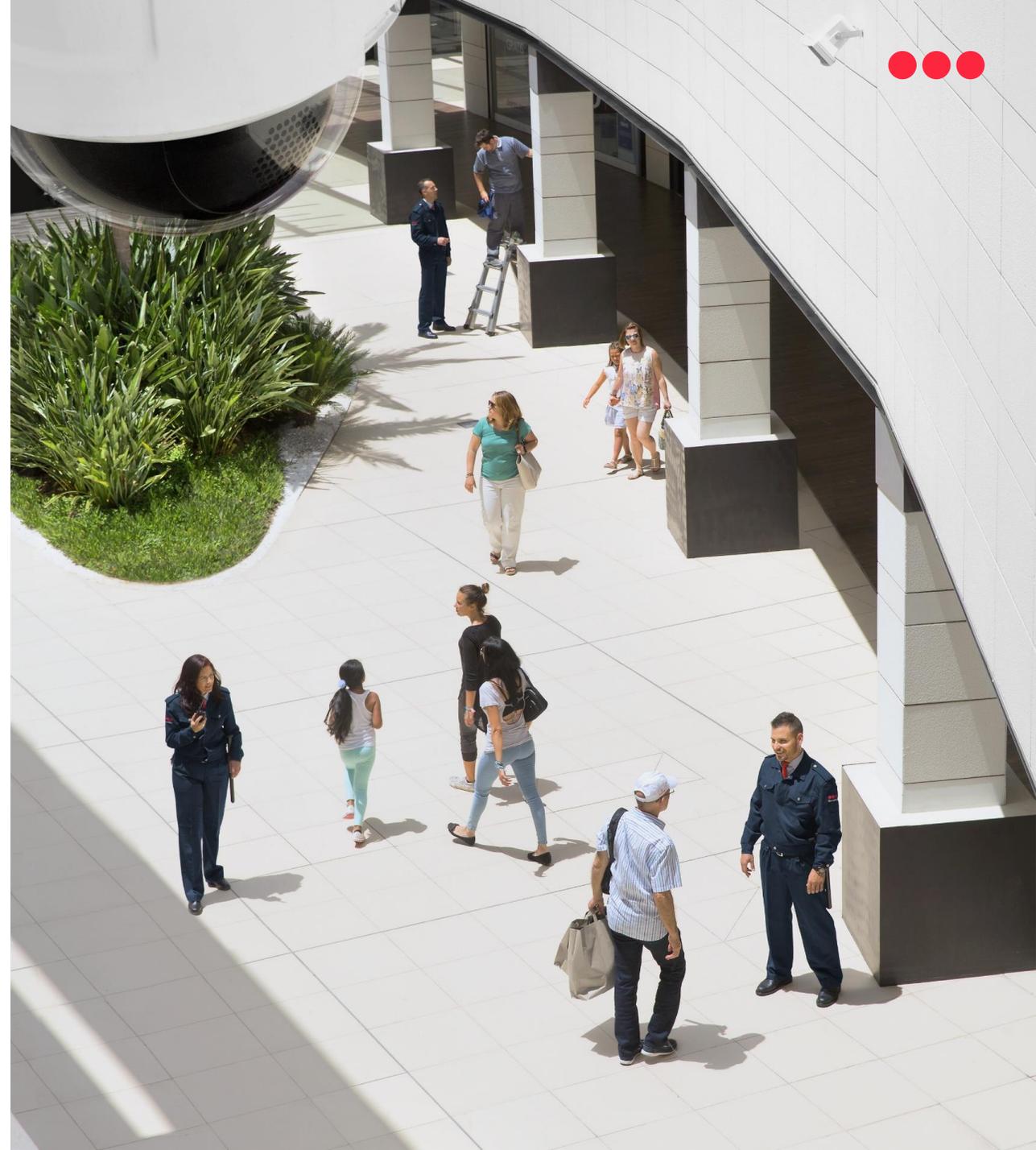
2015 and onwards

A leader in protective services
Integration of solutions with electronic security capabilities
Connected technology

1990 and onwards

A leader in security services
Guarding and security capability
Presence

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Stanley Security overview

- Key offering: Electronic Security Services
- Primarily North America/Europe with headquarters in Indianapolis, IN
- ~7 800 highly skilled security professionals
- Strong competitive position globally serving >500 000 customers across millions of sites
- New innovative technology offerings in the health, safety and security space
- Strategic fit is high with a dedicated electronic security global business



2021E Financials*

MUSD 1 700

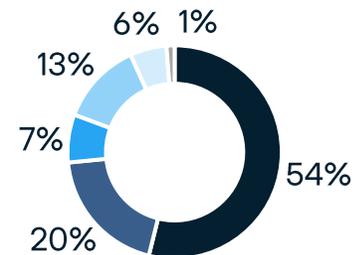
12%

Revenue

Adjusted EBITDA

Revenue mix

Geographic



- North America
- Nordics
- UK
- Central EU
- France
- Other

Revenue type



- Recurring (RMR/T&M)
- Install and products

Note *: Stanley Security applies US GAAP



Stanley Security has a leading position across the entire electronic security value chain with a strong portfolio of next generation solutions

1

Installation

- Strong, well invested salesforce pursue installation opportunities
- Highly trained technicians developing and installing custom security systems
- Establishes a foundation for recurring revenue

2

Maintenance

- Multi-year service contracts to maintain systems that have been installed
- Maintenance can be done physically and remotely
- Active outreach to offer new SaaS solutions

3

Monitoring

- Secured and connected network of monitoring centers provides 24/7 coverage
- Software-led video monitoring and security management platform
- Highly responsive emergency management



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Together we will form a leading player in commercial electronic security

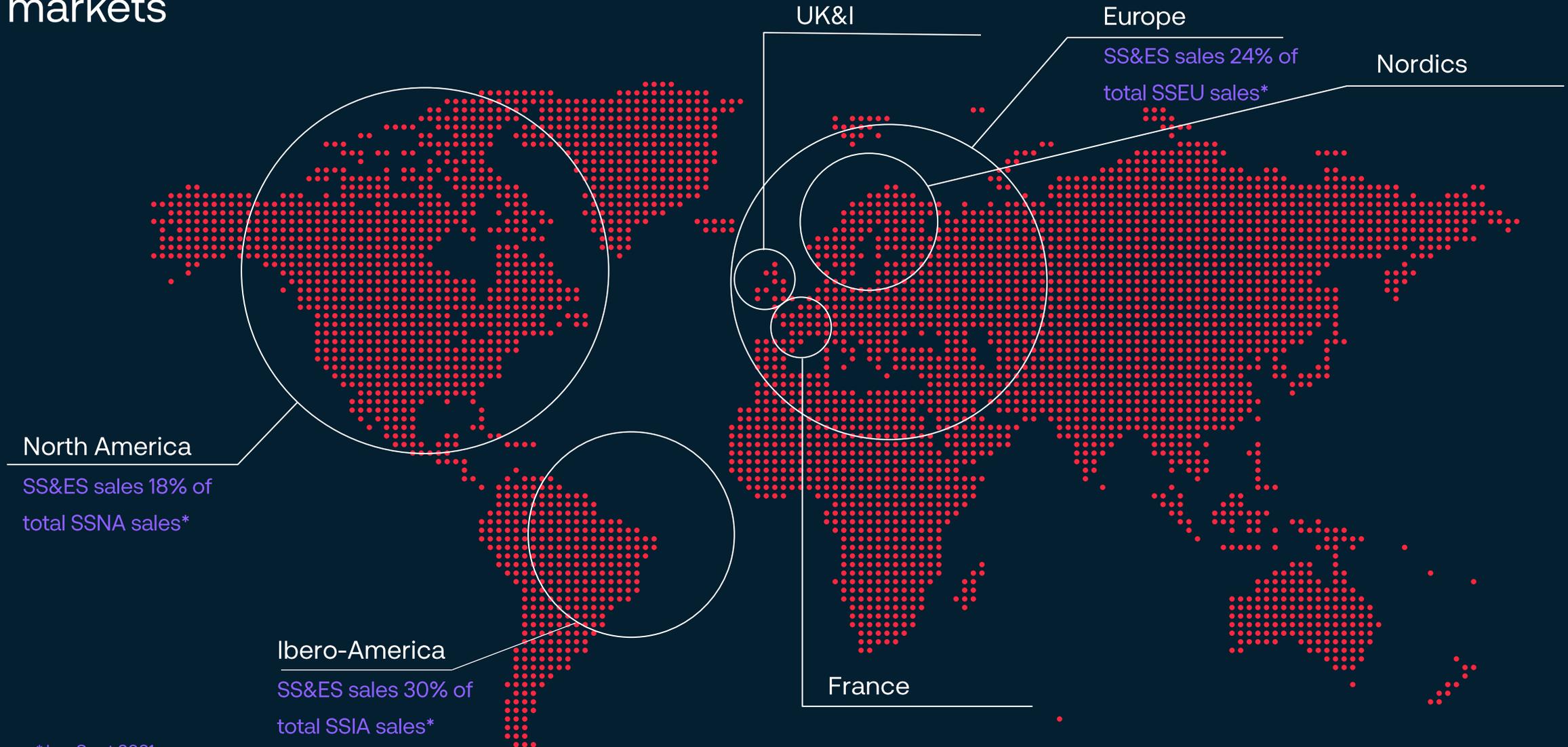
Electronic Security (est.)*	Securitas	+	STANLEY Security	=	 Securitas
Revenue	MUSD 1 300		MUSD 1 700		MUSD 3 000
Complementary Client Focus	Financial, Industrial, Retail, Global/National Accounts		Healthcare, Retail, National Accounts, Core Commercial		Wider breadth and expanded solutions markets
Innovation & Technology	SecureStat, Service Messenger, SecureStat All-clear, SOS Alert, Track & Trace, SecureStat 360		UNA, eServices/HQ, Virtual Cloud, MyStanley, SaaS		Industry leading technology innovation

Note *: Securitas applies IFRS, whereas Stanley Security applies US GAAP.

Illustrative - based on Securitas' LTM and Stanley Security's estimated 2021 combined electronic security financials



Stanley Security transforms our scale and electronic security position in key markets



*Jan-Sept 2021



The new entity will be strongly positioned for profitable organic sales growth...

Organic sales growth drivers



Sales organization

- Combine best practices, people and know-how from both organizations in sales processes
- Deepen vertical and technical sales expertise across local markets



Offering

- Improve client offering by combining Securitas' and Stanley Security's strengths in different parts of the security value chain
- Risk and security expertise from corporate risk management to people on site



Innovation

- Expands R&D capabilities
- Improve innovation on SaaS offerings

Commercial synergies



Guarding

- Build on physical guarding opportunities
- Prioritize enterprise accounts and markets with strong Securitas presence



Solutions

- Address solutions opportunities
- Prioritize small and mid-sized accounts



Monitoring

- Use selling capacity for opportunities to develop new and existing client relationships



Installation & maintenance

- Build on electronic security capability, competency, geographic footprint and operational expertise
- Use knowledge from commercial and technical workforce



...and provides an outstanding platform to drive innovation

Securitas' current strengths...



...paired with added value from Stanley Security



...yield a strong combined position

Global top 5 ES market position
Strong in financial, industrial and retail verticals

A global leader
Strong in tech sector, healthcare, retail and core commercial



Strong position in the industry with strengthened vertical and geographic presence

Deploying e.g., SOS Alert and Track & Trace
>2 000 field technicians

Deploying e.g., SaaS and virtual cloud
App. 3 000 field technicians



Platform to build leading technology and connectivity offering, supporting shift to cloud and subscription-based business models (>5 000 service technicians combined)

Global operations – >330 000 frontline employees worldwide

Strong network of ES sales force – app. 1 400 sales reps



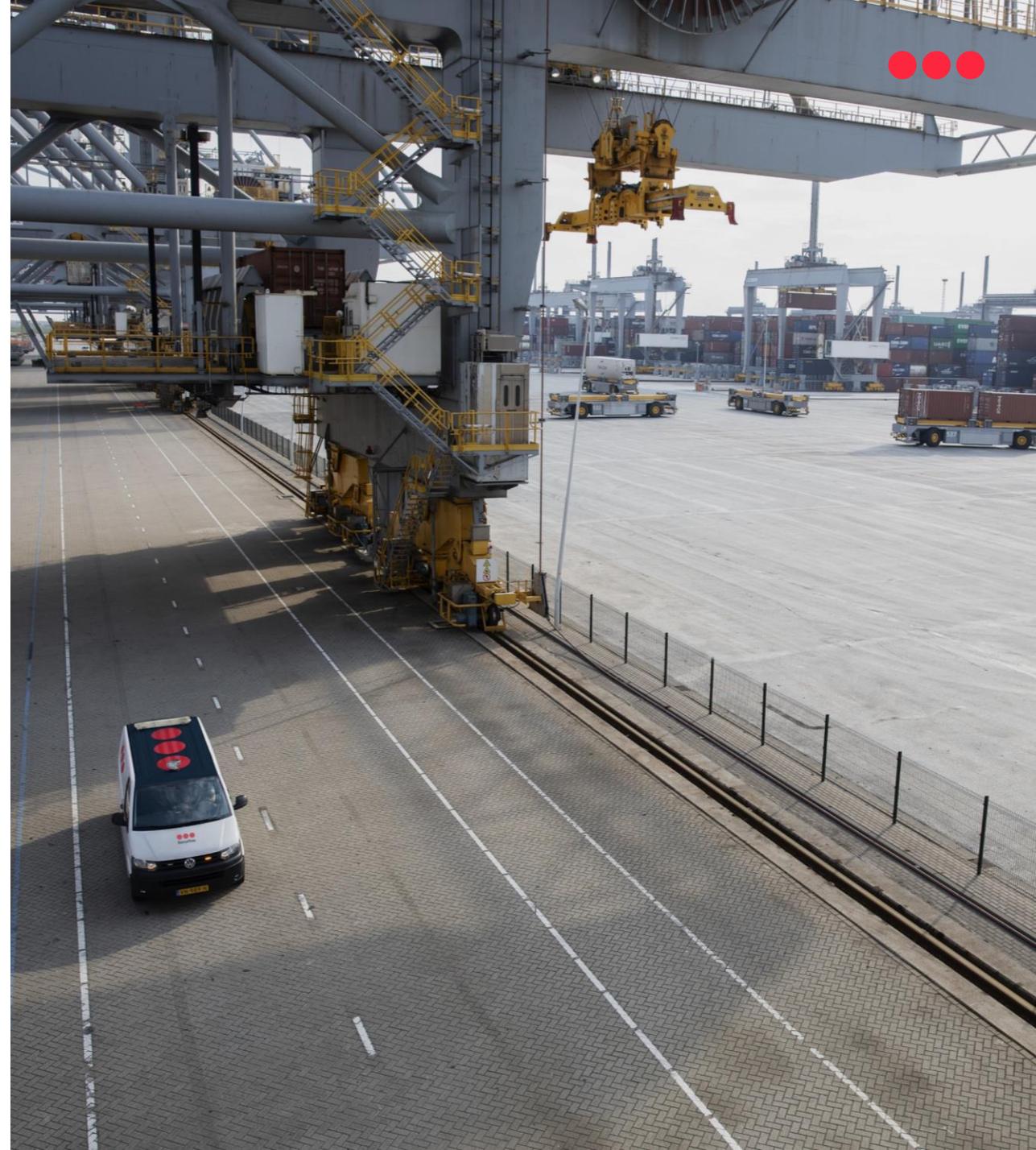
Combined scale and strength in integration and monitoring operations coupled with large specialized ES sales force that can upsell and migrate into higher margin technology offerings

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Transaction financial highlights

- Cash purchase price of BUSD 3 200 on a cash and debt free basis
- Significant commercial synergies and cost synergies, expected to be fully realized within three years from completion
- Implies a 2021E EBITDA multiple of 13x including cost synergies of approximately MUSD 50, but before commercial synergies and strategic benefits
- Accretive to Group operating margin immediately post closing and accretive to EPS on first full year post completion
- Acquisition-related costs of MUSD 135, a combination of transaction, bridge financing, integration and restructuring costs, the majority to be recognized in 2022 and 2023
- Based on Securitas last 12 months and Stanley Security's estimated 2021 sales, annual sales from the combined electronic security and solutions portfolio is estimated to MUSD 4 200, out of which MUSD 3 000 is electronic security





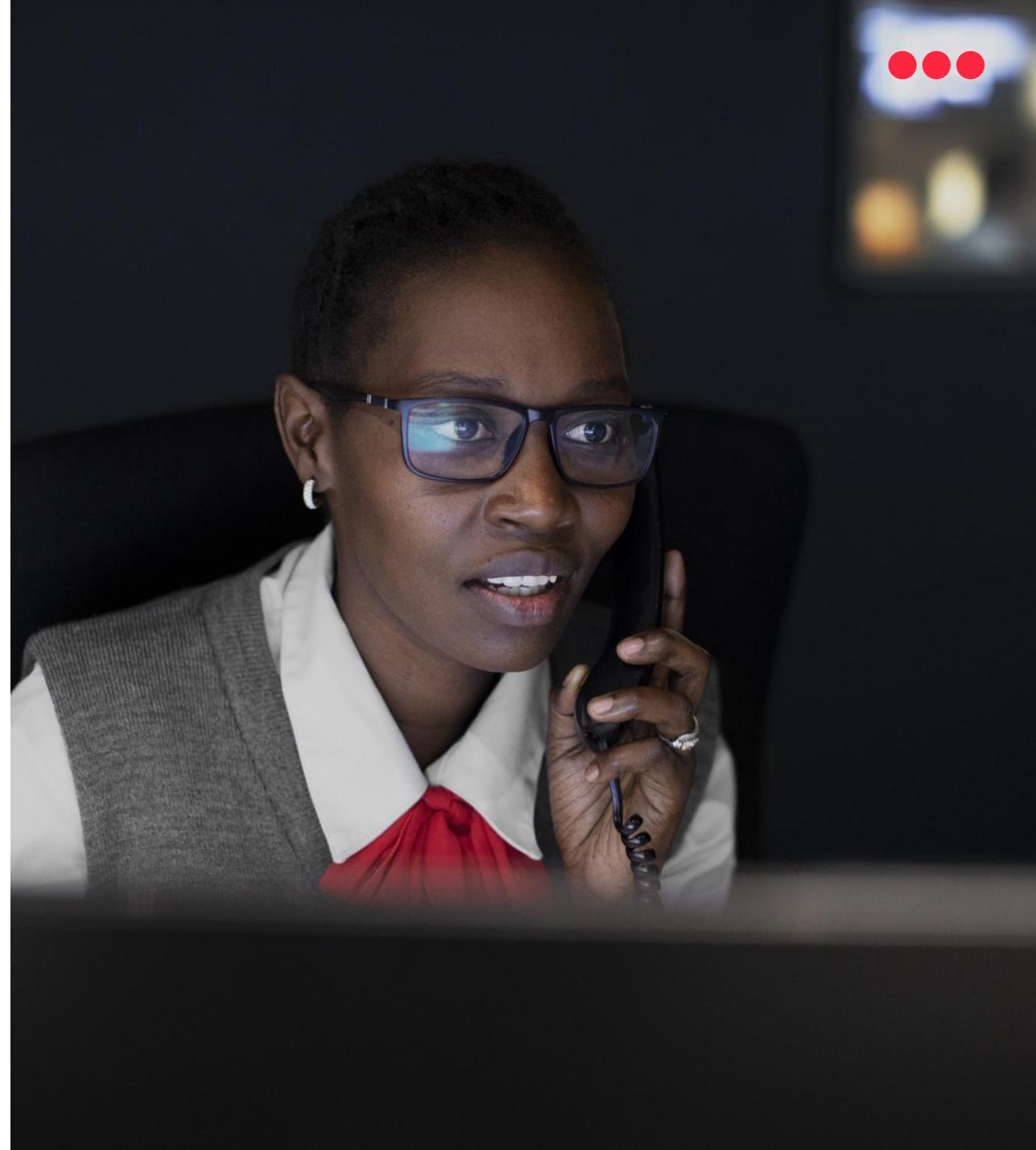
Transaction financing

- The acquisition will be funded through an underwritten bridge facility provided by SEB which will be refinanced after completion by a mix of equity and long-term debt
- The equity component of the refinancing will come from the proceeds of a rights issue amounting to app. MUSD 915
- In aggregate, the shareholders have in total provided commitments, declarations of intent and guarantees to subscribe for 44.6% of the rights issue based on current shareholding
- Investment AB Latour incl. subsidiaries, Melker Schörling AB and EQT have also entered into guarantee commitments to subscribe for an additional 21.9 % of the rights issue without subscription rights
- Securitas confirms it is committed to and expects to maintain its investment grade rating with Standard & Poor's
- Transaction expected to close in the first half of 2022, subject to customary regulatory clearances



Together we form the winning team to deliver a highly complementary offering in the security industry

- Transforms Securitas' position as a leading intelligent security solutions provider, with initially **over 50% of the profit contribution generated from security solutions and electronic security**
- Strong commercial opportunity, enhancing the client proposition, **unlocking growth and transforming the margin profile** by an acquisition with a strong cultural fit
- **Strong value creation** in a highly synergistic combination, with EPS accretion in the first full year post completion
- **Well planned integration** organization using experience from numerous electronic security acquisitions in the past 8 years
- **More than doubles Securitas' existing electronic security business**
- **Together with ongoing initiatives will enable substantial operating margin improvement over time**





Transforming the profile of Securitas



Securitas

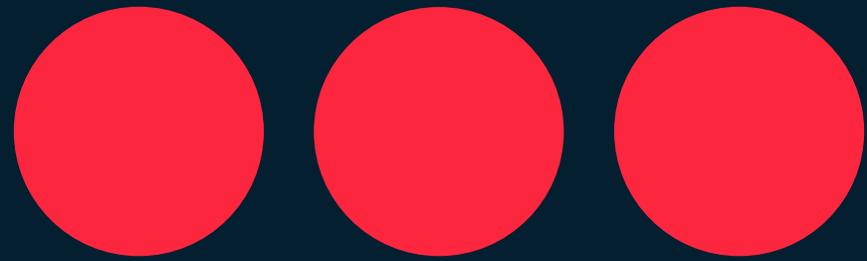
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Securitas