

# Quarterly Report

## Q4 2022

ASSA ABLOY

Full-year summary 2022

3 February 2023

Experience a safer and more open world

## Record performance in the quarter

### Fourth quarter

- Net sales increased by 28% to a record total of SEK 32,915 M (25,623), with organic growth of 9% (10) and acquired net growth of 5% (-1). Exchange-rates affected sales by 14% (1).
- Very strong organic sales growth in Global Technologies, Americas and Entrance Systems, good growth in EMEIA, but a decline in organic sales in Asia Pacific.
- Eight acquisitions with combined annual sales of about SEK 1,500 M were signed in the quarter.
- ASSA ABLOY has entered into agreements for the sale of Emtek and the Smart Residential business in the U.S. and Canada for a sales price of USD 800 M, conditional on the successful closing of the HHI transaction.
- Operating income (EBIT) increased by 28% and amounted to a record SEK 5,152 M (4,013), with an operating margin of 15.7% (15.7).
- Net income amounted to SEK 3,729 M (3,043).
- Earnings per share before and after dilution amounted to SEK 3.36 (2.74).
- Operating cash flow amounted to a record SEK 6,588 M (3,384).
- The Board of Directors proposes a dividend of SEK 4.80 (4.20) per share for 2022, to be distributed in two equal installments.

Organic growth

+9%

Operating income

+28%

Earnings per share

+23%

## Sales and income

	Fourth quarter			January-December		
	2021	2022	Δ	2021	2022	Δ
<b>Sales, SEK M</b>	<b>25,623</b>	<b>32,915</b>	<b>28%</b>	<b>95,007</b>	<b>120,793</b>	<b>27%</b>
Of which:						
Organic growth	2,239	2,656	9%	8,900	13,007	12%
Acquisitions and divestments	-236	1,336	5%	1,975	2,126	2%
Exchange-rate effects	322	3,300	14%	-3,517	10,653	13%
<b>Operating income (EBIT), SEK M</b>	<b>4,013</b>	<b>5,152</b>	<b>28%</b>	<b>14,181</b>	<b>18,532</b>	<b>31%</b>
Operating margin (EBITA), %	16.2%	16.2%		15.6%	15.9%	
<b>Operating margin (EBIT), %</b>	<b>15.7%</b>	<b>15.7%</b>		<b>14.9%</b>	<b>15.3%</b>	
Income before tax, SEK M	3,819	4,766	25%	13,538	17,521	29%
Net income, SEK M	3,043	3,729	23%	10,901	13,296	22%
Operating cash flow, SEK M	3,384	6,588	95%	13,265	15,808	19%
<b>Earnings per share, SEK</b>	<b>2.74</b>	<b>3.36</b>	<b>23%</b>	<b>9.81</b>	<b>11.97</b>	<b>22%</b>

## Comments by the President and CEO

### Record performance in the quarter

I am proud and happy that in 2022 we delivered a very strong organic sales growth of 12% and an operating margin of 15.3%, despite a challenging operational environment with unprecedented supply-chain issues, high inflationary pressure and Covid-19-related disruptions.

In the fourth quarter of 2022 our organic sales grew 9%, complemented by positive currency effects of 14% and by 5% growth from M&A. Global Technologies delivered very strong sales growth of 24% since we were able to significantly reduce the order backlog in Physical Access Control and saw a good recovery in travel-related areas. Americas division also delivered very strong sales growth of 11%, driven by a continued very strong demand in the US non-residential market and good price realization. The growth in Entrance Systems was also very strong at 10% and mainly driven by the US market. EMEA reported good organic growth of 2%. Sales in Asia Pacific division declined by 10%, mainly due to Covid-19 and a very weak construction market in China, while the performance in the other part of the division was also weaker.

The operating profit increased by 28% to a record SEK 5,152 M and the corresponding margin was 15.7% (15.7). The operating leverage was strong at 22%, affected positively by lower material headwind and continued operational efficiencies. The result was impacted by higher acquisition costs. Our operating cash flow in the quarter was up 95% to a record figure of SEK 6,588 M with a cash conversion of 138% (89).

### High M&A activity level

We can look back at a very strong year from an M&A perspective, having completed 21 acquisitions with annual sales of more than SEK 7 billion. These will have a carry-over sales effect into 2023 of 3% and our acquisition pipeline also remains strong. The HHI acquisition process continues and in December we announced the potential sale to Fortune Brands of Emtek and the Smart Residential business in the U.S. and Canada, conditional on the closing of the HHI transaction. We are confident that we have now eliminated all competitive concerns alleged by the US Department of Justice.

### Cost-efficiency in everything we do

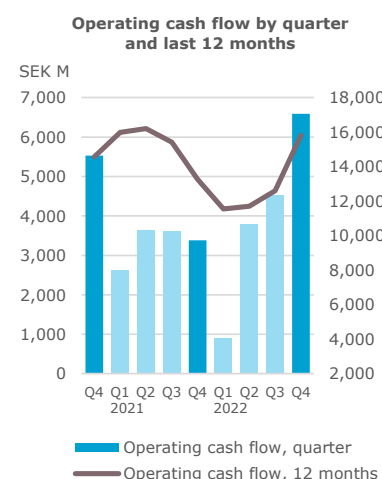
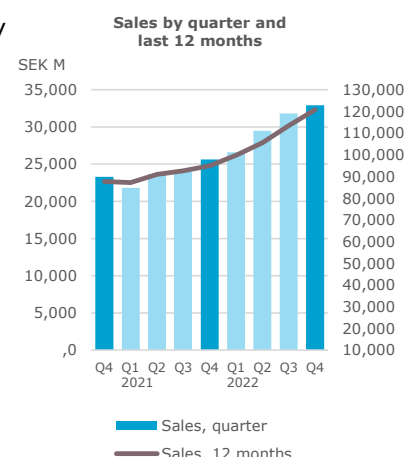
Thanks to our decentralized operating model, we have a strong track record of being agile and quick to respond to changing market conditions. Since the macroeconomic environment continues to be uncertain, we have prepared ourselves to mitigate any possible negative changes in the demand and to reduce our cost-base throughout the organization. We will also launch our ninth Manufacturing Footprint program (MFP9) during the spring to further increase efficiency and further optimize our operations. The Program will result in savings of about SEK 700 million over a two-year period. This will enable us to fuel investments in innovation to accelerate our long-term profitable growth.

Finally, I would like to thank all our employees for their efforts during the year and to thank all shareholders and other stakeholders for their trust in ASSA ABLOY.

Stockholm, 3 February 2023



Nico Delvaux  
President and CEO



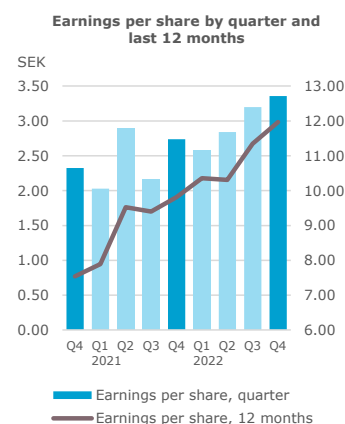
## Fourth quarter

The Group's sales increased by 28% to SEK 32,915 M (25,623). Organic growth amounted to 9% (10). Growth from acquisitions and divestments was 5% (–1), of which 5% (1) were acquisitions and 0% (–2) were divestments. Exchange-rates affected sales positively by 14% (1).

The Group's operating income (EBIT) amounted to SEK 5,152 M (4,013), an increase of 28%. The corresponding operating margin was 15.7% (15.7). Exchange-rates had an impact of SEK 581 M (9) on EBIT. Operating income before amortizations from acquisitions (EBITA) amounted to SEK 5,338 M (4,161). The corresponding EBITA margin was 16.2% (16.2).

Net financial items amounted to SEK –387 M (–194). The Group's income before tax was SEK 4,766 M (3,819), an increase of 25% compared with last year. Exchange-rates had an impact of SEK 566 M (18) on income before tax. The profit margin was 14.5% (14.9).

Earnings per share amounted to SEK 3.36 (2.74), an increase of 23% compared with last year. Operating cash flow totaled SEK 6,588 M (3,384), which corresponds to a cash conversion of 1.38 (0.89). The net-debt/equity ratio at the end of the quarter was 0.37 (0.39).



## Full year

The Group's sales for the full year 2022 totaled SEK 120,793 M (95,007), representing an increase of 27%. Organic growth was 12% (11). Growth from acquisitions and divestments was 2% (2), of which 3% (4) came from acquisitions and –1% (–1) from divestments. Exchange-rates affected sales positively by 13% (–5).

The Group's operating income (EBIT) amounted to SEK 18,532 M (14,181), an increase of 31% compared with last year. The corresponding operating margin was 15.3% (14.9). Operating income before amortizations from acquisitions (EBITA) amounted to SEK 19,187 M (14,782). The corresponding EBITA margin was 15.9% (15.6).

Net financial items amounted to SEK –1,011 M (–643), driven by increased interest rates during the year. The effective income tax rate was 24.1% (19.5). The lower income tax rate last year was due to a positive one-time tax effect from an intra-Group transfer of a trademark. The effective income tax rate last year excluding the one-time tax effect was 24.4%. Earnings per share amounted to SEK 11.97 (9.81), an increase of 22% compared with last year.

Operating cash flow totaled SEK 15,808 M (13,265), which corresponds to a cash conversion of 0.90 (0.98).

## Restructuring measures

A new Manufacturing Footprint Program will be launched at the end of the first quarter of 2023. The closure of factories and offices in the restructuring program is expected to take place over a period of around two years. The expected restructuring cost for the new program is around SEK 1.2 billion and the expected pay-back time, including capital expenditure, is around two years.

Payments related to all restructuring programs amounted to SEK 171 M (166) during the quarter. The restructuring programs proceeded according to plan. At the end of the quarter provisions of SEK 294 M remained in the balance sheet for carrying out the programs.

## Quarterly comments by division

### Opening Solutions EMEA

Sales for the quarter in EMEA totaled SEK 6,231 M (5,186), with organic growth of 2% (6). Organic sales growth was very strong in Middle East/Africa/India, strong in Benelux and good in East Europe, the UK, DACH and Scandinavia. Organic sales declined in Finland, South Europe and France. Net sales growth from acquisitions was 11%. Operating income totaled SEK 933 M (806), which represents an operating margin (EBIT) of 15.0% (15.5). Return on capital employed, on an annualized basis, amounted to 16.8% (16.2). Operating cash flow before non-cash items and interest paid totaled SEK 1,326 M (1,142).

### Opening Solutions Americas

Sales for the quarter in Americas totaled SEK 7,427 M (5,522), with organic growth of 11% (17). Organic sales growth was very strong in Security Doors, Canada, Access & High Security and Architectural Hardware and strong in US Residential. Organic sales declined in US Smart Residential, Latin America and Electromechanical Solutions. Sales growth from acquisitions was 1%. Operating income totaled SEK 1,583 M (1,116), which represents an operating margin (EBIT) of 21.3% (20.2). Return on capital employed, on an annualized basis, amounted to 32.1% (30.0). Operating cash flow before non-cash items and interest paid totaled SEK 1,910 M (586).

### Opening Solutions Asia Pacific

Sales for the quarter in Asia Pacific totaled SEK 2,648 M (2,431), with organic growth of -10% (0). Organic sales growth was good in South Korea, but declined in Pacific and was down significantly in South East Asia and China. Sales growth from acquisitions was 10%. Operating income was negatively impacted by the weak demand, higher acquisition costs and Covid-19-related inefficiencies in China, and totaled SEK -125 M (88), which represents an operating margin (EBIT) of -4.7% (3.6). Return on capital employed, on an annualized basis, amounted to 1.2% (5.9). Operating cash flow before non-cash items and interest paid totaled SEK 237 M (107).

### Global Technologies

Sales for the quarter in Global Technologies totaled SEK 5,734 M (3,958), with organic growth of 24% (7). Organic sales growth was very strong in Physical Access Control, Identification Technology and Identity & Access Solutions, strong in Citizen ID, good in Secure Issuance, but declined in Extended Access. Sales growth in Global Solutions was strong. Sales growth from acquisitions was 4%. Operating income totaled SEK 982 M (623), which represents an operating margin (EBIT) of 17.1% (15.7). Return on capital employed, on an annualized basis, amounted to 12.4% (10.4). Operating cash flow before non-cash items and interest paid totaled SEK 1,375 M (882).

## Entrance Systems

Sales for the quarter in Entrance Systems totaled SEK 11,535 M (9,127), with organic growth of 10% (14). Organic sales growth was very strong in Residential and Industrial and strong in Pedestrian, but sales declined in Perimeter Security. Sales growth from acquisitions was 2%.

Operating income totaled SEK 1,906 M (1,505), which represents an operating margin (EBIT) of 16.5% (16.5). Return on capital employed, on an annualized basis, amounted to 18.8% (15.8). Operating cash flow before non-cash items and interest paid totaled SEK 2,129 M (967).

## Acquisitions and divestments

### Acquisitions

Ten acquisitions were completed during the quarter. The combined acquisition price for the businesses acquired during the year, including adjustments from prior-year acquisitions, amounted to SEK 9,812 M. The corresponding acquisition price on a cash and debt free basis totaled SEK 9,699 M. Preliminary acquisition analyses indicate that goodwill and other intangible assets with indefinite useful life amounted to SEK 7,471 M. Estimated deferred considerations for acquisitions made during the year amounted to SEK 864 M.

On December 27, 2022, it was announced that ASSA ABLOY has acquired Janam, a leading US provider of handheld mobile computers and readers. Sales in 2021 amounted to about SEK 200 M.

On November 1, 2022, it was announced that ASSA ABLOY has acquired D&D Technologies, a leading designer and manufacturer of premium gate hardware, based in Australia. Sales in 2021 amounted to about SEK 475 M.

On October 6, 2022, it was announced that ASSA ABLOY has acquired Bird Home Automation, a German manufacturer of high-quality IP door intercom for single-family and multi-family buildings with either an indoor station or smartphone control, marketed under the trademark DoorBird. Sales in 2021 amounted to about SEK 220 M.

### Divestments

On September 8, 2021, ASSA ABLOY announced that it had signed an agreement to acquire the HHI division of Spectrum Brands for a purchase price of USD 4,300 M on a cash and debt free basis. On September 15, 2022 the U.S. Department of Justice (DOJ) announced that it would seek to block the proposed acquisition of HHI. On December 2, 2022, ASSA ABLOY announced that it had entered into binding agreements with Fortune Brands for the sale of Emtek and the Smart Residential business in the U.S. and Canada in order to fully resolve all the alleged competitive concerns surrounding the proposed acquisition of HHI. These businesses represented sales of about USD 350 M in 2021. The selling price for the divested businesses is USD 800 M on a cash and debt free basis.

The divestiture is dependent on a successful defense against the DOJ regarding the planned acquisition of HHI. ASSA ABLOY will remain fully committed to these well-performing businesses during the process and all the businesses will continue to operate as normal. Both the proposed acquisition of HHI and the divestiture are expected to close during the second quarter of 2023 after a successful defense against the DOJ.

WindowWare, a distributor of door and window hardware in the UK was divested in November 2022. The divestment result was insignificant.

## Sustainable development

In December 2022 ASSA ABLOY was named as a constituent of the Dow Jones Sustainability Index Europe for the second year in a row. The index tracks the performance of the top 20% of the 600 largest European companies in the S&P Global Broad Market Index<sup>SM</sup> that lead the field in terms of sustainability. This is a positive recognition of our ambition level and our progress to date on our sustainability program.

In November 2022, ASSA ABLOY received validation by the Science Based Targets initiative (SBTi) for the company's emission-reduction targets. ASSA ABLOY has committed to halving CO<sub>2</sub> emissions from our own operations (Scope 1 and 2) by 2030. In addition, we will reduce the footprint of our wider value-chain, including raw materials, logistics and products, by 28% by 2030, thereby addressing our Scope 3 footprint. The Science Based Targets initiative mobilizes companies to set science-based targets and boost their competitive advantage in the transition to the low-carbon economy. It is a collaboration between the Carbon Disclosure project (CDP), the United Nations Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF), and is one of the 'We Mean Business Coalition' commitments.

During the year, we have continued to make good progress towards our sustainability targets, focusing on energy-, water- and waste-reduction initiatives.

The Sustainability Report for 2022, with results of the Group's progress towards our 2025 program and our first Scope 3 emissions disclosure, will be available from 6 March 2023 on the company's website, [www.assaabloy.com](http://www.assaabloy.com).

## Parent company

Other operating income for the Parent company ASSA ABLOY AB totaled SEK 7,294 M (5,384) for the full year 2022. Operating income for the same period amounted to SEK 1,965 M (1,053). Investments in tangible and intangible assets totaled SEK 21 M (4,231). Liquidity is good and the equity ratio is 40.7% (44.0).

## Dividend and Annual General meeting

A second dividend payment of SEK 2.10 per share for the financial year 2021 was distributed on 25 November 2022.

The Board of Directors proposes a dividend of SEK 4.80 (4.20) per share for the 2022 financial year, an increase of 14% compared with last year. It is proposed to pay the dividend in two equal installments, the first with record date 28 April 2023 and the second with record date 13 November 2023. If the proposal is adopted by the Annual General Meeting, the first installment is expected to be paid on 4 May 2023 and the second installment on 16 November 2023.

The 2023 Annual General Meeting will be held on 26 April 2023. The Annual Report for 2022 will be available from 6 March 2023 on the company's website, [www.assaabloy.com](http://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 last 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 2022.

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. Information about how these measures have been calculated is available on the company's website [www.assaabloy.com](http://www.assaabloy.com).

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 2021 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.

ASSA ABLOY has limited direct business exposure to Russia, Ukraine and Belarus, but indirect business effects continue to be monitored closely.

For a more detailed description of particular risks and risk management, please see the 2021 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 2022, will have an effect of 5% on sales in the first quarter of 2023 versus the same period last year, while the effect on the operating margin is estimated to be dilutive in the first quarter of 2023.

### **Exchange-rate effects**

On the basis of the currency rates on 31 December 2022, it is estimated that the weighted currency effects on sales in the first quarter of 2023 versus the same period last year will be 10%, while the effect on the operating margin is estimated to be accretive in the first quarter of 2023.

## Review

The Company's Auditors have not carried out any review of this Report for the fourth quarter of 2022.

Stockholm, 3 February 2023



Nico Delvaux  
President and CEO



## Financial information

The Annual Report for 2022 will be published on 6 March 2023.

The Quarterly Report for the first quarter of 2023 will be published on 26 April 2023.

The Annual General Meeting 2023 will be held on 26 April 2023.

## Further information can be obtained from:

Nico Delvaux,  
President and CEO, tel. no: +46 8 506 485 82

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

Björn Tibell,  
Head of Investor Relations, tel. no: +46 70 275 67 68,  
e-mail: bjorn.tibell@assaabloy.com

ASSA ABLOY is holding a **telephone and web conference**  
**at 09.30 on 3 February 2023**

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

It is possible to submit questions by telephone on:  
08-505 100 31, +44 207 107 0613 or +1 631 570 5613

*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 3 February 2023.*

ASSA ABLOY AB (publ)  
Box 703 40  
107 23 Stockholm

Visiting address

Klarabergsviadukten 90, Stockholm,  
Sweden

Tel +46 (0)8 506 485 00  
Fax +46 (0)8 506 485 85  
[www.assaabloy.com](http://www.assaabloy.com)

Corporate identity number: 556059-3575

No.02/2023

## Financial information – Group

### CONDENSED INCOME STATEMENT

	Q4		Jan-dec	
SEK M	2021	2022	2021	2022
Sales	25,623	32,915	95,007	120,793
Cost of goods sold	-15,542	-19,716	-57,231	-72,862
<b>Gross income</b>	<b>10,082</b>	<b>13,199</b>	<b>37,777</b>	<b>47,931</b>
Selling, administrative and R&D costs	-6,083	-8,059	-23,614	-29,425
Share of earnings in associates	13	12	19	26
<b>Operating income</b>	<b>4,013</b>	<b>5,152</b>	<b>14,181</b>	<b>18,532</b>
Finance net	-194	-387	-643	-1,011
<b>Income before tax</b>	<b>3,819</b>	<b>4,766</b>	<b>13,538</b>	<b>17,521</b>
Tax on income	-776	-1,036	-2,638	-4,225
<b>Net income for the period</b>	<b>3,043</b>	<b>3,729</b>	<b>10,901</b>	<b>13,296</b>
<b>Net income for the period attributable to:</b>				
Parent company's shareholders	3,042	3,728	10,900	13,291
Non-controlling interests	1	1	1	5
<b>Earnings per share</b>				
Before and after dilution, SEK	2.74	3.36	9.81	11.97
Before and after dilution and excluding items affecting comparability, SEK	2.74	3.36	9.81	11.97

### CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Q4		Jan-dec	
SEK M	2021	2022	2021	2022
<b>Net income for the period</b>	<b>3,043</b>	<b>3,729</b>	<b>10,901</b>	<b>13,296</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	187	663	705	914
<b>Total</b>	<b>187</b>	<b>663</b>	<b>705</b>	<b>914</b>
<b>Items that may be reclassified subsequently to profit or loss</b>				
Share of other comprehensive income of associates	2	17	-6	-11
Cashflow hedges and net investment hedges, net after tax	-2	-5	-17	-10
Exchange rate differences	1,294	-2,358	3,468	6,916
<b>Total</b>	<b>1,294</b>	<b>-2,347</b>	<b>3,444</b>	<b>6,895</b>
<b>Total comprehensive income for the period</b>	<b>4,524</b>	<b>2,046</b>	<b>15,050</b>	<b>21,105</b>
<b>Total comprehensive income for the period attributable to:</b>				
Parent company's shareholders	4,522	2,047	15,049	21,101
Non-controlling interests	1	-1	1	4

## Financial information - Group

### CONDENSED BALANCE SHEET

SEK M	31 Dec	
	2021	2022
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	76,336	90,897
Property, plant and equipment	8,753	10,106
Right-of-use assets	3,436	3,804
Investments in associates	652	676
Other financial assets	267	373
Deferred tax assets	1,264	1,313
<b>Total non-current assets</b>	<b>90,707</b>	<b>107,170</b>
<b>Current assets</b>		
Inventories	13,933	19,217
Trade receivables	15,844	19,760
Other current receivables and investments	5,165	5,000
Cash and cash equivalents	4,325	3,417
<b>Total current assets</b>	<b>39,267</b>	<b>47,394</b>
<b>TOTAL ASSETS</b>	<b>129,975</b>	<b>154,564</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity attributable to Parent company's shareholders	69,582	86,014
Non-controlling interests	9	12
<b>Total equity</b>	<b>69,592</b>	<b>86,026</b>
<b>Non-current liabilities</b>		
Long-term loans	20,195	20,523
Non-current lease liabilities	2,433	2,624
Deferred tax liabilities	2,581	2,785
Other non-current liabilities and provisions	3,899	3,005
<b>Total non-current liabilities</b>	<b>29,108</b>	<b>28,936</b>
<b>Current liabilities</b>		
Short-term loans	5,042	9,304
Current lease liabilities	1,082	1,284
Trade payables	9,527	10,469
Other current liabilities and provisions	15,625	18,545
<b>Total current liabilities</b>	<b>31,276</b>	<b>39,602</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>129,975</b>	<b>154,564</b>

### CHANGES IN EQUITY

SEK M	Equity attributable to:		
	Parent company's shareholders	Non-controlling interests	Total equity
<b>Opening balance 1 January 2021</b>	<b>58,870</b>	<b>9</b>	<b>58,879</b>
Net income for the period	10,900	1	10,901
Other comprehensive income	4,149	1	4,150
<b>Total comprehensive income</b>	<b>15,049</b>	<b>1</b>	<b>15,050</b>
Dividend	-4,332	-2	-4,333
Stock purchase plans	-5	-	-5
<b>Total transactions with shareholders</b>	<b>-4,337</b>	<b>-2</b>	<b>-4,338</b>
<b>Closing balance 31 December 2021</b>	<b>69,582</b>	<b>9</b>	<b>69,592</b>
<b>Opening balance 1 January 2022</b>	<b>69,582</b>	<b>9</b>	<b>69,592</b>
Net income for the period	13,291	5	13,296
Other comprehensive income	7,810	-1	7,809
<b>Total comprehensive income</b>	<b>21,101</b>	<b>4</b>	<b>21,105</b>
Dividend	-4,665	-1	-4,666
Stock purchase plans	-4	-	-4
<b>Total transactions with shareholders</b>	<b>-4,669</b>	<b>-1</b>	<b>-4,670</b>
<b>Closing balance 31 December 2022</b>	<b>86,014</b>	<b>12</b>	<b>86,026</b>

## Financial information - Group

## CONDENSED STATEMENT OF CASH FLOWS

	Q4		Jan-dec	
SEK M	2021	2022	2021	2022
<b>OPERATING ACTIVITIES</b>				
Operating income	4,013	5,152	14,181	18,532
Depreciation and amortization	969	1,146	3,841	4,088
Other non-cash items	41	29	178	137
Restructuring payments	-166	-171	-563	-404
<b>Cash flow before interest and tax</b>	<b>4,857</b>	<b>6,155</b>	<b>17,638</b>	<b>22,353</b>
Interest paid and received	-162	-192	-569	-799
Tax paid on income	-960	-1,452	-3,117	-4,366
<b>Cash flow before changes in working capital</b>	<b>3,735</b>	<b>4,511</b>	<b>13,952</b>	<b>17,188</b>
Changes in working capital	-629	1,548	-1,496	-2,831
<b>Cash flow from operating activities</b>	<b>3,106</b>	<b>6,059</b>	<b>12,456</b>	<b>14,357</b>
<b>INVESTING ACTIVITIES</b>				
Net investments in intangible assets and property, plant and equipment	-545	-735	-1,629	-1,990
Investments in subsidiaries	-963	-4,850	-2,121	-8,583
Divestments of subsidiaries	5	31	699	37
Other investments and disposals	-1	-25	-43	-26
<b>Cash flow from investing activities</b>	<b>-1,504</b>	<b>-5,579</b>	<b>-3,094</b>	<b>-10,561</b>
<b>FINANCING ACTIVITIES</b>				
Dividends	-2,166	-2,333	-4,333	-4,666
Acquisition of non-controlling interests	-	-	-	-55
Amortization of lease liabilities	-303	-360	-1,242	-1,330
Net cash effect of changes in borrowings	-810	2,689	-2,238	1,352
<b>Cash flow from financing activities</b>	<b>-3,279</b>	<b>-4</b>	<b>-7,813</b>	<b>-4,699</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>-1,677</b>	<b>477</b>	<b>1,549</b>	<b>-904</b>
<b>CASH AND CASH EQUIVALENTS</b>				
<b>Cash and cash equivalents at beginning of period</b>	<b>5,995</b>	<b>2,978</b>	<b>2,756</b>	<b>4,325</b>
Cash flow for the period	-1,677	477	1,549	-904
Effect of exchange rate differences	7	-38	20	-5
<b>Cash and cash equivalents at end of period</b>	<b>4,325</b>	<b>3,417</b>	<b>4,325</b>	<b>3,417</b>

## Quarterly information - Group

THE GROUP IN SUMMARY											Jan-dec	Jan-dec
SEK M	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	2021	2022	
Sales	23,298	21,805	23,648	23,930	25,623	26,591	29,466	31,820	32,915	95,007	120,793	
Organic growth	-5%	4%	23%	7%	10%	14%	13%	14%	9%	11%	12%	
Gross income <sup>1</sup>	9,278	8,722	9,438	9,535	10,082	10,476	11,630	12,626	13,199	37,777	47,931	
Gross margin <sup>1</sup>	39.8%	40.0%	39.9%	39.8%	39.3%	39.4%	39.5%	39.7%	40.1%	39.8%	39.7%	
EBITDA <sup>1</sup>	4,487	4,115	4,552	4,373	4,982	4,941	5,367	6,014	6,298	18,023	22,620	
EBITDA margin <sup>1</sup>	19.3%	18.9%	19.3%	18.3%	19.4%	18.6%	18.2%	18.9%	19.1%	19.0%	18.7%	
Depreciation, excl attrib. to business combinations	-853	-774	-812	-833	-821	-788	-810	-875	-961	-3,241	-3,433	
EBITA <sup>1</sup>	3,634	3,341	3,740	3,539	4,161	4,153	4,557	5,139	5,338	14,782	19,187	
EBITA margin <sup>1</sup>	15.6%	15.3%	15.8%	14.8%	16.2%	15.6%	15.5%	16.2%	16.2%	15.6%	15.9%	
Amortization attrib. to business combinations	-159	-154	-151	-147	-148	-151	-152	-166	-185	-601	-655	
Operating income (EBIT) <sup>1</sup>	3,475	3,187	3,589	3,392	4,013	4,001	4,406	4,973	5,152	14,181	18,532	
Operating margin (EBIT) <sup>1</sup>	14.9%	14.6%	15.2%	14.2%	15.7%	15.0%	15.0%	15.6%	15.7%	14.9%	15.3%	
Items affecting comparability	-1 367	-	-	-	-	-	-	-	-	-	-	
Operating income (EBIT)	2,108	3,187	3,589	3,392	4,013	4,001	4,406	4,973	5,152	14,181	18,532	
Operating margin (EBIT)	9.0%	14.6%	15.2%	14.2%	15.7%	15.0%	15.0%	15.6%	15.7%	14.9%	15.3%	
Net financial items	-169	-142	-148	-159	-194	-190	-198	-237	-387	-643	-1,011	
Income before tax	1,938	3,045	3,441	3,233	3,819	3,811	4,208	4,736	4,766	13,538	17,521	
Profit margin	8.3%	14.0%	14.6%	13.5%	14.9%	14.3%	14.3%	14.9%	14.5%	14.2%	14.5%	
Tax on income	-469	-792	-229	-841	-776	-953	-1,052	-1,184	-1,036	-2,638	-4,225	
Net income for the period	1,470	2,253	3,212	2,392	3,043	2,859	3,156	3,552	3,729	10,901	13,296	
Net income attributable to:												
Parent company's shareholders	1,471	2,253	3,212	2,393	3,042	2,858	3,153	3,551	3,728	10,900	13,291	
Non-controlling interests	-1	0	0	0	1	0	3	1	1	1	5	
OPERATING CASH FLOW											Jan-dec	Jan-dec
SEK M	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	2021	2022	
Operating income (EBIT)	2,108	3,187	3,589	3,392	4,013	4,001	4,406	4,973	5,152	14,181	18,532	
Reversal items affecting comparability	1 367	-	-	-	-	-	-	-	-	-	-	
Depreciation and amortization	1,012	929	963	980	969	939	961	1,041	1,146	3,841	4,088	
Net capital expenditure	-439	-289	-388	-407	-545	-336	-410	-509	-735	-1,629	-1,990	
Change in working capital	1,811	-701	-9	-157	-629	-3,261	-641	-477	1,548	-1,496	-2,831	
Interest paid and received	-189	-122	-175	-110	-162	-133	-257	-217	-192	-569	-799	
Repayment of lease liabilities	-319	-311	-315	-313	-303	-312	-324	-335	-360	-1,242	-1,330	
Non-cash items	178	-57	-39	233	41	13	52	44	29	178	137	
Operating cash flow	5,529	2,636	3,627	3,619	3,384	912	3,787	4,520	6,588	13,265	15,808	
Cash conversion	1.67	0.87	1.05	1.12	0.89	0.24	0.90	0.95	1.38	0.98	0.90	
CHANGE IN NET DEBT											Jan-dec	Jan-dec
SEK M	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	2021	2022	
Net debt at beginning of period	35,059	29,755	29,160	28,509	25,732	27,071	27,617	32,565	30,618	29,755	27,071	
Operating cash flow	-5,529	-2,636	-3,627	-3,619	-3,384	-912	-3,787	-4,520	-6,588	-13,265	-15,808	
Restructuring payments	337	138	129	130	166	68	84	81	171	563	404	
Tax paid on income	648	532	820	805	960	597	1,278	1,038	1,452	3,117	4,366	
Acquisitions and divestments	-497	385	472	-632	975	67	3,039	826	5,080	1,201	9,012	
Dividend	2,055	-	2,167	1	2,166	-	2,333	-	2,333	4,333	4,666	
Actuarial gain/loss on post-employment benefit oblig.	-321	-619	-44	-37	-216	11	191	-538	-906	-917	-1,241	
Change to lease liabilities	-93	-29	-97	7	33	-76	-51	-53	62	-86	-119	
Exchange rate differences, etc.	-1,904	1,633	-471	568	639	791	1,860	1,219	-490	2,370	3,380	
Net debt at end of period	29,755	29,160	28,509	25,732	27,071	27,617	32,565	30,618	31,732	27,071	31,732	
Net debt/Equity	0.51	0.46	0.45	0.38	0.39	0.38	0.42	0.35	0.37			
NET DEBT												
SEK M	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022			
Interest-bearing assets	-205	-189	-176	-177	-177	-177	-199	-207	-224			
Cash and cash equivalents	-2,756	-3,610	-3,544	-5,995	-4,325	-4,113	-1,707	-2,978	-3,417			
Derivative financial instruments, net	-255	83	1	62	86	283	141	231	288			
Pension provisions	3,514	2,995	2,922	2,949	2,736	2,715	2,803	2,389	1,351			
Lease liabilities	3,562	3,678	3,530	3,401	3,515	3,534	3,697	3,840	3,907			
Interest-bearing liabilities	25,895	26,202	25,776	25,492	25,237	25,374	27,829	27,344	29,826			
Total	29,755	29,160	28,509	25,732	27,071	27,617	32,565	30,618	31,732			
CAPITAL EMPLOYED AND FINANCING												
SEK M	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022			
Goodwill	58,344	60,822	60,198	60,604	62,502	63,600	69,536	73,540	75,873			
Other intangible assets	14,108	14,446	14,004	13,920	13,834	13,877	14,476	14,774	15,024			
Property, plant and equipment	8,026	8,329	8,186	8,325	8,753	8,934	9,538	10,079	10,106			
Right-of-use assets	3,513	3,619	3,466	3,330	3,436	3,450	3,601	3,735	3,804			
Other capital employed	5,867	6,721	7,588	7,623	8,796	11,932	14,327	15,257	13,244			
Restructuring reserve	-1,224	-1,119	-971	-848	-658	-600	-537	-469	-294			
Capital employed	88,634	92,818	92,471	92,954	96,663	101,193	110,941	116,916	117,758			
Net debt	29,755	29,160	28,509	25,732	27,071	27,617	32,565	30,618	31,732			
Non-controlling interests	9	10	9	8	9	9	11	13	12			
Equity attributable to Parent company´s shareholders	58,870	63,649	63,953	67,214	69,582	73,568	78,365	86,285	86,014			
OTHER KEY RATIOS ETC												
	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022			
Earnings per share, SEK	1.32	2.03	2.89	2.15	2.74	2.57	2.84	3.20	3.36			
Earnings per share, excl IAC, SEK	2.33	2.03	2.89	2.15	2.74	2.57	2.84	3.20	3.36			
Shareholders' equity per share, SEK	53.00	57.30	57.57	60.51	62.64	66.23	70.55	77.68	77.44			
Return on capital employed	12.5%	13.1%	14.9%	14.6%	15.2%	15.7%	16.0%	16.8%	16.9%			
Return on equity	15.5%	15.1%	18.5%	14.4%	17.0%	16.8%	16.1%	16.4%	17.1%			
Net debt/EBITDA	1.9	1.8	1.6	1.5	1.5	1.5	1.7	1.4	1.4			
Average number of employees	48,471	49,685	50,727	50,946	50,934	50,984	51,545	51,937	52,463			
Average adjusted capital employed	95,002	94,230	93,076	93,287	93,199	95,766	99,074	103,663	109,372			
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	-1,112	-	-	-	-	-	-	-	-			

<sup>1)</sup> Excluding items affecting comparability (IAC)

## Reporting by division

### Q4 and 31 Dec

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Sales, external	5,049	6,079	5,487	7,391	2,069	2,246	3,932	5,687	9,087	11,512	-	-	25,623	32,915
Sales, internal	137	152	35	37	363	402	26	47	40	23	-600	-660	-	-
<b>Sales</b>	<b>5,186</b>	<b>6,231</b>	<b>5,522</b>	<b>7,427</b>	<b>2,431</b>	<b>2,648</b>	<b>3,958</b>	<b>5,734</b>	<b>9,127</b>	<b>11,535</b>	<b>-600</b>	<b>-660</b>	<b>25,623</b>	<b>32,915</b>
Organic growth	6%	2%	17%	11%	0%	-10%	7%	24%	14%	10%	-	-	10%	9%
Acquisitions and divestments	-6%	11%	1%	1%	-2%	10%	3%	4%	0%	2%	-	-	-1%	5%
Exchange-rate effects	-1%	7%	3%	23%	3%	9%	2%	17%	1%	14%	-	-	1%	14%
<b>Operating income (EBIT)</b>	<b>806</b>	<b>933</b>	<b>1,116</b>	<b>1,583</b>	<b>88</b>	<b>-125</b>	<b>623</b>	<b>982</b>	<b>1,505</b>	<b>1,906</b>	<b>-125</b>	<b>-127</b>	<b>4,013</b>	<b>5,152</b>
Operating margin (EBIT)	15.5%	15.0%	20.2%	21.3%	3.6%	-4.7%	15.7%	17.1%	16.5%	16.5%	-	-	15.7%	15.7%
<b>OPERATING CASH FLOW</b>														
SEK M														
Operating income (EBIT)	806	933	1,116	1,583	88	-125	623	982	1,505	1,906	-125	-127	4,013	5,152
Depreciation and amortization	231	235	115	198	75	105	238	279	300	318	10	10	969	1,146
Net capital expenditure	-136	-129	-102	-125	-87	-188	-85	-122	-127	-158	-8	-13	-545	-735
Amortization of lease liabilities	-62	-73	-39	-46	-23	-32	-37	-42	-136	-162	-5	-4	-303	-360
Change in working capital	303	360	-504	300	54	477	143	278	-574	225	-50	-91	-629	1,548
<b>Operating cash flow by division</b>	<b>1,142</b>	<b>1,326</b>	<b>586</b>	<b>1,910</b>	<b>107</b>	<b>237</b>	<b>882</b>	<b>1,375</b>	<b>967</b>	<b>2,129</b>	<b>-179</b>	<b>-227</b>	<b>3,505</b>	<b>6,752</b>
Non-cash items											41	29	41	29
Interest paid and received											-162	-192	-162	-192
<b>Operating cash flow</b>													<b>3,384</b>	<b>6,588</b>

### Jan-Dec and 31 Dec

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Sales, external	20,040	22,286	20,356	28,191	7,549	8,302	14,495	19,186	32,568	42,827	-	-	95,007	120,793
Sales, internal	483	572	151	152	1,170	1,522	109	158	123	100	-2,036	-2,505	-	-
<b>Sales</b>	<b>20,522</b>	<b>22,858</b>	<b>20,507</b>	<b>28,344</b>	<b>8,719</b>	<b>9,824</b>	<b>14,604</b>	<b>19,344</b>	<b>32,690</b>	<b>42,928</b>	<b>-2,036</b>	<b>-2,505</b>	<b>95,007</b>	<b>120,793</b>
Organic growth	13%	5%	14%	17%	2%	-5%	5%	15%	14%	17%	-	-	11%	12%
Acquisitions and divestments	-2%	1%	1%	1%	-2%	7%	3%	2%	7%	2%	-	-	2%	2%
Exchange-rate effects	-3%	5%	-7%	20%	-1%	11%	-5%	15%	-6%	12%	-	-	-5%	13%
<b>Operating income (EBIT)</b>	<b>2,916</b>	<b>3,335</b>	<b>4,200</b>	<b>5,899</b>	<b>499</b>	<b>119</b>	<b>2,253</b>	<b>3,065</b>	<b>4,988</b>	<b>6,847</b>	<b>-675</b>	<b>-732</b>	<b>14,181</b>	<b>18,532</b>
Operating margin (EBIT)	14.2%	14.6%	20.5%	20.8%	5.7%	1.2%	15.4%	15.8%	15.3%	15.9%	-	-	14.9%	15.3%
<b>OPERATING CASH FLOW</b>														
SEK M														
Operating income (EBIT)	2,916	3,335	4,200	5,899	499	119	2,253	3,065	4,988	6,847	-675	-732	14,181	18,532
Depreciation and amortization	969	865	493	634	306	363	923	1,012	1,114	1,176	37	38	3,841	4,088
Net capital expenditure	-475	-443	-351	-436	-182	-289	-250	-301	-361	-495	-10	-26	-1,629	-1,990
Amortization of lease liabilities	-306	-266	-148	-178	-92	-111	-144	-158	-537	-599	-15	-18	-1,242	-1,330
Change in working capital	-14	-707	-471	-400	-247	207	397	-642	-1,233	-1,494	73	205	-1,496	-2,831
<b>Operating cash flow by division</b>	<b>3,089</b>	<b>2,785</b>	<b>3,722</b>	<b>5,520</b>	<b>285</b>	<b>288</b>	<b>3,179</b>	<b>2,974</b>	<b>3,971</b>	<b>5,436</b>	<b>-591</b>	<b>-534</b>	<b>13,656</b>	<b>16,470</b>
Non-cash items											178	137	178	137
Interest paid and received											-569	-799	-569	-799
<b>Operating cash flow</b>													<b>13,265</b>	<b>15,808</b>
<b>CAPITAL EMPLOYED</b>														
SEK M														
Goodwill	10,949	12,957	11,700	15,416	4,028	6,058	16,164	19,041	19,662	22,401	-	-	62,502	75,873
Other intangible assets	1,120	1,223	1,250	1,375	1,006	1,637	3,871	3,691	6,545	7,056	43	42	13,834	15,024
Property, plant and equipment	2,396	2,745	1,727	2,079	1,477	1,591	1,188	1,421	1,917	2,215	48	55	8,753	10,106
Right-of-use assets	937	914	430	482	243	234	512	540	1,270	1,603	44	31	3,436	3,804
Other capital employed	1,939	4,034	807	1,536	2,011	1,692	706	1,604	3,510	5,141	-176	-764	8,796	13,244
<b>Adjusted capital employed</b>	<b>17,341</b>	<b>21,874</b>	<b>15,915</b>	<b>20,889</b>	<b>8,764</b>	<b>11,211</b>	<b>22,440</b>	<b>26,297</b>	<b>32,903</b>	<b>38,418</b>	<b>-42</b>	<b>-636</b>	<b>97,321</b>	<b>118,052</b>
Restructuring reserve	-278	-97	-7	12	-111	-49	-114	-60	-117	-76	-32	-23	-658	-294
<b>Capital employed</b>	<b>17,063</b>	<b>21,777</b>	<b>15,908</b>	<b>20,900</b>	<b>8,653</b>	<b>11,161</b>	<b>22,326</b>	<b>26,237</b>	<b>32,787</b>	<b>38,342</b>	<b>-74</b>	<b>-659</b>	<b>96,663</b>	<b>117,758</b>
Return on capital employed	16.2%	16.8%	30.0%	32.1%	5.9%	1.2%	10.4%	12.4%	15.8%	18.8%	-	-	15.2%	16.9%
Average adjusted capital employed	17,991	19,861	13,986	18,369	8,498	10,167	21,751	24,745	31,525	36,447	-	-	93,199	109,372
Average number of employees	11,848	11,943	9,298	9,435	8,259	7,914	6,556	7,278	14,604	15,621	369	271	50,934	52,463

# Financial information - Notes

## NOTE 1 DISAGGREGATION OF REVENUE

### Sales by continent Q4

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Europe	4,436	5,333	20	15	170	118	1,245	1,509	4,086	4,628	-237	-209	9,719	11,394
North America	128	157	4,927	6,690	365	646	1,656	2,963	4,436	6,176	-245	-324	11,268	16,309
Central- and South America	22	24	542	685	25	13	157	175	19	26	-9	-10	755	913
Africa	213	278	3	2	3	2	89	87	14	10	-8	-16	314	363
Asia	351	399	28	34	1,176	1,114	609	727	323	376	-57	-65	2,429	2,585
Oceania	36	38	2	2	693	756	201	274	249	319	-44	-37	1,137	1,351
<b>Total</b>	<b>5,186</b>	<b>6,231</b>	<b>5,522</b>	<b>7,427</b>	<b>2,431</b>	<b>2,648</b>	<b>3,958</b>	<b>5,735</b>	<b>9,127</b>	<b>11,535</b>	<b>-600</b>	<b>-661</b>	<b>25,623</b>	<b>32,915</b>

### Sales by continent Jan-Dec

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Europe	17,760	19,433	92	101	624	630	4,247	5,227	14,750	16,706	-887	-907	36,587	41,191
North America	434	566	18,288	25,605	1,073	2,202	6,790	9,378	15,803	23,735	-734	-1,140	41,653	60,346
Central- and South America	75	97	1,994	2,491	63	49	430	714	70	90	-35	-33	2,597	3,406
Africa	909	1,100	12	14	11	9	288	417	49	43	-34	-47	1,234	1,537
Asia	1,213	1,515	114	124	4,503	4,089	2,070	2,612	1,068	1,220	-201	-231	8,767	9,330
Oceania	131	147	8	9	2,445	2,845	779	996	951	1,133	-144	-148	4,170	4,983
<b>Total</b>	<b>20,522</b>	<b>22,858</b>	<b>20,507</b>	<b>28,344</b>	<b>8,719</b>	<b>9,824</b>	<b>14,604</b>	<b>19,344</b>	<b>32,690</b>	<b>42,928</b>	<b>-2,036</b>	<b>-2,505</b>	<b>95,007</b>	<b>120,793</b>

### Sales by product group Q4

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Mechanical locks, lock systems and fittings	2,438	2,846	2,205	2,806	1,167	1,244	57	102	2	2	-191	-175	5,677	6,825
Electromechanical and electronic locks	1,739	2,022	1,537	2,020	640	752	3,894	5,628	238	295	-328	-423	7,720	10,293
Security doors and hardware	882	1,215	1,770	2,580	578	618	7	4	777	849	-37	-36	3,977	5,231
Entrance automation	128	148	11	21	46	34	-	-	8,110	10,389	-44	-26	8,250	10,566
<b>Total</b>	<b>5,186</b>	<b>6,231</b>	<b>5,522</b>	<b>7,427</b>	<b>2,431</b>	<b>2,648</b>	<b>3,958</b>	<b>5,734</b>	<b>9,127</b>	<b>11,535</b>	<b>-600</b>	<b>-660</b>	<b>25,623</b>	<b>32,915</b>

### Sales by product group Jan-Dec

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Mechanical locks, lock systems and fittings	9,814	10,934	8,562	10,984	4,289	5,005	294	372	8	8	-703	-789	22,264	26,515
Electromechanical and electronic locks	6,757	7,098	5,347	7,432	2,077	2,496	14,283	18,958	1,016	1,179	-1,065	-1,453	28,415	35,709
Security doors and hardware	3,392	4,284	6,560	9,852	2,240	2,147	27	15	2,930	3,850	-127	-145	15,023	20,002
Entrance automation	559	542	39	76	113	176	-	-	28,737	37,891	-141	-118	29,306	38,567
<b>Total</b>	<b>20,522</b>	<b>22,858</b>	<b>20,507</b>	<b>28,344</b>	<b>8,719</b>	<b>9,824</b>	<b>14,604</b>	<b>19,344</b>	<b>32,690</b>	<b>42,928</b>	<b>-2,036</b>	<b>-2,505</b>	<b>95,007</b>	<b>120,793</b>

## NOTE 2 BUSINESS COMBINATIONS

### Consolidated acquisitions 2022

Acquisition	Division	Country	Number of employees	Approx. sales in 2021	Month of consolidation
Keytechnik	Global Technologies	Belgium	<50	<50 MSEK	2022-03
Jotec	Entrance Systems	Germany	100	200 MSEK	2022-04
Vigil Health Solutions	Global Technologies	Canada	<50	<50 MSEK	2022-04
Vizinex	Global Technologies	USA	<50	<50 MSEK	2022-05
Arran Isle	EMEIA	United Kingdom	556	1,450 MSEK	2022-06
Acura	Global Technologies	Brazil	70	60 MSEK	2022-06
Caldwell	Asia Pacific/EMEIA	USA	415	1,000 MSEK	2022-06
J. Newton Enterprises	Entrance Systems	USA	60	150 MSEK	2022-08
ASA Fermatures	Entrance Systems	France	<50	120 MSEK	2022-09
Go Doors	Entrance Systems	Australia	<50	<50 MSEK	2022-09
VHS	EMEIA	Turkey	440	150 MSEK	2022-09
Alcea	Global Technologies	France	120	200 MSEK	2022-10
Control ID	Americas	Brazil	300	250 MSEK	2022-10
D&D Technologies	Asia Pacific	Australia	110	475 MSEK	2022-10
Bird Home Automation	EMEIA	Germany	110	220 MSEK	2022-10
Roy C	Entrance Systems	USA	<50	70 MSEK	2022-10
Safemark	Global Technologies	USA	<50	130 MSEK	2022-10
Metaflex	Entrance Systems	Netherlands	340	320 MSEK	2022-11
Duffett Doors	Entrance Systems	New Zealand	<50	60 MSEK	2022-12
Janam	Global Technologies	USA	<50	200 MSEK	2022-12
Zipplify	Global Technologies	Sweden	<50	<50 MSEK	2022-12

	Q4		Jan-Dec	
SEK M	2021	2022	2021	2022
<b>Purchase prices</b>				
Cash paid for acquisitions during the year	982	5,225	1,743	8,945
Holdbacks and deferred considerations for acquisitions during the year	37	502	150	864
Adjustment of purchase prices for acquisitions in prior years	0	0	-6	2
<b>Total</b>	<b>1,019</b>	<b>5,727</b>	<b>1,887</b>	<b>9,812</b>
<b>Acquired assets and liabilities at fair value</b>				
Intangible assets	0	683	151	803
Property, plant and equipment and right-of-use assets	92	167	118	477
Other non-current assets	5	60	3	102
Inventories	110	468	233	1,312
Current receivables and investments	201	415	332	948
Cash and cash equivalents	61	422	180	533
Non-current liabilities	-21	-184	-43	-256
Current liabilities	-130	-695	-363	-1,297
<b>Total</b>	<b>319</b>	<b>1,336</b>	<b>611</b>	<b>2,621</b>
<b>Goodwill</b>	<b>700</b>	<b>4,391</b>	<b>1,276</b>	<b>7,190</b>
<b>Change in cash and cash equivalents due to acquisitions</b>				
Cash paid for acquisitions during the year	982	5,225	1,743	8,945
Cash and cash equivalents in acquired subsidiaries	-61	-422	-180	-533
Paid considerations for acquisitions in prior years	42	46	557	171
<b>Total</b>	<b>963</b>	<b>4,850</b>	<b>2,121</b>	<b>8,583</b>

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 2022

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	23,458	23,458			
Financial assets at fair value through profit and loss	93	93			
Derivatives - hedge accounting	5	5		5	
Derivatives - held for trading	135	135		135	
<b>Financial liabilities</b>					
Financial liabilities at amortized cost	40,295	39,244			
Financial liabilities at fair value through profit and loss	1,034	1,034			1,034
Lease liabilities	3,907	3,907			
Derivatives - hedge accounting	163	163		163	
Derivatives - held for trading	264	264		264	

#### 31 December 2021

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	20,393	20,393			
Financial assets at fair value through profit and loss	52	52			
Available-for-sale financial assets	85	85		85	
Derivative instruments - hedge accounting	177	177		177	
<b>Financial liabilities</b>					
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	

*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	
	2021	2022
Operating income	1,053	1,965
Income before appropriations and tax	6,721	3,411
Net income for the period	6,631	3,292

### CONDENSED BALANCE SHEET

SEK M	31 Dec	
	2021	2022
Non-current assets	46,435	47,860
Current assets	18,231	18,809
<b>Total assets</b>	<b>64,666</b>	<b>66,669</b>
Equity	28,481	27,104
Untaxed reserves	1,606	1,265
Non-current liabilities	14,577	15,119
Current liabilities	20,002	23,182
<b>Total equity and liabilities</b>	<b>64,666</b>	<b>66,669</b>

## 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 equity attributable to parent company's shareholders 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.