

# Quarterly Report

## Q3 2023

October 25, 2023

ASSA ABLOY

Experience a safer and more open world

## Continued strong execution

### Third quarter

- Net sales increased by 16% to SEK 36,881 M (31,820), with organic growth of 1% (14) and acquired net growth of 11% (3). Exchange-rates affected sales by 4% (16).
- Good organic sales growth in Global Technologies and Americas, stable organic sales in Entrance Systems, while organic sales declined in Asia Pacific and EMEIA.
- Ten acquisitions with combined annual sales of about SEK 2,000 M were signed in the quarter.
- The operating margin (EBITA) was 16.7% (16.2).
- Operating income<sup>1</sup> (EBIT) increased by 16% and amounted to SEK 5,777 M (4,973), with an operating margin of 15.7% (15.6).
- The operating margin<sup>1</sup> (EBIT) excluding the acquisition of HHI and divestment of the Emtek/U.S. Smart Residential business was record high at 17.4%.
- Net income<sup>1</sup> amounted to SEK 3,656 M (3,552).
- Earnings per share<sup>1</sup> amounted to SEK 3.31 (3.20).
- Operating cash flow amounted to record high SEK 7,177 M (4,520).

Organic growth

+1%

Operating income<sup>1</sup>

+16%

Earnings per share<sup>1</sup>

+3%

### Sales and income

	Third quarter			January-September		
	2022	2023	Δ	2022	2023	Δ
<b>Sales, SEK M</b>	<b>31,820</b>	<b>36,881</b>	<b>16%</b>	<b>87,878</b>	<b>103,746</b>	<b>18%</b>
Of which:						
Organic growth	3,741	144	1%	10,351	3,259	4%
Acquisitions and divestments	857	3,733	11%	790	7,079	8%
Exchange-rate effects	3,292	1,184	4%	7,353	5,530	6%
<b>Operating income (EBIT)<sup>1</sup>, SEK M</b>	<b>4,973</b>	<b>5,777</b>	<b>16%</b>	<b>13,380</b>	<b>16,462</b>	<b>23%</b>
Operating margin (EBITA) <sup>1</sup> , %	16.2%	16.7%		15.8%	16.6%	
<b>Operating margin (EBIT)<sup>1</sup>, %</b>	<b>15.6%</b>	<b>15.7%</b>		<b>15.2%</b>	<b>15.9%</b>	
Income before tax <sup>1</sup> , SEK M	4,736	4,876	3%	12,756	14,774	16%
Net income <sup>1</sup> , SEK M	3,552	3,656	3%	9,567	11,079	16%
Operating cash flow, SEK M	4,520	7,177	59%	9,219	17,918	94%
<b>Earnings per share<sup>1</sup>, SEK</b>	<b>3.20</b>	<b>3.31</b>	<b>3%</b>	<b>8.61</b>	<b>9.99</b>	<b>16%</b>

<sup>1</sup> Adjusted for items affecting comparability. Please see the section "Items affecting comparability" in the report for further details about the financial effects.

## Comments by the President and CEO

### Continued strong execution

I am happy to report continued strong execution despite weak residential construction markets. Our operating margin over the last twelve months, excluding the HHI-transaction, was 16.6% and for the quarter stood at a record 17.4%. During the third quarter, sales increased 16% with slower organic growth of 1% against high comparable, which was compensated by net acquired growth of 11% and currency effects of 4%. Global Technologies and Americas delivered good organic sales growth of 4% and 3% respectively. Global Technologies was primarily driven by strong growth in Global Solutions and the US non-residential business was the main driver for Americas growth. Organic sales in Entrance Systems were stable with sales growth in all business segments except the Residential segment. EMEA reported negative organic growth of 3%, mainly due to weakness in the Nordics. Asia Pacific organic sales declined 7% due to negative internal sales growth and continued soft demand in China.

The operating profit excluding items affecting comparability increased strongly by 16% to SEK 5,777 M, and the operating margin reached a record high of 17.4% excluding the HHI-transaction and related integration costs. The operating leverage was again very strong, driven by lower direct material costs, positive effects from our structural and short-term cost measures of SEK 0.5 billion as well as solid price realization. The operating cash flow also improved by 59% to a record SEK 7,177 M with a cash conversion of 147%.

### Strong long-term growth trends support sustainable profitable growth

We are part of a good industry with strong long-term growth drivers. Two interlinked long-term growth trends are sustainability and digitalization. There is an ever-increasing demand for more sustainable buildings. This drives increased demand for electromechanical products and solutions as they support the improved efficiency and sustainability of buildings. Our investments in more efficient access solutions supported by Environmental Product Declarations enable us to benefit from this trend. It is clear our investments pay off, organic sales growth for our electromechanical products and solutions in the current year-to-date was around 10%.

### A number of important and strategic acquisitions

We have signed ten acquisitions in the third quarter, which means that as of September 2023 we have acquired 18 businesses with combined annual sales of around SEK 19 bn. HHI was consolidated for the first full quarter and is performing in line with our expectations. We have already started to realize the first synergies which contributed to an improvement in HHI's underlying margin versus the first half of 2023. Acquisitions continue to be an important strategic activity to accelerate profitable growth.

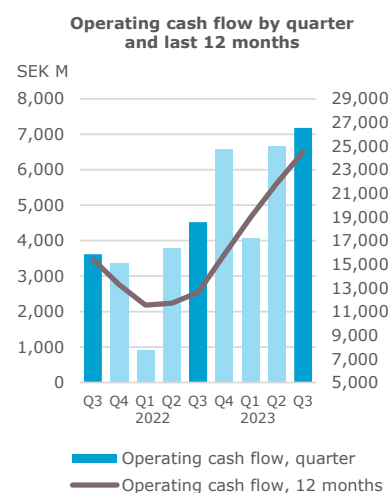
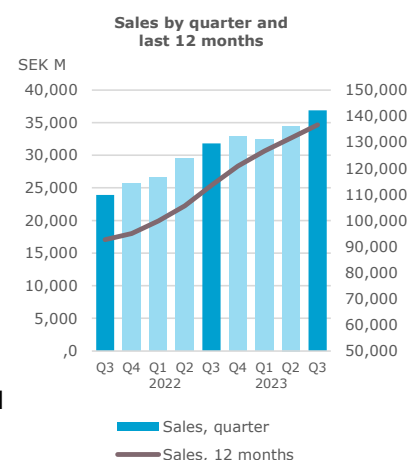
Even though residential construction is experiencing a difficult period, particularly in Europe, ASSA ABLOY has again proven that it is a robust, agile and resilient organization with a strong and stable aftermarket supporting our strong financial performance. We will continue our strong execution and ASSA ABLOY will therefore keep delivering in the long-term.

Thank you for your continued trust in ASSA ABLOY!

Stockholm, October 25, 2023



Nico Delvaux  
President and CEO



## Third quarter

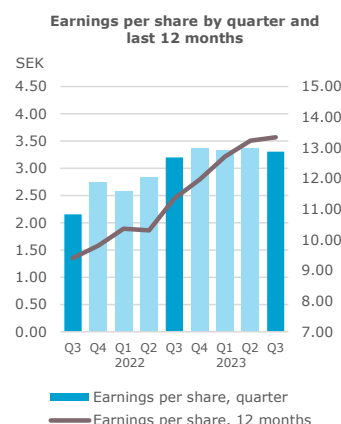
The Group's sales increased by 16% to SEK 36,881 M (31,820). Organic growth amounted to 1% (14). Growth from acquisitions and divestments was 11% (3), of which 15% (4) were acquisitions and –4% (–1) were divestments. Exchange-rates affected sales by 4% (16).

The Group's operating income<sup>2</sup> (EBIT) amounted to SEK 5,777 M (4,973), an increase of 16%. The corresponding operating margin was 15.7% (15.6). Exchange-rates had an impact of SEK 243 M (538) on EBIT. Operating income before amortizations from acquisitions<sup>2</sup> (EBITA) amounted to SEK 6,152 M (5,139). The corresponding EBITA margin was 16.7% (16.2).

Net financial items amounted to SEK –900 M (–237), primarily due to higher interest costs compared with last year. The Group's income before tax<sup>2</sup> was SEK 4,876 M (4,736), an increase of 3% compared with last year. Exchange-rates had an impact of SEK 185 M (526) on income before tax<sup>2</sup>. The corresponding profit margin was 13.2% (14.9).

The estimated effective tax rate for 2023, on an annualized basis and excluding items affecting comparability, was 25% (24% for the full year 2022). Earnings per share before and after dilution<sup>2</sup> amounted to SEK 3.31 (3.20), an increase of 3% compared with last year.

Operating cash flow totaled SEK 7,177 M (4,520), which corresponds to a cash conversion<sup>2</sup> of 1.47 (0.95). The net-debt/equity ratio at the end of the quarter amounted to 0.71 (0.35). Financial net debt totaled SEK 68,736 M (31,732 at latest year-end) at the end of the quarter.



## First nine months of the year

The Group's sales for the first nine months of 2023 totaled SEK 103,746 M (87,878), representing an increase of 18%. Organic growth was 4% (14). Growth from acquisitions and divestments was 8% (1), of which 9% (2) came from acquisitions and –1% (–1) from divestments. Exchange-rates affected sales by 6% (12).

The Group's operating income (EBIT)<sup>2</sup> amounted to SEK 16,462 M (13,380), an increase of 23% compared with last year. The corresponding operating margin was 15.9% (15.2). Operating income before amortizations from acquisitions<sup>2</sup> (EBITA) amounted to SEK 17,253 M (13,849). The corresponding EBITA margin was 16.6% (15.8). The operating margin<sup>2</sup> excluding the acquisition of HHI and divestment of the Emtek/U.S. Smart Residential business was 16.8%.

Earnings per share before and after dilution<sup>2</sup> amounted to SEK 9.99 (8.61), an increase of 16% compared with last year. Operating cash flow totaled SEK 17,918 M (9,219), an increase of 94% versus last year.

## Items affecting comparability, first nine months

### Inventory revaluation HHI

The acquired inventory in HHI was revalued at fair market value, as part of the purchase price analysis. The one-time revaluation of inventory totaled SEK 467 M before taxes and will be expensed during the second half of the year.

<sup>2</sup> Adjusted for items affecting comparability. Please see the section "Items affecting comparability" in the report for further details about the financial effects.

The cost before taxes during the third quarter totaled SEK 350 M. The corresponding cost after tax was SEK 260 M.

## Impairment of intangible assets

Impairment of goodwill and other intangible assets in the second quarter totaled SEK 2,272 M year-to-date, primarily related to the Citizen ID business in the Global Technologies division. The corresponding cost after tax was SEK 2,129 M.

## Divestment gains

The Emtek and Smart Residential business in the U.S. and Canada was divested in June 2023. The divestment gain, net of exit costs, totaled SEK 3,657 M year-to-date. The corresponding gain after tax was SEK 1,968 M. An additional SEK 400 M in expected exit costs will be expensed in future periods.

## Restructuring costs

A new Manufacturing Footprint Program (MFP) was launched in the first quarter of 2023. The restructuring cost year-to-date totaled SEK 1,251 M. The corresponding cost after tax was SEK 998 M.

Payments related to all MFP amounted to SEK 167 M (81) during the third quarter. The programs proceeded according to plan. At the end of the quarter provisions of SEK 941 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 6,061 M (5,758), with organic growth of -3% (4). Organic sales growth was strong in Middle East/Africa/India, stable in South Europe but declined in UK/Ireland, Central Europe and in the Nordics. Net sales growth from acquisitions was 3%. Operating income excluding items affecting comparability totaled SEK 838 M (825), which represents an operating margin (EBIT) of 13.8% (14.3). Return on capital employed, on an annualized basis and excluding items affecting comparability, amounted to 14.9% (17.0). Operating cash flow before non-cash items and interest paid totaled SEK 1,088 M (773).

### Opening Solutions Americas

Sales for the quarter in the Americas totaled SEK 11,091 M (7,640), with organic growth of 3% (17). Organic sales growth was good in North America's non-residential segment, stable in the Latin America segment but declined significantly in the US residential segment. Net sales growth from acquisitions was 38% driven by the acquisition of HHI. Operating income excluding items affecting comparability totaled SEK 1,870 M (1,600), which represents an operating margin (EBIT) of 16.9% (20.9). The corresponding operating margin excluding the acquisition of HHI and divestment of the Emtek/U.S. Smart Residential business was 24.2%. Return on capital employed, on an annualized basis and excluding items affecting comparability, amounted to 20.3% (32.1). Operating cash flow before non-cash items and interest paid totaled SEK 2,807 M (1,612).

## Opening Solutions Asia Pacific

Sales for the quarter in Asia Pacific totaled SEK 2,640 M (2,918), with organic growth of -7% (-2). Organic sales growth was strong in South-East Asia, but declined in China, South Korea and Pacific (in China, mainly due to lower intra-group sales). Net sales growth from acquisitions was -3%. Operating income excluding items affecting comparability totaled SEK 229 M (132), which represents an operating margin (EBIT) of 8.7% (4.5). Return on capital employed, on an annualized basis and excluding items affecting comparability, amounted to 3.8% (3.5). Operating cash flow before non-cash items and interest paid totaled SEK 344 M (190).

## Global Technologies

Sales for the quarter in Global Technologies totaled SEK 5,763 M (5,142), with organic growth of 4% (19). Organic sales growth was very strong in Secure Issuance, strong in Physical Access Control, Identity & Access Solutions and Citizen ID, but declined in Extended Access and declined significantly in Identification Technology. Sales growth in Global Solutions was strong. Net sales growth from acquisitions was 4%. Operating income excluding items affecting comparability totaled SEK 1,065 M (890), which represents an operating margin (EBIT) of 18.5% (17.3). Return on capital employed, on an annualized basis and excluding items affecting comparability, amounted to 15.5% (11.4). Operating cash flow before non-cash items and interest paid totaled SEK 1,074 M (702).

## Entrance Systems

Sales for the quarter in Entrance Systems totaled SEK 11,725 M (11,066), with organic growth of 0% (20). Organic sales growth was strong in Industrial and Pedestrian, good in Perimeter but declined significantly in Residential. Net sales growth from acquisitions was 2%. Operating income excluding items affecting comparability totaled SEK 1,995 M (1,735), which represents an operating margin (EBIT) of 17.0% (15.7). Return on capital employed, on an annualized basis and excluding items affecting comparability, amounted to 19.6% (18.5). Operating cash flow before non-cash items and interest paid totaled SEK 2,791 M (1,424).

## 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 53,041 M. The corresponding acquisition price on a cash and debt free basis totaled SEK 53,596 M. Preliminary acquisition analyses indicate that goodwill and other intangible assets with indefinite useful life amounted to SEK 46,344 M. Estimated deferred considerations for acquisitions made during the year amounted to SEK 327 M.

On October 3, 2023, it was announced that ASSA ABLOY had acquired Inovadoor, a Brazilian manufacturer of sectional and high-speed doors. Sales for 2022 amounted to about SEK 100 M.

On September 21, 2023, it was announced that ASSA ABLOY had acquired Forte, a leading manufacturer of residential door locks and padlocks in Peru. Sales for 2022 amounted to about SEK 200 M.

On September 20, 2023, it was announced that ASSA ABLOY had acquired approximately 98.5 percent of the shares of EVOLIS, a Euronext Growth company listed in Paris and a leading French manufacturer of ID card printers and consumables. ASSA ABLOY will file a mandatory public tender offer for the remaining outstanding shares. Sales for 2022 amounted to about SEK 1,200 M.

On September 7, 2023, it was announced that ASSA ABLOY had acquired Lawrence Hardware and Gallery Specialty, leading providers of commercial hinges, locksets, exit devices and door hardware accessories in Canada. Sales for 2022 amounted to about SEK 200 M.

On July 26, 2023, it was announced that ASSA ABLOY had acquired Sunray Engineering, a UK designer and manufacturer of high specification steel and timber security doors, fire doors and louvre systems. Sales for 2022 amounted to about SEK 150 M.

## Sustainable development

ASSA ABLOY continues to reduce carbon emissions in our own operations and across our value chain, to ensure we are on track to meet our Science Based Targets commitment. During 2023, we continued to install solar photovoltaic arrays at some of our key sites. These are now in use at sites in Bulgaria, Poland, Romania, Czech Republic, Hungary, the UK, Sweden, the US, Finland, Israel, Turkey, Dubai and South Africa. The installation of onsite renewable energy helps to generate our own low-carbon energy, reducing our energy spend and also reducing our exposure to volatile energy prices. To complement our roll-out of onsite renewable energy, we continue to focus on energy effectiveness and efficiency in our operations.

## Parent company

Other operating income for the parent company ASSA ABLOY AB totaled SEK 5,394 M (3,837) for the first nine months of 2023. Operating income for the same period amounted to SEK 1,239 M (-115). Investments in tangible and intangible assets totaled SEK 3 M (10). Liquidity is good and the equity ratio is 27.4% (41.0). The decrease in equity ratio is largely attributable to financing for the acquisition of HHI.

## Accounting principles

ASSA ABLOY applies International Financial Reporting Standards (IFRS) as endorsed by the European Union. The same accounting and valuation principles have been applied as in the last Annual Report. 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, the income statement and non-monetary items in the balance sheet for all Turkish subsidiaries have therefore been adjusted for the impact of hyperinflation. The index used by ASSA ABLOY for the hyperinflation adjustment 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 – described as “alternative performance measures”. For definitions of financial performance measures, refer to Page 18 of this Report. Information about how these measures have been calculated is available on the company’s website [www.assaabloy.com](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 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 as at September 30, 2023, will have an effect of 11% on sales in the fourth quarter of 2023 versus the same period last year, while the effect on the operating margin is estimated to be strongly dilutive in the fourth quarter of 2023.

### **Exchange-rate effects**

On the basis of the currency rates on September 30, 2023, it is estimated that the weighted currency effects on sales in the fourth quarter of 2023 versus the same period last year will be 3%, while the effect on the operating margin is estimated to be slightly accretive in the fourth quarter of 2023.

## Review

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

Stockholm, October 25, 2023



Nico Delvaux  
President and CEO



## Financial information

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

## Further information can be obtained from:

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ASSA ABLOY is holding a **telephone and web conference**  
**at 09.30 on October 25, 2023**  
which can be followed online at [assaabloy.com/investors](https://assaabloy.com/investors).

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 CEST on October 25, 2023.*

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No.22/2023

## Financial information – Group

### CONDENSED INCOME STATEMENT

SEK M	Q3		Jan-Sep	
	2022	2023	2022	2023
Sales	31,820	36,881	87,878	103,746
Cost of goods sold	-19,194	-22,115	-53,146	-62,151
<b>Gross income</b>	<b>12,626</b>	<b>14,766</b>	<b>34,732</b>	<b>41,595</b>
Selling, administrative and R&D costs and other operating income & expenses	-7,657	-9,353	-21,366	-26,747
Capital gain from divestment of subsidiaries, incl. exit costs	-	-4	-	3,657
Impairment of goodwill and other intangible assets from business combinations	-	-4	-	-2,272
Share of earnings in associates	4	4	14	13
<b>Operating income</b>	<b>4,973</b>	<b>5,409</b>	<b>13,380</b>	<b>16,246</b>
Finance net	-237	-900	-624	-1,688
<b>Income before tax</b>	<b>4,736</b>	<b>4,509</b>	<b>12,756</b>	<b>14,558</b>
Tax on income	-1,184	-1,139	-3,189	-4,897
<b>Net income for the period</b>	<b>3,552</b>	<b>3,371</b>	<b>9,567</b>	<b>9,660</b>
<b>Net income for the period attributable to:</b>				
Parent company's shareholders	3,551	3,386	9,563	9,674
Non-controlling interests	1	-15	4	-14
<b>Earnings per share</b>				
Before and after dilution, SEK	3.20	3.05	8.61	8.71
Before and after dilution and excluding items affecting comparability, SEK	3.20	3.31	8.61	9.99

### CONDENSED STATEMENT OF COMPREHENSIVE INCOME

SEK M	Q3		Jan-Sep	
	2022	2023	2022	2023
<b>Net income for the period</b>	<b>3,552</b>	<b>3,371</b>	<b>9,567</b>	<b>9,660</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	430	-30	250	3
<b>Total</b>	<b>430</b>	<b>-30</b>	<b>250</b>	<b>3</b>
<b>Items that may be reclassified subsequently to profit or loss</b>				
Share of other comprehensive income of associates	8	-13	-28	-58
Cashflow hedges and net investment hedges, net after tax	-15	77	-6	82
Exchange rate differences	3,930	-938	9,275	3,169
<b>Total</b>	<b>3,924</b>	<b>-874</b>	<b>9,242</b>	<b>3,193</b>
<b>Total other comprehensive income</b>	<b>4,353</b>	<b>-904</b>	<b>9,492</b>	<b>3,196</b>
<b>Total comprehensive income for the period</b>	<b>7,905</b>	<b>2,466</b>	<b>19,059</b>	<b>12,856</b>
<b>Total comprehensive income for the period attributable to:</b>				
Parent company's shareholders	7,904	2,481	19,054	12,874
Non-controlling interests	2	-15	5	-17

## Financial information - Group

## CONDENSED BALANCE SHEET

	31 Dec	30 Sep	
SEK M	2022	2022	2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	90,897	88,314	134,340
Property, plant and equipment	10,106	10,079	12,111
Right-of-use assets	3,804	3,735	5,501
Investments in associates	676	652	631
Other financial assets	373	326	557
Deferred tax assets	1,313	1,200	1,685
<b>Total non-current assets</b>	<b>107,170</b>	<b>104,305</b>	<b>154,826</b>
<b>Current assets</b>			
Inventories	19,217	19,944	21,181
Trade receivables	19,760	21,009	22,377
Other current receivables and investments	5,000	6,523	6,767
Cash and cash equivalents	3,417	2,978	1,688
<b>Total current assets</b>	<b>47,394</b>	<b>50,454</b>	<b>52,013</b>
<b>TOTAL ASSETS</b>	<b>154,564</b>	<b>154,759</b>	<b>206,839</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity attributable to Parent company's shareholders	86,014	86,285	96,197
Non-controlling interests	12	13	36
<b>Total equity</b>	<b>86,026</b>	<b>86,298</b>	<b>96,233</b>
<b>Non-current liabilities</b>			
Long-term loans	20,523	21,629	50,916
Non-current lease liabilities	2,624	2,631	4,183
Deferred tax liabilities	2,785	3,094	3,230
Other non-current liabilities and provisions	3,005	3,881	3,351
<b>Total non-current liabilities</b>	<b>28,936</b>	<b>31,235</b>	<b>61,680</b>
<b>Current liabilities</b>			
Short-term loans	9,304	5,715	12,607
Current lease liabilities	1,284	1,209	1,459
Trade payables	10,469	10,582	11,592
Other current liabilities and provisions	18,545	19,721	23,269
<b>Total current liabilities</b>	<b>39,602</b>	<b>37,226</b>	<b>48,927</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>154,564</b>	<b>154,759</b>	<b>206,839</b>

## CHANGES IN EQUITY

	Equity attributable to:		
SEK M	Parent company's shareholders	Non-controlling interests	Total equity
<b>Opening balance 1 January 2022</b>	<b>69,582</b>	<b>9</b>	<b>69,592</b>
Net income for the period	9,563	4	9,567
Other comprehensive income	9,491	1	9,492
<b>Total comprehensive income</b>	<b>19,054</b>	<b>5</b>	<b>19,059</b>
Dividend	-2,333	-1	-2,333
Stock purchase plans	-18	-	-18
<b>Total transactions with shareholders</b>	<b>-2,351</b>	<b>-1</b>	<b>-2,352</b>
<b>Closing balance 30 September 2022</b>	<b>86,285</b>	<b>13</b>	<b>86,298</b>
<b>Opening balance 1 January 2023</b>	<b>86,014</b>	<b>12</b>	<b>86,026</b>
Net income for the period	9,674	-14	9,660
Other comprehensive income	3,200	-4	3,196
<b>Total comprehensive income</b>	<b>12,874</b>	<b>-17</b>	<b>12,856</b>
Dividend	-2,666	-	-2,666
Stock purchase plans	-25	-	-25
Change in non-controlling interest	0	41	41
<b>Total transactions with shareholders</b>	<b>-2,690</b>	<b>41</b>	<b>-2,650</b>
<b>Closing balance 30 September 2023</b>	<b>96,197</b>	<b>36</b>	<b>96,233</b>

## Financial information - Group

## CONDENSED STATEMENT OF CASH FLOWS

SEK M

	Q3		Jan-Sep	
	2022	2023	2022	2023
<b>OPERATING ACTIVITIES</b>				
Operating income	4,973	5,409	13,380	16,246
Add back of				
Depreciation/amortization	1,041	1,371	2,942	3,584
Items affecting comparability	-	367	-	217
Other non-cash items	44	27	109	122
Restructuring payments	-81	-167	-233	-423
<b>Cash flow before interest and tax</b>	<b>5,977</b>	<b>7,007</b>	<b>16,197</b>	<b>19,746</b>
Interest paid and received	-217	-738	-607	-1,344
Tax paid on income	-1,038	-2,456	-2,914	-5,463
<b>Cash flow before changes in working capital</b>	<b>4,722</b>	<b>3,813</b>	<b>12,677</b>	<b>12,938</b>
Changes in working capital	-477	1,754	-4,379	1,910
<b>Cash flow from operating activities</b>	<b>4,245</b>	<b>5,567</b>	<b>8,298</b>	<b>14,848</b>
<b>INVESTING ACTIVITIES</b>				
Net investments in intangible assets and property, plant and equipment	-509	-604	-1,254	-1,693
Investments in subsidiaries	-674	-3,718	-3,733	-52,013
Divestments of subsidiaries	1	-	6	8,114
Other investments and disposals	0	0	-1	-1
<b>Cash flow from investing activities</b>	<b>-1,182</b>	<b>-4,322</b>	<b>-4,982</b>	<b>-45,593</b>
<b>FINANCING ACTIVITIES</b>				
Dividends	-	-	-2,333	-2,666
Acquisition of non-controlling interests	-55	-	-55	-
Amortization of lease liabilities	-335	-409	-970	-1,124
Net cash effect of changes in borrowings	-1,416	-5,809	-1,336	32,806
<b>Cash flow from financing activities</b>	<b>-1,806</b>	<b>-6,218</b>	<b>-4,696</b>	<b>29,016</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>1,257</b>	<b>-4,974</b>	<b>-1,380</b>	<b>-1,728</b>
<b>CASH AND CASH EQUIVALENTS</b>				
<b>Cash and cash equivalents at beginning of period</b>	<b>1,707</b>	<b>6,665</b>	<b>4,325</b>	<b>3,417</b>
Cash flow for the period	1,257	-4,974	-1,380	-1,728
Effect of exchange rate differences	14	-4	33	0
<b>Cash and cash equivalents at end of period</b>	<b>2,978</b>	<b>1,688</b>	<b>2,978</b>	<b>1,688</b>

# Quarterly information - Group

THE GROUP IN SUMMARY											Jan-Sep	Jan-Sep	Year	Last 12
SEK M	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	2022	2023	2022	2023	months
Sales	23,930	25,623	26,591	29,466	31,820	32,915	32,391	34,474	36,881	87,878	103,746	120,793	136,661	-
Organic growth	7%	10%	14%	13%	14%	9%	8%	3%	1%	14%	4%	12%	12%	-
Gross income <sup>1</sup>	9,535	10,082	10,476	11,630	12,626	13,199	13,393	14,231	15,123	34,732	42,747	47,931	55,946	-
Gross margin <sup>1</sup>	39.8%	39.3%	39.4%	39.5%	39.7%	40.1%	41.3%	41.3%	41.0%	39.5%	41.2%	39.7%	40.9%	-
EBITDA <sup>1</sup>	4,373	4,982	4,941	5,367	6,014	6,298	6,241	6,658	7,148	16,322	20,047	22,620	26,345	-
EBITDA margin <sup>1</sup>	18.3%	19.4%	18.6%	18.2%	18.9%	19.1%	19.3%	19.3%	19.4%	18.6%	19.3%	18.7%	19.3%	-
Depreciation, excl attrib. to business combinations	-833	-821	-788	-810	-875	-961	-862	-936	-995	-2,472	-2,793	-3,433	-3,754	-
EBITA <sup>1</sup>	3,539	4,161	4,153	4,557	5,139	5,338	5,379	5,722	6,152	13,849	17,253	19,187	22,591	-
EBITA margin <sup>1</sup>	14.8%	16.2%	15.6%	15.5%	16.2%	16.2%	16.6%	16.6%	16.7%	15.8%	16.6%	15.9%	16.5%	-
Amortization attrib. to business combinations	-147	-148	-151	-152	-166	-185	-193	-222	-376	-469	-791	-655	-976	-
Operating income (EBIT) <sup>1</sup>	3,392	4,013	4,001	4,406	4,973	5,152	5,186	5,500	5,777	13,380	16,462	18,532	21,615	-
Operating margin (EBIT) <sup>1</sup>	14.2%	15.7%	15.0%	15.0%	15.6%	15.7%	16.0%	16.0%	15.7%	15.2%	15.9%	15.3%	15.8%	-
Items affecting comparability <sup>1</sup>	-	-	-	-	-	-	-1,225	1,376	-367	-	-217	-	-217	-
Operating income (EBIT)	3,392	4,013	4,001	4,406	4,973	5,152	3,961	6,875	5,409	13,380	16,246	18,532	21,398	-
Operating margin (EBIT)	14.2%	15.7%	15.0%	15.0%	15.6%	15.7%	12.2%	19.9%	14.7%	15.2%	15.7%	15.3%	15.7%	-
Net financial items	-159	-194	-190	-198	-237	-387	-343	-445	-900	-624	-1,688	-1,011	-2,075	-
Income before tax	3,233	3,819	3,811	4,208	4,736	4,766	3,619	6,430	4,509	12,756	14,558	17,521	19,323	-
Profit margin	13.5%	14.9%	14.3%	14.3%	14.9%	14.5%	11.2%	18.7%	12.2%	14.5%	14.0%	14.5%	14.1%	-
Tax on income	-841	-776	-953	-1,052	-1,184	-1,036	-905	-2,854	-1,139	-3,189	-4,897	-4,225	-5,934	-
Net income for the period	2,392	3,043	2,859	3,156	3,552	3,729	2,714	3,576	3,371	9,567	9,660	13,296	13,390	-
Net income attributable to:														
Parent company's shareholders	2,393	3,042	2,858	3,153	3,551	3,728	2,713	3,574	3,386	9,563	9,674	13,291	13,402	-
Non-controlling interests	0	1	0	3	1	1	1	1	-15	4	-14	5	-12	-
OPERATING CASH FLOW											Jan-Sep	Jan-Sep	Year	Last 12
SEK M	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	2022	2023	2022	2023	months
Operating income (EBIT)	3,392	4,013	4,001	4,406	4,973	5,152	3,961	6,875	5,409	13,380	16,246	18,532	21,398	-
Reversal items affecting comparability	-	-	-	-	-	-	1,225	-1,376	367	-	217	-	217	-
Depreciation and amortization	980	969	939	961	1,041	1,146	1,055	1,158	1,371	2,942	3,584	4,088	4,730	-
Net capital expenditure	-407	-545	-336	-410	-509	-735	-516	-572	-604	-1,254	-1,693	-1,990	-2,428	-
Change in working capital	-157	-629	-3,261	-641	-477	1,548	-1,111	1,267	1,754	-4,379	1,910	-2,831	3,458	-
Interest paid and received	-110	-162	-133	-257	-217	-192	-242	-364	-738	-607	-1,344	-799	-1,537	-
Repayment of lease liabilities	-313	-303	-312	-324	-335	-360	-352	-363	-409	-970	-1,124	-1,330	-1,483	-
Other non-cash items	233	41	13	52	44	29	50	45	27	109	122	137	151	-
Operating cash flow	3,619	3,384	912	3,787	4,520	6,588	4,069	6,671	7,177	9,219	17,918	15,808	24,506	-
Cash conversion	1.12	0.89	0.24	0.90	0.95	1.38	0.84	1.32	1.47	0.72	1.21	0.90	1.25	-
CHANGE IN NET DEBT											Jan-Sep	Jan-Sep	Year	Last 12
SEK M	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	2022	2023	2022	2023	months
Net debt at beginning of period	28,509	25,732	27,071	27,617	32,565	30,618	31,732	29,336	69,851	27,071	31,732	27,071	30,618	-
Operating cash flow	-3,619	-3,384	-912	-3,787	-4,520	-6,588	-4,069	-6,671	-7,177	-9,219	-17,918	-15,808	-24,506	-
Restructuring payments	130	166	68	84	81	171	109	146	167	233	423	404	594	-
Tax paid on income	805	960	597	1,278	1,038	1,452	726	2,281	2,456	2,914	5,463	4,366	6,916	-
Acquisitions and divestments	-632	975	67	3,039	826	5,080	367	40,773	3,783	3,932	44,923	9,012	50,003	-
Dividend	1	2,166	-	2,333	-	2,333	-	2,666	-	2,333	2,666	4,666	4,999	-
Actuarial gain/loss on post-employment benefit oblig.	-37	-216	11	191	-538	-906	47	-92	41	-336	-4	-1,241	-910	-
Change to lease liabilities	7	33	-76	-51	-53	62	254	138	111	-180	503	-119	564	-
Exchange rate differences, etc.	568	639	791	1,860	1,219	-490	171	1,274	-496	3,870	948	3,380	459	-
Net debt at end of period	25,732	27,071	27,617	32,565	30,618	31,732	29,336	69,851	68,736	30,618	68,736	31,732	68,736	-
Net debt/Equity	0.38	0.39	0.38	0.42	0.35	0.37	0.33	0.75	0.71					-
NET DEBT											Jan-Sep	Jan-Sep	Year	Last 12
SEK M	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	2022	2023	2022	2023	months
Interest-bearing assets	-177	-177	-177	-199	-207	-224	-221	-484	-495					-
Cash and cash equivalents	-5,995	-4,325	-4,113	-1,707	-2,978	-3,417	-2,811	-6,665	-1,688					-
Derivative financial instruments, net	62	86	283	141	231	288	306	15	284					-
Pension provisions	2,949	2,736	2,715	2,803	2,389	1,351	1,379	1,415	1,471					-
Lease liabilities	3,401	3,515	3,534	3,697	3,840	3,907	4,182	5,607	5,641					-
Interest-bearing liabilities	25,492	25,237	25,374	27,829	27,344	29,826	26,500	69,965	63,523					-
Total	25,732	27,071	27,617	32,565	30,618	31,732	29,336	69,851	68,736					-
CAPITAL EMPLOYED AND FINANCING											Jan-Sep	Jan-Sep	Year	Last 12
SEK M	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	2022	2023	2022	2023	months
Goodwill	60,604	62,502	63,600	69,536	73,540	75,873	75,075	117,142	119,006					-
Other intangible assets	13,920	13,834	13,877	14,476	14,774	15,024	15,539	15,918	15,333					-
Property, plant and equipment	8,325	8,753	8,934	9,538	10,079	10,106	10,178	11,885	12,111					-
Right-of-use assets	3,330	3,436	3,450	3,601	3,735	3,804	4,075	5,476	5,501					-
Other capital employed	7,623	8,796	11,932	14,327	15,257	13,244	14,206	14,277	13,958					-
Restructuring reserve	-848	-658	-600	-537	-469	-294	-1,229	-1,140	-941					-
Capital employed	92,954	96,663	101,193	110,941	116,916	117,758	117,844	163,558	164,969					-
Net debt	25,732	27,071	27,617	32,565	30,618	31,732	29,336	69,851	68,736					-
Non-controlling interests	8	9	9	11	13	12	12	10	36					-
Equity attributable to Parent company's shareholders	67,214	69,582	73,568	78,365	86,285	86,014	88,496	93,696	96,197					-
OTHER KEY RATIOS ETC											Jan-Sep	Jan-Sep	Year	Last 12
SEK M	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	2022	2023	2022	2023	months
Earnings per share, SEK	2.15	2.74	2.57	2.84	3.20	3.36	2.44	3.22	3.05					-
Earnings per share, excl IAC, SEK	2.15	2.74	2.57	2.84	3.20	3.36	3.32	3.36	3.31					-
Shareholders' equity per share, SEK	60.51	62.64	66.23	70.55	77.68	77.44	79.67	84.35	86.60					-
Return on capital employed	14.6%	15.2%	15.7%	16.0%	16.8%	16.9%	17.4%	17.2%	16.3%					-
Return on equity	14.4%	17.0%	16.8%	16.1%	16.4%	17.1%	16.2%	15.8%	14.7%					-
Net debt/EBITDA	1.5	1.5	1.5	1.7	1.4	1.4	1.2	2.8	2.6					-
Average number of employees	50,946	50,934	50,984	51,545	51,937	52,463	52,960	53,824	56,289					-
Average adjusted capital employed	93,287	93,199	95,766	99,074	103,663	109,372	113,480	120,917	132,788					-
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	-156	-285					-

<sup>1)</sup> Excluding items affecting comparability (IAC). Please see the section 'Items affecting comparability' on page 4 of this report for further details about the financial effects.

# Reporting by division

## Q3 and 30 Sep

	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	5,603	5,918	7,598	11,063	2,481	2,474	5,101	5,716	11,037	11,709	-	-	31,820	36,881
Sales, internal	154	142	42	28	436	166	41	47	29	16	-703	-398	-	-
<b>Sales</b>	<b>5,758</b>	<b>6,061</b>	<b>7,640</b>	<b>11,091</b>	<b>2,918</b>	<b>2,640</b>	<b>5,142</b>	<b>5,763</b>	<b>11,066</b>	<b>11,725</b>	<b>-703</b>	<b>-398</b>	<b>31,820</b>	<b>36,881</b>
Organic growth	4%	-3%	17%	3%	-2%	-7%	19%	4%	20%	0%	-	-	14%	1%
Acquisitions and divestments	5%	3%	0%	38%	15%	-3%	2%	4%	1%	2%	-	-	3%	11%
Exchange-rate effects	5%	5%	24%	4%	15%	0%	18%	4%	16%	4%	-	-	16%	4%
Share of earnings in associates	-	-	-	-	4	4	-	-	-	-	-	-	4	4
<b>EBIT, excl items affecting comparability</b>	<b>825</b>	<b>838</b>	<b>1,600</b>	<b>1,870</b>	<b>132</b>	<b>229</b>	<b>890</b>	<b>1,065</b>	<b>1,735</b>	<b>1,995</b>	<b>-210</b>	<b>-221</b>	<b>4,973</b>	<b>5,777</b>
EBIT margin, excl items affecting comparability	14.3%	13.8%	20.9%	16.9%	4.5%	8.7%	17.3%	18.5%	15.7%	17.0%	-	-	15.6%	15.7%
Items affecting comparability <sup>1</sup>	-	-29	-	-332	-	1	-	-6	-	-1	-	-	-	-367
<b>Operating income (EBIT)</b>	<b>825</b>	<b>809</b>	<b>1,600</b>	<b>1,538</b>	<b>132</b>	<b>230</b>	<b>890</b>	<b>1,059</b>	<b>1,735</b>	<b>1,994</b>	<b>-210</b>	<b>-221</b>	<b>4,973</b>	<b>5,409</b>
Operating margin (EBIT)	14.3%	13.4%	20.9%	13.9%	4.5%	8.7%	17.3%	18.4%	15.7%	17.0%	-	-	15.6%	14.7%
<b>OPERATING CASH FLOW</b>														
<b>SEK M</b>														
Operating income (EBIT)	825	809	1,600	1,538	132	230	890	1,059	1,735	1,994	-210	-221	4,973	5,409
Items affecting comparability <sup>1</sup>	-	29	-	332	-	-1	-	6	-	1	-	-	-	367
Depreciation and amortization	211	234	174	451	96	99	254	234	298	344	9	10	1,041	1,371
Net capital expenditure	-100	-188	-124	-193	-49	-59	-95	-55	-139	-109	-2	-1	-509	-604
Amortization of lease liabilities	-66	-67	-46	-78	-26	-34	-40	-52	-153	-173	-4	-5	-335	-409
Change in working capital	-97	271	8	758	37	108	-307	-117	-317	734	198	1	-477	1,754
<b>Operating cash flow by division</b>	<b>773</b>	<b>1,088</b>	<b>1,612</b>	<b>2,807</b>	<b>190</b>	<b>344</b>	<b>702</b>	<b>1,074</b>	<b>1,424</b>	<b>2,791</b>	<b>-8</b>	<b>-217</b>	<b>4,693</b>	<b>7,888</b>
Other non-cash items											44	27	44	27
Interest paid and received											-217	-738	-217	-738
<b>Operating cash flow</b>													<b>4,520</b>	<b>7,177</b>

## Jan-Sep and 30 Sep

	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	16,207	18,017	20,801	27,381	6,056	6,860	13,499	17,078	31,315	34,410	-	-	87,878	103,746
Sales, internal	421	475	116	119	1,120	957	112	136	77	67	-1,845	-1,754	-	-
<b>Sales</b>	<b>16,628</b>	<b>18,492</b>	<b>20,916</b>	<b>27,500</b>	<b>7,176</b>	<b>7,817</b>	<b>13,610</b>	<b>17,214</b>	<b>31,392</b>	<b>34,477</b>	<b>-1,845</b>	<b>-1,754</b>	<b>87,878</b>	<b>103,746</b>
Organic growth	6%	-2%	19%	6%	-3%	-2%	12%	15%	20%	1%	-	-	14%	4%
Acquisitions and divestments	-2%	7%	1%	17%	6%	8%	2%	4%	1%	2%	-	-	1%	8%
Exchange-rate effects	4%	6%	20%	8%	11%	3%	14%	7%	12%	7%	-	-	12%	6%
Share of earnings in associates	-	-	-	-	12	13	-	-	1	-	-	-	14	13
<b>EBIT, excl items affecting comparability</b>	<b>2,402</b>	<b>2,473</b>	<b>4,316</b>	<b>5,332</b>	<b>243</b>	<b>555</b>	<b>2,083</b>	<b>3,086</b>	<b>4,941</b>	<b>5,681</b>	<b>-605</b>	<b>-664</b>	<b>13,380</b>	<b>16,462</b>
EBIT margin, excl items affecting comparability	14.4%	13.4%	20.6%	19.4%	3.4%	7.1%	15.3%	17.9%	15.7%	16.5%	-	-	15.2%	15.9%
Items affecting comparability <sup>1</sup>	-	-529	-	-3,032	-	10	-	-2,493	-	-133	-	-104	-	-217
<b>Operating income (EBIT)</b>	<b>2,402</b>	<b>1,944</b>	<b>4,316</b>	<b>8,364</b>	<b>243</b>	<b>566</b>	<b>2,083</b>	<b>593</b>	<b>4,941</b>	<b>5,547</b>	<b>-605</b>	<b>-768</b>	<b>13,380</b>	<b>16,246</b>
Operating margin (EBIT)	14.4%	10.5%	20.6%	30.4%	3.4%	7.2%	15.3%	3.4%	15.7%	16.1%	-	-	15.2%	15.7%
<b>OPERATING CASH FLOW</b>														
<b>SEK M</b>														
Operating income (EBIT)	2,402	1,944	4,316	8,364	243	566	2,083	593	4,941	5,547	-605	-768	13,380	16,246
Items affecting comparability <sup>1</sup>	-	529	-	-3,032	-	-10	-	2,493	-	133	-	104	-	217
Depreciation and amortization	629	703	435	826	258	301	733	742	858	980	28	32	2,942	3,584
Net capital expenditure	-314	-484	-311	-430	-101	-156	-180	-227	-336	-394	-13	-1	-1,254	-1,693
Amortization of lease liabilities	-193	-204	-132	-172	-79	-94	-116	-140	-438	-498	-13	-15	-970	-1,124
Change in working capital	-1,067	-141	-699	505	-270	2	-920	-508	-1,719	2,021	296	29	-4,379	1,910
<b>Operating cash flow by division</b>	<b>1,458</b>	<b>2,347</b>	<b>3,609</b>	<b>6,061</b>	<b>51</b>	<b>608</b>	<b>1,599</b>	<b>2,953</b>	<b>3,307</b>	<b>7,790</b>	<b>-307</b>	<b>-620</b>	<b>9,718</b>	<b>19,140</b>
Other non-cash items											109	122	109	122
Interest paid and received											-607	-1,344	-607	-1,344
<b>Operating cash flow</b>													<b>9,219</b>	<b>17,918</b>
<b>CAPITAL EMPLOYED</b>														
<b>SEK M</b>														
Goodwill	12,390	13,870	14,435	56,565	5,660	5,667	18,811	19,878	22,245	23,027	-	-	73,540	119,006
Other intangible assets	1,029	1,427	1,477	1,267	1,233	2,064	3,912	3,240	7,085	7,306	39	30	14,774	15,333
Property, plant and equipment	2,711	3,293	2,182	3,328	1,508	1,472	1,381	1,603	2,248	2,369	49	46	10,079	12,111
Right-of-use assets	930	944	487	1,690	216	321	497	585	1,570	1,940	35	21	3,735	5,501
Other capital employed	4,130	2,951	1,046	2,418	1,971	1,885	2,726	2,634	6,317	4,648	-933	-579	15,257	13,958
<b>Adjusted capital employed</b>	<b>21,191</b>	<b>22,484</b>	<b>19,626</b>	<b>65,267</b>	<b>10,587</b>	<b>11,410</b>	<b>27,326</b>	<b>27,940</b>	<b>39,464</b>	<b>39,290</b>	<b>-810</b>	<b>-481</b>	<b>117,385</b>	<b>165,910</b>
Restructuring reserve	-186	-407	-2	-128	-72	-58	-92	-125	-94	-218	-23	-5	-469	-941
<b>Capital employed</b>	<b>21,005</b>	<b>22,077</b>	<b>19,624</b>	<b>65,139</b>	<b>10,516</b>	<b>11,352</b>	<b>27,234</b>	<b>27,815</b>	<b>39,370</b>	<b>39,072</b>	<b>-833</b>	<b>-486</b>	<b>116,916</b>	<b>164,969</b>
Return on capital employed	17.0%	14.9%	32.1%	20.3%	3.5%	3.8%	11.4%	15.5%	18.5%	19.6%	-	-	16.8%	16.3%
Average adjusted capital employed	18,846	22,825	16,907	34,111	9,568	11,435	23,636	26,300	34,891	38,684	-	-	103,663	132,788
Average number of employees	11,922	12,307	9,454	12,763	7,888	7,306	7,022	7,624	15,224	15,860	427	429	51,937	56,289

<sup>1</sup> Please see the section 'Items affecting comparability' on page 4 of this report for further details about the financial effects.

## Reporting by division

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%
Share of earnings in associates	-	-	-	-	18	22	1	3	-1	1	-	-	19	26
<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%
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>
Other 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>														
<b>SEK M</b>														
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 Q3

	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	4,802	5,098	22	19	193	121	1,289	1,377	3,993	4,441	-232	-182	10,068	10,875
North America	157	167	6,944	10,025	826	537	2,502	2,836	6,414	6,506	-341	-116	16,503	19,955
Central- and South America	23	24	638	961	19	10	226	287	22	45	-12	-10	917	1,317
Africa	317	265	1	2	4	4	105	167	9	11	-13	-2	422	447
Asia	417	459	33	75	1,138	1,170	740	774	325	349	-64	-44	2,589	2,784
Oceania	41	46	2	9	738	798	280	322	303	373	-41	-45	1,323	1,503
<b>Total</b>	<b>5,758</b>	<b>6,061</b>	<b>7,640</b>	<b>11,091</b>	<b>2,918</b>	<b>2,640</b>	<b>5,142</b>	<b>5,763</b>	<b>11,066</b>	<b>11,725</b>	<b>-703</b>	<b>-398</b>	<b>31,820</b>	<b>36,881</b>

### Sales by continent Jan-Sep

	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	14,100	15,731	86	67	512	417	3,735	4,297	12,078	13,457	-697	-622	29,813	33,347
North America	409	537	18,914	24,740	1,556	1,978	6,393	8,650	17,559	18,759	-817	-771	44,014	53,893
Central- and South America	72	72	1,806	2,513	36	37	539	644	64	106	-24	-27	2,493	3,344
Africa	822	740	12	8	7	11	341	454	33	56	-31	-27	1,184	1,243
Asia	1,116	1,278	90	160	2,976	3,145	1,881	2,184	844	1,059	-166	-178	6,741	7,649
Oceania	109	135	7	13	2,089	2,228	722	986	814	1,039	-111	-130	3,631	4,270
<b>Total</b>	<b>16,628</b>	<b>18,492</b>	<b>20,916</b>	<b>27,500</b>	<b>7,176</b>	<b>7,817</b>	<b>13,610</b>	<b>17,214</b>	<b>31,392</b>	<b>34,477</b>	<b>-1,845</b>	<b>-1,754</b>	<b>87,878</b>	<b>103,746</b>

### Sales by product group Q3

	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	2,732	2,814	2,939	4,700	1,565	1,365	99	108	2	2	-216	-186	7,121	8,803
Electromechanical and electronic locks	1,739	1,926	1,949	2,580	715	459	5,038	5,612	314	326	-409	-149	9,345	10,755
Security doors and hardware	1,142	1,209	2,732	3,787	592	754	4	43	1,003	1,050	-40	-44	5,433	6,798
Entrance automation	145	111	20	24	46	62	-	-	9,748	10,347	-37	-20	9,921	10,525
<b>Total</b>	<b>5,758</b>	<b>6,061</b>	<b>7,640</b>	<b>11,091</b>	<b>2,918</b>	<b>2,640</b>	<b>5,142</b>	<b>5,763</b>	<b>11,066</b>	<b>11,725</b>	<b>-703</b>	<b>-398</b>	<b>31,820</b>	<b>36,881</b>

### Sales by product group Jan-Sep

	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	8,089	8,788	8,178	11,253	3,761	3,960	269	310	6	6	-614	-601	19,690	23,716
Electromechanical and electronic locks	5,076	5,867	5,412	6,808	1,744	1,705	13,330	16,777	884	955	-1,029	-959	25,416	31,154
Security doors and hardware	3,069	3,494	7,271	9,372	1,529	2,008	10	127	3,001	3,014	-109	-110	14,771	17,906
Entrance automation	394	343	56	66	142	143	-	-	27,502	30,501	-92	-83	28,001	30,970
<b>Total</b>	<b>16,628</b>	<b>18,492</b>	<b>20,916</b>	<b>27,500</b>	<b>7,176</b>	<b>7,817</b>	<b>13,610</b>	<b>17,214</b>	<b>31,392</b>	<b>34,477</b>	<b>-1,845</b>	<b>-1,754</b>	<b>87,878</b>	<b>103,746</b>

## NOTE 2 BUSINESS COMBINATIONS

	Q3		Jan-Sep		whereof HHI
	2022	2023	2022	2023	2023
<b>Amounts recognized in the group, SEK M</b>					
<b>Purchase prices</b>					
Cash paid for acquisitions during the year	628	4 001	3,720	52,705	47,741
Holdbacks and deferred considerations for acquisitions during the year	223	223	363	327	44
Adjustment of purchase prices for acquisitions in prior years	-6	-	2	9	-
<b>Total</b>	<b>845</b>	<b>4,224</b>	<b>4,085</b>	<b>53,041</b>	<b>47,785</b>
<b>Acquired assets and liabilities at fair value</b>					
Intangible assets	6	352	120	1,931	17
Property, plant and equipment and right-of-use assets	67	301	309	2,762	2,157
Other non-current assets	14	47	42	241	237
Inventories	85	943	844	4,029	3,483
Current receivables and investments	68	402	533	2,462	1,871
Cash and cash equivalents	-4	362	112	1,027	584
Non-current liabilities	-59	-322	-72	-1,918	-1,579
Current liabilities	-43	-263	-602	-3,172	-2,638
<b>Total</b>	<b>134</b>	<b>1,822</b>	<b>1,285</b>	<b>7,361</b>	<b>4,132</b>
<b>Goodwill</b>	<b>711</b>	<b>2,402</b>	<b>2,799</b>	<b>45,680</b>	<b>43,653</b>
<b>Change in cash and cash equivalents due to acquisitions</b>					
Cash paid for acquisitions during the year	628	4,001	3,720	52,705	47,741
Cash and cash equivalents in acquired subsidiaries	4	-362	-112	-1,027	-584
Paid considerations for acquisitions in prior years	42	79	125	335	-
<b>Total</b>	<b>674</b>	<b>3,718</b>	<b>3,733</b>	<b>52,013</b>	<b>47,157</b>

The acquisition analyses for acquisitions made during the year are preliminary and will be concluded within one year of the acquisition date.

Fair value adjustments of acquired net assets from acquisitions made in previous periods are included in the above table. During the year, some of the analyses of acquisitions closed during 2022 have been completed, whereby the resulting goodwill in these acquisitions has decreased.

# Financial information - Notes

## NOTE 2 BUSINESS COMBINATIONS, CONTINUED

### 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
Alexander & Wilks	EMEIA	United Kingdom	<50	<50	2023-04
Mottura Serrature	EMEIA	Italy	120	300	2023-05
Southwest Entrances	Entrance systems	USA	<50	70	2023-05
Iberon	Global technologies	USA	<50	<50	2023-06
Hardware and Home Improvement (HHI)	Americas	USA	7 000	16 600	2023-06
Kinetron	EMEIA	Netherlands	<50	<50	2023-07
Sunray Engineering	EMEIA	United Kingdom	70	150	2023-07
Cleveland Door Controls	Entrance systems	USA	<50	<50	2023-07
Atlas Security	Entrance systems	USA	<50	<50	2023-09
Access Technology	Global technologies	Denmark	<50	<50	2023-09
Enkoa	Global technologies	Spain	<50	<50	2023-09
Lawrence Hardware and Gallery Specialty	Americas	Canada	50	200	2023-09
Evolis	Global technologies	France	380	1 200	2023-09
Inovadoor	Entrance systems	Brazil	100	100	2023-09
Forte	Americas	Peru	340	200	2023-09

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

### 30 September 2023

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	24,793	24,793			
Financial assets at fair value through profit and loss	97	97			
Derivatives - hedge accounting	97	97		97	
Derivatives - held for trading	321	321		321	
<b>Total financial assets</b>	<b>25,308</b>	<b>25,308</b>	-	<b>418</b>	-
<b>Financial liabilities</b>					
Financial liabilities at amortized cost	0	0			
Financial liabilities at fair value through profit and loss	0	0			
Lease liabilities	75,115	73,952			
Derivatives - hedge accounting	1,065	1,065			1,065
Derivatives - held for trading	5,641	5,641			
Derivatives - hedge accounting	190	190		190	
Derivatives - held for trading	512	512		512	
<b>Total financial liabilities</b>	<b>82,524</b>	<b>81,361</b>	-	<b>702</b>	<b>1,065</b>

### 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	
Derivative instruments - hedge accounting	135	135		135	
<b>Total financial assets</b>	<b>23,690</b>	<b>23,690</b>	-	<b>139</b>	-
<b>Financial liabilities</b>					
Financial liabilities at amortized cost	0	0			
Financial liabilities at fair value through profit and loss	0	0			
Lease liabilities	40,295	39,244			
Derivatives - hedge accounting	1,034	1,034			1,034
Derivatives - held for trading	3,907	3,907			
Derivatives - hedge accounting	163	163		163	
Derivatives - held for trading	264	264		264	
<b>Total financial liabilities</b>	<b>45,664</b>	<b>44,613</b>	-	<b>428</b>	<b>1,034</b>

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

### EXTRACT FROM INCOME STATEMENT

	Year	Jan-Sep	
SEK M	2022	2022	2023
Operating income	1,965	-115	1,239
Income before appropriations and tax	3,411	730	692
Net income for the period	3,292	814	631

### EXTRACT FROM BALANCE SHEET

	31 Dec	30 Sep	
SEK M	2022	2022	2023
Non-current assets	47,860	47,779	49,695
Current assets	18,809	17,895	41,686
<b>Total assets</b>	<b>66,669</b>	<b>65,673</b>	<b>91,381</b>
Equity	27,104	26,944	25,045
Untaxed reserves	1,265	1,606	1,265
Non-current liabilities	15,119	15,711	34,864
Current liabilities	23,182	21,413	30,207
<b>Total equity and liabilities</b>	<b>66,669</b>	<b>65,673</b>	<b>91,381</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.

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.