

ASSA ABLOY is the global leader in door opening solutions, dedicated to satisfying end-user needs for security, safety and convenience

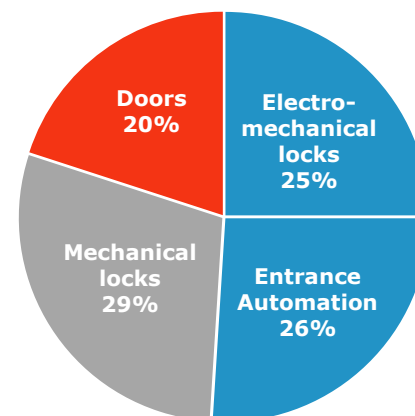
Q3 Report 2015

ASSA ABLOY overview Jan-Sep 2015

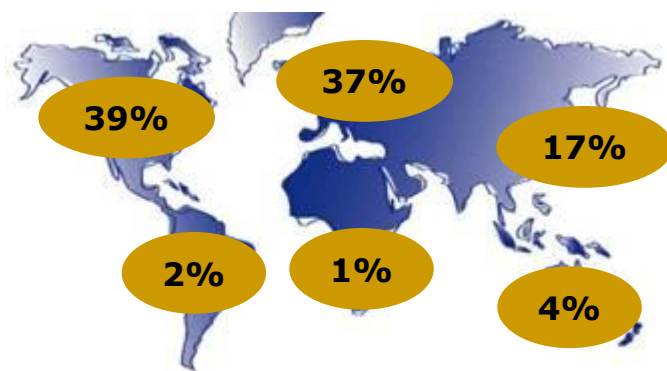
Financials (SEK bn)

Net sales	49.8
EBIT	8.0
Op cash flow	5.3
Net debt	25.1
Market cap	170

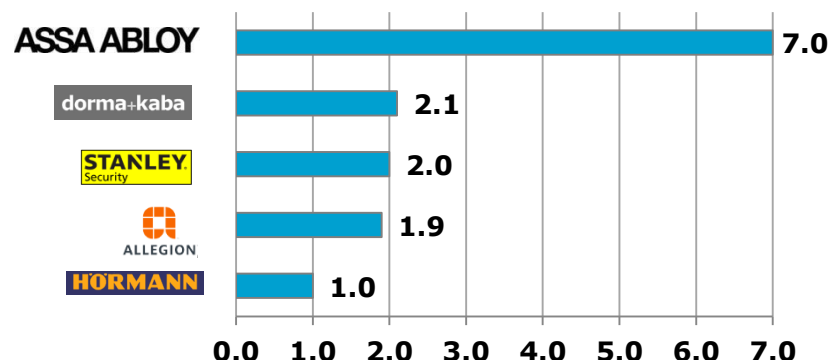
Sales by product group Sep 2015



Sales by region Sep 2015



Leading market positions (EUR B)



Financial highlights Q3 2015

- **Continued positive development**

- Strong growth in Americas, EMEA and Entrance
- Flat in Global tech
- Negative in APAC due to weak Chinese market

▪ Sales	17,465 MSEK	+19%
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3% organic, 4% acquired growth, 12% currency

▪ EBIT	2,970 MSEK	+19%
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Currency effect 238 MSEK

▪ EPS	1.86 SEK	+18%
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Underlying tax rate 26%

Financial highlights Jan-Sept 2015

- **A strong year**

- Strong growth in Americas, Global Tech and Entrance
- Good growth in EMEA
- Negative growth in APAC due to China

- **Sales** **49,799 MSEK** **+21%**

4% organic, 3% acquired growth, 14% currency

- **EBIT** **8,041 MSEK** **+22%**

Currency effect 789 MSEK

- **EPS** **5.02 SEK** **+23%**

Underlying tax rate 26%

Market highlights

- Multiple innovation awards at ASIS

- Quantum Secure Predictive security,
- Active ID Tap
- Aperio cabinet lock for data servers
- Ecopower supply, EcoFlex electrified mortise Lock



- US Green Card program

- Contract of 88 MUSD over five-year period



- Accentra, solution for multi family-housing

- Comprehensive cloud-based el-mech solution
- Access from anywhere and real-time trace and tracking



- Google's NEST partners with Yale

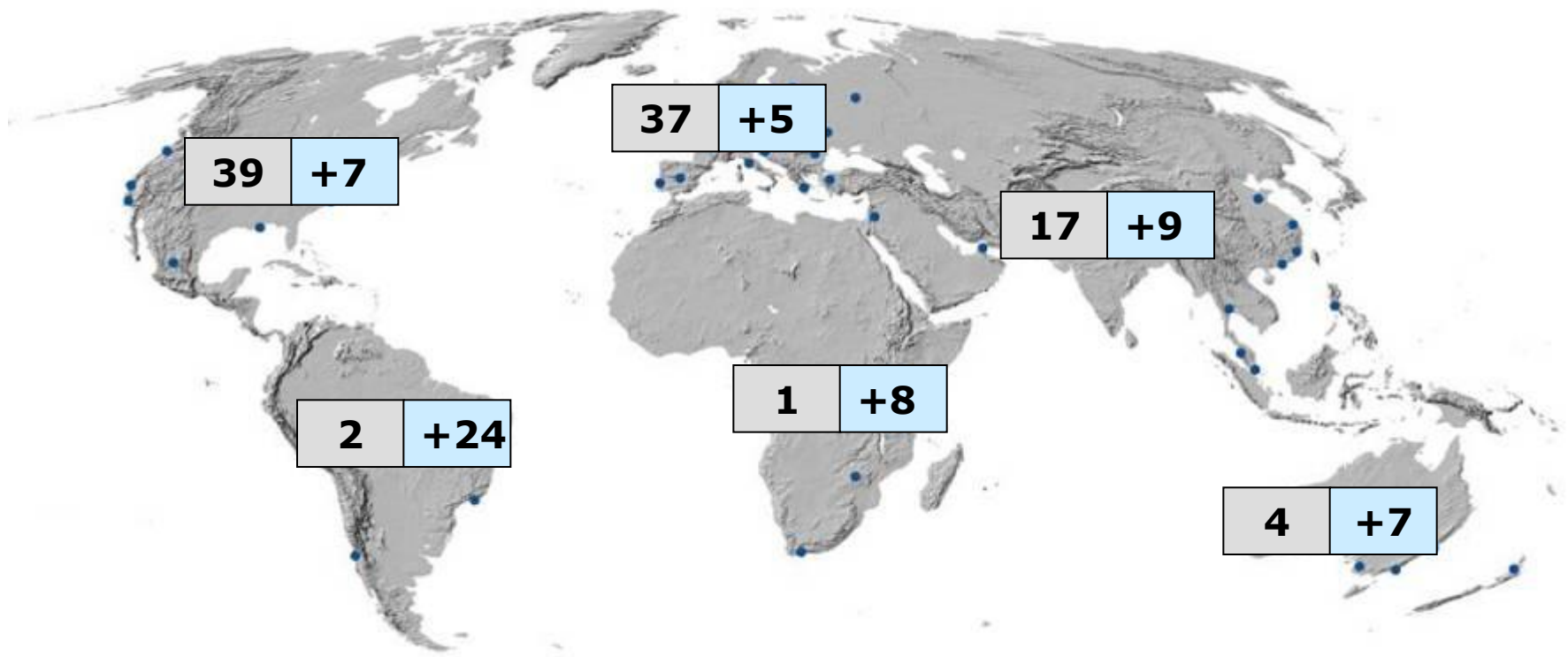
Google's NEST partners with Yale

- Seamlessly connected to Google's NEST
- Passcodes for family, friends & visitors
- Cloud based and managed through apps
- Real time track and trace



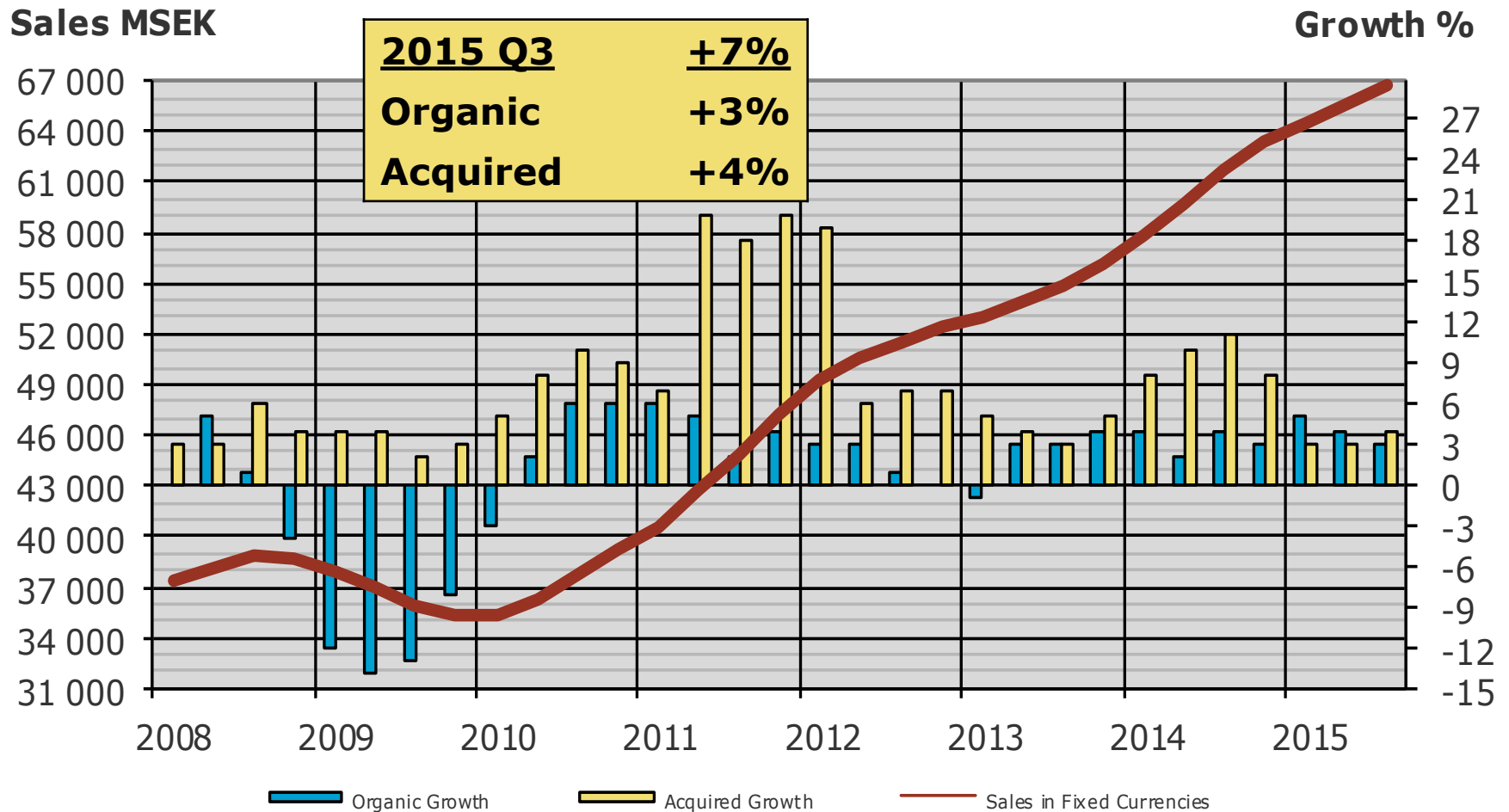
Group sales in local currencies Jan-Sep 2015

Emerging markets 25% (24) of sales

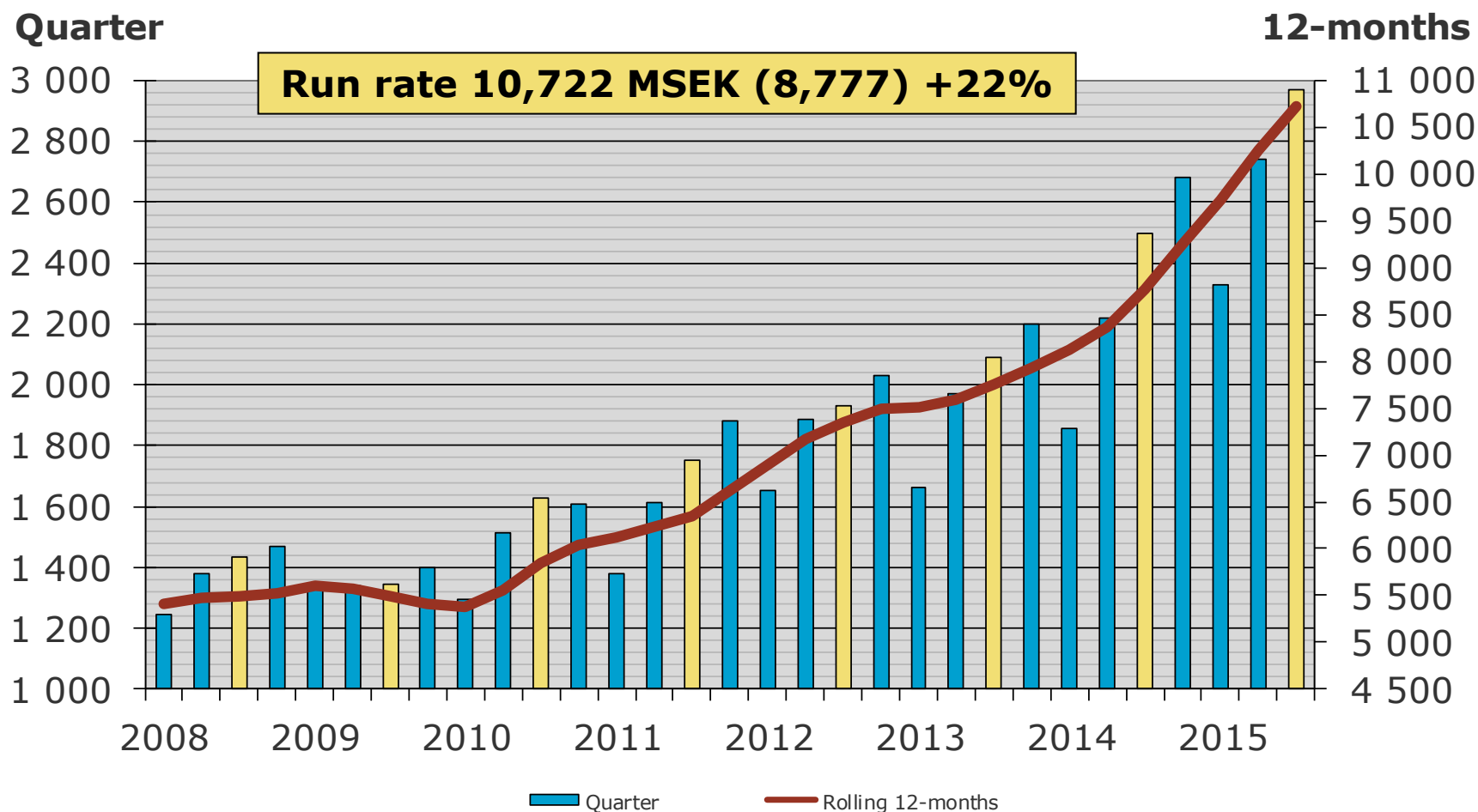


■ Share of Group sales 2015 YTD, %
■ Year-to-date vs previous year, %

Sales growth, currency adjusted

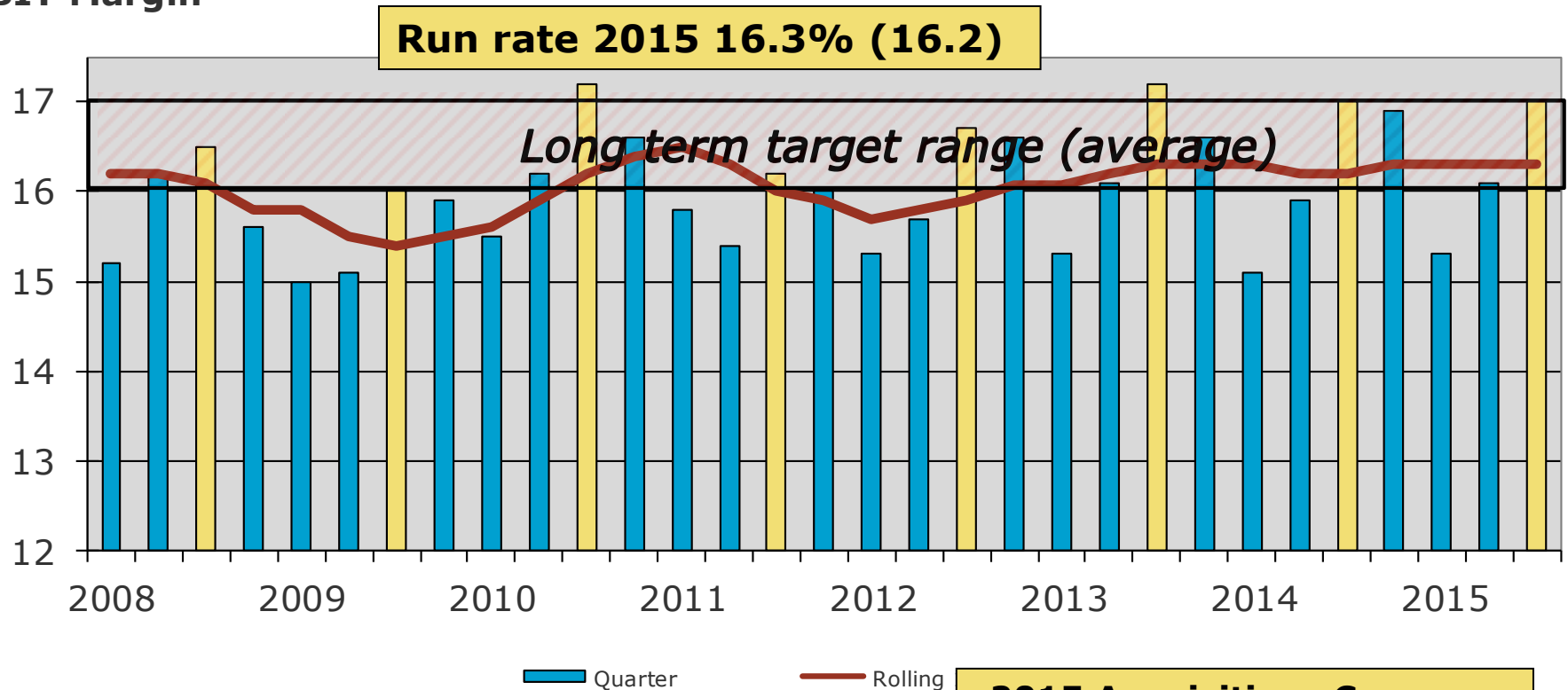


Operating income (EBIT), MSEK



Operating margin, %

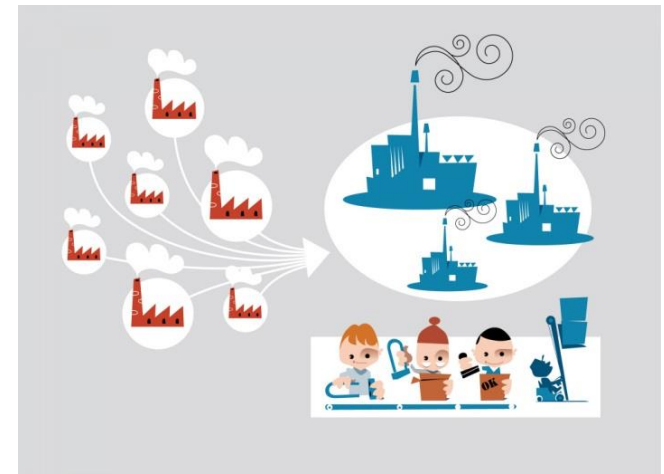
EBIT Margin



2015 Acquisitions Currency		
Q3	-0.1%	-0.3%
2015	-0.1%	-0.3%

Manufacturing footprint

- Status manufacturing footprint programs 2006-2013:
 - 72 factories closed to date, 6 to go
 - 84 factories converted to assembly, 25 to go
 - 39 offices closed, 10 to go
 - Total personnel reduction in Q3:
 - 510 FTE and total 10,269 FTE
 - 1,000 FTE to go for all programs
- 711 MSEK of the provision remains for all programs



Margin highlights Q3 2015

EBIT margin 17.0% (17.0) 0.0%

+ Volume increase 1.5%, price 1.5%

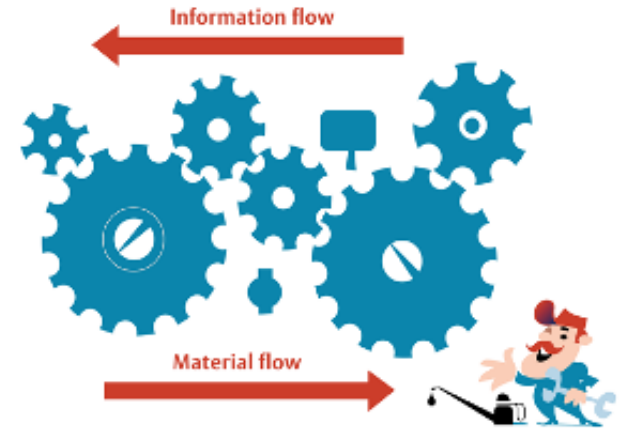
+ Margin flat +0.0%

- + Organic growth

- + Manufacturing footprint & other programs

- Currency -0.3%

- Acquisitions -0.1%



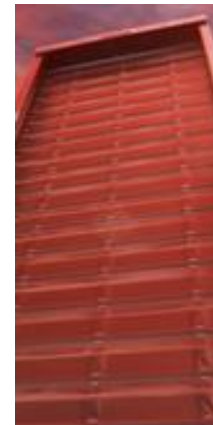
Acquisitions 2015

- Fully active pipeline
- 11 acquisitions done in 2015
- Annualized sales (1 850 MSEK)
- Added sales 3.3%



Nergeco, France

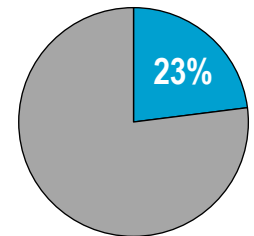
- Turnover of 350 MSEK with 150 employees
- High-speed door company, with complementary products
- Market leader in Southern Europe
- Strengthens service offering
- Accretive to EPS



Division – EMEA

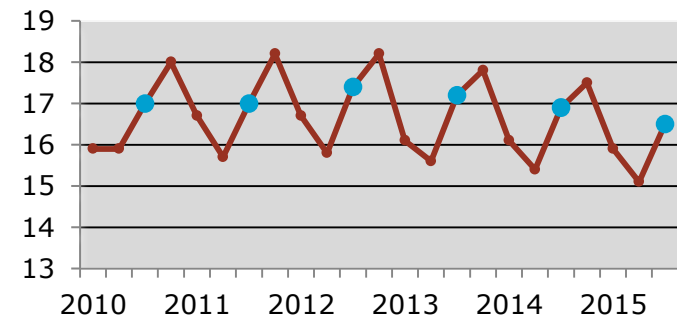
- Continues strong growth in Scandinavia, Finland and Eastern Europe
- Good growth in Africa, Italy, Iberia and Israel
- Growth in UK
- Negative in Benelux and France
- Price increases implemented

SALES
share of
Group total %



- Operating margin (EBIT)
 - + Organic +5%
 - + Savings & efficiency
 - Dilution from acq -0.3%

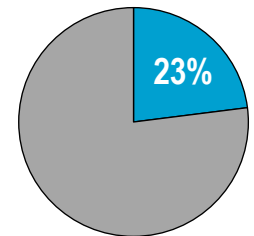
EBIT %



Division - Americas

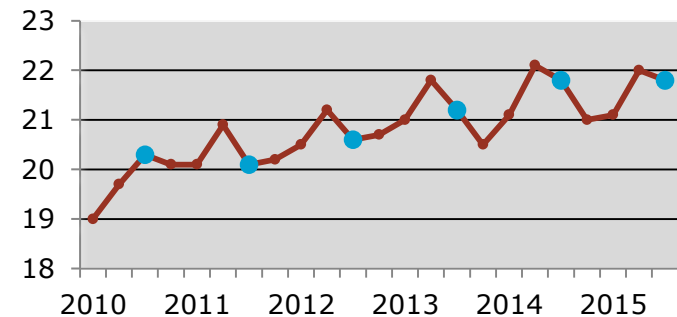
- Strong growth in AHW, Elmech, Canada, Mexico and South America
- Good growth in Residential
- Flat in Doors
- Slightly negative in High security

SALES
share of
Group total %



- Operating margin (EBIT)
 - + Organic +6%
 - + Efficiency
 - Dilution from acq -0.3%

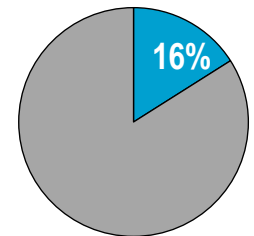
EBIT %



Division - Asia Pacific

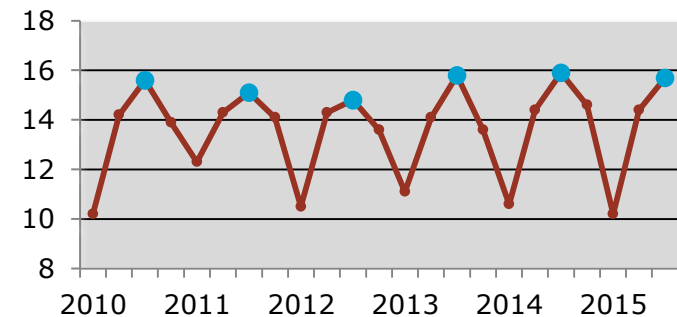
- Strong growth in New Zealand, South Asia and North Asia
- Growth in Australia
- Continued decline in China
 - Efficiency measures mitigate profit pressure

SALES
share of
Group total %



- Operating margin (EBIT)
 - Organic -3%
 - + Personnel reduction in China -9%
 - + Positive sales mix
 - + Currency and acq +0.2%

EBIT %



Division - Global Technologies

■ HID

- Strong growth in IDT (inlays) and Quantum secure
- Good growth in PACS, SI and IDA
- Flat in Project sales
- Strong decline in Gov-Id and BIO solutions

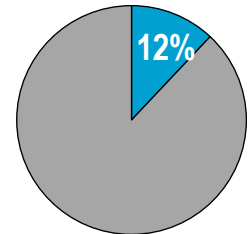
■ Hospitality

- Strong growth
- Strong profit

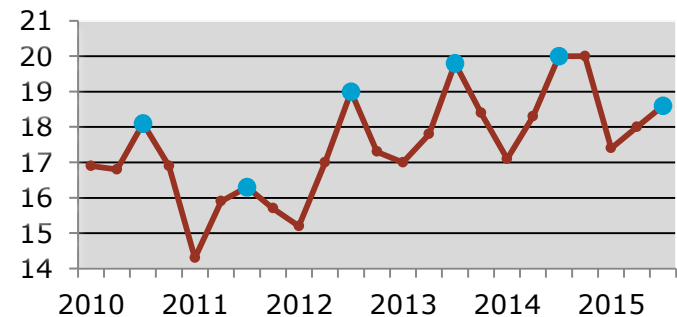
■ Operating margin (EBIT)

- Organic 0%
- Negative mix
- Dilution from acq -0.6%

SALES
share of
Group total %



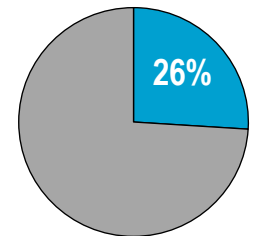
EBIT %



Division - Entrance Systems

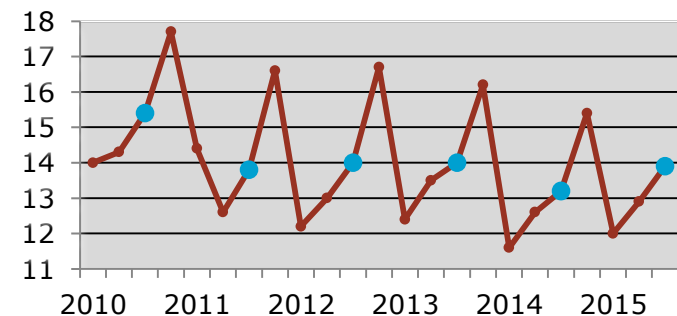
- Strong growth in Industrial EU, High Speed Doors and 4Front
- Good growth in Amarr
- Growth in Door automatics and Flexiforce
- Flat in Ditec and Residential EU
- Strongly improving efficiency

SALES
share of
Group total %



- Operating margin (EBIT)
 - + Organic +6%
 - + Consolidation effects
 - Dilution from acq -0.1%

EBIT %



Financial highlights Q3 2015

MSEK	3rd Quarter			Nine months		
	2014	2015	Change	2014	2015	Change
Sales	14,727	17,465	+19%	40,996	49,799	+21%
<i>Whereof</i>						
Organic growth			+3%			+4%
Acquired growth			+4%			+3%
FX-differences		+1,661	+12%		+5,561	+14%
Operating income (EBIT)	2,499	2,970	+19%	6,575	8,041	+22%
EBIT-margin (%)	17.0	17.0		16.0	16.1	
Operating cash flow	2,249	2,816	+25%	4,769	5,327	+12%
EPS (SEK)	1.57	1.86	+18%	4.09	5.02	+23%

Bridge Analysis – Jul-Sep 2015

MSEK	2014 Jul-Sep	Organic	Currency	Acq/Div	2015 Jul-Sep
		3%	12%	4%	19%
Sales	14,727	471	1,661	606	17,465
EBIT	2,499	152	238	81	2,970
%	17.0%	32.2%	14.3%	13.3%	17.0%

Dilution / Accretion

0.4%

-0.3%

-0.1%

P&L Components as % of sales

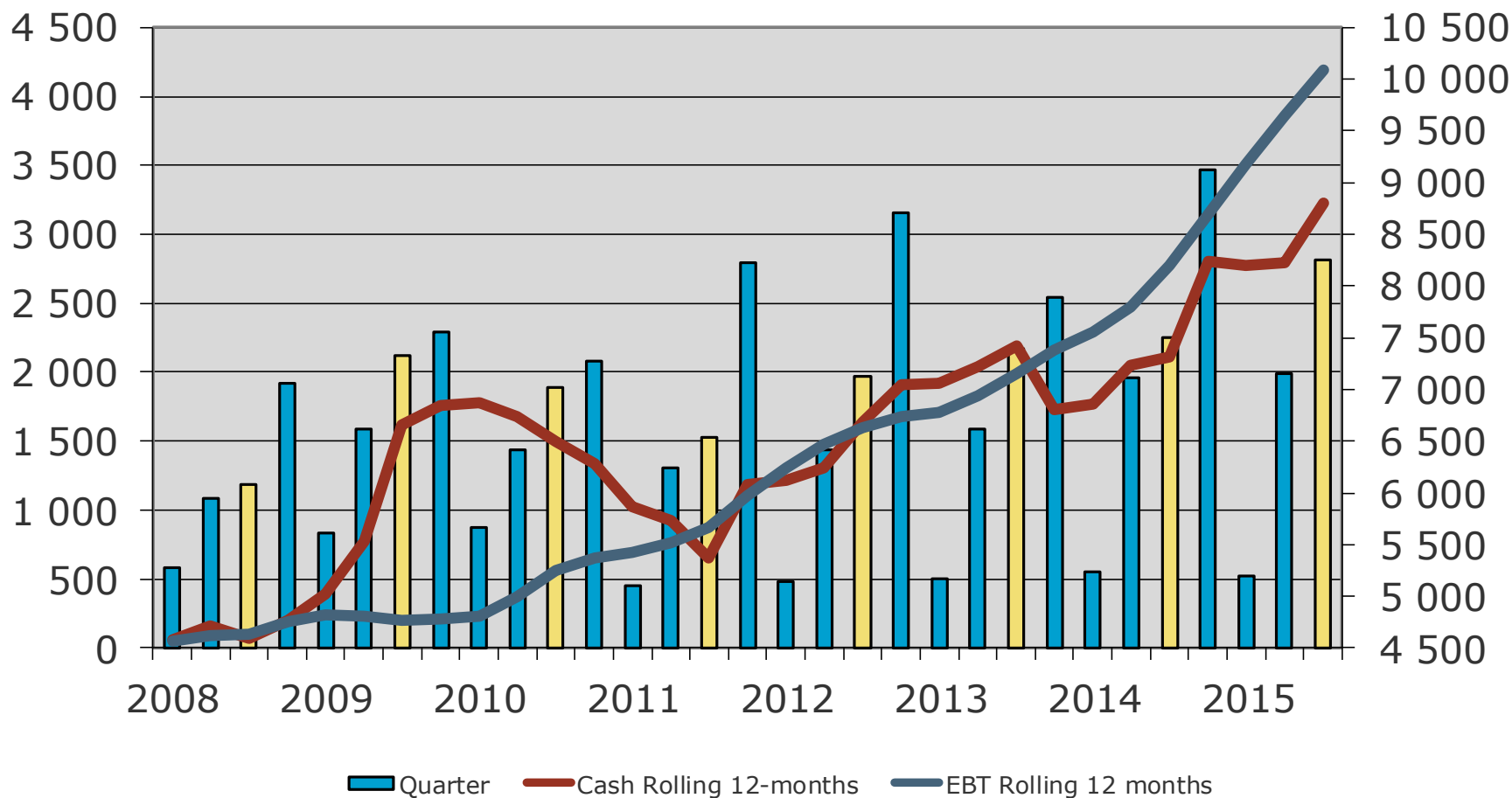
Jan – Sep 2015

	2014 YTD	2015 YTD excl acquisitions	2015 YTD
Direct material	36.1%	36.4%	36.6%
Conversion costs	<u>25.2%</u>	<u>24.6%</u>	<u>24.5%</u>
Gross Margin	38.7%	39.0%	38.9%
S, G & A	<u>22.7%</u>	<u>22.8%</u>	<u>22.8%</u>
EBIT	16.0%	16.2%	16.1%

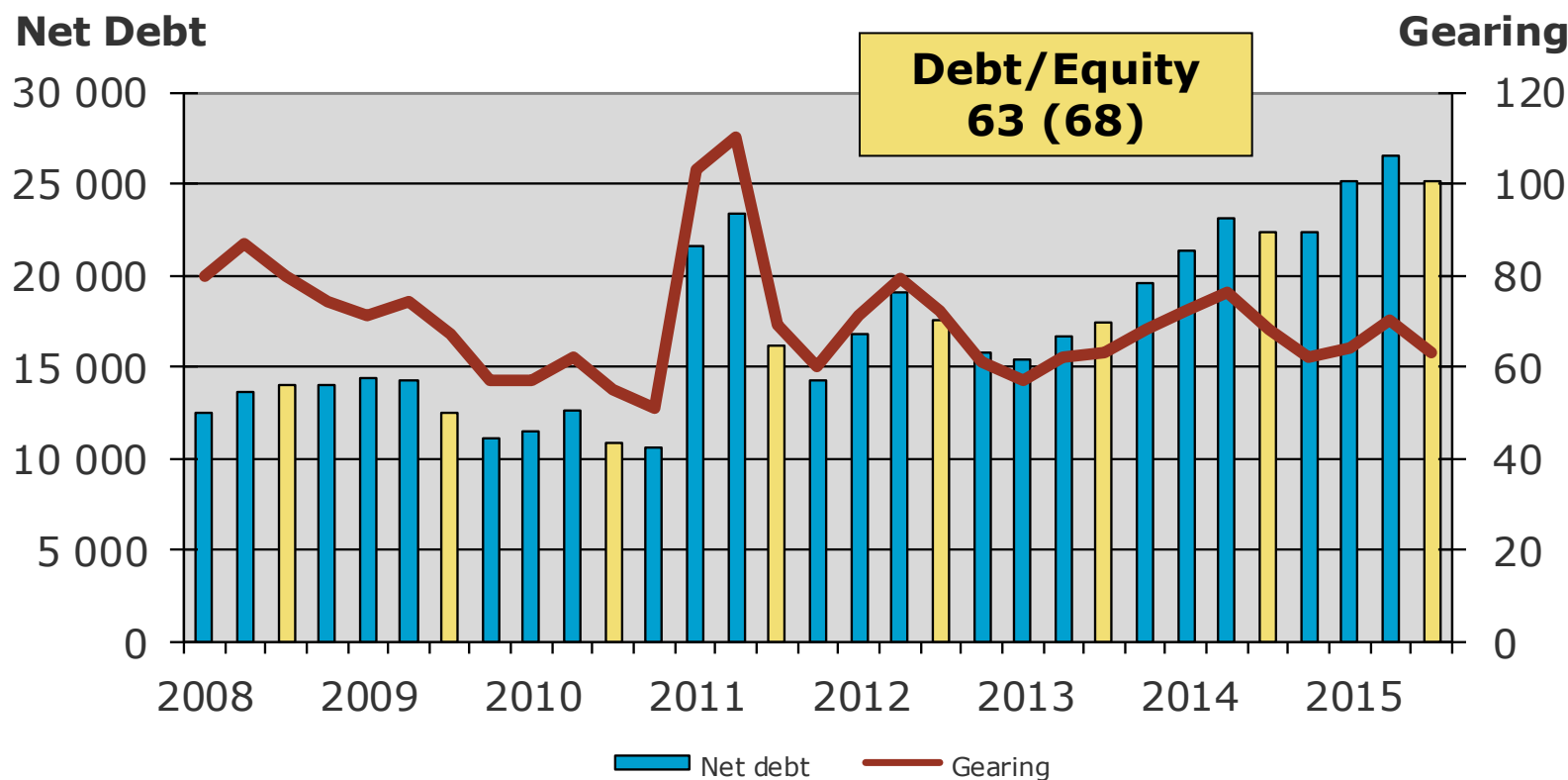
Operating cash flow, MSEK

Quarter

12-months



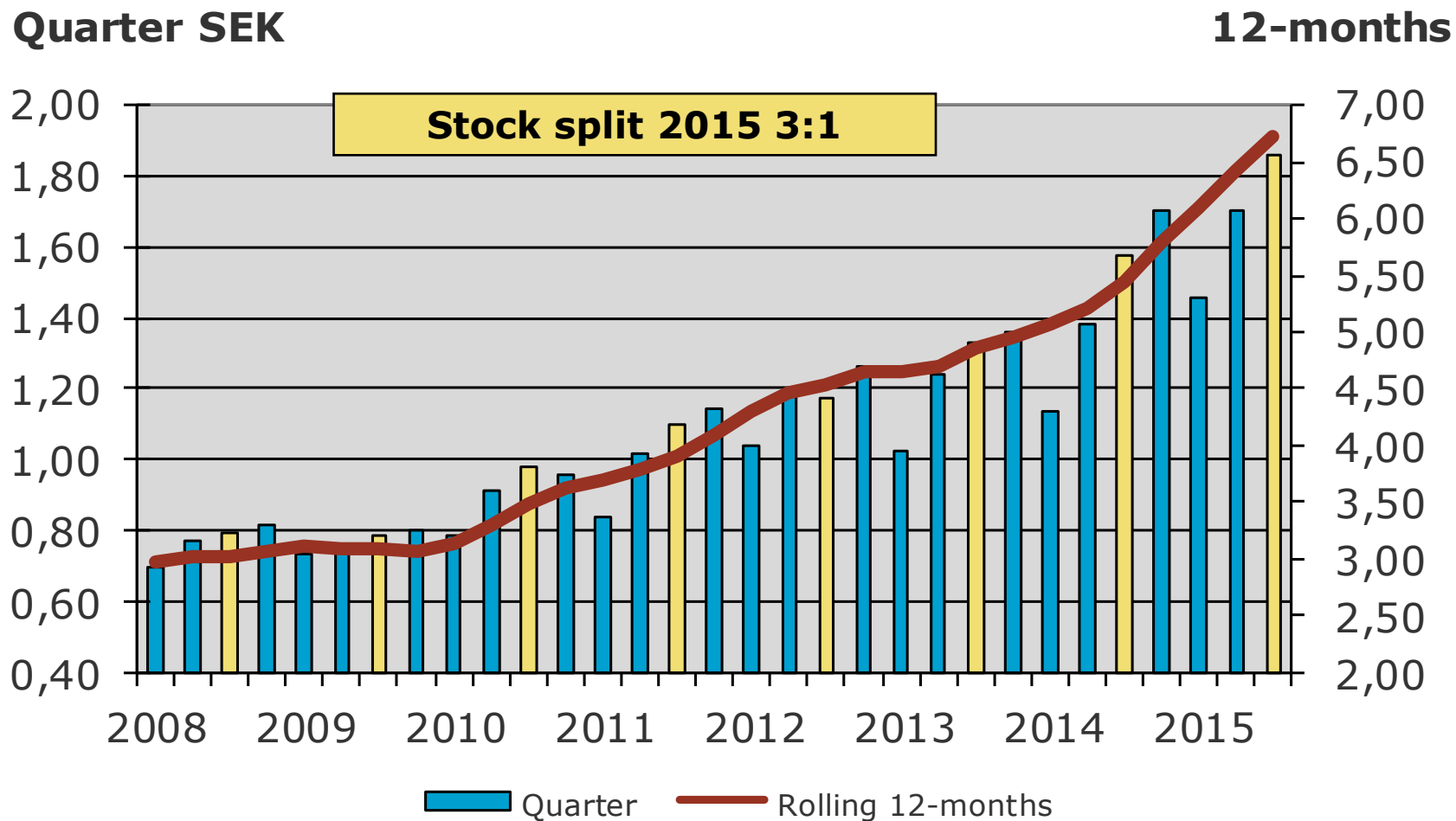
Gearing % and net debt MSEK



**Net debt/EBITDA
2.1 (2.3)**

*) 2008-2011 Not restated for changed pension accounting principles.

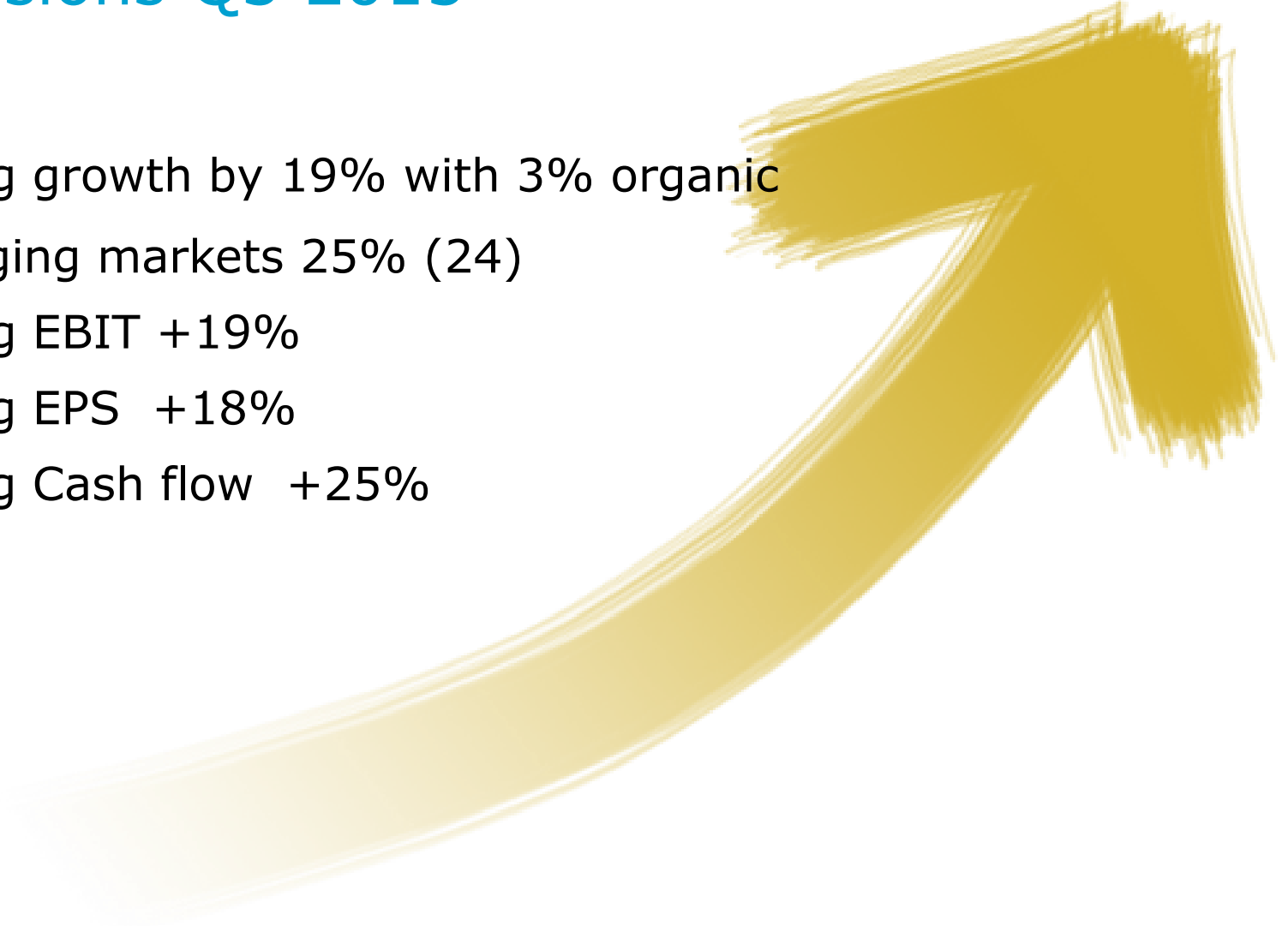
Earnings per share, SEK



Restated for Stock split 3:1 2015.

Conclusions Q3 2015

- Strong growth by 19% with 3% organic
- Emerging markets 25% (24)
- Strong EBIT +19%
- Strong EPS +18%
- Strong Cash flow +25%



A wide-angle photograph of a modern office interior. The space is characterized by a high ceiling with a grid of horizontal slats and large windows that offer a view of a city skyline. Several people are walking across the polished floor, their figures blurred to convey a sense of motion. The floor reflects the light from the windows and the ceiling. A solid blue horizontal bar is positioned at the bottom of the image, containing the text 'Q&A' in white.

Q&A

The global leader in door opening solutions

ASSA ABLOY

ASSA ABLOY