

# Quarterly Report Q4 2023

Full-year summary 2023

February 7, 2024

ASSA ABLOY

Experience a safer and  
more open world

## Strong result in a challenging market

### Fourth quarter

- Net sales increased by 12% to SEK 36,970 M (32,915), with positive organic growth of 0% (9) and acquired net growth of 11% (5). Exchange-rates affected sales by 1% (14).
- Organic sales growth was strong in Americas and good in Entrance Systems, while organic sales declined in Asia Pacific, EMEIA and Global Technologies.
- Six acquisitions with combined annual sales of SEK 900 M were signed.
- Operating income<sup>1</sup> (EBIT) increased by 11% and amounted to SEK 5,722 M (5,152), with an operating margin of 15.5% (15.7).
- The operating margin<sup>1</sup> (EBIT) excluding the acquisition of HHI and divestment of the Emtek/U.S. Smart Residential business was 16.8%.
- Net income<sup>1</sup> amounted to SEK 3,969 M (3,729).
- Earnings per share<sup>1</sup> amounted to SEK 3.56 (3.36).
- Operating cash flow amounted to a record SEK 7,315 M (6,588).
- The Board of Directors proposes a dividend of SEK 5.40 (4.80) per share for 2023, to be distributed in two equal installments.

Organic growth

**+0%**

Operating income<sup>1</sup>

**+11%**

Earnings per share<sup>1</sup>

**+6%**

### Sales and income

	Fourth quarter			January-December		
	2022	2023	Δ	2022	2023	Δ
<b>Sales, SEK M</b>	<b>32,915</b>	<b>36,970</b>	<b>12%</b>	<b>120,793</b>	<b>140,716</b>	<b>16%</b>
Of which:						
Organic growth	2,656	133	0%	13,007	3,393	3%
Acquisitions and divestments	1,336	3,572	11%	2,126	10,651	8%
Exchange-rate effects	3,300	349	1%	10,653	5,879	5%
<b>Operating income (EBIT)<sup>1</sup>, SEK M</b>	<b>5,152</b>	<b>5,722</b>	<b>11%</b>	<b>18,532</b>	<b>22,185</b>	<b>20%</b>
Operating margin (EBITA) <sup>1</sup> , %	16.2%	16.2%		15.9%	16.5%	
<b>Operating margin (EBIT)<sup>1</sup>, %</b>	<b>15.7%</b>	<b>15.5%</b>		<b>15.3%</b>	<b>15.8%</b>	
Income before tax <sup>1</sup> , SEK M	4,766	4,879	2%	17,521	19,654	12%
Net income <sup>1</sup> , SEK M	3,729	3,969	6%	13,296	15,049	13%
Operating cash flow, SEK M	6,588	7,315	11%	15,808	25,232	60%
<b>Earnings per share<sup>1</sup>, SEK</b>	<b>3.36</b>	<b>3.56</b>	<b>6%</b>	<b>11.97</b>	<b>13.54</b>	<b>13%</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

### Strong result in a challenging market

I am proud to report that 2023 was once again a successful year for ASSA ABLOY with record financial results in a year with slower economic growth. Our organic sales grew 3%, complemented by net growth from acquisitions of 8%, and the operating margin improved to 15.8%.

In the fourth quarter, and despite lower volumes, we delivered an operating margin, excluding the HHI transaction, of 16.8%, within our target range. This underlines the agility and resilience of our business model and good cost control with more than SEK 0.5 bn in cost savings in the quarter.

Sales increased 12% with a positive organic growth of 0.4%, acquired net growth of 11% and currency effects of 1%. Americas and Entrance Systems delivered good organic sales growth of 5% and 3% respectively. Americas growth was primarily driven by continued good demand within the US non-residential business and Entrance Systems had strong growth in all business areas except for the Residential segment. Asia Pacific, EMEA and Global Technologies reported negative organic growth. Lower intra-group sales and weak export business continued to affect Asia Pacific. EMEA's negative sales development was driven by weakness in the Nordics again this quarter, while Global Technologies had very high comparable sales figures last year mainly due to catching up with the backlog in PACS.

The operating profit excluding items affecting comparability increased by 11% to SEK 5,722 M, and the operating margin was 16.8% excluding the HHI transaction. The operating leverage was again very strong, driven by lower direct material costs, cost-savings as well as price realization. The operating cash flow also grew strongly in the quarter by 11% to a record SEK 7,315 M with a cash conversion of 150%.

### Priorities in 2024

Going into 2024, we will continue to execute on our strategy to accelerate our long-term profitable growth. A key activity is to lead the transition to electromechanical and digital products and solutions. While penetration rates are mostly low, we see a steadily growing demand for these solutions. During the year, electromechanical products and solutions were our fastest growing product group with an organic growth of above 10%. Another important priority for 2024 is the integration and realization of synergies in HHI.

We completed six acquisitions in the fourth quarter. This means that 24 acquisitions were completed in 2023, adding sales of approximately SEK 10 bn during the year. The integration of HHI proceeds according to plan. Going forward, acquisitions remain one of the key growth areas and the pipeline remains solid.

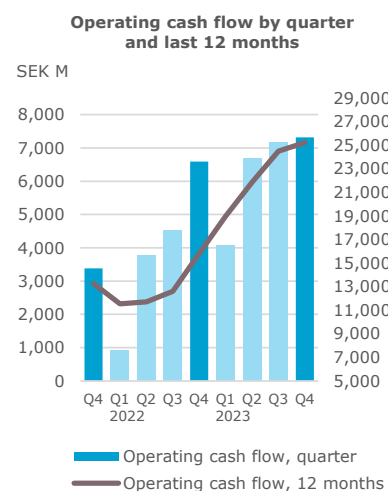
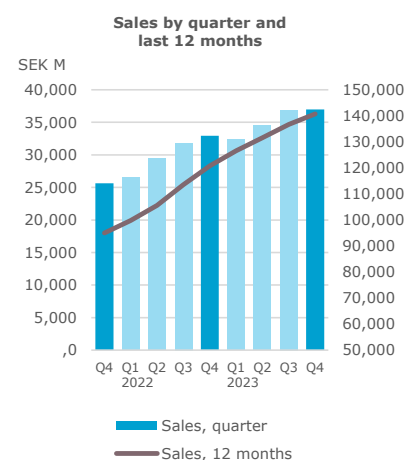
The macroeconomic environment continues to be uncertain. We therefore remain dedicated to mitigating any impact from potentially negative changes in demand, through local agility and focus on cost-control. To further optimize our operational footprint, we have also started to work on our next manufacturing footprint program, with a launch target towards the end of 2024.

Lastly, I would like to thank you for your continued trust and look forward to another exciting year with great opportunities for ASSA ABLOY.

Stockholm, February 7, 2024



Nico Delvaux  
President and CEO



## Fourth quarter

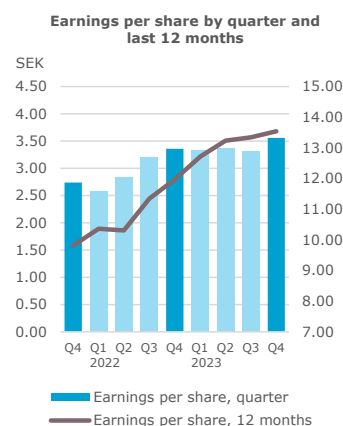
The Group's sales increased by 12% to SEK 36,970 M (32,915). Organic growth amounted to 0% (9). Growth from acquisitions and divestments was 11% (5), of which 14% (5) were acquisitions and –3% (0) were divestments. Exchange rates affected sales by 1% (14).

The Group's operating income<sup>2</sup> (EBIT) amounted to SEK 5,722 M (5,152), an increase of 11%. The corresponding operating margin was 15.5% (15.7). Exchange-rates had an impact of SEK 29 M (581) on EBIT. Operating income before amortizations from acquisitions<sup>2</sup> (EBITA) amounted to SEK 6,008 M (5,338). The corresponding EBITA margin was 16.2% (16.2).

Net financial items amounted to SEK –843 M (–387). The Group's income before tax<sup>2</sup> was SEK 4,879 M (4,766), an increase of 2% compared with last year. Exchange-rates had an impact of SEK –5 M (566) on income before tax<sup>2</sup>. The corresponding profit margin was 13.2% (14.5).

Earnings per share before and after dilution<sup>2</sup> amounted to SEK 3.56 (3.36), an increase of 6% compared with last year. Operating cash flow totaled SEK 7,315 M (6,588), which corresponds to a cash conversion<sup>2</sup> of 1.50 (1.38).

The net-debt/equity ratio amounted to 0.70 (0.37) at year-end. Financial net debt totaled SEK 64,109 M (31,732). New bonds were issued during the quarter to a total value of SEK 2,500 M while SEK 3,054 M in maturing long-term loans were repaid. The Group's long-term borrowing totaled SEK 49,917 M (20,523) while the short-term borrowing totaled SEK 9,833 M (9,304).



## Full year 2023

The Group's sales for the full year 2023 totaled SEK 140,716 M (120,793), representing an increase of 16%. Organic growth was 3% (12). Growth from acquisitions and divestments was 8% (2), of which 10% (3) came from acquisitions and –2% (–1) from divestments. Exchange-rates affected sales by 5% (13).

The Group's operating income (EBIT)<sup>2</sup> amounted to SEK 22,185 M (18,532), an increase of 20% compared with last year. The corresponding operating margin was 15.8% (15.3). Operating income before amortizations from acquisitions<sup>2</sup> (EBITA) amounted to SEK 23,261 M (19,187). The corresponding EBITA margin was 16.5% (15.9). The operating margin<sup>2</sup> excluding the acquisition of HHI and divestment of the Emtek/U.S. Smart Residential business was 16.8%.

Net financial items amounted to SEK –2,531 M (–1,011), primarily due to increased interest rates and debt during the year. The effective income tax rate excluding items affecting comparability was 23.4% (24.1). The effective income tax rate including items affecting comparability was 29.2%.

Earnings per share before and after dilution<sup>2</sup> amounted to SEK 13.54 (11.97), an increase of 13% compared with last year. Operating cash flow totaled SEK 25,232 M (15,808), an increase of 60% versus last year. The cash conversion<sup>2</sup> for the year was 1.28 (0.90).

<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.

## Items affecting comparability, full year

### 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 466 M before taxes and has been expensed in full during the year. The corresponding cost after tax was SEK 350 M.

### Impairment of intangible assets

Impairment of goodwill and other intangible assets in the second quarter totaled SEK 2,271 M for the year, 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 3,588 M for the year. The corresponding gain after tax was SEK 2,066 M.

### Restructuring costs

A new Manufacturing Footprint Program (MFP) was launched in the first quarter of 2023. The restructuring cost for the year totaled SEK 1,250 M. The corresponding cost after tax was SEK 997 M.

Restructuring payments totaled SEK 613 M (404) and 190 M (171) for the full year and fourth quarter respectively. The programs proceeded according to plan. At the end of the year provisions of SEK 767 M remained in the balance sheet for carrying out these programs.

## Quarterly comments by division

### Opening Solutions EMEIA

Sales for the quarter in EMEIA totaled SEK 6,339 M (6,231), with organic growth of -2% (2). Organic sales growth was strong in Middle East/Africa/India, good in South Europe, stable in Central Europe, but declined in UK/Ireland and in the Nordics. Net sales growth from acquisitions was 2%. Operating income excluding items affecting comparability totaled SEK 915 M (933), which represents an operating margin (EBIT) of 14.4% (15.0). Return on capital employed, on an annualized basis and excluding items affecting comparability, amounted to 14.8% (16.8). Operating cash flow before non-cash items and interest paid totaled SEK 1,836 M (1,326).

### Opening Solutions Americas

Sales for the quarter in the Americas totaled SEK 10,508 M (7,427), with organic growth of 5% (11). Organic sales growth was good in North America's non-residential segment and in the Latin America segment, but declined in the US residential segment. Net sales growth from acquisitions was 38%. Operating income excluding items affecting comparability totaled SEK 1,854 M (1,583), which represents an operating margin (EBIT) of 17.6% (21.3). The corresponding operating margin excluding the acquisition of HHI and divestment of the Emtek/U.S. Smart Residential business was 23.8%. Return on capital employed, on an annualized basis and excluding items affecting comparability, amounted to 16.3% (32.1). Operating cash flow before non-cash items and interest paid totaled SEK 2,120 M (1,910).

## Opening Solutions Asia Pacific

Sales for the quarter in Asia Pacific totaled SEK 2,468 M (2,648), with organic growth of -1% (-10). Organic sales growth was very strong in South-East Asia, stable in China, but declined in South Korea and Pacific. Net sales growth from acquisitions was -6%. Operating income excluding items affecting comparability totaled SEK 107 M (-125), which represents an operating margin (EBIT) of 4.3% (-4.7). Return on capital employed, on an annualized basis and excluding items affecting comparability, amounted to 5.8% (1.2). Operating cash flow before non-cash items and interest paid totaled SEK 605 M (237).

## Global Technologies

Sales for the quarter in Global Technologies totaled SEK 5,885 M (5,734), with organic growth of -7% (24). Organic sales growth was very strong in Citizen ID, good in Identity & Access Solutions and Extended Access, but declined in Secure Issuance and Identification Technology and declined significantly in Physical Access Control. Sales growth in Global Solutions was strong. Net sales growth from acquisitions was 9%. Operating income excluding items affecting comparability totaled SEK 910 M (982), which represents an operating margin (EBIT) of 15.5% (17.1). Return on capital employed, on an annualized basis and excluding items affecting comparability, amounted to 15.2% (12.4). Operating cash flow before non-cash items and interest paid totaled SEK 1,191 M (1,375).

## Entrance Systems

Sales for the quarter in Entrance Systems totaled SEK 12,189 M (11,535), with organic growth of 3% (10). Organic sales growth was very strong in Perimeter Security, growth was strong in Industrial and Pedestrian, but declined in Residential. Net sales growth from acquisitions was 1%. Operating income excluding items affecting comparability totaled SEK 2,126 M (1,906), which represents an operating margin (EBIT) of 17.4% (16.5). Return on capital employed, on an annualized basis and excluding items affecting comparability, amounted to 20.3% (18.8). Operating cash flow before non-cash items and interest paid totaled SEK 2,601 M (2,129).

## Acquisitions and divestments

### Acquisitions

24 acquisitions were completed during the year. The combined acquisition price for the businesses acquired during the year, including adjustments from prior-year acquisitions, amounted to SEK 54,810 M. The corresponding acquisition price on a cash- and debt- free basis totaled SEK 55,503 M. Preliminary acquisition analyses indicate that goodwill and other intangible assets with indefinite useful life amounted to SEK 42,549 M. Estimated deferred considerations for acquisitions made during the year amounted to SEK 508 M.

On December 7, 2023, it was announced that ASSA ABLOY had acquired Ghost Controls, a US supplier of automated residential gate openers. Sales for 2022 amounted to about SEK 300 M.

On December 5, 2023, it was announced that ASSA ABLOY had acquired Leone Fence, a Canadian manufacturer, distributor and installer of fencing products for commercial and residential applications. Sales for 2022 amounted to about SEK 300 M.

On October 4, 2023, it was announced that ASSA ABLOY had acquired Securitech, a manufacturer of high-security mechanical and electronic door hardware products in the U.S. Sales for 2022 amounted to about SEK 160 M.

## Sustainable development

In December 2023, ASSA ABLOY was named as a constituent of the Dow Jones Sustainability Index Europe for the third year in a row. The index tracks the performance of the top 20% of the 600 largest European companies in the S&P Global Broad Market Index<sup>SM</sup> that lead the field in sustainability. This is a positive recognition of our ambition level and our progress to date on our sustainability program.

During the year we continued to make good progress towards our sustainability targets, especially water efficiency. Our door factories in Changsha and Chengdu in China have implemented several water efficiency projects, which allow process water to be reused multiple times. This has resulted in an annual water saving of over 19,000 m<sup>3</sup> and reduces the ASSA ABLOY Group's water footprint by 2%.

The Sustainability Report for 2023, with results of the Group's progress towards our 2025 program and science-based targets, will be available from 11 March 2024 on the company's website, [www.assaabloy.com](http://www.assaabloy.com).

## Parent company

Other operating income for the parent company ASSA ABLOY AB totaled SEK 8,488 M (7,294) for the full year 2023. Operating income for the same period amounted to SEK 2,951 M (1,965). Investments in tangible and intangible assets totaled SEK 8 M (21). Liquidity is good and the equity ratio is 26.9% (40.7). The decrease in equity ratio is largely attributable to financing the acquisition of HHI.

## Dividend and Annual General Meeting

A second dividend payment of SEK 2.40 per share for the financial year 2022 was distributed on 16 November 2023.

The Board of Directors proposes a dividend of SEK 5.40 (4.80) per share for the 2023 financial year, an increase of 13% compared with last year. It is proposed to pay the dividend in two equal installments, the first with record date 26 April 2024 and the second with record date 11 November 2024. If the proposal is adopted by the Annual General Meeting, the first installment is expected to be paid on 2 May 2024 and the second installment on 14 November 2024.

The 2024 Annual General Meeting will be held on 24 April 2024. The Annual Report for 2023 will be available from 11 March 2024 on the company's website, [www.assaabloy.com](http://www.assaabloy.com).



## Accounting principles

ASSA ABLOY applies International Financial Reporting Standards (IFRS) as endorsed by the European Union. The same accounting and valuation principles 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 17 of this Report. Information about how these measures have been calculated is available on the company's website [www.assaabloy.com](http://www.assaabloy.com).

To check how the financial measurements have been calculated for current and earlier periods, refer to the tabulated figures in this Quarterly Report and to the company's Annual Report. The Annual Reports for the years 1994 to 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. The war in Ukraine and the conflict in the Middle East may have a negative business impact on ASSA ABLOY both short- and long-term, but the direct business effects are currently seen as limited.

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 December 31, 2023, will have an effect of 11% on sales in the first quarter of 2024 versus the same period last year, while the effect on the operating margin is estimated to be dilutive in the first quarter of 2024.

### **Exchange-rate effects**

On the basis of the currency rates on December 31, 2023, it is estimated that the weighted currency effects on sales in the first quarter of 2024 versus the same period last year will be -3%, while the effect on the operating margin is estimated to be neutral in the first quarter of 2024.

## Review

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

Stockholm, February 7, 2024



Nico Delvaux  
President and CEO



## Financial information

The Annual Report for 2023 will be published on 11 March 2024.

The Quarterly Report for the first quarter of 2024 will be published on 24 April 2024.

The Annual General Meeting 2024 will be held on 24 April 2024.

## Further information can be obtained from:

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

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

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

ASSA ABLOY is holding a **telephone and web conference**  
**at 09.30 on February 7, 2024**  
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 CET on February 7, 2024.*

ASSA ABLOY AB (publ)  
Box 703 40  
107 23 Stockholm  
Visiting address  
Klarabergsviadukten 90, Stockholm,  
Sweden

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

Corporate identity number: 556059-3575

No.04/2024

## Financial information – Group

### CONDENSED INCOME STATEMENT

SEK M	Q4		Jan-Dec	
	2022	2023	2022	2023
Sales	32,915	36,970	120,793	140,716
Cost of goods sold	-19,716	-22,061	-72,862	-84,212
<b>Gross income</b>	<b>13,199</b>	<b>14,909</b>	<b>47,931</b>	<b>56,504</b>
Selling, administrative and R&D costs and other operating income & expenses	-8,059	-9,307	-29,425	-36,054
Capital gain from divestment of subsidiaries, incl. exit costs	-	-69	-	3,588
Impairment of goodwill and other intangible assets from business combinations	-	1	-	-2,271
Share of earnings in associates	12	5	26	18
<b>Operating income</b>	<b>5,152</b>	<b>5,539</b>	<b>18,532</b>	<b>21,785</b>
Finance net	-387	-843	-1,011	-2,531
<b>Income before tax</b>	<b>4,766</b>	<b>4,696</b>	<b>17,521</b>	<b>19,254</b>
Tax on income	-1,036	-717	-4,225	-5,615
<b>Net income for the period</b>	<b>3,729</b>	<b>3,979</b>	<b>13,296</b>	<b>13,639</b>
<b>Net income for the period attributable to:</b>				
Parent company's shareholders	3,728	3,959	13,291	13,633
Non-controlling interests	1	20	5	7
<b>Earnings per share</b>				
Before and after dilution, SEK	3.36	3.56	11.97	12.27
Before and after dilution and excluding items affecting comparability, SEK	3.36	3.56	11.97	13.54

### CONDENSED STATEMENT OF COMPREHENSIVE INCOME

SEK M	Q4		Jan-Dec	
	2022	2023	2022	2023
<b>Net income for the period</b>	<b>3,729</b>	<b>3,979</b>	<b>13,296</b>	<b>13,639</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	663	-4	914	-1
<b>Total</b>	<b>663</b>	<b>-4</b>	<b>914</b>	<b>-1</b>
<b>Items that may be reclassified subsequently to profit or loss</b>				
Share of other comprehensive income of associates	17	-5	-11	-63
Cashflow hedges and net investment hedges, net after tax	-5	-148	-10	-66
Cost of hedging	-	-23	-	-23
Exchange rate differences	-2,358	-5,702	6,916	-2,532
<b>Total</b>	<b>-2,347</b>	<b>-5,877</b>	<b>6,895</b>	<b>-2,684</b>
<b>Total other comprehensive income</b>	<b>-1,683</b>	<b>-5,881</b>	<b>7,809</b>	<b>-2,685</b>
<b>Total comprehensive income for the period</b>	<b>2,046</b>	<b>-1,902</b>	<b>21,105</b>	<b>10,954</b>
<b>Total comprehensive income for the period attributable to:</b>				
Parent company's shareholders	2,047	-1,921	21,101	10,953
Non-controlling interests	-1	19	4	2

## Financial information - Group

### CONDENSED BALANCE SHEET

SEK M	31 Dec	
	2022	2023
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	90,897	127,704
Property, plant and equipment	10,106	11,460
Right-of-use assets	3,804	5,296
Investments in associates	676	622
Other financial assets	373	412
Deferred tax assets	1,313	1,863
<b>Total non-current assets</b>	<b>107,170</b>	<b>147,357</b>
<b>Current assets</b>		
Inventories	19,217	18,603
Trade receivables	19,760	20,934
Other current receivables and investments	5,000	7,991
Cash and cash equivalents	3,417	1,466
<b>Total current assets</b>	<b>47,394</b>	<b>48,994</b>
<b>TOTAL ASSETS</b>	<b>154,564</b>	<b>196,351</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity attributable to Parent company's shareholders	86,014	91,629
Non-controlling interests	12	16
<b>Total equity</b>	<b>86,026</b>	<b>91,644</b>
<b>Non-current liabilities</b>		
Long-term loans	20,523	49,917
Non-current lease liabilities	2,624	4,001
Deferred tax liabilities	2,785	2,991
Other non-current liabilities and provisions	3,005	3,222
<b>Total non-current liabilities</b>	<b>28,936</b>	<b>60,131</b>
<b>Current liabilities</b>		
Short-term loans	9,304	9,833
Current lease liabilities	1,284	1,443
Trade payables	10,469	11,320
Other current liabilities and provisions	18,545	21,980
<b>Total current liabilities</b>	<b>39,602</b>	<b>44,576</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>154,564</b>	<b>196,351</b>

### CHANGES IN EQUITY

SEK M	Equity attributable to:		Total equity
	Parent company's shareholders	Non-controlling interests	
<b>Opening balance 1 January 2022</b>	<b>69,582</b>	<b>9</b>	<b>69,592</b>
Net income for the period	13,291	5	13,296
Other comprehensive income	7,810	-1	7,809
<b>Total comprehensive income</b>	<b>21,101</b>	<b>4</b>	<b>21,105</b>
Dividend	-4,665	-1	-4,666
Stock purchase plans	-4	-	-4
<b>Total transactions with shareholders</b>	<b>-4,669</b>	<b>-1</b>	<b>-4,670</b>
<b>Closing balance 31 December 2022</b>	<b>86,014</b>	<b>12</b>	<b>86,026</b>
<b>Opening balance 1 January 2023</b>	<b>86,014</b>	<b>12</b>	<b>86,026</b>
Net income for the period	13,633	7	13,639
Other comprehensive income	-2,680	-5	-2,685
<b>Total comprehensive income</b>	<b>10,953</b>	<b>2</b>	<b>10,954</b>
Dividend	-5,332	-	-5,332
Stock purchase plans	-7	-	-7
Change in non-controlling interest	0	2	2
<b>Total transactions with shareholders</b>	<b>-5,338</b>	<b>2</b>	<b>-5,336</b>
<b>Closing balance 31 December 2023</b>	<b>91,629</b>	<b>16</b>	<b>91,644</b>

## Financial information - Group

### CONDENSED STATEMENT OF CASH FLOWS

SEK M	Q4		Jan-Dec	
	2022	2023	2022	2023
<b>OPERATING ACTIVITIES</b>				
Operating income	5,152	5,539	18,532	21,785
Add back of				
Depreciation/amortization	1,146	1,590	4,088	5,174
Items affecting comparability	-	183	-	400
Other non-cash items	29	0	137	123
Restructuring payments	-171	-190	-404	-613
<b>Cash flow before interest and tax</b>	<b>6,155</b>	<b>7,122</b>	<b>22,353</b>	<b>26,868</b>
Interest paid and received	-192	-778	-799	-2,122
Tax paid on income	-1,452	-1,825	-4,366	-7,289
<b>Cash flow before changes in working capital</b>	<b>4,511</b>	<b>4,519</b>	<b>17,188</b>	<b>17,458</b>
Changes in working capital	1,548	1,927	-2,831	3,836
<b>Cash flow from operating activities</b>	<b>6,059</b>	<b>6,446</b>	<b>14,357</b>	<b>21,294</b>
<b>INVESTING ACTIVITIES</b>				
Net investments in intangible assets and property, plant and equipment	-735	-727	-1,990	-2,419
Investments in subsidiaries	-4,850	-1,553	-8,583	-53,566
Divestments of subsidiaries	31	-	37	8,114
Other investments and disposals	-25	-26	-26	-27
<b>Cash flow from investing activities</b>	<b>-5,579</b>	<b>-2,307</b>	<b>-10,561</b>	<b>-47,899</b>
<b>FINANCING ACTIVITIES</b>				
Dividends	-2,333	-2,666	-4,666	-5,332
Acquisition of non-controlling interests	-	-38	-55	-38
Amortization of lease liabilities	-360	-420	-1,330	-1,543
Net cash effect of changes in borrowings	2,689	-1,167	1,352	31,638
<b>Cash flow from financing activities</b>	<b>-4</b>	<b>-4,291</b>	<b>-4,699</b>	<b>24,726</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>477</b>	<b>-152</b>	<b>-904</b>	<b>-1,880</b>
<b>CASH AND CASH EQUIVALENTS</b>				
<b>Cash and cash equivalents at beginning of period</b>	<b>2,978</b>	<b>1,688</b>	<b>4,325</b>	<b>3,417</b>
Cash flow for the period	477	-152	-904	-1,880
Effect of exchange rate differences	-38	-71	-5	-71
<b>Cash and cash equivalents at end of period</b>	<b>3,417</b>	<b>1,466</b>	<b>3,417</b>	<b>1,466</b>

## Quarterly information - Group

THE GROUP IN SUMMARY										Jan-Dec	Jan-Dec
SEK M	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2022	2023
Sales	25,623	26,591	29,466	31,820	32,915	32,391	34,474	36,881	36,970	120,793	140,716
Organic growth	10%	14%	13%	14%	9%	8%	3%	1%	0%	12%	3%
Gross income <sup>1</sup>	10,082	10,476	11,630	12,626	13,199	13,393	14,231	15,123	15,024	47,931	57,771
Gross margin <sup>1</sup>	39.3%	39.4%	39.5%	39.7%	40.1%	41.3%	41.3%	41.0%	40.6%	39.7%	41.1%
EBITDA <sup>1</sup>	4,982	4,941	5,367	6,014	6,298	6,241	6,658	7,148	7,312	22,620	27,358
EBITDA margin <sup>1</sup>	19.4%	18.6%	18.2%	18.9%	19.1%	19.3%	19.3%	19.4%	19.8%	18.7%	19.4%
Depreciation, excl attrib. to business combinations	-821	-788	-810	-875	-961	-862	-936	-995	-1,304	-3,433	-4,098
EBITA <sup>1</sup>	4,161	4,153	4,557	5,139	5,338	5,379	5,722	6,152	6,008	19,187	23,261
EBITA margin <sup>1</sup>	16.2%	15.6%	15.5%	16.2%	16.2%	16.6%	16.6%	16.7%	16.2%	15.9%	16.5%
Amortization attrib. to business combinations	-148	-151	-152	-166	-185	-193	-222	-376	-285	-655	-1,076
Operating income (EBIT) <sup>1</sup>	4,013	4,001	4,406	4,973	5,152	5,186	5,500	5,777	5,722	18,532	22,185
Operating margin (EBIT) <sup>1</sup>	15.7%	15.0%	15.0%	15.6%	15.7%	16.0%	16.0%	15.7%	15.5%	15.3%	15.8%
Items affecting comparability <sup>1</sup>	-	-	-	-	-	-1,225	1,376	-367	-183	-	-400
Operating income (EBIT)	4,013	4,001	4,406	4,973	5,152	3,961	6,875	5,409	5,539	18,532	21,785
Operating margin (EBIT)	15.7%	15.0%	15.0%	15.6%	15.7%	12.2%	19.9%	14.7%	15.0%	15.3%	15.5%
Net financial items	-194	-190	-198	-237	-387	-343	-445	-900	-843	-1,011	-2,531
Income before tax	3,819	3,811	4,208	4,736	4,766	3,619	6,430	4,509	4,696	17,521	19,254
Profit margin	14.9%	14.3%	14.3%	14.9%	14.5%	11.2%	18.7%	12.2%	12.7%	14.5%	13.7%
Tax on income	-776	-953	-1,052	-1,184	-1,036	-905	-2,854	-1,139	-717	-4,225	-5,615
Net income for the period	3,043	2,859	3,156	3,552	3,729	2,714	3,576	3,371	3,979	13,296	13,639
Net income attributable to:											
Parent company's shareholders	3,042	2,858	3,153	3,551	3,728	2,713	3,574	3,386	3,959	13,291	13,633
Non-controlling interests	1	0	3	1	1	1	1	-15	20	5	7
OPERATING CASH FLOW										Jan-Dec	Jan-Dec
SEK M	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2022	2023
Operating income (EBIT)	4,013	4,001	4,406	4,973	5,152	3,961	6,875	5,409	5,539	18,532	21,785
Reversal items affecting comparability	-	-	-	-	-	1,225	-1,376	367	183	-	400
Depreciation and amortization	969	939	961	1,041	1,146	1,055	1,158	1,371	1,590	4,088	5,174
Net capital expenditure	-545	-336	-410	-509	-735	-516	-572	-604	-727	-1,990	-2,419
Change in working capital	-629	-3,261	-641	-477	1,548	-1,111	1,267	1,754	1,927	-2,831	3,836
Interest paid and received	-162	-133	-257	-217	-192	-242	-364	-738	-778	-799	-2,122
Repayment of lease liabilities	-303	-312	-324	-335	-360	-352	-363	-409	-420	-1,330	-1,543
Other non-cash items	41	13	52	44	29	50	45	27	0	137	123
Operating cash flow	3,384	912	3,787	4,520	6,588	4,069	6,671	7,177	7,315	15,808	25,232
Cash conversion	0.89	0.24	0.90	0.95	1.38	0.84	1.32	1.47	1.50	0.90	1.28
CHANGE IN NET DEBT										Jan-Dec	Jan-Dec
SEK M	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2022	2023
Net debt at beginning of period	25,732	27,071	27,617	32,565	30,618	31,732	29,336	69,851	68,736	27,071	31,732
Operating cash flow	-3,384	-912	-3,787	-4,520	-6,588	-4,069	-6,671	-7,177	-7,315	-15,808	-25,232
Restructuring payments	166	68	84	81	171	109	146	167	190	404	613
Tax paid on income	960	597	1,278	1,038	1,452	726	2,281	2,456	1,825	4,366	7,289
Acquisitions and divestments	975	67	3,039	826	5,080	367	40,773	3,783	1,903	9,012	46,826
Dividend	2,166	-	2,333	-	2,333	-	2,666	-	2,666	4,666	5,332
Actuarial gain/loss on post-employment benefit oblig.	-216	11	191	-538	-906	47	-92	41	12	-1,241	8
Change to lease liabilities	33	-76	-51	-53	62	254	138	111	125	-119	628
Exchange rate differences, etc.	639	791	1,860	1,219	-490	171	1,274	-496	-4,033	3,380	-3,085
Net debt at end of period	27,071	27,617	32,565	30,618	31,732	29,336	69,851	68,736	64,109	31,732	64,109
Net debt/Equity	0.39	0.38	0.42	0.35	0.37	0.33	0.75	0.71	0.70		
NET DEBT										Jan-Dec	Jan-Dec
SEK M	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2022	2023
Interest-bearing assets	-177	-177	-199	-207	-224	-221	-484	-495	-459	-	-
Cash and cash equivalents	-4,325	-4,113	-1,707	-2,978	-3,417	-2,811	-6,665	-1,688	-1,466	-15,808	-25,232
Derivative financial instruments, net	86	283	141	231	288	306	15	284	-595	404	613
Pension provisions	2,736	2,715	2,803	2,389	1,351	1,379	1,415	1,471	1,435	4,366	7,289
Lease liabilities	3,515	3,534	3,697	3,840	3,907	4,182	5,607	5,641	5,443	9,012	46,826
Interest-bearing liabilities	25,237	25,374	27,829	27,344	29,826	26,500	69,965	63,523	59,751	15,808	25,232
Total	27,071	27,617	32,565	30,618	31,732	29,336	69,851	68,736	64,109	31,732	64,109
CAPITAL EMPLOYED AND FINANCING										Jan-Dec	Jan-Dec
SEK M	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2022	2023
Goodwill	62,502	63,600	69,536	73,540	75,873	75,075	117,142	119,006	92,873	62,502	92,873
Other intangible assets	13,834	13,877	14,476	14,774	15,024	15,539	15,918	15,333	34,831	13,834	34,831
Property, plant and equipment	8,753	8,934	9,538	10,079	10,106	10,178	11,885	12,111	11,460	8,753	11,460
Right-of-use assets	3,436	3,450	3,601	3,735	3,804	4,075	5,476	5,501	5,296	3,436	5,296
Other capital employed	8,796	11,932	14,327	15,257	13,244	14,206	14,277	13,958	12,060	8,796	12,060
Restructuring reserve	-658	-600	-537	-469	-294	-1,229	-1,140	-941	-767	-658	-767
Capital employed	96,663	101,193	110,941	116,916	117,758	117,844	163,558	164,969	155,753	96,663	155,753
Net debt	27,071	27,617	32,565	30,618	31,732	29,336	69,851	68,736	64,109	27,071	64,109
Non-controlling interests	9	9	11	13	12	12	10	36	16	9	16
Equity attributable to Parent company´s shareholders	69,582	73,568	78,365	86,285	86,014	88,496	93,696	96,197	91,629	69,582	91,629
OTHER KEY RATIOS ETC										Jan-Dec	Jan-Dec
SEK M	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2022	2023
Earnings per share, SEK	2,74	2,57	2,84	3,20	3,36	2,44	3,22	3,05	3,56	2,74	3,56
Earnings per share, excl IAC, SEK	2,74	2,57	2,84	3,20	3,36	3,32	3,36	3,31	3,56	2,74	3,56
Shareholders' equity per share, SEK	62,64	66,23	70,55	77,68	77,44	79,67	84,35	86,60	82,49	62,64	82,49
Return on capital employed	15,2%	15,7%	16,0%	16,8%	16,9%	17,4%	17,2%	16,3%	15,6%	15,2%	15,6%
Return on equity	17,0%	16,8%	16,1%	16,4%	17,1%	16,2%	15,8%	14,7%	15,3%	17,0%	15,3%
Net debt/EBITDA	1,5	1,5	1,7	1,4	1,4	1,2	2,8	2,6	2,3	1,5	2,3
Average number of employees	50,934	50,984	51,545	51,937	52,463	52,960	53,824	56,289	56,845	50,934	56,845
Average adjusted capital employed	93,199	95,766	99,074	103,663	109,372	113,480	120,917	132,788	142,611	93,199	142,611
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	1,110,776	1,110,776
Items affecting comparability, net of tax	-	-	-	-	-	-978	-156	-285	10	-	10

<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

## Q4 and 31 Dec

	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	6,079	6,197	7,391	10,486	2,246	2,273	5,687	5,852	11,512	12,160	-	-	32,915	36,970
Sales, internal	152	141	37	22	402	194	47	33	23	28	-660	-419	-	-
<b>Sales</b>	<b>6,231</b>	<b>6,339</b>	<b>7,427</b>	<b>10,508</b>	<b>2,648</b>	<b>2,468</b>	<b>5,734</b>	<b>5,885</b>	<b>11,535</b>	<b>12,189</b>	<b>-660</b>	<b>-419</b>	<b>32,915</b>	<b>36,970</b>
Organic growth	2%	-2%	11%	5%	-10%	-1%	24%	-7%	10%	3%	-	-	9%	0%
Acquisitions and divestments	11%	2%	1%	38%	10%	-6%	4%	9%	2%	1%	-	-	5%	11%
Exchange-rate effects	7%	2%	23%	-2%	9%	0%	17%	1%	14%	2%	-	-	14%	1%
Share of earnings in associates	-	-	-	-	9	-6	3	11	0	-	-	-	12	5
<b>EBIT, excl items affecting comparability</b>	<b>933</b>	<b>915</b>	<b>1,583</b>	<b>1,854</b>	<b>-125</b>	<b>107</b>	<b>982</b>	<b>910</b>	<b>1,906</b>	<b>2,126</b>	<b>-127</b>	<b>-190</b>	<b>5,152</b>	<b>5,722</b>
EBIT margin, excl items affecting comparability	15.0%	14.4%	21.3%	17.6%	-4.7%	4.3%	17.1%	15.5%	16.5%	17.4%	-	-	15.7%	15.5%
Items affecting comparability <sup>1</sup>	-	-22	-	-124	-	-38	-	1	-	0	-	-	-	-183
<b>Operating income (EBIT)</b>	<b>933</b>	<b>893</b>	<b>1,583</b>	<b>1,729</b>	<b>-125</b>	<b>70</b>	<b>982</b>	<b>911</b>	<b>1,906</b>	<b>2,126</b>	<b>-127</b>	<b>-190</b>	<b>5,152</b>	<b>5,539</b>
Operating margin (EBIT)	15.0%	14.1%	21.3%	16.5%	-4.7%	2.8%	17.1%	15.5%	16.5%	17.4%	-	-	15.7%	15.0%
<b>OPERATING CASH FLOW</b>														
<b>SEK M</b>														
Operating income (EBIT)	933	893	1,583	1,729	-125	70	982	911	1,906	2,126	-127	-190	5,152	5,539
Items affecting comparability <sup>1</sup>	-	22	-	124	-	38	-	-1	-	0	-	-	-	183
Depreciation and amortization	235	352	198	328	105	124	279	271	318	503	10	12	1,146	1,590
Net capital expenditure	-129	-143	-125	-200	-188	-46	-122	-151	-158	-182	-13	-5	-735	-727
Amortization of lease liabilities	-73	-72	-46	-83	-32	-35	-42	-48	-162	-177	-4	-5	-360	-420
Change in working capital	360	783	300	221	477	455	278	209	225	331	-91	-73	1,548	1,927
<b>Operating cash flow by division</b>	<b>1,326</b>	<b>1,836</b>	<b>1,910</b>	<b>2,120</b>	<b>237</b>	<b>605</b>	<b>1,375</b>	<b>1,191</b>	<b>2,129</b>	<b>2,601</b>	<b>-227</b>	<b>-261</b>	<b>6,752</b>	<b>8,092</b>
Other non-cash items	-	-	-	-	-	-	-	-	-	-	29	0	29	0
Interest paid and received	-	-	-	-	-	-	-	-	-	-	-192	-778	-192	-778
<b>Operating cash flow</b>													<b>6,588</b>	<b>7,315</b>

## Jan-Dec and 31 Dec

	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	22,286	24,214	28,191	37,867	8,302	9,133	19,186	22,930	42,827	46,570	-	-	120,793	140,716
Sales, internal	572	617	152	141	1,522	1,151	158	169	100	95	-2,505	-2,173	-	-
<b>Sales</b>	<b>22,858</b>	<b>24,831</b>	<b>28,344</b>	<b>38,009</b>	<b>9,824</b>	<b>10,284</b>	<b>19,344</b>	<b>23,099</b>	<b>42,928</b>	<b>46,665</b>	<b>-2,505</b>	<b>-2,173</b>	<b>120,793</b>	<b>140,716</b>
Organic growth	5%	-2%	17%	6%	-5%	-2%	15%	9%	17%	1%	-	-	12%	3%
Acquisitions and divestments	1%	6%	1%	22%	7%	5%	2%	5%	2%	2%	-	-	2%	8%
Exchange-rate effects	5%	5%	20%	6%	11%	2%	15%	5%	12%	6%	-	-	13%	5%
Share of earnings in associates	-	-	-	-	22	7	3	11	1	-	-	-	26	18
<b>EBIT, excl items affecting comparability</b>	<b>3,335</b>	<b>3,388</b>	<b>5,899</b>	<b>7,186</b>	<b>119</b>	<b>662</b>	<b>3,065</b>	<b>3,996</b>	<b>6,847</b>	<b>7,807</b>	<b>-732</b>	<b>-854</b>	<b>18,532</b>	<b>22,185</b>
EBIT margin, excl items affecting comparability	14.6%	13.6%	20.8%	18.9%	1.2%	6.4%	15.8%	17.3%	15.9%	16.7%	-	-	15.3%	15.8%
Items affecting comparability <sup>1</sup>	-	-551	-	2,908	-	-27	-	-2,492	-	-133	-	-104	-	-400
<b>Operating income (EBIT)</b>	<b>3,335</b>	<b>2,837</b>	<b>5,899</b>	<b>10,094</b>	<b>119</b>	<b>635</b>	<b>3,065</b>	<b>1,504</b>	<b>6,847</b>	<b>7,673</b>	<b>-732</b>	<b>-958</b>	<b>18,532</b>	<b>21,785</b>
Operating margin (EBIT)	14.6%	11.4%	20.8%	26.6%	1.2%	6.2%	15.8%	6.5%	15.9%	16.4%	-	-	15.3%	15.5%
<b>OPERATING CASH FLOW</b>														
<b>SEK M</b>														
Operating income (EBIT)	3,335	2,837	5,899	10,094	119	635	3,065	1,504	6,847	7,673	-732	-958	18,532	21,785
Items affecting comparability <sup>1</sup>	-	551	-	-2,908	-	27	-	2,492	-	133	-	104	-	400
Depreciation and amortization	865	1,055	634	1,154	363	424	1,012	1,013	1,176	1,484	38	44	4,088	5,174
Net capital expenditure	-443	-627	-436	-631	-289	-202	-301	-378	-495	-576	-26	-6	-1,990	-2,419
Amortization of lease liabilities	-266	-276	-178	-255	-111	-129	-158	-188	-599	-675	-18	-21	-1,330	-1,543
Change in working capital	-707	643	-400	726	207	457	-642	-298	-1,494	2,352	205	-44	-2,831	3,836
<b>Operating cash flow by division</b>	<b>2,785</b>	<b>4,183</b>	<b>5,520</b>	<b>8,181</b>	<b>288</b>	<b>1,213</b>	<b>2,974</b>	<b>4,145</b>	<b>5,436</b>	<b>10,391</b>	<b>-534</b>	<b>-881</b>	<b>16,470</b>	<b>27,232</b>
Other non-cash items	-	-	-	-	-	-	-	-	-	-	137	123	137	123
Interest paid and received	-	-	-	-	-	-	-	-	-	-	-799	-2,122	-799	-2,122
<b>Operating cash flow</b>													<b>15,808</b>	<b>25,232</b>
<b>CAPITAL EMPLOYED</b>														
<b>SEK M</b>														
Goodwill	12,957	13,232	15,416	32,382	6,058	5,379	19,041	18,989	22,401	22,891	-	-	75,873	92,873
Other intangible assets	1,223	1,366	1,375	21,652	1,637	1,937	3,691	2,968	7,056	6,876	42	32	15,024	34,831
Property, plant and equipment	2,745	3,166	2,079	3,037	1,591	1,398	1,421	1,556	2,215	2,260	55	43	10,106	11,460
Right-of-use assets	914	976	482	1,598	234	295	540	553	1,603	1,858	31	17	3,804	5,296
Other capital employed	4,034	2,120	1,536	2,875	1,692	1,324	1,604	1,827	5,141	3,830	-764	84	13,244	12,060
<b>Adjusted capital employed</b>	<b>21,874</b>	<b>20,860</b>	<b>20,889</b>	<b>61,544</b>	<b>11,211</b>	<b>10,332</b>	<b>26,297</b>	<b>25,891</b>	<b>38,418</b>	<b>37,715</b>	<b>-636</b>	<b>177</b>	<b>118,052</b>	<b>156,520</b>
Restructuring reserve	-97	-298	12	-150	-49	-43	-60	-89	-76	-182	-23	-5	-294	-767
<b>Capital employed</b>	<b>21,777</b>	<b>20,562</b>	<b>20,900</b>	<b>61,395</b>	<b>11,161</b>	<b>10,289</b>	<b>26,237</b>	<b>25,802</b>	<b>38,342</b>	<b>37,533</b>	<b>-659</b>	<b>172</b>	<b>117,758</b>	<b>155,753</b>
Return on capital employed	16.8%	14.8%	32.1%	16.3%	1.2%	5.8%	12.4%	15.2%	18.8%	20.3%	-	-	16.9%	15.6%
Average adjusted capital employed	19,861	22,872	18,369	44,025	10,167	11,396	24,745	26,295	36,447	38,502	-	-	109,372	142,611
Average number of employees	11,943	12,188	9,435	13,358	7,914	7,099	7,278	7,895	15,621	16,028	271	276	52,463	56,845

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

# Financial information - Notes

## NOTE 1 DISAGGREGATION OF REVENUE

### Sales by continent Q4

SEK M	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Europe	5,333	5,481	15	18	118	151	1,509	1,946	4,628	4,938	-209	-219	11,394	12,315
North America	157	154	6,690	9,461	646	458	2,963	2,439	6,176	6,377	-324	-101	16,309	18,788
Central- and South America	24	27	685	935	13	12	175	256	26	53	-10	-10	913	1,273
Africa	278	233	2	2	2	2	87	208	10	12	-16	-9	363	448
Asia	399	411	34	88	1,114	1,139	727	710	376	449	-65	-48	2,585	2,750
Oceania	38	33	2	4	756	706	274	325	319	360	-37	-32	1,351	1,396
<b>Total</b>	<b>6,231</b>	<b>6,339</b>	<b>7,427</b>	<b>10,508</b>	<b>2,648</b>	<b>2,468</b>	<b>5,735</b>	<b>5,885</b>	<b>11,535</b>	<b>12,189</b>	<b>-661</b>	<b>-419</b>	<b>32,915</b>	<b>36,970</b>

### Sales by continent Jan-Dec

SEK M	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Europe	19,433	21,211	101	85	630	568	5,227	6,243	16,706	18,395	-907	-841	41,191	45,661
North America	566	691	25,605	34,201	2,202	2,436	9,378	11,089	23,735	25,136	-1,140	-871	60,346	72,682
Central- and South America	97	99	2,491	3,448	49	48	714	900	90	159	-33	-37	3,406	4,617
Africa	1,100	973	14	10	9	14	417	662	43	68	-47	-36	1,537	1,691
Asia	1,515	1,689	124	249	4,089	4,284	2,612	2,894	1,220	1,509	-231	-226	9,330	10,399
Oceania	147	168	9	17	2,845	2,934	996	1,310	1,133	1,399	-148	-162	4,983	5,666
<b>Total</b>	<b>22,858</b>	<b>24,831</b>	<b>28,344</b>	<b>38,009</b>	<b>9,824</b>	<b>10,284</b>	<b>19,344</b>	<b>23,099</b>	<b>42,928</b>	<b>46,665</b>	<b>-2,505</b>	<b>-2,173</b>	<b>120,793</b>	<b>140,716</b>

### Sales by product group Q4

SEK M	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Mechanical locks, lock systems and fittings	2,846	2,865	2,806	4,437	1,244	1,325	102	107	2	2	-175	-178	6,825	8,559
Electromechanical and electronic locks	2,022	2,135	2,020	2,472	752	487	5,628	5,733	295	349	-423	-169	10,293	11,007
Security doors and hardware	1,215	1,227	2,580	3,581	618	598	4	46	849	969	-36	-40	5,231	6,381
Entrance automation	148	111	21	18	34	57	-	-	10,389	10,868	-26	-31	10,566	11,023
<b>Total</b>	<b>6,231</b>	<b>6,339</b>	<b>7,427</b>	<b>10,508</b>	<b>2,648</b>	<b>2,468</b>	<b>5,734</b>	<b>5,885</b>	<b>11,535</b>	<b>12,189</b>	<b>-660</b>	<b>-419</b>	<b>32,915</b>	<b>36,970</b>

### Sales by product group Jan-Dec

SEK M	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Mechanical locks, lock systems and fittings	10,934	11,653	10,984	15,691	5,005	5,286	372	416	8	9	-789	-780	26,515	32,275
Electromechanical and electronic locks	7,098	8,002	7,432	9,281	2,496	2,193	18,958	22,510	1,179	1,304	-1,453	-1,128	35,709	42,161
Security doors and hardware	4,284	4,722	9,852	12,953	2,147	2,606	15	173	3,850	3,984	-145	-150	20,002	24,288
Entrance automation	542	454	76	84	176	200	-	-	37,891	41,369	-118	-114	38,567	41,992
<b>Total</b>	<b>22,858</b>	<b>24,831</b>	<b>28,344</b>	<b>38,009</b>	<b>9,824</b>	<b>10,284</b>	<b>19,344</b>	<b>23,099</b>	<b>42,928</b>	<b>46,665</b>	<b>-2,505</b>	<b>-2,173</b>	<b>120,793</b>	<b>140,716</b>

## NOTE 2 BUSINESS COMBINATIONS

	Q4		Jan-Dec		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	5,225	1 587	8,945	54,292	47,742
Holdbacks and deferred considerations for acquisitions during the year	502	181	864	508	43
Adjustment of purchase prices for acquisitions in prior years	0	1	2	10	-
<b>Total</b>	<b>5,727</b>	<b>1,769</b>	<b>9,812</b>	<b>54,810</b>	<b>47,785</b>
<b>Acquired assets and liabilities at fair value</b>					
Intangible assets	683	22,491	803	24,422	22,401
Property, plant and equipment and right-of-use assets	167	-115	477	2,647	2,054
Other non-current assets	60	253	102	494	464
Inventories	468	69	1,312	4,098	3,377
Current receivables and investments	415	-157	948	2,305	1,599
Cash and cash equivalents	422	148	533	1,175	584
Non-current liabilities	-184	-526	-256	-2,445	-1,807
Current liabilities	-695	-178	-1,297	-3,350	-2,676
<b>Total</b>	<b>1,336</b>	<b>21,984</b>	<b>2,621</b>	<b>29,346</b>	<b>25,997</b>
<b>Goodwill</b>	<b>4,391</b>	<b>-20,215</b>	<b>7,190</b>	<b>25,464</b>	<b>21,789</b>
<b>Change in cash and cash equivalents due to acquisitions</b>					
Cash paid for acquisitions during the year	5,225	1,587	8,945	54,292	47,742
Cash and cash equivalents in acquired subsidiaries	-422	-148	-533	-1,175	-584
Paid considerations for acquisitions in prior years	46	114	171	449	-
<b>Total</b>	<b>4,850</b>	<b>1,553</b>	<b>8,583</b>	<b>53,566</b>	<b>47,158</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
Securitech Group Inc.	Americas	USA	50	160	2023-10
Char	Global technologies	Spain	<50	<50	2023-10
DS Security	Global technologies	UK	<50	60	2023-11
Ghost control	Entrance systems	USA	<50	300	2023-12
Leone Fence	Entrance systems	Canada	60	300	2023-12
ZeroSSL	Global technologies	Austria	<50	<50	2023-12

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

### 31 December 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	22,934	22,934			
Financial assets at fair value through profit and loss	115	115			
Derivatives - hedge accounting	633	633		633	
Derivatives - held for trading	293	293		293	
<b>Total financial assets</b>	<b>23,975</b>	<b>23,975</b>	-	<b>926</b>	-
<b>Financial liabilities</b>					
Financial liabilities at amortized cost	71,071	70,310			
Financial liabilities at fair value through profit and loss	1,045	1,045			1,045
Lease liabilities	5,443	5,443			
Derivatives - hedge accounting	161	161		161	
Derivatives - held for trading	170	170		170	
<b>Total financial liabilities</b>	<b>77,890</b>	<b>77,129</b>	-	<b>331</b>	<b>1,045</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	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	
<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

SEK M	Jan-Dec	
	2022	2023
Operating income	1,965	2,951
Income before appropriations and tax	3,411	2,809
Net income for the period	3,292	3,365

### EXTRACT FROM BALANCE SHEET

SEK M	31 Dec	
	2022	2023
Non-current assets	47,860	52,722
Current assets	18,809	40,730
<b>Total assets</b>	<b>66,669</b>	<b>93,452</b>
Equity	27,104	25,130
Untaxed reserves	1,265	1,021
Non-current liabilities	15,119	35,550
Current liabilities	23,182	31,751
<b>Total equity and liabilities</b>	<b>66,669</b>	<b>93,452</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, revaluation of inventory in business combinations 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.