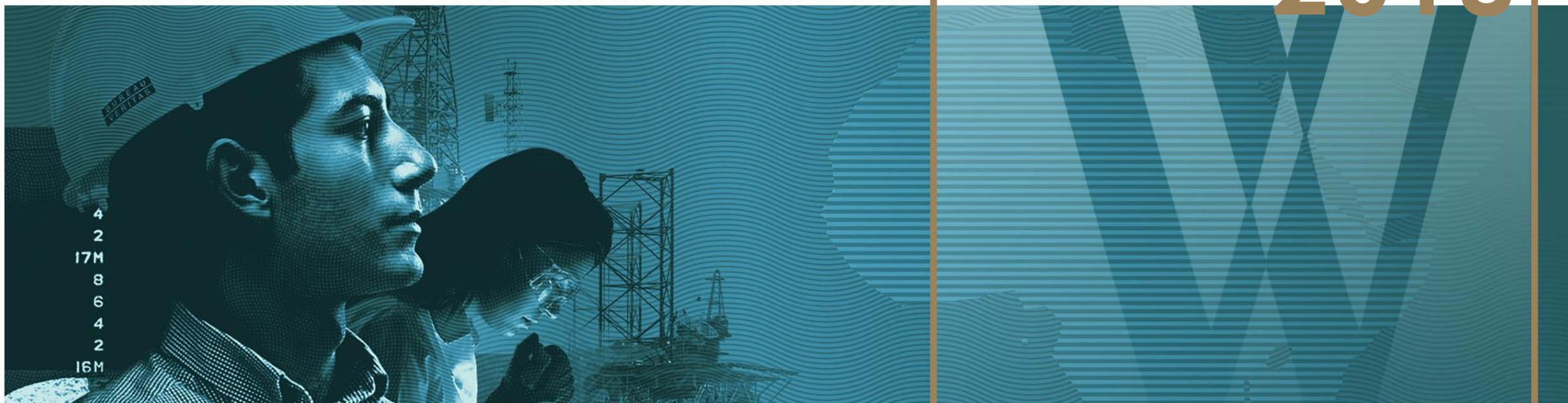


Allied Universal

Wendel Investor Day

2018



LONG-TERM INVESTOR



WENDEL



\$380m
equity invested

c. 33%
equity stake
co-controlled with Warburg-Pincus

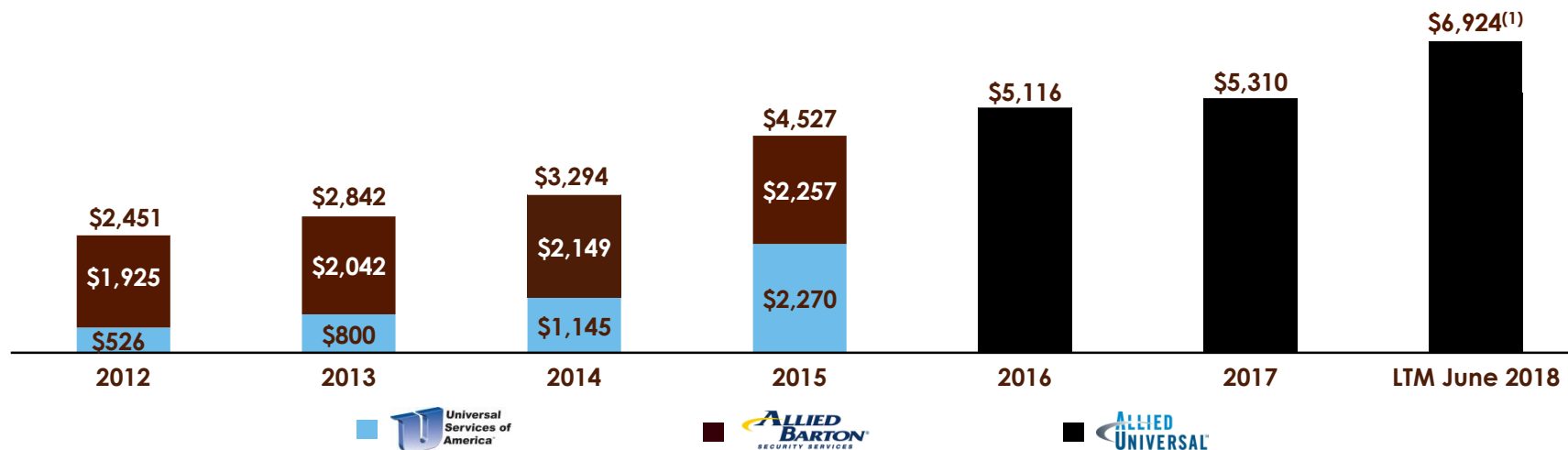
**Capitalize on a very strong
megatrend in America:
organic growth & consolidation
of the security services market**

- **Market leader in the U.S.**
of security services with a nationwide footprint
- **Outstanding platform for consolidation**
- **Resilient growth** and **high cash flows**
- **High quality services & strong
credibility in the market**

Allied Universal Company Evolution



Historical Revenue (\$ in USD mm)





Steve Jones joined *Universal Services of America* in 1996

Past experience at large, national services companies including **executive level positions at two Fortune 500 companies**

E&Y Entrepreneur of the Year and Vistage International Leadership Award winner

BA in Political Science, California Polytechnic University; MBA, University of Redlands

Allied Universal

Steve Jones, CEO



2018

LONG-TERM INVESTOR



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The #1 North American Provider of Security Services

#1 Provider in Large and Fragmented Market

Resilient, Counter-Cyclical Industry

Strong and Stable Free Cash Flow

National & Local Scale

Use of technology to enhance service and drive growth

Leader in Industry Consolidation

Best-in-Class Management Team

- **210,000** security professionals, **~38,000** client sites, and local market density
- Scale drives unique competitive advantages
- **\$110Bn** global and **~\$58Bn** North American security services market
- Recession-resilient industry with **1.3%** industry growth CAGR from 2008-2011
- **~4%** growth from 2018-2020E driven by increased demand and continued outsourcing
- Labor market slowdown eases wage pressure and turnover
- Grew revenues and expanded margins in Great Recession
- “Mark up” business model
- AU organic growth rate of **~6%** from 2004-2017
- Low capital intensity
- Uniquely positioned to service growing national accounts
- National expertise with local presence
- Diversified across verticals
- **~90%+** historical retention rate
- Significant investment in software and analytics to drive service quality
- Innovator in adopting cutting edge security technology
- Significant growth opportunity
- **58** acquisitions over the past 10 years at low-to-mid-single digit EBITDA multiples
- Strong revenue retention post-acquisition
- Recent acquisition of US Security solidifies AU's leadership position
- Proven industry veterans with long track record
- Adding world-class leaders as we grow

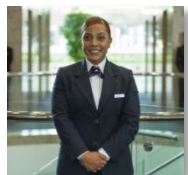
Note: organic growth rate reflects combined Allied Barton and Universal Services entity

Overview of Key Responsibilities and Services Provided



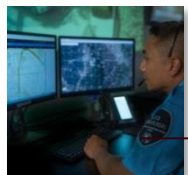
Security Professionals

- ~96% of security professionals are unarmed
- Armed security professionals meet local and state licensing requirements and are authorized to carry a weapon or firearm



Visitor Management

- Concierge and white glove training delivers a professional and respected lobby presence that promotes safety
- Includes access control and initial security check for all who enter a building



Cleared Security Professionals

- AU possesses a top secret facility security clearance and is able to provide armed and unarmed security professionals for government agencies and defense related companies



Vehicle Patrol

- Patrols are conducted via a marked security vehicle
- Vehicle patrols conduct lock checks, site inspections, and traffic enforcement where applicable



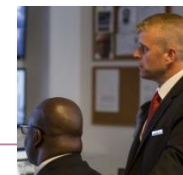
K-9 Security Services

- Each K-9 team consists of a trained security professional and canine
- Used for general patrol, crowd control, crime deterrence, explosive and illegal substance detection



Joint Security Programs

- Incorporates the expertise of AU's contract security to complement the police department or other in-house security at a client



AU uniquely tailors service offerings to meet client-specific needs

Allied Universal Model Significantly Enhanced in Recent Years

Formed through 2016 merger of Universal Services of America and Allied Barton

- Combination created the clear #1 provider in the market with c\$4.5 billion in revenue
- National scale and critical mass in local markets throughout the US
- Adapted legacy models to create best-in-class organization and service
- \$100mm in realized synergies

Strengthened acquisition model

- 8 acquisitions completed since merger
- Robust pipeline for continued consolidation

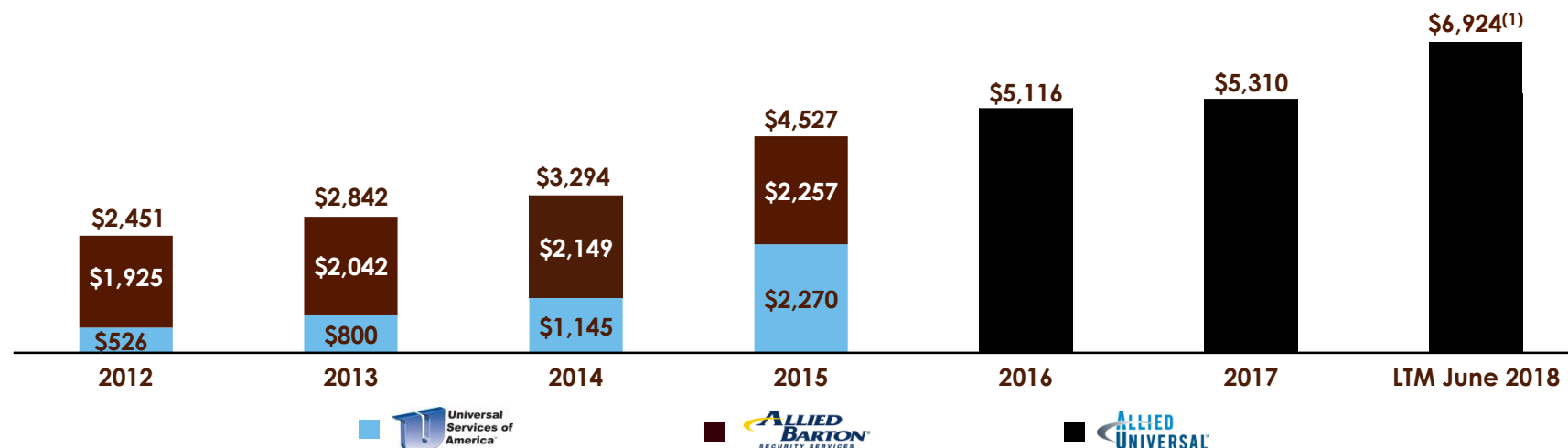
Acquired US Security in October 2018 for \$1 billion

- 2017 revenue and EBITDA of \$1.5 billion and \$95 million, respectively
- >\$50 million in anticipated synergies with integration underway
- Pro forma revenues of \$7 billion

Commercial model has been validated in the market

- Strong organic growth, supported by retention and new sales wins
- Investments in new software and other technology driving further differentiation

Historical Revenue (\$ in USD mm)



(1) PF the US Security acquisition

— Recent USSA Tuck-in Acquisition Reinforces Leading Scale

Large, Tuck-in Acquisition Bolsters AU's Market Leadership Position

Acquisition Drives Significant Strategic Benefits

- Large tuck-in" with achievable synergies and tangible integration plan
- USSA represented the fourth largest security solutions provider with similar profile to AU – bolstering AU's leading position in a growing industry
- Reinforces diversified client base and end-market exposure and enhances footprint in key geographies
- Strengthens platform with blue-chip client base and adds local clients in markets where AU has existing density
- Bolsters comprehensive solution offering through the acquisition of unique capabilities
- Integration well underway to achieve >\$50 million in expected synergies
- Ability to drive ongoing business improvements by utilizing AU proprietary business intelligence tools and best-in-class operational capabilities
- Adds international presence (U.K. and Latin America) and complementary business lines (event staffing & security, consulting and investigations)

Acquisition Enhances Scale and Profitability

\$1.5Bn

Revenue

6,700

**Client
Sites**

50,000

**Security
Professionals**

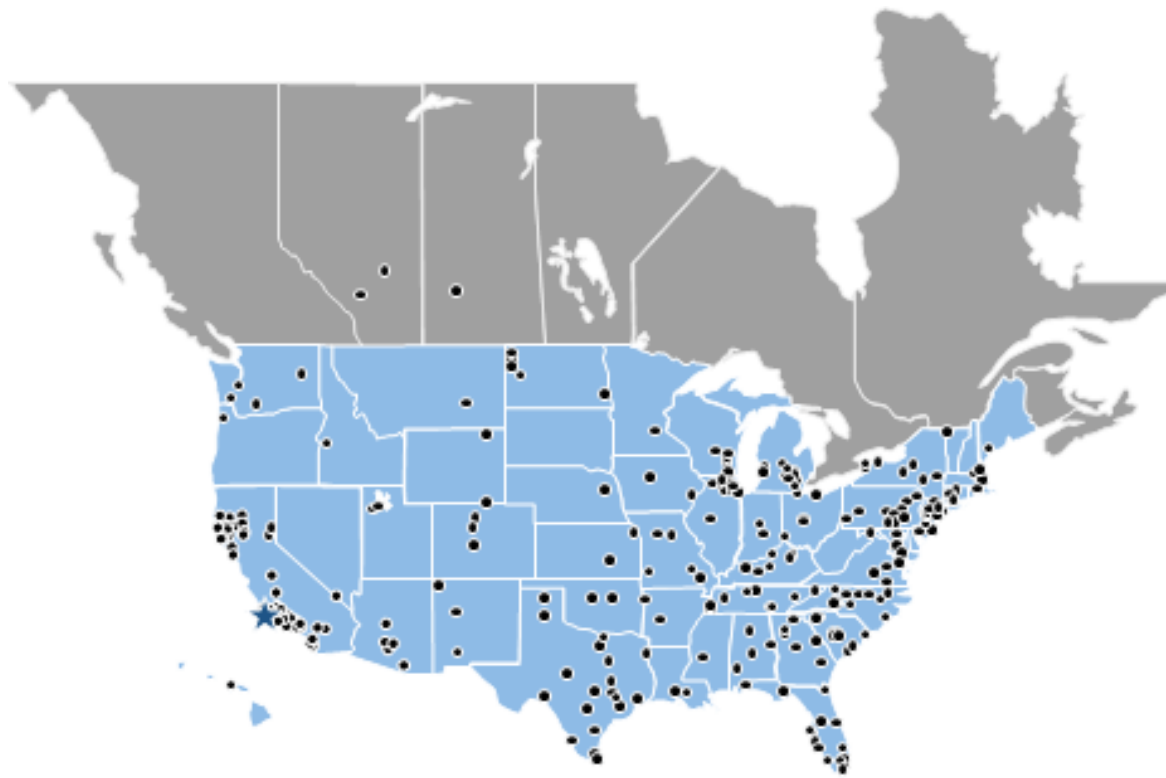
>\$50mm

**Expected
synergies**

Acquisition further enhances AU's leading industry scale and competitive advantages

Unmatched Nationwide Scale and Local Density

National Footprint Enables AU to Capture White Space Growth Opportunities



Mexico



Latin America



United Kingdom



★ Headquarters
● Branches

229

Branch
Offices

~6.1MM

Billed Hours
per Week

210,000

Security
Professionals

38,000

Client
Sites

Note: All values are inclusive of USSA acquisition.

Serving Long-tenured, Highly Diversified Blue-chip Client Base

90%+ Revenue Retention Reflects Long-tenured, High-quality and Diversified Client Relationships

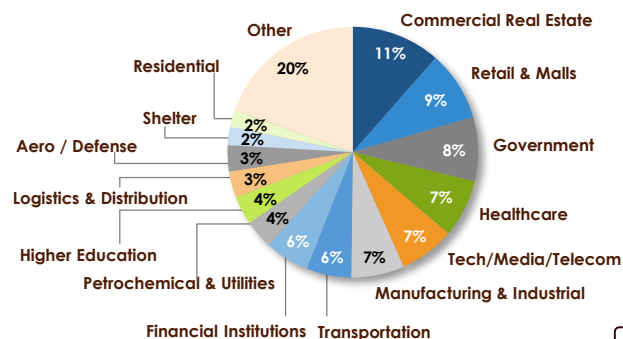
AU is the Trusted Security Partner of the World's Leading Companies

Select Clients



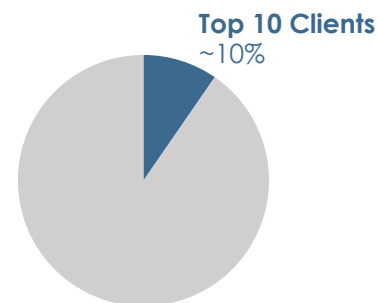
Highly Diverse End Markets

% of Revenue⁽¹⁾



Low Client Concentration

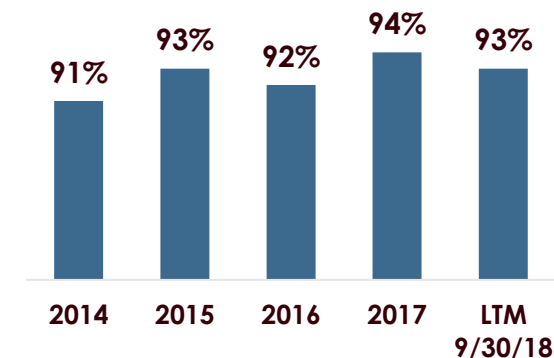
Clients as a % of Revenue⁽²⁾



~11,500 clients and ~38,000 client sites

Deeply Embedded Client Relationships

Annual Revenue Retention %⁽³⁾



1. Based on AU and USSA revenue as of LTM April 30, 2018; other segment includes Food / Beverage, Auto, Cultural Institutions, Hotels & Resorts and small unclassified accounts

2. Based on AU and USSA LTM September 30, 2018 revenue

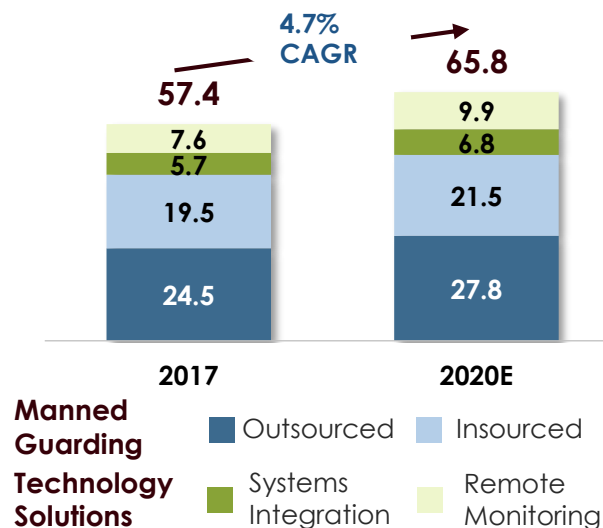
3. 2014-2015 represents AlliedBarton historical management reporting; 2016 represents AU historical management reporting; 2017 and LTM September 30, 2018 represents AU combined revenue retention, excluding USSA. Retention is (1-% churn) where a churned client is defined as a client that had revenue in the prior LTM period and no revenue in the current LTM period (pre-2017 methodology) or no revenue for at least one quarter in the current LTM period (post-2017 methodology)

Attractive, Growing \$57Bn Market for Security Services & Technology Solutions

AU Serves a Large, Growing Addressable Market

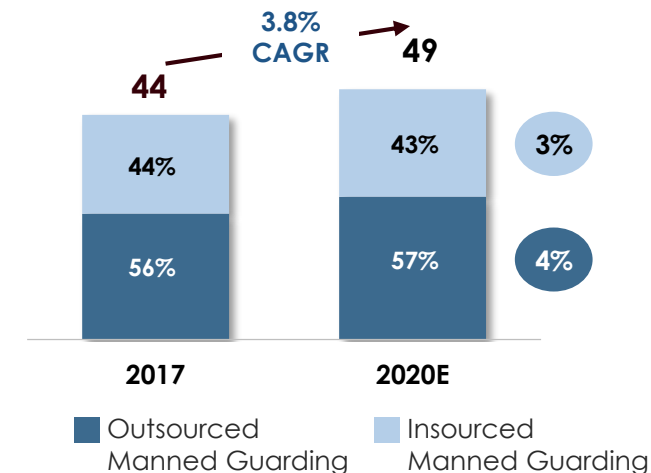


U.S. Security Services Market (\$Bn)



Increasingly Outsourced

U.S. Manned Guarding Market (\$Bn)



Key Growth Tailwinds

Secular Industry Drivers

- Heightened focus on security driven by increased acts of violence and media coverage
- Increasing regulatory and insurance scrutiny
- Growing need to supplement services provided by budget-strapped municipalities
- Compelling value to outsource core security operations

Baseline Expansion

- Continued building stock expansion
- Increased penetration in existing clients
- Wage rates increase with growing economy, statutory minimum wage increases and ongoing union increases
- Attractive mark-up pricing model captures benefits from security professional wage growth

Technology Penetration

- Technology complements manned guarding to provide comprehensive, integrated security services
- Increasing security complexity requires comprehensive solutions
- Increasing penetration of security technology
- Shift toward integrated manned guarding and technology services

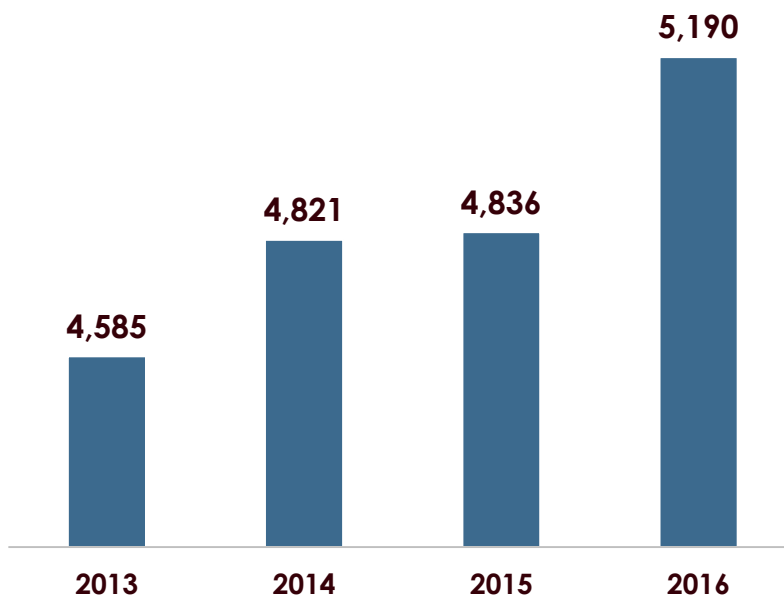
Source: Third-party Consulting Study

1. Manned guarding and technology solutions market; excludes software & hardware equipment market (~\$20Bn)

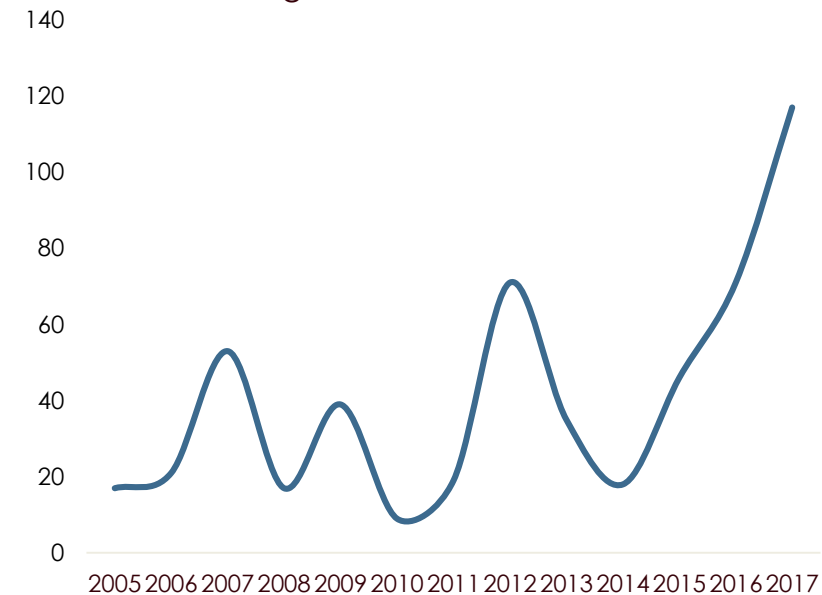
Increased Occurrence of Adverse Events Drives Continued Need for Security Services

Significant Rise in Workplace Injuries and Violent Crimes...

U.S. Fatal Occupational Injuries



U.S. Mass Shooting Fatalities



...Drive an Immediate Need for Manned Guarding

Intentional workplace injuries at an all time high

Workplace fatalities increased 7% between 2015 and 2016

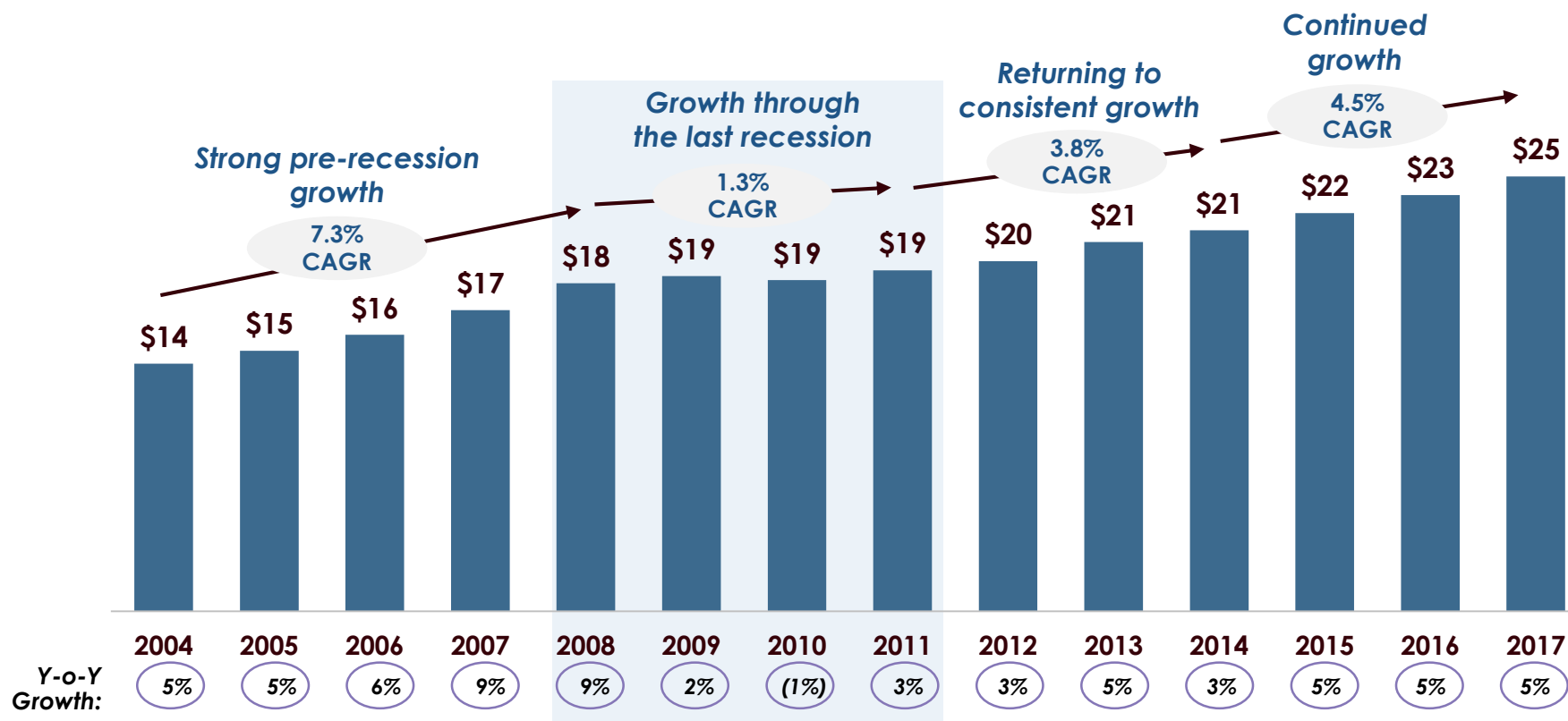
Workplace homicides increased 20% between 2015 and 2016

Workplace violence increased 23% between 2015 and 2016

Sources: Annual reports, BLS, Investor Presentations, Robert H. Perry Associates, Freedonia, Third-party Consulting Study

The Security Services Industry is Highly Resilient

U.S. Outsourced Manned Guarding Industry Has Grown Across All Cycles with Limited Cyclicity



Recession-resistant industry with consistent growth driven by mission-critical, non-discretionary services

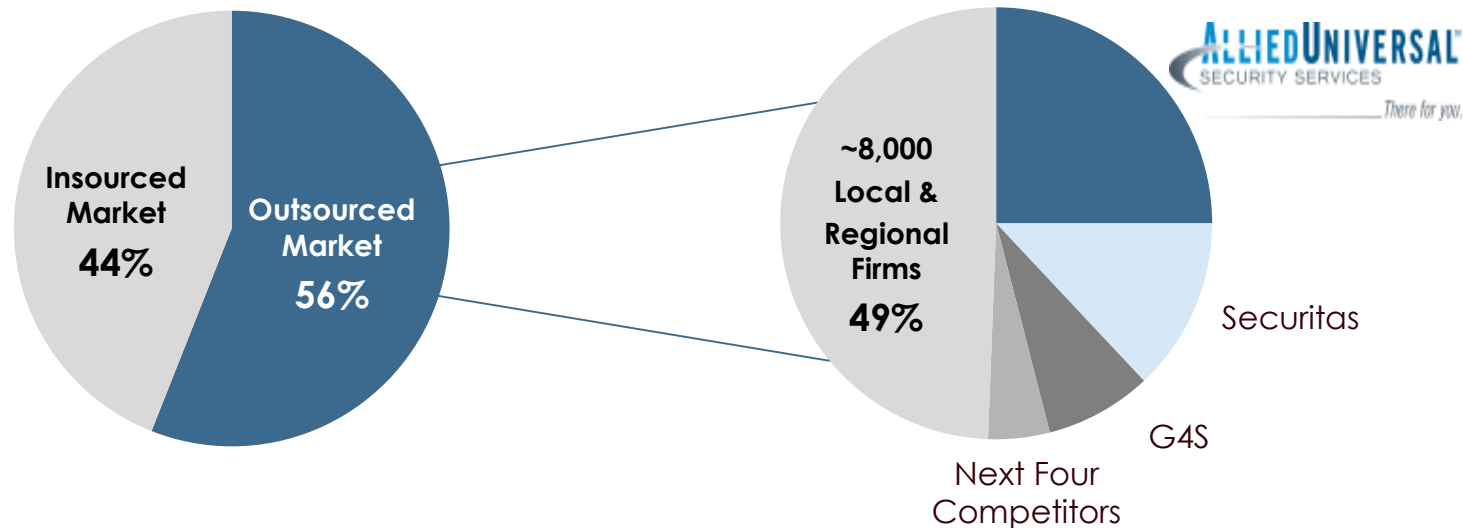
Sources: BLS Employee Statistics, Third-party Consulting Study

Well-positioned for continued industry consolidation

#1 Player in Large, Fragmented U.S. Outsourced Manned Guarding Market

~\$44Bn Total Market

~\$25Bn Outsourced Market



- Largest Market Share in Growing, Increasingly Outsourced Industry
- Scale and Density Driving Significant Competitive Advantages
- Leading Organic Growth with Scalable Platform
- M&A Partner of Choice in Highly Fragmented Market

Acquirer of Choice with a long track record of accretive growth through acquisition

Ongoing investment in technology furthers differentiation and growth

Automation and Analytics

Business Intelligence tools to drive productivity / profitability

- Recruiting
- Staffing
- Billing
- Pricing



Remote Monitoring

Global Monitoring and Response Center in Dallas

- Combines physical security systems and technology
- Complete and customized remote security services

Systems Integration

Guarding creates platform for growing systems technology solutions

- Design and Installation of integrated control room
- Adjacent service
- Enhances service quality and retention



Security and Surveillance

Integrated adoption of new technologies to enhance security solutions

- Robotics
- AI tools
- Predictive analytics



AlliedUniversal is a critical member of its communities throughout the country

Emergency Response and Disaster Recovery

- AU is uniquely suited and driven to support local communities and authorities in response to emergencies and natural disasters

Culture and hiring practices focused on diversity

Veterans Programs

- Committed to advancing the lives and careers of our veterans and transitioning service members in the communities we serve

Everyday heroism

- Countless examples of AU security professionals who perform heroically and save lives recognized through H.E.R.O. program



Allied Universal Responds to Hurricane Sandy

Download related file

Prepare, Secure, Support - Allied Universal Responds to Hurricane Sandy with Speed, Compassion and Commitment

Hurricane Sandy hit the East Coast, affecting 24 states from Florida to Maine. It was the largest Atlantic hurricane on record. New Jersey and New York were the hardest hit areas. Streets, tunnels and subways flooded, homes and businesses were destroyed and power was lost across many states.

Allied Universal security teams prepared for and took action throughout the storm to ensure the safety and security of our employees and clients. Our local teams were complemented by our national resources as we launched contingency plans, implemented state-of-the-art technology, shared emergency best practices and witnessed the incredible power of the human spirit. Our leaders went above and beyond to provide transportation, food, clothing and shelter rooms to security officers who were standing guard for long hours, and to conduct wellness checks to ensure their safety. Our employees did not hesitate to stay at client sites, willing to work extra hours and do whatever was necessary. We have witnessed true leadership during this challenging time.

Account Manager Dayne Statton built a camp during the storm to create an agency for patients in his building, as the entrance was under construction. Dayne recognized a need, and didn't hesitate to take action.

Security officers at a client site in New York City rescued a man and his dog from the rising flood waters, and provided him with a place to stay and food and water. "I cannot possibly overstate the extremely rare depth of humanity and compassion that I received from your staff." The individual stated in an email. "With each passing day, I remember all that they did to keep me and my dog safe from harm."

We are joined by our clients and the public as we commend our officers and staff who went above and beyond.

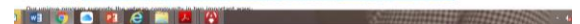
"I would like to thank you and express my sincere gratitude to the Allied Universal staff here in Secaucus, NJ," said Andrea Magrin, Allied Universal Client, Panasonic Corporation of North America. "Without your dedication, Panasonic would not have such a strong team to help prepare for, and react to, Hurricane Sandy. Left without power for 48 hours, the facility personnel managed the campus and its buildings to minimize further damage and impact to business."

"I personally observed the dedication of your officers over this storm period and noted their willingness to report consistently and stand right during some very dangerous conditions," said an Allied Universal client in New York. "The Allied Universal officers were on post and prepared."



Hiring Veterans

Allied Universal is committed to providing job skills and support of the military and transitioning service members in the communities we serve.



HERO AWARD WINNERS

Jason Laa was on patrol in an HEB grocery store in a San Antonio, Texas parking lot, when he discovered an infant left alone in a car with the windows closed and the engine off. Without hesitation, Laa immediately broke the window and removed the infant. Local police arrived and confronted the father, who came out of the store 30 minutes later. Without Laa's decisive action, the infant might not have survived in the Texas heat. Truly Phenomenal!

Security Professional **Ta'Shena Sparkmon**'s duties did not end after her shift was done at Enclave Condominiums one fateful evening last spring-and for good reason. That evening Sparkmon decided to take a different route home, and happened upon a man who appeared to be preparing to jump off the overpass of the Atlantic City Expressway in New Jersey. She paused to make sure he was okay and after passing him a bit, she realized he did intend to jump.

"I threw the car in reverse, sped back as quick as I could and jumped out of the car. Now I'm in the middle of Franklin. My driver's side door is open. I run to him screaming," she described in a May 19 [Press of Atlantic City](#) story about the save. She called her husband to summon help, then turned her attention to keeping the man from jumping.



Security Supervisor Brevaundra Payton

Security Supervisor **Brevaundra Payton** was on tour at the Comerica Bank's Livonia Operations Center (LOC) in Michigan, when she spotted and reported a leak. The estimated cost in damages, if not reported in a timely manner, would amount to over \$1 million. For helping to save the client this huge expense, Payton received an

1H 2018 Review

Strong growth in turnover and profitability despite historically tight US labor market

- 5.2% revenue growth (3.6% organic)
- 8.5% Adj EBITDA growth

Difficult hiring environment impacting recruiting, wage rates and benefits

- Stable markup rates
- Opportunity to reduce overtime and other non-wage costs

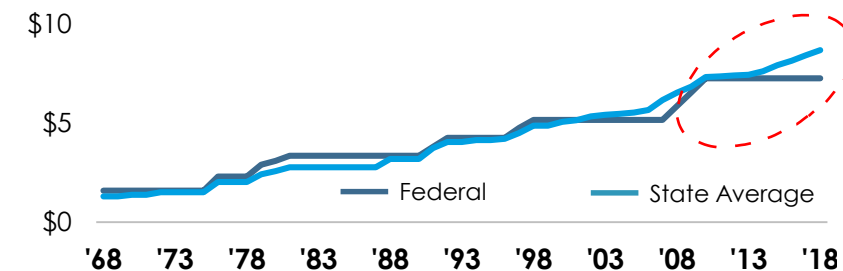
Focus on culling unprofitable accounts

Completed 2 acquisitions, including \$1 bn acquisition of US Security

Announcement of new CFO in November

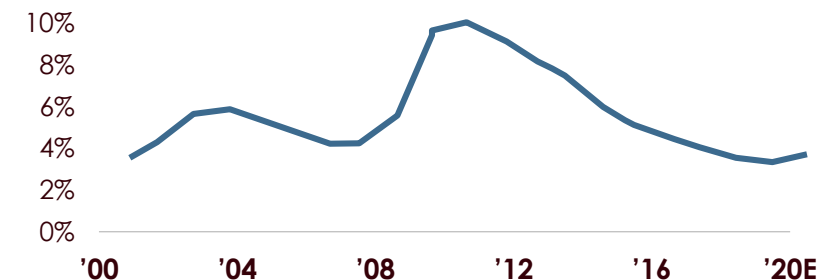
Despite Rising National Wages...

U.S. Minimum Wage (\$/hour)



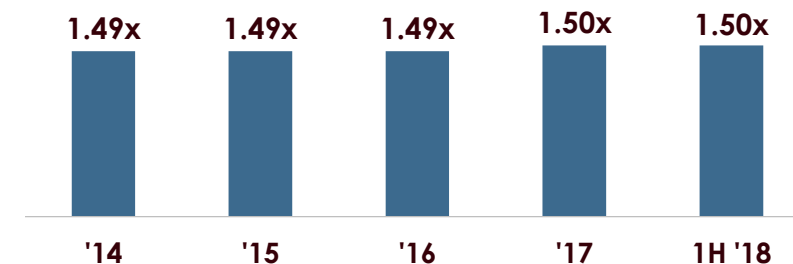
...And Across Varying Labor Market Environments...

U.S. Unemployment Rate



Stable Markup Rates

AU Mark-Up as Multiple of Pay Rate





Outlook and Key Initiatives

- Continued growth in US economy and demand for security services
- Tight labor market environment expected to persist
- Focus on commercial discipline and profitable growth
- Productivity improvements to offset wage inflation and hiring challenges
- Focus on maintaining best-in-class service

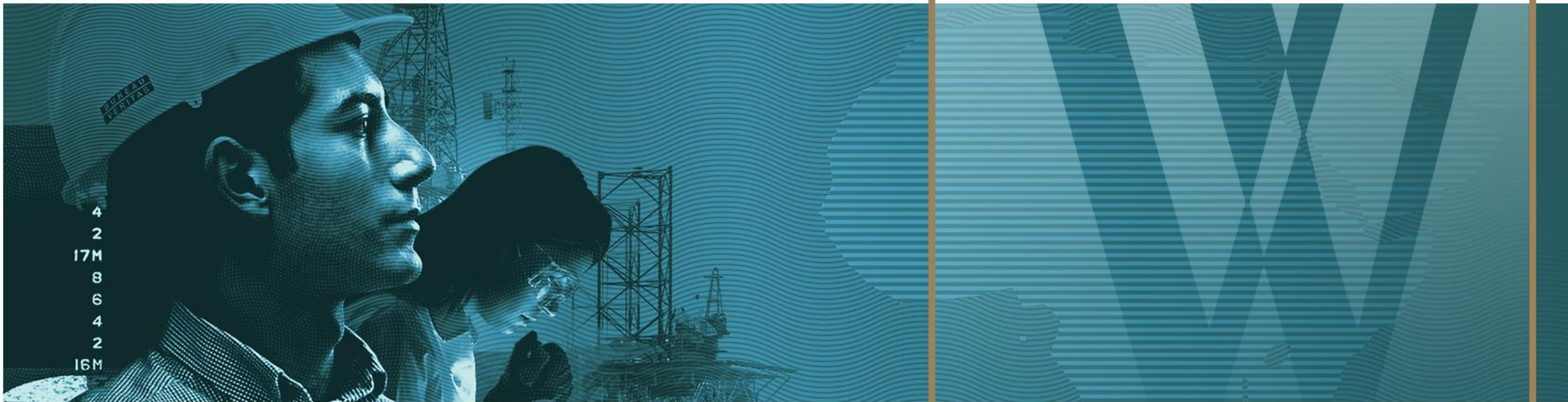


Integration of US Security



Expand technology solutions business and penetration of automation & intelligence tools

Appendix

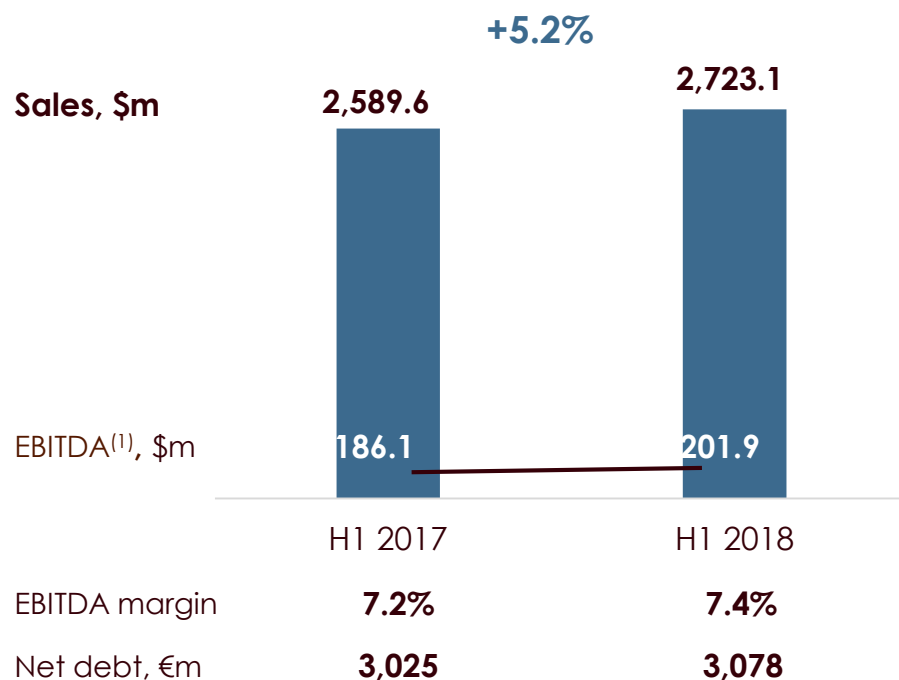


LONG-TERM INVESTOR



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Allied Universal – H1 2018 figures



Leverage per financing documentation: 6.8x

+5.2% total growth, due to a combination of acquisitions and organic growth

- Organic growth of +3.6%
- Acquisition in February 2018 of Covenant Security and full-year impact of 2017 acquisitions

EBITDA up +8.5% with growing margins

- Revenue growth
- Impact of synergy realization from merger and subsequent acquisitions
- Partially offset by higher wages needed to recruit and staff security professionals in increasingly tight labor market

Merger update: synergies realized with full year impact in 2018

- Near 100% of the \$100m synergy target has been implemented with full annual effect of synergies expected to benefit FY 2018 results

Acquisition of U.S. Security Associates

- Acquisition for approx. \$1 billion
- Pro forma for the transaction, Allied Universal will employ over 200,000 security professionals and generate combined pro forma revenues of approximately \$7 billion and EBITDA (as defined by the company's financing documentation) of approximately \$600 million after anticipated synergies
- Acquisition is expected to enhance AU's ability to serve customers of all sizes throughout North America