

ASSA ABLOY reports one-off costs in second quarter earnings

ASSA ABLOY reports one-off non-cash costs of SEK -6,000 M in the second quarter, related to its Chinese operations in the Asia Pacific Division. One-off costs of SEK -5,600 M are attributable to impairment of goodwill and other intangible assets, while SEK -400 M is related to write-downs of operating assets.

"The one-off costs reflect the continued challenging market conditions for new projects in China. In our updated China strategic review, we expect continued weak earnings in the short- and medium term in the Chinese market. The impairment of intangible assets in earlier Chinese acquisitions and write-downs of operating assets in some of our Chinese business units, reflect the continued challenging market conditions. However, we remain firmly committed to our Chinese operations, and believe in the long-term earnings potential of this market. We are currently launching new initiatives with a dedicated organization for our different market channels and different brands, focusing on new sales and replacement market" says Nico Delvaux, President and CEO of ASSA ABLOY.

In the second quarter of 2018, ASSA ABLOY Group's sales increased by 9% to SEK 21,140 M (19,387). Organic sales growth was 5% (2). Adjusted operating profit, EBIT, excluding the announced one-off costs, amounted to SEK 3,311 M (3,114) corresponding to an adjusted operating margin of 15.7% (16.1).

All numbers are preliminary and unaudited.

A conference call will be held at 9:00 am (CET), today Friday July 6. During the conference call, ASSA ABLOY's President and CEO Nico Delvaux and CFO Carolina Dybeck Happe will describe the situation and respond to questions related to this press release.

Dial-in numbers to the conference call: +44 203 364 5371 or +46 (0)8 505 564 76.

Listen to the reply of the conference call via ASSA ABLOY's website:
<https://www.assaabloy.com/en/com/investors/>

All other information related to the second quarter will be published in the quarterly report on 18 July.

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This information is information that ASSA ABLOY AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 08.15 CEST on 6 July 2018.

About ASSA ABLOY

ASSA ABLOY is the global leader in door opening solutions, dedicated to satisfying end-user needs for security, safety and convenience. Since its formation in 1994, ASSA ABLOY has grown from a regional company into an international group with about 47,500 employees, operations in more than 70 countries and sales of SEK 76 billion. In the fast-growing electromechanical security segment, the Group has a leading position in areas such as access control, identification technology, entrance automation and hotel security.