

# Quarterly Report

## Q3 2021

27 October 2021

ASSA ABLOY

Experience a safer and more open world

## Strong profitable sales growth

### Third quarter

- Net sales increased by 8% to SEK 23,930 M (22,225), with organic growth of 7% (-5) and acquired net growth of 2% (4)
- There was very strong organic sales growth in Americas and Entrance Systems and strong organic sales growth in EMEIA and Global Technologies, but sales decreased in Asia Pacific
- An agreement was signed to acquire HHI, a leading provider of security, plumbing, and builders' hardware products to the North American residential segment. This is an important strategic step in further developing the Group's residential business in North America
- In addition to HHI, four other acquisitions with combined annual sales of about SEK 1,500 M were signed
- Operating income (EBIT<sup>1</sup>) was SEK 3,392 M (3,593), corresponding to an operating margin of 14.2% (16.2). Excluding an operating loss of SEK 196 M for the CERTEGO divestment in the quarter and a one-time operating gain of SEK 252 M in 2020, the operating margin was 15.0% (15.0)
- Net income<sup>1</sup> amounted to SEK 2,392 M (2,528)
- Earnings per share<sup>1</sup> amounted to SEK 2.15 (2.28)
- Operating cash flow amounted to SEK 3,619 M (4,407).

Organic growth

7%

Operating income<sup>1</sup>

-6%

Earnings per share<sup>1</sup>

-5%

## Sales and income

	Third quarter			January-September		
	2020	2021	Δ	2020	2021	Δ
<b>Sales, SEK M</b>	<b>22,225</b>	<b>23,930</b>	<b>8%</b>	<b>64,351</b>	<b>69,384</b>	<b>8%</b>
Of which:						
Organic growth	-1,043	1,576	7%	-6,001	6,661	11%
Acquisitions and divestments	816	490	2%	2,118	2,211	4%
Exchange-rate effects	-1,581	-361	-1%	-849	-3,839	-7%
<b>Operating income (EBIT)<sup>1</sup>, SEK M</b>	<b>3,593</b>	<b>3,392</b>	<b>-6%</b>	<b>8,441</b>	<b>10,168</b>	<b>20%</b>
Operating margin (EBITA) <sup>1</sup> , %	16.8%	14.8%		13.8%	15.3%	
<b>Operating margin (EBIT)<sup>1</sup>, %</b>	<b>16.2%</b>	<b>14.2%</b>		<b>13.1%</b>	<b>14.7%</b>	
Income before tax <sup>1</sup> , SEK M	3,417	3,233	-5%	7,828	9,719	24%
Net income <sup>1</sup> , SEK M	2,528	2,392	-5%	5,792	7,858	36%
Operating cash flow, SEK M	4,407	3,619	-18%	9,031	9,881	9%
<b>Earnings per share<sup>1</sup>, SEK</b>	<b>2.28</b>	<b>2.15</b>	<b>-5%</b>	<b>5.21</b>	<b>7.07</b>	<b>36%</b>

<sup>1</sup> Excluding non-cash operating income in Q3 2020 from revaluation at fair value of 39% ownership in agta record, totaling SEK 1,910 M. The operating income had no tax impact.

## Comments by the President and CEO

### Strong profitable sales growth

The reopening of society continued in most of our core markets during the quarter. This contributed to a strong organic sales growth of 7% for the Group in the third quarter. Organic sales growth of 7% in EMEA and 14% in Americas reflected increased mobility, improved commercial performance and continued strong residential demand in our core markets despite high comparatives versus last year. Asia Pacific's organic sales declined by 7%, due to new lockdowns in core markets and a slow-down in China. Organic growth in Global Technologies was 7%, driven by higher demand for our office-access solutions and strong growth in non-travel-related verticals. However, component shortages affected the growth negatively and our travel-related business is recovering only slowly. Entrance Systems continued to show very strong organic growth of 10%. Sales for all divisions were affected positively by price adjustments to offset the higher material costs.

Operating income, excluding one-time items in both 2020 and 2021, increased by 7% and the adjusted operating margin was 15.0%, the same level as last year on a comparable basis. Thanks to several price adjustments and operational improvements we achieved an operating leverage of 22%, despite the significantly higher material costs, higher logistical costs, and operational challenges linked to component shortages. Operating cash flow was strong and reached SEK 3,619 M with a conversion rate of 112%.

### Positive growth generating trends

As society normalizes, we are seeing increased activity levels in the upgrading and renovation of buildings and premises. There is also a strong positive trend in environmentally adapted construction, another area where we lead the industry and where we are continuing to invest in product innovation. Underlying megatrends including digitalization, urbanization and demand for convenient security solutions in the global markets remain solid, and we are seeing a further acceleration towards electromechanical solutions (where sales in fixed currencies grew by 8% during the third quarter).

Acquisitions remain an important pillar of our growth. During the quarter we signed five acquisitions with combined annual sales of about SEK 15 billion. These include, subject to regulatory approval, the Home and Hardware Improvement (HHI) division of Spectrum Brands, which is the largest acquisition in our history. HHI is a great addition to the Group and constitutes an important strategic step in developing our residential business in North America. We look forward to welcoming the HHI employees into the Group and to working together to develop new and exciting residential products that will accelerate our underlying growth.

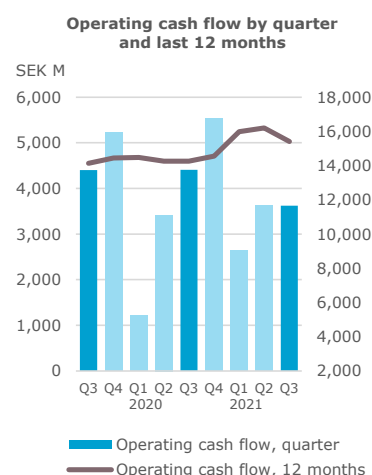
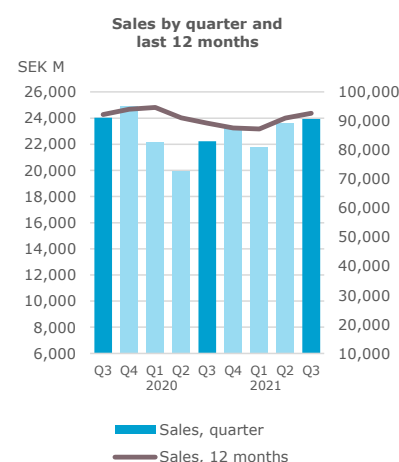
Looking ahead, we expect the growth in the European and American markets to normalize, while the recovery in the travel-related verticals and in Asia will be slower. We also assume material shortages, logistic challenges and cost inflation to continue to impact our markets during the rest of the year.

Thank you for your continued support and trust in ASSA ABLOY.

Stockholm, 27 October 2021



Nico Delvaux  
President and CEO



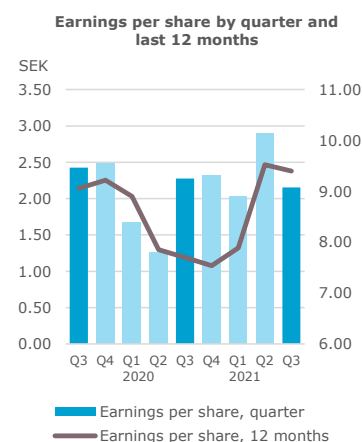
## Third quarter

The Group's sales increased by 8% to SEK 23,930 M (22,225). Organic growth amounted to 7% (-5). Growth from acquisitions and divestments was 2% (4), of which 4% (4) were acquisitions and -1% (0) divestments. Exchange-rates affected sales by -1% (-7).

The Group's operating income (EBIT)<sup>2</sup> amounted to SEK 3,392 M (3,593), a decrease of 6%. The corresponding operating margin was 14.2% (16.2). Excluding an operating loss of SEK 196 M for the CERTEGO divestment in the quarter and a one-time operating gain of SEK 252 M in 2020, the operating margin<sup>2</sup> was 15.0% (15.0). Exchange-rates had an EBIT impact of SEK -120 M (-264). Operating income before amortizations from acquisitions (EBITA)<sup>2</sup> amounted to SEK 3,539 M (3,734). The corresponding EBITA margin was 14.8% (16.8).

Net financial items amounted to SEK -159 M (-176). The Group's income before tax<sup>2</sup> was SEK 3,233 M (3,417), a decrease of 5% compared with last year. Exchange-rates had an impact of SEK -109 M (-262) on income before tax<sup>2</sup>. The corresponding profit margin was 13.5% (15.4).

The estimated effective income tax rate, on an annual basis and excluding items affecting comparability, was 26% (26). Earnings per share<sup>2</sup> amounted to SEK 2.15 (2.28), a decrease of 5% compared with last year. Operating cash flow amounted to SEK 3,619 M (4,407), a decrease of 18% compared with last year. The cash conversion was strong and amounted to 1.12 (1.29). The net debt / equity ratio at the end of the quarter was 0.38 (0.56).



## First nine months of the year

The Group's sales for the first nine months of 2021 totaled SEK 69,384 M (64,351), representing an increase of 8%. Organic growth was 11% (-9). Growth from acquisitions and divestments was 4% (3), of which 5% (3) were acquisitions and -1% (0) were divestments. Exchange-rate effects affected sales by -7% (-1).

The Group's operating income (EBIT)<sup>2</sup> amounted to SEK 10,168 M (8,441), an increase of 20% compared with last year. The corresponding operating margin was 14.7% (13.1). Excluding an operating loss of SEK 196 M for CERTEGO divestment in 2021 and a one-time operating gain of SEK 252 M in 2020, the operating margin<sup>2</sup> was 14.9% (13.5). Operating income before amortizations from acquisitions (EBITA)<sup>2</sup> amounted to SEK 10,621 M (8,856). The corresponding EBITA margin was 15.3% (13.8).

Earnings per share<sup>2</sup> amounted to SEK 7.07 (5.21), an increase of 36% compared with last year. Operating cash flow totaled SEK 9,881 M (9,031), an increase of 9% compared with last year.

## Organization

Stephanie Ordan has been appointed Executive Vice President and Head of the Global Solutions business unit in the Global Technologies division from September 13, 2021. Stephanie has held a senior position in Opening Solutions

<sup>2</sup> Excluding non-cash operating income in Q3 2020 from revaluation at fair value of 39% ownership in agta record (a shareholding in associates), totaling SEK 1,910 M. The operating income had no tax impact.

EMEIA division since joining ASSA ABLOY in 2018. She has previous experience from various senior positions in both the USA and Europe, and she holds a Masters degree in Business administration from the University of Madrid in Spain.

Maria Romberg Ewerth, Executive Vice President and Chief Human Resources manager, has decided to leave ASSA ABLOY for a new position outside the Group. Recruitment of a successor has started.

## Restructuring measures

Payments related to all restructuring programs amounted to SEK 130 M (155) during the quarter. The restructuring programs proceeded according to plan and led to a personnel reduction of 409 Full-Time Equivalents for the quarter and 838 for the year to date. At the end of the quarter provisions of SEK 848 M remained in the balance sheet for carrying out the programs.

## Comments by division

### Opening Solutions EMEIA

Sales for the quarter in EMEIA totaled SEK 5,044 M (4,824), with organic growth of 7% (–2). Sales growth was very strong in Finland, France and Middle East/Africa/India, strong in Benelux, DACH, Eastern Europe and the UK, and stable in Scandinavia and South Europe. Net sales growth from divestments and internal segment transfers was –1%. Operating income totaled SEK 572 M (765), which represents an operating margin (EBIT) of 11.3% (15.9). Excluding the operating loss of SEK 196 M for the CERTEGO divestment, the operating margin in the current quarter was 15.2%. Return on capital employed, on an annualized basis, amounted to 15.2% (12.7). Operating cash flow before non-cash items and interest paid totaled SEK 560 M (854).

### Opening Solutions Americas

Sales for the quarter in Americas totaled SEK 5,400 M (4,779), with organic growth of 14% (–5). Sales growth was very strong in Access & High Security, Architectural Hardware, Electromechanical Solutions, Latin America, Security Doors, US Residential and US Smart Residential. In Canada sales growth was strong. Sales growth from acquisitions was 2%. Operating income totaled SEK 1,112 M (966), which represents an operating margin (EBIT) of 20.6% (20.2). Return on capital employed, on an annualized basis, amounted to 29.2% (23.7). Operating cash flow before non-cash items and interest paid totaled SEK 997 M (1,435).

### Opening Solutions Asia Pacific

Sales for the quarter in Asia Pacific totaled SEK 2,271 M (2,479), with organic growth of –7% (–8). Sales growth was stable in South Korea, declined in Pacific and declined significantly in South East Asia and China. Net sales growth from acquisitions and internal segment transfers was –2%. Operating income totaled SEK 132 M (183), which represents an operating margin (EBIT) of 5.8% (7.4). Return on capital employed, on an annualized basis, amounted to 7.2% (4.6). Operating cash flow before non-cash items and interest paid totaled SEK 122 M (441).

## Global Technologies

Sales for the quarter in Global Technologies totaled SEK 3,705 M (3,428), with organic growth of 7% (-17). Sales growth was very strong in Identification Technology and Extended Access, strong in Physical Access Control and Secure Issuance, but declined in Identity & Access Solutions and Citizen ID. Sales growth in Global Solutions was strong. Net sales growth from acquisitions and internal segment transfers was 3%. Operating income totaled SEK 585 M (550), which represents an operating margin (EBIT) of 15.8% (16.0). Return on capital employed, on an annualized basis, amounted to 10.1% (9.8). Operating cash flow before non-cash items and interest paid totaled SEK 864 M (513).

## Entrance Systems

Sales for the quarter in Entrance Systems totaled SEK 8,058 M (7,116), with organic growth of 10% (1). Sales growth was very strong in Residential and Perimeter Security and strong in Pedestrian and Industrial. Net sales growth from acquisitions and divestments was 6%. Operating income<sup>2</sup> totaled SEK 1,191 M (1,266), which represents an operating margin (EBIT) of 14.8% (17.8). Excluding a one-time gain of SEK 252 M, the operating margin last year was 14.2%. Return on capital employed<sup>2</sup>, on an annualized basis, amounted to 15.0% (14.4). Operating cash flow before non-cash items and interest paid totaled SEK 1,023 M (1,610).

## 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 868 M. The acquisition price on a cash and debt free basis totaled SEK 861 M. Preliminary acquisition analyses indicate that goodwill and other intangible assets with indefinite useful life amount to SEK 576 M. Estimated deferred considerations for acquisitions made during the year amounted to SEK 113 M.

## Acquisition of HHI

On September 8 it was announced that ASSA ABLOY has signed an agreement to acquire the Hardware and Home Improvement ("HHI") division of Spectrum Brands. HHI is a leading provider of security, plumbing, and builders' hardware products to the North American residential segment with a diversified product offering of locksets, faucets, and builders' hardware. Key brands include Kwikset, Baldwin, Weiser, Pfister and National Hardware.

HHI is headquartered in California, USA with some 7,500 employees worldwide and has manufacturing facilities in the United States, Mexico, Taiwan, China, and the Philippines.

HHI will become part of the Opening Solutions Americas Division.

The total consideration for the acquisition of HHI amounts to USD 4,300 M on a cash and debt free basis. The transaction will be fully funded by existing cash and new debt.

For the fiscal year ending September 2020, HHI's net sales were USD 1,342 M with adjusted EBITDA margin of around 19%. Based on publicly available financial information for 2020 for both HHI and ASSA ABLOY, the acquisition of HHI will add around 14% to ASSA ABLOY's consolidated sales. The initial effect on ASSA ABLOY's operating margin will be dilutive. The acquisition will be accretive to EPS from the start.

The transaction is conditional upon regulatory approval and customary closing conditions and is expected to close during the fourth quarter of 2021.

ASSA ABLOY has agreed to pay a termination fee of USD 350 M in certain circumstances if the transaction agreement is terminated and required regulatory approvals have not been obtained.

## Other acquisitions

On September 27 it was announced that ASSA ABLOY had signed a definitive agreement to acquire Arran Isle, a leading designer, manufacturer and distributor of door and window hardware in the UK and Ireland. The business has some 560 employees and has manufacturing and distribution sites in the UK, Ireland, Europe and China. Sales in 2020 amounted to about SEK 1,200 M. The acquisition is subject to regulatory approval and customary closing conditions and is expected to close during the fourth quarter of 2021.

On August 18 it was announced that ASSA ABLOY has acquired Omni-ID, a leading US manufacturer of RFID tags and industrial IoT hardware devices for passive and active tagging, tracking, monitoring and alerting applications. The business has some 170 employees, with its head office in Rochester, USA. Sales in 2020 amounted to about SEK 110 M.

On August 11 it was announced that ASSA ABLOY has acquired Capitol Door Service, a leading pedestrian-door distributor and service company in the US. The business has some 50 employees with its head office in Sacramento, USA. Sales in 2020 amounted to about SEK 150 M.

## Divestments

On July 5 it was announced that ASSA ABLOY had 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 annualized impact of the divestment on ASSA ABLOY's external sales will be around SEK 1.5 bn. It will have a positive effect on ASSA ABLOY's operating margin going forward.

The CERTEGO divestment was completed in September 2021.

## Sustainable development

ASSA ABLOY has committed to set science-based targets and is in the process of developing the targets. In parallel, major carbon reduction projects have been initiated, focusing on our top 20 most energy- and carbon intensive sites responsible for emitting more than 60% of the Group's total carbon emissions.

One such site is the original ASSA factory in Eskilstuna, Sweden which has undergone a major refurbishment. Today, it is the main production facility for cylinders in Scandinavia. Sustainability has been a key part of the site's regeneration and overhaul. The factory now has a solar park on the roof generating over 600 MWh of electricity per year which provides 50% of the site's electricity needs. New building-efficiency measures include new compressors,



LED lighting and low-energy ventilation. The site windows and roof insulation have been upgraded, optimizing natural light and thermal comfort. Electric-car charging stations have been installed for employees and visitors. The project will reduce onsite energy consumption by more than 50%.

## Parent company

Other operating income for the Parent company ASSA ABLOY AB totaled SEK 3,234 M (3,048) for the first nine months of the year. Operating income for the same period amounted to SEK –30 M (230). Investments in tangible and intangible assets totaled SEK 4,220 M (28). Liquidity is good and the equity ratio is 43.0% (39.2).

## 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 19 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](http://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 September 2021, will have an effect of -1% on sales in the fourth quarter of 2021 versus the same period last year, while the effect on the operating margin is estimated to be accretive in the fourth quarter of 2021.

### Exchange-rate effects

On the basis of the currency rates on 30 September 2021, it is estimated that the weighted currency effects on sales in the fourth quarter of 2021 versus the same period last year will be 1%, while the effect on the operating margin is estimated to be slightly dilutive in the fourth quarter of 2021.



## Review

The Company's Auditors have not carried out any review of this Report for the third quarter of 2021.

Stockholm, 27 October 2021

A handwritten signature in black ink, appearing to read 'Nico Delvaux', written in a cursive style.

Nico Delvaux  
President and CEO

## Financial information

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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ASSA ABLOY is holding a **telephone and web conference**  
**at 09.30 on 27 October 2021**

which can be followed online at [www.assaabloy.com](http://www.assaabloy.com).

It is possible to submit questions by telephone on:  
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*This information is information that ASSA ABLOY AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 08.00 CEST on 27 October 2021.*

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No.20/2021

## Financial information – Group

### CONDENSED INCOME STATEMENT

SEK M	Q3		Jan-Sep	
	2020	2021	2020	2021
Sales	22,225	23,930	64,351	69,384
Cost of goods sold	-13,199	-14,395	-38,703	-41,689
<b>Gross income</b>	<b>9,026</b>	<b>9,535</b>	<b>25,647</b>	<b>27,695</b>
Selling, administrative and R&D costs	-5,597	-6,143	-17,456	-17,532
Share of earnings in associates	163	0	249	5
Revaluation previously owned shares in associates	1,910	-	1,910	-
<b>Operating income</b>	<b>5,502</b>	<b>3,392</b>	<b>10,350</b>	<b>10,168</b>
Finance net	-176	-159	-613	-449
<b>Income before tax</b>	<b>5,326</b>	<b>3,233</b>	<b>9,737</b>	<b>9,719</b>
Tax on income	-888	-841	-2,035	-1,862
<b>Net income for the period</b>	<b>4,438</b>	<b>2,392</b>	<b>7,702</b>	<b>7,858</b>
<b>Net income for the period attributable to:</b>				
Parent company's shareholders	4,437	2,393	7,700	7,858
Non-controlling interests	1	0	2	0
<b>Earnings per share</b>				
Before and after dilution, SEK	3.99	2.15	6.93	7.07
Before and after dilution and excluding items affecting comparability, SEK	2.28	2.15	5.21	7.07

### CONDENSED STATEMENT OF COMPREHENSIVE INCOME

SEK M	Q3		Jan-Sep	
	2020	2021	2020	2021
<b>Net income for the period</b>	<b>4,438</b>	<b>2,392</b>	<b>7,702</b>	<b>7,858</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	-81	27	-484	518
<b>Total</b>	<b>-81</b>	<b>27</b>	<b>-484</b>	<b>518</b>
<b>Items that may be reclassified subsequently to profit or loss</b>				
Share of other comprehensive income of associates	-51	11	-33	-9
Cashflow hedges and net investment hedges, net after tax	1	-5	-1	-15
Exchange rate differences reclassified to profit or loss	-246	-	-246	-
Exchange rate differences	-891	823	-1,712	2,174
<b>Total</b>	<b>-1,187</b>	<b>830</b>	<b>-1,992</b>	<b>2,151</b>
<b>Total comprehensive income for the period</b>	<b>3,170</b>	<b>3,250</b>	<b>5,225</b>	<b>10,527</b>
<b>Total comprehensive income for the period attributable to:</b>				
Parent company's shareholders	3,170	3,250	5,224	10,526
Non-controlling interests	0	0	2	0

## Financial information – Group

### CONDENSED BALANCE SHEET

	31 Dec	30 Sep	
SEK M	2020	2020	2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	72,452	76,729	74,524
Property, plant and equipment	8,026	8,897	8,325
Right-of-use assets	3,513	3,779	3,330
Investments in associates	637	685	636
Other financial assets	212	105	259
Deferred tax assets	1,338	1,422	1,363
<b>Total non-current assets</b>	<b>86,178</b>	<b>91,617</b>	<b>88,438</b>
<b>Current assets</b>			
Inventories	10,079	11,485	12,594
Trade receivables	13,665	14,913	15,163
Other current receivables and investments	4,750	5,478	5,074
Cash and cash equivalents	2,756	4,906	5,995
<b>Total current assets</b>	<b>31,250</b>	<b>36,782</b>	<b>38,826</b>
<b>TOTAL ASSETS</b>	<b>117,428</b>	<b>128,399</b>	<b>127,264</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity attributable to Parent company's shareholders	58,870	62,161	67,214
Non-controlling interests	9	12	8
<b>Total equity</b>	<b>58,879</b>	<b>62,174</b>	<b>67,222</b>
<b>Non-current liabilities</b>			
Long-term loans	22,381	25,353	19,887
Non-current lease liabilities	2,477	2,722	2,320
Deferred tax liabilities	2,868	2,584	2,457
Other non-current liabilities and provisions	4,958	5,418	4,161
<b>Total non-current liabilities</b>	<b>32,683</b>	<b>36,078</b>	<b>28,825</b>
<b>Current liabilities</b>			
Short-term loans	3,514	7,026	5,605
Current lease liabilities	1,085	1,096	1,081
Trade payables	7,027	7,017	8,547
Other current liabilities and provisions	14,238	15,009	15,985
<b>Total current liabilities</b>	<b>25,865</b>	<b>30,148</b>	<b>31,217</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>117,428</b>	<b>128,399</b>	<b>127,264</b>

### CHANGES IN EQUITY

	Equity attributable to:		
SEK M	Parent company's shareholders	Non-controlling interests	Total equity
<b>Opening balance 1 January 2020</b>	<b>59,143</b>	<b>11</b>	<b>59,154</b>
Net income for the period	7,700	2	7,702
Other comprehensive income	-2,476	0	-2,477
<b>Total comprehensive income</b>	<b>5,224</b>	<b>2</b>	<b>5,225</b>
Dividend	-2,222	-1	-2,222
Stock purchase plans	16	-	16
<b>Total transactions with shareholders</b>	<b>-2,206</b>	<b>-1</b>	<b>-2,206</b>
<b>Closing balance 30 September 2020</b>	<b>62,161</b>	<b>12</b>	<b>62,174</b>
<b>Opening balance 1 January 2021</b>	<b>58,870</b>	<b>9</b>	<b>58,879</b>
Net income for the period	7,858	0	7,858
Other comprehensive income	2,668	0	2,669
<b>Total comprehensive income</b>	<b>10,526</b>	<b>0</b>	<b>10,527</b>
Dividend	-2,166	-2	-2,168
Stock purchase plans	-16	-	-16
<b>Total transactions with shareholders</b>	<b>-2,182</b>	<b>-2</b>	<b>-2,184</b>
<b>Closing balance 30 September 2021</b>	<b>67,214</b>	<b>8</b>	<b>67,222</b>

## Financial information – Group

### CONDENSED STATEMENT OF CASH FLOWS

SEK M	Q3		Jan-Sep	
	2020	2021	2020	2021
<b>OPERATING ACTIVITIES</b>				
Operating income	5,502	3,392	10,350	10,168
Depreciation and amortization	912	980	2,764	2,872
Revaluation previously owned shares in associates	-1,910	-	-1,910	-
Restructuring payments	-155	-130	-411	-397
Other non-cash items	-219	233	-273	137
<b>Cash flow before interest and tax</b>	<b>4,130</b>	<b>4,476</b>	<b>10,521</b>	<b>12,781</b>
Interest paid and received	-90	-110	-506	-407
Tax paid on income	-1,104	-805	-2,456	-2,157
<b>Cash flow before changes in working capital</b>	<b>2,937</b>	<b>3,560</b>	<b>7,560</b>	<b>10,217</b>
Changes in working capital	820	-157	795	-866
<b>Cash flow from operating activities</b>	<b>3,756</b>	<b>3,404</b>	<b>8,355</b>	<b>9,350</b>
<b>INVESTING ACTIVITIES</b>				
Net investments in intangible assets and property, plant and equipment	-301	-407	-1,234	-1,084
Investments in subsidiaries	-4,229	-434	-5,784	-1,158
Divestments of subsidiaries	446	648	472	694
Other investments and disposals	0	0	0	-42
<b>Cash flow from investing activities</b>	<b>-4,084</b>	<b>-192</b>	<b>-6,546</b>	<b>-1,590</b>
<b>FINANCING ACTIVITIES</b>				
Dividends	-	-1	-2,222	-2,168
Amortization of lease liabilities	-308	-313	-956	-939
Net cash effect of changes in borrowings	1,828	-451	5,855	-1,428
<b>Cash flow from financing activities</b>	<b>1,520</b>	<b>-764</b>	<b>2,677</b>	<b>-4,535</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>1,192</b>	<b>2,447</b>	<b>4,486</b>	<b>3,226</b>
<b>CASH AND CASH EQUIVALENTS</b>				
<b>Cash and cash equivalents at beginning of period</b>	<b>3,726</b>	<b>3,544</b>	<b>442</b>	<b>2,756</b>
Cash flow for the period	1,192	2,447	4,486	3,226
Effect of exchange rate differences	-12	3	-22	13
<b>Cash and cash equivalents at end of period</b>	<b>4,906</b>	<b>5,995</b>	<b>4,906</b>	<b>5,995</b>

# Quarterly information – Group

THE GROUP IN SUMMARY										Jan-Sep	Jan-Sep	Year	Last 12
SEK M	2019	2019	2020	2020	2020	2020	2021	2021	2021	2021	2021	2020	months
Sales	24,034	24,946	22,173	19,953	22,225	23,298	21,805	23,648	23,930	64,351	69,384	87,649	92,682
Organic growth	4%	1%	-3%	-18%	-5%	-5%	4%	23%	7%	-9%	11%	-8%	-
Gross income <sup>1</sup>	9,625	9,979	8,973	7,648	9,026	9,278	8,722	9,438	9,535	25,647	27,695	34,925	36,972
Gross margin <sup>1</sup>	40.0%	40.0%	40.5%	38.3%	40.6%	39.8%	40.0%	39.9%	39.8%	39.9%	39.9%	39.8%	39.9%
EBITDA <sup>1</sup>	4,736	4,969	3,676	3,024	4,505	4,487	4,115	4,552	4,373	11,205	13,041	15,692	17,528
EBITDA margin <sup>1</sup>	19.7%	19.9%	16.6%	15.2%	20.3%	19.3%	18.9%	19.3%	18.3%	17.4%	18.8%	17.9%	18.9%
Depreciation, excl attrib. to business combinations	-726	-781	-792	-787	-771	-853	-774	-812	-833	-2,349	-2,420	-3,202	-3,272
EBITA <sup>1</sup>	4,010	4,188	2,884	2,237	3,734	3,634	3,341	3,740	3,539	8,856	10,621	12,490	14,255
EBITA margin <sup>1</sup>	16.7%	16.8%	13.0%	11.2%	16.8%	15.6%	15.3%	15.8%	14.8%	13.8%	15.3%	14.3%	15.4%
Amortization attrib. to business combinations	-115	-141	-133	-141	-142	-159	-154	-151	-147	-415	-452	-574	-612
Operating income (EBIT) <sup>1</sup>	3,894	4,047	2,751	2,097	3,593	3,475	3,187	3,589	3,392	8,441	10,168	11,916	13,643
Operating margin (EBIT) <sup>1</sup>	16.2%	16.2%	12.4%	10.5%	16.2%	14.9%	14.6%	15.2%	14.2%	13.1%	14.7%	13.6%	14.7%
Items affecting comparability	-	-312	-	-	1,910	-1,367	-	-	-	1,910	-	542	-1,367
Operating income (EBIT)	3,894	3,735	2,751	2,097	5,502	2,108	3,187	3,589	3,392	10,350	10,168	12,458	12,276
Operating margin (EBIT)	16.2%	15.0%	12.4%	10.5%	24.8%	9.0%	14.6%	15.2%	14.2%	16.1%	14.7%	14.2%	13.2%
Net financial items	-250	-268	-232	-205	-176	-169	-142	-148	-159	-613	-449	-782	-619
Income before tax	3,645	3,467	2,519	1,892	5,326	1,938	3,045	3,441	3,233	9,737	9,719	11,676	11,658
Profit margin	15.2%	13.9%	11.4%	9.5%	24.0%	8.3%	14.0%	14.6%	13.5%	15.1%	14.0%	13.3%	12.6%
Tax on income	-948	-947	-655	-492	-888	-469	-792	-229	-841	-2,035	-1,862	-2,504	-2,330
Net income for the period	2,697	2,520	1,864	1,400	4,438	1,470	2,253	3,212	2,392	7,702	7,858	9,172	9,327
Net income attributable to:													
Parent company's shareholders	2,696	2,517	1,864	1,399	4,437	1,471	2,253	3,212	2,393	7,700	7,858	9,171	9,329
Non-controlling interests	1	3	1	1	1	-1	0	0	0	2	0	1	-1
OPERATING CASH FLOW										Jan-Sep	Jan-Sep	Year	Last 12
SEK M	2019	2019	2020	2020	2020	2020	2021	2021	2021	2021	2021	2020	months
Operating income (EBIT)	3,894	3,735	2,751	2,097	5,502	2,108	3,187	3,589	3,392	10,350	10,168	12,458	12,276
Reversal items affecting comparability	-	312	-	-	-1,910	1,367	-	-	-	-1,910	-	-542	1,367
Depreciation and amortization	842	922	925	927	912	1,012	929	963	980	2,764	2,872	3,776	3,884
Net capital expenditure	-410	-525	-491	-442	-301	-439	-289	-388	-407	-1,234	-1,084	-1,674	-1,523
Change in working capital	591	1,364	-1,485	1,460	820	1,811	-701	-9	-157	795	-866	2,606	944
Interest paid and received	-179	-233	-172	-244	-90	-189	-122	-175	-110	-506	-407	-694	-596
Repayment of lease liabilities	-300	-316	-326	-322	-308	-319	-311	-315	-313	-956	-939	-1,275	-1,259
Non-cash items	-37	-24	4	-58	-219	178	-57	-39	233	-273	137	-95	315
Operating cash flow	4,401	5,235	1,206	3,418	4,407	5,529	2,636	3,627	3,619	9,031	9,881	14,560	15,410
Cash conversion	1.21	1.39	0.48	1.81	1.29	1.67	0.87	1.05	1.12	1.15	1.02	1.31	1.18
CHANGE IN NET DEBT										Jan-Sep	Jan-Sep	Year	Last 12
SEK M	2019	2019	2020	2020	2020	2020	2021	2021	2021	2021	2021	2020	months
Net debt at beginning of period	37,620	36,843	33,050	36,371	34,112	35,059	29,755	29,160	28,509	33,050	29,755	33,050	35,059
Operating cash flow	-4,401	-5,235	-1,206	-3,418	-4,407	-5,529	-2,636	-3,627	-3,619	-9,031	-9,881	-14,560	-15,410
Restructuring payments	181	261	83	173	155	337	138	129	130	411	397	747	734
Tax paid on income	577	1,651	878	474	1,104	648	532	820	805	2,456	2,157	3,104	2,805
Acquisitions and divestments	1,425	1,018	1,584	86	4,331	-497	385	472	-632	6,001	226	5,504	-271
Dividend	-	-	-	2,222	-	2,055	-	2,167	1	2,222	2,168	4,277	4,223
Actuarial gain/loss on post-employment benefit oblig.	289	-316	139	407	94	-321	-619	-44	-37	640	-700	319	-1,021
Change to lease liabilities	-51	47	-1	-110	98	-93	-29	-97	7	-14	-119	-106	-212
Exchange rate differences, etc.	1,203	-1,218	1,845	-2,093	-428	-1,904	1,633	-471	568	-676	1,731	-2,580	-173
Net debt at end of period	36,843	33,050	36,371	34,112	35,059	29,755	29,160	28,509	25,732	35,059	25,732	29,755	25,732
Net debt/Equity	0.64	0.56	0.58	0.58	0.56	0.51	0.46	0.45	0.38				
NET DEBT										Jan-Sep	Jan-Sep	Year	Last 12
SEK M	2019	2019	2020	2020	2020	2020	2021	2021	2021	2021	2021	2020	months
Interest-bearing assets	-113	-100	-108	-76	-47	-205	-189	-176	-177	-	-	-	-
Cash and cash equivalents	-459	-442	-1,676	-3,726	-4,906	-2,756	-3,610	-3,544	-5,995	-	-	-	-
Derivative financial instruments, net	8	-53	-469	-441	-350	-255	83	1	62	-	-	-	-
Pension provisions	3,717	3,346	3,642	3,887	4,164	3,514	2,995	2,922	2,949	-	-	-	-
Lease liabilities	3,746	3,739	3,924	3,614	3,818	3,562	3,678	3,530	3,401	-	-	-	-
Interest-bearing liabilities	29,944	26,560	31,059	30,853	32,379	25,895	26,202	25,776	25,492	-	-	-	-
Total	36,843	33,050	36,371	34,112	35,059	29,755	29,160	28,509	25,732	-	-	-	-
CAPITAL EMPLOYED AND FINANCING										Jan-Sep	Jan-Sep	Year	Last 12
SEK M	2019	2019	2020	2020	2020	2020	2021	2021	2021	2021	2021	2020	months
Capital employed	94,796	92,204	99,428	93,103	97,232	88,634	92,818	92,471	92,954	-	-	-	-
- of which goodwill	59,134	57,662	61,573	58,243	64,013	58,344	60,822	60,198	60,604	-	-	-	-
- of which other intangible assets and PPE	21,296	21,191	22,189	21,064	21,613	22,134	22,775	22,190	22,246	-	-	-	-
- of which right-of-use assets	3,746	3,731	3,909	3,592	3,779	3,513	3,619	3,466	3,330	-	-	-	-
- of which investments in associates	2,643	2,595	2,772	2,665	685	637	638	626	636	-	-	-	-
Net debt	36,843	33,050	36,371	34,112	35,059	29,755	29,160	28,509	25,732	-	-	-	-
Non-controlling interests	8	11	13	12	12	9	10	9	8	-	-	-	-
Equity attributable to Parent company's shareholders	57,946	59,143	63,044	58,980	62,161	58,870	63,649	63,953	67,214	-	-	-	-
OTHER KEY RATIOS										Jan-Sep	Jan-Sep	Year	Last 12
SEK M	2019	2019	2020	2020	2020	2020	2021	2021	2021	2021	2021	2020	months
Earnings per share, SEK	2.43	2.27	1.68	1.26	3.99	1.32	2.03	2.89	2.15	-	-	-	-
Earnings per share, excl IAC, SEK <sup>1</sup>	2.43	2.49	1.68	1.26	2.28	2.33	2.03	2.89	2.15	-	-	-	-
Shareholders' equity per share, SEK	52.17	53.25	56.76	53.10	55.96	53.00	57.30	57.57	60.51	-	-	-	-
Return on capital employed	16.3%	16.2%	15.2%	13.4%	13.1%	12.5%	13.1%	14.9%	14.6%	-	-	-	-
Return on equity	16.9%	18.0%	16.3%	15.0%	17.0%	15.5%	15.1%	18.5%	14.4%	-	-	-	-
Net debt/EBITDA	2.1	1.8	2.0	2.1	2.2	1.9	1.8	1.6	1.5	-	-	-	-
Average number of employees	49,136	48,992	48,801	46,979	47,553	48,471	49,685	50,727	50,946	-	-	-	-
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	-	-	-	-

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



# Reporting by division

## Q3 and 30 Sep

	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
Sales, external	4,724	4,908	4,748	5,363	2,255	1,947	3,404	3,678	7,093	8,033	-	-	22,225	23,930
Sales, internal	99	135	31	37	223	324	24	27	23	25	-401	-548	-	-
<b>Sales</b>	<b>4,824</b>	<b>5,044</b>	<b>4,779</b>	<b>5,400</b>	<b>2,479</b>	<b>2,271</b>	<b>3,428</b>	<b>3,705</b>	<b>7,116</b>	<b>8,058</b>	<b>-401</b>	<b>-548</b>	<b>22,225</b>	<b>23,930</b>
Organic growth	-2%	7%	-5%	14%	-8%	-7%	-17%	7%	1%	10%	-	-	-5%	7%
Acquisitions and divestments	0%	-1%	-9%	2%	0%	-2%	9%	3%	17%	6%	-	-	4%	2%
Exchange-rate effects	-4%	-1%	-8%	-3%	-6%	1%	-6%	-2%	-7%	-3%	-	-	-7%	-1%
Share of earnings in associates	-	-	-	-	4	3	-	-	159	-2	-	-	163	0
<b>EBIT, excl items affecting comparability</b>	<b>765</b>	<b>572</b>	<b>966</b>	<b>1,112</b>	<b>183</b>	<b>132</b>	<b>550</b>	<b>585</b>	<b>1,266</b>	<b>1,191</b>	<b>-137</b>	<b>-201</b>	<b>3,593</b>	<b>3,392</b>
EBIT margin, excl items affecting comparability	15.9%	11.3%	20.2%	20.6%	7.4%	5.8%	16.0%	15.8%	17.8%	14.8%	-	-	16.2%	14.2%
Revaluation previously owned shares in associates	-	-	-	-	-	-	-	-	1,910	-	-	-	1,910	-
<b>Operating income (EBIT)</b>	<b>765</b>	<b>572</b>	<b>966</b>	<b>1,112</b>	<b>183</b>	<b>132</b>	<b>550</b>	<b>585</b>	<b>3,175</b>	<b>1,191</b>	<b>-137</b>	<b>-201</b>	<b>5,502</b>	<b>3,392</b>
Operating margin (EBIT)	15.9%	11.3%	20.2%	20.6%	7.4%	5.8%	16.0%	15.8%	44.6%	14.8%	-	-	24.8%	14.2%
Operating income (EBIT)	765	572	966	1,112	183	132	550	585	3,175	1,191	-137	-201	5,502	3,392
Revaluation of associate shareholding	-	-	-	-	-	-	-	-	-1,910	-	-	-	-1,910	-
Depreciation and amortization	228	277	115	116	86	77	226	232	251	271	7	8	912	980
Net capital expenditure	-72	-134	-27	-81	-40	-30	-99	-74	-63	-87	0	-2	-301	-407
Amortization of lease liabilities	-78	-76	-33	-38	-26	-21	-35	-35	-132	-138	-3	-4	-308	-313
Change in working capital	12	-80	414	-112	238	-37	-129	157	288	-214	-4	128	820	-157
<b>Operating cash flow by division</b>	<b>854</b>	<b>560</b>	<b>1,435</b>	<b>997</b>	<b>441</b>	<b>122</b>	<b>513</b>	<b>864</b>	<b>1,610</b>	<b>1,023</b>	<b>-137</b>	<b>-69</b>	<b>4,716</b>	<b>3,496</b>
Non-cash items	-	-	-	-	-	-	-	-	-	-	-219	233	-219	233
Interest paid and received	-	-	-	-	-	-	-	-	-	-	-90	-110	-90	-110
<b>Operating cash flow</b>													<b>4,407</b>	<b>3,619</b>

## Jan-Sep and 30 Sep

	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
Sales, external	13,404	14,990	14,376	14,869	5,717	5,481	10,539	10,563	20,315	23,481	-	-	64,351	69,384
Sales, internal	335	346	71	116	707	807	75	83	80	83	-1,268	-1,436	-	-
<b>Sales</b>	<b>13,739</b>	<b>15,336</b>	<b>14,447</b>	<b>14,986</b>	<b>6,424</b>	<b>6,288</b>	<b>10,614</b>	<b>10,647</b>	<b>20,395</b>	<b>23,564</b>	<b>-1,268</b>	<b>-1,436</b>	<b>64,351</b>	<b>69,384</b>
Organic growth	-10%	15%	-7%	13%	-19%	3%	-14%	4%	-2%	14%	-	-	-9%	11%
Acquisitions and divestments	-1%	0%	-8%	1%	1%	-2%	13%	3%	13%	10%	-	-	3%	4%
Exchange-rate effects	-1%	-3%	-1%	-10%	-2%	-3%	-2%	-7%	-2%	-8%	-	-	-1%	-7%
Share of earnings in associates	-	-	-	-	14	8	-	-	236	-2	-	-	249	5
<b>EBIT, excl items affecting comparability</b>	<b>1,593</b>	<b>2,110</b>	<b>2,783</b>	<b>3,084</b>	<b>197</b>	<b>411</b>	<b>1,441</b>	<b>1,630</b>	<b>2,832</b>	<b>3,483</b>	<b>-405</b>	<b>-550</b>	<b>8,441</b>	<b>10,168</b>
EBIT margin, excl items affecting comparability	11.6%	13.8%	19.3%	20.6%	3.1%	6.5%	13.6%	15.3%	13.9%	14.8%	-	-	13.1%	14.7%
Revaluation previously owned shares in associates	-	-	-	-	-	-	-	-	1,910	-	-	-	1,910	-
<b>Operating income (EBIT)</b>	<b>1,593</b>	<b>2,110</b>	<b>2,783</b>	<b>3,084</b>	<b>197</b>	<b>411</b>	<b>1,441</b>	<b>1,630</b>	<b>4,742</b>	<b>3,483</b>	<b>-405</b>	<b>-550</b>	<b>10,350</b>	<b>10,168</b>
Operating margin (EBIT)	11.6%	13.8%	19.3%	20.6%	3.1%	6.5%	13.6%	15.3%	23.3%	14.8%	-	-	16.1%	14.7%
Operating income (EBIT)	1,593	2,110	2,783	3,084	197	411	1,441	1,630	4,742	3,483	-405	-550	10,350	10,168
Revaluation of associate shareholding	-	-	-	-	-	-	-	-	-1,910	-	-	-	-1,910	-
Depreciation and amortization	690	738	361	377	269	231	679	685	744	814	21	27	2,764	2,872
Net capital expenditure	-297	-339	-220	-249	-147	-95	-354	-165	-213	-234	-3	-2	-1,234	-1,084
Amortization of lease liabilities	-240	-245	-98	-109	-79	-68	-109	-107	-419	-401	-10	-10	-956	-939
Change in working capital	-174	-317	433	33	215	-301	-218	255	680	-659	-141	123	795	-866
<b>Operating cash flow by division</b>	<b>1,571</b>	<b>1,947</b>	<b>3,258</b>	<b>3,136</b>	<b>455</b>	<b>178</b>	<b>1,440</b>	<b>2,298</b>	<b>3,624</b>	<b>3,004</b>	<b>-539</b>	<b>-412</b>	<b>9,809</b>	<b>10,151</b>
Non-cash items	-	-	-	-	-	-	-	-	-	-	-273	137	-273	137
Interest paid and received	-	-	-	-	-	-	-	-	-	-	-506	-407	-506	-407
<b>Operating cash flow</b>													<b>9,031</b>	<b>9,881</b>
Capital employed	18,929	16,986	14,046	14,398	8,703	8,306	22,878	21,923	32,938	31,796	-260	-455	97,232	92,954
- of which goodwill	10,948	10,491	11,107	11,407	4,055	3,881	15,810	15,758	22,094	19,068	-	-	64,013	60,604
- of which other intangible assets and PPE	3,876	3,444	2,981	2,882	2,567	2,368	5,530	5,071	6,599	8,394	60	87	21,613	22,246
- of which right-of-use assets	1,053	854	440	372	238	245	489	526	1,550	1,291	9	43	3,779	3,330
- of which investments in associates	1	1	-	-	641	590	23	28	21	18	-	-	685	636
Return on capital employed	12.7%	15.2%	23.7%	29.2%	4.6%	7.2%	9.8%	10.1%	14.4%	15.0%	-	-	13.1%	14.6%
Average number of employees	10,665	12,185	8,701	9,257	9,726	8,328	6,443	6,439	11,763	14,375	255	363	47,553	50,946

## 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	-	-
<b>Sales</b>	<b>21,144</b>	<b>18,982</b>	<b>23,172</b>	<b>19,013</b>	<b>10,689</b>	<b>8,841</b>	<b>15,423</b>	<b>14,158</b>	<b>25,553</b>	<b>28,323</b>	<b>-1,953</b>	<b>-1,668</b>	<b>94,029</b>	<b>87,649</b>
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
<b>EBIT, excl IAC</b>	<b>3,396</b>	<b>2,263</b>	<b>4,673</b>	<b>3,698</b>	<b>879</b>	<b>396</b>	<b>2,890</b>	<b>2,023</b>	<b>3,652</b>	<b>4,083</b>	<b>-570</b>	<b>-547</b>	<b>14,920</b>	<b>11,916</b>
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
<b>Operating income (EBIT)</b>	<b>3,211</b>	<b>1,815</b>	<b>4,673</b>	<b>3,647</b>	<b>873</b>	<b>93</b>	<b>2,885</b>	<b>1,828</b>	<b>3,535</b>	<b>5,772</b>	<b>-570</b>	<b>-697</b>	<b>14,608</b>	<b>12,458</b>
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
<b>Return on capital employed</b>	<b>17.2%</b>	<b>11.9%</b>	<b>23.3%</b>	<b>24.4%</b>	<b>10.0%</b>	<b>4.4%</b>	<b>13.5%</b>	<b>8.9%</b>	<b>15.8%</b>	<b>13.9%</b>	<b>-</b>	<b>-</b>	<b>16.2%</b>	<b>12.5%</b>
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
<b>Operating cash flow by division</b>	<b>3,515</b>	<b>2,939</b>	<b>5,263</b>	<b>4,837</b>	<b>622</b>	<b>762</b>	<b>3,183</b>	<b>2,509</b>	<b>3,655</b>	<b>4,974</b>	<b>-602</b>	<b>-673</b>	<b>15,635</b>	<b>15,349</b>
Non-cash items	-	-	-	-	-	-	-	-	-	-	-324	-95	-324	-95
Interest paid and received	-	-	-	-	-	-	-	-	-	-	-869	-694	-869	-694
<b>Operating cash flow</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,442</b>	<b>14,560</b>
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 Q3

	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	4,291	4,326	24	24	138	167	839	1,021	2,960	3,541	-194	-233	8,059	8,845
North America	105	105	4,269	4,830	186	265	1,672	1,771	3,653	4,010	-134	-205	9,752	10,778
Central- and South America	14	19	403	522	5	19	76	109	6	17	-5	-5	498	681
Africa	190	228	27	3	3	3	74	73	9	9	-6	-8	297	308
Asia	194	325	50	19	1,521	1,224	605	525	279	251	-33	-54	2,617	2,290
Oceania	29	41	5	2	626	594	163	206	209	230	-30	-44	1,001	1,028
<b>Total</b>	<b>4,824</b>	<b>5,044</b>	<b>4,779</b>	<b>5,400</b>	<b>2,479</b>	<b>2,271</b>	<b>3,428</b>	<b>3,705</b>	<b>7,116</b>	<b>8,058</b>	<b>-401</b>	<b>-548</b>	<b>22,225</b>	<b>23,930</b>

### Sales by continent Jan-Sep

	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	12,183	13,323	43	71	388	455	2,733	3,003	8,285	10,665	-563	-650	23,070	26,867
North America	329	306	13,242	13,361	584	707	5,137	5,134	10,683	11,367	-453	-489	29,524	30,385
Central- and South America	47	53	1,030	1,452	29	38	274	273	44	51	-30	-26	1,394	1,841
Africa	469	696	32	9	11	8	291	199	40	34	-18	-26	825	919
Asia	619	862	90	86	3,684	3,327	1,644	1,461	793	745	-110	-144	6,720	6,338
Oceania	93	95	8	6	1,727	1,753	535	578	549	702	-94	-101	2,818	3,033
<b>Total</b>	<b>13,739</b>	<b>15,336</b>	<b>14,447</b>	<b>14,986</b>	<b>6,424</b>	<b>6,288</b>	<b>10,614</b>	<b>10,647</b>	<b>20,395</b>	<b>23,564</b>	<b>-1,268</b>	<b>-1,436</b>	<b>64,351</b>	<b>69,384</b>

### Sales by product group Q3

	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	2,300	2,418	1,966	2,238	1,171	1,085	71	73	3	2	-157	-187	5,353	5,628
Electromechanical and electronic locks	1,586	1,661	1,255	1,432	524	549	3,461	3,649	190	277	-182	-292	6,835	7,276
Security doors and hardware	812	824	1,546	1,718	762	610	-104	-17	611	754	-33	-39	3,593	3,851
Entrance automation	126	140	12	13	22	27	-	-	6,313	7,025	-29	-29	6,444	7,176
<b>Total</b>	<b>4,824</b>	<b>5,044</b>	<b>4,779</b>	<b>5,400</b>	<b>2,479</b>	<b>2,271</b>	<b>3,428</b>	<b>3,705</b>	<b>7,116</b>	<b>8,058</b>	<b>-401</b>	<b>-548</b>	<b>22,225</b>	<b>23,930</b>

### Sales by product group Jan-Sep

	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	6,524	7,376	5,964	6,358	3,197	3,122	226	238	6	6	-507	-511	15,408	16,587
Electromechanical and electronic locks	4,568	5,019	3,660	3,810	1,336	1,438	10,373	10,389	542	778	-589	-738	19,890	20,695
Security doors and hardware	2,287	2,510	4,794	4,790	1,841	1,662	15	20	1,797	2,153	-80	-90	10,655	11,046
Entrance automation	361	431	29	28	50	67	-	-	18,050	20,627	-93	-97	18,398	21,056
<b>Total</b>	<b>13,739</b>	<b>15,336</b>	<b>14,447</b>	<b>14,986</b>	<b>6,424</b>	<b>6,288</b>	<b>10,614</b>	<b>10,647</b>	<b>20,395</b>	<b>23,564</b>	<b>-1,268</b>	<b>-1,436</b>	<b>64,351</b>	<b>69,384</b>

## 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
New Zealand Fire Door	Asia Pacific	New Zealand	53	66 SEK M	2021-08
Capitol Door Service	Entrance Systems	USA	50	150 SEK M	2021-08
Omni-ID	Global Technologies	USA	170	110 SEK M	2021-08

	Q3		Jan-Sep	
SEK M	2020	2021	2020	2021
<b>Purchase prices</b>				
Cash paid for acquisitions during the year	6,275	353	7,543	761
Holdbacks and contingent considerations for acquisitions during the year	357	39	537	113
Fair value of previously owned shares in associates	3,752	-	3,752	-
Adjustment of purchase prices for acquisitions in prior years	0	0	27	-6
<b>Total</b>	<b>10,384</b>	<b>393</b>	<b>11,858</b>	<b>868</b>
<b>Acquired assets and liabilities at fair value</b>				
Intangible assets	626	23	795	151
Property, plant and equipment and right-of-use assets	685	16	881	25
Other non-current assets	87	-4	91	-1
Inventories	594	58	675	122
Current receivables and investments	908	56	985	131
Cash and cash equivalents	2,137	30	2,173	118
Non-current liabilities	-701	-2	-833	-21
Current liabilities	-858	-60	-1,071	-233
<b>Total</b>	<b>3,478</b>	<b>118</b>	<b>3,698</b>	<b>292</b>
<b>Goodwill</b>	<b>6,906</b>	<b>275</b>	<b>8,161</b>	<b>576</b>
<b>Change in cash and cash equivalents due to acquisitions</b>				
Cash paid for acquisitions during the year	6,275	353	7,543	761
Cash and cash equivalents in acquired subsidiaries	-2,137	-30	-2,173	-118
Paid considerations for acquisitions in prior years	91	110	414	515
<b>Total</b>	<b>4,229</b>	<b>434</b>	<b>5,784</b>	<b>1,158</b>

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 September 2021

SEK M	Carrying amount	Fair value	Financial instruments at fair value		
			Level 1	Level 2	Level 3
<b>Financial assets</b>					
Financial assets at amortized cost	21,381	21,381			
Financial assets at fair value through profit and loss	49	49			
Derivatives - hedge accounting	131	131		131	
Derivatives - held for trading	145	145		145	
<b>Financial liabilities</b>					
Financial liabilities at amortized cost	34,039	34,351			
Financial liabilities at fair value through profit and loss	398	398			398
Lease liabilities	3,401	3,401			
Derivatives - hedge accounting	0	0		0	
Derivatives - held for trading	337	337		337	

31 December 2020

SEK M	Carrying amount	Fair value	Financial instruments at fair value		
			Level 1	Level 2	Level 3
<b>Financial assets</b>					
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	
<b>Financial liabilities</b>					
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-Sep	
SEK M	2020	2020	2021
Operating income	868	230	-30
Income before appropriations and tax	5,363	1,777	2,775
Net income for the period	5,552	1,777	2,820

### CONDENSED BALANCE SHEET

	31 Dec	30 Sep	
SEK M	2020	2020	2021
Non-current assets	38,961	38,143	43,067
Current assets	21,069	24,301	19,312
<b>Total assets</b>	<b>60,030</b>	<b>62,444</b>	<b>62,379</b>
Equity	26,186	24,455	26,824
Untaxed reserves	1,125	911	1,125
Non-current liabilities	15,677	17,252	14,370
Current liabilities	17,042	19,827	20,060
<b>Total equity and liabilities</b>	<b>60,030</b>	<b>62,444</b>	<b>62,379</b>

## 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.