

# Press Release

28 April 2015  
No. 08/15

## A strong start of the year for ASSA ABLOY

- Sales increased by 24% in the quarter, with 5% organic growth, and totaled SEK 15,252 M (12,305).
- Strong growth in Americas, Global Technologies and Entrance Systems and good growth in EMEA.
- Negative growth in Asia Pacific.
- Two acquisitions made during the quarter, with expected annual sales totaling about SEK 340 M.
- Operating income (EBIT) amounted to SEK 2,329 M (1,857). The operating margin was 15.3% (15.1).
- Net income amounted to SEK 1,616 M (1,264).
- Earnings per share increased by 28% and amounted to SEK 4.36 (3.41).
- Cash flow was normal for the season and amounted to SEK 520 M (557).

## SALES AND INCOME

	Full year			First quarter		
	2013	2014	Change	2014	2015	Change
<b>Sales, SEK M</b>	<b>48,481</b>	<b>56,843</b>	<b>+17%</b>	<b>12,305</b>	<b>15,252</b>	<b>+24%</b>
of which,						
Organic growth			+3%			+5%
Acquisitions			+9%			+3%
Exchange-rate effects	-1,156	+2,138	+5%	+109	+1,892	+16%
<b>Operating income (EBIT), SEK M</b>	<b>7,923<sup>1)</sup></b>	<b>9,257</b>	<b>+17%<sup>1)</sup></b>	<b>1,857</b>	<b>2,329</b>	<b>+25%</b>
Operating margin (EBIT), %	16.3 <sup>1)</sup>	16.3		15.1	15.3	
Income before tax, SEK M	7,381 <sup>1)</sup>	8,698	+18% <sup>1)</sup>	1,709	2,184	+28%
Net income, SEK M	5,496 <sup>2)</sup>	6,436	+17% <sup>2)</sup>	1,264	1,616	+28%
Operating cash flow, SEK M	6,803	8,238	+21%	557	520	-7%
<b>Earnings per share (EPS), SEK</b>	<b>14.84<sup>2)</sup></b>	<b>17.38</b>	<b>+17%<sup>2)</sup></b>	<b>3.41</b>	<b>4.36</b>	<b>+28%</b>

1) Items affecting comparability in 2013 amounting to SEK -1,000 M for the full year have been excluded.

2) Items affecting comparability in 2013 amounting to SEK -721 M after tax for the full year have been excluded.

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## COMMENTS BY THE PRESIDENT AND CEO

"The first quarter was very positive for ASSA ABLOY, with an increase in sales of 24% and an improvement in operating income of a full 25%," says Johan Molin, President and CEO. "It was pleasing to see that growth in North and South America, and in the Emerging Markets apart from China, continued at a high level.

"Organic growth during the quarter was 5%, driven by a very strong performance in the USA. The Americas, Global Technologies and Entrance Systems divisions all showed strong growth, while EMEA maintained its stable but relatively low growth of 2%. All regions in Asia Pacific produced strong growth except China. The weak market in China, in combination with our introduction of a strict credit policy, meant that sales there fell back significantly.

"New products, and especially electromechanical products, make up a steadily increasing share of our sales. This is an exciting trend, with more and more customers choosing solutions that link their locks to the Internet. Over a short period ASSA ABLOY has developed a leading position in digital door locks and access control with great potential for the future in both the residential and the commercial segments.

"During the quarter the strategic acquisition of Quantum Secure was carried out. Quantum Secure gives ASSA ABLOY the ability to offer its customers a total solution for managing identity and access in security-intensive environments such as airports and other public places. The Chilean company ODIS was also acquired. The acquisitions represent 0.6% in added sales.

"Operating income continued to strengthen in a very satisfactory manner this quarter, with a rise of a full 25%. The main contributory factors were our organic growth, good improvements in efficiency and positive exchange-rate effects.

"My judgment is that the global economic trend remains weak. Although America is showing a positive trend, Europe and many of the Emerging Markets are stagnating. However, our strategy of expanding on the Emerging Markets remains unchanged, since in the long term they are expected to achieve very good economic growth. We are also continuing our investments in new products, especially in the growth area of electromechanics."

## FIRST QUARTER

The Group's sales totaled SEK 15,252 M (12,305). Organic growth for comparable units was 5% (4). Acquired units contributed 3% (8). Exchange-rate effects had a positive impact of SEK 1,892 M (109) on sales, equivalent to 16% (1). Operating income before depreciation, EBITDA, amounted to SEK 2,659 M (2,135). The corresponding EBITDA margin was 17.4% (17.3). The Group's operating income, EBIT, amounted to SEK 2,329 M (1,857). The operating margin was 15.3% (15.1).

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Net financial items amounted to SEK –145 M (–148). The Group's income before tax was SEK 2,184 M (1,709), an improvement of 28% compared with the previous year. Exchange-rate effects had a positive impact of SEK 226 M (13) on income before tax. The profit margin was 14.3% (13.9). The underlying estimated effective tax rate on an annual basis was 26% (26). Earnings per share amounted to SEK 4.36 (3.41).

## **RESTRUCTURING MEASURES**

Payments related to all existing restructuring programs amounted to SEK 90 M in the quarter. The restructuring programs proceeded according to plan and led to a reduction in personnel of 206 people during the quarter and 9,620 people since the projects began.

At the end of the quarter provisions of SEK 845 M remained in the balance sheet for carrying out the programs.

## **COMMENTS BY DIVISION**

### **EMEA**

Sales for the quarter in EMEA division totaled SEK 3,944 M (3,511), with organic growth of 3% (5). The markets in Scandinavia, Finland, eastern Europe and Africa showed strong growth. Great Britain and Spain had good growth while sales were stable in Germany and Israel. Sales growth was negative in Benelux, France and Italy. Acquired growth amounted to 2% (3). Operating income totaled SEK 626 M (565), which represented an operating margin (EBIT) of 15.9% (16.1). Return on capital employed amounted to 19.1% (19.8). Operating cash flow before interest paid totaled SEK 217 M (261).

### **AMERICAS**

Sales for the quarter in Americas division totaled SEK 3,664 M (2,673), with organic growth of 8% (2). The sales trends for traditional lock products, the door segment, electromechanical products, the private residential market, Mexico and South America were strong. High-security products and Canada showed a stable trend. Acquired growth amounted to 2% (12). Operating income totaled SEK 772 M (563) and the operating margin (EBIT) was 21.1% (21.1). Return on capital employed amounted to 22.1% (20.9). Operating cash flow before interest paid totaled SEK 156 M (116).

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## **ASIA PACIFIC**

Sales for the quarter in Asia Pacific division totaled SEK 1,847 M (1,420), with organic growth of -3% (3). Australia, South-East Asia and South Korea showed strong growth. New Zealand showed good growth. China showed a strong negative trend due to weak domestic demand and ASSA ABLOY's introduction of a strict credit policy in China. Acquired growth amounted to 10% (3). Operating income totaled SEK 189 M (151), representing an operating margin (EBIT) of 10.2% (10.6). The quarter's return on capital employed amounted to 7.1% (7.7). Operating cash flow before interest paid totaled SEK -212 M (-138).

## **GLOBAL TECHNOLOGIES**

Sales for the quarter in Global Technologies division totaled SEK 2,071 M (1,519), with organic growth of 12% (3). At HID Global, Government ID, Identification technology (IDT) and project sales had strong growth. Access control and logical access (IAM) showed good growth. Hospitality showed very strong growth, driven by innovative new products. Acquired growth amounted to 2% (2). The division's operating income amounted to SEK 360 M (260), with an operating margin (EBIT) of 17.4% (17.1). Return on capital employed amounted to 16.3% (15.7). Operating cash flow before interest paid totaled SEK 130 M (67).

## **ENTRANCE SYSTEMS**

Sales for the quarter in Entrance Systems division totaled SEK 4,041 M (3,405), with organic growth of 5% (4). Growth was strong for the division's American operations and in the segments of door automation, door components and high-speed doors. European industrial doors were stable, while doors for the private residential market in Europe and Ditec showed negative growth. Acquired growth amounted to 0% (17). Operating income totaled SEK 486 M (394), with an operating margin (EBIT) of 12.0% (11.6). Return on capital employed was 11.6% (10.4). Operating cash flow before interest paid totaled SEK 462 M (403).

## **ACQUISITIONS AND DIVESTMENTS**

A total of two acquisitions were consolidated during the quarter. The combined acquisition price for the two acquired companies amounted to SEK 1,465 M, and preliminary acquisition analyses indicate that goodwill and other intangible assets with indefinite useful life amount to SEK 1,427 M. The acquisition price is adjusted for acquired net debt and estimated earn-outs. Estimated earn-outs amount to SEK 727 M.

On 25 February it was announced that ASSA ABLOY had signed a contract to acquire the Swiss company MSL. MSL is a leading Swiss manufacturer of innovative locks. The company has 106 employees and its 2015 sales are expected to amount to SEK 180 M.

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On 28 April it was announced that ASSA ABLOY had signed a contract to acquire the Malaysian company Teamware, the market leader in locks and hardware in the Malaysian market. The company has 120 employees and its 2015 sales are expected to amount to SEK 240 M.

## **SUSTAINABLE DEVELOPMENT**

ASSA ABLOY's Sustainability Report for 2014 was published on 27 March 2015. The Report showed that the majority of the key indicators are continuing to move in a positive direction. The areas of health and safety and of energy and water consumption showed particularly strong improvements compared with previous years.

The number of units certified in accordance with ISO 14001 and equivalent environmental certification systems increased during the year to 108 (101). 812 sustainability reviews were carried out in low-cost countries during 2014. By the end of the year 1,053 active suppliers had achieved minimum requirements in the areas of sustainability and quality and were classed as Approved. The number of reporting units in the sustainability reporting increased to 331 (327).

## **PARENT COMPANY**

Other operating income for the Parent company ASSA ABLOY AB totaled SEK 244 M (299) for the first quarter. Income before tax amounted to SEK -300 M (-119). Investments in tangible and intangible assets totaled SEK 2 M (0). Liquidity is good and the equity ratio was 44.1% (42.1).

## **ACCOUNTING PRINCIPLES**

ASSA ABLOY applies International Financial Reporting Standards (IFRS) as endorsed by the European Union. Significant accounting and valuation principles are detailed on pages 90-95 of the 2014 Annual Report.

This Interim Report was prepared in accordance with IAS 34 'Interim Financial Reporting' and the Annual Accounts Act. The Interim Report for the Parent company was prepared in accordance with the Annual Accounts Act and RFR 2 'Reporting by a Legal Entity'.

## **TRANSACTIONS WITH RELATED PARTIES**

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

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## **RISKS AND UNCERTAINTY FACTORS**

As an international Group with a wide geographic spread, ASSA ABLOY is exposed to a number of business and financial risks. The business risks can be divided into strategic, operational and legal risks. The financial risks are related to such factors as exchange rates, interest rates, liquidity, the giving of credit, raw materials and financial instruments. Risk management in ASSA ABLOY aims to identify, control and reduce risks. This work begins with an assessment of the probability of risks occurring and their potential effect on the Group. For a more detailed description of risks and risk management, see the 2014 Annual Report.

## **REVIEW**

The Company's Auditors have not carried out any review of the Report for the first quarter of 2015.

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## **OUTLOOK\***

### Long-term outlook

Long term, ASSA ABLOY expects an increase in security-driven demand. Focus on end-user value and innovation as well as leverage on ASSA ABLOY's strong position will accelerate growth and increase profitability.

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

*\* Outlook published on 5 February 2015:*

### Long-term outlook

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Stockholm, 28 April 2015

Johan Molin

President and CEO



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## **FINANCIAL INFORMATION**

The Interim Report for the second quarter will be published on 17 July 2015.

The Interim Report for the third quarter will be published on 20 October 2015.

A capital markets day will be held on 18 November 2015 in Stockholm.

## **FURTHER INFORMATION CAN BE OBTAINED FROM:**

Johan Molin, President and CEO, Tel: +46 8 506 485 42

Carolina Dybeck Happe, Chief Financial Officer, Tel: +46 8 506 485 72

ASSA ABLOY is holding an **analysts' meeting at 10.00 today**  
at Operaterrassen in Stockholm.

The analysts' meeting can also be followed on the Internet at [www.assaabloy.com](http://www.assaabloy.com).

It is possible to submit questions by telephone on:

**+46 8 5055 6476, +44 203 364 5371 or +1 877 679 2993.**

*This information is that which ASSA ABLOY is required to disclose under the Swedish Securities Exchange and Clearing Operations Act and/or the Swedish Financial Instruments Trading Act.*

*The information is released for publication at 08.00 on 28 April.*



# Press Release

## FINANCIAL INFORMATION - GROUP

### CONSOLIDATED INCOME STATEMENT

SEK M	Jan-Dec 2014	Jan-Mar 2014	Jan-Mar 2015
Sales	56,843	12,305	15,252
Cost of goods sold	-34,921	-7,514	-9,283
<b>Gross income</b>	<b>21,922</b>	<b>4,791</b>	<b>5,969</b>
Selling, administrative and RnD costs	-12,797	-2,952	-3,664
Share of earnings in associates	132	18	23
<b>Operating income</b>	<b>9,257</b>	<b>1,857</b>	<b>2,329</b>
Financial items	-559	-148	-145
<b>Income before tax</b>	<b>8,698</b>	<b>1,709</b>	<b>2,184</b>
Tax on income	-2,261	-444	-568
<b>Net income</b>	<b>6,436</b>	<b>1,264</b>	<b>1,616</b>
<b>Net income attributable to:</b>			
Parent company's shareholders	6,436	1,264	1,616
Non-controlling interest	0	0	0
<b>Earnings per share</b>			
before dilution, SEK	17.38	3.41	4.36
after dilution, SEK	17.38	3.41	4.36

### STATEMENT OF COMPREHENSIVE INCOME

SEK M	Jan-Dec 2014	Jan-Mar 2014	Jan-Mar 2015
<b>Net income</b>	<b>6,436</b>	<b>1,264</b>	<b>1,616</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial gain/loss on post-employment benefit obligations, net after tax	-543	-67	-111
<b>Total</b>	<b>-543</b>	<b>-67</b>	<b>-111</b>
<b>Items that may be reclassified subsequently to profit or loss</b>			
Share of other comprehensive income of associates	105	0	8
Net investment and cashflow hedges	-376	-3	15
Exchange rate differences	3,810	-193	1,965
<b>Total</b>	<b>3,539</b>	<b>-196</b>	<b>1,988</b>
<b>Total comprehensive income</b>	<b>9,433</b>	<b>1,001</b>	<b>3,493</b>
<b>Total comprehensive income attributable to:</b>			
Parent company's shareholders	9,432	1,001	3,493
Non-controlling interest	0	0	0

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## FINANCIAL INFORMATION - GROUP

### CONSOLIDATED BALANCE SHEET

SEK M	31 Dec 2014	31 Mar 2014	31 Mar 2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	47,056	39,380	51,317
Tangible assets	7,712	6,491	8,100
Investments in associates	1,861	1,696	1,890
Other financial assets	76	74	75
Deferred tax assets	1,555	1,657	1,634
<b>Total non-current assets</b>	<b>58,260</b>	<b>49,298</b>	<b>63,015</b>
<b>Current assets</b>			
Inventories	7,845	6,901	8,775
Trade receivables	10,595	8,699	11,399
Other current receivables and investments	2,630	2,294	3,154
Cash and cash equivalents	667	498	515
<b>Total current assets</b>	<b>21,738</b>	<b>18,392</b>	<b>23,844</b>
<b>TOTAL ASSETS</b>	<b>79,998</b>	<b>67,690</b>	<b>86,859</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Parent company's shareholders	36,096	29,766	39,513
Non-controlling interest	2	0	2
<b>Total equity</b>	<b>36,098</b>	<b>29,766</b>	<b>39,515</b>
<b>Non-current liabilities</b>			
Long-term loans	15,362	14,627	16,497
Deferred tax liabilities	1,462	1,360	1,578
Other non-current liabilities and provisions	7,693	5,349	8,775
<b>Total non-current liabilities</b>	<b>24,517</b>	<b>21,336</b>	<b>26,849</b>
<b>Current liabilities</b>			
Short-term loans	4,636	5,202	5,752
Trade payables	5,699	4,075	5,517
Other current liabilities and provisions	9,047	7,311	9,225
<b>Total current liabilities</b>	<b>19,383</b>	<b>16,587</b>	<b>20,494</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>79,998</b>	<b>67,690</b>	<b>86,859</b>

### CHANGES IN CONSOLIDATED EQUITY

SEK M	Equity attributable to:		
	Parent company's shareholders	Non- controlling interest	Total equity
<b>Opening balance 1 January 2014</b>	<b>28,812</b>	<b>0</b>	<b>28,813</b>
Net income	1,264	0	1,264
Other comprehensive income	-263	0	-263
<b>Total comprehensive income</b>	<b>1,001</b>	<b>0</b>	<b>1,001</b>
Stock purchase plans	-48	-	-48
<b>Total transactions with parent company's shareholders</b>	<b>-48</b>	<b>0</b>	<b>-48</b>
<b>Closing balance 31 March 2014</b>	<b>29,766</b>	<b>0</b>	<b>29,766</b>
<b>Opening balance 1 January 2015</b>	<b>36,096</b>	<b>2</b>	<b>36,098</b>
Net income	1,616	0	1,616
Other comprehensive income	1,877	0	1,877
<b>Total comprehensive income</b>	<b>3,493</b>	<b>0</b>	<b>3,493</b>
Stock purchase plans	-76	-	-76
<b>Total transactions with parent company's shareholders</b>	<b>-76</b>	<b>0</b>	<b>-76</b>
<b>Closing balance 31 March 2015</b>	<b>39,513</b>	<b>2</b>	<b>39,515</b>

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## FINANCIAL INFORMATION - GROUP

### CONSOLIDATED CASH FLOW STATEMENT

SEK M	Jan-Dec 2014	Jan-Mar 2014	Jan-Mar 2015
<b>OPERATING ACTIVITIES</b>			
Operating income	9,257	1,857	2,329
Depreciation and amortization	1,163	278	331
Restructuring payments	-453	-87	-90
Other non-cash items	-150	8	-2
<b>Cash flow before interest and tax</b>	<b>9,816</b>	<b>2,055</b>	<b>2,567</b>
Interest paid and received	-457	-52	-71
Tax paid on income	-2,376	-1,005	-711
<b>Cash flow before changes in working capital</b>	<b>6,983</b>	<b>998</b>	<b>1,785</b>
Changes in working capital	-303	-1,268	-1,722
<b>Cash flow from operating activities</b>	<b>6,679</b>	<b>-270</b>	<b>63</b>
<b>INVESTING ACTIVITIES</b>			
Net investments in tangible and intangible assets	-1,271	-266	-344
Investments in subsidiaries	-2,454	-952	-978
Investments in associates	-1	-	-
Disposals of subsidiaries	201	180	-
Other investments and disposals	0	-	-
<b>Cash flow from investing activities</b>	<b>-3,524</b>	<b>-1,037</b>	<b>-1,322</b>
<b>FINANCING ACTIVITIES</b>			
Dividends	-2,110	-	-
Net cash effect of changes in borrowings	-798	1,450	1,071
<b>Cash flow from financing activities</b>	<b>-2,908</b>	<b>1,450</b>	<b>1,071</b>
<b>CASH FLOW</b>	<b>247</b>	<b>143</b>	<b>-188</b>
<b>CASH AND CASH EQUIVALENTS</b>			
<b>Cash and cash equivalents at beginning of period</b>	<b>362</b>	<b>362</b>	<b>667</b>
Cash flow	247	143	-188
Effect of exchange rate differences	58	-6	36
<b>Cash and cash equivalents at end of period</b>	<b>667</b>	<b>498</b>	<b>515</b>

### KEY RATIOS

	Jan-Dec 2014	Jan-Mar 2014	Jan-Mar 2015
Return on capital employed, %	16.9	14.4	14.9
Return on shareholders' equity, %	19.8	17.3	17.1
Equity ratio, %	45.1	44.0	45.5
Interest coverage ratio, times	17.4	14.4	15.7
Total number of shares at the end of period, thousands	370,859	370,859	370,859
Number of shares outstanding at the end of period, thousands	370,259	370,259	370,259
Weighted average number of outstanding shares, thousands	370,259	370,259	370,259
Weighted average number of outstanding shares after dilution, thousands	370,259	370,259	370,259
Average number of employees	44,269	43,735	45,199

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## FINANCIAL INFORMATION - PARENT COMPANY

### INCOME STATEMENT

	Jan-Dec 2014	Jan-Mar 2014	Jan-Mar 2015
<b>SEK M</b>			
Operating income	1,298	-114	-232
Income before tax	5,553	-119	-300
Net income	5,201	-119	-291

### BALANCE SHEET

	31 Dec 2014	31 Mar 2014	31 Mar 2015
<b>SEK M</b>			
Non-current assets	35,684	33,894	35,596
Current assets	7,561	6,943	8,008
<b>Total assets</b>	<b>43,245</b>	<b>40,837</b>	<b>43,604</b>
Equity	20,044	17,199	19,691
Provisions	0	6	0
Non-current liabilities	7,659	7,248	8,318
Current liabilities	15,542	16,384	15,594
<b>Total equity and liabilities</b>	<b>43,245</b>	<b>40,837</b>	<b>43,604</b>

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## QUARTERLY INFORMATION - GROUP

### THE GROUP IN SUMMARY

SEK M	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Jan-Dec 2014	Q1 2015	Last 12 months
Sales	12,305	13,964	14,727	15,847	56,843	15,252	59,790
Organic growth <sup>2)</sup>	4%	2%	4%	3%	3%	5%	
<b>Gross income excluding items affecting comparability</b>	<b>4,791</b>	<b>5,368</b>	<b>5,689</b>	<b>6,074</b>	<b>21,922</b>	<b>5,969</b>	<b>23,100</b>
Gross margin	38.9%	38.4%	38.6%	38.3%	38.6%	39.1%	38.6%
<b>Operating income before depreciation (EBITDA) excluding items affecting comparability</b>	<b>2,135</b>	<b>2,504</b>	<b>2,791</b>	<b>2,990</b>	<b>10,419</b>	<b>2,659</b>	<b>10,944</b>
Operating margin (EBITDA)	17.3%	17.9%	19.0%	18.9%	18.3%	17.4%	18.3%
Depreciation and amortization	-278	-285	-292	-309	-1,163	-331	-1,216
<b>Operating income (EBIT) excluding items affecting comparability</b>	<b>1,857</b>	<b>2,219</b>	<b>2,499</b>	<b>2,681</b>	<b>9,257</b>	<b>2,329</b>	<b>9,728</b>
Operating margin (EBIT)	15.1%	15.9%	17.0%	16.9%	16.3%	15.3%	16.3%
<b>Operating income (EBIT)</b>	<b>1,857</b>	<b>2,219</b>	<b>2,499</b>	<b>2,681</b>	<b>9,257</b>	<b>2,329</b>	<b>9,728</b>
Operating margin (EBIT)	15.1%	15.9%	17.0%	16.9%	16.3%	15.3%	16.3%
Net financial items	-148	-146	-136	-129	-559	-145	-556
<b>Income before tax (EBT)</b>	<b>1,709</b>	<b>2,073</b>	<b>2,364</b>	<b>2,552</b>	<b>8,698</b>	<b>2,184</b>	<b>9,173</b>
Profit margin (EBT)	13.9%	14.8%	16.0%	16.1%	15.3%	14.3%	15.3%
Tax on income	-444	-539	-614	-664	-2,261	-568	-2,385
<b>Net income</b>	<b>1,264</b>	<b>1,534</b>	<b>1,749</b>	<b>1,889</b>	<b>6,436</b>	<b>1,616</b>	<b>6,788</b>
<b>Net income attributable to:</b>							
Parent company's shareholders	1,264	1,534	1,749	1,889	6,436	1,616	6,787
Non-controlling interest	0	0	0	0	0	0	0

### OPERATING CASH FLOW

SEK M	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Jan-Dec 2014	Q1 2015	Last 12 months
Operating income (EBIT)	1,857	2,219	2,499	2,681	9,257	2,329	9,728
Depreciation and amortization	278	285	292	309	1,163	331	1,216
Net capital expenditure	-266	-272	-388	-345	-1,271	-344	-1,349
Change in working capital	-1,268	-6	-93	1,064	-303	-1,722	-758
Interest paid and received	-52	-201	-101	-103	-457	-71	-475
Non-cash items	8	-61	39	-136	-150	-2	-160
<b>Operating cash flow <sup>4)</sup></b>	<b>557</b>	<b>1,963</b>	<b>2,249</b>	<b>3,469</b>	<b>8,238</b>	<b>520</b>	<b>8,201</b>
Operating cash flow/Income before tax <sup>4)</sup>	0.33	0.95	0.95	1.36	0.95	0.24	0.89

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## QUARTERLY INFORMATION - GROUP

### THE GROUP IN SUMMARY

#### CHANGE IN NET DEBT

	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Jan-Dec 2014	Q1 2015
<b>SEK M</b>						
Net debt at beginning of period	19,595	21,375	23,072	22,348	19,595	22,327
Operating cash flow	-557	-1,963	-2,249	-3,469	-8,238	-520
Restructuring payments	87	140	107	119	453	90
Tax paid	1,005	409	437	525	2,376	711
Acquisitions and disposals	952	180	109	1,213	2,454	978
Dividend	-	2,110	-	-	2,110	-
Actuarial gain/loss on post-employment benefit obligations	97	71	73	455	695	206
Exchange rate differences and other	195	750	799	1,136	2,880	1,392
<b>Net debt at end of period</b>	<b>21,375</b>	<b>23,072</b>	<b>22,348</b>	<b>22,327</b>	<b>22,327</b>	<b>25,184</b>
Net debt/Equity ratio	0.72	0.76	0.68	0.62	0.62	0.64

#### NET DEBT

	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015
<b>SEK M</b>					
Non-current interest-bearing receivables	-26	-28	-30	-28	-31
Short-term interest-bearing investments including derivatives	-148	-153	-247	-174	-263
Cash and cash equivalents	-498	-615	-809	-667	-515
Pension provisions	2,110	2,242	2,400	2,946	3,260
Other non-current interest-bearing liabilities	14,627	14,209	14,272	15,362	16,497
Current interest-bearing liabilities including derivatives	5,311	7,415	6,762	4,887	6,235
<b>Total</b>	<b>21,375</b>	<b>23,072</b>	<b>22,348</b>	<b>22,327</b>	<b>25,184</b>

#### CAPITAL EMPLOYED AND FINANCING

	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015
<b>SEK M</b>					
Capital employed	51,141	53,282	55,359	58,425	64,699
- of which goodwill	32,930	34,052	35,423	39,778	43,092
- of which other intangible and tangible assets	12,941	13,383	14,055	14,990	16,324
- of which investments in associates	1,696	1,805	1,790	1,861	1,890
Net debt	21,375	23,072	22,348	22,327	25,184
Non-controlling interest	0	0	0	2	2
Shareholders' equity	29,766	30,210	33,010	36,096	39,513

#### DATA PER SHARE

	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Jan-Dec 2014	Q1 2015
<b>SEK</b>						
Earnings per share after tax and before dilution	3.41	4.14	4.72	5.10	17.38	4.36
Earnings per share after tax and dilution	3.41	4.14	4.72	5.10	17.38	4.36
Shareholders' equity per share after dilution	80.39	81.59	89.15	97.49	97.49	106.72

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## RESULTS BY DIVISION

Jan-Mar and 31 Mar

	EMEA		Americas		Asia Pacific		Global Technologies		Entrance		Other		Total	
SEK M	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Sales, external	3,458	3,872	2,660	3,644	1,297	1,670	1,505	2,054	3,385	4,012	0	0	12,305 <sup>1)</sup>	15,252 <sup>1)</sup>
Sales, internal	52	72	13	20	123	176	14	17	20	30	-222	-315	-	-
<b>Sales</b>	<b>3,511</b>	<b>3,944</b>	<b>2,673</b>	<b>3,664</b>	<b>1,420</b>	<b>1,847</b>	<b>1,519</b>	<b>2,071</b>	<b>3,405</b>	<b>4,041</b>	<b>-222</b>	<b>-315</b>	<b>12,305</b>	<b>15,252</b>
Organic growth <sup>2)</sup>	5%	3%	2%	8%	3%	-3%	3%	12%	4%	5%			4%	5%
<b>Operating income (EBIT)</b>	<b>565</b>	<b>626</b>	<b>563</b>	<b>772</b>	<b>151</b>	<b>189</b>	<b>260</b>	<b>360</b>	<b>394</b>	<b>486</b>	<b>-76</b>	<b>-103</b>	<b>1,857</b>	<b>2,329</b>
Operating margin (EBIT)	16.1%	15.9%	21.1%	21.1%	10.6%	10.2%	17.1%	17.4%	11.6%	12.0%			15.1%	15.3%
Capital employed	10,889	12,790	11,054	14,708	7,951	11,305	6,878	9,942	14,535	16,402	-166	-448	51,141	64,699
- of which goodwill	6,655	7,356	7,259	9,829	4,789	8,266	5,096	7,907	9,131	9,735	-	-	32,930	43,092
- of which other intangible and tangible assets	2,755	3,087	2,372	3,229	2,556	3,980	1,357	1,901	3,826	4,039	75	89	12,941	16,324
- of which investments in associates	8	8	-	-	383	459	-	-	1,305	1,422	-	-	1,696	1,890
Return on capital employed	19.8%	19.1%	20.9%	22.1%	7.7%	7.1%	15.7%	16.3%	10.4%	11.6%			14.4%	14.9%
Operating income (EBIT)	565	626	563	772	151	189	260	360	394	486	-76	-103	1,857	2,329
Depreciation and amortization	87	93	55	73	41	65	45	46	51	54	-1	0	278	331
Net capital expenditure	-78	-124	-47	-59	-48	-57	-59	-83	-34	-19	-1	-2	-266	-344
Change in working capital	-314	-377	-455	-629	-282	-409	-179	-194	-8	-59	-30	-55	-1 268	-1 722
<b>Cash flow <sup>4)</sup></b>	<b>261</b>	<b>217</b>	<b>116</b>	<b>156</b>	<b>-138</b>	<b>-212</b>	<b>67</b>	<b>130</b>	<b>403</b>	<b>462</b>	<b>-108</b>	<b>-160</b>	<b>601</b>	<b>593</b>
Non-cash items											8	-2	8	-2
Interest paid and received											-52	-71	-52	-71
<b>Operating cash flow <sup>4)</sup></b>													<b>557</b>	<b>520</b>
Average number of employees	10,608	10,630	7,013	7,786	13,366	13,749	3,184	3,381	9,363	9,426	200	228	43,735	45,199

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## RESULTS BY DIVISION

Jan-Dec and 31 Dec

	EMEA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Sales, external	12,957	14,519	10,074	12,096	6,879	7,755	6,406	7,147	12,166	15,325	0	0	48,481 <sup>1)</sup>	56,843 <sup>1)</sup>
Sales, internal	209	233	48	60	542	581	65	59	71	84	-935	-1,017	-	-
<b>Sales</b>	<b>13,165</b>	<b>14,753</b>	<b>10,121</b>	<b>12,156</b>	<b>7,420</b>	<b>8,336</b>	<b>6,472</b>	<b>7,207</b>	<b>12,237</b>	<b>15,409</b>	<b>-935</b>	<b>-1,017</b>	<b>48,481</b>	<b>56,843</b>
Organic growth <sup>2)</sup>	-1%	3%	6%	4%	4%	1%	6%	1%	0%	4%			2%	3%
<b>Operating income (EBIT)</b>	<b>2,197</b>	<b>2,432</b>	<b>2,140</b>	<b>2,613</b>	<b>1,032</b>	<b>1,187</b>	<b>1,184</b>	<b>1,368</b>	<b>1,733</b>	<b>2,054</b>	<b>-363</b>	<b>-398</b>	<b>7,923</b>	<b>9,257</b>
Operating margin (EBIT)	16.7%	16.5%	21.1%	21.5%	13.9%	14.2%	18.3%	19.0%	14.2%	13.3%			16.3%	16.3%
Items affecting comparability <sup>3)</sup>	-300	-	-18	-	-183	-	-38	-	-313	-	-149	-	-1,000	-
<b>Operating income (EBIT) incl. items affecting comparability</b>	<b>1,897</b>	<b>2,432</b>	<b>2,121</b>	<b>2,613</b>	<b>850</b>	<b>1,187</b>	<b>1,146</b>	<b>1,368</b>	<b>1,420</b>	<b>2,054</b>	<b>-512</b>	<b>-398</b>	<b>6,924</b>	<b>9,257</b>
Capital employed	10,499	12,299	10,475	12,909	7,436	9,810	6,114	8,239	14,592	16,245	-708	-1,077	48,408	58,425
- of which goodwill	6,395	7,247	7,319	9,000	4,311	7,931	4,511	5,984	9,282	9,615	-	-	31,817	39,778
- of which other intangible and tangible assets	2,703	3,051	2,384	2,982	2,481	3,137	1,338	1,711	3,850	4,021	97	87	12,854	14,990
- of which investments in associates	8	9	-	-	371	414	-	-	1,296	1,438	-	-	1,675	1,861
Return on capital employed	20.7%	21.0%	22.7%	23.1%	16.3%	14.2%	19.7%	19.6%	12.1%	13.1%			17.1%	16.9%
Operating income (EBIT)	1,897	2,432	2,121	2,613	850	1,187	1,146	1,368	1,420	2,054	-512	-398	6,924	9,257
Restructuring costs	300	-	18	-	183	-	38	-	313	-	149	-	1,000	-
Depreciation and amortization	328	351	179	237	157	183	159	182	168	212	2	-2	993	1,163
Net capital expenditure	-337	-397	-182	-243	-200	-275	-375	-204	-106	-141	-2	-11	-1,202	-1,271
Change in working capital	-104	-98	-154	31	-57	-164	-98	-63	-2	-118	-82	109	-497	-303
<b>Cash flow<sup>4)</sup></b>	<b>2,084</b>	<b>2,288</b>	<b>1,983</b>	<b>2,637</b>	<b>932</b>	<b>931</b>	<b>870</b>	<b>1,282</b>	<b>1,792</b>	<b>2,007</b>	<b>-445</b>	<b>-302</b>	<b>7,218</b>	<b>8,845</b>
Non-cash items											17	-150	17	-150
Interest paid and received											-431	-457	-431	-457
<b>Operating cash flow<sup>4)</sup></b>													<b>6,803</b>	<b>8,238</b>
Average number of employees	10,089	10,678	6,726	7,193	14,243	13,439	3,136	3,331	8,191	9,420	171	208	42,556	44,269

<sup>1)</sup> Sales by Continent, SEK M.

	Jan-Dec 2013	Jan-Dec 2014	Jan-Mar 2014	Jan-Mar 2015
Europe	21,111	23,242	5,555	6,076
North America	15,483	20,468	4,321	5,893
Central and South America	957	1,150	233	374
Africa	663	783	162	198
Asia	8,189	8,980	1,556	2,130
Pacific	2,078	2,220	477	581

<sup>2)</sup> Organic growth concern comparable units after adjustment for acquisitions and currency effects.

<sup>3)</sup> Items affecting comparability consist of restructuring costs.

<sup>4)</sup> Excluding restructuring payments.

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## FINANCIAL INFORMATION - NOTES

### NOTE 1 BUSINESS COMBINATIONS

SEK M	Jan-Dec 2014	Jan-Mar 2014	Jan-Mar 2015
<b>Purchase prices</b>			
Cash paid for acquisitions during the period	2,478	1,053	758
Holdbacks and deferred considerations for acquisitions during the period	2,191	486	727
Adjustment of purchase prices for acquisitions in prior years	-42	-28	0
<b>Total</b>	<b>4,627</b>	<b>1,511</b>	<b>1,484</b>
<b>Acquired assets and liabilities at fair value</b>			
Intangible assets	156	73	511
Tangible assets	289	99	4
Financial assets	-15	-31	6
Inventories	266	76	42
Current receivables and investments	323	80	62
Cash and cash equivalents	204	76	21
Non-controlling interests	-2	-	-
Non-current liabilities	25	79	-128
Current liabilities	-627	-228	-78
<b>Total</b>	<b>619</b>	<b>224</b>	<b>440</b>
Acquired negative goodwill - recognized as other operating income	6	-	-
<b>Goodwill</b>	<b>4,013</b>	<b>1,287</b>	<b>1,044</b>
<b>Change in cash and cash equivalents due to acquisitions</b>			
Cash paid for acquisitions during the period	2,478	1,053	758
Cash and cash equivalents in acquired subsidiaries	-204	-76	-21
Paid holdbacks and deferred considerations for acquisitions in previous years	180	-26	241
<b>Total</b>	<b>2,454</b>	<b>952</b>	<b>978</b>

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

### NOTE 2 FAIR VALUE AND CARRYING AMOUNT ON FINANCIAL ASSETS AND LIABILITIES

31 March 2015

SEK M	Carrying amount	Fair value	Financial instruments at fair value		
			Level 1	Level 2	Level 3
<b>Financial assets</b>					
Financial assets at fair value through profit and loss	112	112		112	
Available-for-sale financial assets	5	5			
Loans and other receivables	13,804	13,804			
Derivative instruments - hedge accounting	150	150		150	
<b>Financial liabilities</b>					
Financial liabilities at fair value through profit and loss	4,448	4,448		450	3,998
Financial liabilities at amortized cost	27,765	28,121			
Derivative instruments - hedge accounting	33	33		33	

31 December 2014

SEK M	Carrying amount	Fair value	Financial instruments at fair value		
			Level 1	Level 2	Level 3
<b>Financial assets</b>					
Financial assets at fair value through profit and loss	23	23		23	
Available-for-sale financial assets	5	5			
Loans and other receivables	13,138	13,138			
Derivative instruments - hedge accounting	136	136		136	
<b>Financial liabilities</b>					
Financial liabilities at fair value through profit and loss	3,455	3,455		216	3,239
Financial liabilities at amortized cost	25,697	26,039			
Derivative instruments - hedge accounting	35	35		35	

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