ASSA ABLOY

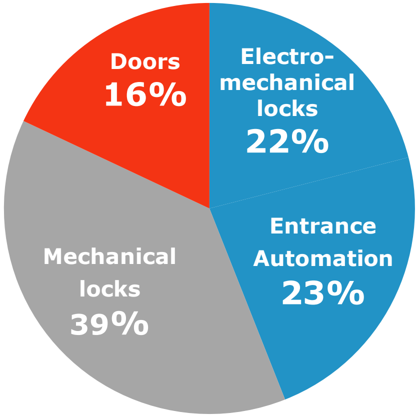
Q1 Report 2013

ASSA ABLOY overview

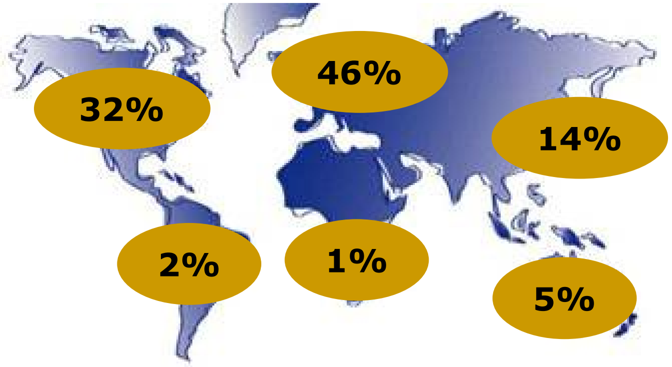
Financials (SEK bn)

Net sales	10.9
EBIT	1.7
Op cash flow	0.5
Net debt	15.4
Market cap	95

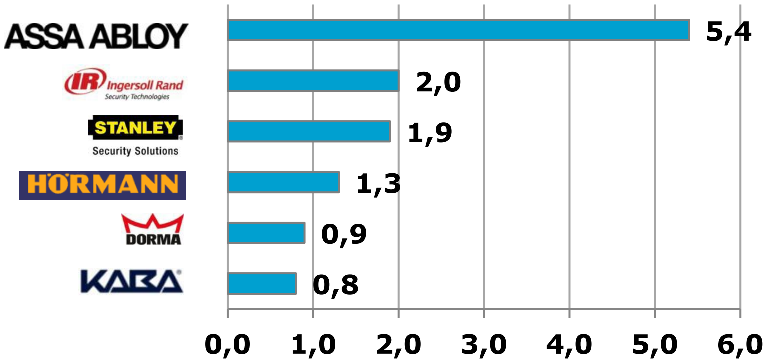
Sales by product group Mar 2013



Sales by region Mar 2013



Leading market positions



Financial highlights Q1 2013

- **Good performance in a tough market**
  - Good growth in Americas
  - Growth in APAC and stable in Global Tech
  - EMEA and ESD suffering from weak Europe
  - Maintained good profitability

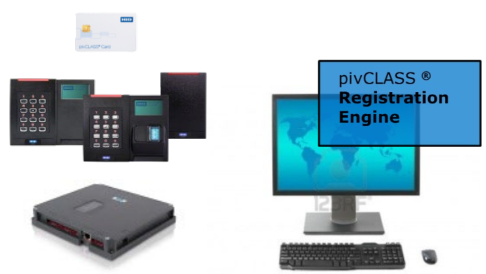
- **Sales** **10,868 MSEK** **0%**
  -1% organic, +5% acquired growth, -4% currency
- **EBIT** **1,662 MSEK** **0%**
  Currency effect -63 MSEK
- **EPS** **3.07 SEK** **-1%***
  Forecasted tax rate 25%

*) 2012 restated for changed pension accounting principles.

Market highlights

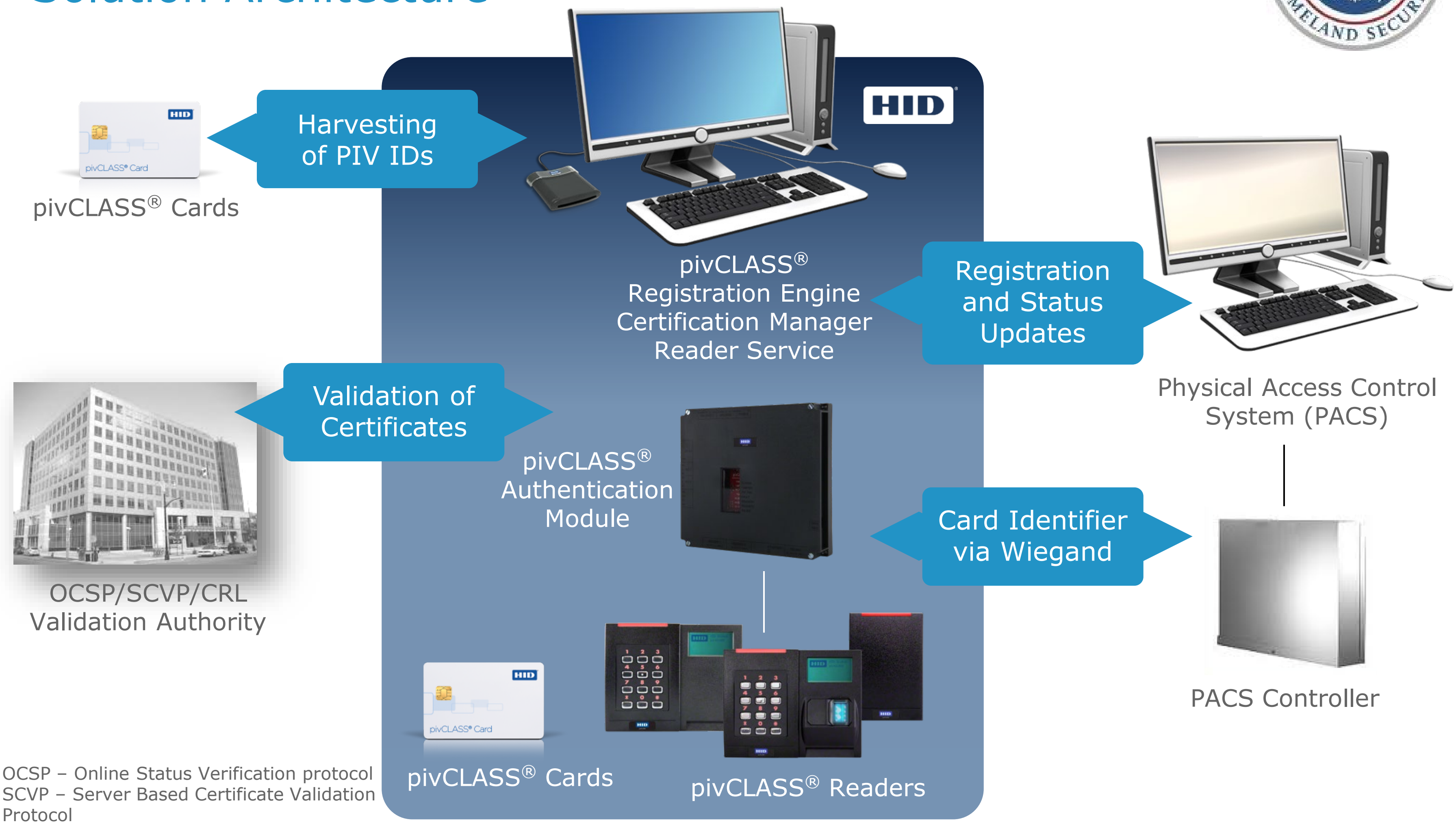
- Launch of full elmech and ANSI range in Mexico & South America
- Growth in Africa driven by network of 25 ASSA ABLOY branded showrooms in 23 cities
- Product awards at ISC West 2013 for Aperio M100 and Securitron M380 Series Magnalock
- HID's pivCLASS® complete product solution for the Federal Identity market

HID pivCLASS®



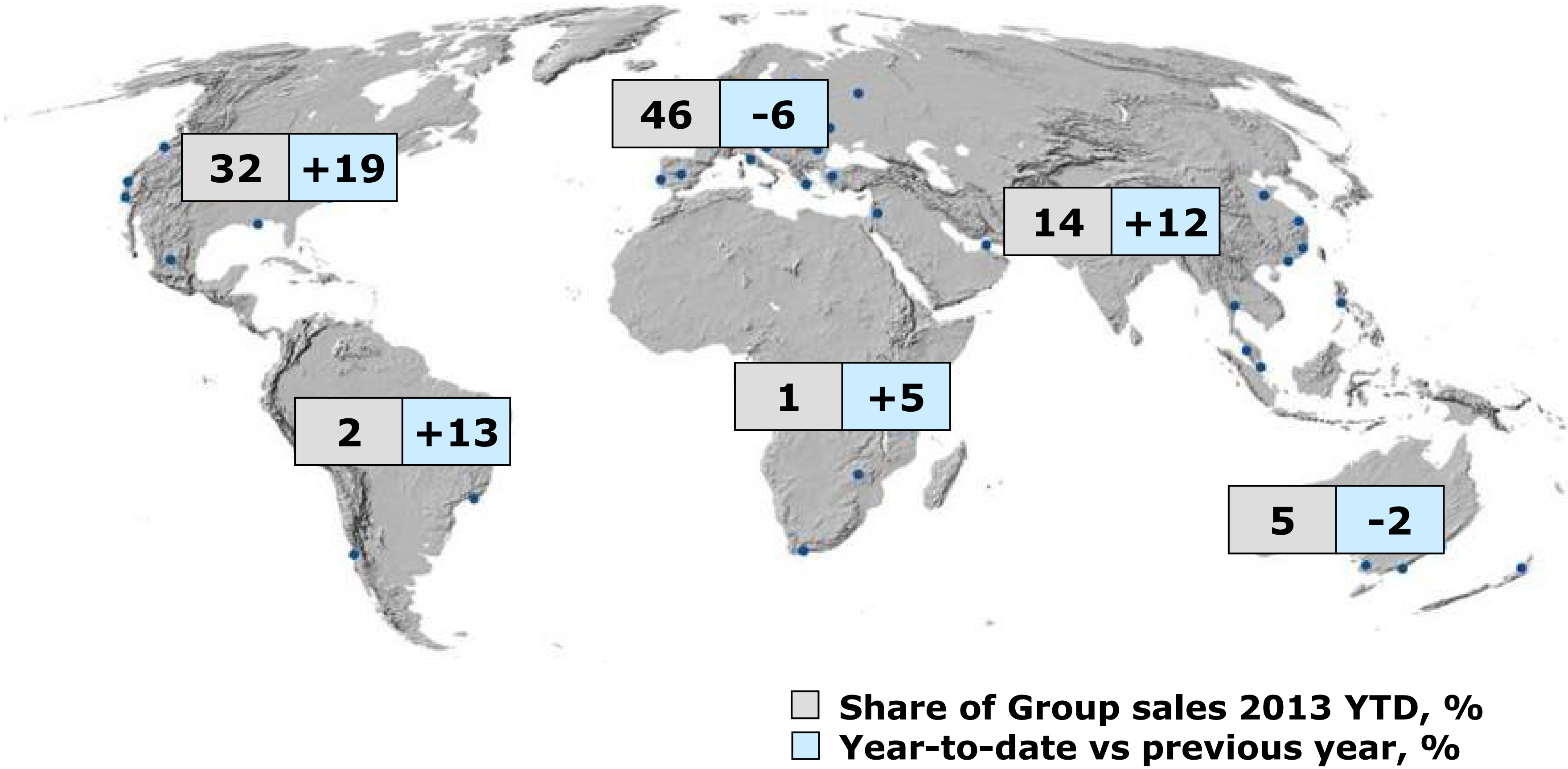
pivCLASS® Federal Identity Solution

Solution Architecture

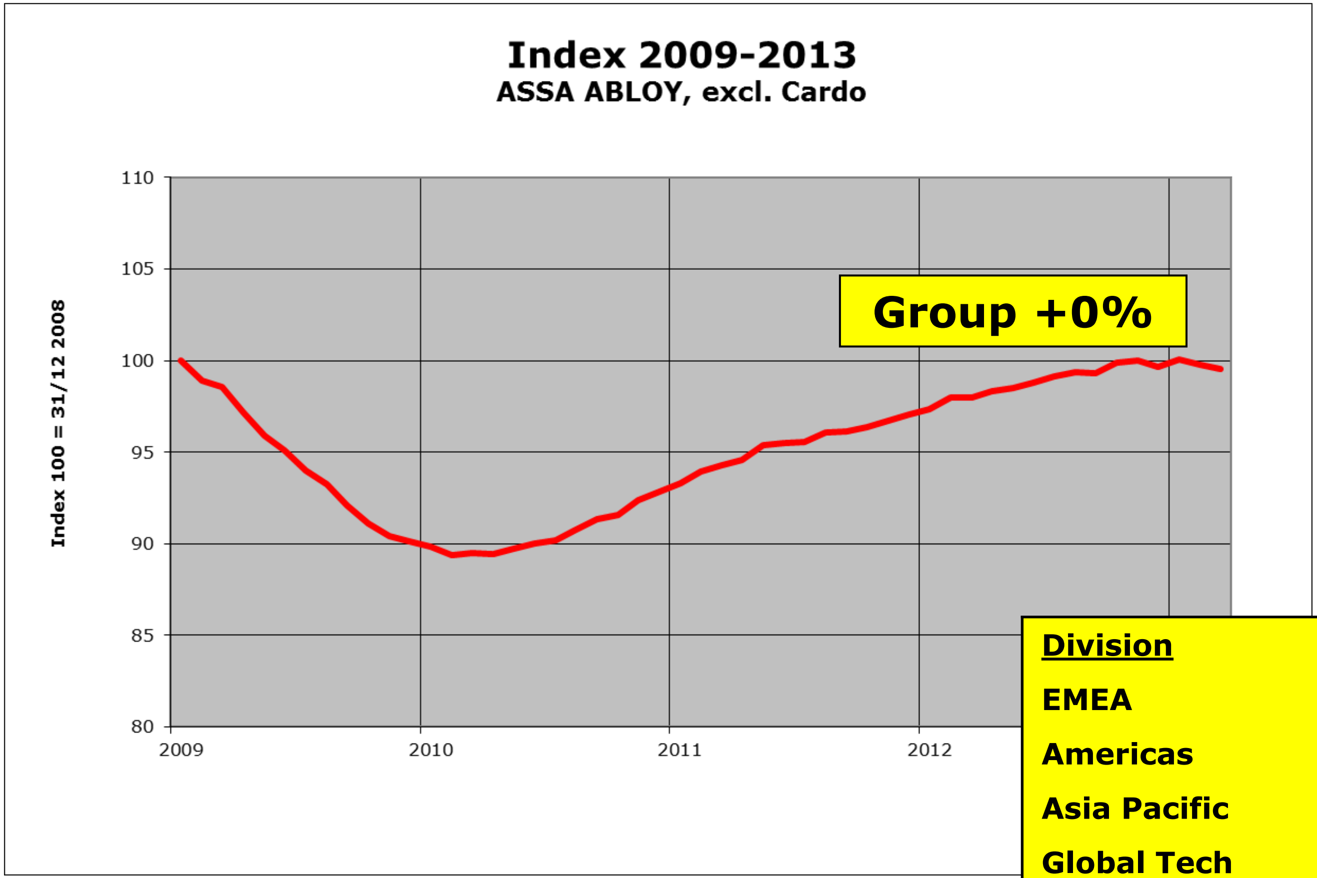


OCSP – Online Status Verification protocol
SCVP – Server Based Certificate Validation Protocol
CRL – Certificate Revocation list

Group sales in local currencies Jan-Mar 2013



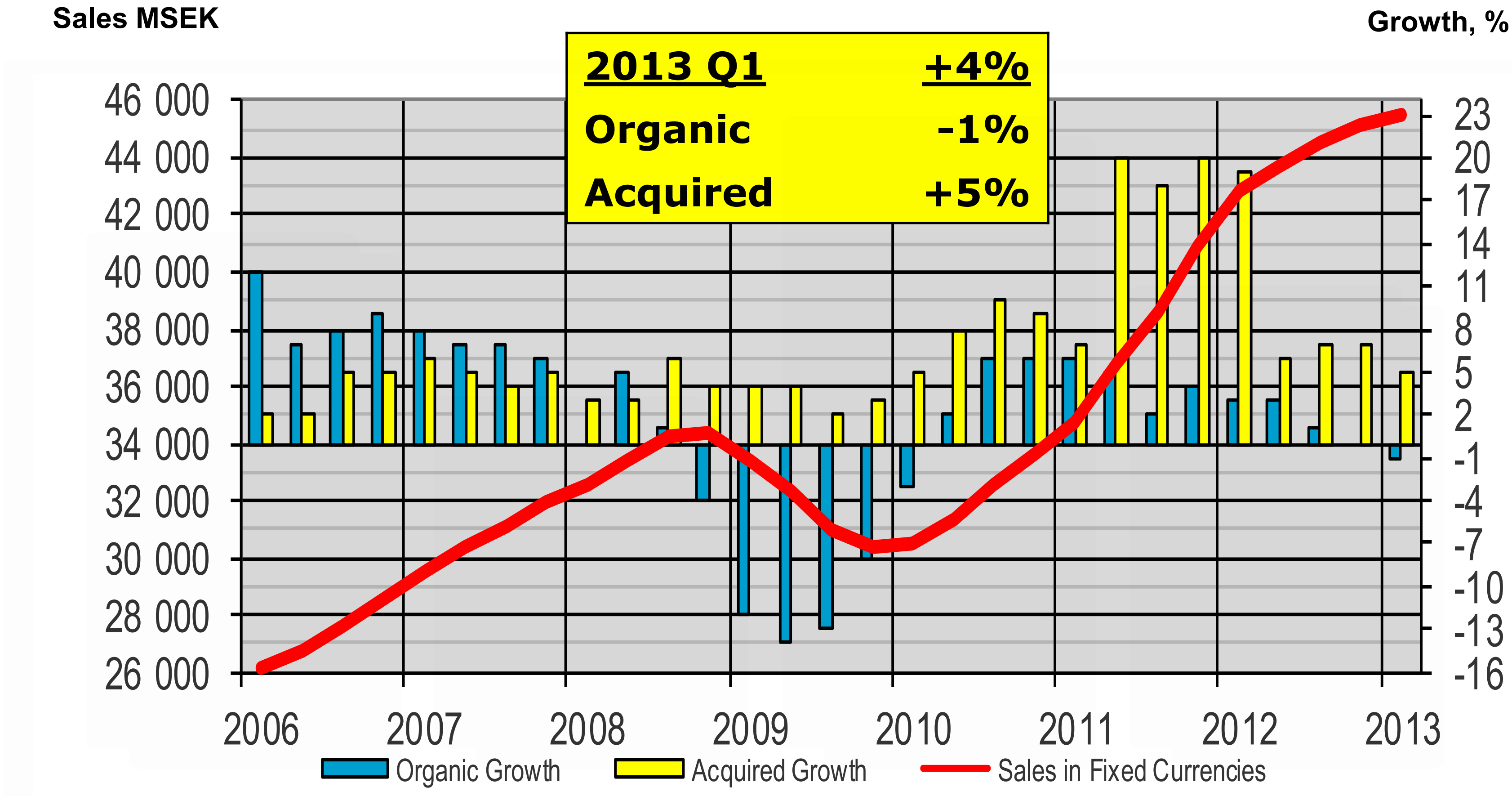
Organic growth index
Recovery from recession



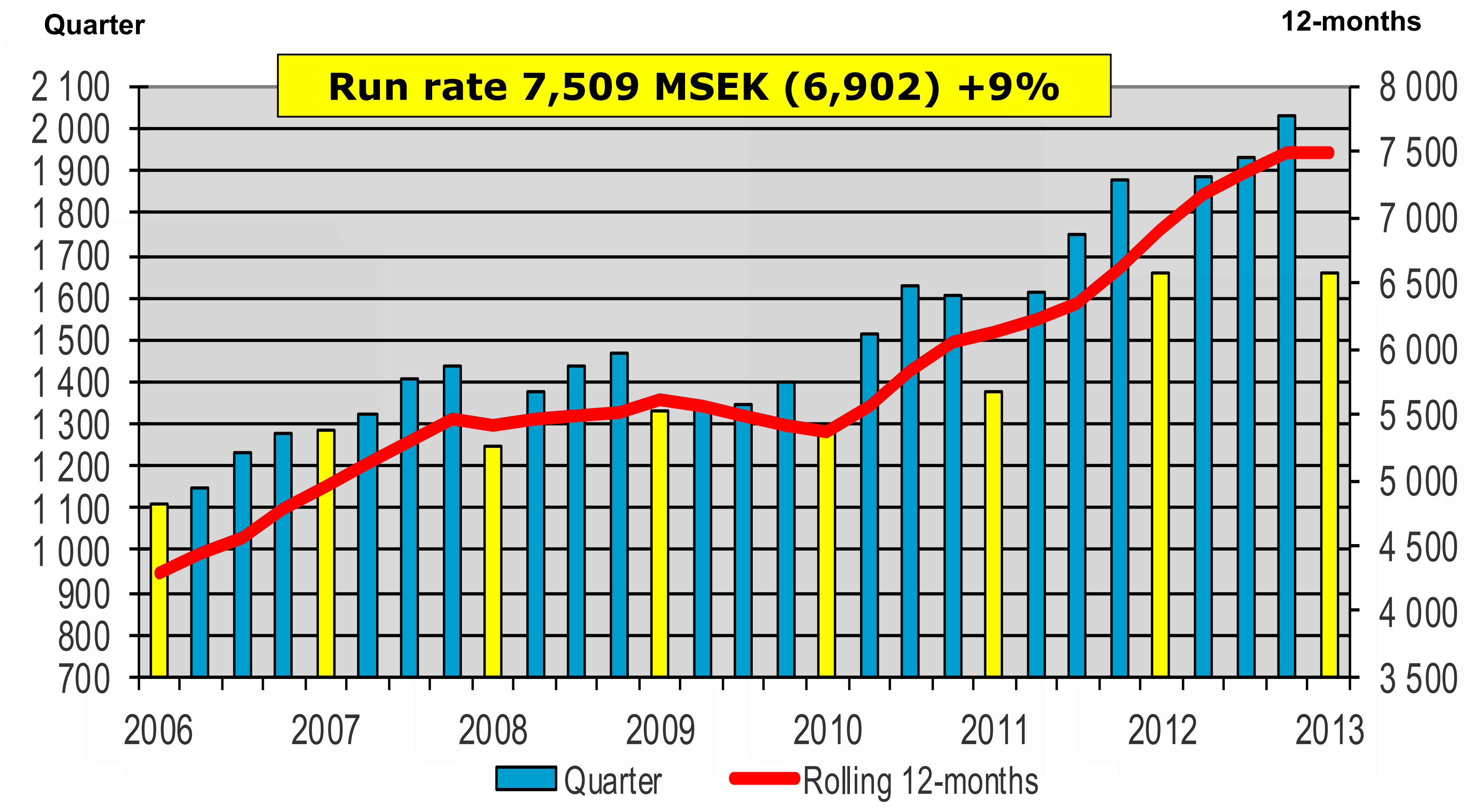
Division	Index
EMEA	-8%
Americas	-12%
Asia Pacific	+35%
Global Tech	+10%
ESD *)	0%

*) Entrance systems division excluding Cardo.

Sales growth, currency adjusted

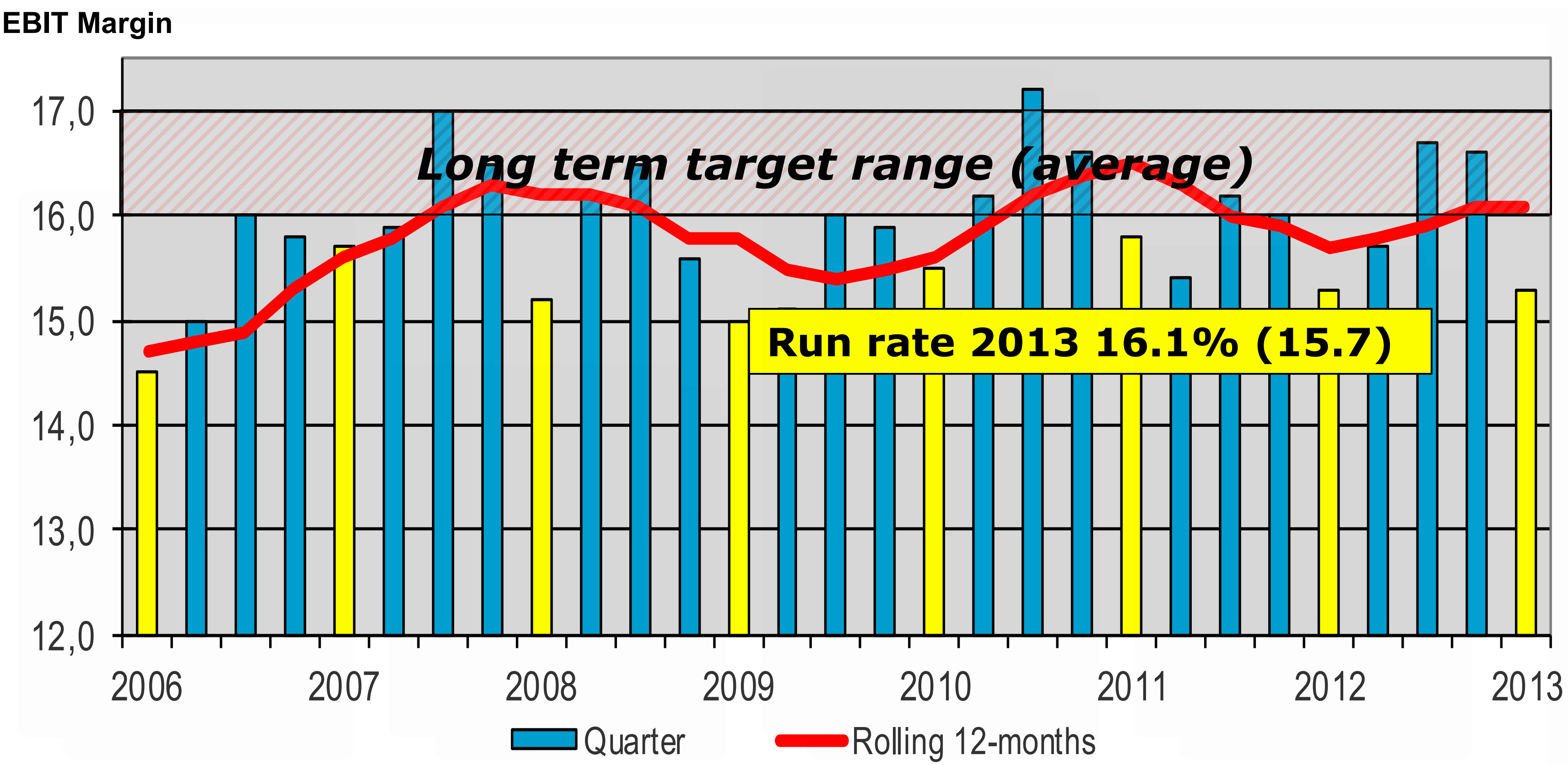


Operating income (EBIT), MSEK



*) Excluding restructuring costs.

Operating margin (EBIT)*, %

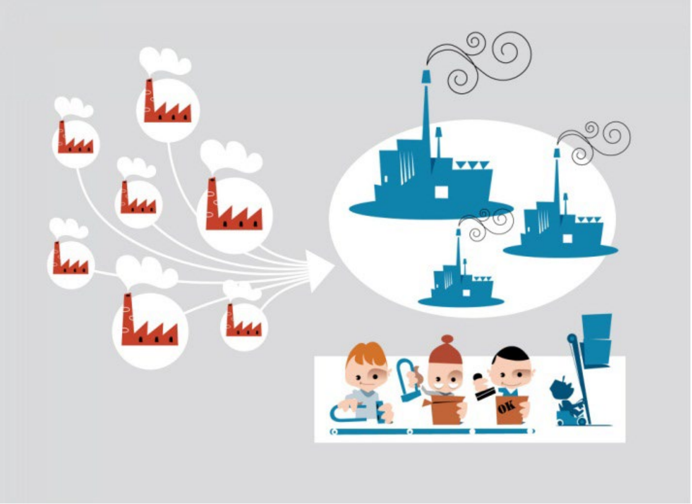


Q1 2013 Dilution
QTD -0.1%

*) Excluding restructuring costs.

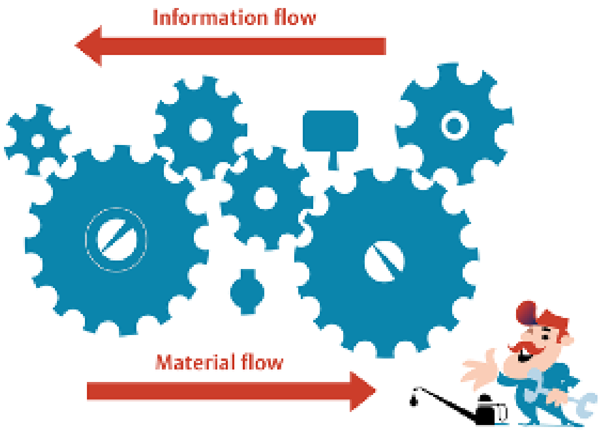
Manufacturing footprint

- Status manufacturing footprint programs 2006-2011:
  - 55 factories closed to date, 13 to go
  - 62 factories converted to assembly, 13 to go
  - 28 offices closed, 1 to go
- Personal reduction QTD 101p and total 6,866p
- 669p in further planned reductions



→ 897 MSEK of the provision remains for all programs

Margin highlights Q1 2013



EBIT margin 15.3% (15.3) 0.0%

+ Volume decrease -2%, price +1%

+ Margin expansion 0.1%
  - Organic growth -1%
  + Manufacturing footprint
  + Capacity adjustments
- Dilution from acquisitions -0.1%

Acquisitions 2013

- **Fully active pipeline**
- **3 acquisitions done in 2013**
- **Annualized sales 130 MSEK**

- **Completed acquisitions 2012 by 3.4%**

  → Dynaco, BE
  → Securistyle, UK
  → Sanhe Metal, China
  → Helton, Canada
  → Guoqiang, China
  → 4Front, USA

Acquisitions in the quarter

- SHERLOCK, EMEA
  Leader in **security doors** in Slovakia and Czech Republic with total sales of 60 MSEK

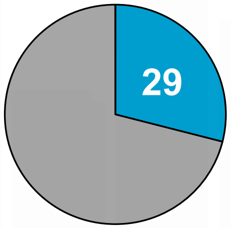
- Norport, ESD
  Specialist in sales and service of **Industrial doors** in Oslo with sales of 60 MSEK

- ASL, EMEA
  Professional end-user specialist and locksmith in Colombia with sales of 10 MSEK

Division - EMEA

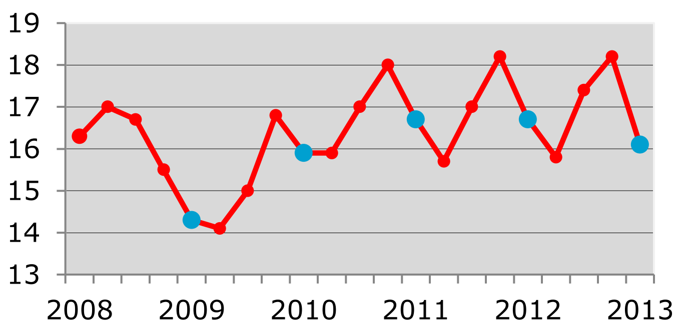
- Suffering from weak Europe and Easter
- Growth in Africa, Middle east and Eastern Europe
- All other markets with declining sales
- Strong decline in Spain, Italy, France, Holland and Finland
- Good profit resilience due to savings despite investment in front end and R&D

SALES
share of
Group total %



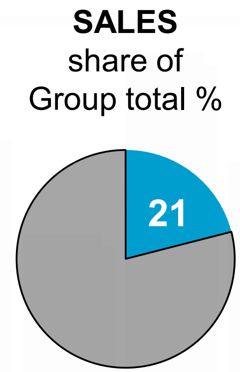
- Operating margin (EBIT)
  - \- Organic -6%
  - \+ Footprint savings
  - = Material cost
  - \- SG&A

EBIT %



Division - Americas

- Strong growth in Residential, Electromechanical and South America
- Growth in AHW, Doors, High security, Canada and Mexico
- Improved margin from volume and efficiency gains
- Investments in R&D and front end



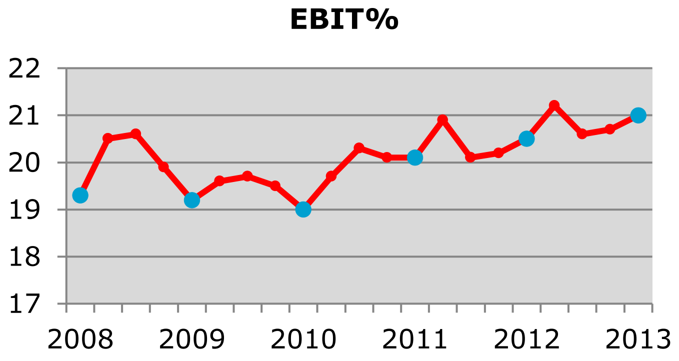
- Operating margin (EBIT)

  + Organic +5%

  + Material cost

  + Efficiency improvement

  - SG&A

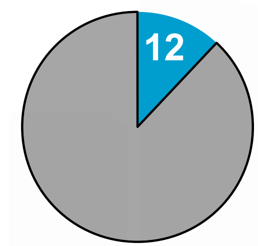


ASSA ABLOY

Division - Asia Pacific

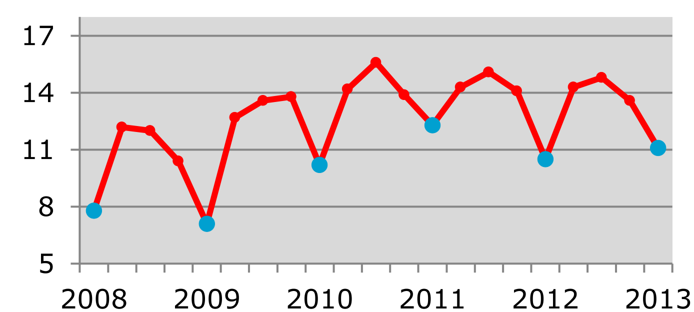
- Strong growth in Korea, South East Asia and New Zeeland
- Growth in China despite the decline in export to EMEA
- Small decline in Australia
- Continued adjustment of workforce in China

SALES
share of
Group total %



- Operating margin (EBIT)
  - \- Organic +2%
  - \+ Efficiency in China
  - \+ Material cost
  - \- Mix & cost pressure

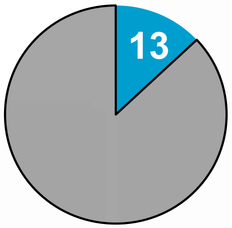
EBIT %



Division - Global Technologies

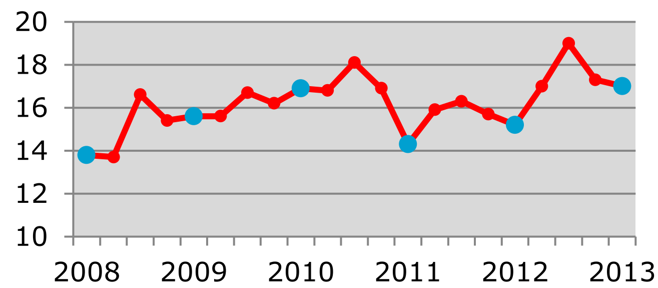
- HID
  - Good growth of Physical access
  - Growth in Project sales and flat in Logical access
  - Negative in Government ID and IDT
  - Strong profit improvement
- Hospitality
  - Continued good growth from the renovation market
  - Increased construction activity in the USA

SALES
share of
Group total %



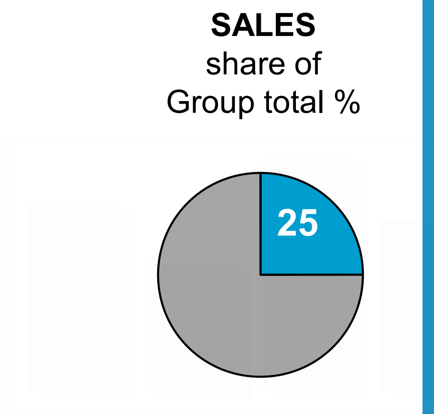
- Operating margin (EBIT)
  - \+ Organic 0%
  - \+ Leverage from core business growth
  - \+ Good improvement of AI and Lasercard

EBIT%

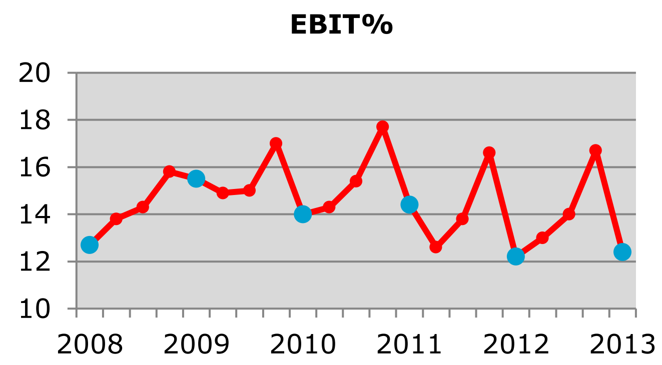


Division - Entrance Systems

- Suffering from weak Europe and Easter
- Negative growth in all channels in Europe
- Strong growth in Americas and growth in Asia
- Good start for new acquisition 4Front
- Sales +9% and EBIT +11%



- Operating margin (EBIT)
  - Organic -3%
  + Smooth running of integration work
  + Large savings on product cost



Financial highlights Q1 2013

MSEK	1st Quarter 2012	1st Quarter 2013	Change	Twelve months 2011	Twelve months 2012	Change
Sales	**10,839**	**10,868**	**0%**	**41,786**	**46,619**	**+12%**
Whereof						
Organic growth			-1%			+2%
Acquired growth			+5%			+9%
FX-differences		-379	-4%		290	1%
Operating income (EBIT)	**1,655**	**1,662**	**0%**	**6,624**	**7,501**	**+13%**
EBIT-margin (%)	15.3	15.3		15.9	16.1	
Operating cash flow	**483**	**498**	**+3%**	**6,080**	**7,044**	**+16%**
EPS (SEK)*	**3.11**	**3.07**	**-1%**	**12.30**	**13.97**	**+14%**

*) excluding non comparable items

Bridge Analysis – Jan-Mar 2013

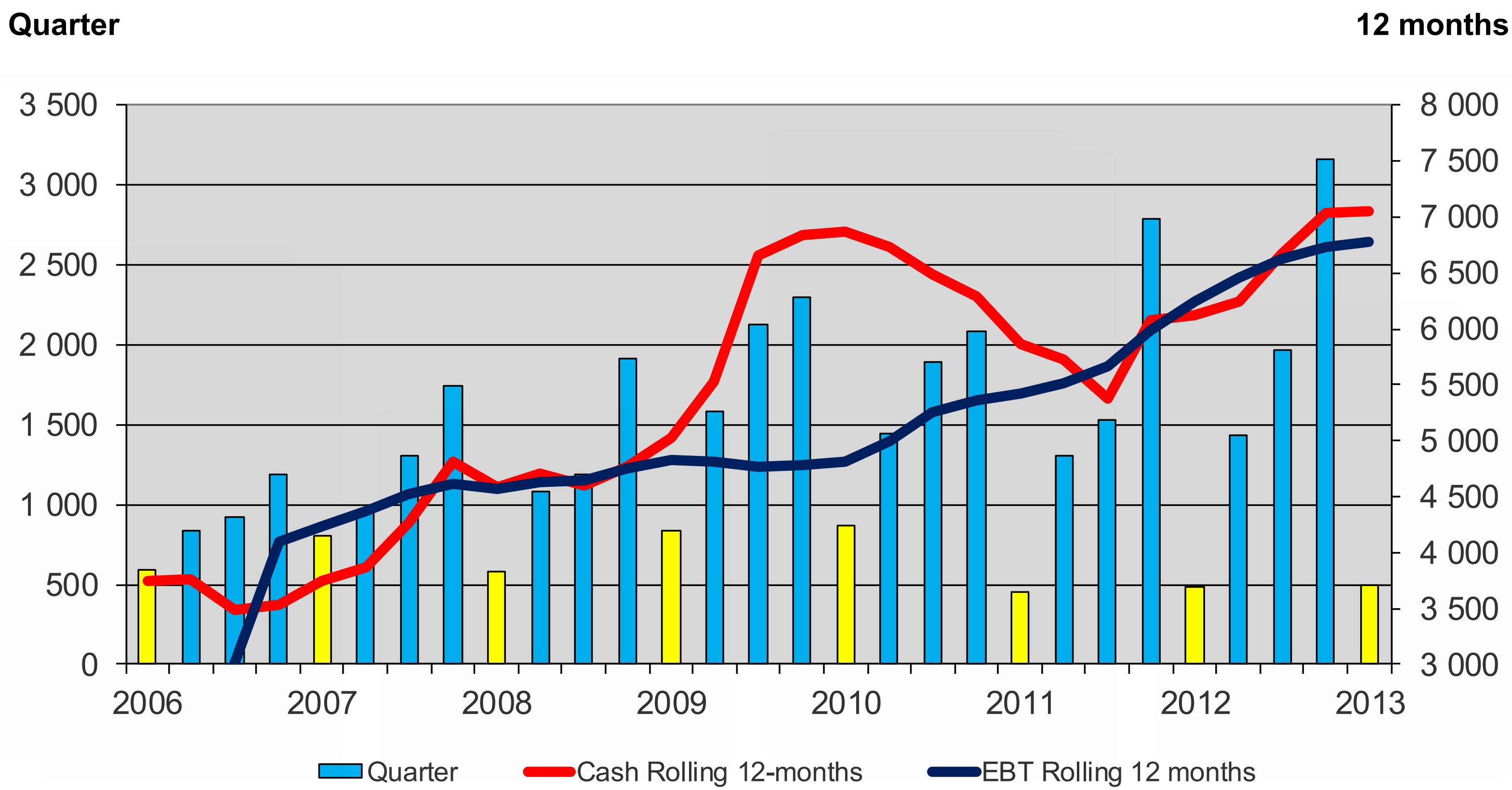
MSEK	2012 Jan-Mar	Organic	Currency	Acq/Div	2013 Jan-Mar
		-1%	-4%	5%	0%
Revenues	10,839	-125	-379	534	10,868
EBIT	1,655	-3	-63	73	1,662
%	15.3%	2.2%	16.6%	13.7%	15.3%

Dilution / Accretion	0.1%	0.0%	-0.1%

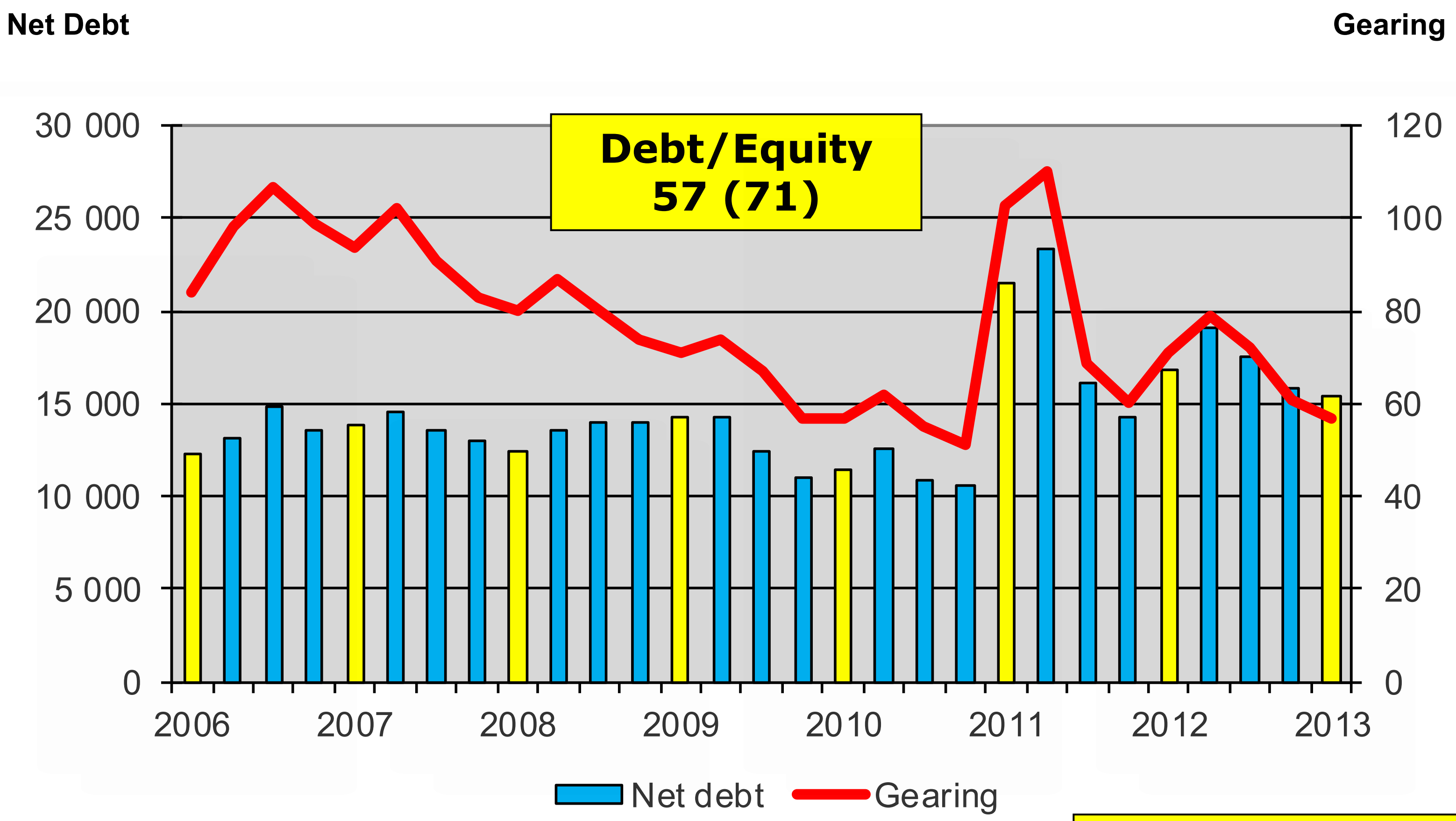
P&L – Components as % of sales

	2012 Q1	2013 Q1 excluding acquisitions	2013 Q1
Direct material	32.7%	32.6%	32.8%
Conversion costs	27.6%	27.2%	27.1%
Gross Margin	39.7%	40.2%	40.1%
S, G & A	24.4%	24.8%	24.8%
EBIT	15.3%	15.4%	15.3%

Operating cash flow, MSEK



Gearing % and net debt MSEK

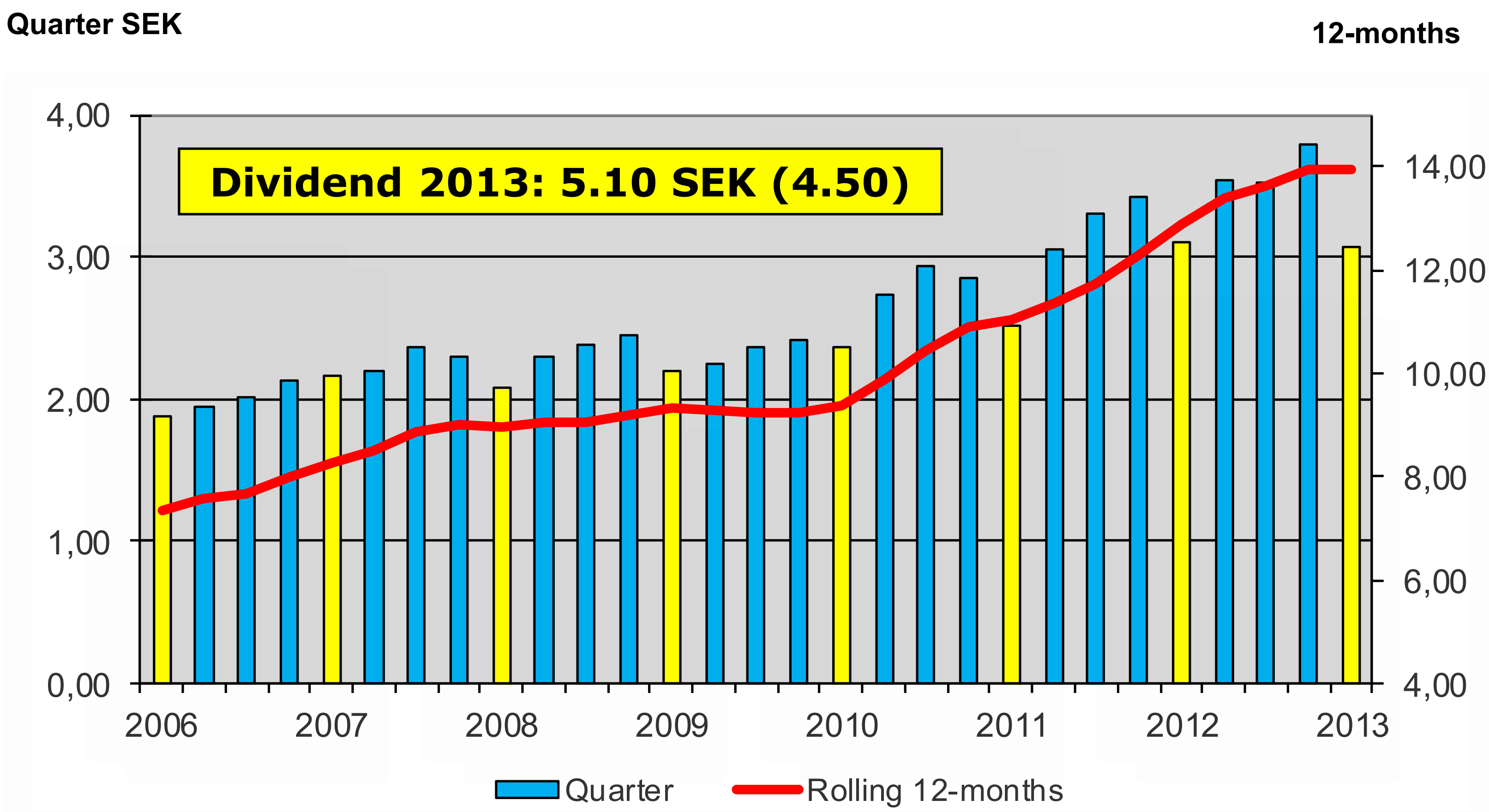


Debt/Equity 57 (71)

*) 2006-2011 Not restated for changed pension accounting principles.

Net debt/EBITDA 1.8 (2.2)

Earnings per share, MSEK



*) Excluding restructuring costs.

**) 2006-2011 Not restated for changed pension accounting principles.

Conclusions Q1 2013

- Stable sales with 5% acquired, -1% organic and -4% currency
- Continued good growth in Americas
- APAC improving and stable Global Tech
- Declining situation in EMEA and ESD due to weak Europe and Easter
- Strong efficiency improvements supports profit
- Slight increase of EBIT to 1,662 MSEK

Q&A