

# **Q1 Report 2007**

## **Johan Molin President & CEO**

# Financial Highlights Q1

- **Q1 Growth continues at high pace**

- Global Technologies and EMEA
- Expansion in new markets

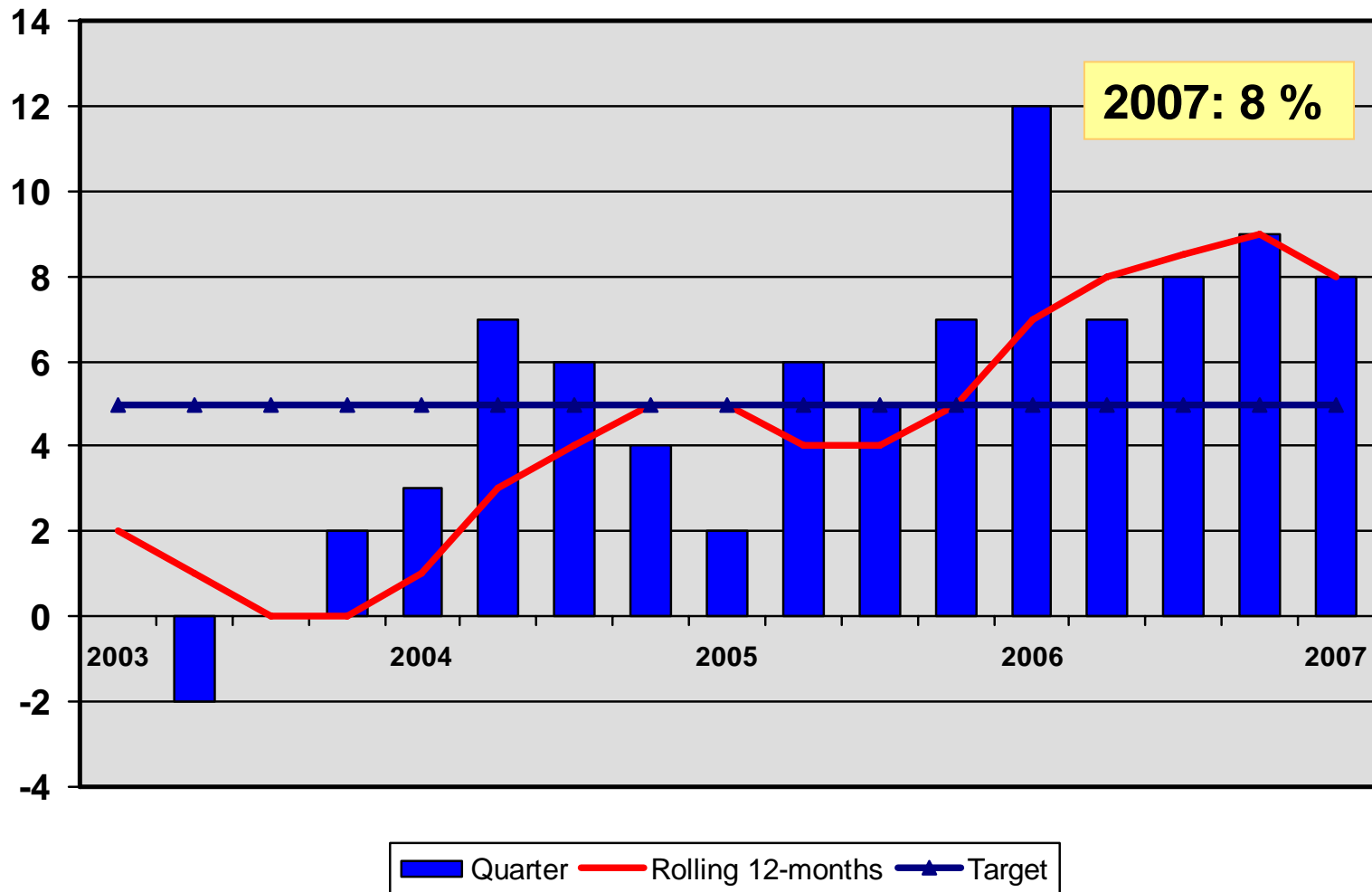
- **Sales** **8 227 MSEK** **+ 8 %**

+8 % organic, +6 % acquired growth, -6 % currency

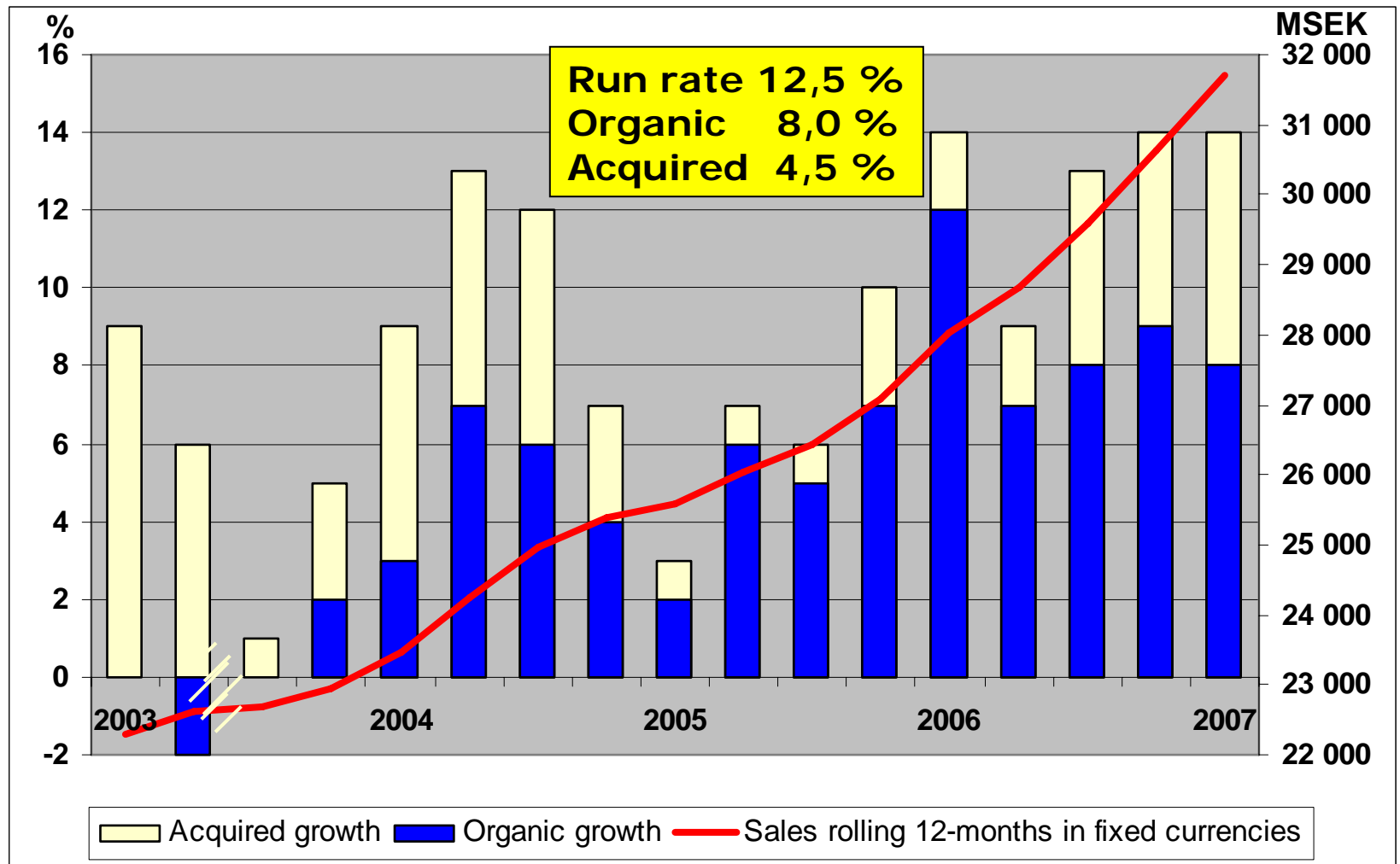
- **EBIT** **1 289 MSEK** **+16 %**

- **EPS** **2.16 SEK** **+15 %**

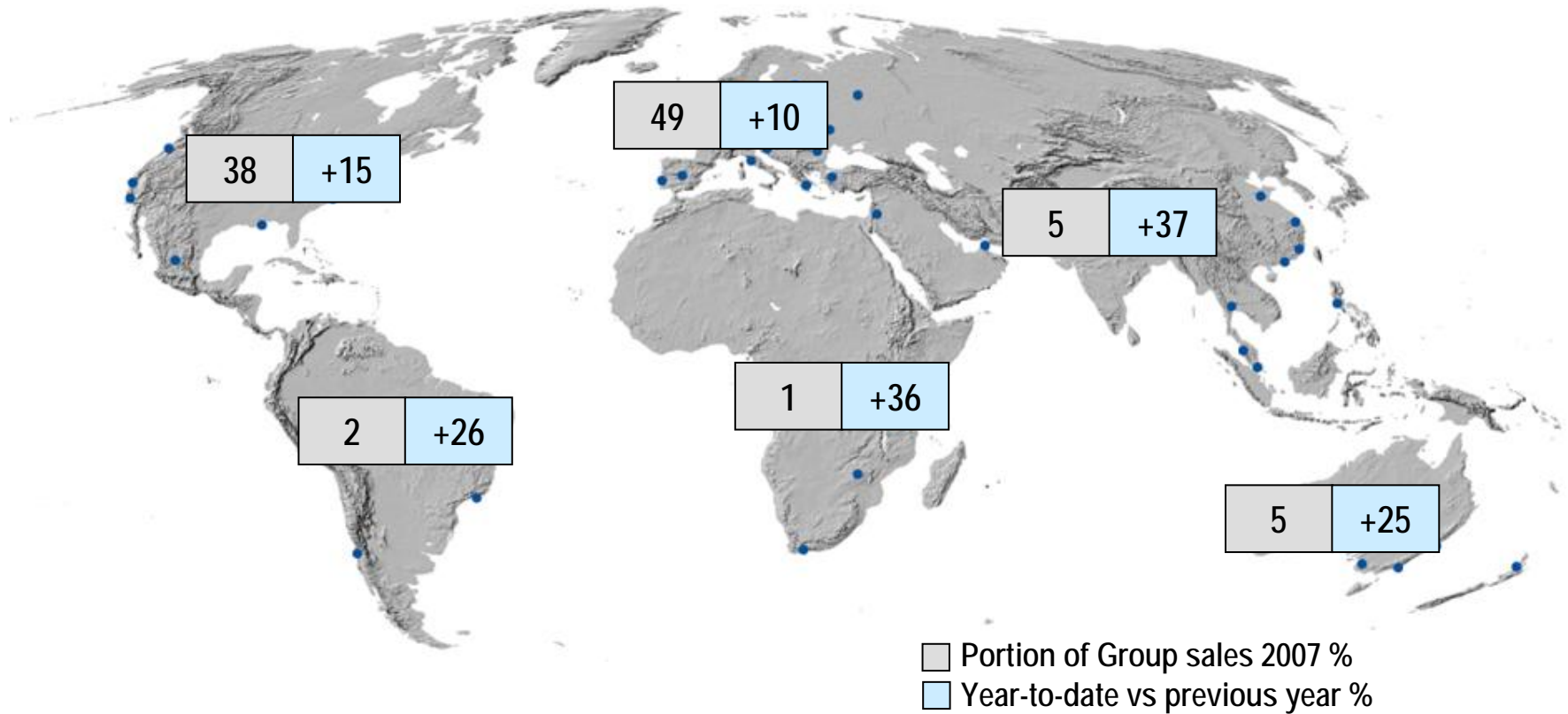
# Organic Growth %



# Sales Growth - Currency Adjusted

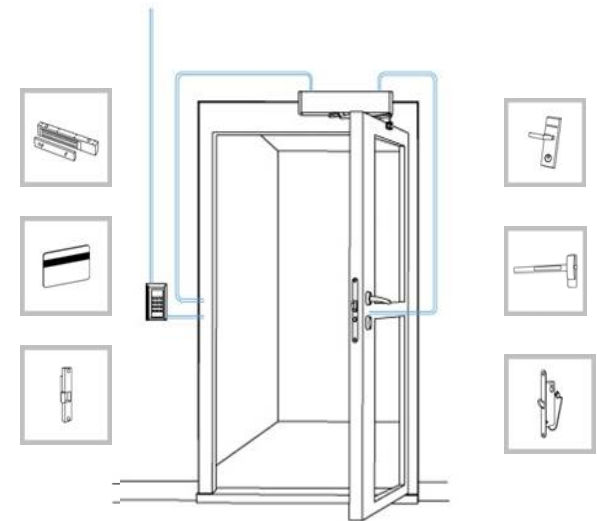


# Group Sales in Local Currencies Q1 2007



# Growth Highlights

- Good general market growth
  - ASSA ABLOY as a brand
  - Investment into specification market
- Continued rapid growth of *Intelligent Door Openings*
  - Edge reader
  - Crescendo – physical/logical access
- Identification Technologies
  - Good demand for e-passports and NID's
- Expansion in emerging markets
  - Asia, Eastern Europe, Middle East, South America and Africa

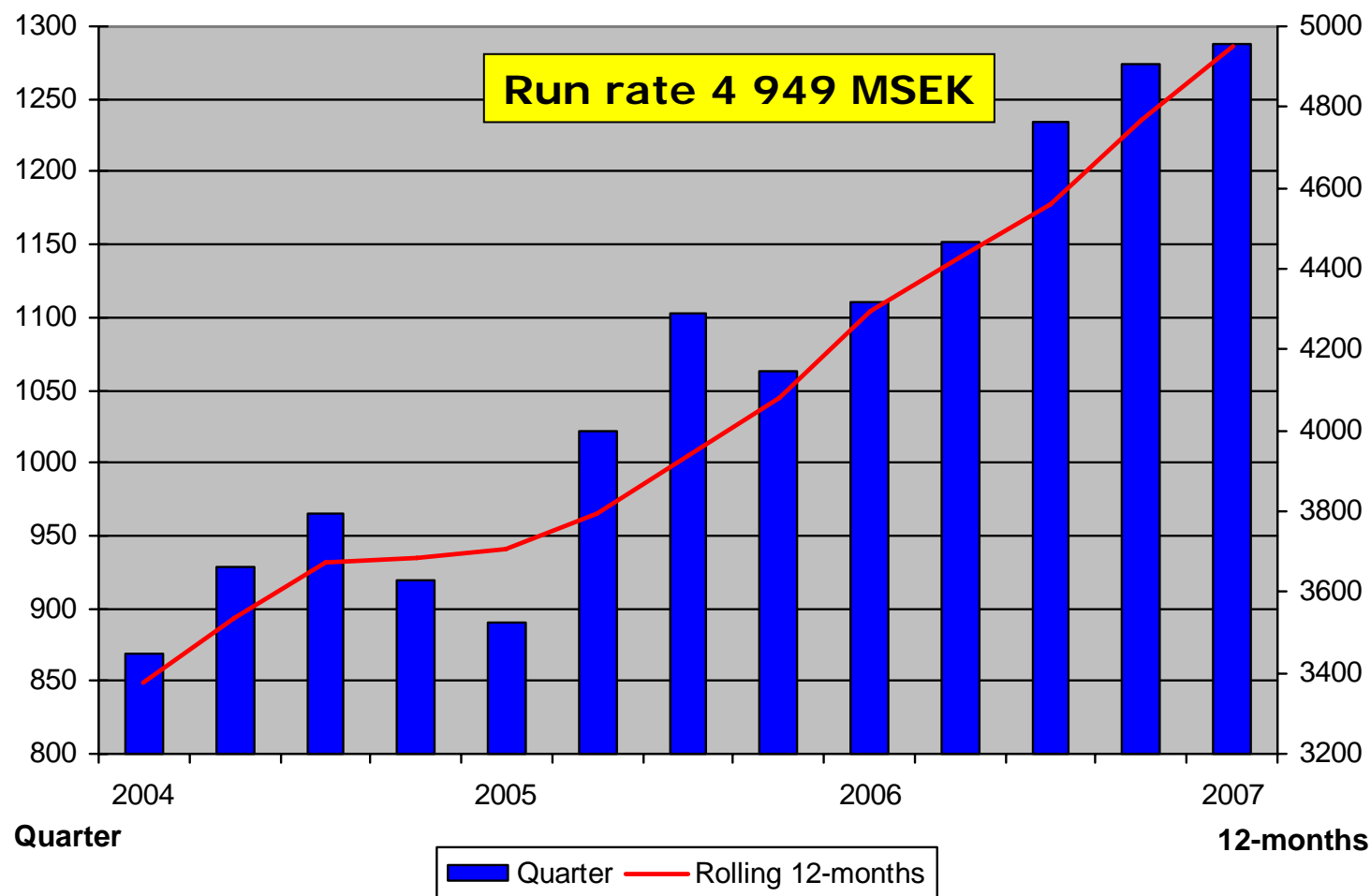


# Acquisitions Q1



- **Pemko** (Americas)
- **Pyropanel** (Asia Pacific)
- **LaForce** and **Portronik** (Entrance Systems)
- **Integrated Engineering** (Global Tech)
- **Alba** (EMEA)
  
- Annual addition to turnover 750 MSEK

# Operating Income\* (EBIT) MSEK



\*Rolling 12-months excludes 2006 restructuring costs of 1 474 MSEK



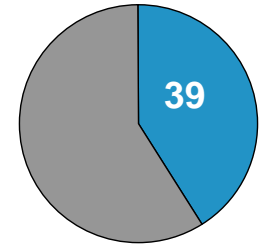
# Margin Highlights

- Volume growth 5-6 %
- Material cost increases compensated
- Dilution from acquisitions
- Restructuring ahead of plan
  - Reduction of 600 employees and quarterly savings 45 MSEK
  - Total savings to date 115 MSEK
  - Annual savings 600 MSEK from 2009

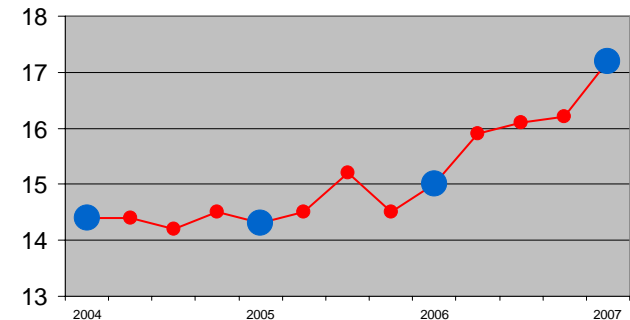
## Division - EMEA

- Continued growth across all countries
- Especially strong sales growth in Nordic, UK, Spain, Eastern Europe and Africa
- Restructuring progressing well
- Operating margin (EBIT)
  - + Volume
  - + Restructuring savings
  - = Price increase offset cost increase

**SALES**  
share of  
Group total %



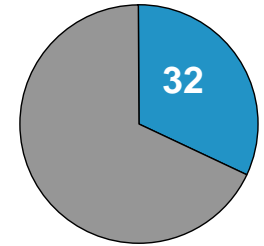
**EBIT %**



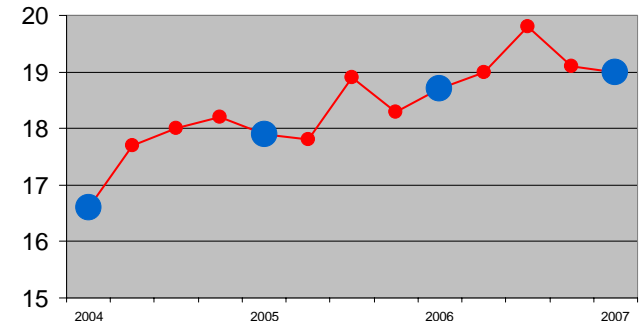
# Division - Americas

- Continued strong sales within the commercial segment and of electro-mechanical
- Residential and Door Group growing at a lower pace
- Integration of Pemko developing well
- Operating margin (EBIT)
  - + Volume
  - Dilution from acquisitions
  - = Price increase offset cost increase

**SALES**  
share of  
Group total %



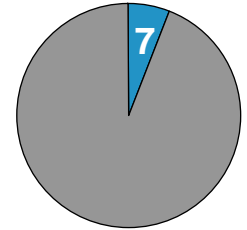
**EBIT %**



## Division - Asia Pacific

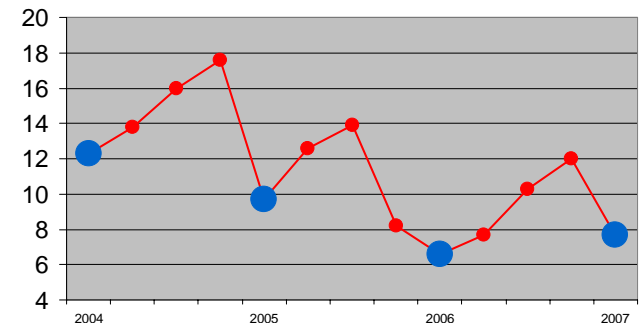
- Revival of Australian growth
- Flat development in New Zealand
- Continued good development in China
- Further price increases in Q2

**SALES**  
share of  
Group total %



- Operating margin (EBIT)
  - + Volume growth
  - = Implemented price increases
  - Seasonality

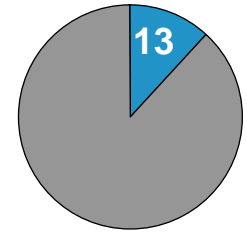
**EBIT %**



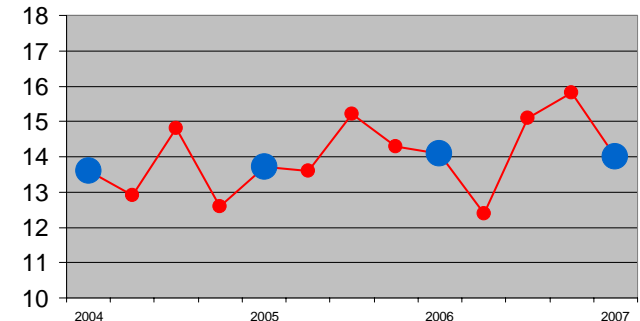
# Division - Global Technologies

- Strong growth in all segments
  - Strong demand for e-passports and NID's
  - Successful launch of RFID-based hotel-locks
  - Access control developing well backed by new products
- Operating margin (EBIT)
  - + Volume
  - Continued market investments
  - Planned changes at Fargo
  - Dilution from acquisitions

**SALES**  
share of  
Group total %



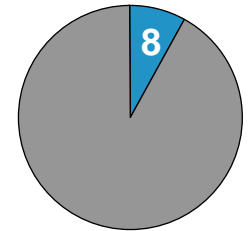
**EBIT %**



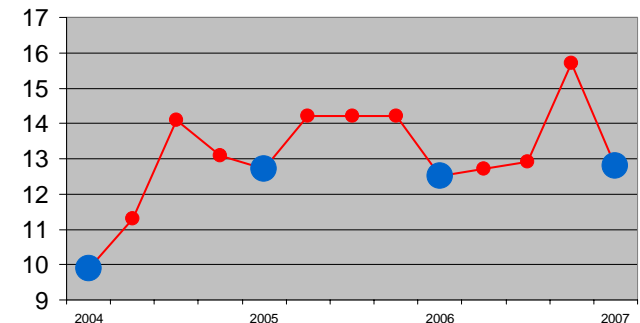
# Division - Entrance Systems

- High growth in North America
- Extension of service organisation
- Addition of service companies in USA and Canada
- Operating margin (EBIT)
  - + Volume growth
  - + Price increases

**SALES**  
share of  
Group total %



**EBIT %**



# **Q1 Report 2007**

## **Tomas Eliasson CFO**

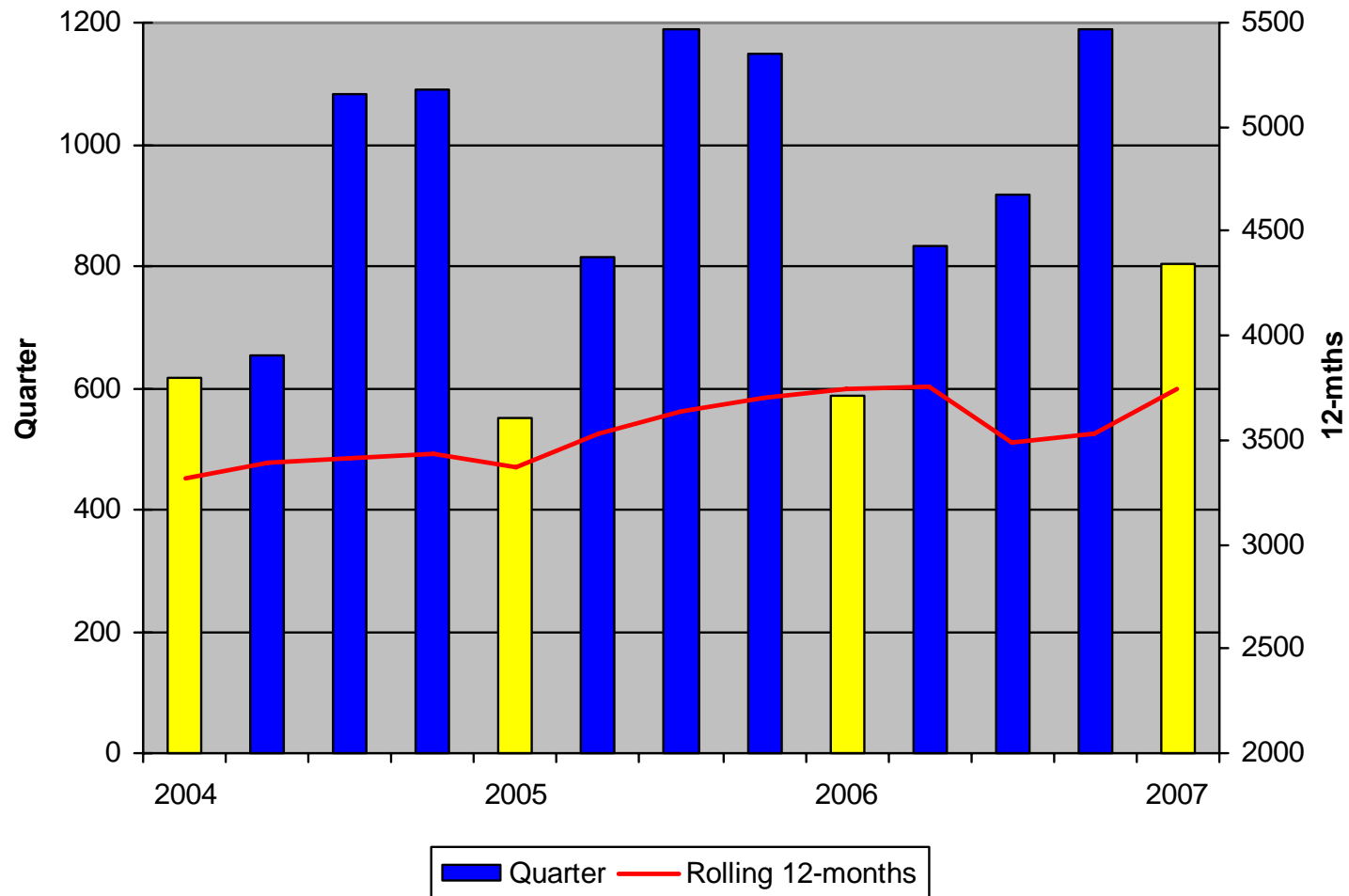
# Financial Highlights Q1 and Full Year 2006

MSEK	First Quarter			Full Year		
	2007	2006	Change	2006	2005	Change
<b>Sales</b>	<b>8 227</b>	<b>7 653</b>	<b>+8%</b>	<b>31 137</b>	<b>27 802</b>	<b>+12%</b>
<i>Whereof</i>						
Organic growth			+8%			+9%
Acquired growth			+6%			+3%
FX-differences	-461		-6%	-109		+0%
<b>Operating income (EBIT)</b>	<b>1 289</b>	<b>1 110</b>	<b>+16%</b>	<b>4 771*</b>	<b>4 078</b>	<b>+17%</b>
EBIT-margin (%)	15.7	14.5		15.3*	14.7	
<b>Operating cash flow</b>	<b>805</b>	<b>587</b>	<b>+37%</b>	<b>3 528</b>	<b>3 702</b>	<b>-5%</b>
<b>EPS (SEK)</b>	<b>2.16</b>	<b>1.88</b>	<b>+15%</b>	<b>7.99*</b>	<b>6.97</b>	<b>+15%</b>

\*Excluding restructuring costs 1 474 MSEK

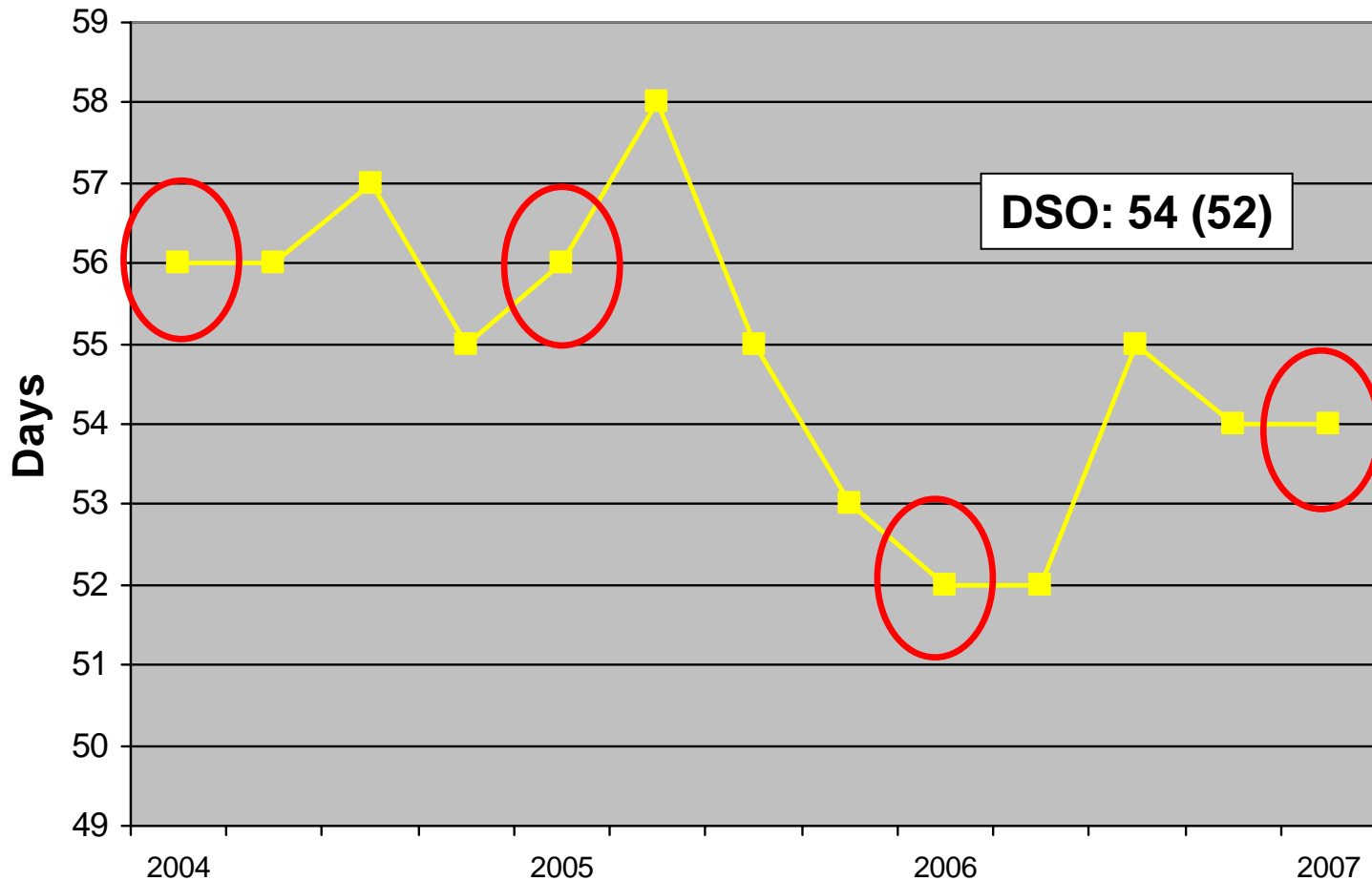


# Operating Cash Flow MSEK

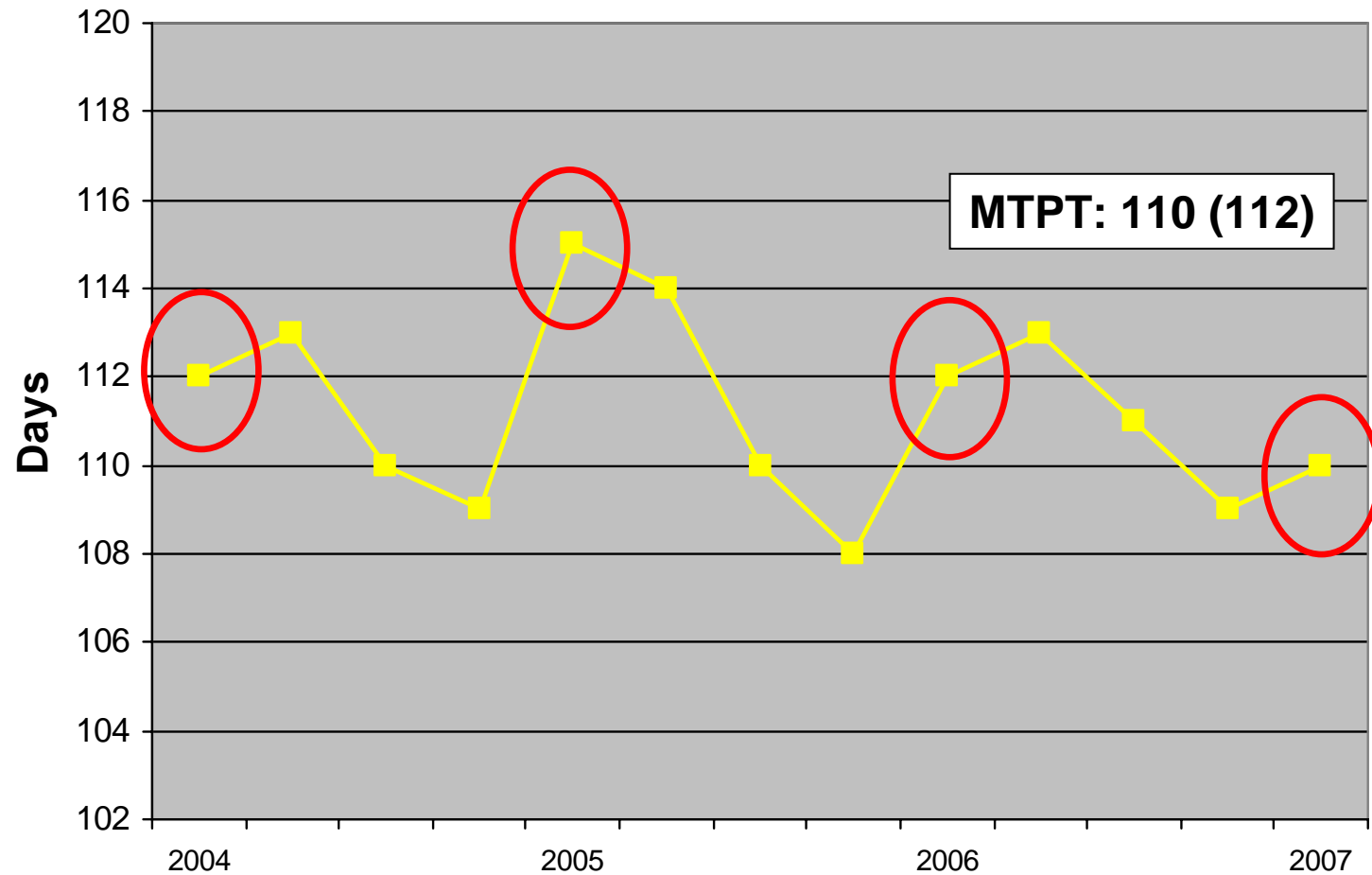


# Working Capital

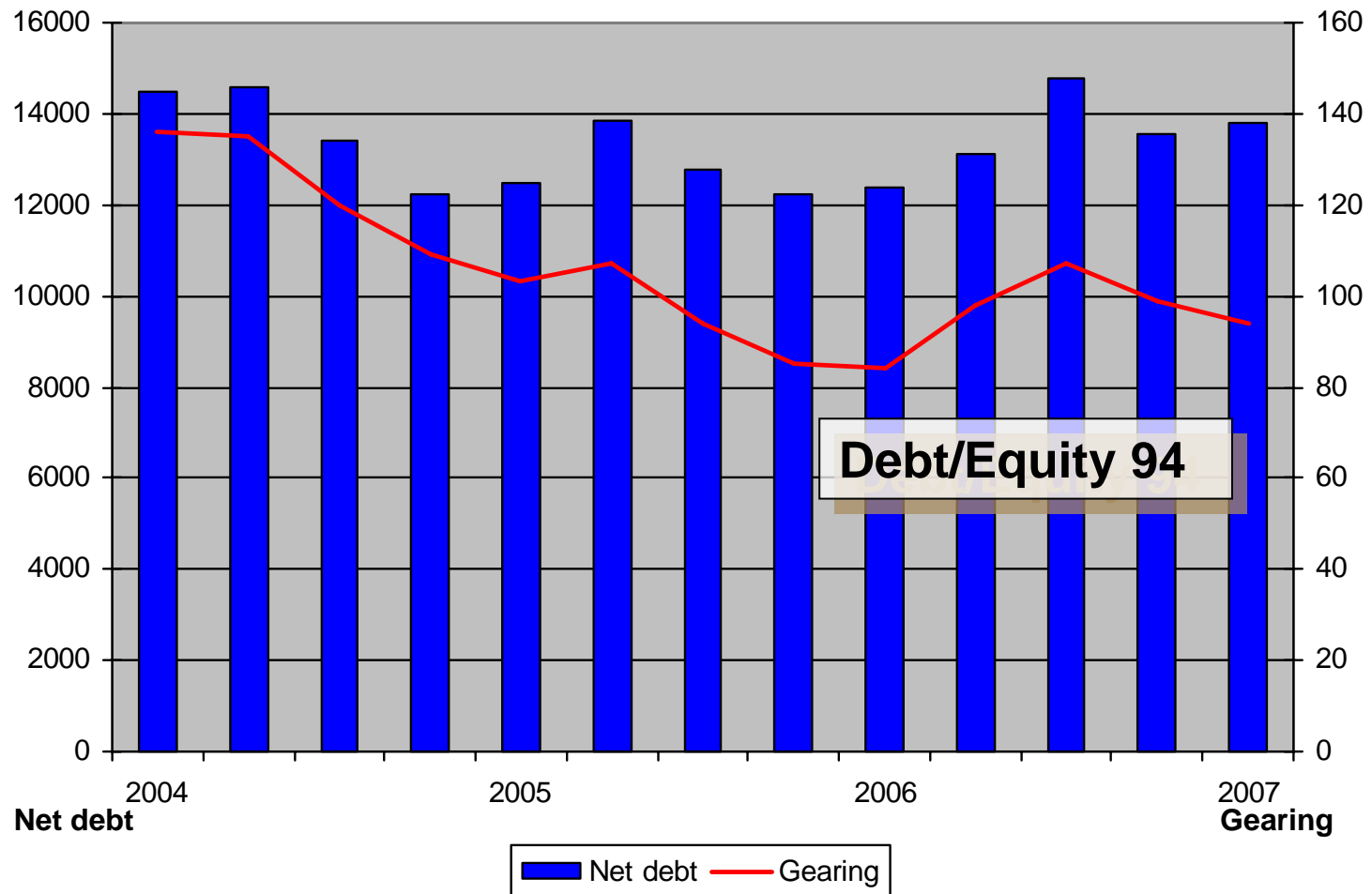
## Receivables



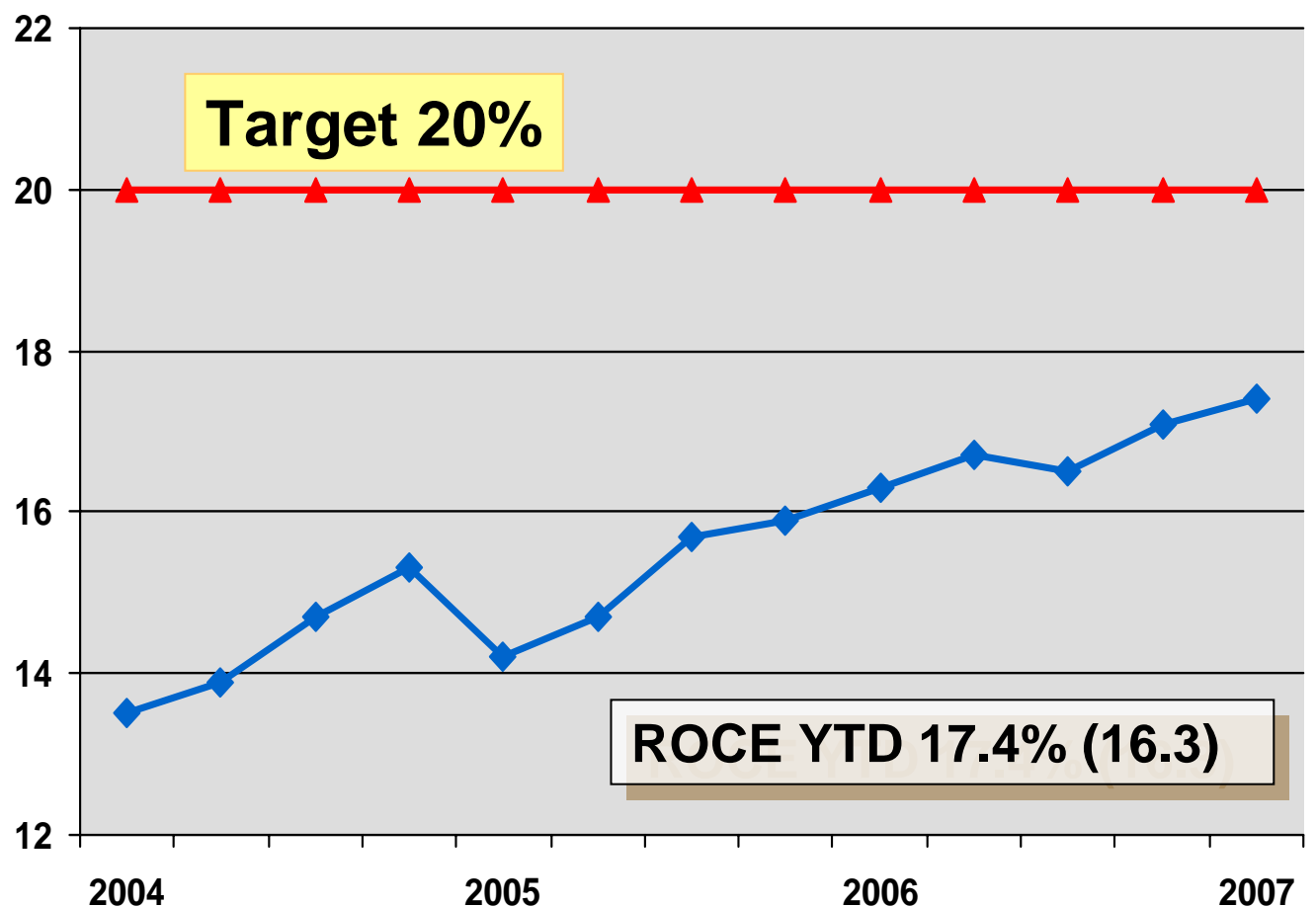
# Working Capital Inventories



# Gearing % and Net Debt MSEK



# Return On Capital Employed\* %



\*2006 excludes restructuring

# **Q1 Report 2007**

## **Johan Molin President & CEO**

# Conclusion

- Strong total growth +14% driven by good demand, market investments and acquisitions
- Currency impact -6 % in Q1 will level off towards year end
- Restructuring ahead of plan
- Solid improvement of the EBIT

# Outlook 2007

- Organic sales growth is expected to continue at a good rate
- The operating margin (EBIT) and operating cash flow are expected to develop well