

Quarterly Report Q1 2022

27 April 2022

ASSA ABLOY

Experience a safer and
more open world

A strong start to the year

First quarter

- Net sales increased by 22% to SEK 26,591 M (21,805), with organic growth of 14% (4) and acquired net growth of 0% (4)
- Very strong organic sales growth in Americas, Entrance Systems and Global Technologies and strong growth in EMEIA, while organic sales declined in Asia Pacific
- Three acquisitions with combined annual sales of about SEK 250 M were signed in the quarter
- Operating income (EBIT) was SEK 4,001 M (3,187), corresponding to an operating margin of 15.0% (14.6)
- Net income amounted to SEK 2,859 M (2,253)
- Earnings per share increased to SEK 2.57 (2.03)
- Operating cash flow amounted to SEK 912 M (2,636).

Organic growth

+14%

Operating income

+26%

Earnings per share

+27%

Sales and income

	Full year			First quarter		
	2020	2021	Δ	2021	2022	Δ
Sales, SEK M	87,649	95,007	8%	21,805	26,591	22%
Of which:						
Organic growth	-7,150	8,900	11%	827	3,287	14%
Acquisitions and divestments	3,328	1,975	2%	866	-52	0%
Exchange-rate effects	-2,558	-3,517	-5%	-2,060	1,551	8%
Operating income (EBIT)¹, SEK M	11,916	14,181	19%	3,187	4,001	26%
Operating margin (EBITA) ¹ , %	14.3%	15.6%		15.3%	15.6%	
Operating margin (EBIT)¹, %	13.6%	14.9%		14.6%	15.0%	
Income before tax ¹ , SEK M	11,133	13,538	22%	3,045	3,811	25%
Net income ¹ , SEK M	8,375	10,901	30%	2,253	2,859	27%
Operating cash flow, SEK M	14,560	13,265	-9%	2,636	912	-65%
Earnings per share¹, SEK	7.54	9.81	30%	2.03	2.57	27%

¹ Excluding costs before income tax for restructuring programs in the fourth quarter 2020, totaling SEK -1,366 M. The corresponding costs after tax was SEK -1,112 M. Excluding non-cash operating income in third quarter 2020 from revaluation at fair value of 39% ownership in agta record, totaling SEK 1,909 M for the year. The operating income had no tax impact.

Comments by the President and CEO

A strong start to the year

We had a good start to 2022, with very strong organic sales growth and margin improvement. This was driven by robust demand and price adjustments. During the quarter we have addressed multiple operational challenges – these include higher material costs; supply-chain issues including semiconductor shortages; very high sick leave due to Omicron; and record high energy costs - but thanks to excellent operational execution we can report a solid improvement of the operating margin.

Our organic sales grew by 14%, accompanied by 8% positive currency effects and net-zero sales growth from acquisitions and divestments. Americas and Entrance Systems delivered exceptionally strong organic sales growth of 22% and 20% respectively. This was driven by positive underlying market conditions in the US, strong demand in the non-residential segments, and price realization. Global Technologies also grew very strongly by 11%, driven by a partial recovery of the travel related businesses and increased mobility. EMEA reported strong organic growth of 7% with strong growth in the emerging markets, the Nordics and the DACH region. Organic sales in Asia Pacific declined by 2% as demand in China continued to be weak.

Operating income increased by 26% to SEK 4,001 M and the operating margin improved by 40 bps to 15.0%. As we continue to build-up inventory to safeguard deliveries and due also to the impact of material inflation on inventory, our cash flow was lower than last year, totaling SEK 912 M. We expect the cash conversion rate to gradually improve going forward.

Long-term growth drivers remain solid

While macro-economic and geopolitical uncertainties have increased, our business benefits from many long-term growth drivers. The basic need for safety and security is a fundamental driver. This is further supported by the increasing demand for flexible and convenient access solutions enabled by new technologies, urbanization and increased focus on sustainability. Specifically, the transition to electromechanical and mobile access solutions provides many opportunities. In the last few years, we have launched numerous partnerships with leading technology companies. One example is our collaboration with Apple, which was extended with the launch of employee badge in Apple Wallet at Silverstein Properties' high-profile 7 World Trade Center property in New York City during the first quarter. These partnerships will further accelerate our mobile credential business.

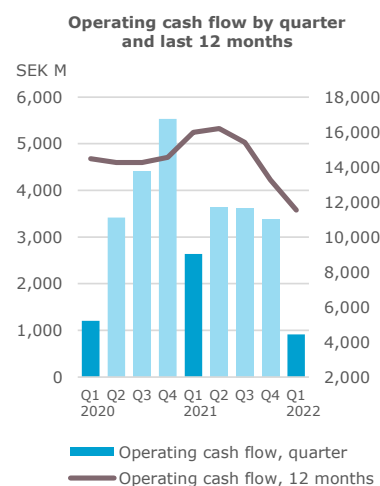
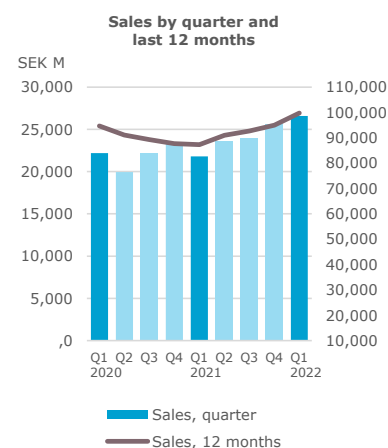
During the quarter, we signed three acquisitions and the activity level remains high.

It was with great sadness that we witnessed Russia's invasion of Ukraine and the humanitarian crisis that has followed. Our thoughts are with all the people who are affected by this conflict. Although our direct exposure to Russia and Ukraine is limited, it has indirect business effects. Nevertheless, with many positive long-term growth drivers and after a strong start to the year, we are confident that the Group is in a good position to continue its positive journey.

Stockholm, 27 April 2022



Nico Delvaux
President and CEO



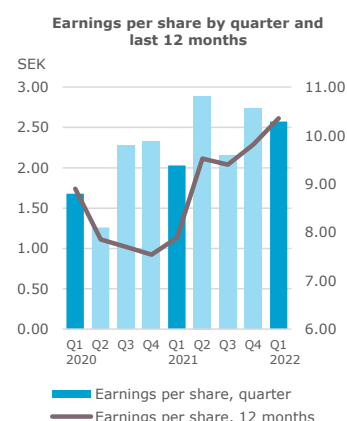
First quarter

The Group's sales increased by 22% to SEK 26,591 M (21,805). Organic growth amounted to 14% (4). Growth from acquisitions and divestments was 0% (4), of which 1% (5) were acquisitions and -1% (-1) were divestments. Exchange-rates affected sales by 8% (-10).

The Group's operating income (EBIT) amounted to SEK 4,001 M (3,187), an increase of 26%. The corresponding operating margin was 15.0% (14.6). Exchange-rates had an impact of SEK 212 M (-261) on EBIT. Operating income before amortizations from acquisitions (EBITA) amounted to SEK 4,153 M (3,341). The corresponding EBITA margin was 15.6% (15.3).

Net financial items amounted to SEK -190 M (-142). The Group's income before tax was SEK 3,811 M (3,045), an increase of 25% compared with last year. Exchange-rates had an impact of SEK 203 M (-247) on income before tax. The profit margin was 14.3% (14.0).

The estimated effective income tax rate on an annual basis was 25% (26). Earnings per share amounted to SEK 2.57 (2.03), an increase of 27% compared with last year. Operating cash flow totaled SEK 912 M (2,636), which corresponds to a cash conversion of 0.24 (0.87).



Organization

Helle Bay has been appointed Executive Vice President and Chief Human Resources Officer for the ASSA ABLOY Group, succeeding Maria Romberg Ewerth who has left the Group. The appointment is effective from June 1, 2022. Helle has previous experience from various senior HR positions in Scania Group and Vestas Wind Systems, and she holds a Bachelor's degree in organization from Aarhus School of Business and Social Sciences and a Human Resources diploma from Aarhus Business College in Denmark.

Restructuring measures

Payments related to all restructuring programs amounted to SEK 68 M (138) during the quarter. The restructuring programs proceeded according to plan. At the end of the quarter provisions of SEK 600 M remained in the balance sheet for carrying out the programs.

Quarterly comments by division

Opening Solutions EMEA

Sales for the quarter in EMEA totaled SEK 5,309 M (5,058), with organic growth of 7% (5). Sales growth was very strong in Eastern Europe, Middle East, Africa, India and Finland, strong in DACH, Scandinavia and South Europe, good in France and stable in the UK. Sales declined in Benelux. Net sales growth from acquisitions and divestments was -5%. Operating income totaled SEK 776 M (755), which represents an operating margin (EBIT) of 14.6% (14.9). Return on capital employed, on an annualized basis, amounted to 16.2% (12.9). Operating cash flow before non-cash items and interest paid totaled SEK 23 M (587).

Opening Solutions Americas

Sales for the quarter in Americas totaled SEK 6,241 M (4,604), with organic growth of 22% (0). Sales growth was strong in Canada and very strong in all other product areas and regions. Sales growth from acquisitions was 1%. Operating income totaled SEK 1,265 M (955), which represents an operating margin (EBIT) of 20.3% (20.7). Return on capital employed, on an annualized basis, amounted to 30.5% (25.3). Operating cash flow before non-cash items and interest paid totaled SEK 552 M (727).

Opening Solutions Asia Pacific

Sales for the quarter in Asia Pacific totaled SEK 1,879 M (1,773), with organic growth of -2% (23). Sales growth was very strong in Pacific, good in South East Asia and stable in South Korea, but sales declined significantly in China. Sales growth from acquisitions and internal segment transfers was 1%. Operating income totaled SEK 67 M (78), which represents an operating margin (EBIT) of 3.5% (4.4). Return on capital employed, on an annualized basis, amounted to 5.6% (7.2). Operating cash flow before non-cash items and interest paid totaled SEK -226 M (-94).

Global Technologies

Sales for the quarter in Global Technologies totaled SEK 4,051 M (3,301), with organic growth of 11% (-9). Sales growth was very strong in Citizen ID, Identification Technology and Secure Issuance, strong in Extended Access and stable in Identity & Access Solutions, but sales declined in Physical Access Control. Sales growth in Global Solutions was very strong. Sales growth from acquisitions and internal segment transfers was 2%. Operating income totaled SEK 516 M (472), which represents an operating margin (EBIT) of 12.7% (14.3). Return on capital employed, on an annualized basis, amounted to 10.4% (8.6). Operating cash flow before non-cash items and interest paid totaled SEK 353 M (630).

Entrance Systems

Sales for the quarter in Entrance Systems totaled SEK 9,653 M (7,499), with organic growth of 20% (11). Sales growth was very strong in Residential, Perimeter Security and Industrial and good in Pedestrian. Sales growth from acquisitions was 1%. Operating income totaled SEK 1,555 M (1,096), which represents an operating margin (EBIT) of 16.1% (14.6). Return on capital employed, on an annualized basis, amounted to 16.8% (14.3). Operating cash flow before non-cash items and interest paid totaled SEK 621 M (1,058).

Acquisitions and divestments

One acquisition was consolidated during the quarter. The combined acquisition price for the businesses acquired during the year, including adjustments from prior-year acquisitions, amounted to SEK 18 M. The corresponding acquisition price on a cash and debt free basis totaled SEK 37 M. Preliminary acquisition analyses indicate that goodwill and other intangible assets with indefinite useful life were reduced by SEK 48 M. Estimated deferred considerations for acquisitions made during the year amounted to SEK 3 M.

On March 21 it was announced that ASSA ABLOY has entered into an agreement to acquire JOTEC, a leading regional industrial door distributor and service company in Germany. The business has some 100 employees, with its head office in Erkelenz, Germany. Sales for 2021 amounted to about SEK 200 M.

The acquisition is subject to regulatory approval and customary closing conditions and is expected to close during the second quarter of 2022.

On January 17 it was announced that ASSA ABLOY has entered into an agreement to acquire Vigil Health Solutions, a leader in innovative call systems and resident-monitoring solutions for senior living. The business is listed on the TSX Venture Exchange and has some 30 employees, with its head office in Victoria, Canada. Sales for 2021 amounted to about SEK 40 M. The acquisition was completed on April 1, 2022.

Sustainable development

ASSA ABLOY's Sustainability Report for 2021 was published on 7 March 2022. During 2021 we increased our focus on sustainability and we have made good progress in our sustainability program and targets, which run up to 2025.

In 2021, against our 2019 baseline, we reduced our water intensity by 24%, our waste intensity by 2% and our organic solvent intensity by 48%. Carbon emissions achieved a reduction of 17%. Our injury rate fell by 20% against our 2019 baseline, due to the continued development and roll-out of our ASSA ABLOY Health & Safety program.

During 2021 we carried out 861 sustainability audits of direct material suppliers. The Group had 276 Environmental Product Declarations verified and published by the end of 2021.

ASSA ABLOY continues to work towards setting our science-based targets, which we look forward to announcing during the year.

Parent company

Other operating income for the Parent company ASSA ABLOY AB totaled SEK 615 M (554) for the first quarter of 2022. Operating income for the same period amounted to SEK -651 M (-366). Investments in tangible and intangible assets totaled SEK 2 M (0). Liquidity is good and the equity ratio is 43.9% (43.0).

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 previous 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 2022.

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 17 of this Report. Information about how these measures have been calculated is available on the company's website www.assaabloy.com.

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 2021 appear on the company's website.

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 2021 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 31 March 2022, will have an effect of 0% on sales in the second quarter of 2022 versus the same period last year, while the effect on the operating margin is estimated to be slightly dilutive in the second quarter of 2022.

Exchange-rate effects

On the basis of the currency rates on 31 March 2022, it is estimated that the weighted currency effects on sales in the second quarter of 2022 versus the same period last year will be 9%, while the effect on the operating margin is estimated to be neutral in the second quarter of 2022.

Review

The Company's Auditors have not carried out any review of this Report for the first quarter of 2022.

Stockholm, 27 April 2022



Nico Delvaux
President and CEO

Financial information

The Quarterly Report for the second quarter of 2022 will be published on 19 July 2022.

The Quarterly Report for the third quarter of 2022 will be published on 26 October 2022.

Further information can be obtained from:

Nico Delvaux,
President and CEO, tel. no: +46 8 506 485 82

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 27 April 2022

which can be followed online at www.assaabloy.com.

It is possible to submit questions by telephone on:
08-505 583 59, +44 333 300 9265 or +1 631 913 1422

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 April 2022.

ASSA ABLOY AB (publ)
Box 703 40
107 23 Stockholm

Visiting address
Klarabergsviadukten 90, Stockholm,
Sweden

Tel +46 (0)8 506 485 00
Fax +46 (0)8 506 485 85
www.assaabloy.com

Corporate identity number: 556059-3575

No.09/2022

Financial information - Group

CONDENSED INCOME STATEMENT

	Year	Q1	
SEK M	2021	2021	2022
Sales	95,007	21,805	26,591
Cost of goods sold	-57,231	-13,084	-16,115
Gross income	37,777	8,722	10,476
Selling, administrative and R&D costs	-23,614	-5,537	-6,480
Share of earnings in associates	19	,3	,6
Operating income	14,181	3,187	4,001
Finance net	-643	-142	-190
Income before tax	13,538	3,045	3,811
Tax on income	-2,638	-792	-953
Net income for the period	10,901	2,253	2,859
Net income for the period attributable to:			
Parent company's shareholders	10,900	2,253	2,858
Non-controlling interests	1	0	0
Earnings per share			
Before and after dilution, SEK	9.81	2.03	2.57
Before and after dilution and excluding items affecting comparability, SEK	9.81	2.03	2.57

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Year	Q1	
SEK M	2021	2021	2022
Net income for the period	10,901	2,253	2,859
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Actuarial gain/loss on post-employment benefit obligations, net after tax	705	458	-10
Total	705	458	-10
Items that may be reclassified subsequently to profit or loss			
Share of other comprehensive income of associates	-6	-10	-26
Cashflow hedges and net investment hedges, net after tax	-17	-13	7
Exchange rate differences	3,468	2,133	1,205
Total	3,444	2,109	1,186
Total comprehensive income for the period	15,050	4,821	4,035
Total comprehensive income for the period attributable to:			
Parent company's shareholders	15,049	4,820	4,035
Non-controlling interests	1	1	0

Financial information - Group

CONDENSED BALANCE SHEET

	31 Dec	31 Mar	
SEK M	2021	2021	2022
ASSETS			
Non-current assets			
Intangible assets	76,336	75,268	77,478
Property, plant and equipment	8,753	8,329	8,934
Right-of-use assets	3,436	3,619	3,450
Investments in associates	652	638	637
Other financial assets	267	218	273
Deferred tax assets	1,264	1,159	1,162
Total non-current assets	90,707	89,232	91,933
Current assets			
Inventories	13,933	10,995	15,914
Trade receivables	15,844	14,716	17,186
Other current receivables and investments	5,165	4,880	6,144
Cash and cash equivalents	4,325	3,610	4,113
Total current assets	39,267	34,201	43,357
TOTAL ASSETS	129,975	123,433	135,290
EQUITY AND LIABILITIES			
Equity			
Equity attributable to Parent company's shareholders	69,582	63,649	73,568
Non-controlling interests	9	10	9
Total equity	69,592	63,658	73,577
Non-current liabilities			
Long-term loans	20,195	22,499	19,723
Non-current lease liabilities	2,433	2,544	2,365
Deferred tax liabilities	2,581	2,936	2,616
Other non-current liabilities and provisions	3,899	4,342	3,860
Total non-current liabilities	29,108	32,321	28,563
Current liabilities			
Short-term loans	5,042	3,703	5,651
Current lease liabilities	1,082	1,134	1,170
Trade payables	9,527	7,565	9,688
Other current liabilities and provisions	15,625	15,051	16,641
Total current liabilities	31,276	27,453	33,149
TOTAL EQUITY AND LIABILITIES	129,975	123,433	135,290

CHANGES IN EQUITY

	Equity attributable to:		
SEK M	Parent company's shareholders	Non-controlling interests	Total equity
Opening balance 1 January 2021	58,870	9	58,879
Net income for the period	2,253	0	2,253
Other comprehensive income	2,567	0	2,567
Total comprehensive income	4,820	1	4,821
Stock purchase plans	-42	-	-42
Total transactions with shareholders	-42	-	-42
Closing balance 31 March 2021	63,649	10	63,658
Opening balance 1 January 2022	69,582	9	69,592
Net income for the period	2,858	0	2,859
Other comprehensive income	1,177	-1	1,176
Total comprehensive income	4,035	0	4,035
Stock purchase plans	-49	-	-49
Total transactions with shareholders	-49	-	-49
Closing balance 31 March 2022	73,568	9	73,577

Financial information - Group

CONDENSED STATEMENT OF CASH FLOWS SEK M	Year	Q1	
	2021	2021	2022
OPERATING ACTIVITIES			
Operating income	14,181	3,187	4,001
Depreciation and amortization	3,841	929	939
Other non-cash items	178	-57	13
Restructuring payments	-563	-138	-68
Cash flow before interest and tax	17,638	3,920	4,886
Interest paid and received	-569	-122	-133
Tax paid on income	-3,117	-532	-597
Cash flow before changes in working capital	13,952	3,266	4,155
Changes in working capital	-1,496	-701	-3,261
Cash flow from operating activities	12,456	2,565	894
INVESTING ACTIVITIES			
Net investments in intangible assets and property, plant and equipment	-1,629	-289	-336
Investments in subsidiaries	-2,121	-296	-47
Divestments of subsidiaries	699	34	2
Other investments and disposals	-43	0	0
Cash flow from investing activities	-3,094	-551	-380
FINANCING ACTIVITIES			
Dividends	-4,333	-	-
Amortization of lease liabilities	-1,242	-311	-312
Net cash effect of changes in borrowings	-2,238	-862	-422
Cash flow from financing activities	-7,813	-1,173	-734
CASH FLOW FOR THE PERIOD	1,549	841	-220
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of period	2,756	2,756	4,325
Cash flow for the period	1,549	841	-220
Effect of exchange rate differences	20	13	7
Cash and cash equivalents at end of period	4,325	3,610	4,113

Reporting by division

Q1 and 31 Mar

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Sales, external	4,956	5,175	4,559	6,209	1,544	1,561	3,275	4,018	7,471	9,628	-	-	21,805	26,591
Sales, internal	101	134	46	31	229	318	26	33	28	25	-430	-542	-	-
Sales	5,058	5,309	4,604	6,241	1,773	1,879	3,301	4,051	7,499	9,653	-430	-542	21,805	26,591
Organic growth	5%	7%	0%	22%	23%	-2%	-9%	11%	11%	20%	-	-	4%	14%
Acquisitions and divestments	1%	-5%	1%	1%	-4%	1%	3%	2%	12%	1%	-	-	4%	0%
Exchange-rate effects	-6%	3%	-14%	13%	-7%	7%	-10%	10%	-12%	8%	-	-	-10%	8%
Operating income (EBIT)	755	776	955	1,265	78	67	472	516	1,096	1,555	-169	-177	3,187	4,001
Operating margin (EBIT)	14.9%	14.6%	20.7%	20.3%	4.4%	3.5%	14.3%	12.7%	14.6%	16.1%	-	-	14.6%	15.0%
OPERATING CASH FLOW														
SEK M														
Operating income (EBIT)	755	776	955	1,265	78	67	472	516	1,096	1,555	-169	-177	3,187	4,001
Depreciation and amortization	231	206	112	127	78	79	227	239	271	278	10	10	929	939
Net capital expenditure	-82	-86	-67	-83	-40	-25	-37	-46	-62	-92	-1	-4	-289	-336
Amortization of lease liabilities	-81	-62	-34	-41	-24	-26	-36	-36	-134	-142	-2	-5	-311	-312
Change in working capital	-236	-811	-239	-716	-187	-321	4	-321	-112	-977	69	-116	-701	-3,261
Operating cash flow by division	587	23	727	552	-94	-226	630	353	1,058	621	-93	-291	2,814	1,032
Non-cash items											-57	13	-57	13
Interest paid and received											-122	-133	-122	-133
Operating cash flow													2,636	912
CAPITAL EMPLOYED														
SEK M														
Goodwill	10,986	11,026	11,053	12,126	3,958	4,153	15,631	16,446	19,194	19,850	-	-	60,822	63,600
Other intangible assets	1,367	1,077	1,236	1,263	983	1,027	4,207	3,785	6,612	6,684	41	42	14,446	13,877
Property, plant and equipment	2,195	2,421	1,632	1,818	1,436	1,497	1,106	1,208	1,905	1,943	53	47	8,329	8,934
Right-of-use assets	1,008	916	393	473	268	246	513	489	1,411	1,282	26	44	3,619	3,450
Other capital employed	2,458	2,660	-519	912	2,120	2,412	855	1,025	2,473	4,419	-667	504	6,721	11,932
Adjusted capital employed	18,015	18,099	13,795	16,593	8,765	9,335	22,313	22,953	31,595	34,176	-547	637	93,937	101,793
Restructuring reserve	-419	-252	-23	-1	-178	-100	-137	-109	-212	-106	-150	-32	-1,119	-600
Capital employed	17,596	17,847	13,773	16,591	8,586	9,236	22,176	22,845	31,383	34,071	-697	604	92,818	101,193
Return on capital employed	12.9%	16.2%	25.3%	30.5%	7.2%	5.6%	8.6%	10.4%	14.3%	16.8%	-	-	13.1%	15.7%
Average adjusted capital employed	18,712	18,119	14,258	14,774	8,713	8,710	22,460	22,142	30,407	32,341	-	-	94,230	95,766
Average number of employees	12,037	11,755	8,797	9,392	8,321	7,676	6,284	6,861	13,981	14,916	266	384	49,685	50,984

Reporting by division

Jan-Dec and 31 Dec														
	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	18 563	20 040	18 907	20 356	7 916	7 549	14 054	14 495	28 210	32 568	-	-	87 649	95 007
Sales, internal	418	483	107	151	926	1 170	105	109	113	123	-1 668	-2 036	-	-
Sales	18 982	20 522	19 013	20 507	8 841	8 719	14 158	14 604	28 323	32 690	-1 668	-2 036	87 649	95 007
Organic growth	-8%	13%	-7%	14%	-16%	2%	-15%	5%	-2%	14%	-	-	-8%	11%
Acquisitions and divestments	-1%	-2%	-9%	1%	1%	-2%	10%	3%	15%	7%	-	-	4%	2%
Exchange-rate effects	-1%	-3%	-2%	-7%	-2%	-1%	-3%	-5%	-2%	-6%	-	-	-3%	-5%
Share of earnings in associates	-	-	-	-	9	18	9	1	239	-1	0	-	257	19
EBIT, excl items affecting comparability	2 263	2 916	3 698	4 200	396	499	2 023	2 253	4 083	4 988	-547	-675	11 916	14 181
EBIT margin, excl items affecting comparability	11,9%	14,2%	19,4%	20,5%	4,5%	5,7%	14,3%	15,4%	14,4%	15,3%	-	-	13,6%	14,9%
Restructuring costs	-448	-	-51	-	-303	-	-195	-	-220	-	-150	-	-1 366	-
Revaluation of associate shareholding	-	-	-	-	-	-	-	-	1 909	-	-	-	1 909	-
Operating income (EBIT)	1 815	2 916	3 647	4 200	93	499	1 828	2 253	5 772	4 988	-697	-675	12 458	14 181
Operating margin (EBIT)	9,6%	14,2%	19,2%	20,5%	1,1%	5,7%	12,9%	15,4%	20,4%	15,3%	-	-	14,2%	14,9%
Operating income (EBIT)	1 815	2 916	3 647	4 200	93	499	1 828	2 253	5 772	4 988	-697	-675	12 458	14 181
Revaluation of associate shareholding	448	-	51	-	303	-	195	-	-1 689	-	150	-	-542	-
Depreciation and amortization	925	969	471	493	355	306	917	923	1 078	1 114	30	37	3 776	3 841
Net capital expenditure	-407	-475	-267	-351	-192	-182	-430	-250	-330	-361	-47	-10	-1 674	-1 629
Amortization of lease liabilities	-318	-306	-132	-148	-108	-92	-144	-144	-559	-537	-14	-15	-1 275	-1 242
Change in working capital	476	-14	1 067	-471	311	-247	144	397	702	-1 233	-94	73	2 606	-1 496
Operating cash flow by division	2 939	3 089	4 837	3 722	762	285	2 509	3 179	4 974	3 971	-673	-591	15 349	13 656
Non-cash items											-95	178	-95	178
Interest paid and received											-694	-569	-694	-569
Operating cash flow													14 560	13 265
Capital employed	16 849	17 063	13 201	15 908	8 191	8 653	21 044	22 326	30 231	32 787	-883	-74	88 634	96 663
- of which goodwill	10 475	10 949	10 444	11 700	3 884	4 028	14 881	16 164	18 660	19 662	-	-	58 344	62 502
- of which other intangible assets and PPE	3 485	3 516	2 713	2 977	2 375	2 483	5 100	5 059	8 362	8 461	99	90	22 134	22 587
- of which right-of-use assets	998	937	387	430	264	243	457	512	1 390	1 270	17	44	3 513	3 436
- of which investments in associates	1	1	-	-	589	602	28	32	20	17	-	-	637	652
Return on capital employed	11,9%	16,2%	24,4%	30,0%	4,4%	5,9%	8,9%	10,4%	13,9%	15,8%	-	-	12,5%	15,2%
Average adjusted capital employed	19 050	17 991	15 186	13 986	8 910	8 498	22 757	21 751	29 352	31 525	-	-	95 002	93 199
Average number of employees	10 281	11 848	8 787	9 298	9 892	8 259	6 374	6 556	12 883	14 604	254	369	48 471	50 934

Financial information - Notes

NOTE 1 DISAGGREGATION OF REVENUE

Sales by continent Q1

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Europe	4,456	4,579	28	24	144	147	949	1,204	3,510	3,970	-214	-219	8,872	9,705
North America	91	114	4,098	5,630	199	303	1,615	1,822	3,496	5,167	-129	-225	9,370	12,812
Central- and South America	15	24	442	553	11	11	75	147	17	20	-10	-7	549	748
Africa	196	215	3	8	2	2	65	123	17	11	-9	-8	274	351
Asia	275	343	31	23	868	760	429	550	238	252	-41	-48	1,800	1,879
Oceania	25	32	2	3	550	656	168	206	221	233	-27	-35	940	1,096
Total	5,058	5,309	4,604	6,241	1,773	1,879	3,301	4,051	7,499	9,653	-430	-542	21,805	26,591

Sales by product group Q1

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Mechanical locks, lock systems and fittings	2,443	2,634	1,974	2,483	916	1,014	79	73	2	2	-162	-193	5,252	6,014
Electromechanical and electronic locks	1,665	1,646	1,136	1,644	384	445	3,211	3,975	271	267	-210	-285	6,457	7,692
Security doors and hardware	820	906	1,487	2,099	456	375	12	3	690	938	-25	-35	3,439	4,287
Entrance automation	129	123	7	15	17	44	-	-	6,536	8,446	-32	-30	6,657	8,599
Total	5,058	5,309	4,604	6,241	1,773	1,879	3,301	4,051	7,499	9,653	-430	-542	21,805	26,591

NOTE 2 BUSINESS COMBINATIONS

Consolidated acquisitions 2022

Acquisition	Division	Country	Number of employees	Approx. sales in 2021	Month of consolidation
Keytechnik	Global Technologies	Belgium	<50	<50 SEK M	2022-03

SEK M

Purchase prices

	Year	Q1	
	2021	2021	2022
Cash paid for acquisitions during the year	1,743	149	8
Holdbacks and deferred considerations for acquisitions during the year	150	53	3
Adjustment of purchase prices for acquisitions in prior years	-6	-6	8
Total	1,887	196	18

Acquired assets and liabilities at fair value

Intangible assets	151	133	100
Property, plant and equipment and right-of-use assets	118	8	23
Other non-current assets	3	1	0
Inventories	233	28	11
Current receivables and investments	332	52	-37
Cash and cash equivalents	180	80	2
Non-current liabilities	-43	-115	-18
Current liabilities	-363	-62	-13
Total	611	126	66
Goodwill	1,276	70	-48

Change in cash and cash equivalents due to acquisitions

Cash paid for acquisitions during the year	1,743	149	8
Cash and cash equivalents in acquired subsidiaries	-180	-80	-2
Paid considerations for acquisitions in prior years	557	227	40
Total	2,121	296	47

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

31 March 2022

SEK M	Carrying amount	Fair value	Financial instruments at fair value		
			Level 1	Level 2	Level 3
Financial assets					
Financial assets at amortized cost	21,525	21,525			
Financial assets at fair value through profit and loss	53	53			
Derivatives - hedge accounting	37	37		37	
Derivatives - held for trading	209	209		209	
Financial liabilities					
Financial liabilities at amortized cost	35,062	34,768			
Financial liabilities at fair value through profit and loss	347	347			347
Lease liabilities	3,534	3,534			
Derivatives - hedge accounting	74	74		74	
Derivatives - held for trading	455	455		455	

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	20,393	20,393			
Financial assets at fair value through profit and loss	52	52			
Available-for-sale financial assets	85	85		85	
Derivative instruments - hedge accounting	177	177		177	
Financial liabilities					
Financial liabilities at amortized cost	34,763	34,960			
Financial liabilities at fair value through profit and loss	403	403			403
Lease liabilities	3,515	3,515			
Derivatives - hedge accounting	3	3		3	
Derivatives - held for trading	344	344		344	

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

SEK M	Year	Q1	
	2021	2021	2022
Operating income	1,053	-366	-651
Income before appropriations and tax	6,721	-291	-394
Net income for the period	6,631	-220	-248

CONDENSED BALANCE SHEET

SEK M	31 Dec	31 Mar	
	2021	2021	2022
Non-current assets	46,435	38,774	46,020
Current assets	18,231	21,560	18,232
Total assets	64,666	60,334	64,253
Equity	28,481	25,925	28,184
Untaxed reserves	1,606	1,125	1,606
Non-current liabilities	14,577	15,516	14,145
Current liabilities	20,002	17,768	20,318
Total equity and liabilities	64,666	60,334	64,253

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.

Items affecting comparability

Restructuring costs and significant non-recurring operating expenses such as revaluation of previously owned shares in associates and goodwill impairment.

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.

Capital employed

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

Average adjusted capital employed

Average capital employed excluding restructuring reserves for the last twelve months.

Net debt

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

Net debt/EBITDA

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

Net debt/Equity ratio

Net debt in relation to equity.

Equity ratio

Shareholders' equity as a percentage of total assets.

Shareholders' equity per share

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

Return on capital employed

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

Return on equity

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

Earnings per share before and after dilution

Net income attributable to parent company's shareholders divided by weighted average number of outstanding shares. None of the Group's outstanding long-term incentive programs are expected to result in significant dilution in the future.

Earnings per share before and after dilution and excluding items affecting comparability

Net income attributable to parent company's shareholders excluding items affecting comparability, net of tax, divided by weighted average number of outstanding shares. None of the Group's outstanding long-term incentive programs are expected to result in significant dilution in the future.