

# Quarterly Report

## Q1 2020

29 April 2020

ASSA ABLOY

Experience a safer and more open world

## Results impacted by Covid-19

### First quarter

- Net sales increased by 3% to SEK 22,173 M (21,505), with organic growth of -3% (5) and acquired net growth of 3% (3)
- Growth in Americas, stable sales levels in Global Technologies and Entrance Systems, but lower sales in Asia Pacific and EMEA
- Two acquisitions signed with expected combined annual sales of SEK 200 M
- Conditional clearance has been received from the EU Commission to acquire the 54% shareholding in agta record. Closing of the Acquisition is expected in the second half of 2020
- Operating income (EBIT) decreased by 15% and amounted to SEK 2,751 M (3,246), corresponding to an operating margin of 12.4% (15.1)
- Net income amounted to SEK 1,864 M (2,218)
- Earnings per share amounted to SEK 1.68 (2.00)
- Operating cash flow increased by 3% to SEK 1,206 M (1,171)
- The Board of Directors proposes a revised first dividend for 2019 of SEK 2.00 (3.50) per share.

Organic growth

-3%

Operating income

-15%

Earnings per share

-16%

### Sales and income

	Full year			First quarter		
	2018	2019	Δ	2019	2020	Δ
<b>Sales, SEK M</b>	<b>84,048</b>	<b>94,029</b>	<b>12%</b>	<b>21,505</b>	<b>22,173</b>	<b>3%</b>
Of which:						
Organic growth	3,901	2,652	3%	1,006	-759	-3%
Acquisitions and divestments	1,793	3,063	3%	689	648	3%
Exchange-rate effects	2,217	4,265	6%	1,260	780	3%
<b>Operating income (EBIT)<sup>1 2</sup>, SEK M</b>	<b>12,909</b>	<b>14,920</b>	<b>16%</b>	<b>3,246</b>	<b>2,751</b>	<b>-15%</b>
Operating margin (EBITA) <sup>1 2</sup> , %	15.8%	16.4%		15.6%	13.0%	
<b>Operating margin (EBIT)<sup>1 2</sup>, %</b>	<b>15.4%</b>	<b>15.9%</b>		<b>15.1%</b>	<b>12.4%</b>	
Income before tax <sup>1 2</sup> , SEK M	12,110	13,883	15%	2,997	2,519	-16%
Net income <sup>1 2</sup> , SEK M	8,984	10,243	14%	2,218	1,864	-16%
Operating cash flow, SEK M	11,357	14,442	27%	1,171	1,206	3%
<b>Earnings per share<sup>1 2</sup>, SEK</b>	<b>8.09</b>	<b>9.22</b>	<b>14%</b>	<b>2.00</b>	<b>1.68</b>	<b>-16%</b>

<sup>1</sup> Excluding costs for a new manufacturing footprint program launched in 2018, totaling SEK -1,530 M before tax, corresponding to SEK -1,208 M after tax.

<sup>2</sup> Excluding impairment of goodwill and other intangible assets in Q2 2018, totaling SEK -5,595 M before tax, corresponding to SEK -5,268 M after tax.

## Comments by the President and CEO

### Results impacted by Covid-19

The outbreak of Covid-19 led to a challenging beginning of 2020, which impacted most industries globally, including us. In the first quarter our organic sales growth was negative (-3%), but due to positive currency effects (3%) and net acquired growth (3%), total sales increased by 3%. Organic growth was positive in Americas (1%), stable in Global Technologies (0%) and Entrance Systems (0%), but decreased in EMEA (-4%) and in Asia Pacific (-34%) due to effects from Covid-19.

Operating income decreased by 15% to SEK 2,751 M and the operating margin was 12.4%. The operating leverage was significantly impacted by lower volumes, particularly in China and Europe, and by higher logistical and other operating costs. The result was further affected by earlier investments made to accelerate growth. Without Covid-19, operating income would have been in line with last year.

Operating cash flow was solid at SEK 1,206 M and cash conversion in the quarter was 48% (39). Our financial position is robust with an EBITDA/net debt of 2.0, down from 2.2 last year. We have access to multiple sources of financing, but as a precautionary measure, we more than tripled our liquidity level during March.

### This is a different crisis

The Covid-19 crisis started in February with a significant effect on our operations and demand in China, which then spread to the rest of Asia and in March rapidly affected demand in the rest of the world. Compared to previous downturns, this crisis is different because of the strict regulations and lockdowns imposed by governments in many markets, which caused the business activity to drop to close to zero almost overnight. This affected both new construction and the aftermarket, where social distancing made it harder for locksmiths and service technicians to visit customers.

### We are addressing the extraordinary situation

Our first priority has been the wellbeing of our employees and we have therefore introduced stringent health and safety measures in our operations.

We have also initiated a number of cost-saving measures such as reduced working hours, temporary and permanent layoffs, travel bans, reducing external services and delaying projects. These measures will not impact our excellent customer support and our ability to ramp our operations up or down, but they will lower our running costs in an important way. To ensure that we are positioned to accelerate growth after this crisis, we have decided to continue investments in product innovation and specialized sales.

### Outlook

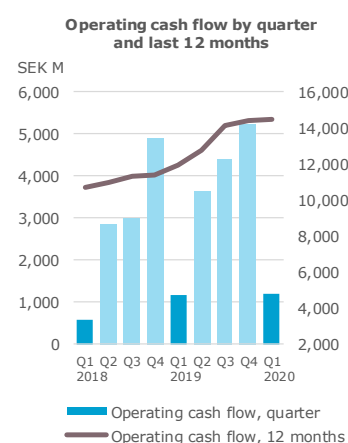
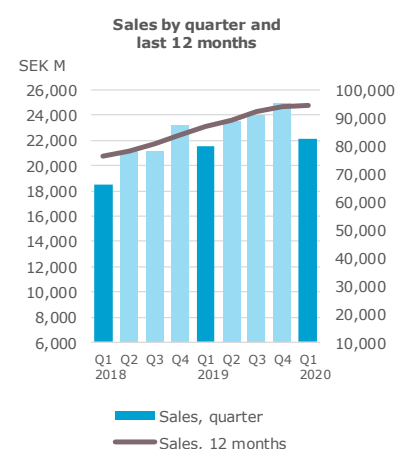
Assuming that the demand in our core markets will continue to be significantly affected by Covid-19, as experienced in many markets since February, we expect our sales and our operating margin in the coming months to be significantly lower than in the first quarter. However, when demand recovers and with our strong new-product pipeline, we are confident that we will have the ability to further strengthen our position as the global leader in access solutions.

In conclusion, I would like to thank you for your trust in ASSA ABLOY in these difficult and challenging times.

Stockholm, 29 April 2020



Nico Delvaux  
President and CEO



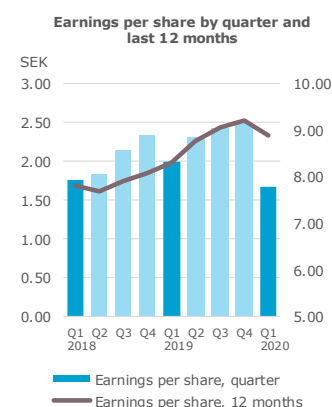
## First quarter

The Group's sales increased by 3% to SEK 22,173 M (21,505). Organic growth amounted to -3% (5). Growth from acquisitions and divestments was 3% (3), of which 3% (4) were acquisitions and 0% (-1) were divestments. Exchange-rates affected sales by 3% (8).

The Group's operating income (EBIT) amounted to SEK 2,751 M (3,246), a decrease of 15%. The corresponding operating margin was 12.4% (15.1). Exchange-rates had an impact of SEK 76 M (183) on EBIT. Operating income before amortizations from acquisitions (EBITA) amounted to SEK 2,884 M (3,352). The corresponding EBITA margin was 13.0% (15.6).

Net financial items amounted to SEK -232 M (-248). The Group's income before tax was SEK 2,519 M (2,997), a decrease of 16% compared with last year. Exchange-rates had an impact of SEK 69 M (169) on income before tax. The profit margin was 11.4% (13.9).

The estimated effective tax rate on an annual basis was 26% (26). Earnings per share amounted to SEK 1.68 (2.00), a decrease of 16% compared with last year. Operating cash flow totaled SEK 1,206 M (1,171), an increase of 3% compared with last year.



## Restructuring measures

Payments related to all restructuring programs amounted to SEK 83 M (161) in the quarter. The restructuring programs proceeded according to plan and led to a reduction in personnel of 350 people during the quarter and 17,079 people since the projects began in 2006. At the end of the quarter provisions of SEK 729 M remained in the balance sheet for carrying out the programs.

We are currently preparing for the next Manufacturing Footprint Program, (No.8) which is expected to be launched at year-end.

## Comments by division

### Opening Solutions EMEA

Sales for the quarter in EMEA totaled SEK 5,044 M (5,208), with organic growth of -4% (3). Growth was good in Scandinavia, and remained stable in Germany and Middle East/Africa. Sales declined in Finland, UK and Benelux and were down significantly in South Europe, France and East Europe. Acquired growth net was -1%. Operating income totaled SEK 607 M (841), which represents an operating margin (EBIT) of 12.0% (16.2). Return on capital employed amounted to 12.5% (17.9). Operating cash flow before interest paid totaled SEK 132 M (289).

### Opening Solutions Americas

Sales for the quarter in Americas totaled SEK 5,271 M (5,312), with organic growth of 1% (10). Sales growth was very strong for Architectural Hardware and strong for Electromechanical Solutions, the US Residential Group, Canada and Latin America. Sales growth was good for Security Doors but negative for Access & High Security and for US Smart Residential. Acquired growth net was -7%. Operating income totaled SEK 1,048 M (1,040), which represents an operating margin (EBIT) of 19.9% (19.6).

Return on capital employed amounted to 23.0% (21.5). Operating cash flow before interest paid totaled SEK 580 M (260).

## Opening Solutions Asia Pacific

Sales for the quarter in Asia Pacific totaled SEK 1,588 M (2,221), with organic growth of -34% (6). Sales development was negative in Pacific and significantly down in South Asia, China, India and South Korea. Acquired growth net was 4%. Operating income totaled SEK -152 M (115), which represents an operating margin (EBIT) of -9.6% (5.2). Return on capital employed amounted to -6.5% (5.5). Operating cash flow before interest paid totaled SEK -293 M (-122).

## Global Technologies

Sales for the quarter in Global Technologies totaled SEK 3,933 M (3,348), with organic growth of 0% (9). Sales growth was strong for Physical Access Control and good for Secure Issuance. Growth was stable for Global Solutions, negative for Extended Access, Identity & Access Solutions and Identification Technology and significantly down for Citizen ID. Acquired growth net was 13%. Operating income totaled SEK 563 M (598), which represents an operating margin (EBIT) of 14.3% (17.9). Return on capital employed amounted to 9.6% (12.2). Operating cash flow before interest paid totaled SEK 362 M (345).

## Entrance Systems

Sales for the quarter in Entrance Systems totaled SEK 6,727 M (5,922), with organic growth of 0% (3). Sales growth was very strong for Perimeter Security and stable for Pedestrian and Residential. Sales development was negative for Industrial. Acquired growth net was 9%. Operating income totaled SEK 821 M (779), which represents an operating margin (EBIT) of 12.2% (13.2). Return on capital employed amounted to 12.6% (14.1). Operating cash flow before interest paid totaled SEK 855 M (895).

## Acquisitions and divestments

A total of three acquisitions were consolidated during the quarter. The combined acquisition price for the businesses acquired during the year, including adjustments from prior year acquisitions, amounted to SEK 1,550 M. The acquisition price on a cash and debt free basis totaled SEK 1,632 M. Preliminary acquisition analyses indicate that goodwill and other intangible assets with indefinite useful life amounted to SEK 1,439 M. Estimated deferred considerations amounted to SEK 280 M.

As stated in an earlier press release, on February 28 ASSA ABLOY received phase 1 conditional clearance by the EU Commission to acquire the 54% shareholding in agta record from the shareholders of agta finance. Closing of the Acquisition is expected in the second half of 2020 after all remaining closing conditions and the EU Commission requirements have been fulfilled.

After the acquisition, ASSA ABLOY will own approximately 93% of the share capital and voting rights of agta record and will shortly thereafter launch a public tender offer for the remaining outstanding shares of agta record, listed on Euronext Paris, at a price of EUR 70 per agta record share, subject to the fairness opinion of the independent appraiser to be appointed by agta record and to the AMF's clearance decision.

On February 28, the acquisition of AM Group was completed.

On February 10 it was announced that ASSA ABLOY has acquired Biosite, a leading provider of biometric access-control solutions to the UK construction industry. The business has about 140 employees with its head office located in Solihull, UK. Sales for 2019 amounted to around SEK 175 M.

## Sustainable development

ASSA ABLOY's Sustainability Report for 2019 was published on 16 March 2020 and the report shows continued improvement across the majority of key indicators. The focus on Health & Safety has led to a 16% reduction in the injury rate during the year. The Group's energy intensity fell by 10% due to energy efficiency initiatives, while the water intensity fell by 8%. The Group's greenhouse gas emissions related to industrial processes fell by 55%, as a result of production technology improvements. The consumption of organic solvents fell by 6%.

The Group carried out 1,175 sustainability audits of direct material suppliers in low-cost countries during 2019. ASSA ABLOY had 325 Environmental Product Declarations verified and published by the end of 2019.

## Parent company

Other operating income for the Parent company ASSA ABLOY AB totaled SEK 790 M (373) for the first quarter of 2020. Operating income for the same period amounted to SEK -181 M (-467). Investments in tangible and intangible assets totaled SEK 6 M (6). Liquidity is good and the equity ratio is 41.2% (40.6).

## Dividend

The Board of Directors had earlier communicated its proposal of a dividend of SEK 3.85 per share for the financial year 2019. In light of the uncertainty in the market caused by the Covid-19 pandemic the Board has, as a precautionary measure, decided to revise its dividend proposal.

The Board proposes that a first dividend of SEK 2.00 per share should be voted on at the Annual General Meeting on April 29, 2020. It is the clear ambition of the Board to propose a second dividend of SEK 1.85 per share later in 2020 when the consequences of the Covid-19 pandemic can be better assessed and assuming that the financial position of the Group allows this. In this event the Board of Directors will convene an Extraordinary General Meeting.

## Accounting principles

ASSA ABLOY applies International Financial Reporting Standards (IFRS) as endorsed by the European Union. The same accounting and valuation principles as in the latest Annual Report have been applied. This Report was prepared in accordance with IAS 34 'Interim Financial Reporting' and the Annual Accounts Act. The Report for the Parent company was prepared in accordance with the Annual Accounts Act and RFR 2 'Reporting by a Legal Entity'.

ASSA ABLOY makes use of a number of financial performance measures that are not defined in the reporting rules that the company uses – so-called 'alternative performance measures'. For definitions of financial performance measures, refer to Page 17 of this Report and to the company's latest Annual Report. To check how the financial measurements have been calculated for current and earlier periods, refer to the tabulated figures in this Quarterly Report and to the company's Annual Report. The Annual Reports for the years 1994 to 2019 appear on the company's website [www.assaabloy.com](http://www.assaabloy.com).

Totals quoted in tables and statements may not always be the exact sum of the individual items because of rounding differences. The aim is that each line item should correspond to its source, and rounding differences may therefore arise.

## Transactions with related parties

No transactions that significantly affected the company's position and income have taken place between ASSA ABLOY and related parties.

## Risks and uncertainty factors

As an international Group with a wide geographic spread, ASSA ABLOY is exposed to a number of business, financial and tax-related risks. The business risks can be divided into strategic, operational and legal risks. The financial risks are related to such factors as exchange rates, interest rates, liquidity, the giving of credit, raw materials and financial instruments. Risk management in ASSA ABLOY aims to identify, control and reduce risks. This work begins with an assessment of the probability of risks occurring and their potential effect on the Group. For a more detailed description of particular risks and risk management, see the 2019 Annual Report.

## Review

The Company's Auditors have not carried out any review of this Report for the first quarter of 2020.

## M&A and FX guidance

The below guidance relating to two key figures is provided to facilitate financial modelling but shall not be viewed as market outlooks or business performance forecasts

### **Acquisitions and divestments**

It is estimated that completed acquisitions and divestments, on a rolling 12-month basis as per 31 March 2020, will have an effect of 2% on sales in the second quarter of 2020 versus the same period last year, while the effect on the operating margin is estimated to be dilutive in the second quarter of 2020.

### **Exchange-rate effects**

On the basis of the currency rates on 31 March 2020, it is estimated that the weighted currency effects on sales in the second quarter of 2020 versus the same period last year will be 3%, while the effect on the operating margin is estimated to be slightly negative in the second quarter of 2020.

Stockholm, 29 April 2020



Nico Delvaux  
President and CEO

## Financial information

The Quarterly Report for the second quarter of 2020 will be published on 17 July 2020.

The Quarterly Report for the third quarter of 2020 will be published on 21 October 2020.

## Further information can be obtained from:

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ASSA ABLOY is holding a **telephone and web conference at 09.30  
on 29 April 2020**

which can be followed on the Internet at [www.assaabloy.com](http://www.assaabloy.com).

It is possible to submit questions by telephone on:  
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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 08.00 CET on 29 April 2020.*

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No.09/2020



## Financial information – Group

CONDENSED INCOME STATEMENT	Year		Q1	
	2019	2019	2020	2020
<b>SEK M</b>				
Sales	94,029	21,505	22,173	
Cost of goods sold	-56,499	-12,909	-13,200	
<b>Gross income</b>	<b>37,530</b>	<b>8,596</b>	<b>8,973</b>	
Selling, administrative and R&D costs	-23,069	-5,388	-6,266	
Share of earnings in associates	147	38	44	
<b>Operating income</b>	<b>14,608</b>	<b>3,246</b>	<b>2,751</b>	
Finance net	-1,037	-248	-232	
<b>Income before tax</b>	<b>13,571</b>	<b>2,997</b>	<b>2,519</b>	
Tax on income	-3,574	-779	-655	
<b>Net income for the period</b>	<b>9,997</b>	<b>2,218</b>	<b>1,864</b>	
<b>Net income for the period attributable to:</b>				
Parent company's shareholders	9,993	2,219	1,864	
Non-controlling interests	4	-1	1	
<b>Earnings per share</b>				
Before and after dilution, SEK	9.00	2.00	1.68	
Before and after dilution and excluding items affecting comparability, SEK	9.22	2.00	1.68	
<b>CONDENSED STATEMENT OF COMPREHENSIVE INCOME</b>				
<b>SEK M</b>				
<b>Net income for the period</b>	<b>9,997</b>	<b>2,218</b>	<b>1,864</b>	
<b>Other comprehensive income:</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Actuarial gain/loss on post-employment benefit obligations, net after tax	-281	-121	-102	
<b>Total</b>	<b>-281</b>	<b>-121</b>	<b>-102</b>	
<b>Items that may be reclassified subsequently to profit or loss</b>				
Share of other comprehensive income of associates	86	32	119	
Cashflow hedges and net investment hedges, net after tax	-10	-20	-25	
Exchange rate differences	1,556	1,361	2,056	
<b>Total</b>	<b>1,632</b>	<b>1,373</b>	<b>2,150</b>	
<b>Total comprehensive income for the period</b>	<b>11,348</b>	<b>3,471</b>	<b>3,912</b>	
<b>Total comprehensive income for the period attributable to:</b>				
Parent company's shareholders	11,343	3,470	3,910	
Non-controlling interests	5	0	2	

## Financial information – Group

CONDENSED BALANCE SHEET SEK M	31 Dec	31 Mar	
	2019	2019	2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	70,355	67,312	74,791
Property, plant and equipment	8,498	8,330	8,972
Right-of-use assets	3,731	3,805	3,909
Investments in associates	2,595	2,510	2,772
Other financial assets	104	91	112
Deferred tax assets	1,205	1,402	1,277
<b>Total non-current assets</b>	<b>86,487</b>	<b>83,450</b>	<b>91,832</b>
<b>Current assets</b>			
Inventories	11,276	12,304	12,170
Trade receivables	15,701	15,103	16,055
Other current receivables and investments	4,144	3,930	5,554
Cash and cash equivalents	442	414	1,676
<b>Total current assets</b>	<b>31,563</b>	<b>31,751</b>	<b>35,455</b>
<b>TOTAL ASSETS</b>	<b>118,050</b>	<b>115,201</b>	<b>127,287</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity attributable to Parent company's shareholders	59,143	55,117	63,044
Non-controlling interests	11	10	13
<b>Total equity</b>	<b>59,154</b>	<b>55,127</b>	<b>63,057</b>
<b>Non-current liabilities</b>			
Long-term loans	21,100	20,349	24,813
Non-current lease liabilities	2,588	2,831	2,749
Deferred tax liabilities	2,368	1,861	2,557
Other non-current liabilities and provisions	5,071	5,041	5,182
<b>Total non-current liabilities</b>	<b>31,127</b>	<b>30,081</b>	<b>35,301</b>
<b>Current liabilities</b>			
Short-term loans	5,460	8,409	6,245
Current lease liabilities	1,151	945	1,176
Trade payables	7,908	7,375	7,451
Other current liabilities and provisions	13,250	13,264	14,056
<b>Total current liabilities</b>	<b>27,769</b>	<b>29,993</b>	<b>28,929</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>118,050</b>	<b>115,201</b>	<b>127,287</b>
<b>CHANGES IN EQUITY</b>			
	Equity attributable to:		
	Parent	Non-	Total
	company's	controlling	equity
	shareholders	interests	
<b>SEK M</b>			
<b>Opening balance 1 January 2019 according to adopted Annual Report</b>	<b>51,890</b>	<b>10</b>	<b>51,900</b>
Change in accounting policies	-234	-	-234
<b>New opening balance 1 January 2019</b>	<b>51,656</b>	<b>10</b>	<b>51,666</b>
Net income for the period	2,219	-1	2,218
Other comprehensive income	1,251	1	1,252
<b>Total comprehensive income</b>	<b>3,470</b>	<b>0</b>	<b>3,471</b>
Stock purchase plans	-9	-	-9
<b>Total transactions with shareholders</b>	<b>-9</b>	<b>-</b>	<b>-9</b>
<b>Closing balance 31 March 2019</b>	<b>55,117</b>	<b>10</b>	<b>55,127</b>
<b>Opening balance 1 January 2020</b>	<b>59,143</b>	<b>11</b>	<b>59,154</b>
Net income for the period	1,864	1	1,864
Other comprehensive income	2,047	1	2,048
<b>Total comprehensive income</b>	<b>3,910</b>	<b>2</b>	<b>3,912</b>
Stock purchase plans	-10	-	-10
<b>Total transactions with shareholders</b>	<b>-10</b>	<b>-</b>	<b>-10</b>
<b>Closing balance 31 March 2020</b>	<b>63,044</b>	<b>13</b>	<b>63,057</b>

## Financial information – Group

CONDENSED STATEMENT OF CASH FLOWS SEK M	Year	Q1	
	2019	2019	2020
<b>OPERATING ACTIVITIES</b>			
Operating income	14,608	3,246	2,751
Depreciation and amortization	3,387	788	925
Reversal of restructuring costs	312	-	-
Restructuring payments	-726	-161	-83
Other non-cash items	-324	-53	4
<b>Cash flow before interest and tax</b>	<b>17,257</b>	<b>3,819</b>	<b>3,598</b>
Interest paid and received	-869	-179	-172
Tax paid on income	-3,872	-703	-878
<b>Cash flow before changes in working capital</b>	<b>12,516</b>	<b>2,937</b>	<b>2,547</b>
Changes in working capital	148	-2,048	-1,485
<b>Cash flow from operating activities</b>	<b>12,665</b>	<b>889</b>	<b>1,062</b>
<b>INVESTING ACTIVITIES</b>			
Net investments in intangible assets and property, plant and equipment	-1,662	-321	-491
Investments in subsidiaries	-3,903	-1,227	-1,471
Divestments of subsidiaries	84	14	-
Investments in and disposals of associates	16	0	-
Other investments and disposals	0	0	0
<b>Cash flow from investing activities</b>	<b>-5,464</b>	<b>-1,533</b>	<b>-1,961</b>
<b>FINANCING ACTIVITIES</b>			
Dividends	-3,888	-	-
Acquisition of non-controlling interests	-19	-	-
Amortization of lease liabilities	-1,159	-262	-326
Net cash effect of changes in borrowings	-2,235	777	2,455
<b>Cash flow from financing activities</b>	<b>-7,301</b>	<b>516</b>	<b>2,129</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>-100</b>	<b>-129</b>	<b>1,230</b>
<b>CASH AND CASH EQUIVALENTS</b>			
<b>Cash and cash equivalents at beginning of period</b>	<b>538</b>	<b>538</b>	<b>442</b>
Cash flow for the period	-100	-129	1,230
Effect of exchange rate differences	4	5	5
<b>Cash and cash equivalents at end of period</b>	<b>442</b>	<b>414</b>	<b>1,676</b>
<b>KEY RATIOS</b>			
	Year	Q1	
	2019	2019	2020
Return on capital employed, %	16.6	14.9	11.4
Return on capital employed excluding items affecting comparability, %	17.0	14.9	11.4
Return on shareholders' equity, %	18.0	16.6	12.2
Equity ratio, %	50.1	47.9	49.5
Interest coverage ratio, times	14.9	13.9	12.4
Total number of shares, thousands	1,112,576	1,112,576	1,112,576
Number of shares outstanding, thousands	1,110,776	1,110,776	1,110,776
Weighted average number of outstanding shares before and after dilution, thousands	1,110,776	1,110,776	1,110,776
Average number of employees	48,992	48,941	48,801

## Financial information – Parent company

### CONDENSED INCOME STATEMENT

	Year	Q1	
SEK M	2019	2019	2020
Operating income	1,523	-467	-181
Income before appropriations and tax	4,962	137	83
Net income for the period	5,134	272	198

### CONDENSED BALANCE SHEET

	31 Dec	31 Mar	
SEK M	2019	2019	2020
Non-current assets	39,443	40,099	39,912
Current assets	19,722	18,731	20,980
<b>Total assets</b>	<b>59,165</b>	<b>58,830</b>	<b>60,892</b>
Equity	24,883	23,873	25,071
Untaxed reserves	911	678	911
Non-current liabilities	16,877	14,531	17,460
Current liabilities	16,494	19,748	17,449
<b>Total equity and liabilities</b>	<b>59,165</b>	<b>58,830</b>	<b>60,892</b>

## Quarterly information – Group

<b>THE GROUP IN SUMMARY</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Year</b>	<b>Q1</b>	<b>Last 12</b>
<b>SEK M</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2020</b>	<b>months</b>
Sales	21,505	23,544	24,034	24,946	94,029	22,173	94,697
Organic growth	5%	3%	4%	1%	3%	-3%	
<b>Gross income excluding items affecting comparability</b>	<b>8,596</b>	<b>9,500</b>	<b>9,625</b>	<b>9,979</b>	<b>37,700</b>	<b>8,973</b>	<b>38,078</b>
Gross margin excluding items affecting comparability	40.0%	40.4%	40.0%	40.0%	40.1%	40.5%	40.2%
<b>Operating income before depr. &amp; amort. (EBITDA) excluding items affecting comparability</b>	<b>4,034</b>	<b>4,568</b>	<b>4,736</b>	<b>4,969</b>	<b>18,307</b>	<b>3,676</b>	<b>17,949</b>
Operating margin (EBITDA)	18.8%	19.4%	19.7%	19.9%	19.5%	16.6%	19.0%
Depreciation and amortization excl. amortization attributable to business combinations	-682	-716	-726	-781	-2,905	-792	-3,015
<b>Operating income before amortization (EBITA) excluding items affecting comparability</b>	<b>3,352</b>	<b>3,852</b>	<b>4,010</b>	<b>4,188</b>	<b>15,402</b>	<b>2,884</b>	<b>14,934</b>
Operating margin (EBITA)	15.6%	16.4%	16.7%	16.8%	16.4%	13.0%	15.8%
Amortization attributable to business combinations	-106	-120	-115	-141	-482	-133	-509
<b>Operating income (EBIT) excluding items affecting comparability</b>	<b>3,246</b>	<b>3,733</b>	<b>3,894</b>	<b>4,047</b>	<b>14,920</b>	<b>2,751</b>	<b>14,426</b>
Operating margin (EBIT)	15.1%	15.9%	16.2%	16.2%	15.9%	12.4%	15.2%
Items affecting comparability <sup>1)</sup>	-	-	-	-312	-312	-	-312
<b>Operating income (EBIT)</b>	<b>3,246</b>	<b>3,733</b>	<b>3,894</b>	<b>3,735</b>	<b>14,608</b>	<b>2,751</b>	<b>14,114</b>
Operating margin (EBIT)	15.1%	15.9%	16.2%	15.0%	15.5%	12.4%	14.9%
Net financial items	-248	-271	-250	-268	-1,037	-232	-1,021
<b>Income before tax (EBT)</b>	<b>2,997</b>	<b>3,462</b>	<b>3,645</b>	<b>3,467</b>	<b>13,571</b>	<b>2,519</b>	<b>13,093</b>
Profit margin (EBT)	13.9%	14.7%	15.2%	13.9%	14.4%	11.4%	13.8%
Tax on income	-779	-900	-948	-947	-3,574	-655	-3,449
<b>Net income for the period</b>	<b>2,218</b>	<b>2,562</b>	<b>2,697</b>	<b>2,520</b>	<b>9,997</b>	<b>1,864</b>	<b>9,643</b>
<b>Net income attributable to:</b>							
Parent company's shareholders	2,219	2,561	2,696	2,517	9,993	1,864	9,638
Non-controlling interests	-1	0	1	3	4	1	6
<b>OPERATING CASH FLOW</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Year</b>	<b>Q1</b>	<b>Last 12</b>
<b>SEK M</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2020</b>	<b>months</b>
Operating income (EBIT)	3,246	3,733	3,894	3,735	14,608	2,751	14,114
Restructuring costs	-	-	-	312	312	-	312
Depreciation and amortization	788	835	842	922	3,387	925	3,523
Net capital expenditure	-321	-406	-410	-525	-1,662	-491	-1,832
Change in working capital	-2,048	242	591	1,364	148	-1,485	712
Interest paid and received	-179	-277	-179	-233	-869	-172	-862
Repayment of lease liabilities	-262	-281	-300	-316	-1,159	-326	-1,223
Non-cash items	-53	-210	-37	-24	-324	4	-267
<b>Operating cash flow</b>	<b>1,171</b>	<b>3,636</b>	<b>4,401</b>	<b>5,235</b>	<b>14,442</b>	<b>1,206</b>	<b>14,478</b>
Operating Cash flow/Income before tax excluding items affecting comparability	0.39	1.05	1.21	1.39	1.04	0.48	1.08
<b>CHANGE IN NET DEBT</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Year</b>	<b>Q1</b>	
<b>SEK M</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2020</b>	
Net debt at beginning of period	29,246	35,100	37,620	36,843	29,246	33,050	
Impact from transition to IFRS 16	3,711	-	-	-	3,711	-	
Operating cash flow	-1,171	-3,636	-4,401	-5,235	-14,442	-1,206	
Restructuring payments	161	123	181	261	726	83	
Tax paid on income	703	942	577	1,651	3,872	878	
Acquisitions and divestments	1,357	964	1,425	1,018	4,764	1,584	
Dividend	-	3,888	-	-	3,888	-	
Actuarial gain/loss on post-employment benefit obligations	179	210	289	-316	362	139	
Change to lease liabilities	-127	-111	-51	47	-242	-1	
Exchange rate differences, etc.	1,039	140	1,203	-1,218	1,165	1,845	
<b>Net debt at end of period</b>	<b>35,100</b>	<b>37,620</b>	<b>36,843</b>	<b>33,050</b>	<b>33,050</b>	<b>36,371</b>	
Net debt/Equity	0.64	0.70	0.64	0.56	0.56	0.58	
<b>NET DEBT</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Year</b>	<b>Q1</b>	
<b>SEK M</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2020</b>	
Interest-bearing assets	-168	-144	-113	-100	-	-108	
Cash and cash equivalents	-414	-355	-459	-442	-	-1,676	
Derivative financial instruments, net	43	-127	8	-53	-	-469	
Pension provisions	3,105	3,324	3,717	3,346	-	3,642	
Lease liabilities	3,776	3,694	3,746	3,739	-	3,924	
Interest-bearing liabilities	28,758	31,228	29,944	26,560	-	31,059	
<b>Total</b>	<b>35,100</b>	<b>37,620</b>	<b>36,843</b>	<b>33,050</b>	<b>33,050</b>	<b>36,371</b>	
<b>CAPITAL EMPLOYED AND FINANCING</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Year</b>	<b>Q1</b>	
<b>SEK M</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2020</b>	
Capital employed	90,227	91,334	94,796	92,204	-	99,428	
- of which goodwill	55,731	56,179	59,134	57,662	-	61,573	
- of which other intangible assets and property, plant and equipment	19,911	20,386	21,296	21,191	-	22,189	
- of which right-of-use assets	3,805	3,705	3,746	3,731	-	3,909	
- of which investments in associates	2,510	2,534	2,643	2,595	-	2,772	
Net debt	35,100	37,620	36,843	33,050	-	36,371	
Non-controlling interests	10	6	8	11	-	13	
Equity attributable to the Parent company's shareholders	55,117	53,708	57,946	59,143	-	63,044	
<b>DATA PER SHARE</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Year</b>	<b>Q1</b>	
<b>SEK</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2020</b>	
Earnings per share before and after dilution	2.00	2.31	2.43	2.27	9.00	1.68	
Earnings per share before and after dilution and excluding items affecting comparability	2.00	2.31	2.43	2.49	9.22	1.68	
Shareholders' equity per share after dilution	49.62	48.35	52.17	53.25	53.25	56.76	

<sup>1)</sup> Items affecting comparability consist of restructuring costs.

## Reporting by division

## Q1 and 31 Mar

SEK M	EMEA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Sales, external	5,123	4,928	5,294	5,249	1,873	1,394	3,324	3,903	5,891	6,699	-	-	21,505	22,173
Sales, internal	85	116	18	22	347	194	25	30	31	28	-507	-390	-	-
<b>Sales</b>	<b>5,208</b>	<b>5,044</b>	<b>5,312</b>	<b>5,271</b>	<b>2,221</b>	<b>1,588</b>	<b>3,348</b>	<b>3,933</b>	<b>5,922</b>	<b>6,727</b>	<b>-507</b>	<b>-390</b>	<b>21,505</b>	<b>22,173</b>
Organic growth	3%	-4%	10%	1%	6%	-34%	9%	0%	3%	0%	-	-	5%	-3%
Acquisitions and divestments	3%	-1%	1%	-7%	2%	4%	15%	13%	1%	9%	-	-	3%	3%
Exchange-rate effects	3%	2%	11%	5%	5%	2%	11%	4%	7%	5%	-	-	8%	3%
Share of earnings in associates	-	-	-	-	5	5	-	-	33	39	-	-	38	44
<b>Operating income (EBIT)</b>	<b>841</b>	<b>607</b>	<b>1,040</b>	<b>1,048</b>	<b>115</b>	<b>-152</b>	<b>598</b>	<b>563</b>	<b>779</b>	<b>821</b>	<b>-128</b>	<b>-136</b>	<b>3,246</b>	<b>2,751</b>
Operating margin (EBIT)	16.2%	12.0%	19.6%	19.9%	5.2%	-9.6%	17.9%	14.3%	13.2%	12.2%	-	-	15.1%	12.4%
Capital employed	19,009	19,696	19,971	16,455	8,789	9,510	20,396	24,185	22,376	29,325	-314	257	90,227	99,428
- of which goodwill	11,046	11,551	13,778	12,424	4,332	4,272	14,173	16,597	12,403	16,730	-	-	55,731	61,573
- of which other intangible assets and property, plant and equipment	4,037	4,198	3,917	3,394	2,511	2,589	4,910	5,961	4,389	5,980	147	66	19,911	22,189
- of which right-of-use assets	1,103	999	486	451	310	248	371	537	1,505	1,658	28	16	3,805	3,909
- of which investments in associates	9	1	-	-	609	657	19	24	1,872	2,090	-	-	2,510	2,772
Return on capital employed excluding items affecting comparability	17.9%	12.5%	21.5%	23.0%	5.5%	-6.5%	12.2%	9.6%	14.1%	12.6%	-	-	14.9%	11.4%
Operating income (EBIT)	841	607	1,040	1,048	115	-152	598	563	779	821	-128	-136	3,246	2,751
Depreciation and amortization	192	229	133	125	92	92	176	225	186	248	9	7	788	925
Net capital expenditure	-119	-115	-73	-119	-43	-42	-67	-125	-16	-88	-2	-2	-321	-491
Amortization of lease liabilities	-70	-83	-32	-33	-24	-28	-30	-37	-108	-141	2	-3	-262	-326
Change in working capital	-556	-506	-808	-440	-263	-162	-332	-263	54	14	-145	-127	-2,048	-1,485
<b>Operating cash flow by division</b>	<b>289</b>	<b>132</b>	<b>260</b>	<b>580</b>	<b>-122</b>	<b>-293</b>	<b>345</b>	<b>362</b>	<b>895</b>	<b>855</b>	<b>-263</b>	<b>-262</b>	<b>1,403</b>	<b>1,374</b>
Non-cash items											-53	4	-53	4
Interest paid and received											-179	-172	-179	-172
<b>Operating cash flow</b>													<b>1,171</b>	<b>1,206</b>
Average number of employees	11,621	11,144	9,053	8,908	11,152	10,002	5,201	6,406	11,603	11,990	311	350	48,941	48,801

## Reporting by division

Q1-Q4 and 31 Dec

SEK M	EMEA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
Sales, external	19,908	20,707	19,737	23,082	8,875	9,477	11,864	15,321	23,665	25,442	0	-	84,048	94,029
Sales, internal	293	438	79	90	1,074	1,213	87	102	97	110	-1,631	-1,953	-	-
<b>Sales</b>	<b>20,201</b>	<b>21,144</b>	<b>19,817</b>	<b>23,172</b>	<b>9,949</b>	<b>10,689</b>	<b>11,951</b>	<b>15,423</b>	<b>23,762</b>	<b>25,553</b>	<b>-1,630</b>	<b>-1,953</b>	<b>84,048</b>	<b>94,029</b>
Organic growth	2%	2%	9%	7%	4%	-1%	8%	5%	4%	2%	-	-	5%	3%
Acquisitions and disposals	5%	0%	1%	2%	1%	5%	4%	16%	1%	1%	-	-	2%	3%
Exchange-rate effects	5%	3%	0%	8%	3%	3%	3%	8%	4%	5%	-	-	3%	6%
Share of earnings in associates	-	-	-	-	17	17	3	5	147	124	-	-	167	147
<b>Operating income (EBIT) excl. items affecting comparability</b>	<b>3,256</b>	<b>3,396</b>	<b>3,941</b>	<b>4,673</b>	<b>492</b>	<b>879</b>	<b>2,387</b>	<b>2,890</b>	<b>3,358</b>	<b>3,652</b>	<b>-525</b>	<b>-570</b>	<b>12,909</b>	<b>14,920</b>
Operating margin (EBIT) excl. items affecting comparability <sup>1)</sup>	16.1%	16.1%	19.9%	20.2%	4.9%	8.2%	20.0%	18.7%	14.1%	14.3%	-	-	15.4%	15.9%
Restructuring costs	-438	-185	-225	-	-130	-6	-218	-4	-108	-116	-100	-	-1,218	-312
Impairment of goodwill etc	-	-	-	-	-5,595	-	-	-	-	-	-	-	-5,595	-
<b>Operating income (EBIT)</b>	<b>2,818</b>	<b>3,211</b>	<b>3,716</b>	<b>4,673</b>	<b>-5,233</b>	<b>873</b>	<b>2,170</b>	<b>2,885</b>	<b>3,250</b>	<b>3,535</b>	<b>-625</b>	<b>-570</b>	<b>6,096</b>	<b>14,608</b>
Operating margin (EBIT)	13.9%	15.2%	18.8%	20.2%	-52.6%	8.2%	18.2%	18.7%	13.7%	13.8%	-	-	7.3%	15.5%
Capital employed	16,883	18,659	18,506	19,678	7,455	9,053	18,511	22,329	20,742	23,024	-951	-539	81,146	92,204
- of which goodwill	10,709	11,121	13,327	14,105	3,892	4,168	13,245	15,459	12,240	12,809	-	-	53,413	57,662
- of which other intangible assets and property, plant and equipment	3,971	4,092	3,813	4,423	2,340	2,469	4,866	5,632	4,378	4,451	151	124	19,518	21,191
- of which right-of-use assets	70	990	-	499	5	260	-	463	44	1,499	-	19	119	3,731
- of which investments in associates	9	1	-	-	587	637	19	23	1,819	1,935	-	-	2,434	2,595
Return on capital employed excluding items affecting comparability	20.1%	18.4%	22.5%	23.6%	4.8%	10.3%	14.0%	14.0%	16.9%	16.2%	-	-	16.2%	17.0%
Operating income (EBIT)	2,818	3,211	3,716	4,673	-5,233	873	2,170	2,885	3,250	3,535	-625	-570	6,096	14,608
Restructuring costs	438	185	225	-	130	6	218	4	108	116	100	-	1,218	312
Impairment of intangible assets	-	-	-	-	5,595	-	-	-	-	-	-	-	5,595	-
Depreciation and amortization	464	813	367	569	292	381	522	793	294	794	24	36	1,963	3,387
Net capital expenditure	-500	-454	-327	-348	-6	-220	-281	-366	-170	-276	-36	3	-1,319	-1,662
Amortization of lease liabilities	-	-295	-	-149	-	-100	-	-129	-	-477	-	-9	-	-1,159
Change in working capital	-401	53	-78	517	33	-319	-165	-5	-709	-38	244	-61	-1,076	148
<b>Operating cash flow by division</b>	<b>2,819</b>	<b>3,515</b>	<b>3,903</b>	<b>5,263</b>	<b>811</b>	<b>622</b>	<b>2,463</b>	<b>3,183</b>	<b>2,772</b>	<b>3,655</b>	<b>-293</b>	<b>-602</b>	<b>12,477</b>	<b>15,635</b>
Non-cash items	-	-	-	-	-	-	-	-	-	-	-458	-324	-458	-324
Interest paid and received	-	-	-	-	-	-	-	-	-	-	-662	-869	-662	-869
<b>Operating cash flow</b>	-	-	-	-	-	-	-	-	-	-	-	-	<b>11,357</b>	<b>14,442</b>
Average number of employees	11,717	11,373	8,768	9,360	11,492	11,016	4,624	5,594	11,463	11,313	288	336	48,353	48,992

<sup>1)</sup> Items affecting comparability consist of impairment of goodwill and other intangible assets in 2018.

## Financial information - Notes

### NOTE 1 DISAGGREGATION OF REVENUE

#### Sales by continent Q1

SEK M	EMEA		Opening Solutions Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Europe	4,571	4,478	10	11	150	102	908	1,055	2,893	2,851	-196	-161	8,337	8,336
North America	141	119	4,883	4,860	294	183	1,685	1,944	2,605	3,463	-240	-140	9,369	10,430
Central- and South America	19	18	377	373	10	14	87	118	17	15	-7	-13	503	525
Africa	192	168	6	3	1	4	94	112	12	15	-2	-6	304	297
Asia	249	231	35	22	1,290	732	497	528	289	224	-34	-40	2,326	1,697
Oceania	35	30	1	2	476	553	77	176	105	158	-28	-31	666	888
<b>Total</b>	<b>5,208</b>	<b>5,044</b>	<b>5,312</b>	<b>5,271</b>	<b>2,221</b>	<b>1,588</b>	<b>3,348</b>	<b>3,933</b>	<b>5,922</b>	<b>6,727</b>	<b>-507</b>	<b>-390</b>	<b>21,505</b>	<b>22,173</b>

#### Sales by product group Q1

SEK M	EMEA		Opening Solutions Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Mechanical locks, lock systems and fittings	2,585	2,437	2,020	2,208	1,121	893	2	85	2	2	-177	-164	5,553	5,461
Electromechanical and electronic locks	1,678	1,661	1,280	1,302	573	262	3,330	3,782	209	205	-275	-174	6,796	7,038
Security doors and hardware	861	821	1,997	1,753	522	421	16	67	-	576	-21	-21	3,375	3,617
Entrance automation	84	126	15	8	4	12	-	-	5,711	5,944	-33	-32	5,781	6,058
<b>Total</b>	<b>5,208</b>	<b>5,044</b>	<b>5,312</b>	<b>5,271</b>	<b>2,221</b>	<b>1,588</b>	<b>3,348</b>	<b>3,933</b>	<b>5,922</b>	<b>6,727</b>	<b>-507</b>	<b>-390</b>	<b>21,505</b>	<b>22,173</b>

### NOTE 2 BUSINESS COMBINATIONS

SEK M	Year		Q1	
	2020	2019	2019	2020
<b>Purchase prices</b>				
Cash paid for acquisitions during the year		3,564	908	1,280
Holdbacks and deferred considerations for acquisitions during the year		255	9	274
Adjustment of purchase prices for acquisitions in prior years		-7	-	-4
<b>Total</b>		<b>3,813</b>	<b>917</b>	<b>1,550</b>
<b>Acquired assets and liabilities at fair value</b>				
Intangible assets		1,296	0	87
Property, plant and equipment and right-of-use assets		417	105	125
Other non-current assets		95	1	1
Inventories		208	76	78
Current receivables and investments		681	141	103
Cash and cash equivalents		120	-14	32
Non-current liabilities		-503	-149	-112
Current liabilities		-1,186	-116	-201
<b>Total</b>		<b>1,128</b>	<b>46</b>	<b>112</b>
<b>Goodwill</b>		<b>2,685</b>	<b>872</b>	<b>1,439</b>
<b>Change in cash and cash equivalents due to acquisitions</b>				
Cash paid for acquisitions during the year		3,564	908	1,280
Cash and cash equivalents in acquired subsidiaries		-120	14	-32
Paid considerations for acquisitions in prior years		459	304	223
<b>Total</b>		<b>3,903</b>	<b>1,227</b>	<b>1,471</b>

Fair value adjustments of acquired net assets from acquisitions made in previous periods are included in the above table.

### NOTE 3 FAIR VALUE AND CARRYING AMOUNT ON FINANCIAL ASSETS AND LIABILITIES

#### 31 March 2020

SEK M	Carrying amount	Fair value	Financial instruments at fair value		
			Level 1	Level 2	Level 3
<b>Financial assets</b>					
Financial assets at amortized cost	17,895	17,895			
Financial assets at fair value through profit and loss	6	6			
Derivatives - hedge accounting	250	250		250	
Derivatives - held for trading	566	566		566	
<b>Financial liabilities</b>					
Financial liabilities at amortized cost	38,510	39,105			
Financial liabilities at fair value through profit and loss	1,464	1,464			1,464
Lease liabilities	3,924	3,924			
Derivatives - hedge accounting	0	0		0	
Derivatives - held for trading	347	347		347	

#### 31 December 2019

SEK M	Carrying amount	Fair value	Financial instruments at fair value		
			Level 1	Level 2	Level 3
<b>Financial assets</b>					
Loans and other receivables	16,296	16,296			
Financial assets at fair value through profit and loss	6	6			
Available-for-sale financial assets	94	94		94	
Derivative instruments - hedge accounting	108	108		108	
<b>Financial liabilities</b>					
Financial liabilities at amortized cost	34,468	34,722			
Financial liabilities at fair value through profit and loss	1,366	1,366			1,366
Lease liabilities	3,739	3,739			
Derivatives - hedge accounting	6	6		6	
Derivatives - held for trading	143	143		143	



## Definitions of financial performance measures

### Organic growth

Change in sales for comparable units after adjustments for acquisitions and exchange rate effects.

### Operating margin (EBITDA)

Operating income before depreciation and amortization as a percentage of sales.

### Operating margin (EBITA)

Operating income before amortization of intangible assets recognized in business combinations, as a percentage of sales.

### Operating margin (EBIT)

Operating income as a percentage of sales.

### Profit margin (EBT)

Income before tax as a percentage of sales.

### Operating cash flow

Cash Flow from operating activities excluding restructuring payments and tax paid on income minus net capital expenditure and repayment of lease liabilities.

### Net capital expenditure

Investments in, less disposals of, intangible assets and property, plant and equipment.

### Depreciation and amortization

Depreciation and amortization of intangible assets, property, plant and equipment and right-of-use assets.

### Net debt

Interest-bearing liabilities less interest-bearing assets. See the table on net debt for detailed information.

### Capital employed

Total assets less interest-bearing assets and non-interest-bearing liabilities including deferred tax liability.

### Equity ratio

Shareholders' equity as a percentage of total assets.

### Interest coverage ratio

Income before tax plus net interest divided by net interest.

### Return on shareholders' equity

Net income attributable to parent company's shareholders as a percentage of average parent company's shareholders equity.

### Return on capital employed

Income before tax plus net interest as a percentage of average capital employed excluding restructuring reserves.

### Earnings per share after tax and dilution

Net income excluding non-controlling interests divided by weighted average number of outstanding shares after any potential dilution.