



Brazil Overview

Lucas Boselli, Executive Vice President and Head of Americas Division

Capital Markets
November 2022

Experience a safer and more open world

ASSA ABLOY

Deepened presence in Latin America with strategic acquisitions...

2012
(9%
division
sales in
LatAm)



2022
(14%
division
sales in
LatAm)



Brazil: Key facts and figures

1,582
people



5 factories

1 distribution center



SEK
1.1 BN

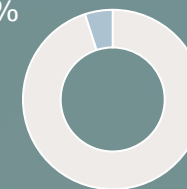


+26%
CAGR
2020-2022



Sales by
segment

Non-Residential
5%

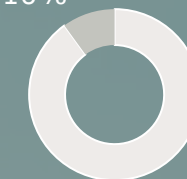


Residential
95%



Sales by
product
type

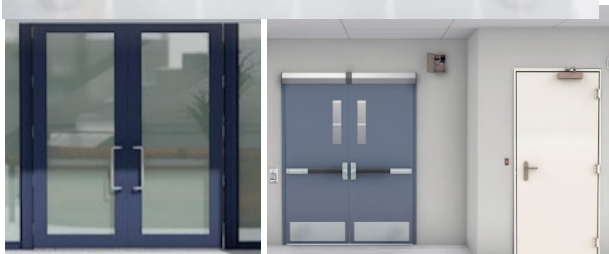
Elmech
10%



Mechanical
90%

12 month rolling as of September 2022

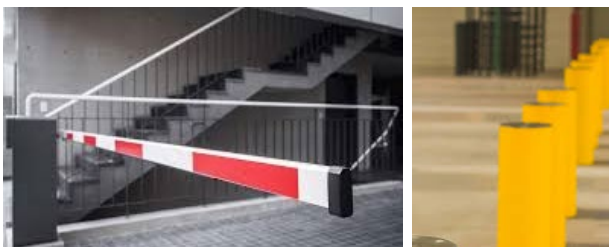
Product portfolio



Doors & door hardware
(commercial, institutional, industrial)



Access Control



Physical Barriers

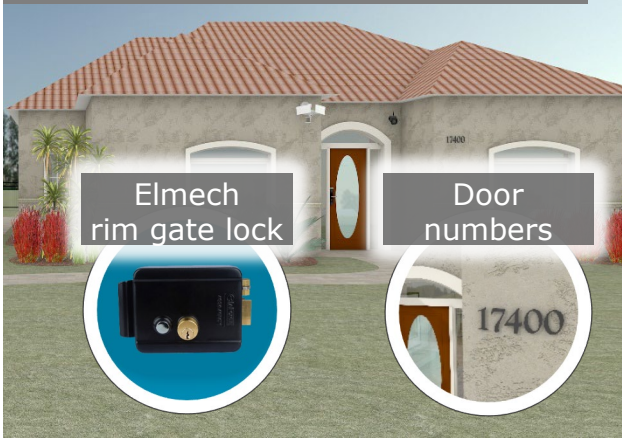


Digital
door lock



Door
hardware

Multi-family & single family

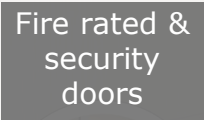


Elmech
rim gate lock

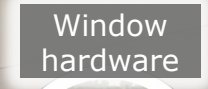


Door
numbers

Key
brands



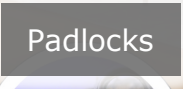
Fire rated &
security
doors



Window
hardware



Window
shutters

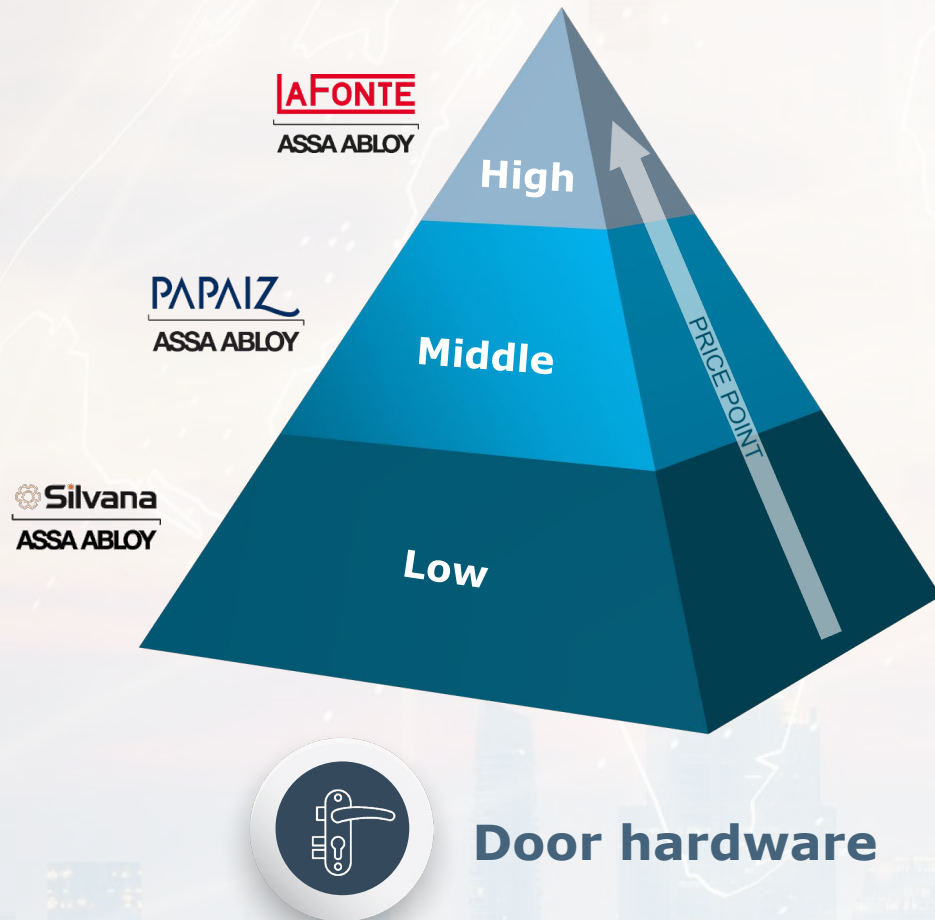


Padlocks



Safes

Go to market



**Aluminum
Window
Hardware**

UDINESE
ASSA ABLOY



**Metal
Fire
Doors**

ASSA ABLOY



**Access
Control**

ASSA ABLOY
Control **iD**

Control iD

Leading developer of hardware and software solutions for Time & Attendance and Access Control in Brazil



- Founded in 2006, Control iD is the Control iD's products and solutions are currently deployed across four business segments:
 - **Time & Attendance:** Hardware and software solutions providing certified records for tracking and maintaining employee work hours using biometric and RFID technology
 - **Access Control:** RFID & biometric hardware and software solutions for restricting, authorizing and enabling access to resources, properties or locations
 - **SaaS & HaaS:** Time & Attendance and Access Control hardware and software under "as a service" business models
 - **New Verticals:** Represents Control iD's expansion into Commercial Automation (2018) and Home Automation markets. Products include thermal printers, invoice authentication, electronic door locks and video doorbells
- Headquartered in São Paulo, Brazil with manufacturing facility in Extrema (Minas Gerais, Brazil) and a sales office in Pinhais (Parana, Brazil). Control iD has 302 employees

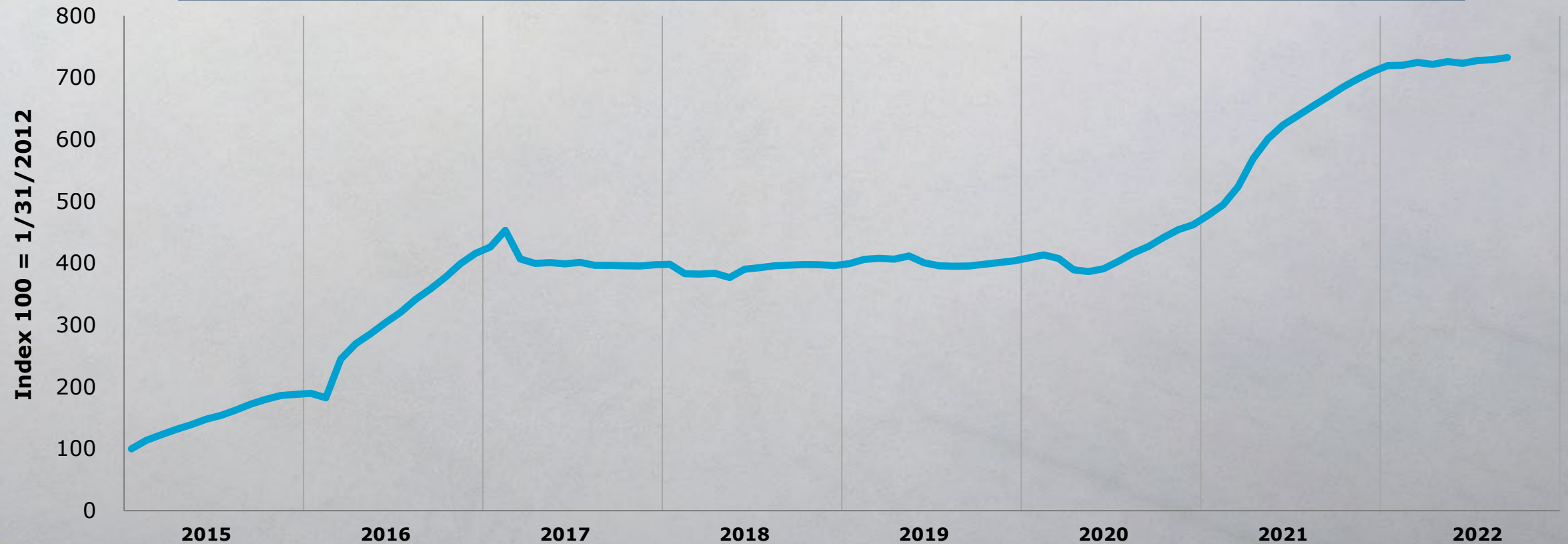
Control iD

Leading developer of hardware and software solutions for Time & Attendance and Access Control in Brazil



Brazil sales growth

+30% CAGR 2012-2022 with 633% sales growth



Note: 12 mo rolling as reported; does not include restatements

Key growth drivers



**Glass
Hardware**



**B2C and B2B
ecommerce**



**Digital Door
Locks**



**Home
Builders**



**Retail
Penetration**



**Non-
Residential**



Key growth drivers



Glass
Hardware



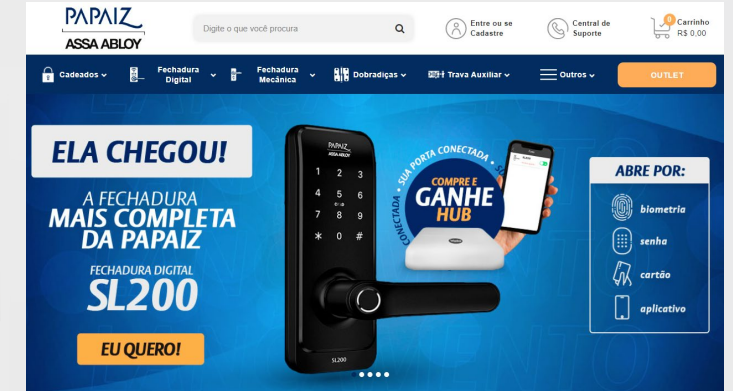
B2C and B2B
ecommerce



Home
Builders



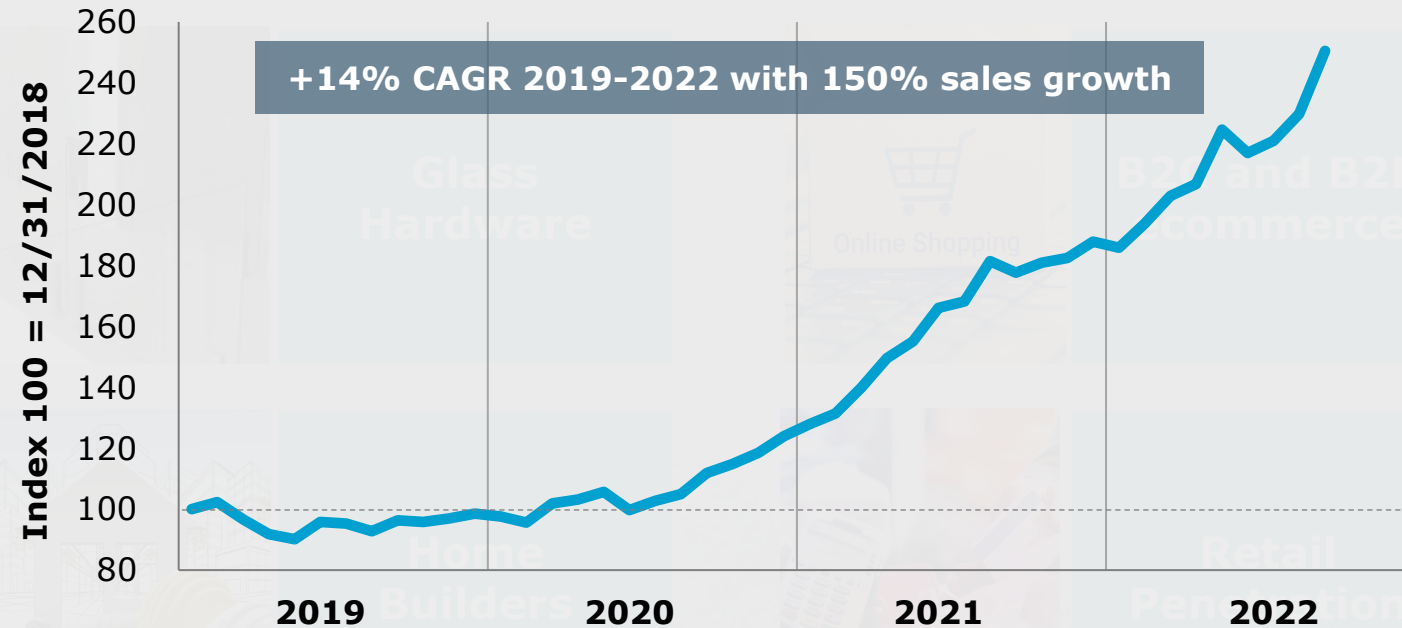
Retail
Penetration



- Web shop offering a B2B/B2C experience with fast delivery through our own distribution network
- Growth of **176%** Q3 YTD
- Supported by internal team that operates in web shop and multiple marketplaces

Key growth drivers

Brazil Non-Residential Sales



Growth supported by investment in front end and specification

Note: 12 mo rolling



Digital Door Locks



Non-Residential

Non-Residential focus in critical verticals adjusting to customer needs



**Dedicated
sales force**

**Local
specification**

**Portfolio
localization**

Strategic focus areas



Sustainable growth

Dual sourcing & MFP

Strategic pricing

Operational excellence



Gain market share

Non-residential

R&D

Growth the core



Customer experience

NPS

Reduce lead times

E-Commerce



Play both offense and defense

Strategic focus areas



Sustainable growth

Dual sourcing & MFP

Strategic pricing

Operational excellence

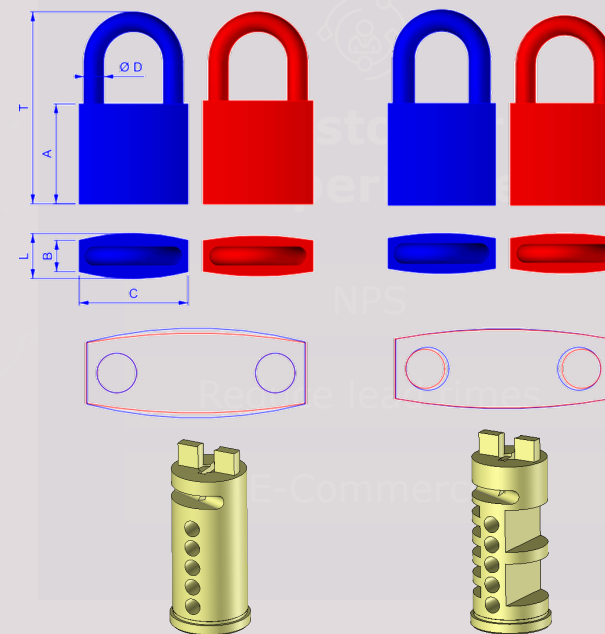


VA/VE Project: Papaiz Padlock Range Redesign



- VA/VE of **entire line of 9 padlocks** (CR34-CR70 line)
- Resize padlock dimension and reduce weight while keeping all characteristics (safety: cylinder with head, cotter pin stool and existing key)

Example: CR45 padlock



Before

After

7.7g
reduced
weight

12.2g
increased
steel

19.9g
reduced
brass

SEK 3.3 M
Annual savings

Strategic focus areas



Sustainable growth

Dual sourcing & MFP

Strategic pricing



Gain market share

Non-residential

R&D



Customer experience

NPS

Reduce lead times

99

products launched
in 2021

226

products
in pipeline

29%

YTD sales from
new products

Recent product launches



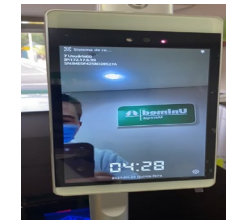
Non-Residential
Portfolio



Window/Door Noise
Cancelling



Segmented Fire
rated doors



Facial
Recognition



APERIO
Locks and Hubs

Strategic focus areas

622 customers interviewed



64 average NPS score



LEAD TIMES

Focus on new distribution center opened in Sao Paulo for eCommerce and quick ship



ORDER ENTRY

24/7 call center in northern Brazil for consumer and technical service



CUSTOMER SERVICE

New web portal and EDI for external B2B customers



Customer experience

NPS

Reduce lead times

E-Commerce

Strategic focus areas



Sustainable growth

Dual sourcing & MFP

Strategic pricing

Operational excellence



101

**'feet on the street'
in Brazil**



Customer experience

NPS

Reduce lead times

E-Commerce



Play both offense and defense

Conclusions

- Sustainable and profitable growth through operational excellence, local demand generation and innovation
- Building agile and resilient local bench strength
- Accelerating migration from mechanical to digital



Thank you
assaabloy.com

Experience a safer and more open world

ASSA ABLOY