

# Trends impacting the security industry

The development of the security market is driven by global trends, and Securitas has identified five trends in particular that are currently impacting our business and the direction of our strategy.



## Societal tensions



While conventional crime is actually on the decline in several mature markets and growing more slowly or declining in many developing countries, the perception of crime remains high. This is due to a heightened awareness of threats and crime and a rise of geopolitical and societal tensions leading to security breaches and more non-conventional crimes, such as terrorism.

### MARKET DRIVERS

The perception that crime rates and threats to society, including terrorism, are increasing drives the demand for security solutions. Authorities are increasingly outsourcing some services to the private security industry as they face new and more complex threats, particularly in times of budget restraints.

### SECURITAS' RESPONSE

Securitas can offer support in a number of areas traditionally handled by the public sector, for example by providing on-site guarding to public areas and at events where a great deal of manpower is required. We can also offer professional risk analysis and risk management services.

## Digital transformation



Artificial intelligence and the Internet of Things are changing the product mix and offerings available within the industry.

### MARKET DRIVERS

The digital transformation is bringing new opportunities, particularly in the area of intelligent services and predictive security. Developed regions in particular represent long-term opportunities for growth as more end users begin to invest in electronic monitoring and integrated security systems. The data that is captured will provide a bank of valuable information that can lead to more efficient and effective ways of handling security.

### SECURITAS' RESPONSE

We believe that future market leadership will be driven by the ability to capture, analyze and respond to rich data and are developing the scope of our electronic security. Securitas is at the forefront of this development. Advanced analysis of this data at our Securitas Operation Centers will also help us react faster and even prevent crimes from happening.

### Globalization of the economy



Globalization of the economy has enabled companies to expand their economies of scale well beyond national borders, with technology making it possible to connect complex and interoperable security systems from anywhere in the world.

**MARKET DRIVERS**

Economic activity and prosperity, especially in developing countries, is driving the underlying demand for security services as there are more assets to protect, and more end users with the resources to buy security services.

**SECURITAS' RESPONSE**

Securitas is a global leader with both the technology know-how and the manpower to meet the demands of a global economy. We are able to provide a strong local presence, offering the same high-quality service and solutions to our 140 global clients regardless of country as well as to our thousands of national and local clients. This unmatched presence gives us a competitive edge.

### Urbanization



In the coming decade, the urban population is expected to grow faster than the total world population. Cities often have higher rates of both real and perceived crime, and there tends to be more criminal activity in denser populations with growing socioeconomic inequalities.

**MARKET DRIVERS**

Especially in many emerging economies, urbanization often entail a growing middle class, which contributes to driving up the demand for private security services. The increased confidence in private security providers to protect people and property also impacts the demand.

**SECURITAS' RESPONSE**

Securitas is currently present in 58 countries and continues to expand its presence – particularly in the urban areas of the world – to ensure close proximity to clients. In 2018, we expanded our footprint both organically and through acquisitions and by the end of the year, we had over 1 400 branch offices in our countries of operation.

### Sensitive production processes



Modern production processes are increasingly multinational and sensitive to disruptions. Among other things, they are dependent on well-functioning infrastructure.

**MARKET DRIVERS**

The increased vulnerability and cost for disruptions is creating a growing demand for innovative and qualitative security solutions and services for, for example, manufacturing industries, airports, ports, data centers and public transport.

**SECURITAS' RESPONSE**

Securitas possesses in-depth security knowledge from client segments such as manufacturing, logistics, public transport and ports. We also have the expertise to create complex cross-border security solutions and a strong aviation presence, providing advanced security services and solutions to airports around the world.