

Quarterly Report Q1 2021

28 April 2021

ASSA ABLOY

Experience a safer and
more open world

Back to good organic growth

First quarter

- Net sales decreased by 2% to SEK 21,805 M (22,173), with good organic growth of 4% (–3) and acquired net growth of 4% (3). Currency effects amounted to –10% (3)
- Very strong organic sales growth was reported by Asia Pacific, Entrance Systems and EMEIA¹. Organic sales development was stable in Americas, while Global Technologies reported a sales decline
- Three acquisitions with combined annual sales of about SEK 200 M were signed
- Operating income (EBIT) increased by 16% and amounted to SEK 3,187 M (2,751), corresponding to an operating margin of 14.6% (12.4)
- Net income amounted to SEK 2,253 M (1,864)
- Earnings per share amounted to SEK 2.03 (1.68)
- Operating cash flow increased by 118% to SEK 2,636 M (1,206).

Organic growth

4%

Operating income

16%

Earnings per share

21%

Sales and income

	Full year			First quarter		
	2019	2020	Δ	2020	2021	Δ
Sales, SEK M	94,029	87,649	–7 %	22,173	21,805	–2 %
Of which:						
Organic growth	2,652	–7,150	–8%	–759	827	4%
Acquisitions and divestments	3,063	3,328	4%	648	866	4%
Exchange-rate effects	4,265	–2,558	–3%	780	–2,060	–10%
Operating income (EBIT)^{2 3}, SEK M	14,920	11,916	–20 %	2,751	3,187	16 %
EBITA margin ^{2 3} , %	16.4%	14.3%		13.0%	15.3%	
Operating margin (EBIT)^{2 3}, %	15.9 %	13.6 %		12.4 %	14.6 %	
Income before tax ^{2 3} , SEK M	13,883	11,133	–20%	2,519	3,045	21%
Net income ^{2 3} , SEK M	10,243	8,375	–18%	1,864	2,253	21%
Operating cash flow, SEK M	14,442	14,560	1%	1,206	2,636	118%
Earnings per share^{2 3}, SEK	9.22	7.54	–18 %	1.68	2.03	21 %

¹ EMEIA is an abbreviation for the division Europe, Middle East, India and Africa. The change of name of the division is due to the transfer of the India region from Asia Pacific to EMEIA, at the start of 2021. No external restatement of the divisional financial statements was made.

² Excluding costs before income tax for restructuring programs in Q4 2020 and Q4 2019, totalling SEK –1,366 M and SEK –312 M respectively. The corresponding costs after tax are SEK –1,112 M and SEK –246 M

³ Excluding non-cash operating income in Q3 2020 from revaluation at fair value of 39% ownership in agta record, totaling SEK 1,909 M for the year. The operating income had no tax impact.

Comments by the President and CEO

Back to good organic growth

The world continued to be affected by Covid-19 restrictions in the first quarter, and in that context, I am very pleased that we can report good organic growth in the quarter. Asia Pacific division has been recovering from the trough of last year, resulting in a very strong organic sales growth of 23%. Entrance Systems has accelerated and reported a very strong organic sales growth of 11%. Organic sales growth in EMEA was strong at 5% and Americas was stable despite a strong comparable, but sales in Global Technologies were down significantly.

Operating income increased by 16% to SEK 3,187 M and the operating margin was 14.6%. Despite restrictions that affected our operations in many of our core markets, we generated a very strong operating leverage of 80%. Operating cash flow improved significantly and totaled SEK 2,636 M, up 118%.

Well positioned for profitable growth

With the world now expected to gradually reopen, we will start to shift our focus more to growth again with innovation as an enabler. Our investments in R&D have resulted in the recent launch of several new products and solutions, including a new door-operator range with smart mobile functions from Entrance Systems, and Incedo, a cloud based access control platform for commercial applications.

In parallel, our cost-saving measures are continuing with temporary savings now being replaced by permanent savings. Our ongoing restructuring programs and other efficiency measures have supported our very strong operating leverage. As volumes start to increase, we will gradually ramp up capacity and make the investments needed to support the growth.

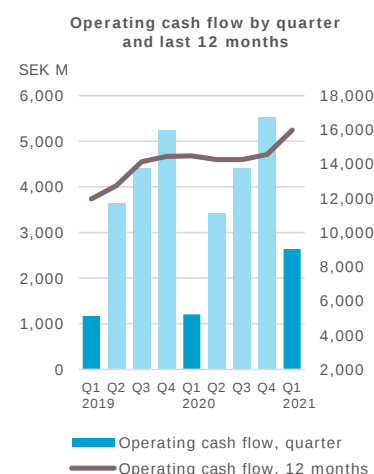
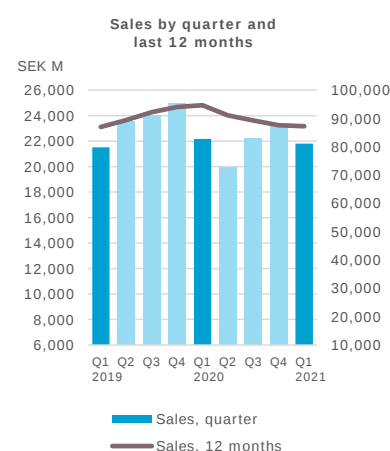
Entrance Systems, our biggest division, has developed very well and the division's new organization is making progress, with all segments reporting strong sales growth. The investments in growth and product development in the EMEA division have generated strong growth despite the continued negative effect of Covid-19 restrictions. In the Americas division we have seen a continued strong growth in South America. In the US we are starting to see positive signs from eased restrictions and, next to a strong residential demand, we expect our aftermarket in the non-residential segment to gradually normalize from current low levels. The market conditions for parts of Global Technologies division continue to be very challenging and we do not expect the travel-exposed segments to return to pre-pandemic volumes in the near future.

I am confident that we are now moving out of this pandemic as an even stronger Group, well positioned as a global industry leader to bounce forward and re-accelerate profitable growth.

Stockholm, 28 April 2021



Nico Delvaux
President and CEO



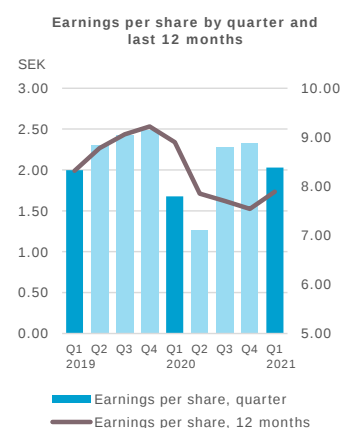
First quarter

The Group's sales decreased by 2% to SEK 21,805 M (22,173). Organic growth amounted to 4% (–3). Growth from acquisitions and divestments was 4% (3), of which 5% (3) came from acquisitions and –1% (–) from divestments. Exchange-rates affected sales by –10% (3).

The Group's operating income (EBIT) amounted to SEK 3,187 M (2,751), an increase of 16%. The corresponding operating margin was 14.6% (12.4). Exchange-rates had an impact of SEK –261 M (76) on EBIT. Operating income before amortizations from acquisitions (EBITA) amounted to SEK 3,341 M (2,884). The corresponding EBITA margin was 15.3% (13.0).

Net financial items amounted to SEK –142 M (–232). The Group's income before tax was SEK 3,045 M (2,519), an increase of 21% compared with last year. Exchange-rates had an impact of SEK –247 M (69) on income before tax. The profit margin was 14.0% (11.4).

The estimated effective tax rate on an annual basis excluding items affecting comparability was 26% (25). Earnings per share amounted to SEK 2.03 (1.68), an increase of 21% compared with last year. Operating cash flow totaled SEK 2,636 M (1,206), an increase of 118% compared with last year.



Restructuring measures

Payments related to all restructuring programs amounted to SEK 138 M (83) in the quarter. The restructuring programs proceeded according to plan and led to a reduction in personnel of 372 Full-Time Equivalents during the quarter. At the end of the quarter provisions of SEK 1,119 M remained in the balance sheet for carrying out the programs.

Comments by division

Opening Solutions EMEIA

Sales for the quarter in EMEIA totaled SEK 5,058 M (5,044), with organic growth of 5% (–4). Sales growth was very strong in the UK, France, Eastern Europe and Middle East/Africa/India. Sales growth was good in Finland and South Europe, stable in Germany and Benelux, but declined in Scandinavia. Net sales growth from acquisitions, divestments and internal segment transfers was 1%. Operating income totaled SEK 755 M (607), which represents an operating margin (EBIT) of 14.9% (12.0). Return on capital employed, on an annualized basis, amounted to 12.9% (15.8). Operating cash flow before non-cash items and interest paid totaled SEK 587 M (132).

Opening Solutions Americas

Sales for the quarter in Americas totaled SEK 4,604 M (5,271), with organic growth of 0% (1). Sales growth was very strong in US Residential, US Smart Residential and Latin America and was stable in Electromechanical Solutions and Canada. Sales growth declined in Security Doors and Architectural Hardware and declined significantly in Access & High Security. Net sales growth from acquisitions and internal segment transfers was 1%. Operating income totaled SEK 955 M (1,048), which represents an operating margin (EBIT) of 20.7% (19.9). Return on capital employed, on an annualized basis, amounted to 25.3% (24.2). Operating cash flow before non-cash items and interest paid totaled SEK 727 M (580).

Opening Solutions Asia Pacific

Sales for the quarter in Asia Pacific totaled SEK 1,773 M (1,588), with organic growth of 23% (–34). Sales growth was very strong in China, South Korea and South East Asia, but declined in Pacific. Net sales growth from acquisitions and internal segment transfers was –4%. Operating income totaled SEK 78 M (–152), which represents an operating margin (EBIT) of 4.4% (–9.6). Return on capital employed, on an annualized basis, amounted to 7.2% (6.7). Operating cash flow before non-cash items and interest paid totaled SEK –94 M (–293).

Global Technologies

Sales for the quarter in Global Technologies totaled SEK 3,301 M (3,933), with organic growth of –9% (0). Sales growth was good in Secure Issuance, but declined in Identification Technology and Physical Access Control and declined significantly in all other business areas as well as in Global Solutions. Net sales growth from acquisitions and internal segment transfers was 3%. Operating income totaled SEK 472 M (563), which represents an operating margin (EBIT) of 14.3% (14.3). Return on capital employed, on an annualized basis, amounted to 8.6% (12.8). Operating cash flow before non-cash items and interest paid totaled SEK 630 M (362).

Entrance Systems

Sales for the quarter in Entrance Systems totaled SEK 7,499 M (6,727), with organic growth of 11% (0). Sales growth was very strong in Perimeter Security and Residential and strong in Industrial and Pedestrian. Net sales growth from acquisitions and divestments was 12%. Operating income totaled SEK 1,096 M (821), which represents an operating margin (EBIT) of 14.6% (12.2). Return on capital employed, on an annualized basis, amounted to 14.3% (15.0). Operating cash flow before non-cash items and interest paid totaled SEK 1,058 M (855).

Acquisitions and divestments

Three acquisitions were consolidated during the quarter. The combined acquisition price for the businesses acquired during the year, including adjustments from prior-year acquisitions, amounted to SEK 196 M. The acquisition price on a cash and debt free basis totaled SEK 205 M. Preliminary acquisition analyses indicate that goodwill and other intangible assets with indefinite useful life amount to SEK 70 M. Estimated deferred considerations for acquisitions made during the year amounted to SEK 53 M.

On March 3 it was announced that ASSA ABLOY has acquired the textile services business of Invengo Information Technology Co., Ltd, a leading real-time inventory management platform combining software, RFID tags, equipment and services to efficiently identify, track and monitor linen and textile assets. The business has about 45 employees with its head office located in La Ciotat, France. Sales for 2020 amounted to around SEK 110 M.

On February 8 it was announced that ASSA ABLOY has acquired Technology Solutions (TSL) in the UK, a leading provider of radio frequency identification (RFID) handheld readers. The business has about 25 employees with its head office located in Loughborough, UK. Sales for 2020 amounted to around SEK 30 M.

Traka Iberia was also acquired during the quarter. Global Technologies division acquired all three businesses.

Divestment of Gardesa's shutter business was concluded during the first quarter.

Sustainable development

ASSA ABLOY's Sustainability Report for 2020 was published on 8 March 2021. As our 5-year sustainability program from 2016 to 2020 was concluded, the Report shows that the majority of our sustainability targets were exceeded:

Energy intensity was reduced by 30%, against a target of 20%. Improved water conservation and efficiency in our production processes has resulted in a water intensity reduction of 50%, where the target was 20%. The projects focused on reducing organic solvents resulted in a 68% reduction, where the target was 50%.

The Health & Safety program has resulted in reduction of the injury rate by 58% against a target of 55%.

During 2020 we carried out 940 sustainability audits of suppliers. The Group had 348 Environmental Product Declarations verified and published by the end of 2020.

ASSA ABLOY has launched a new 5-year sustainability program running from 2021 to 2025, with increased ambition levels across all indicators; this complements the Group's commitment to science-based targets.

Parent company

Other operating income for the Parent company ASSA ABLOY AB totaled SEK 554 M (790) for the first quarter of 2021. Operating income for the same period amounted to SEK –366 M (–181). Investments in tangible and intangible assets totaled SEK 0 M (6). Liquidity is good and the equity ratio is 43.0% (41.1).

Accounting principles

ASSA ABLOY applies International Financial Reporting Standards (IFRS) as endorsed by the European Union. The same accounting and valuation principles as in the latest Annual Report have been applied. This Report was prepared in accordance with IAS 34 'Interim Financial Reporting' and the Annual Accounts Act. The Report for the Parent company was prepared in accordance with the Annual Accounts Act and RFR 2 'Reporting by a Legal Entity'.

ASSA ABLOY makes use of a number of financial performance measures that are not defined in the reporting rules that the company uses – so-called 'alternative performance measures'. For definitions of financial performance measures, refer to Page 18 of this Report and to the company's latest Annual Report.

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

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

All comparative numbers for both performance measures have been recalculated in the interim report.

To check how the financial measurements have been calculated for current and earlier periods, refer to the tabulated figures in this Quarterly Report and to the company's Annual Report. The Annual Reports for the years 1994 to 2020 appear on the company's website www.assaabloy.com.

Totals quoted in tables and statements may not always be the exact sum of the individual items because of rounding differences. The aim is that each line item should correspond to its source, and rounding differences may therefore arise.

Transactions with related parties

No transactions that significantly affected the company's position and income have taken place between ASSA ABLOY and related parties.

Risks and uncertainty factors

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

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

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

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

M&A and FX guidance

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

Acquisitions and divestments

It is estimated that completed acquisitions and divestments, on a rolling 12-month basis as per 31 March 2021, will have an effect of 4% on sales in the second quarter of 2021 versus the same period last year, while the effect on the operating margin is estimated to be dilutive in the second quarter of 2021.

Exchange-rate effects

On the basis of the currency rates on 31 March 2021, it is estimated that the weighted currency effects on sales in the second quarter of 2021 versus the same period last year will be –7%, while the effect on the operating margin is estimated to be slightly dilutive in the second quarter of 2021.

Review

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

Stockholm, 28 April 2021

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

Nico Delvaux
President and CEO

Financial information

The Quarterly Report for the second quarter of 2021 will be published on 19 July 2021.

The Quarterly Report for the third quarter of 2021 will be published on 27 October 2021.

A virtual capital markets day will be held on 26 May 2021.

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

ASSA ABLOY is holding a **telephone and web conference at 09.30
on 28 April 2021**
which can be followed on the Internet at www.assaabloy.com.

It is possible to submit questions by telephone on:
+46 8 566 427 04, +44 333 300 9272 or +1 646 722 4956

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 28 April 2021.

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
Corporate identity number: 556059-3575

No.08/2021

Financial information – Group

FINANCIAL INFORMATION - GROUP

CONDENSED INCOME STATEMENT

	Year	Q1	
SEK M	2020	2020	2021
Sales	87,649	22,173	21,805
Cost of goods sold	-53,336	-13,200	-13,084
Gross income	34,313	8,973	8,722
Selling, administrative and R&D costs	-24,021	-6,266	-5,537
Share of earnings in associates	257	44	3
Revaluation previously owned shares in associates	1,909	-	-
Operating income	12,458	2,751	3,187
Finance net	-782	-232	-142
Income before tax	11,676	2,519	3,045
Tax on income	-2,504	-655	-792
Net income for the period	9,172	1,864	2,253
Net income for the period attributable to:			
Parent company's shareholders	9,171	1,864	2,253
Non-controlling interests	1	1	0
Earnings per share			
Before and after dilution, SEK	8.26	1.68	2.03
Before and after dilution and excluding items affecting comparability, SEK	7.54	1.68	2.03

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Year	Q1	
SEK M	2020	2020	2021
Net income for the period	9,172	1,864	2,253
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Actuarial gain/loss on post-employment benefit obligations, net after tax	-262	-102	458
Total	-262	-102	458
Items that may be reclassified subsequently to profit or loss			
Share of other comprehensive income of associates	-70	119	-10
Cashflow hedges and net investment hedges, net after tax	13	-25	-13
Exchange rate differences reclassified to profit or loss	-318	-	-
Exchange rate differences	-4,560	2,056	2,133
Total	-4,935	2,150	2,109
Total comprehensive income for the period	3,975	3,912	4,821
Total comprehensive income for the period attributable to:			
Parent company's shareholders	3,975	3,910	4,820
Non-controlling interests	0	2	1

Financial information – Group

CONDENSED BALANCE SHEET

SEK M	31 Dec	31 Mar	
	2020	2020	2021
ASSETS			
Non-current assets			
Intangible assets	72,452	74,791	75,268
Property, plant and equipment	8,026	8,972	8,329
Right-of-use assets	3,513	3,909	3,619
Investments in associates	637	2,772	638
Other financial assets	212	112	218
Deferred tax assets	1,338	1,277	1,159
Total non-current assets	86,178	91,832	89,232
Current assets			
Inventories	10,079	12,170	10,995
Trade receivables	13,665	16,055	14,716
Other current receivables and investments	4,750	5,554	4,880
Cash and cash equivalents	2,756	1,676	3,610
Total current assets	31,250	35,455	34,201
TOTAL ASSETS	117,428	127,287	123,433
EQUITY AND LIABILITIES			
Equity			
Equity attributable to Parent company's shareholders	58,870	63,044	63,649
Non-controlling interests	9	13	10
Total equity	58,879	63,057	63,658
Non-current liabilities			
Long-term loans	22,381	24,813	22,499
Non-current lease liabilities	2,477	2,749	2,544
Deferred tax liabilities	2,868	2,557	2,936
Other non-current liabilities and provisions	4,958	5,182	4,342
Total non-current liabilities	32,683	35,301	32,321
Current liabilities			
Short-term loans	3,514	6,245	3,703
Current lease liabilities	1,085	1,176	1,134
Trade payables	7,027	7,451	7,565
Other current liabilities and provisions	14,238	14,056	15,051
Total current liabilities	25,865	28,929	27,453
TOTAL EQUITY AND LIABILITIES	117,428	127,287	123,433

CHANGES IN EQUITY

SEK M	Equity attributable to:		Total equity
	Parent company's shareholders	Non-controlling interests	
Opening balance 1 January 2020	59,143	11	59,154
Net income for the period	1,864	1	1,864
Other comprehensive income	2,047	1	2,048
Total comprehensive income	3,910	2	3,912
Stock purchase plans	-10	-	-10
Total transactions with shareholders	-10	-	-10
Closing balance 31 March 2020	63,044	13	63,057
Opening balance 1 January 2021	58,870	9	58,879
Net income for the period	2,253	0	2,253
Other comprehensive income	2,567	0	2,567
Total comprehensive income	4,820	1	4,821
Stock purchase plans	-42	-	-42
Total transactions with shareholders	-42	0	-42
Closing balance 31 March 2021	63,649	10	63,658

Financial information – Group

CONDENSED STATEMENT OF CASH FLOWS SEK M	Year	Q1	
	2020	2020	2021
OPERATING ACTIVITIES			
Operating income	12,458	2,751	3,187
Depreciation and amortization	3,776	925	929
Revaluation previously owned shares in associates	-1,909	-	-
Reversal of restructuring costs	1,366	-	-
Restructuring payments	-747	-83	-138
Other non-cash items	-95	4	-57
Cash flow before interest and tax	14,850	3,598	3,920
Interest paid and received	-694	-172	-122
Tax paid on income	-3,104	-878	-532
Cash flow before changes in working capital	11,052	2,547	3,266
Changes in working capital	2,606	-1,485	-701
Cash flow from operating activities	13,658	1,062	2,565
INVESTING ACTIVITIES			
Net investments in intangible assets and property, plant and equipment	-1,674	-491	-289
Investments in subsidiaries	-6,238	-1,471	-296
Divestments of subsidiaries	1,170	-	34
Other investments and disposals	0	0	0
Cash flow from investing activities	-6,741	-1,961	-551
FINANCING ACTIVITIES			
Dividends	-4,277	-	-
Acquisition of non-controlling interests	-16	-	-
Amortization of lease liabilities	-1,275	-326	-311
Net cash effect of changes in borrowings	1,011	2,455	-862
Cash flow from financing activities	-4,558	2,129	-1,173
CASH FLOW FOR THE PERIOD	2,359	1,230	841
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of period	442	442	2,756
Cash flow for the period	2,359	1,230	841
Effect of exchange rate differences	-45	5	13
Cash and cash equivalents at end of period	2,756	1,676	3,610

Quarterly information – Group

THE GROUP IN SUMMARY										Year 2020	Last 12 months
SEK M	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021		
Sales	21,505	23,544	24,034	24,946	22,173	19,953	22,225	23,298	21,805	87,649	87,281
Organic growth	5%	3%	4%	1%	-3%	-18%	-5%	-5%	4%	-8%	-
Gross income ¹	8,596	9,500	9,625	9,979	8,973	7,648	9,026	9,278	8,722	34,925	34,673
Gross margin ¹	40.0%	40.4%	40.0%	40.0%	40.5%	38.3%	40.6%	39.8%	40.0%	39.8%	39.7%
EBITDA ¹	4,034	4,568	4,736	4,969	3,676	3,024	4,505	4,487	4,115	15,692	16,131
EBITDA margin ¹	18.8%	19.4%	19.7%	19.9%	16.6%	15.2%	20.3%	19.3%	18.9%	17.9%	18.5%
Depreciation, excl attributable to business combinations	-682	-716	-726	-781	-792	-787	-771	-853	-774	-3,202	-3,184
EBITA ¹	3,352	3,852	4,010	4,188	2,884	2,237	3,734	3,634	3,341	12,490	12,947
EBITA margin ¹	15.6%	16.4%	16.7%	16.8%	13.0%	11.2%	16.8%	15.6%	15.3%	14.3%	14.8%
Amortization attributable to business combinations	-106	-120	-115	-141	-133	-141	-142	-159	-154	-574	-596
Operating income (EBIT) ¹	3,246	3,733	3,894	4,047	2,751	2,097	3,593	3,475	3,187	11,916	12,351
Operating margin (EBIT) ¹	15.1%	15.9%	16.2%	16.2%	12.4%	10.5%	16.2%	14.9%	14.6%	13.6%	14.2%
Items affecting comparability	-	-	-	-312	-	-	1 910	-1,367	-	542	542
Operating income (EBIT)	3,246	3,733	3,894	3,735	2,751	2,097	5,502	2,108	3,187	12,458	12,894
Operating margin (EBIT)	15.1%	15.9%	16.2%	15.0%	12.4%	10.5%	24.8%	9.0%	14.6%	14.2%	14.8%
Net financial items	-248	-271	-250	-268	-232	-205	-176	-169	-142	-782	-692
Income before tax	2,997	3,462	3,645	3,467	2,519	1,892	5,326	1,938	3,045	11,676	12,201
Profit margin	13.9%	14.7%	15.2%	13.9%	11.4%	9.5%	24.0%	8.3%	14.0%	13.3%	14.0%
Tax on income	-779	-900	-948	-947	-655	-492	-888	-469	-792	-2,504	-2,640
Net income for the period	2,218	2,562	2,697	2,520	1,864	1,400	4,438	1,470	2,253	9,172	9,561
Net income attributable to:											
Parent company's shareholders	2,219	2,561	2,696	2,517	1,864	1,399	4,437	1,471	2,253	9,171	9,561
Non-controlling interests	-1	0	1	3	1	1	1	-1	0	1	0
OPERATING CASH FLOW										Year 2020	Last 12 months
SEK M	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021		
Operating income (EBIT)	3,246	3,733	3,894	3,735	2,751	2,097	5,502	2,108	3,187	12,458	12,894
Reversal items affecting comparability	-	-	-	312	-	-	-1,910	1,367	-	-542	-542
Depreciation and amortization	788	835	842	922	925	927	912	1,012	929	3,776	3,780
Net capital expenditure	-321	-406	-410	-525	-491	-442	-301	-439	-289	-1,674	-1,472
Change in working capital	-2,048	242	591	1,364	-1,485	1,460	820	1,811	-701	2,606	3,390
Interest paid and received	-179	-277	-179	-233	-172	-244	-90	-189	-122	-694	-644
Repayment of lease liabilities	-262	-281	-300	-316	-326	-322	-308	-319	-311	-1,275	-1,260
Non-cash items	-53	-210	-37	-24	4	-58	-219	178	-57	-95	-156
Operating cash flow	1,171	3,636	4,401	5,235	1,206	3,418	4,407	5,529	2,636	14,560	15,989
Cash conversion	0.39	1.05	1.21	1.39	0.48	1.81	1.29	1.67	0.87	1.31	1.37
CHANGE IN NET DEBT										Year 2020	Last 12 months
SEK M	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021		
Net debt at beginning of period	29,246	35,100	37,620	36,843	33,050	36,371	34,112	35,059	29,755	33,050	36,371
Impact from transition to IFRS 16	3,711	-	-	-	-	-	-	-	-	-	-
Operating cash flow	-1,171	-3,636	-4,401	-5,235	-1,206	-3,418	-4,407	-5,529	-2,636	-14,560	-15,989
Restructuring payments	161	123	181	261	83	173	155	337	138	747	803
Tax paid on income	703	942	577	1,651	878	474	1,104	648	532	3,104	2,757
Acquisitions and divestments	1,357	964	1,425	1,018	1,584	86	4,331	-497	385	5,504	4,305
Dividend	-	3,888	-	-	-	2,222	-	2,055	-	4,277	4,277
Actuarial gain/loss on post-employment benefit obligations	179	210	289	-316	139	407	94	-321	-619	319	-439
Change to lease liabilities	-127	-111	-51	47	-1	-110	98	-93	-29	-106	-135
Exchange rate differences, etc.	1,039	140	1,203	-1,218	1,845	-2,093	-428	-1,904	1,633	-2,580	-2,792
Net debt at end of period	35,100	37,620	36,843	33,050	36,371	34,112	35,059	29,755	29,160	29,755	29,160
Net debt/Equity	0.64	0.70	0.64	0.56	0.58	0.58	0.56	0.51	0.46	0.51	0.46
NET DEBT										Year 2020	Last 12 months
SEK M	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021		
Interest-bearing assets	-168	-144	-113	-100	-108	-76	-47	-205	-189	-	-
Cash and cash equivalents	-414	-355	-459	-442	-1,676	-3,726	-4,906	-2,756	-3,610	-	-
Derivative financial instruments, net	43	-127	8	-53	-469	-441	-350	-255	83	-	-
Pension provisions	3,105	3,324	3,717	3,346	3,642	3,887	4,164	3,514	2,995	-	-
Lease liabilities	3,776	3,694	3,746	3,739	3,924	3,614	3,818	3,562	3,678	-	-
Interest-bearing liabilities	28,758	31,228	29,944	26,560	31,059	30,853	32,379	25,895	26,202	-	-
Total	35,100	37,620	36,843	33,050	36,371	34,112	35,059	29,755	29,160	-	-
CAPITAL EMPLOYED AND FINANCING										Year 2020	Last 12 months
SEK M	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021		
Capital employed	90,227	91,334	94,796	92,204	99,428	93,103	97,232	88,634	92,818	-	-
- of which goodwill	55,731	56,179	59,134	57,662	61,573	58,243	64,013	58,344	60,822	-	-
- of which other intangible assets and PPE	19,911	20,386	21,296	21,191	22,189	21,064	21,613	22,134	22,775	-	-
- of which right-of-use assets	3,805	3,705	3,746	3,731	3,909	3,592	3,779	3,513	3,619	-	-
- of which investments in associates	2,510	2,534	2,643	2,595	2,772	2,665	685	637	638	-	-
Net debt	35,100	37,620	36,843	33,050	36,371	34,112	35,059	29,755	29,160	-	-
Non-controlling interests	10	6	8	11	13	12	12	9	10	-	-
Equity attributable to Parent company's shareholders	55,117	53,708	57,946	59,143	63,044	58,980	62,161	58,870	63,649	-	-
OTHER KEY RATIOS										Year 2020	Last 12 months
	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021		
Earnings per share, SEK	2.00	2.31	2.43	2.27	1.68	1.26	3.99	1.32	2.03	-	-
Earnings per share excl items affecting comparability, SEK	2.00	2.31	2.43	2.49	1.68	1.26	2.28	2.33	2.03	-	-
Shareholders' equity per share, SEK	49.62	48.35	52.17	53.25	56.76	53.10	55.96	53.00	57.30	-	-
Return on capital employed	15.9%	16.4%	16.3%	16.2%	15.2%	13.4%	13.1%	12.5%	13.1%	-	-
Return on equity	5.5%	17.2%	16.9%	18.0%	16.3%	15.0%	17.0%	15.5%	15.1%	-	-
Net debt/EBITDA	2.2	2.2	2.1	1.8	2.0	2.1	2.2	1.9	1.8	-	-
Average number of employees	48,941	49,218	49,136	48,992	48,801	46,979	47,553	48,471	49,685	-	-
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⁾ Excluding items affecting comparability consisting of restructuring costs and revaluation of previously owned shares in associates.

Reporting by division

Q1 and 31 Mar

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Sales, external	4,928	4,956	5,249	4,559	1,394	1,544	3,903	3,275	6,699	7,471	-	-	22,173	21,805
Sales, internal	116	101	22	46	194	229	30	26	28	28	-390	-430	-	-
Sales	5,044	5,058	5,271	4,604	1,588	1,773	3,933	3,301	6,727	7,499	-390	-430	22,173	21,805
Organic growth	-4%	5%	1%	0%	-34%	23%	0%	-9%	0%	11%	-	-	-3%	4%
Acquisitions and divestments	-1%	1%	-7%	1%	4%	-4%	13%	3%	9%	12%	-	-	3%	4%
Exchange-rate effects	2%	-6%	5%	-14%	2%	-7%	4%	-10%	5%	-12%	-	-	3%	-10%
Share of earnings in associates	-	-	-	-	5	3	-	-	39	-	-	-	44	3
Operating income (EBIT)	607	755	1,048	955	-152	78	563	472	821	1,096	-136	-169	2,751	3,187
Operating margin (EBIT)	12.0%	14.9%	19.9%	20.7%	-9.6%	4.4%	14.3%	14.3%	12.2%	14.6%	-	-	12.4%	14.6%
Capital employed	19,696	17,596	16,455	13,773	9,510	8,586	24,185	22,176	29,325	31,383	257	-697	99,428	92,818
- of which goodwill	11,551	10,986	12,424	11,053	4,272	3,958	16,597	15,631	16,730	19,194	-	-	61,573	60,822
- of which other intangible assets and PPE	4,198	3,563	3,394	2,868	2,589	2,419	5,961	5,313	5,980	8,517	66	94	22,189	22,775
- of which right-of-use assets	999	1,008	451	393	248	268	537	513	1,658	1,411	16	26	3,909	3,619
- of which investments in associates	1	1	-	-	657	589	24	28	2,090	20	-	-	2,772	638
Return on capital employed	15.8%	12.9%	24.2%	25.3%	6.7%	7.2%	12.8%	8.6%	15.0%	14.3%	-	-	15.2%	13.1%
Operating income (EBIT)	607	755	1,048	955	-152	78	563	472	821	1,096	-136	-169	2,751	3,187
Depreciation and amortization	229	231	125	112	92	78	225	227	248	271	7	10	925	929
Net capital expenditure	-115	-82	-119	-67	-42	-40	-125	-37	-88	-62	-2	-1	-491	-289
Amortization of lease liabilities	-83	-81	-33	-34	-28	-24	-37	-36	-141	-134	-3	-2	-326	-311
Change in working capital	-506	-236	-440	-239	-162	-187	-263	4	14	-112	-127	69	-1,485	-701
Operating cash flow by division	132	587	580	727	-293	-94	362	630	855	1,058	-262	-93	1,374	2,814
Non-cash items											4	-57	4	-57
Interest paid and received											-172	-122	-172	-122
Operating cash flow													1,206	2,636
Average number of employees	11,144	12,037	8,908	8,797	10,002	8,321	6,406	6,284	11,990	13,981	350	266	48,801	49,685

Reporting by division

Q1-Q4 and 31 Dec

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Sales, external	20,707	18,563	23,082	18,907	9,477	7,916	15,321	14,054	25,442	28,210	-	-	94,029	87,649
Sales, internal	438	418	90	107	1,213	926	102	105	110	113	-1,953	-1,668	-	-
Sales	21,144	18,982	23,172	19,013	10,689	8,841	15,423	14,158	25,553	28,323	-1,953	-1,668	94,029	87,649
Organic growth	2%	-8%	7%	-7%	-1%	-16%	5%	-15%	2%	-2%	-	-	3%	-8%
Acquisitions and divestments	0%	-1%	2%	-9%	5%	1%	16%	10%	1%	15%	-	-	3%	4%
Exchange-rate effects	3%	-1%	8%	-2%	3%	-2%	8%	-3%	5%	-2%	-	-	6%	-3%
Share of earnings in associates	-	-	-	-	17	9	5	9	124	239	-	-	147	257
EBIT, excl IAC	3,396	2,263	4,673	3,698	879	396	2,890	2,023	3,652	4,083	-570	-547	14,920	11,916
EBIT margin, excl. IAC	16.1%	11.9%	20.2%	19.4%	8.2%	4.5%	18.7%	14.3%	14.3%	14.4%	-	-	15.9%	13.6%
Restructuring costs	-185	-448	-	-51	-6	-303	-4	-195	-116	-220	-	-150	-312	-1,366
Revaluation previously owned shares in associates	-	-	-	-	-	-	-	-	-	1,909	-	-	-	1,909
Operating income (EBIT)	3,211	1,815	4,673	3,647	873	93	2,885	1,828	3,535	5,772	-570	-697	14,608	12,458
Operating margin (EBIT)	15.2%	9.6%	20.2%	19.2%	8.2%	1.1%	18.7%	12.9%	13.8%	20.4%	-	-	15.5%	14.2%
Capital employed	18,659	16,849	19,678	13,201	9,053	8,191	22,329	21,044	23,024	30,231	-539	-883	92,204	88,634
- of which goodwill	11,121	10,475	14,105	10,444	4,168	3,884	15,459	14,881	12,809	18,660	-	-	57,662	58,344
- of which other intangible assets and PPE	4,092	3,485	4,423	2,713	2,469	2,375	5,632	5,100	4,451	8,362	124	99	21,191	22,134
- of which right-of-use assets	990	998	499	387	260	264	463	457	1,499	1,390	19	17	3,731	3,513
- of which investments in associates	1	1	-	-	637	589	23	28	1,935	20	-	-	2,595	637
Return on capital employed	17.2%	11.9%	23.3%	24.4%	10.0%	4.4%	13.5%	8.9%	15.8%	13.9%	-	-	16.2%	12.5%
Operating income (EBIT)	3,211	1,815	4,673	3,647	873	93	2,885	1,828	3,535	5,772	-570	-697	14,608	12,458
Restructuring costs	185	448	-	51	6	303	4	195	116	220	-	150	312	1,366
Revaluation previously owned shares in associates	-	-	-	-	-	-	-	-	-	-1,909	-	-	-	-1,909
Depreciation and amortization	813	925	569	471	381	355	793	917	794	1,078	36	30	3,387	3,776
Net capital expenditure	-454	-407	-348	-267	-220	-192	-366	-430	-276	-330	3	-47	-1,662	-1,674
Amortization of lease liabilities	-295	-318	-149	-132	-100	-108	-129	-144	-477	-559	-9	-14	-1,159	-1,275
Change in working capital	53	476	517	1,067	-319	311	-5	144	-38	702	-61	-94	148	2,606
Operating cash flow by division	3,515	2,939	5,263	4,837	622	762	3,183	2,509	3,655	4,974	-602	-673	15,635	15,349
Non-cash items	-	-	-	-	-	-	-	-	-	-	-324	-95	-324	-95
Interest paid and received	-	-	-	-	-	-	-	-	-	-	-869	-694	-869	-694
Operating cash flow													14,442	14,560
Average number of employees	11,373	10,281	9,360	8,787	11,016	9,892	5,594	6,374	11,313	12,883	336	254	48,992	48,471

Financial information - Notes

NOTE 1 DISAGGREGATION OF REVENUE

Sales by continent Q1

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Europe	4,478	4,456	11	28	102	144	1,055	949	2,851	3,510	-161	-214	8,336	8,872
North America	119	91	4,860	4,098	183	199	1,944	1,615	3,463	3,496	-140	-129	10,430	9,370
Central- and South America	18	15	373	442	14	11	118	75	15	17	-13	-10	525	549
Africa	168	196	3	3	4	2	112	65	15	17	-6	-9	297	274
Asia	231	275	22	31	732	868	528	429	224	238	-40	-41	1,697	1,800
Oceania	30	25	2	2	553	550	176	168	158	221	-31	-27	888	940
Total	5,044	5,058	5,271	4,604	1,588	1,773	3,933	3,301	6,727	7,499	-390	-430	22,173	21,805

Sales by product group Q1

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Mechanical locks, lock systems and fittings	2,437	2,443	2,208	1,974	893	916	85	79	2	2	-164	-162	5,461	5,252
Electromechanical and electronic locks	1,661	1,665	1,302	1,136	262	384	3,782	3,211	205	271	-174	-210	7,038	6,457
Security doors and hardware	821	820	1,753	1,487	421	456	67	12	576	690	-21	-25	3,617	3,439
Entrance automation	126	129	8	7	12	17	-	-	5,944	6,536	-32	-32	6,058	6,657
Total	5,044	5,058	5,271	4,604	1,588	1,773	3,933	3,301	6,727	7,499	-390	-430	22,173	21,805

NOTE 2 BUSINESS COMBINATIONS

Consolidated acquisitions 2021

Acquisition	Division	Country	Number of employees	Approx. sales in 2020	Month of consolidation
Traka Iberia	Global Technologies	Spain	<50	<50 SEK M	2021-02
Technology Solutions	Global Technologies	UK	25	30 SEK M	2021-02
Invengo Textile Services	Global Technologies	France	45	110 SEK M	2021-03

	Year	Q1	
SEK M	2020	2020	2021
Purchase prices			
Cash paid for acquisitions during the year	8,058	1,280	149
Holdbacks and deferred considerations for acquisitions during the year	318	274	53
Fair value of previously owned shares in associates	3,752	-	-
Adjustment of purchase prices for acquisitions in prior years	5	-4	-6
Total	12,134	1,550	196
Acquired assets and liabilities at fair value			
Intangible assets	3,281	87	133
Property, plant and equipment and right-of-use assets	929	125	8
Other non-current assets	135	1	1
Inventories	646	78	28
Current receivables and investments	1,062	103	52
Cash and cash equivalents	2,239	32	80
Non-current liabilities	-1,357	-112	-115
Current liabilities	-1,223	-201	-62
Total	5,713	112	126
Goodwill	6,421	1,439	70
Change in cash and cash equivalents due to acquisitions			
Cash paid for acquisitions during the year	8,058	1,280	149
Cash and cash equivalents in acquired subsidiaries	-2,239	-32	-80
Paid considerations for acquisitions in prior years	418	223	227
Total	6,238	1,471	296

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

Financial information - Notes

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

31 March 2021

SEK M	Carrying amount	Fair value	Financial instruments at fair value		
			Level 1	Level 2	Level 3
Financial assets					
Financial assets at amortized cost	18,566	18,566			
Financial assets at fair value through profit and loss	6	6			
Derivatives - hedge accounting	112	112		112	
Derivatives - held for trading	70	70		70	
Financial liabilities					
Financial liabilities at amortized cost	33,767	34,153			
Financial liabilities at fair value through profit and loss	708	708			708
Lease liabilities	3,678	3,678			
Derivatives - hedge accounting	0	0		0	
Derivatives - held for trading	265	265		265	

31 December 2020

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

Financial information – Parent company

CONDENSED INCOME STATEMENT

	Year	Q1	
SEK M	2020	2020	2021
Operating income	868	-181	-366
Income before appropriations and tax	5,363	83	-291
Net income for the period	5,552	198	-220

CONDENSED BALANCE SHEET

	31 Dec	31 Mar	
SEK M	2020	2020	2021
Non-current assets	38,961	39,912	38,774
Current assets	21,069	20,980	21,560
Total assets	60,030	60,892	60,334
Equity	26,186	25,071	25,925
Untaxed reserves	1,125	911	1,125
Non-current liabilities	15,677	17,460	15,516
Current liabilities	17,042	17,449	17,768
Total equity and liabilities	60,030	60,892	60,334

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.

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.

Net debt

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

Capital employed

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

Net debt/Equity ratio

Net debt in relation to equity.

Equity ratio

Shareholders' equity as a percentage of total assets.

Net debt/EBITDA

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

Return on capital employed

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

Return on equity

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

Earnings per share after tax and dilution

Net income excluding non-controlling interests divided by weighted average number of outstanding shares after any potential dilution.

Shareholders' equity per share after dilution

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