

Quarterly Report Q1 2023

26 April 2023

ASSA ABLOY

Experience a safer and
more open world

A very strong start to 2023

First quarter

- Net sales increased by 22% to SEK 32,391 M (26,591), with organic growth of 8% (14) and acquired net growth of 5% (0). Exchange-rates affected sales by 9% (8).
- Very strong organic sales growth was achieved in Global Technologies and Americas, with strong growth in Asia Pacific and good growth in EMEA and Entrance Systems.
- Four acquisitions with combined annual sales of about SEK 440 M were signed in the quarter.
- A new Manufacturing Footprint Program was launched at the end of the first quarter. The expected restructuring cost for the new Program is SEK 1,225 M and the expected pay-back time, including capital expenditure, is around two years.
- Operating income¹ (EBIT) increased by 30% and amounted to SEK 5,186 M (4,001), with an operating margin of 16.0% (15.0).
- Net income¹ amounted to SEK 3,692 M (2,859).
- Earnings per share¹ amounted to SEK 3.32 (2.57).
- Operating cash flow amounted to SEK 4,069 M (912), a record high for a first quarter.

Organic growth

+8%

Operating income¹

+30%

Earnings per share¹

+29%

Sales and income

	Full year			First quarter		
	2021	2022	Δ	2022	2023	Δ
Sales, SEK M	95,007	120,793	27%	26,591	32,391	22%
Of which:						
Organic growth	8,900	13,007	12%	3,287	2,218	8%
Acquisitions and divestments	1,975	2,126	2%	-52	1,344	5%
Exchange-rate effects	-3,517	10,653	13%	1,551	2,237	9%
Operating income (EBIT)¹, SEK M	14,181	18,532	31%	4,001	5,186	30%
Operating margin (EBITA) ¹ , %	15.6%	15.9%		15.6%	16.6%	
Operating margin (EBIT)¹, %	14.9%	15.3%		15.0%	16.0%	
Income before tax ¹ , SEK M	13,538	17,521	29%	3,811	4,843	27%
Net income ¹ , SEK M	10,901	13,296	22%	2,859	3,692	29%
Operating cash flow, SEK M	13,265	15,808	19%	912	4,069	346%
Earnings per share¹, SEK	9.81	11.97	22%	2.57	3.32	29%

¹ Excluding the costs of restructuring programs in the first quarter of 2023, which totaled SEK 1,225 M before income tax. The corresponding cost after tax is SEK 978 M.

Comments by the President and CEO

A very strong start to 2023

I am happy to report a very good start to 2023, which delivered a strong organic sales growth of 8%, complemented by strong growth of 5% from acquisitions and combined with a record high adjusted operating margin for a first quarter of 16.0%, an improvement of 100bps since last year.

Sales were driven by very strong organic growth in Global Technologies, up 24%, with strong contributions from both HID and Global Solutions. Sales in Americas also grew very strongly by 11%, driven by very strong demand in the US non-residential segments and good growth in US residential and Latin America. With no major Covid-disruptions, sales-decline in China levelled out and Asia Pacific overall delivered strong growth of 6%. EMEA reported good growth of 3% with strong growth in the emerging markets. Despite very strong growth last year, Entrance Systems also reported good growth of 3% driven by strong development in the Pedestrian and Industrials segments.

The operating profit excluding items affecting comparability increased by 30% to SEK 5,186 M, and the corresponding margin increased by 100bps to 16.0%. The operating leverage was very strong at 33%, driven by lower direct material costs, strong price realization and continued operational efficiencies. Our operating cash flow also improved significantly to SEK 4,069 M, with a cash conversion of 84% (24) as working capital improved compared to last year in combination with the increased earnings.

MFP enables investments in product development and organic growth

During the quarter, we launched our ninth Manufacturing Footprint Program (MFP), including a restructuring cost of SEK 1.2 billion. The Program will result in the closing of 13 factories and will generate annual savings of more than SEK 0.7 billion with a pay-back period of around two years.

Efficiency improvements are an enabler for investments in product development and long-term organic growth. Our service offering in Entrance Systems is one area we have invested in during the last few years, and we are delivering on our ambition of high-single-digit organic growth. Another focus area is mobile credentials that contribute to our subscribed recurring revenue growth and now represent 5% of total sales.

A high level of acquisition activity

During the first quarter we signed four acquisitions. We are also in a court process regarding the acquisition of HHI and expect a decision in the second quarter.

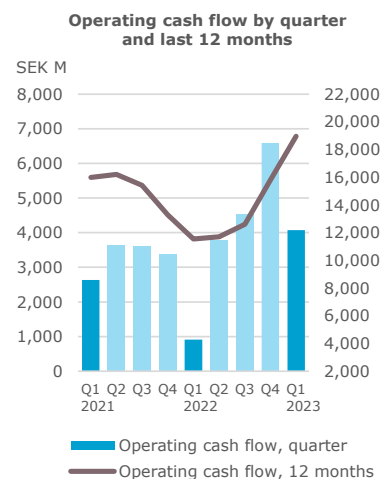
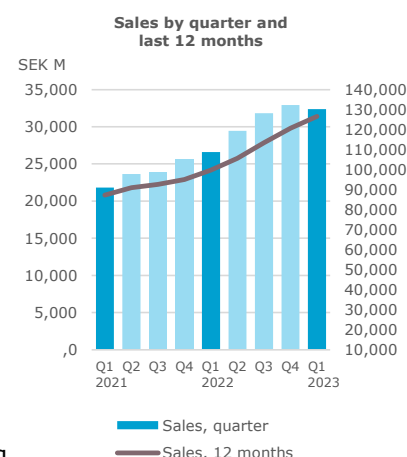
Finally, the macroeconomic environment remains uncertain with some Key Performance Indicators indicating a slowdown. Although we continue to report strong results, we are prepared and have the agility to mitigate further changes in the demand and if necessary we are ready to implement additional cost reductions, to protect our profitability and cash flow.

Thank you for your continued trust in ASSA ABLOY.

Stockholm, 26 April 2023



Nico Delvaux
President and CEO



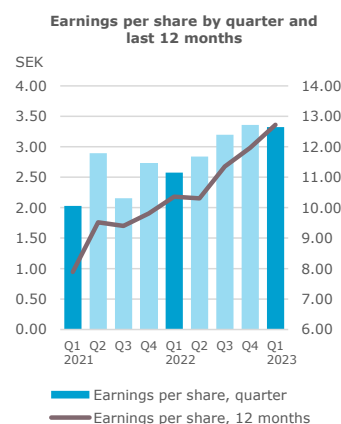
First quarter

The Group's sales increased by 22% to SEK 32,391 M (26,591). Organic growth amounted to 8% (14). Growth from acquisitions and divestments was 5% (0), of which 5% (1) were acquisitions and 0% (–1) were divestments. Exchange-rates affected sales positively by 9% (8).

The Group's operating income² (EBIT) amounted to SEK 5,186 M (4,001), an increase of 30%. The corresponding operating margin was 16.0% (15.0). Exchange-rates had an impact of SEK 387 M (212) on EBIT. Operating income before amortizations from acquisitions² (EBITA) amounted to SEK 5,379 M (4,153). The corresponding EBITA margin was 16.6% (15.6).

Net financial items amounted to SEK –343 M (–190), primarily due to higher interest costs compared with last year. The Group's income before tax² was SEK 4,843 M (3,811), an increase of 27% compared with last year. Exchange-rates had an impact of SEK 368 M (203) on income before tax². The corresponding profit margin was 15.0% (14.3).

The estimated effective tax rate 2023, on an annualized basis, was 25% (24% for the full year 2022). Earnings per share² amounted to SEK 3.32 (2.57), an increase of 29% compared with last year. Operating cash flow totaled SEK 4,069 M (912), which corresponds to a cash conversion² of 0.84 (0.24). The net-debt/equity ratio at the end of the quarter was 0.33 (0.38).



Restructuring measures

A new Manufacturing Footprint Program was 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 SEK 1,225 M and the expected pay-back time, including capital expenditure, is around two years.

Payments related to all restructuring programs amounted to SEK 109 M (68) during the quarter. The restructuring programs proceeded according to plan. At the end of the quarter provisions of SEK 1,229 M, including the new Program, remained in the balance sheet for carrying out the programs.

Quarterly comments by division

Opening Solutions EMEIA

Sales for the quarter in EMEIA totaled SEK 6,229 M (5,309), with organic growth of 3% (7). Organic sales growth was very strong in Middle East, Africa and India, good in Central Europe and the Nordics and stable in South Europe and UK/Ireland. Net sales growth from acquisitions was 9%.

Operating income excluding items affecting comparability totaled SEK 858 M (776), which represents an operating margin (EBIT) of 13.8% (14.6). Return on capital employed, on an annualized basis and excluding items affecting comparability, amounted to 16.4% (16.2). Operating cash flow before non-cash items and interest paid totaled SEK 418 M (23).

² Excluding the costs of restructuring programs in the first quarter of 2023, which totaled SEK 1,225 M before income tax. The corresponding cost after tax is SEK 978 M.

Opening Solutions Americas

Sales for the quarter in Americas totaled SEK 7,861 M (6,241), with organic growth of 11% (22). Organic sales growth was very strong in Canada, Security Doors, Access & High Security and Architectural Hardware and strong in US Residential and Latin America. Organic sales declined in Electromechanical Solutions and US Smart Residential. Sales growth from acquisitions was 2%.

Operating income excluding items affecting comparability totaled SEK 1,707 M (1,265), which represents an operating margin (EBIT) of 21.7% (20.3). Return on capital employed, on an annualized basis and excluding items affecting comparability, amounted to 32.8% (30.5). Operating cash flow before non-cash items and interest paid totaled SEK 1,024 M (552).

Opening Solutions Asia Pacific

Sales for the quarter in Asia Pacific totaled SEK 2,411 M (1,879), with organic growth of 6% (-2). Organic sales growth was very strong in South Korea and strong in South East Asia, but declined in Pacific and China. Sales growth from acquisitions was 16%.

Operating income excluding items affecting comparability totaled SEK 111 M (67), which represents an operating margin (EBIT) of 4.6% (3.5). Return on capital employed, on an annualized basis and excluding items affecting comparability, amounted to 1.5% (5.6). Operating cash flow before non-cash items and interest paid totaled SEK -86 M (-226).

Global Technologies

Sales for the quarter in Global Technologies totaled SEK 5,582 M (4,051), with organic growth of 24% (11). Organic sales growth was very strong in Physical Access Control and Identification Technology, strong in Citizen ID and good in Identity & Access Solutions, but declined in Extended Access and Secure Issuance. Sales growth in Global Solutions was very strong. Net sales growth from acquisitions was 4%.

Operating income excluding items affecting comparability totaled SEK 939 M (516), which represents an operating margin (EBIT) of 16.8% (12.7). The operating margin was positively affected by the strong sales growth in Physical Access Control and the recovery in Hospitality, while Citizen ID continues to struggle to get back to pre-pandemic sales levels and remains dilutive to the result. Return on capital employed, on an annualized basis and items affecting comparability, amounted to 13.7% (10.4). Operating cash flow before non-cash items and interest paid totaled SEK 627 M (353).

Entrance Systems

Sales for the quarter in Entrance Systems totaled SEK 11,037 M (9,653), with organic growth of 3% (20). Organic sales growth was very strong in Pedestrian and strong in Industrial, but organic sales declined in Residential and declined significantly in Perimeter Security. Net sales growth from acquisitions was 2%.

Operating income excluding items affecting comparability totaled SEK 1,786 M (1,555), which represents an operating margin (EBIT) of 16.2% (16.1). Return on capital employed, on an annualized basis and excluding items affecting comparability, amounted to 18.9% (16.8). Operating cash flow before non-cash items and interest paid totaled SEK 2,525 M (621).

Acquisitions and divestments

Acquisitions

Three 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 134 M. The corresponding acquisition price on a cash and debt free basis totaled SEK 171 M. Preliminary acquisition analyses indicate that goodwill and other intangible assets with indefinite useful life, for acquisitions made during the year, amounted to SEK 83 M. Corresponding estimated deferred considerations amounted to SEK 0 M.

On March 30, 2023, it was announced that ASSA ABLOY has signed an agreement to acquire Mottura, an Italian manufacturer of high-security residential armored lock cases and security cylinders. Sales in 2022 amounted to about SEK 300 M. The acquisition is subject to customary closing conditions and is expected to close during the second quarter of 2023.

Sustainable development

ASSA ABLOY's Sustainability Report for 2022 was published on 6 March 2023. During 2022 we increased our focus on sustainability, where our science-based targets were ratified by the Science Based Targets initiative; and we continued to make good progress in our sustainability program and targets to 2025.

In 2022, compared with 2019 baseline - we reduced our water intensity by 40%, our energy intensity by 24% and our organic-solvent intensity by 64%. Our Scope 1 & 2 absolute carbon emissions were reduced by 20%. The reduction in carbon emissions is directly linked to our focus on energy effectiveness and efficiency.

During 2022, we carried out 874 sustainability audits of direct material suppliers. The Group had 299 Environmental Product Declarations verified and published by the end of 2022.

Parent company

Other operating income for the Parent company ASSA ABLOY AB totaled SEK 1,092 M (615) for the first quarter of 2023. Operating income for the same period amounted to SEK -274 M (-651). Investments in tangible and intangible assets totaled SEK 1 M (2). Liquidity is good and the equity ratio is 40.0% (43.9).

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 2023, except for the adoption of IAS 29 "Financial Reporting in Hyperinflationary Economies" for the ASSA ABLOY operations in Türkiye.

From 2023 therefore, the income statement and non-monetary items in the balance sheet for all Turkish subsidiaries have been adjusted for the hyperinflation impact. The index used by ASSA ABLOY for the remeasurement to hyperinflation of the income statements and non-monetary items in the balance sheet is the consumer price index with base period 2005 from the Turkish statistical institute. The income statements for all Turkish subsidiaries have been recalculated. The net monetary result is recognized in the income statement within financial items. The hyperinflation adjustment related to periods prior to 2023 is recognized in the translation reserve within Equity. The hyperinflation impact has been excluded from the statement of cash flows.

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.

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 2022 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.

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 2022 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 March 2023, will have an effect of 4–5% on sales in the second quarter of 2023 versus the same period last year, while the effect on the operating margin is estimated to be dilutive in the second quarter of 2023.

Exchange-rate effects

On the basis of the currency rates on 31 March 2023, it is estimated that the weighted currency effects on sales in the second quarter of 2023 versus the same period last year will be 5%, while the effect on the operating margin is estimated to be neutral in the second quarter of 2023.

Review

The Company's Auditors have not carried out any review of this Report for the first quarter of 2023.

Stockholm, 26 April 2023



Nico Delvaux
President and CEO

Financial information

The Quarterly Report for the second quarter of 2023 will be published on 19 July 2023.

The Quarterly Report for the third quarter of 2023 will be published on 25 October 2023.

The Year-end Report and Quarterly Report for the fourth quarter of 2023 will be published on 7 February 2024.

Further information can be obtained from:

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ASSA ABLOY is holding a **telephone and web conference at 09.30 on 26 April 2023** which can be followed online at assaabloy.com/investors.

It is possible to submit questions by telephone on:
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This information is information that ASSA ABLOY AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 08.00 CEST on 26 April 2023.

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No.07/2023

Financial information – Group

CONDENSED INCOME STATEMENT

	Year	Q1	
SEK M	2022	2022	2023
Sales	120,793	26,591	32,391
Cost of goods sold	-72,862	-16,115	-19,781
Gross income	47,931	10,476	12,610
Selling, administrative and R&D costs	-29,425	-6,480	-8,653
Share of earnings in associates	26	6	4
Operating income	18,532	4,001	3,961
Finance net	-1,011	-190	-343
Income before tax	17,521	3,811	3,619
Tax on income	-4,225	-953	-905
Net income for the period	13,296	2,859	2,714
Net income for the period attributable to:			
Parent company's shareholders	13,291	2,858	2,713
Non-controlling interests	5	0	1
Earnings per share			
Before and after dilution, SEK	11.97	2.57	2.44
Before and after dilution and excluding items affecting comparability, SEK	11.97	2.57	3.32

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Year	Q1	
SEK M	2022	2022	2023
Net income for the period	13,296	2,859	2,714
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Actuarial gain/loss on post-employment benefit obligations, net after tax	914	-10	-35
Total	914	-10	-35
Items that may be reclassified subsequently to profit or loss			
Share of other comprehensive income of associates	-11	-26	-21
Cashflow hedges and net investment hedges, net after tax	-10	7	-2
Exchange rate differences	6,916	1,205	-113
Total	6,895	1,186	-136
Total other comprehensive income	7,809	1,176	-171
Total comprehensive income for the period	21,105	4,035	2,543
Total comprehensive income for the period attributable to:			
Parent company's shareholders	21,101	4,035	2,544
Non-controlling interests	4	0	-1

Financial information - Group

CONDENSED BALANCE SHEET

SEK M	31 Dec	31 Mar	
	2022	2022	2023
ASSETS			
Non-current assets			
Intangible assets	90,897	77,478	90,614
Property, plant and equipment	10,106	8,934	10,178
Right-of-use assets	3,804	3,450	4,075
Investments in associates	676	637	657
Other financial assets	373	273	371
Deferred tax assets	1,313	1,162	1,444
Total non-current assets	107,170	91,933	107,339
Current assets			
Inventories	19,217	15,914	18,949
Trade receivables	19,760	17,186	19,864
Other current receivables and investments	5,000	6,144	5,985
Cash and cash equivalents	3,417	4,113	2,811
Total current assets	47,394	43,357	47,608
TOTAL ASSETS	154,564	135,290	154,948
EQUITY AND LIABILITIES			
Equity			
Equity attributable to Parent company's shareholders	86,014	73,568	88,496
Non-controlling interests	12	9	12
Total equity	86,026	73,577	88,508
Non-current liabilities			
Long-term loans	20,523	19,723	20,078
Non-current lease liabilities	2,624	2,365	2,918
Deferred tax liabilities	2,785	2,616	2,697
Other non-current liabilities and provisions	3,005	3,860	3,405
Total non-current liabilities	28,936	28,563	29,099
Current liabilities			
Short-term loans	9,304	5,651	6,422
Current lease liabilities	1,284	1,170	1,264
Trade payables	10,469	9,688	9,827
Other current liabilities and provisions	18,545	16,641	19,827
Total current liabilities	39,602	33,149	37,341
TOTAL EQUITY AND LIABILITIES	154,564	135,290	154,948

CHANGES IN EQUITY

SEK M	Equity attributable to:		
	Parent company's shareholders	Non-controlling interests	Total equity
Opening balance 1 January 2022	69,582	9	69,592
Net income for the period	2,858	0	2,859
Other comprehensive income	1,177	-1	1,176
Total comprehensive income	4,035	0	4,035
Stock purchase plans	-49	-	-49
Total transactions with shareholders	-49	-	-49
Closing balance 31 March 2022	73,568	9	73,577
Opening balance 1 January 2023	86,014	12	86,026
Net income for the period	2,713	1	2,714
Other comprehensive income	-169	-2	-171
Total comprehensive income	2,544	-1	2,543
Stock purchase plans	-61	-	-61
Change in non-controlling interest	0	-	0
Total transactions with shareholders	-62	0	-62
Closing balance 31 March 2023	88,496	12	88,508

Financial information - Group

CONDENSED STATEMENT OF CASH FLOWS SEK M	Year	Q1	
	2022	2022	2023
OPERATING ACTIVITIES			
Operating income	18,532	4,001	3,961
Add back of			
Depreciation/amortization	4,088	939	1,055
Restructuring costs	-	-	1,225
Other non-cash items	137	13	50
Restructuring payments	-404	-68	-109
Cash flow before interest and tax	22,353	4,886	6,182
Interest paid and received	-799	-133	-242
Tax paid on income	-4,366	-597	-726
Cash flow before changes in working capital	17,188	4,155	5,214
Changes in working capital	-2,831	-3,261	-1,111
Cash flow from operating activities	14,357	894	4,103
INVESTING ACTIVITIES			
Net investments in intangible assets and property, plant and equipment	-1,990	-336	-516
Investments in subsidiaries	-8,583	-47	-338
Divestments of subsidiaries	37	2	0
Other investments and disposals	-26	0	0
Cash flow from investing activities	-10,561	-380	-854
FINANCING ACTIVITIES			
Dividends	-4,666	-	-
Acquisition of non-controlling interests	-55	-	-
Amortization of lease liabilities	-1,330	-312	-352
Net cash effect of changes in borrowings	1,352	-422	-3,481
Cash flow from financing activities	-4,699	-734	-3,833
CASH FLOW FOR THE PERIOD	-904	-220	-584
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of period	4,325	4,325	3,417
Cash flow for the period	-904	-220	-584
Effect of exchange rate differences	-5	7	-22
Cash and cash equivalents at end of period	3,417	4,113	2,811

Quarterly information - Group

THE GROUP IN SUMMARY										Year	Last 12
SEK M	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	2022	months
Sales	21,805	23,648	23,930	25,623	26,591	29,466	31,820	32,915	32,391	120,793	126,593
Organic growth	4%	23%	7%	10%	14%	13%	14%	9%	8%	12%	
Gross income ¹	8,722	9,438	9,535	10,082	10,476	11,630	12,626	13,199	13,393	47,931	50,848
Gross margin ¹	40.0%	39.9%	39.8%	39.3%	39.4%	39.5%	39.7%	40.1%	41.3%	39.7%	40.2%
EBITDA ¹	4,115	4,552	4,373	4,982	4,941	5,367	6,014	6,298	6,241	22,620	23,920
EBITDA margin ¹	18.9%	19.3%	18.3%	19.4%	18.6%	18.2%	18.9%	19.1%	19.3%	18.7%	18.9%
Depreciation, excl attrib. to business combinations	-774	-812	-833	-821	-788	-810	-875	-961	-862	-3,433	-3,507
EBITA ¹	3,341	3,740	3,539	4,161	4,153	4,557	5,139	5,338	5,379	19,187	20,413
EBITA margin ¹	15.3%	15.8%	14.8%	16.2%	15.6%	15.5%	16.2%	16.2%	16.6%	15.9%	16.1%
Amortization attrib. to business combinations	-154	-151	-147	-148	-151	-152	-166	-185	-193	-655	-696
Operating income (EBIT) ¹	3,187	3,589	3,392	4,013	4,001	4,406	4,973	5,152	5,186	18,532	19,717
Operating margin (EBIT) ¹	14.6%	15.2%	14.2%	15.7%	15.0%	15.0%	15.6%	15.7%	16.0%	15.3%	15.6%
Items affecting comparability ¹	-	-	-	-	-	-	-	-	-1,225	-	-1,225
Operating income (EBIT)	3,187	3,589	3,392	4,013	4,001	4,406	4,973	5,152	3,961	18,532	18,492
Operating margin (EBIT)	14.6%	15.2%	14.2%	15.7%	15.0%	15.0%	15.6%	15.7%	12.2%	15.3%	14.6%
Net financial items	-142	-148	-159	-194	-190	-198	-237	-387	-343	-1,011	-1,163
Income before tax	3,045	3,441	3,233	3,819	3,811	4,208	4,736	4,766	3,619	17,521	17,328
Profit margin	14.0%	14.6%	13.5%	14.9%	14.3%	14.9%	14.9%	14.5%	11.2%	14.5%	13.7%
Tax on income	-792	-229	-841	-776	-953	-1,052	-1,184	-1,036	-905	-4,225	-4,177
Net income for the period	2,253	3,212	2,392	3,043	2,859	3,156	3,552	3,729	2,714	13,296	13,152
Net income attributable to:											
Parent company's shareholders	2,253	3,212	2,393	3,042	2,858	3,153	3,551	3,728	2,713	13,291	13,146
Non-controlling interests	0	0	0	1	0	3	1	1	1	5	6
OPERATING CASH FLOW										Year	Last 12
SEK M	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	2022	months
Operating income (EBIT)	3,187	3,589	3,392	4,013	4,001	4,406	4,973	5,152	3,961	18,532	18,492
Reversal items affecting comparability	-	-	-	-	-	-	-	-	1,225	-	1,225
Depreciation and amortization	929	963	980	969	939	961	1,041	1,146	1,055	4,088	4,203
Net capital expenditure	-289	-388	-407	-545	-336	-410	-509	-735	-516	-1,990	-2,170
Change in working capital	-701	-9	-157	-629	-3,261	-641	-477	1,548	-1,111	-2,831	-681
Interest paid and received	-122	-175	-110	-162	-133	-257	-217	-192	-242	-799	-908
Repayment of lease liabilities	-311	-315	-313	-303	-312	-324	-335	-360	-352	-1,330	-1,370
Other non-cash items	-57	-39	233	41	13	52	44	29	50	137	175
Operating cash flow	2,636	3,627	3,619	3,384	912	3,787	4,520	6,588	4,069	15,808	18,965
Cash conversion	0.87	1.05	1.12	0.89	0.24	0.90	0.95	1.38	0.84	0.90	1.02
CHANGE IN NET DEBT										Year	Last 12
SEK M	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	2022	months
Net debt at beginning of period	29,755	29,160	28,509	25,732	27,071	27,617	32,565	30,618	31,732	27,071	27,617
Operating cash flow	-2,636	-3,627	-3,619	-3,384	-912	-3,787	-4,520	-6,588	-4,069	-15,808	-18,965
Restructuring payments	138	129	130	166	68	84	81	171	109	404	445
Tax paid on income	532	820	805	960	597	1,278	1,038	1,452	726	4,366	4,495
Acquisitions and divestments	385	472	-632	975	67	3,039	826	5,080	367	9,012	9,312
Dividend	-	2,167	1	2,166	-	2,333	-	2,333	-	4,666	4,666
Actuarial gain/loss on post-employment benefit oblig.	-619	-44	-37	-216	11	191	-538	-906	47	-1,241	-1,206
Change to lease liabilities	-29	-97	7	33	-76	-51	-53	62	254	-119	211
Exchange rate differences, etc.	1,633	-471	568	639	791	1,860	1,219	-490	171	3,380	2,761
Net debt at end of period	29,160	28,509	25,732	27,071	27,617	32,565	30,618	31,732	29,336	31,732	29,336
Net debt/Equity	0.46	0.45	0.38	0.39	0.38	0.42	0.35	0.37	0.33		
NET DEBT										Year	Last 12
SEK M	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	2022	months
Interest-bearing assets	-189	-176	-177	-177	-177	-199	-207	-224	-221		
Cash and cash equivalents	-3,610	-3,544	-5,995	-4,325	-4,113	-1,707	-2,978	-3,417	-2,811		
Derivative financial instruments, net	83	1	62	86	283	141	231	288	306		
Pension provisions	2,995	2,922	2,949	2,736	2,715	2,803	2,389	1,351	1,379		
Lease liabilities	3,678	3,530	3,401	3,515	3,534	3,697	3,840	3,907	4,182		
Interest-bearing liabilities	26,202	25,776	25,492	25,237	25,374	27,829	27,344	29,826	26,500		
Total	29,160	28,509	25,732	27,071	27,617	32,565	30,618	31,732	29,336		
CAPITAL EMPLOYED AND FINANCING										Year	Last 12
SEK M	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	2022	months
Goodwill	60,822	60,198	60,604	62,502	63,600	69,536	73,540	75,873	75,075		
Other intangible assets	14,446	14,004	13,920	13,834	13,877	14,476	14,774	15,024	15,539		
Property, plant and equipment	8,329	8,186	8,325	8,753	8,934	9,538	10,079	10,106	10,178		
Right-of-use assets	3,619	3,466	3,330	3,436	3,450	3,601	3,735	3,804	4,075		
Other capital employed	6,721	7,588	7,623	8,796	11,932	14,327	15,257	13,244	14,206		
Restructuring reserve	-1,119	-971	-848	-658	-600	-537	-469	-294	-1,229		
Capital employed	92,818	92,471	92,954	96,663	101,193	110,941	116,916	117,758	117,844		
Net debt	29,160	28,509	25,732	27,071	27,617	32,565	30,618	31,732	29,336		
Non-controlling interests	10	9	8	9	9	11	13	12	12		
Equity attributable to Parent company's shareholders	63,649	63,953	67,214	69,582	73,568	78,365	86,285	86,014	88,496		
OTHER KEY RATIOS ETC										Year	Last 12
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	2022	months
Earnings per share, SEK	2.03	2.89	2.15	2.74	2.57	2.84	3.20	3.36	2.44		
Earnings per share, excl IAC, SEK	2.03	2.89	2.15	2.74	2.57	2.84	3.20	3.36	3.32		
Shareholders' equity per share, SEK	57.30	57.57	60.51	62.64	66.23	70.55	77.68	77.44	79.67		
Return on capital employed	13.1%	14.9%	14.6%	15.2%	15.7%	16.0%	16.8%	16.9%	17.4%		
Return on equity	15.1%	18.5%	14.4%	17.0%	16.8%	16.1%	16.4%	17.1%	16.2%		
Net debt/EBITDA	1.8	1.6	1.5	1.5	1.5	1.7	1.4	1.4	1.2		
Average number of employees	49,685	50,727	50,946	50,934	50,984	51,545	51,937	52,463	52,960		
Average adjusted capital employed	94,230	93,076	93,287	93,199	95,766	99,074	103,663	109,372	113,480		
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	-	-	-	-	-	-	-	-	-978		

¹⁾ Excluding items affecting comparability (IAC), which refer to restructuring costs for our ninth Manufacturing Footprint Program (MFP).

Reporting by division

Q1 and 31 Mar

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Sales, external	5,175	6,052	6,209	7,812	1,561	1,971	4,018	5,544	9,628	11,012	-	-	26,591	32,391
Sales, internal	134	177	31	49	318	441	33	38	25	24	-542	-729	-	-
Sales	5,309	6,229	6,241	7,861	1,879	2,411	4,051	5,582	9,653	11,037	-542	-729	26,591	32,391
Organic growth	7%	3%	22%	11%	-2%	6%	11%	24%	20%	3%	-	-	14%	8%
Acquisitions and divestments	-5%	9%	1%	2%	1%	16%	2%	4%	1%	2%	-	-	0%	5%
Exchange-rate effects	3%	5%	13%	13%	7%	6%	10%	10%	8%	9%	-	-	8%	9%
Share of earnings in associates	-	-	-	-	4	4	-	-	1	-	-	-	6	4
EBIT, excl items affecting comparability	776	858	1,265	1,707	67	111	516	939	1,555	1,786	-177	-215	4,001	5,186
EBIT margin, excl items affecting comparability	14.6%	13.8%	20.3%	21.7%	3.5%	4.6%	12.7%	16.8%	16.1%	16.2%	-	-	15.0%	16.0%
Items affecting comparability ¹	-	-468	-	-167	-	-140	-	-216	-	-130	-	-104	-	-1,225
Operating income (EBIT)	776	390	1,265	1,540	67	-30	516	723	1,555	1,656	-177	-318	4,001	3,961
Operating margin (EBIT)	14.6%	6.3%	20.3%	19.6%	3.5%	-1.2%	12.7%	13.0%	16.1%	15.0%	-	-	15.0%	12.2%
OPERATING CASH FLOW														
SEK M														
Operating income (EBIT)	776	390	1,265	1,540	67	-30	516	723	1,555	1,656	-177	-318	4,001	3,961
Restructuring costs	-	468	-	167	-	140	-	216	-	130	-	104	-	1,225
Depreciation and amortization	206	224	127	159	79	99	239	252	278	309	10	12	939	1,055
Net capital expenditure	-86	-128	-83	-147	-25	-59	-46	-56	-92	-125	-4	-2	-336	-516
Amortization of lease liabilities	-62	-68	-41	-47	-26	-29	-36	-45	-142	-158	-5	-5	-312	-352
Change in working capital	-811	-468	-716	-648	-321	-208	-321	-464	-977	713	-116	-37	-3,261	-1,111
Operating cash flow by division	23	418	552	1,024	-226	-86	353	627	621	2,525	-291	-246	1,032	4,261
Other non-cash items	-	-	-	-	-	-	-	-	-	-	13	50	13	50
Interest paid and received	-	-	-	-	-	-	-	-	-	-	-133	-242	-133	-242
Operating cash flow													912	4,069
CAPITAL EMPLOYED														
SEK M														
Goodwill	11,026	13,037	12,126	14,896	4,153	5,987	16,446	18,909	19,850	22,246	-	-	63,600	75,075
Other intangible assets	1,077	1,181	1,263	1,837	1,027	1,592	3,785	3,701	6,684	7,194	42	35	13,877	15,539
Property, plant and equipment	2,421	2,861	1,818	2,135	1,497	1,509	1,208	1,392	1,943	2,229	47	52	8,934	10,178
Right-of-use assets	916	917	473	556	246	272	489	566	1,282	1,735	44	30	3,450	4,075
Other capital employed	2,660	4,507	912	1,491	2,412	2,364	1,025	1,670	4,419	4,312	504	-138	11,932	14,206
Adjusted capital employed	18,099	22,503	16,593	20,914	9,335	11,723	22,953	26,238	34,176	37,716	637	-20	101,793	119,073
Restructuring reserve	-252	-500	-1	-142	-100	-62	-109	-224	-106	-199	-32	-101	-600	-1,229
Capital employed	17,847	22,002	16,591	20,772	9,236	11,661	22,845	26,013	34,071	37,517	604	-121	101,193	117,844
Return on capital employed	16.2%	16.4%	30.5%	32.8%	5.6%	1.5%	10.4%	13.7%	16.8%	18.9%	-	-	15.7%	17.4%
Average adjusted capital employed	18,119	20,852	14,774	19,321	8,710	10,822	22,142	25,436	32,341	37,370	-	-	95,766	113,480
Average number of employees	11,755	12,109	9,392	9,892	7,676	7,502	6,861	7,422	14,916	15,767	384	269	50,984	52,960

¹ Items affecting comparability consist of restructuring costs for our ninth Manufacturing Footprint Program (MFP).

Reporting by division

Jan-Dec and 31 Dec					Global Technologies				Entrance Systems		Other		Total	
	EMEIA		Americas		Asia Pacific									
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	-	-
Sales	20 522	22 858	20 507	28 344	8 719	9 824	14 604	19 344	32 690	42 928	-2 036	-2 505	95 007	120 793
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%
Share of earnings in associates	-	-	-	-	18	22	1	3	-1	1	-	-	19	26
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
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%
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
Operating cash flow by division	3 089	2 785	3 722	5 520	285	288	3 179	2 974	3 971	5 436	-591	-534	13 656	16 470
Other non-cash items											178	137	178	137
Interest paid and received											-569	-799	-569	-799
Operating cash flow													13 265	15 808
CAPITAL EMPLOYED														
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
Adjusted capital employed	17 341	21 874	15 915	20 889	8 764	11 211	22 440	26 297	32 903	38 418	-42	-636	97 321	118 052
Restructuring reserve	-278	-97	-7	12	-111	-49	-114	-60	-117	-76	-32	-23	-658	-294
Capital employed	17 063	21 777	15 908	20 900	8 653	11 161	22 326	26 237	32 787	38 342	-74	-659	96 663	117 758
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 Q1

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Europe	4,579	5,403	24	27	147	169	1,204	1,448	3,970	4,480	-219	-249	9,705	11,277
North America	114	144	5,630	7,044	303	714	1,822	2,840	5,167	5,850	-225	-343	12,812	16,249
Central- and South America	24	21	553	746	11	14	147	139	20	25	-7	-10	748	935
Africa	215	229	8	3	2	1	123	119	11	19	-8	-8	351	363
Asia	343	381	23	40	760	821	550	704	252	352	-48	-70	1,879	2,227
Oceania	32	50	3	2	656	692	206	333	233	310	-35	-50	1,096	1,338
Total	5,309	6,229	6,241	7,861	1,879	2,411	4,051	5,582	9,653	11,037	-542	-729	26,591	32,391

Sales by product group Q1

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Mechanical locks, lock systems and fittings	2,634	2,936	2,483	3,051	1,014	1,249	73	98	2	3	-193	-217	6,014	7,122
Electromechanical and electronic locks	1,646	1,981	1,644	2,125	445	611	3,975	5,433	267	320	-285	-446	7,692	10,023
Security doors and hardware	906	1,164	2,099	2,667	375	517	3	51	938	856	-35	-35	4,287	5,219
Entrance automation	123	148	15	18	44	35	-	-	8,446	9,857	-30	-31	8,599	10,027
Total	5,309	6,229	6,241	7,861	1,879	2,411	4,051	5,582	9,653	11,037	-542	-729	26,591	32,391

NOTE 2 BUSINESS COMBINATIONS

Consolidated acquisitions 2023

Acquisition	Division	Country	Number of employees	Approx. sales in 2022	Month of consolidation
GuardRFID	Global technologies	Canada	<50	60	2023-02
Crewsight	Global technologies	USA	<50	<50	2023-02
Connexient	Global technologies	USA	<50	<50	2023-03

	Year	Q1	
	2022	2022	2023
Amounts recognized in the group, SEK M			
Purchase prices			
Cash paid for acquisitions during the year	8 945	8	125
Holdbacks and deferred considerations for acquisitions during the year	864	3	-
Adjustment of purchase prices for acquisitions in prior years	2	8	9
Total	9,812	18	134
Acquired assets and liabilities at fair value			
Intangible assets	803	100	858
Property, plant and equipment and right-of-use assets	477	23	82
Other non-current assets	102	0	-2
Inventories	1,312	11	-31
Current receivables and investments	948	-37	33
Cash and cash equivalents	533	2	-5
Non-current liabilities	-256	-18	-107
Current liabilities	-1,297	-13	-54
Total	2,621	66	774
Goodwill	7,190	-48	-640
Change in cash and cash equivalents due to acquisitions			
Cash paid for acquisitions during the year	8,945	8	125
Cash and cash equivalents in acquired subsidiaries	-533	-2	5
Paid considerations for acquisitions in prior years	171	40	208
Total	8,583	47	338

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

During the quarter, some of the analyzes of acquisitions closed during 2022 have been completed, whereby the resulting goodwill has decreased.

Financial information - Notes

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

31 March 2023

Recognized in the group, SEK M	Carrying amount	Fair value	Financial instruments at fair value		
			Level 1	Level 2	Level 3
Financial assets					
Financial assets at amortized cost	22,954	22,954			
Financial assets at fair value through profit and loss	92	92			
Derivatives - hedge accounting	-	-			
Derivatives - held for trading	107	107		107	
Total financial assets	23,153	23,153	-	107	-
Financial liabilities					
Financial liabilities at amortized cost	36,328	35,425			
Financial liabilities at fair value through profit and loss	841	841			841
Lease liabilities	4,182	4,182			
Derivatives - hedge accounting	245	245		245	
Derivatives - held for trading	168	168		168	
Total financial liabilities	41,764	40,861	-	413	841

31 December 2022

SEK M	Carrying amount	Fair value	Financial instruments at fair value		
			Level 1	Level 2	Level 3
Financial assets					
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	
Derivative instruments - hedge accounting	135	135		135	
Total financial assets	23,690	23,690	-	139	-
Financial liabilities					
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	
Total financial liabilities	45,664	44,613	-	428	1,034

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	Year	Q1	
	2022	2022	2023
Operating income	1,965	-651	-274
Income before appropriations and tax	3,411	-394	-515
Net income for the period	3,292	-248	-408

CONDENSED BALANCE SHEET

SEK M	31 Dec	31 Mar	
	2022	2022	2023
Non-current assets	47,860	46,020	48,047
Current assets	18,809	18,232	18,542
Total assets	66,669	64,253	66,590
Equity	27,104	28,184	26,634
Untaxed reserves	1,265	1,606	1,265
Non-current liabilities	15,119	14,145	14,791
Current liabilities	23,182	20,318	23,900
Total equity and liabilities	66,669	64,253	66,590

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.