

Quarterly Report

Q2 2021

19 July 2021

ASSA ABLOY

Experience a safer and more open world

Significant sales growth and margin recovery

Second quarter

- Net sales increased by 19% to SEK 23,648 M (19,953), with strong organic growth of 23% (-18) and acquired net growth of 5% (3). Currency effects amounted to -9% (0)
- Very strong organic sales growth was reported by EMEA, Americas, Entrance Systems and Global Technologies. The organic sales growth for Asia Pacific was stable
- Four acquisitions with combined annual sales of about SEK 400 M were signed
- Operating income (EBIT) increased by 71% and amounted to SEK 3,589 M (2,097), corresponding to an operating margin of 15.2% (10.5)
- Net income amounted to SEK 3,212 M (1,400)
- Earnings per share amounted to SEK 2.89 (1.26)
- Operating cash flow increased by 6% to SEK 3,627 M (3,418).

Organic growth

23%

Operating income

71%

Earnings per share

130%

Sales and income

	Second quarter			First half-year		
	2020	2021	Δ	2020	2021	Δ
Sales, SEK M	19,953	23,648	19%	42,126	45,454	8%
Of which:						
Organic growth	-4,198	4,258	23%	-4,957	5,085	13%
Acquisitions and divestments	654	856	5%	1,302	1,721	4%
Exchange-rate effects	-48	-1,418	-9%	733	-3,478	-9%
Operating income (EBIT), SEK M	2,097	3,589	71%	4,848	6,776	40%
Operating margin (EBITA), %	11.2%	15.8%		12.2%	15.6%	
Operating margin (EBIT), %	10.5%	15.2%		11.5%	14.9%	
Income before tax, SEK M	1,892	3,441	82%	4,411	6,486	47%
Net income, SEK M	1,400	3,212	129%	3,264	5,465	67%
Operating cash flow, SEK M	3,418	3,627	6%	4,624	6,262	35%
Earnings per share, SEK	1.26	2.89	130%	2.94	4.92	68%

Comments by the President and CEO

Significant sales growth and margin recovery

During the last few months, we have seen positive signs that more markets are opening up again in parallel with the vaccine roll-out. This has resulted in increased mobility and activity level in most of our core markets. In combination with the sharp drop in activity level last year, this has led to a record organic sales growth of 23% in the second quarter. EMEA, which was most affected by the lockdowns last year, reports an organic sales growth of 39% with all regions growing strongly. Americas was up 26% and Entrance Systems grew by 21% as all their markets and product areas grew strongly. Global Technologies also reports a strong organic sales growth of 17%, but volumes in the travel related segments remain lower than before the pandemic. In Asia Pacific, the recovery is slower due to continued restrictions and lockdowns in many markets and the organic sales growth was flat.

Operating income increased by 71% to SEK 3,589 M and the operating margin was 15.2%, up 4.7 percentage points on last year. Despite significantly higher raw material and logistical costs, we achieved an operating leverage of 40%. Operating cash flow was strong and totaled SEK 3,627 M.

Accelerating growth

Demand in many markets has gradually improved and sales, adjusted for currency, are now back to or above pre-Covid levels in EMEA, Americas and Entrance Systems. We are therefore shifting our focus so as to accelerate our profitable growth – something we discussed in more detail at our Capital Markets Day in May. One important driver for growth is upgrading the installed base to incorporate electromechanical products and solutions and the pandemic is accelerating this transition. This also provides opportunities to accelerate our recurring revenue from licenses and software. The shift to more sustainable solutions is another important driver of growth. Product innovation will continue to be a key enabler for both of these initiatives.

Our acquisition strategy will also continue to boost our topline and we signed four acquisitions in the quarter. Two of these, Sure-Lock in the US and MR Group in Portugal, strengthen our position in the mature markets with products and solutions that complement our core mechanical business. We have also recently announced the divestment of our locksmith business CERTEGO in the Nordic market. This will streamline EMEA's channels to the market in the Nordic region and the transaction will be accretive for our operating margin.

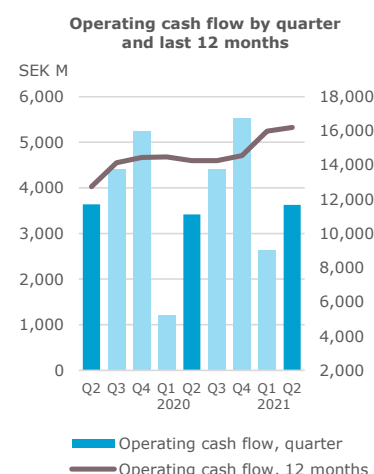
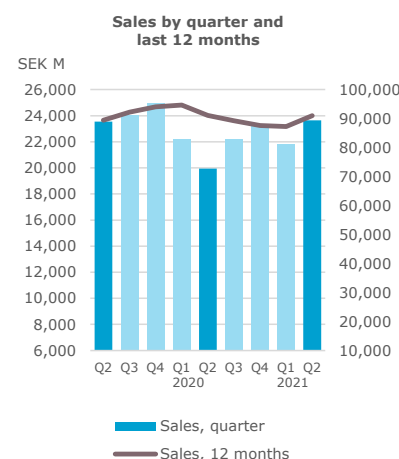
Since raw material costs have continued to increase during the second quarter we have continued to implement numerous price increases that largely offset the cost impact. During the quarter we have also worked hard to address the shortage of some components. Thanks to excellent operational execution, we were able to manage the different component shortages and logistical constraints in an efficient way, while maintaining our customer service at a high level.

As we look forward, we expect mobility to increase and demand in many markets and segments to normalize, apart from the travel-related verticals where restrictions are still delaying our recovery. I now look forward to working together with my colleagues on our long-term growth plans to accelerate our profitable growth.

Stockholm, 19 July 2021



Nico Delvaux
President and CEO



Second quarter

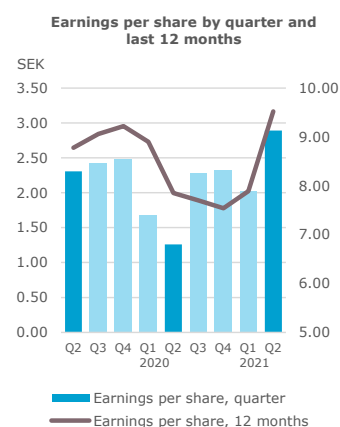
The Group's sales increased by 19% to SEK 23,648 M (19,953). Organic growth amounted to 23% (-18). Growth from acquisitions and divestments was 5% (3), of which 6% (3) came from acquisitions and -1% (-) from divestments. Exchange-rates affected sales by -9% (0).

The Group's operating income (EBIT) amounted to SEK 3,589 M (2,097), an increase of 71%. The corresponding operating margin was 15.2% (10.5). Exchange-rates had an impact of SEK -213 M (3) on EBIT. Operating income before amortizations from acquisitions (EBITA) amounted to SEK 3,740 M (2,237). The corresponding EBITA margin was 15.8% (11.2).

Net financial items amounted to SEK -148 M (-205). The Group's income before tax was SEK 3,441 M (1,892), an increase of 82% compared to last year. Exchange-rates had an impact of SEK -200 M (-1) on income before tax. The profit margin was 14.6% (9.5).

The effective income tax rate for the quarter was 7% (26). The year-on year change was due to a positive non-recurring tax effect from an intra-Group transfer of a trademark. The estimated effective income tax rate, on an annual basis and excluding items affecting comparability, is stable at 26% (25% for full year 2020).

Earnings per share amounted to SEK 2.89 (1.26), an increase of 130% compared with last year. Operating cash flow totaled SEK 3,627 M (3,418), an increase of 6% compared with last year. The cash conversion was good and amounted to 1.05 (1.81). The net-debt/equity ratio at the end of the quarter was 0.45 (0.58).



First half-year

The Group's sales for the first half of 2021 totaled SEK 45,454 M (42,126), representing an increase of 8%. Organic growth was 13% (-11). Growth from acquisitions and divestments was 4% (3), of which 6% (3) came from acquisitions and -1% (-) from divestments. Exchange-rates affected sales by -9% (2).

The Group's operating income (EBIT) amounted to SEK 6,776 M (4,848), an increase of 40% compared with last year. The corresponding operating margin was 14.9% (11.5). Operating income before amortizations from acquisitions (EBITA) amounted to SEK 7,082 M (5,122). The corresponding EBITA margin was 15.6% (12.2).

Earnings per share for the first half-year amounted to SEK 4.92 (2.94), an increase of 68% compared with last year. Operating cash flow totaled SEK 6,262 M (4,624), an increase of 35% compared with last year.

Events after the reporting period

On July 5 it was announced that ASSA ABLOY has signed an agreement to sell its Nordic locksmith business CERTEGO to Nalka Invest, which invests in small- and medium-sized businesses primarily in the Nordic region. The sale of CERTEGO will allow the EMEA division to reinforce its strategic focus on its core security solutions business.

CERTEGO is a market-leading locksmith and security solutions installation business in the Nordic area. It provides planning, installation and management of mechanical, electro-mechanical and electronic security solutions for customers in verticals of every kind. CERTEGO has a network of over 70 locations with some 1,200 employees in Sweden, Finland, Norway and Denmark. The impact of the divestment on ASSA ABLOY's external sales will be around SEK 1.5 bn.

The transaction will have a positive effect on ASSA ABLOY's operating margin going forward. The divestment will result in a capital loss and exit costs amounting to approximately SEK 200 M.

The acquisition is subject to regulatory approval and customary closing conditions and is expected to close during the third quarter of 2021.

Organization

Massimo Grassi has been appointed Executive Vice President and Head of Entrance Systems division from October 1, 2021. Massimo, who has previous experience from various senior positions at Stanley Black & Decker and other multi-national companies, holds a Mechanical Engineering degree from the University of Florence in Italy. He succeeds Christopher Norbye, who has decided to leave ASSA ABLOY for a CEO position outside the Group.

Christophe Sut, Executive Vice President and Head of the Global Solutions business unit in Global Technologies division, has decided to leave ASSA ABLOY for a new position outside the Group. Recruitment of his successor has started.

Mogens Jensen, Executive Vice President and Head of the Residential business segment in Entrance Systems division, retired from his position at the end of June 2021.

Restructuring measures

Payments related to all restructuring programs amounted to SEK 129 M (173) in the quarter. The restructuring programs proceeded according to plan and led to a reduction in personnel of 57 Full-Time Equivalents during the quarter. At the end of the quarter provisions of SEK 971 M remained in the balance sheet for carrying out the programs.

Comments by division

Opening Solutions EMEA

Sales for the quarter in EMEA totaled SEK 5,235 M (3,871), with organic growth of 39% (-25). Sales growth was strong in Scandinavia and very strong in the other market regions. Net sales growth from acquisitions, divestments and internal segment transfers was 0%. Operating income totaled SEK 782 M (220), which represents an operating margin of 14.9% (5.7). Return on capital employed, on an annualized basis, amounted to 16.1% (12.8). Operating cash flow before non-cash items and interest paid totaled SEK 801 M (585).

Opening Solutions Americas

Sales for the quarter in Americas totaled SEK 4,981 M (4,396), with organic growth of 26% (-18). Sales growth was very strong in all business areas and market regions. Sales growth from acquisitions was 1%. Operating income totaled SEK 1,017 M (769), which represents an operating margin of 20.4% (17.5). Return on capital employed, on an annualized basis, amounted to 28.1% (23.4). Operating cash flow before non-cash items and interest paid totaled SEK 1,412 M (1,244).

Opening Solutions Asia Pacific

Sales for the quarter in Asia Pacific totaled SEK 2,244 M (2,357), with organic growth of 0% (-17). Sales growth was good in Pacific and stable in South Korea, but sales declined in South East Asia and China. Sales growth from internal segment transfers was -1%. Operating income totaled SEK 202 M (167), which represents an operating margin of 9.0% (7.1). Return on capital employed, on an annualized basis, amounted to 7.8% (5.5). Operating cash flow before non-cash items and interest paid totaled SEK 151 M (307).

Global Technologies

Sales for the quarter in Global Technologies totaled SEK 3,641 M (3,253), with organic growth of 17% (-25). Sales growth was very strong in Secure Issuance, Physical Access Control and IDT and stable in Extended Access, but declined in IAM Solutions and Citizen ID. Sales growth in Global Solutions was very strong. Net sales growth from acquisitions and internal segment transfers was 4%. Operating income totaled SEK 573 M (328), which represents an operating margin of 15.7% (10.1). Return on capital employed, on an annualized basis, amounted to 9.9% (10.9). Operating cash flow before non-cash items and interest paid totaled SEK 804 M (564).

Entrance Systems

Sales for the quarter in Entrance Systems totaled SEK 8,007 M (6,552), with organic growth of 21% (-8). Sales growth was very strong in all business segments. Net sales growth from acquisitions and divestments was 12%. Operating income totaled SEK 1,196 M (745), which represents an operating margin of 14.9% (11.4). Return on capital employed, on an annualized basis, amounted to 15.5% (13.8). Operating cash flow before non-cash items and interest paid totaled SEK 923 M (1,159).

Acquisitions and divestments

Three acquisitions were consolidated during the quarter. The combined acquisition price for the businesses acquired during the year, including adjustments from prior-year acquisitions, amounted to SEK 475 M. The acquisition price on a cash and debt free basis totaled SEK 491 M. Preliminary acquisition analyses indicate that goodwill and other intangible assets with indefinite useful life amount to SEK 301 M. Estimated deferred considerations for acquisitions made during the year amounted to SEK 74 M.

On May 21 it was announced that ASSA ABLOY has acquired Sure-Loc, a leading supplier of residential locks and associated hardware in the US. The business has some 45 employees with its head office located in Salt Lake City, USA. Sales for 2020 amounted to around SEK 120 M.

On June 2 it was announced that ASSA ABLOY has signed an agreement to acquire MR Group's hardware division, a leading hardware supplier in Portugal. The business has about 380 employees with its head office located in Águeda, Portugal. Sales for 2020 amounted to about SEK 230 M. The acquisition is subject to regulatory approval and customary closing conditions and is expected to close during the third quarter of 2021.

Sustainable development

ASSA ABLOY continuously strives to reduce its carbon emissions. By sourcing energy from clean, renewable resources such as hydropower, wind power, and photovoltaic solar energy, the Group can lower the environmental impact compared to fossil fuels such as oil, coal, and natural gas.

During the last year, 11 key sites in the EMEA division were able to increase substantially the amount of energy procured from renewable resources. This means that in Q1 2021, 85% of the electricity purchased came from renewable resources, compared to 47% in Q1 2020. Over the same period, the ASSA ABLOY Group increased the percentage of renewable electricity from 28% to 40%.

In tandem, we continue to focus on increasing the energy efficiency of all our sites, through our Green Teams and by applying the Lean Kaizen methodology to reduce energy waste.

Parent company

Other operating income for the Parent company ASSA ABLOY AB totaled SEK 2,492 M (2,399) for the first half-year of 2021. Operating income for the same period amounted to SEK 497 M (494). Investments in tangible and intangible assets totaled SEK 4,201 M (10). Liquidity is good and the equity ratio is 42.0% (39.6).

Accounting principles

ASSA ABLOY applies International Financial Reporting Standards (IFRS) as endorsed by the European Union. The same accounting and valuation principles as in the latest Annual Report have been applied. No new or amended standards with material impact on the Group's financial reports have been applied for the first time in 2021.

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

ASSA ABLOY makes use of a number of financial performance measures that are not defined in the reporting rules that the company uses – so-called 'alternative performance measures'. For definitions of financial performance measures, refer to Page 20 of this Report and to the company's latest Annual Report.

As from 2021 ASSA ABLOY has changed its definition of the financial performance measure "Return on capital employed". The measure is now calculated as a rolling Operating income (EBIT), excluding Items Affecting Comparability, for the last twelve months as a percentage of average capital employed excluding restructuring provisions for the same period.

The calculation of the performance measure “Return on equity” has also been adjusted from 2021. The new definition takes a rolling Net income attributable to the parent company’s shareholders for the last twelve months as a percentage of average parent company’s shareholders equity for the same period.

All comparative numbers for both performance measures have been recalculated in the interim report.

To check how the financial measurements have been calculated for current and earlier periods, refer to the tabulated figures in this Quarterly Report and to the company’s Annual Report. The Annual Reports for the years 1994 to 2020 appear on the company’s website www.assaabloy.com.

Totals quoted in tables and statements may not always be the exact sum of the individual items because of rounding differences. The aim is that each line item should correspond to its source, and rounding differences may therefore arise.

Transactions with related parties

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

Risks and uncertainty factors

ASSA ABLOY is an international Group with a wide geographical spread, involving exposure to various forms of strategic, operational and financial risks. Strategic risks refer to changes in the business environment with potentially significant effects on ASSA ABLOY’s operations and business objectives. Operational risks comprise risks directly attributable to business operations, entailing a potential impact on the Group’s financial position and performance. Financial risks mainly comprise financing risk, currency risk, interest rate risk, credit risk, and risks associated with the Group’s pension obligations.

Risk-taking in itself provides opportunities for continued economic growth, but naturally the risks may also have a negative impact on business operations and company goals. It is therefore essential to have a systematic and efficient risk assessment process and an effective risk management program in general. The purpose of risk management at ASSA ABLOY is not to avoid risks, but to take a controlled approach to identifying, managing and minimizing the effects of these risks. This work is based on an assessment of the probability of the risks and their potential impact on the Group.

The Covid-19 pandemic has had a substantial business impact on ASSA ABLOY. The continued impact of the pandemic on the business is difficult to predict due to the uncertainty of market conditions, but the health and safety of our employees remains our first priority.

For a more detailed description of particular risks and risk management, please see the 2020 Annual Report.

M&A and FX guidance

The guidance below relating to two key figures is provided to facilitate financial modeling but should not be viewed as forecasting market outlooks or ASSA ABLOY's business performance.

Acquisitions and divestments

It is estimated that completed acquisitions and divestments, on a rolling 12-month basis at 30 June 2021, will have an effect of 3% on sales in the third quarter of 2021 versus the same period last year, while the effect on the operating margin is estimated to be strongly dilutive in the third quarter of 2021.

Exchange-rate effects

On the basis of the currency rates on 30 June 2021, it is estimated that the weighted currency effects on sales in the third quarter of 2021 versus the same period last year will be -3%, while the effect on the operating margin is estimated to be dilutive in the third quarter of 2021.

Certification

The Board of Directors and the President and CEO declare that this half-year report gives an accurate picture of the Parent Company's and the Group's operations, position and income and describes significant risks and uncertainty factors faced by the Parent Company and the companies making up the Group.

Stockholm, 19 July 2021

Lars Renström
Chairman

Carl Douglas
Vice Chairman

Nico Delvaux
President and CEO

Johan Hjertonsson
Board member

Eva Karlsson
Board member

Lena Olving
Board member

Susanne Pahlén Åklundh
Board member

Sofia Schörling Högberg
Board member

Joakim Weidemanis
Board member

Rune Hjälms
Employee representative

Mats Persson
Employee representative

Review Report

ASSA ABLOY AB, org.no 556059-3575

Introduction

We have reviewed the condensed interim report for ASSA ABLOY AB as at June 30, 2021 and for the six months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, 19 July 2021

Ernst & Young AB

Hamish Mabon
Authorized Public Accountant

Financial information

The Quarterly Report for the third quarter of 2021 will be published on 27 October 2021.

The Year-end Report and Quarterly Report for the fourth quarter will be published on 4 February 2022.

Further information can be obtained from:

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Erik Pieder,
Executive Vice President and CFO, tel.no: +46 8 506 485 72

ASSA ABLOY is holding a **telephone and web conference**
at 09.30 on 19 July 2021
which can be followed on the Internet at www.assaabloy.com.

It is possible to submit questions by telephone on:
+46 8 566 427 05, +44 333 300 9269 or +1 646 722 4903

This is information that ASSA ABLOY AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 08.00 CEST on 19 July 2021.

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Corporate identity number: 556059-3575

No.14/2021

Financial information – Group

CONDENSED INCOME STATEMENT

SEK M	Q2		Jan-Jun	
	2020	2021	2020	2021
Sales	19,953	23,648	42,126	45,454
Cost of goods sold	-12,305	-14,210	-25,505	-27,294
Gross income	7,648	9,438	16,621	18,159
Selling, administrative and R&D costs	-5,593	-5,851	-11,859	-11,388
Share of earnings in associates	42	3	86	5
Operating income	2,097	3,589	4,848	6,776
Finance net	-205	-148	-437	-290
Income before tax	1,892	3,441	4,411	6,486
Tax on income	-492	-229	-1,147	-1,021
Net income for the period	1,400	3,212	3,264	5,465
Net income for the period attributable to:				
Parent company's shareholders	1,399	3,212	3,263	5,465
Non-controlling interests	1	0	2	0
Earnings per share				
Before and after dilution, SEK	1.26	2.89	2.94	4.92
Before and after dilution and excluding items affecting comparability, SEK	1.26	2.89	2.94	4.92

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

SEK M	Q2		Jan-Jun	
	2020	2021	2020	2021
Net income for the period	1,400	3,212	3,264	5,465
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Actuarial gain/loss on post-employment benefit obligations, net after tax	-301	33	-403	491
Total	-301	33	-403	491
Items that may be reclassified subsequently to profit or loss				
Share of other comprehensive income of associates	-101	-9	18	-20
Cashflow hedges and net investment hedges, net after tax	23	3	-2	-10
Exchange rate differences	-2,877	-782	-821	1,351
Total	-2,955	-788	-805	1,321
Total comprehensive income for the period	-1,857	2,456	2,055	7,277
Total comprehensive income for the period attributable to:				
Parent company's shareholders	-1,857	2,457	2,054	7,277
Non-controlling interests	0	0	2	0

Financial information – Group

CONDENSED BALANCE SHEET

SEK M	31 Dec	30 Jun	
	2020	2020	2021
ASSETS			
Non-current assets			
Intangible assets	72,452	70,745	74,201
Property, plant and equipment	8,026	8,562	8,186
Right-of-use assets	3,513	3,592	3,466
Investments in associates	637	2,665	626
Other financial assets	212	109	259
Deferred tax assets	1,338	1,381	1,494
Total non-current assets	86,178	87,054	88,232
Current assets			
Inventories	10,079	11,520	11,381
Trade receivables	13,665	13,718	15,091
Other current receivables and investments	4,750	5,293	4,594
Cash and cash equivalents	2,756	3,726	3,544
Total current assets	31,250	34,257	34,611
TOTAL ASSETS	117,428	121,311	122,843
EQUITY AND LIABILITIES			
Equity			
Equity attributable to Parent company's shareholders	58,870	58,980	63,953
Non-controlling interests	9	12	9
Total equity	58,879	58,992	63,962
Non-current liabilities			
Long-term loans	22,381	24,384	20,900
Non-current lease liabilities	2,477	2,513	2,197
Deferred tax liabilities	2,868	2,434	2,430
Other non-current liabilities and provisions	4,958	5,300	4,224
Total non-current liabilities	32,683	34,632	29,750
Current liabilities			
Short-term loans	3,514	6,469	4,876
Current lease liabilities	1,085	1,101	1,333
Trade payables	7,027	6,581	8,035
Other current liabilities and provisions	14,238	13,537	14,886
Total current liabilities	25,865	27,688	29,131
TOTAL EQUITY AND LIABILITIES	117,428	121,311	122,843

CHANGES IN EQUITY

SEK M	Equity attributable to:		Total equity
	Parent company's shareholders	Non-controlling interests	
Opening balance 1 January 2020	59,143	11	59,154
Net income for the period	3,263	2	3,264
Other comprehensive income	-1,209	0	-1,209
Total comprehensive income	2,054	2	2,055
Dividend	-2,222	-1	-2,222
Stock purchase plans	4	-	4
Total transactions with shareholders	-2,218	-1	-2,218
Closing balance 30 June 2020	58,980	12	58,992
Opening balance 1 January 2021	58,870	9	58,879
Net income for the period	5,465	0	5,465
Other comprehensive income	1,811	0	1,812
Total comprehensive income	7,277	0	7,277
Dividend	-2,166	-1	-2,167
Stock purchase plans	-28	-	-28
Total transactions with shareholders	-2,194	-1	-2,195
Closing balance 30 June 2021	63,953	9	63,962

Financial information – Group

CONDENSED STATEMENT OF CASH FLOWS SEK M	Q2		Jan-Jun	
	2020	2021	2020	2021
OPERATING ACTIVITIES				
Operating income	2,097	3,589	4,848	6,776
Depreciation and amortization	927	963	1,852	1,892
Restructuring payments	-173	-129	-255	-267
Other non-cash items	-58	-39	-54	-95
Cash flow before interest and tax	2,794	4,385	6,391	8,305
Interest paid and received	-244	-175	-416	-297
Tax paid on income	-474	-820	-1,352	-1,352
Cash flow before changes in working capital	2,076	3,390	4,623	6,656
Changes in working capital	1,460	-9	-25	-710
Cash flow from operating activities	3,536	3,381	4,599	5,947
INVESTING ACTIVITIES				
Net investments in intangible assets and property, plant and equipment	-442	-388	-933	-677
Investments in subsidiaries	-84	-429	-1,555	-724
Divestments of subsidiaries	27	12	27	46
Other investments and disposals	0	-42	0	-42
Cash flow from investing activities	-500	-847	-2,461	-1,398
FINANCING ACTIVITIES				
Dividends	-2,222	-2,167	-2,222	-2,167
Amortization of lease liabilities	-322	-315	-649	-627
Net cash effect of changes in borrowings	1,572	-115	4,027	-977
Cash flow from financing activities	-972	-2,597	1,156	-3,770
CASH FLOW FOR THE PERIOD	2,064	-62	3,294	779
CASH AND CASH EQUIVALENTS				
Cash and cash equivalents at beginning of period	1,676	3,610	442	2,756
Cash flow for the period	2,064	-62	3,294	779
Effect of exchange rate differences	-14	-3	-10	9
Cash and cash equivalents at end of period	3,726	3,544	3,726	3,544

Quarterly information – Group

THE GROUP IN SUMMARY											Jan-Jun	Jan-Jun	Year	Last 12
SEK M	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	2020	2021	2020	2020	months
Sales	23,544	24,034	24,946	22,173	19,953	22,225	23,298	21,805	23,648	42,126	45,454	87,649	90,976	-
Organic growth	3%	4%	1%	-3%	-18%	-5%	-5%	4%	23%	-11%	13%	-8%	-	-
Gross income ¹	9,500	9,625	9,979	8,973	7,648	9,026	9,278	8,722	9,438	16,621	18,159	34,925	36,463	36,463
Gross margin ¹	40.4%	40.0%	40.0%	40.5%	38.3%	40.6%	39.8%	40.0%	39.9%	39.5%	40.0%	39.8%	40.1%	40.1%
EBITDA ¹	4,568	4,736	4,969	3,676	3,024	4,505	4,487	4,115	4,552	6,700	8,668	15,692	17,660	17,660
EBITDA margin ¹	19.4%	19.7%	19.9%	16.6%	15.2%	20.3%	19.3%	18.9%	19.3%	15.9%	19.1%	17.9%	19.4%	19.4%
Depreciation, excl attrib. to business combinations	-716	-726	-781	-792	-787	-771	-853	-774	-812	-1,579	-1,586	-3,202	-3,210	-3,210
EBITA ¹	3,852	4,010	4,188	2,884	2,237	3,734	3,634	3,341	3,740	5,122	7,082	12,490	14,450	14,450
EBITA margin ¹	16.4%	16.7%	16.8%	13.0%	11.2%	16.8%	15.6%	15.3%	15.8%	12.2%	15.6%	14.3%	15.9%	15.9%
Amortization attrib. to business combinations	-120	-115	-141	-133	-141	-142	-159	-154	-151	-274	-305	-574	-606	-606
Operating income (EBIT) ¹	3,733	3,894	4,047	2,751	2,097	3,593	3,475	3,187	3,589	4,848	6,776	11,916	13,844	13,844
Operating margin (EBIT) ¹	15.9%	16.2%	16.2%	12.4%	10.5%	16.2%	14.9%	14.6%	15.2%	11.5%	14.9%	13.6%	15.2%	15.2%
Items affecting comparability	-	-	-312	-	-	1 910	-1,367	-	-	-	-	542	542	542
Operating income (EBIT)	3,733	3,894	3,735	2,751	2,097	5,502	2,108	3,187	3,589	4,848	6,776	12,458	14,386	14,386
Operating margin (EBIT)	15.9%	16.2%	15.0%	12.4%	10.5%	24.8%	9.0%	14.6%	15.2%	11.5%	14.9%	14.2%	15.8%	15.8%
Net financial items	-271	-250	-268	-232	-205	-176	-169	-142	-148	-437	-290	-782	-635	-635
Income before tax	3,462	3,645	3,467	2,519	1,892	5,326	1,938	3,045	3,441	4,411	6,486	11,676	13,751	13,751
Profit margin	14.7%	15.2%	13.9%	11.4%	9.5%	24.0%	8.3%	14.0%	14.6%	10.5%	14.3%	13.3%	15.1%	15.1%
Tax on income	-900	-948	-947	-655	-492	-888	-469	-792	-229	-1,147	-1,021	-2,504	-2,378	-2,378
Net income for the period	2,562	2,697	2,520	1,864	1,400	4,438	1,470	2,253	3,212	3,264	5,465	9,172	11,373	11,373
Net income attributable to:														
Parent company's shareholders	2,561	2,696	2,517	1,864	1,399	4,437	1,471	2,253	3,212	3,263	5,465	9,171	11,374	11,374
Non-controlling interests	0	1	3	1	1	1	-1	0	0	2	0	1	-1	-1
OPERATING CASH FLOW											Jan-Jun	Jan-Jun	Year	Last 12
SEK M	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	2020	2021	2020	2020	months
Operating income (EBIT)	3,733	3,894	3,735	2,751	2,097	5,502	2,108	3,187	3,589	4,848	6,776	12,458	14,386	14,386
Reversal items affecting comparability	-	-	312	-	-	-1,910	1,367	-	-	0	-	-542	-542	-542
Depreciation and amortization	835	842	922	925	927	912	1,012	929	963	1,852	1,892	3,776	3,816	3,816
Net capital expenditure	-406	-410	-525	-491	-442	-301	-439	-289	-388	-933	-677	-1,674	-1,417	-1,417
Change in working capital	242	591	1,364	-1,485	1,460	820	1,811	-701	-9	-25	-710	2,606	1,921	1,921
Interest paid and received	-277	-179	-233	-172	-244	-90	-189	-122	-175	-416	-297	-694	-575	-575
Repayment of lease liabilities	-281	-300	-316	-326	-322	-308	-319	-311	-315	-649	-627	-1,275	-1,253	-1,253
Non-cash items	-210	-37	-24	4	-58	-219	178	-57	-39	-54	-95	-95	-137	-137
Operating cash flow	3,636	4,401	5,235	1,206	3,418	4,407	5,529	2,636	3,627	4,624	6,262	14,560	16,198	16,198
Cash conversion	1.05	1.21	1.39	0.48	1.81	1.29	1.67	0.87	1.05	1.05	0.97	1.31	1.23	1.23
CHANGE IN NET DEBT											Jan-Jun	Jan-Jun	Year	Last 12
SEK M	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	2020	2021	2020	2020	months
Net debt at beginning of period	35,100	37,620	36,843	33,050	36,371	34,112	35,059	29,755	29,160	33,050	29,755	33,050	34,112	34,112
Operating cash flow	-3,636	-4,401	-5,235	-1,206	-3,418	-4,407	-5,529	-2,636	-3,627	-4,624	-6,262	-14,560	-16,198	-16,198
Restructuring payments	123	181	261	83	173	155	337	138	129	255	267	747	759	759
Tax paid on income	942	577	1,651	878	474	1,104	648	532	820	1,352	1,352	3,104	3,104	3,104
Acquisitions and divestments	964	1,425	1,018	1,584	86	4,331	-497	385	472	1,670	858	5,504	4,691	4,691
Dividend	3,888	-	-	-	2,222	-	2,055	-	2,167	2,222	2,167	4,277	4,221	4,221
Actuarial gain/loss on post-employment benefit oblig.	210	289	-316	139	407	94	-321	-619	-44	546	-663	319	-891	-891
Change to lease liabilities	-111	-51	47	-1	-110	98	-93	-29	-97	-111	-126	-106	-121	-121
Exchange rate differences, etc.	140	1,203	-1,218	1,845	-2,093	-428	-1,904	1,633	-471	-248	1,163	-2,580	-1,169	-1,169
Net debt at end of period	37,620	36,843	33,050	36,371	34,112	35,059	29,755	29,160	28,509	34,112	28,509	29,755	28,509	28,509
Net debt/Equity	0.70	0.64	0.56	0.58	0.58	0.56	0.51	0.46	0.45					
NET DEBT											Jan-Jun	Jan-Jun	Year	Last 12
SEK M	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	2020	2021	2020	2020	months
Interest-bearing assets	-144	-113	-100	-108	-76	-47	-205	-189	-176	-144	-113	-100	-108	-108
Cash and cash equivalents	-355	-459	-442	-1,676	-3,726	-4,906	-2,756	-3,610	-3,544	-4,624	-6,262	-14,560	-16,198	-16,198
Derivative financial instruments, net	-127	8	-53	-469	-441	-350	-255	83	1	255	267	747	759	759
Pension provisions	3,324	3,717	3,346	3,642	3,887	4,164	3,514	2,995	2,922	1,352	1,352	3,104	3,104	3,104
Lease liabilities	3,694	3,746	3,739	3,924	3,614	3,818	3,562	3,678	3,530	1,670	858	5,504	4,691	4,691
Interest-bearing liabilities	31,228	29,944	26,560	31,059	30,853	32,379	25,895	26,202	25,776	2,222	2,167	4,277	4,221	4,221
Total	37,620	36,843	33,050	36,371	34,112	35,059	29,755	29,160	28,509	34,112	28,509	29,755	28,509	28,509
CAPITAL EMPLOYED AND FINANCING											Jan-Jun	Jan-Jun	Year	Last 12
SEK M	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	2020	2021	2020	2020	months
Capital employed	91,334	94,796	92,204	99,428	93,103	97,232	88,634	92,818	92,471	91,334	94,796	92,204	99,428	99,428
- of which goodwill	56,179	59,134	57,662	61,573	58,243	64,013	58,344	60,822	60,198	56,179	59,134	57,662	61,573	61,573
- of which other intangible assets and PPE	20,386	21,296	21,191	22,189	21,064	21,613	22,134	22,775	22,190	20,386	21,296	21,191	22,189	22,189
- of which right-of-use assets	3,705	3,746	3,731	3,909	3,592	3,779	3,513	3,619	3,466	3,705	3,746	3,731	3,909	3,909
- of which investments in associates	2,534	2,643	2,595	2,772	2,665	685	637	638	626	2,534	2,643	2,595	2,772	2,772
Net debt	37,620	36,843	33,050	36,371	34,112	35,059	29,755	29,160	28,509	37,620	36,843	33,050	36,371	36,371
Non-controlling interests	6	8	11	13	12	12	9	10	9	6	8	11	13	13
Equity attributable to Parent company's shareholders	53,708	57,946	59,143	63,044	58,980	62,161	58,870	63,649	63,953	53,708	57,946	59,143	63,044	63,044
OTHER KEY RATIOS											Jan-Jun	Jan-Jun	Year	Last 12
SEK M	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	2020	2021	2020	2020	months
Earnings per share, SEK	2,31	2,43	2,27	1,68	1,26	3,99	1,32	2,03	2,89	2,31	2,43	2,27	1,68	1,68
Earnings per share, excl IAC, SEK ¹	2,31	2,43	2,49	1,68	1,26	2,28	2,33	2,03	2,89	2,31	2,43	2,49	1,68	1,68
Shareholders' equity per share, SEK	48,35	52,17	53,25	56,76	53,10	55,96	53,00	57,30	57,57	48,35	52,17	53,25	56,76	56,76
Return on capital employed	16.4%	16.3%	16.2%	15.2%	13.4%	13.1%	12.5%	13.1%	14.9%	16.4%	16.3%	16.2%	15.2%	15.2%
Return on equity	17.2%	16.9%	18.0%	16.3%	15.0%	17.0%	15.5%	15.1%	18.5%	17.2%	16.9%	18.0%	16.3%	16.3%
Net debt/EBITDA	2.2	2.1	1.8	2.0	2.1	2.2	1.9	1.8	1.6	2.2	2.1	1.8	2.0	2.0
Average number of employees	49,218	49,136	48,992	48,801	46,979	47,553	48,471	49,685	50,727	49,218	49,136	48,992	48,801	48,801
Average number of shares, thousands	1,110,776	1,110,776	1,110,776	1,110,776	1,110,776	1,110,776	1,110,776	1,110,776	1,110,776	1,110,776	1,110,776	1,110,776	1,110,776	1,110,776

¹⁾ Excluding items affecting comparability (IAC) consisting of restructuring costs and revaluation of previously owned shares in associates.

Reporting by division

Q2 and 30 Jun

SEK M	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Sales, external	3,752	5,126	4,379	4,947	2,067	1,989	3,232	3,610	6,523	7,976	-	-	19,953	23,648
Sales, internal	120	109	17	34	290	254	20	31	29	31	-477	-458	-	-
Sales	3,871	5,235	4,396	4,981	2,357	2,244	3,253	3,641	6,552	8,007	-477	-458	19,953	23,648
Organic growth	-25%	39%	-18%	26%	-17%	0%	-25%	17%	-8%	21%	-	-	-18%	23%
Acquisitions and divestments	-1%	0%	-9%	1%	-1%	-1%	13%	4%	12%	12%	-	-	3%	5%
Exchange-rate effects	-1%	-4%	2%	-14%	-1%	-4%	0%	-9%	0%	-11%	-	-	0%	-9%
Share of earnings in associates	-	-	-	-	5	3	-	-	37	-	-	-	42	3
Operating income (EBIT)	220	782	769	1,017	167	202	328	573	745	1,196	-132	-181	2,097	3,589
Operating margin (EBIT)	5.7%	14.9%	17.5%	20.4%	7.1%	9.0%	10.1%	15.7%	11.4%	14.9%	-	-	10.5%	15.2%
Operating income (EBIT)	220	782	769	1,017	167	202	328	573	745	1,196	-132	-181	2,097	3,589
Depreciation and amortization	234	230	121	149	92	76	228	226	246	273	7	9	927	963
Net capital expenditure	-110	-123	-74	-101	-64	-25	-130	-54	-63	-85	-1	0	-442	-388
Amortization of lease liabilities	-79	-87	-32	-37	-25	-24	-36	-35	-146	-128	-3	-4	-322	-315
Change in working capital	321	-1	459	383	138	-77	175	94	377	-333	-10	-75	1,460	-9
Operating cash flow by division	585	801	1,244	1,412	307	151	564	804	1,159	923	-140	-251	3,719	3,840
Non-cash items											-58	-39	-58	-39
Interest paid and received											-244	-175	-244	-175
Operating cash flow													3,418	3,627

Jan-Jun and 30 Jun

SEK M	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Sales, external	8,680	10,082	9,628	9,506	3,461	3,533	7,135	6,885	13,222	15,448	-	-	42,126	45,454
Sales, internal	236	210	40	79	484	483	51	57	57	58	-867	-888	-	-
Sales	8,916	10,292	9,668	9,585	3,945	4,017	7,186	6,942	13,279	15,506	-867	-888	42,126	45,454
Organic growth	-14%	20%	-8%	12%	-25%	9%	-13%	3%	-4%	16%	-	-	-11%	13%
Acquisitions and divestments	-1%	1%	-8%	1%	1%	-2%	13%	3%	11%	12%	-	-	3%	4%
Exchange-rate effects	0%	-6%	3%	-14%	0%	-5%	2%	-9%	2%	-11%	-	-	2%	-9%
Share of earnings in associates	-	-	-	-	9	5	-	-	77	-	-	-	86	5
Operating income (EBIT)	827	1,537	1,817	1,971	14	280	891	1,045	1,567	2,292	-268	-349	4,848	6,776
Operating margin (EBIT)	9.3%	14.9%	18.8%	20.6%	0.4%	7.0%	12.4%	15.1%	11.8%	14.8%	-	-	11.5%	14.9%
Operating income (EBIT)	827	1,537	1,817	1,971	14	280	891	1,045	1,567	2,292	-268	-349	4,848	6,776
Depreciation and amortization	462	461	246	261	183	154	453	453	493	544	14	19	1,852	1,892
Net capital expenditure	-225	-205	-193	-167	-107	-65	-255	-92	-151	-147	-3	-1	-933	-677
Amortization of lease liabilities	-162	-168	-65	-71	-54	-48	-74	-71	-287	-262	-7	-6	-649	-627
Change in working capital	-186	-237	19	144	-23	-264	-89	98	391	-445	-138	-6	-25	-710
Operating cash flow by division	717	1,388	1,824	2,139	14	57	927	1,434	2,014	1,981	-402	-344	5,094	6,655
Non-cash items											-54	-95	-54	-95
Interest paid and received											-416	-297	-416	-297
Operating cash flow													4,624	6,262
Capital employed	18,873	18,104	14,934	14,171	8,492	8,000	22,780	21,609	27,772	31,039	251	-452	93,103	92,471
- of which goodwill	10,907	11,168	11,559	11,133	4,079	3,811	15,679	15,370	16,018	18,716	-	-	58,243	60,198
- of which other intangible assets and PPE	3,949	3,516	3,149	2,804	2,471	2,351	5,691	5,073	5,740	8,355	64	90	21,064	22,190
- of which right-of-use assets	939	947	415	389	203	255	514	516	1,509	1,311	12	47	3,592	3,466
- of which investments in associates	1	1	-	-	650	577	23	28	1,992	20	-	-	2,665	626
<i>Return on capital employed</i>	<i>12.8%</i>	<i>16.1%</i>	<i>23.4%</i>	<i>28.1%</i>	<i>5.5%</i>	<i>7.8%</i>	<i>10.9%</i>	<i>9.9%</i>	<i>13.8%</i>	<i>15.5%</i>	-	-	<i>13.4%</i>	<i>14.9%</i>
Average number of employees	10,049	12,235	8,492	8,963	9,816	8,419	6,454	6,438	11,802	14,413	366	260	46,979	50,727

Reporting by division

Q1-Q4 and 31 Dec

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Sales, external	20,707	18,563	23,082	18,907	9,477	7,916	15,321	14,054	25,442	28,210	-	-	94,029	87,649
Sales, internal	438	418	90	107	1,213	926	102	105	110	113	-1,953	-1,668	-	-
Sales	21,144	18,982	23,172	19,013	10,689	8,841	15,423	14,158	25,553	28,323	-1,953	-1,668	94,029	87,649
Organic growth	2%	-8%	7%	-7%	-1%	-16%	5%	-15%	2%	-2%	-	-	3%	-8%
Acquisitions and divestments	0%	-1%	2%	-9%	5%	1%	16%	10%	1%	15%	-	-	3%	4%
Exchange-rate effects	3%	-1%	8%	-2%	3%	-2%	8%	-3%	5%	-2%	-	-	6%	-3%
Share of earnings in associates	-	-	-	-	17	9	5	9	124	239	-	-	147	257
EBIT, excl IAC	3,396	2,263	4,673	3,698	879	396	2,890	2,023	3,652	4,083	-570	-547	14,920	11,916
EBIT margin, excl. IAC	16.1%	11.9%	20.2%	19.4%	8.2%	4.5%	18.7%	14.3%	14.3%	14.4%	-	-	15.9%	13.6%
Restructuring costs	-185	-448	-	-51	-6	-303	-4	-195	-116	-220	-	-150	-312	-1,366
Revaluation previously owned shares in associates	-	-	-	-	-	-	-	-	-	1,909	-	-	-	1,909
Operating income (EBIT)	3,211	1,815	4,673	3,647	873	93	2,885	1,828	3,535	5,772	-570	-697	14,608	12,458
Operating margin (EBIT)	15.2%	9.6%	20.2%	19.2%	8.2%	1.1%	18.7%	12.9%	13.8%	20.4%	-	-	15.5%	14.2%
Capital employed	18,659	16,849	19,678	13,201	9,053	8,191	22,329	21,044	23,024	30,231	-539	-883	92,204	88,634
- of which goodwill	11,121	10,475	14,105	10,444	4,168	3,884	15,459	14,881	12,809	18,660	-	-	57,662	58,344
- of which other intangible assets and PPE	4,092	3,485	4,423	2,713	2,469	2,375	5,632	5,100	4,451	8,362	124	99	21,191	22,134
- of which right-of-use assets	990	998	499	387	260	264	463	457	1,499	1,390	19	17	3,731	3,513
- of which investments in associates	1	1	-	-	637	589	23	28	1,935	20	-	-	2,595	637
Return on capital employed	17.2%	11.9%	23.3%	24.4%	10.0%	4.4%	13.5%	8.9%	15.8%	13.9%	-	-	16.2%	12.5%
Operating income (EBIT)	3,211	1,815	4,673	3,647	873	93	2,885	1,828	3,535	5,772	-570	-697	14,608	12,458
Restructuring costs	185	448	-	51	6	303	4	195	116	220	-	150	312	1,366
Revaluation previously owned shares in associates	-	-	-	-	-	-	-	-	-	-1,909	-	-	-	-1,909
Depreciation and amortization	813	925	569	471	381	355	793	917	794	1,078	36	30	3,387	3,776
Net capital expenditure	-454	-407	-348	-267	-220	-192	-366	-430	-276	-330	3	-47	-1,662	-1,674
Amortization of lease liabilities	-295	-318	-149	-132	-100	-108	-129	-144	-477	-559	-9	-14	-1,159	-1,275
Change in working capital	53	476	517	1,067	-319	311	-5	144	-38	702	-61	-94	148	2,606
Operating cash flow by division	3,515	2,939	5,263	4,837	622	762	3,183	2,509	3,655	4,974	-602	-673	15,635	15,349
Non-cash items	-	-	-	-	-	-	-	-	-	-	-324	-95	-324	-95
Interest paid and received	-	-	-	-	-	-	-	-	-	-	-869	-694	-869	-694
Operating cash flow													14,442	14,560
Average number of employees	11,373	10,281	9,360	8,787	11,016	9,892	5,594	6,374	11,313	12,883	336	254	48,992	48,471

Financial information - Notes

NOTE 1 DISAGGREGATION OF REVENUE

Sales by continent Q2

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Europe	3,414	4,542	8	19	148	144	840	1,033	2,474	3,614	-209	-203	6,675	9,150
North America	105	110	4,113	4,433	215	243	1,521	1,747	3,567	3,860	-178	-156	9,342	10,238
Central- and South America	15	19	255	489	10	8	80	89	24	18	-13	-12	371	611
Africa	110	272	1	3	5	4	105	60	15	8	-7	-9	230	337
Asia	194	263	18	35	1,430	1,235	511	507	290	256	-37	-49	2,405	2,247
Oceania	34	29	1	2	549	609	196	204	182	251	-33	-30	929	1,065
Total	3,871	5,235	4,396	4,981	2,357	2,244	3,253	3,641	6,552	8,007	-477	-458	19,953	23,648

Sales by continent Jan-Jun

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Europe	7,892	8,998	19	48	250	288	1,895	1,982	5,325	7,124	-370	-417	15,011	18,022
North America	224	201	8,973	8,531	398	442	3,465	3,362	7,030	7,357	-318	-285	19,772	19,608
Central- and South America	33	34	628	930	24	19	198	164	38	34	-25	-22	895	1,160
Africa	279	468	5	5	9	5	217	125	31	25	-13	-18	528	611
Asia	425	537	40	67	2,162	2,104	1,039	936	514	494	-77	-90	4,103	4,048
Oceania	64	54	3	4	1,102	1,159	372	372	341	472	-64	-57	1,817	2,005
Total	8,916	10,292	9,668	9,585	3,945	4,017	7,186	6,942	13,279	15,506	-867	-888	42,126	45,454

Sales by product group Q2

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Mechanical locks, lock systems and fittings	1,786	2,515	1,790	2,146	1,133	1,120	70	87	1	2	-185	-162	4,595	5,707
Electromechanical and electronic locks	1,321	1,692	1,102	1,242	550	505	3,130	3,529	147	230	-233	-235	6,017	6,962
Security doors and hardware	654	866	1,496	1,584	658	596	52	25	610	709	-26	-26	3,444	3,755
Entrance automation	109	161	9	8	17	23	-	-	5,793	7,066	-32	-35	5,896	7,223
Total	3,871	5,235	4,396	4,981	2,357	2,244	3,253	3,641	6,552	8,007	-477	-458	19,953	23,648

Sales by product group Jan-Jun

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Mechanical locks, lock systems and fittings	4,224	4,958	3,998	4,120	2,026	2,037	155	165	3	4	-350	-324	10,056	10,959
Electromechanical and electronic locks	2,982	3,357	2,404	2,378	812	888	6,912	6,740	352	501	-407	-445	13,055	13,419
Security doors and hardware	1,475	1,686	3,248	3,072	1,079	1,052	119	37	1,186	1,399	-47	-51	7,061	7,195
Entrance automation	235	291	17	15	28	40	-	-	11,738	13,602	-64	-67	11,954	13,880
Total	8,916	10,292	9,668	9,585	3,945	4,017	7,186	6,942	13,279	15,506	-867	-888	42,126	45,454

NOTE 2 BUSINESS COMBINATIONS

Consolidated acquisitions 2021

Acquisition	Division	Country	Number of employees	Approx. sales in 2020	Month of consolidation
Traka Iberia	Global Technologies	Spain	<50	<50 SEK M	2021-02
Technology Solutions	Global Technologies	UK	25	30 SEK M	2021-02
Invengo Textile Services	Global Technologies	France	45	110 SEK M	2021-03
Prosytech/SimpleK	Americas	Canada	<50	<50 SEK M	2021-04
Sure-Loc	Americas	USA	45	120 SEK M	2021-05
Pucon	Americas	Peru	<50	<50 SEK M	2021-06

	Q2		Jan-Jun	
SEK M	2020	2021	2020	2021
Purchase prices				
Cash paid for acquisitions during the year	-12	258	1,268	408
Holdbacks and deferred considerations for acquisitions during the year	-94	21	180	74
Adjustment of purchase prices for acquisitions in prior years	30	0	27	-7
Total	-76	279	1,474	475
Acquired assets and liabilities at fair value				
Intangible assets	83	-5	169	128
Property, plant and equipment and right-of-use assets	72	1	196	9
Other non-current assets	4	1	4	2
Inventories	3	36	81	64
Current receivables and investments	-25	22	78	75
Cash and cash equivalents	4	8	36	88
Non-current liabilities	-19	96	-132	-20
Current liabilities	-12	-111	-213	-173
Total	108	48	219	174
Goodwill	-184	231	1,255	301
Change in cash and cash equivalents due to acquisitions				
Cash paid for acquisitions during the year	-12	258	1,268	408
Cash and cash equivalents in acquired subsidiaries	-4	-8	-36	-88
Paid considerations for acquisitions in prior years	100	178	323	405
Total	84	429	1,555	724

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

Financial information - Notes

NOTE 3 FAIR VALUE AND CARRYING AMOUNT ON FINANCIAL ASSETS AND LIABILITIES

30 June 2021

SEK M	Carrying amount	Fair value	Financial instruments at fair value		
			Level 1	Level 2	Level 3
Financial assets					
Financial assets at amortized cost	18,862	18,862			
Financial assets at fair value through profit and loss	48	48			
Derivatives - hedge accounting	118	118		118	
Derivatives - held for trading	63	63		63	
Financial liabilities					
Financial liabilities at amortized cost	33,811	34,162			
Financial liabilities at fair value through profit and loss	465	465			465
Lease liabilities	3,530	3,530			
Derivatives - hedge accounting	0	0		0	
Derivatives - held for trading	182	182		182	

31 December 2020

SEK M	Carrying amount	Fair value	Financial instruments at fair value		
			Level 1	Level 2	Level 3
Financial assets					
Loans and other receivables	16,674	16,674			
Financial assets at fair value through profit and loss	6	6			
Available-for-sale financial assets	187	187		187	
Derivative instruments - hedge accounting	240	240		240	
Financial liabilities					
Financial liabilities at amortized cost	32,922	33,480			
Financial liabilities at fair value through profit and loss	944	944			944
Lease liabilities	3,562	3,562			
Derivatives - hedge accounting	0	0		0	
Derivatives - held for trading	171	171		171	

Financial liabilities at fair value through profit and loss pertains to deferred considerations, i.e. additional payments for acquired companies. The size of a deferred consideration is usually linked to the earnings and sales performance in an acquired company during a specific period of time.

Deferred considerations are initially measured on the day of acquisition based on management's best estimate regarding future outcomes and belong to level 3 in the hierarchy.

Financial information – Parent company

CONDENSED INCOME STATEMENT

	Year	Jan-Jun	
SEK M	2020	2020	2021
Operating income	868	494	497
Income before appropriations and tax	5,363	1,742	3,068
Net income for the period	5,552	1,662	2,979

CONDENSED BALANCE SHEET

	31 Dec	30 Jun	
SEK M	2020	2020	2021
Non-current assets	38,961	38,314	43,437
Current assets	21,069	23,110	20,832
Total assets	60,030	61,424	64,269
Equity	26,186	24,328	26,971
Untaxed reserves	1,125	911	1,125
Non-current liabilities	15,677	17,484	14,192
Current liabilities	17,042	18,701	21,980
Total equity and liabilities	60,030	61,424	64,269

Definitions of financial performance measures

Organic growth

Change in sales for comparable units after adjustments for acquisitions, divestments and exchange rate effects.

Operating margin (EBITDA)

Operating income before depreciation and amortization as a percentage of sales.

Operating margin (EBITA)

Operating income before amortization of intangible assets recognized in business combinations, as a percentage of sales.

Operating margin (EBIT)

Operating income as a percentage of sales.

Profit margin (EBT)

Income before tax as a percentage of sales.

Operating cash flow

Cash Flow from operating activities excluding restructuring payments and tax paid on income minus net capital expenditure and repayment of lease liabilities.

Cash conversion

Operating cash flow in relation to income before tax excluding items affecting comparability.

Net capital expenditure

Investments in, less disposals of, intangible assets and property, plant and equipment.

Depreciation and amortization

Depreciation, amortization and impairment of intangible assets, property, plant and equipment and right-of-use assets.

Net debt

Interest-bearing liabilities less interest-bearing assets. See the table on net debt for detailed information.

Capital employed

Total assets less interest-bearing assets and non-interest-bearing liabilities including deferred tax liability.

Net debt/Equity ratio

Net debt in relation to equity.

Equity ratio

Shareholders' equity as a percentage of total assets.

Net debt/EBITDA

Net debt at the end of the period in relation to EBITDA for the last twelve months.

Return on capital employed

Operating Income (EBIT), excluding Items Affecting Comparability, for the last twelve months as a percentage of average capital employed excluding restructuring provisions for the same period.

Return on equity

Net income attributable to parent company's shareholders for the last twelve months as a percentage of average parent company's shareholders equity for the same period.

Earnings per share after tax and dilution

Net income excluding non-controlling interests divided by weighted average number of outstanding shares after any potential dilution.

Shareholders' equity per share after dilution

Equity excluding non-controlling interests in relation to number of outstanding shares after any potential dilution.