



IBERO-AMERICA

FAVORABLE GROWTH DESPITE POLITICAL CHALLENGES

2019 was a year of change in Security Services Ibero-America. I assumed the role as Divisional President on July 1, after many years as Country President in Portugal. We also welcomed new leaders in certain countries in Latin America and in Portugal as a means of gearing up for the future.

The political, economic and social situation in the division, especially in Latin America, was challenging in 2019, but organic sales growth remained strong. We have a very good client portfolio with great potential, particularly in the private sector, where we have experienced favorable development. Our 64 000 employees are making sure that we can deliver high-quality security solutions every day. The Securitas Operation Centers continue to add value to our protective services, and thereby to our clients.

THE MARKET

The market for private security services was affected by political and social chal-

lenges in certain Latin American countries during 2019. Economic and budgetary pressures in those countries are increasing the need for security and safety and for more efficient and innovative security solutions. This represents an excellent opportunity to implement Securitas' strategy more effectively.

In Spain and Portugal, on the other hand, we are seeing growing regulation of the private security services sector, and there is currently a demand for security service providers that can contribute to stable operations and provide added value.

A SUSTAINABLE BUSINESS

Securitas has its own training centers in all countries, and offers courses ranging from basic to very advanced. Talent management, activities to promote diversity, and continuous improvements to our occupational health and safety work are important areas that we believe will increase employee satisfaction and help us remain an attractive employer.

Following internal whistleblowing Securitas has conducted an investigation

into potentially improper conduct in Argentina. During the investigation we have taken decisive actions, including terminations, and worked to improve our internal controls in Argentina and the other countries in the division.

GOALS AND PRIORITIES IN 2020

In line with Securitas' strategy we are enhancing our technical platforms and production tools. We are also increasing focus on client centricity, for example by further developing the branch manager model and a flat organization. Promoting leader development is key to supporting all operational and commercial processes related to client engagement.

Security solutions and electronic security sales accounted for 27 percent of total sales in the business segment at the end of 2019, and we fully support the strategic transformation ambition to double these sales by 2023. By strengthening our existing footprint, we anticipate favorable growth opportunities in 2020 and beyond.

Jorge Couto

Divisional President
Security Services Ibero-America

