

Quarterly Report Q4 2021

Full-year summary 2021

4 February 2022

ASSA ABLOY

Experience a safer and
more open world

Very strong sales growth and margin improvement

Fourth quarter

- Net sales increased by 10% to SEK 25,623 M (23,298), with organic growth of 10% (-5) and acquired net growth of -1% (5)
- Very strong organic sales growth in Americas and Entrance Systems and strong organic sales growth in Global Technologies and EMEIA, while organic sales were stable in Asia Pacific
- Three acquisitions with combined annual sales of about SEK 300 M were signed in the quarter
- Operating income (EBIT^{1 2}) was SEK 4,013 M (3,475), corresponding to an operating margin of 15.7% (14.9)
- Net income^{1 2} amounted to SEK 3,043 M (2,582)
- Earnings per share^{1 2} increased to SEK 2.74 (2.33)
- Operating cash flow amounted to SEK 3,384 M (5,529)
- The Board of Directors proposes a dividend of SEK 4.20 (3.90) per share for 2021, to be distributed in two equal installments.

Organic growth

10%

Operating income^{1 2}

15%

Earnings per share^{1 2}

18%

Sales and income

	Fourth quarter			January-December		
	2020	2021	Δ	2020	2021	Δ
Sales, SEK M	23,298	25,623	10%	87,649	95,007	8%
Of which:						
Organic growth	-1,150	2,239	10%	-7,150	8,900	11%
Acquisitions and divestments	1,211	-236	-1%	3,328	1,975	2%
Exchange-rate effects	-1,709	322	1%	-2,558	-3,517	-5%
Operating income (EBIT)^{1 2}, SEK M	3,475	4,013	15%	11,916	14,181	19%
Operating margin (EBITA) ^{1 2} , %	15.6%	16.2%		14.3%	15.6%	
Operating margin (EBIT)^{1 2}, %	14.9%	15.7%		13.6%	14.9%	
Income before tax ^{1 2} , SEK M	3,306	3,819	16%	11,133	13,538	22%
Net income ^{1 2} , SEK M	2,582	3,043	18%	8,375	10,901	30%
Operating cash flow, SEK M	5,529	3,384	-39%	14,560	13,265	-9%
Earnings per share^{1 2}, SEK	2.33	2.74	18%	7.54	9.81	30%

¹ Excluding costs before income tax for restructuring programs in fourth quarter 2020, totalling SEK -1,366 M. The corresponding cost after tax was SEK -1,112 M

² Excluding non-cash operating income in third quarter 2020 from revaluation at fair value of 39% ownership in agta record, totaling SEK 1,909 M for the year. The operating income had no tax impact.

Comments by the President and CEO

Very strong sales growth and margin improvement

We can look back at another year that was influenced to a large degree by the pandemic. As many restrictions were phased out, the activity level improved and for 2021 we report an organic sales growth of 11% and an operating margin of 14.9%.

Despite continued supply-chain challenges and reintroduced restrictions, during the fourth quarter our organic sales growth was very strong at 10%. This was also supported by strong price realization and good operational execution. In EMEA, the organic sales growth was strong, driven by the Nordic region. Americas division reports very strong organic sales growth of 17% driven by high demand in the non-residential segment in the US, Latin America and continued solid residential sales. Due to the Covid-related lockdowns and continued unfavorable market conditions in China, sales in Asia Pacific division were stable. Global Technologies reported strong organic growth of 7% driven by strong development in Global Solutions, but semiconductor shortages continued to impact our sales. Entrance Systems posted another very strong quarter with organic growth of 14%, driven by the Perimeter Security, Residential and Industrial segments.

Operating income increased by 15% to SEK 4,013 M and the operating margin was 15.7%. Adjusted for bad-debt provisions of SEK 100 M in China, we reached our margin target in the quarter. Thanks to strong operational execution our operating leverage was 23%, despite record-high raw material costs as well as logistic challenges and component shortages. Operating cash flow was strong and reached SEK 3,384 M.

Accelerating growth

During the year, we have turned more of our focus to growth-initiating activities. The transition to electromechanical products continues to be at the core of these initiatives. Our underlying sales in electromechanical products grew by more than 15% in our three regional divisions during the quarter, enabled by our continued investments in products and solutions. We also announced the enhancement of our current Mobile Access solution to include Room Key in Apple Wallet on iPhone and Apple Watch, as launched by Hyatt in December. We are still at the beginning of the transformation to smarter and even more user-friendly access solutions and there are almost unlimited opportunities.

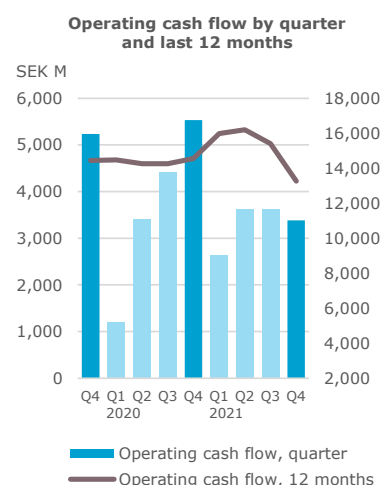
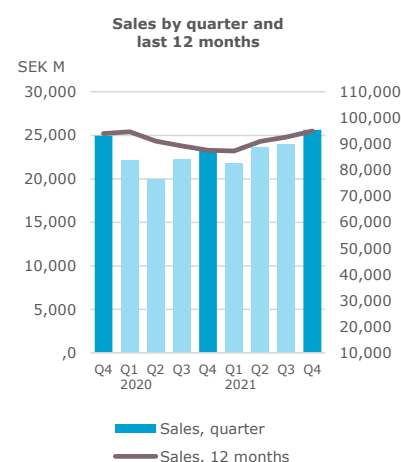
We continue to execute on our acquisition strategy, and we have a strong pipeline. During 2021 we signed 15 acquisitions with annual sales of about SEK 16 billion, including the acquisition of HHI, which we now expect to close during 2022.

Finally, I would like to thank you for your continued trust in ASSA ABLOY and look forward to a new year where I am confident that we will continue to deliver great shareholder value.

Stockholm, 4 February 2022



Nico Delvaux
President and CEO



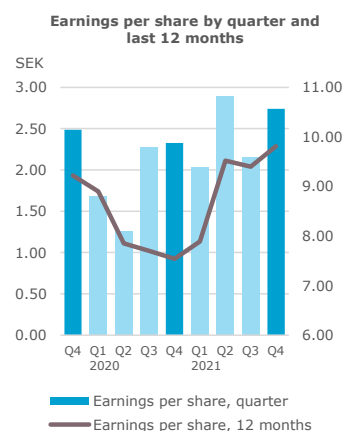
Fourth quarter

The Group's sales increased by 10% to SEK 25,623 M (23,298). Organic growth amounted to 10% (-5). Growth from acquisitions and divestments was -1% (5), of which 1% (6) were acquisitions and -2% (-1) were divestments. Exchange-rates affected sales by 1% (-7).

The Group's operating income^{3 4} (EBIT) amounted to SEK 4,013 M (3,475), an increase of 15%. The corresponding operating margin was 15.7% (14.9). Increased bad debt provisions of SEK 100 M in China negatively impacted the operating result. Last year, Gardesa, a residential door business in Italy, was divested with a capital loss and exit costs amounting to SEK 185 M. Exchange-rates had an impact of SEK 9 M (-321) on EBIT. Operating income before amortizations from acquisitions^{3 4} (EBITA) amounted to SEK 4,161 M (3,634). The corresponding EBITA margin was 16.2% (15.6).

Net financial items amounted to SEK -194 M (-169). The Group's income before tax^{3 4} was SEK 3,819 M (3,306), an increase of 16% compared with last year. Exchange-rates had an impact of SEK 18 M (-317) on income before tax. The profit margin^{3 4} was 14.9% (14.2).

Earnings per share^{3 4} amounted to SEK 2.74 (2.33), an increase of 18% compared with last year. Operating cash flow totaled SEK 3,384 M (5,529), which corresponds to a cash conversion of 0.89 (1.67).



Full year

The Group's sales for the full year 2021 totaled SEK 95,007 M (87,649), representing an increase of 8%. Organic growth was 11% (-8). Growth from acquisitions and divestments was 2% (4), of which 4% (4) were acquisitions and -1% (0) were divestments. Exchange-rate effects affected sales by -5% (-3).

The Group's operating income^{3 4} (EBIT) in 2021 amounted to SEK 14,181 M (11,916), an increase of 19% compared with last year. The corresponding operating margin was 14.9% (13.6). Operating income before amortizations from acquisitions^{3 4} (EBITA) in 2021 amounted to SEK 14,782 M (12,490). The corresponding EBITA margin was 15.6% (14.3).

The effective income tax rate^{3 4} was 19.5% (24.8). The reduced tax rate was due to a positive one-time tax effect from an intra-Group transfer of a trademark. The effective income tax rate excluding the one-time tax effect was 24.4% for the year. Earnings per share^{3 4} in 2021 amounted to SEK 9.81 (7.54), an increase of 30% compared with last year. Operating cash flow totaled SEK 13,265 M (14,560), which corresponds to a cash conversion of 0.98 (1.31).

Restructuring measures

Payments related to all restructuring programs amounted to SEK 166 M (337) during the quarter. The restructuring programs proceeded according to plan and led to a personnel reduction of 286 Full-Time Equivalents for the quarter and 1,124 for the full year. At the end of the quarter provisions of SEK 658 M remained in the balance sheet for carrying out the programs.

³ Excluding costs before income tax for restructuring programs in fourth quarter 2020, totalling SEK -1,366 M. The corresponding cost after tax was SEK -1,112 M

⁴ Excluding non-cash operating income in third quarter 2020 from revaluation at fair value of 39% ownership in agta record, totaling SEK 1,909 M for the year. The operating income had no tax impact.

Quarterly comments by division

Opening Solutions EMEA

Sales for the quarter in EMEA totaled SEK 5,186 M (5,242), with organic growth of 6% (-1). Sales growth was very strong in Scandinavia, Finland, Middle-East/Africa/India and Eastern Europe, good in DACH, and stable in the UK and France. Sales declined in South Europe and Benelux. Net sales growth from acquisitions, divestments and internal segment transfers was -6%. Operating income excluding items affecting comparability totaled SEK 806 M (670), which represents an operating margin (EBIT) of 15.5% (12.8). Gardesa, a residential door business in Italy, was divested last year with a capital loss and exit costs amounting to SEK 185 M. Return on capital employed, on an annualized basis, amounted to 16.2% (11.9). Operating cash flow before non-cash items and interest paid totaled SEK 1,142 M (1,368).

Opening Solutions Americas

Sales for the quarter in Americas totaled SEK 5,522 M (4,567), with organic growth of 17% (-4). Sales growth was very strong in US Smart Residential, Electromechanical Solutions, Security Doors, Latin America and Architectural Hardware. In US Residential, Access & High Security and Canada sales growth was strong. Sales growth from acquisitions was 1%. Operating income excluding items affecting comparability totaled SEK 1,116 M (915), which represents an operating margin (EBIT) of 20.2% (20.0). Return on capital employed, on an annualized basis, amounted to 30.0% (24.4). Operating cash flow before non-cash items and interest paid totaled SEK 586 M (1,578).

Opening Solutions Asia Pacific

Sales for the quarter in Asia Pacific totaled SEK 2,431 M (2,418), with organic growth of 0% (-5). Sales growth was very strong in Pacific and Southeast Asia, stable in South Korea and declined significantly in China. Net sales growth from acquisitions and internal segment transfers was -2%. Operating income excluding items affecting comparability totaled SEK 88 M (199), which represents an operating margin (EBIT) of 3.6% (8.2). Return on capital employed, on an annualized basis, amounted to 5.9% (4.4). Operating cash flow before non-cash items and interest paid totaled SEK 107 M (307).

Global Technologies

Sales for the quarter in Global Technologies totaled SEK 3,958 M (3,545), with organic growth of 7% (-17). Sales growth was very strong in Extended Access, Identification Technology and Secure Issuance, but declined significantly in Physical Access Control, Identity & Access Solutions and Citizen ID. Sales growth in Global Solutions was very strong. Net sales growth from acquisitions and internal segment transfers was 3%. Operating income excluding items affecting comparability totaled SEK 623 M (582), which represents an operating margin (EBIT) of 15.7% (16.4). Return on capital employed, on an annualized basis, amounted to 10.4% (8.9). Operating cash flow before non-cash items and interest paid totaled SEK 882 M (1,069).

Entrance Systems

Sales for the quarter in Entrance Systems totaled SEK 9,127 M (7,927), with organic growth of 14% (-1). Sales growth was very strong in Perimeter Security, Residential and Industrial and stable in Pedestrian. Net sales growth from acquisitions and divestments was 0%. Operating income excluding items affecting comparability totaled SEK 1,505 M (1,251), which represents an operating margin (EBIT) of 16.5% (15.8). Return on capital employed, on an

annualized basis, amounted to 15.8% (13.9). Operating cash flow before non-cash items and interest paid totaled SEK 967 M (1,350).

Acquisitions and divestments

Four 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 1,887 M. The corresponding acquisition price on a cash and debt free basis totaled SEK 1,830 M. Preliminary acquisition analyses indicate that goodwill and other intangible assets with indefinite useful life amount to SEK 1,276 M. Estimated deferred considerations for acquisitions made during the year amounted to SEK 150 M.

On December 23 it was announced that ASSA ABLOY has acquired Małkowski-Martech, a Polish producer of fire-rated curtains and gates, listed on the Warsaw Stock Exchange. The business has some 150 employees, with its head office in Czołowo, Poland. Sales for 2020 amounted to about SEK 110 M.

On December 15 it was announced that ASSA ABLOY has acquired B&B Roadway and Security Solutions, a manufacturer of roadway safety, traffic control and perimeter security solutions in the US. The business has some 60 employees, with its head office in Texas, USA. Sales for 2020 amounted to about SEK 120 M.

On September 8, 2021, ASSA ABLOY announced it had signed a definitive agreement to acquire the HHI division of Spectrum Brands (NYSE: SPB) for a purchase price of USD 4,300 M on a cash and debt free basis. The regulatory process, which was initially expected to be finalized during the fourth quarter 2021, is still ongoing and it is now expected that the transaction will close during 2022. ASSA ABLOY has agreed to pay a termination fee of USD 350 M in certain circumstances if the transaction agreement is terminated and required regulatory approvals have not been obtained.

Sustainable development

In November 2021, ASSA ABLOY became a member of the Dow Jones Sustainability Index Europe. The index tracks the performance of the top 20% of the 600 largest European companies in the S&P Global Broad Market IndexSM that lead the field in terms of sustainability. This is recognition of our progress to date and our ambition for the future.

In 2021, we continued to drive efficiency initiatives to reduce our emissions, generation of waste and consumption of water in order to achieve our 2025 targets.

The Sustainability Report for 2021, with results of the Group's progress towards our 2025 program and detailed information about our sustainable development, will be available from 7 March 2022 on the company's website, www.assaabloy.com.

Parent company

Other operating income for the Parent company ASSA ABLOY AB totaled SEK 5,384 M (4,580) for the full year 2021. Operating income for the same period amounted to SEK 1,053 M (868). Investments in tangible and intangible assets totaled SEK 4,231 M (164). Liquidity is good and the equity ratio is 44.0% (43.6).

Dividend and Annual General meeting

A second dividend payment of SEK 1.95 per share for the financial year 2020 was distributed on 26 November 2021.

The Board of Directors proposes a dividend of SEK 4.20 (3.90) per share for the 2021 financial year, an increase with 8% compared with last year. In order to facilitate a more efficient cash management, it is proposed to pay the dividend in two equal installments, the first with record date 29 April 2022 and the second with record date 22 November 2022. If the proposal is adopted by the Annual General Meeting, the first installment is expected to be paid on 4 May 2022 and the second installment on 25 November 2022.

The Annual General Meeting 2022 will be held on 27 April 2022. The Annual Report for 2021 will be available from 7 March 2022 on the company's website, www.assaabloy.com.

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 previous Annual Report have been applied. No new or amended standards with material impact on the Group's financial reports have been applied for the first time in 2021.

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 18 of this Report. Information about how these measures have been calculated is available on the company's website www.assaabloy.com.

As from 2021 ASSA ABLOY has changed its definition of the financial performance measure "Return on capital employed". The measure is now calculated as a rolling Operating income (EBIT), excluding Items Affecting Comparability, for the last twelve months as a percentage of average capital employed excluding restructuring provisions for the same period.

The calculation of the performance measure "Return on equity" has also been adjusted from 2021. The new definition takes a rolling Net income attributable to the parent company's shareholders for the last twelve months as a percentage of average parent company's shareholders equity for the same period.

All comparative numbers for both performance measures have been recalculated in the Interim 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 2020 appear on the company's website.

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

ASSA ABLOY is an international Group with a wide geographical spread, involving exposure to various forms of strategic, operational and financial risks. Strategic risks refer to changes in the business environment with potentially significant effects on ASSA ABLOY's operations and business objectives. Operational risks comprise risks directly attributable to business operations, entailing a potential impact on the Group's financial position and performance. Financial risks mainly comprise financing risk, currency risk, interest rate risk, credit risk, and risks associated with the Group's pension obligations.

Risk-taking in itself provides opportunities for continued economic growth, but naturally the risks may also have a negative impact on business operations and company goals. It is therefore essential to have a systematic and efficient risk assessment process and an effective risk management program in general. The purpose of risk management at ASSA ABLOY is not to avoid risks, but to take a controlled approach to identifying, managing and minimizing the effects of these risks. This work is based on an assessment of the probability of the risks and their potential impact on the Group.

The Covid-19 pandemic has had a substantial business impact on ASSA ABLOY. The continued impact of the pandemic on the business is difficult to predict due to the uncertainty of market conditions, but the health and safety of our employees remains our first priority.

For a more detailed description of particular risks and risk management, please see the 2020 Annual Report.

M&A and FX guidance

The guidance below relating to two key figures is provided to facilitate financial modeling but should not be viewed as forecasting market outlooks or ASSA ABLOY's business performance.

Acquisitions and divestments

It is estimated that completed acquisitions and divestments, on a rolling 12-month basis at 31 December 2021, will have an effect of –1% on sales in the first quarter of 2022 versus the same period last year, while the effect on the operating margin is estimated to be neutral in the first quarter of 2022.

Exchange-rate effects

On the basis of the currency rates on 31 December 2021, it is estimated that the weighted currency effects on sales in the first quarter of 2022 versus the same period last year will be 5%, while the effect on the operating margin is estimated to be dilutive in the first quarter of 2022.

Review

The Company's Auditors have not carried out any review of this Report for the fourth quarter of 2021.

Stockholm, 4 February 2022

A handwritten signature in black ink, appearing to read 'Nico Delvaux', written in a cursive style.

Nico Delvaux
President and CEO

Financial information

The Annual Report for 2021 will be published on 7 March 2022.

The Quarterly Report for the first quarter of 2022 will be published on 27 April 2022.

The Annual General Meeting 2022 will be held on 27 April 2022.

Further information can be obtained from:

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Executive Vice President and CFO, tel.no: +46 8 506 485 72

ASSA ABLOY is holding a **telephone and web conference**
at 09.30 on 4 February 2022
which can be followed online at www.assaabloy.com.

It is possible to submit questions by telephone on:
08-505 583 59, +44 333 300 9265 or +1 631 913 1422

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 4 February 2022.

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No.02/2022

Financial information – Group

CONDENSED INCOME STATEMENT

SEK M	Q4		Jan-dec	
	2020	2021	2020	2021
Sales	23,298	25,623	87,649	95,007
Cost of goods sold	-14,633	-15,542	-53,336	-57,231
Gross income	8,665	10,082	34,313	37,777
Selling, administrative and R&D costs	-6,564	-6,083	-24,021	-23,614
Share of earnings in associates	8	13	257	19
Revaluation previously owned shares in associates	-1	-	1,909	-
Operating income	2,108	4,013	12,458	14,181
Finance net	-169	-194	-782	-643
Income before tax	1,938	3,819	11,676	13,538
Tax on income	-469	-776	-2,504	-2,638
Net income for the period	1,470	3,043	9,172	10,901
Net income for the period attributable to:				
Parent company's shareholders	1,471	3,042	9,171	10,900
Non-controlling interests	-1	1	1	1
Earnings per share				
Before and after dilution, SEK	1.32	2.74	8.26	9.81
Before and after dilution and excluding items affecting comparability, SEK	2.33	2.74	7.54	9.81

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

SEK M	Q4		Jan-dec	
	2020	2021	2020	2021
Net income for the period	1,470	3,043	9,172	10,901
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Actuarial gain/loss on post-employment benefit obligations, net after tax	222	187	-262	705
Total	222	187	-262	705
Items that may be reclassified subsequently to profit or loss				
Share of other comprehensive income of associates	-37	2	-70	-6
Cashflow hedges and net investment hedges, net after tax	14	-2	13	-17
Exchange rate differences reclassified to profit or loss	-72	-	-318	-
Exchange rate differences	-2,847	1,294	-4,560	3,468
Total	-2,942	1,294	-4,935	3,444
Total comprehensive income for the period	-1,251	4,524	3,975	15,050
Total comprehensive income for the period attributable to:				
Parent company's shareholders	-1,249	4,522	3,975	15,049
Non-controlling interests	-2	1	0	1

Financial information – Group

CONDENSED BALANCE SHEET

SEK M	31 Dec	
	2020	2021
ASSETS		
Non-current assets		
Intangible assets	72,452	76,336
Property, plant and equipment	8,026	8,753
Right-of-use assets	3,513	3,436
Investments in associates	637	652
Other financial assets	212	267
Deferred tax assets	1,338	1,264
Total non-current assets	86,178	90,707
Current assets		
Inventories	10,079	13,933
Trade receivables	13,665	15,844
Other current receivables and investments	4,750	5,165
Cash and cash equivalents	2,756	4,325
Total current assets	31,250	39,267
TOTAL ASSETS	117,428	129,975
EQUITY AND LIABILITIES		
Equity		
Equity attributable to Parent company's shareholders	58,870	69,582
Non-controlling interests	9	9
Total equity	58,879	69,592
Non-current liabilities		
Long-term loans	22,381	20,195
Non-current lease liabilities	2,477	2,433
Deferred tax liabilities	2,868	2,581
Other non-current liabilities and provisions	4,958	3,899
Total non-current liabilities	32,683	29,108
Current liabilities		
Short-term loans	3,514	5,042
Current lease liabilities	1,085	1,082
Trade payables	7,027	9,527
Other current liabilities and provisions	14,238	15,625
Total current liabilities	25,865	31,276
TOTAL EQUITY AND LIABILITIES	117,428	129,975

CHANGES IN EQUITY

SEK M	Equity attributable to:		Total equity
	Parent company's shareholders	Non-controlling interests	
Opening balance 1 January 2020	59,143	11	59,154
Net income for the period	9,171	1	9,172
Other comprehensive income	-5,196	-1	-5,197
Total comprehensive income	3,975	0	3,975
Dividend	-4,276	-1	-4,277
Stock purchase plans	28	-	28
Change in non-controlling interest	1	-1	0
Total transactions with shareholders	-4,248	-2	-4,249
Closing balance 31 December 2020	58,870	9	58,879
Opening balance 1 January 2021	58,870	9	58,879
Net income for the period	10,900	1	10,901
Other comprehensive income	4,149	1	4,150
Total comprehensive income	15,049	1	15,050
Dividend	-4,332	-2	-4,333
Stock purchase plans	-5	-	-5
Total transactions with shareholders	-4,337	-2	-4,338
Closing balance 31 December 2021	69,582	9	69,592

Financial information – Group

CONDENSED STATEMENT OF CASH FLOWS

SEK M	Q4		Jan-dec	
	2020	2021	2020	2021
OPERATING ACTIVITIES				
Operating income	2,108	4,013	12,458	14,181
Depreciation and amortization	1,012	969	3,776	3,841
Revaluation previously owned shares in associates	1	-	-1,909	-
Restructuring costs	1,366	-	1,366	-
Other non-cash items	178	41	-95	178
Restructuring payments	-337	-166	-747	-563
Cash flow before interest and tax	4,328	4,857	14,850	17,638
Interest paid and received	-189	-162	-694	-569
Tax paid on income	-648	-960	-3,104	-3,117
Cash flow before changes in working capital	3,492	3,735	11,052	13,952
Changes in working capital	1,811	-629	2,606	-1,496
Cash flow from operating activities	5,303	3,106	13,658	12,456
INVESTING ACTIVITIES				
Net investments in intangible assets and property, plant and equipment	-439	-545	-1,674	-1,629
Investments in subsidiaries	-454	-963	-6,238	-2,121
Divestments of subsidiaries	698	5	1,170	699
Other investments and disposals	0	-1	0	-43
Cash flow from investing activities	-195	-1,504	-6,741	-3,094
FINANCING ACTIVITIES				
Dividends	-2,055	-2,166	-4,277	-4,333
Acquisition of non-controlling interests	-16	-	-16	-
Amortization of lease liabilities	-319	-303	-1,275	-1,242
Net cash effect of changes in borrowings	-4,845	-810	1,011	-2,238
Cash flow from financing activities	-7,234	-3,279	-4,558	-7,813
CASH FLOW FOR THE PERIOD	-2,127	-1,677	2,359	1,549
CASH AND CASH EQUIVALENTS				
Cash and cash equivalents at beginning of period	4,906	5,995	442	2,756
Cash flow for the period	-2,127	-1,677	2,359	1,549
Effect of exchange rate differences	-23	7	-45	20
Cash and cash equivalents at end of period	2,756	4,325	2,756	4,325

Quarterly information – Group

THE GROUP IN SUMMARY										Jan-Dec	Jan-Dec
SEK M	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	2020	2021
Sales	24,946	22,173	19,953	22,225	23,298	21,805	23,648	23,930	25,623	87,649	95,007
Organic growth	1%	-3%	-18%	-5%	-5%	4%	23%	7%	10%	-8%	11%
Gross income ¹	9,979	8,973	7,648	9,026	9,278	8,722	9,438	9,535	10,082	34,925	37,777
Gross margin ¹	40.0%	40.5%	38.3%	40.6%	39.8%	40.0%	39.9%	39.8%	39.3%	39.8%	39.8%
EBITDA ¹	4,969	3,676	3,024	4,505	4,487	4,115	4,552	4,373	4,982	15,692	18,023
EBITDA margin ¹	19.9%	16.6%	15.2%	20.3%	19.3%	18.9%	19.3%	18.3%	19.4%	17.9%	19.0%
Depreciation, excl attrib. to business combinations	-781	-792	-787	-771	-853	-774	-812	-833	-821	-3,202	-3,241
EBITA ¹	4,188	2,884	2,237	3,734	3,634	3,341	3,740	3,539	4,161	12,490	14,782
EBITA margin ¹	16.8%	13.0%	11.2%	16.8%	15.6%	15.3%	15.8%	14.8%	16.2%	14.3%	15.6%
Amortization attrib. to business combinations	-141	-133	-141	-142	-159	-154	-151	-147	-148	-574	-601
Operating income (EBIT) ¹	4,047	2,751	2,097	3,593	3,475	3,187	3,589	3,392	4,013	11,916	14,181
Operating margin (EBIT) ¹	16.2%	12.4%	10.5%	16.2%	14.9%	14.6%	15.2%	14.2%	15.7%	13.6%	14.9%
Items affecting comparability	-312	-	-	1 910	-1 367	-	-	-	-	542	-
Operating income (EBIT)	3,735	2,751	2,097	5,502	2,108	3,187	3,589	3,392	4,013	12,458	14,181
Operating margin (EBIT)	15.0%	12.4%	10.5%	24.8%	9.0%	14.6%	15.2%	14.2%	15.7%	14.2%	14.9%
Net financial items	-268	-232	-205	-176	-169	-142	-148	-159	-194	-782	-643
Income before tax	3,467	2,519	1,892	5,326	1,938	3,045	3,441	3,233	3,819	11,676	13,538
Profit margin	13.9%	11.4%	9.5%	24.0%	8.3%	14.0%	14.6%	13.5%	14.9%	13.3%	14.2%
Tax on income	-947	-655	-492	-888	-469	-792	-229	-841	-776	-2,504	-2,638
Net income for the period	2,520	1,864	1,400	4,438	1,470	2,253	3,212	2,392	3,043	9,172	10,901
Net income attributable to:											
Parent company's shareholders	2,517	1,864	1,399	4,437	1,471	2,253	3,212	2,393	3,042	9,171	10,900
Non-controlling interests	3	1	1	1	-1	0	0	0	1	1	1
OPERATING CASH FLOW										Jan-Dec	Jan-Dec
SEK M	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	2020	2021
Operating income (EBIT)	3,735	2,751	2,097	5,502	2,108	3,187	3,589	3,392	4,013	12,458	14,181
Reversal items affecting comparability	312	-	-	-1 910	1,367	-	-	-	-	-542	-
Depreciation and amortization	922	925	927	912	1,012	929	963	980	969	3,776	3,841
Net capital expenditure	-525	-491	-442	-301	-439	-289	-388	-407	-545	-1,674	-1,629
Change in working capital	1,364	-1,485	1,460	820	1,811	-701	-9	-157	-629	2,606	-1,496
Interest paid and received	-233	-172	-244	-90	-189	-122	-175	-110	-162	-694	-569
Repayment of lease liabilities	-316	-326	-322	-308	-319	-311	-315	-313	-303	-1,275	-1,242
Non-cash items	-24	4	-58	-219	178	-57	-39	233	41	-95	178
Operating cash flow	5,235	1,206	3,418	4,407	5,529	2,636	3,627	3,619	3,384	14,560	13,265
Cash conversion	1.39	0.48	1.81	1.29	1.67	0.87	1.05	1.12	0.89	1.31	0.98
CHANGE IN NET DEBT										Jan-Dec	Jan-Dec
SEK M	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	2020	2021
Net debt at beginning of period	36,843	33,050	36,371	34,112	35,059	29,755	29,160	28,509	25,732	33,050	29,755
Operating cash flow	-5,235	-1,206	-3,418	-4,407	-5,529	-2,636	-3,627	-3,619	-3,384	-14,560	-13,265
Restructuring payments	261	83	173	155	337	138	129	130	166	747	563
Tax paid on income	1,651	878	474	1,104	648	532	820	805	960	3,104	3,117
Acquisitions and divestments	1,018	1,584	86	4,331	-497	385	472	-632	975	5,504	1,201
Dividend	-	-	2,222	-	2,055	-	2,167	1	2,166	4,277	4,333
Actuarial gain/loss on post-employment benefit oblig.	-316	139	407	94	-321	-619	-44	-37	-216	319	-917
Change to lease liabilities	47	-1	-110	98	-93	-29	-97	7	33	-106	-86
Exchange rate differences, etc.	-1,218	1,845	-2,093	-428	-1,904	1,633	-471	568	639	-2,580	2,370
Net debt at end of period	33,050	36,371	34,112	35,059	29,755	29,160	28,509	25,732	27,071	29,755	27,071
Net debt/Equity	0.56	0.58	0.58	0.56	0.51	0.46	0.45	0.38	0.39		
NET DEBT										Jan-Dec	Jan-Dec
SEK M	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	2020	2021
Interest-bearing assets	-100	-108	-76	-47	-205	-189	-176	-177	-177	-	-
Cash and cash equivalents	-442	-1,676	-3,726	-4,906	-2,756	-3,610	-3,544	-5,995	-4,325	-	-
Derivative financial instruments, net	-53	-469	-441	-350	-255	83	1	62	86	-	-
Pension provisions	3,346	3,642	3,887	4,164	3,514	2,995	2,922	2,949	2,736	-	-
Lease liabilities	3,739	3,924	3,614	3,818	3,562	3,678	3,530	3,401	3,515	-	-
Interest-bearing liabilities	26,560	31,059	30,853	32,379	25,895	26,202	25,776	25,492	25,237	-	-
Total	33,050	36,371	34,112	35,059	29,755	29,160	28,509	25,732	27,071	-	-
CAPITAL EMPLOYED AND FINANCING										Jan-Dec	Jan-Dec
SEK M	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	2020	2021
Capital employed	92,204	99,428	93,103	97,232	88,634	92,818	92,471	92,954	96,663	-	-
- of which goodwill	57,662	61,573	58,243	64,013	58,344	60,822	60,198	60,604	62,502	-	-
- of which other intangible assets and PPE	21,191	22,189	21,064	21,613	22,134	22,775	22,190	22,246	22,587	-	-
- of which right-of-use assets	3,731	3,909	3,592	3,779	3,513	3,619	3,466	3,330	3,436	-	-
- of which investments in associates	2,595	2,772	2,665	685	637	638	626	636	652	-	-
Net debt	33,050	36,371	34,112	35,059	29,755	29,160	28,509	25,732	27,071	-	-
Non-controlling interests	11	13	12	12	9	10	9	8	9	-	-
Equity attributable to Parent company's shareholders	59,143	63,044	58,980	62,161	58,870	63,649	63,953	67,214	69,582	-	-
OTHER KEY RATIOS ETC										Jan-Dec	Jan-Dec
SEK M	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	2020	2021
Earnings per share, SEK	2,27	1,68	1,26	3,99	1,32	2,03	2,89	2,15	2,74	-	-
Earnings per share, excl IAC, SEK	2,49	1,68	1,26	2,28	2,33	2,03	2,89	2,15	2,74	-	-
Shareholders' equity per share, SEK	53,25	56,76	53,10	55,96	53,00	57,30	57,57	60,51	62,64	-	-
Return on capital employed	16,2%	15,2%	13,4%	13,1%	12,5%	13,1%	14,9%	14,6%	15,2%	-	-
Return on equity	18,0%	16,3%	15,0%	17,0%	15,5%	15,1%	18,5%	14,4%	17,0%	-	-
Net debt/EBITDA	1,8	2,0	2,1	2,2	1,9	1,8	1,6	1,5	1,5	-	-
Average number of employees	48,992	48,801	46,979	47,553	48,471	49,685	50,727	50,946	50,934	-	-
Average adjusted capital employed	92,093	94,636	95,340	95,452	95,002	94,230	93,076	93,287	93,199	-	-
Average number of shares, thousands	1,110,776	1,110,776	1,110,776	1,110,776	1,110,776	1,110,776	1,110,776	1,110,776	1,110,776	-	-
Items affecting comparability, net of tax	-246	-	-	1,910	-1,112	-	-	-	-	-	-

¹⁾ Excluding items affecting comparability (IAC) consisting of restructuring costs and revaluation of previously owned shares in associates.

Reporting by division

Q4 and 31 Dec

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Sales, external	5,159	5,049	4,530	5,487	2,199	2,069	3,515	3,932	7,894	9,087	-	-	23,298	25,623
Sales, internal	83	137	36	35	219	363	30	26	33	40	-400	-600	-	-
Sales	5,242	5,186	4,567	5,522	2,418	2,431	3,545	3,958	7,927	9,127	-400	-600	23,298	25,623
Organic growth	-1%	6%	-4%	17%	-5%	0%	-17%	7%	-1%	14%	-	-	-5%	10%
Acquisitions and divestments	0%	-6%	-10%	1%	1%	-2%	5%	3%	23%	0%	-	-	5%	-1%
Exchange-rate effects	-4%	-1%	-9%	3%	-6%	3%	-7%	2%	-7%	1%	-	-	-7%	1%
Share of earnings in associates	-	-	-	-	-5	10	9	1	3	2	-	-	8	13
EBIT, excl items affecting comparability	670	806	915	1,116	199	88	582	623	1,251	1,505	-142	-125	3,475	4,013
EBIT margin, excl items affecting comparability	12.8%	15.5%	20.0%	20.2%	8.2%	3.6%	16.4%	15.7%	15.8%	16.5%	-	-	14.9%	15.7%
Restructuring costs	-448	-	-51	-	-303	-	-195	-	-220	-	-150	-	-1,366	-
Revaluation of associate shareholding	-	-	-	-	-	-	-	-	-1	-	-	-	-1	-
Operating income (EBIT)	223	806	864	1,116	-104	88	387	623	1,030	1,505	-292	-125	2,108	4,013
Operating margin (EBIT)	4.2%	15.5%	18.9%	20.2%	-4.3%	3.6%	10.9%	15.7%	13.0%	16.5%	-	-	9.0%	15.7%
Operating income (EBIT)	223	806	864	1,116	-104	88	387	623	1,030	1,505	-292	-125	2,108	4,013
Revaluation of associate shareholding	448	-	51	-	303	-	195	-	221	-	150	-	1,367	-
Depreciation and amortization	235	231	110	115	86	75	238	238	334	300	9	10	1,012	969
Net capital expenditure	-109	-136	-47	-102	-45	-87	-77	-85	-117	-127	-44	-8	-439	-545
Amortization of lease liabilities	-78	-62	-34	-39	-29	-23	-35	-37	-140	-136	-3	-5	-319	-303
Change in working capital	650	303	634	-504	96	54	361	143	22	-574	47	-50	1,811	-629
Operating cash flow by division	1,368	1,142	1,578	586	307	107	1,069	882	1,350	967	-134	-179	5,540	3,505
Non-cash items	-	-	-	-	-	-	-	-	-	-	178	41	178	41
Interest paid and received	-	-	-	-	-	-	-	-	-	-	-189	-162	-189	-162
Operating cash flow													5,529	3,384

Jan-Dec and 31 Dec

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Sales, external	18,563	20,040	18,907	20,356	7,916	7,549	14,054	14,495	28,210	32,568	-	-	87,649	95,007
Sales, internal	418	483	107	151	926	1,170	105	109	113	123	-1,668	-2,036	-	-
Sales	18,982	20,522	19,013	20,507	8,841	8,719	14,158	14,604	28,323	32,690	-1,668	-2,036	87,649	95,007
Organic growth	-8%	13%	-7%	14%	-16%	2%	-15%	5%	-2%	14%	-	-	-8%	11%
Acquisitions and divestments	-1%	-2%	-9%	1%	1%	-2%	10%	3%	15%	7%	-	-	4%	2%
Exchange-rate effects	-1%	-3%	-2%	-7%	-2%	-1%	-3%	-5%	-2%	-6%	-	-	-3%	-5%
Share of earnings in associates	-	-	-	-	9	18	9	1	239	-1	-	-	257	19
EBIT, excl items affecting comparability	2,263	2,916	3,698	4,200	396	499	2,023	2,253	4,083	4,988	-547	-675	11,916	14,181
EBIT margin, excl items affecting comparability	11.9%	14.2%	19.4%	20.5%	4.5%	5.7%	14.3%	15.4%	14.4%	15.3%	-	-	13.6%	14.9%
Restructuring costs	-448	-	-51	-	-303	-	-195	-	-220	-	-150	-	-1,366	-
Revaluation of associate shareholding	-	-	-	-	-	-	-	-	1 909	-	-	-	1,909	-
Operating income (EBIT)	1,815	2,916	3,647	4,200	93	499	1,828	2,253	5,772	4,988	-697	-675	12,458	14,181
Operating margin (EBIT)	9.6%	14.2%	19.2%	20.5%	1.1%	5.7%	12.9%	15.4%	20.4%	15.3%	-	-	14.2%	14.9%
Operating income (EBIT)	1,815	2,916	3,647	4,200	93	499	1,828	2,253	5,772	4,988	-697	-675	12,458	14,181
Revaluation of associate shareholding	448	-	51	-	303	-	195	-	-1,689	-	150	-	-542	-
Depreciation and amortization	925	969	471	493	355	306	917	923	1,078	1,114	30	37	3,776	3,841
Net capital expenditure	-407	-475	-267	-351	-192	-182	-430	-250	-330	-361	-47	-10	-1,674	-1,629
Amortization of lease liabilities	-318	-306	-132	-148	-108	-92	-144	-144	-559	-537	-14	-15	-1,275	-1,242
Change in working capital	476	-14	1,067	-471	311	-247	144	397	702	-1,233	-94	73	2,606	-1,496
Operating cash flow by division	2,939	3,089	4,837	3,722	762	285	2,509	3,179	4,974	3,971	-673	-591	15,349	13,656
Non-cash items	-	-	-	-	-	-	-	-	-	-	-95	178	-95	178
Interest paid and received	-	-	-	-	-	-	-	-	-	-	-694	-569	-694	-569
Operating cash flow													14,560	13,265
Capital employed	16,849	17,063	13,201	15,908	8,191	8,653	21,044	22,326	30,231	32,787	-883	-74	88,634	96,663
- of which goodwill	10,475	10,949	10,444	11,700	3,884	4,028	14,881	16,164	18,660	19,662	-	-	58,344	62,502
- of which other intangible assets and PPE	3,485	3,516	2,713	2,977	2,375	2,483	5,100	5,059	8,362	8,461	99	90	22,134	22,587
- of which right-of-use assets	998	937	387	430	264	243	457	512	1,390	1,270	17	44	3,513	3,436
- of which investments in associates	1	1	-	-	589	602	28	32	20	17	-	-	637	652
Return on capital employed	11.9%	16.2%	24.4%	30.0%	4.4%	5.9%	8.9%	10.4%	13.9%	15.8%	-	-	12.5%	15.2%
Average adjusted capital employed	19,050	17,991	15,186	13,986	8,910	8,498	22,757	21,751	29,352	31,525	-	-	95,002	93,199
Average number of employees	10,281	11,848	8,787	9,298	9,892	8,259	6,374	6,556	12,883	14,604	254	369	48,471	50,934

Financial information - Notes

NOTE 1 DISAGGREGATION OF REVENUE

Sales by continent Q4

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Europe	4,697	4,436	20	20	118	170	1,026	1,245	3,841	4,086	-188	-237	9,514	9,719
North America	96	128	4,112	4,927	213	365	1,658	1,656	3,477	4,436	-141	-245	9,415	11,268
Central- and South America	18	22	406	542	13	25	150	157	16	19	-11	-9	592	755
Africa	196	213	8	3	4	3	95	89	17	14	-5	-8	315	314
Asia	216	351	19	28	1,471	1,176	427	609	333	323	-36	-57	2,429	2,429
Oceania	19	36	2	2	599	693	190	201	245	249	-20	-44	1,034	1,137
Total	5,242	5,186	4,567	5,522	2,418	2,431	3,545	3,958	7,927	9,127	-400	-600	23,298	25,623

Sales by continent Jan-Dec

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Europe	16,881	17,760	64	92	506	624	3,759	4,247	12,126	14,750	-751	-887	32,584	36,587
North America	426	434	17,354	18,288	797	1,073	6,795	6,790	14,160	15,803	-593	-734	38,939	41,653
Central- and South America	64	75	1,436	1,994	43	63	424	430	60	70	-41	-35	1,986	2,597
Africa	665	909	40	12	15	11	386	288	56	49	-23	-34	1,139	1,234
Asia	835	1,213	109	114	5,155	4,503	2,070	2,070	1,126	1,068	-146	-201	9,149	8,767
Oceania	111	131	10	8	2,326	2,445	724	779	794	951	-113	-144	3,852	4,170
Total	18,982	20,522	19,013	20,507	8,841	8,719	14,158	14,604	28,323	32,690	-1,668	-2,036	87,649	95,007

Sales by product group Q4

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Mechanical locks, lock systems and fittings	2,488	2,438	1,929	2,205	1,161	1,167	65	57	2	2	-132	-191	5,512	5,677
Electromechanical and electronic locks	1,767	1,739	1,200	1,537	580	640	3,471	3,894	195	238	-211	-328	7,002	7,720
Security doors and hardware	844	882	1,430	1,770	657	578	8	7	566	777	-21	-37	3,484	3,977
Entrance automation	143	128	8	11	20	46	-	-	7,164	8,110	-36	-44	7,299	8,250
Total	5,242	5,186	4,567	5,522	2,418	2,431	3,545	3,958	7,927	9,127	-400	-600	23,298	25,623

Sales by product group Jan-Dec

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Mechanical locks, lock systems and fittings	9,012	9,814	7,892	8,562	4,357	4,289	291	294	7	8	-638	-703	20,921	22,264
Electromechanical and electronic locks	6,335	6,757	4,860	5,347	1,916	2,077	13,844	14,283	738	1,016	-800	-1,065	26,892	28,415
Security doors and hardware	3,131	3,392	6,224	6,560	2,497	2,240	24	27	2,364	2,930	-101	-127	14,139	15,023
Entrance automation	504	559	38	39	70	113	-	-	25,214	28,737	-129	-141	25,697	29,306
Total	18,982	20,522	19,013	20,507	8,841	8,719	14,158	14,604	28,323	32,690	-1,668	-2,036	87,649	95,007

NOTE 2 BUSINESS COMBINATIONS

Consolidated acquisitions 2021

Acquisition	Division	Country	Number of employees	Approx. sales in 2020	Month of consolidation
Traka Iberia	Global Technologies	Spain	<50	<50 SEK M	2021-02
Technology Solutions	Global Technologies	United Kingdom	25	30 SEK M	2021-02
Invengo Textile Services	Global Technologies	France	45	110 SEK M	2021-03
Prosytech/SimpleK	Americas	Canada	<50	<50 SEK M	2021-04
Sure-Loc	Americas	USA	45	120 SEK M	2021-05
Pucon	Americas	Peru	<50	<50 SEK M	2021-06
New Zealand Fire Door	Asia Pacific	New Zealand	53	66 SEK M	2021-08
Capitol Door Service	Entrance Systems	USA	50	150 SEK M	2021-08
Omni-ID	Global Technologies	USA	170	110 SEK M	2021-08
MR Group	EMEIA	Portugal	380	230 SEK M	2021-10
B&B Roadway and Security S.	Entrance Systems	USA	60	120 SEK M	2021-12
Malkowski-Martech	EMEIA	Poland	150	110 SEK M	2021-12
InvoTech Systems	Global Technologies	USA	<50	<50 SEK M	2021-12

	Q4		Jan-Dec	
SEK M	2020	2021	2020	2021
Purchase prices				
Cash paid for acquisitions during the year	516	982	8,058	1,743
Holdbacks and deferred considerations for acquisitions during the year	-219	37	318	150
Fair value of previously owned shares in associates	0	-	3,752	-
Adjustment of purchase prices for acquisitions in prior years	-21	0	5	-6
Total	276	1,019	12,134	1,887
Acquired assets and liabilities at fair value				
Intangible assets	2486	0	3,281	151
Property, plant and equipment and right-of-use assets	48	92	929	118
Other non-current assets	44	5	135	3
Inventories	-28	110	646	233
Current receivables and investments	76	201	1,062	332
Cash and cash equivalents	66	61	2,239	180
Non-current liabilities	-525	-21	-1,357	-43
Current liabilities	-152	-130	-1,223	-363
Total	2,015	319	5,713	611
Goodwill	-1,739	700	6,421	1,276
Change in cash and cash equivalents due to acquisitions				
Cash paid for acquisitions during the year	516	982	8,058	1,743
Cash and cash equivalents in acquired subsidiaries	-66	-61	-2,239	-180
Paid considerations for acquisitions in prior years	4	42	418	557
Total	454	963	6,238	2,121

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

Financial information - Notes

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

31 December 2021

SEK M	Carrying amount	Fair value	Financial instruments at fair value		
			Level 1	Level 2	Level 3
Financial assets					
Financial assets at amortized cost	20,393	20,393			
Financial assets at fair value through profit and loss	52	52			
Derivatives - hedge accounting	85	85		85	
Derivatives - held for trading	177	177		177	
Financial liabilities					
Financial liabilities at amortized cost	34,763	34,960			
Financial liabilities at fair value through profit and loss	403	403			403
Lease liabilities	3,515	3,515			
Derivatives - hedge accounting	3	3		3	
Derivatives - held for trading	344	344		344	

31 December 2020

SEK M	Carrying amount	Fair value	Financial instruments at fair value		
			Level 1	Level 2	Level 3
Financial assets					
Loans and other receivables	16,674	16,674			
Financial assets at fair value through profit and loss	6	6			
Available-for-sale financial assets	187	187		187	
Derivative instruments - hedge accounting	240	240		240	
Financial liabilities					
Financial liabilities at amortized cost	32,922	33,480			
Financial liabilities at fair value through profit and loss	944	944			944
Lease liabilities	3,562	3,562			
Derivatives - hedge accounting	0	0		0	
Derivatives - held for trading	171	171		171	

Financial liabilities at fair value through profit and loss pertains to deferred considerations, i.e. additional payments for acquired companies. The size of a deferred consideration is usually linked to the earnings and sales performance in an acquired company during a specific period of time.

Deferred considerations are initially measured on the day of acquisition based on management's best estimate regarding future outcomes and belong to level 3 in the hierarchy.

Financial information – Parent company

CONDENSED INCOME STATEMENT

SEK M	Jan-Dec	
	2020	2021
Operating income	868	1,053
Income before appropriations and tax	5,363	6,721
Net income for the period	5,552	6,631

CONDENSED BALANCE SHEET

SEK M	31 Dec	
	2020	2021
Non-current assets	38,961	46,435
Current assets	21,069	18,231
Total assets	60,030	64,666
Equity	26,186	28,481
Untaxed reserves	1,125	1,606
Non-current liabilities	15,677	14,577
Current liabilities	17,042	20,002
Total equity and liabilities	60,030	64,666

Definitions of financial performance measures

Organic growth

Change in sales for comparable units after adjustments for acquisitions, divestments 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.

Items affecting comparability

Restructuring costs and significant non-recurring operating expenses such as revaluation of previously owned shares in associates and goodwill impairment.

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.

Cash conversion

Operating cash flow in relation to income before tax excluding items affecting comparability.

Net capital expenditure

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

Depreciation and amortization

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

Capital employed

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

Average adjusted capital employed

Average capital employed excluding restructuring reserves for the last twelve months.

Net debt

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

Net debt/EBITDA

Net debt at the end of the period in relation to EBITDA for the last twelve months.

Net debt/Equity ratio

Net debt in relation to equity.

Equity ratio

Shareholders' equity as a percentage of total assets.

Shareholders' equity per share

Equity excluding non-controlling interests in relation to number of outstanding shares after any potential dilution.

Return on capital employed

Operating Income (EBIT), excluding Items Affecting Comparability, for the last twelve months as a percentage of average adjusted capital employed.

Return on equity

Net income attributable to parent company's shareholders for the last twelve months as a percentage of average parent company's shareholders equity for the same period.

Earnings per share before and after dilution

Net income attributable to parent company's shareholders divided by weighted average number of outstanding shares. None of the Group's outstanding long-term incentive programs are expected to result in significant dilution in the future.

Earnings per share before and after dilution and excluding items affecting comparability

Net income attributable to parent company's shareholders excluding items affecting comparability, net of tax, divided by weighted average number of outstanding shares. None of the Group's outstanding long-term incentive programs are expected to result in significant dilution in the future.