

Quarterly Report

Q2 2023

July 19, 2023

ASSA ABLOY

Experience a safer and more open world

Strong performance in the second quarter

Second quarter

- Net sales increased by 17% to SEK 34,474 M (29,466), with organic growth of 3% (13) and acquired net growth of 6% (0). Exchange-rates affected sales by 8% (12).
- Very strong organic sales growth in Global Technologies, good growth in the Americas, stable in Entrance Systems, while organic sales declined in Asia Pacific and EMEA.
- The acquisition of Spectrum Brands' Hardware and Home improvement division (HHI) was completed in June.
- The divestment of Emtek and Smart Residential business in the U.S. and Canada to Fortune Brands was completed in June. The divestment gain, including exit costs, totaled SEK 3,661 M for the quarter.
- Impairment of goodwill and other intangible assets in Global Technologies led to one-off costs of SEK 2,268 M before taxes.
- Operating income¹ (EBIT) increased by 25% and amounted to SEK 5,500 M (4,406), with an operating margin of 16.0% (15.0).
- The operating margin¹ (EBIT) excluding the acquisition of HHI and divestment of the Emtek/U.S. Smart Residential was 16.7%.
- Net income¹ amounted to SEK 3,731 M (3,156).
- Earnings per share¹ amounted to SEK 3.36 (2.84).
- Operating cash flow amounted to SEK 6,671 M (3,787).

Organic growth

+3%

Operating income¹

+25%

Earnings per share¹

+18%

Sales and income

	Second quarter			First half-year		
	2022	2023	Δ	2022	2023	Δ
Sales, SEK M	29,466	34,474	17%	56,057	66,865	19%
Of which:						
Organic growth	3,324	897	3%	6,610	3,115	5%
Acquisitions and divestments	-16	2,002	6%	-68	3,346	6%
Exchange-rate effects	2,510	2,109	8%	4,061	4,346	8%
Operating income (EBIT)¹, SEK M	4,406	5,500	25%	8,407	10,686	27%
Operating margin (EBITA) ¹ , %	15.5%	16.6%		15.5%	16.6%	
Operating margin (EBIT)¹, %	15.0%	16.0%		15.0%	16.0%	
Income before tax ¹ , SEK M	4,208	5,054	20%	8,019	9,898	23%
Net income ¹ , SEK M	3,156	3,731	18%	6,015	7,423	23%
Operating cash flow, SEK M	3,787	6,671	76%	4,699	10,741	129%
Earnings per share¹, SEK	2.84	3.36	18%	5.41	6.68	23%

¹ Adjusted for items affecting comparability. Please see the section 'Items affecting comparability' in the report for further details about the financial effects.

Comments by the President and CEO

Strong performance in the second quarter

Following a very strong start to the year, I am pleased to report continued good sales growth with very strong operating margin improvement in the second quarter despite a weak residential market. Our sales grew organically by 3%, acquired net growth was 6% and currency contributed 8%.

Global Technologies delivered very strong organic sales growth of 20% as we further reduced our order backlog in Physical Access Control and saw very strong growth in Hospitality. Activity levels in the Americas were high and we report good sales growth of 4%. Sales in Entrance Systems were flat despite high comparable and lower residential demand. Asia Pacific sales declined 2% due to lower internal sales and low residential business. Sales in EMEA declined by 5% due to very low activity levels in residential new construction.

Our quarterly operating profit, excluding items affecting comparability, increased strongly by 25%. The corresponding operating margin, also excluding the acquisition of HHI and divestment of the Emtek/U.S. Smart Residential, was 16.7%. The operating leverage was very strong at 75%, driven by lower direct material costs, operational efficiencies, and pricing. The operating cash flow improved strongly by 76% to a record SEK 6,671 M.

Further cost measures

In light of the lower residential construction levels, we have diligently implemented short term cost measures to protect our profitability. During 2023, we expect to realize around SEK 0.9 bn in short-term cost reductions on top of the manufacturing footprint program. We have also accelerated our MFP-program and now expect SEK 0.8 bn in savings this year. Our decentralized organization and structural agility will enable us to optimize efficiency and ensure financial stability.

Even if there is a short-term deceleration in the market, we are confident that the long-term growth drivers for access control remain. This includes the transition to electromechanical products, whose sales after currency adjustment grew by 16% in the quarter. We are therefore continuing to invest in R&D. It is the enabler for growth and creates new opportunities. Our dedication to innovation will continue to allow us to stay ahead and respond effectively to the evolving and growing overall market.

We are happy to welcome HHI to the Group

After reaching a settlement with the Department of Justice in the U.S., we are happy to welcome HHI into the Group. HHI is an excellent addition to ASSA ABLOY, complementing our existing business in a strong way. The integration process has initiated and I'm excited to start to realize the synergies of USD 100 M into our results.

We would also like to extend our appreciation to the Emtek and Smart Residential teams in the U.S./Canada that were divested in connection with the HHI acquisition.

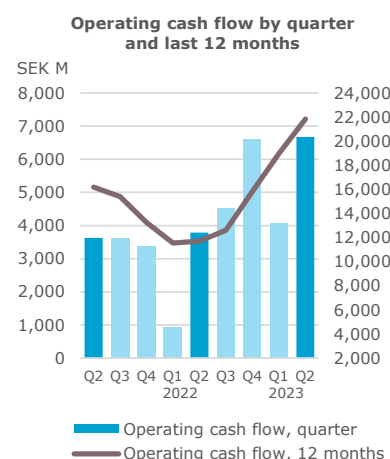
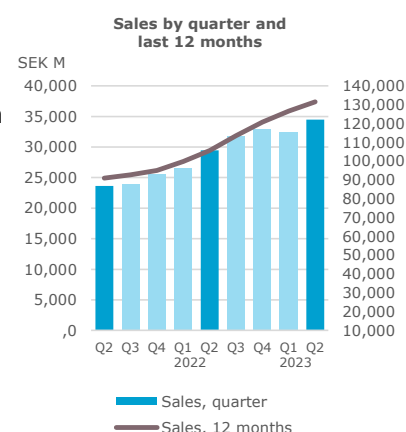
Execution of our overall acquisition strategy will continue with an active pipeline.

Thank you for your continued trust in ASSA ABLOY.

Stockholm, July 19, 2023



Nico Delvaux
President and CEO



Second quarter

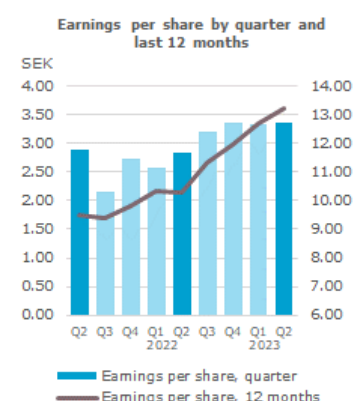
The Group's sales increased by 17% to SEK 34,474 M (29,466). Organic growth amounted to 3% (13). Growth from acquisitions and divestments was 6% (0), of which 7% (1) were acquisitions and –1% (–1) were divestments. Exchange-rates affected sales positively by 8% (12).

The Group's operating income² (EBIT) amounted to SEK 5,500 M (4,406), an increase of 25%. The corresponding operating margin was 16.0% (15.0). Exchange-rates had an impact of SEK 355 M (401) on EBIT. Operating income before amortizations from acquisitions² (EBITA) amounted to SEK 5,722 M (4,557). The corresponding EBITA margin was 16.6% (15.5).

Net financial items amounted to SEK –445 M (–198), primarily due to higher interest costs compared with last year. The Group's income before tax² was SEK 5,054 M (4,208), an increase of 20% compared with last year. Exchange-rates had an impact of SEK 335 M (390) on income before tax². The corresponding profit margin was 14.7% (14.3).

The estimated effective tax rate for 2023, on an annualized basis and excluding items affecting comparability, was 25% (24% for the full year 2022). Earnings per share before and after dilution² amounted to SEK 3.36 (2.84), an increase of 18% compared with last year.

Operating cash flow totaled SEK 6,671 M (3,787), which corresponds to a cash conversion² of 1.32 (0.90). The net-debt/equity ratio at the end of the quarter increased to 0.75 (0.42), due to the acquisition of HHI and divestment of the Emtek and U.S. Smart Residential business in the U.S. and Canada. Financial net debt totaled SEK 69,851 M (31,732 at year-end) at the end of the quarter.



First half-year

The Group's sales for the first half of 2023 totaled SEK 66,865 M (56,057), representing an increase of 19%. Organic growth was 5% (14). Growth from acquisitions and divestments was 6% (0), of which 6% (1) came from acquisitions and 0% (–1) from divestments. Exchange-rates affected sales by 8% (9).

The Group's operating income (EBIT)² amounted to SEK 10,686 M (8,407), an increase of 27% compared with last year. The corresponding operating margin was 16.0% (15.0). Operating income before amortizations from acquisitions² (EBITA) amounted to SEK 11,101 M (8,710). The corresponding EBITA margin was 16.6% (15.5).

The operating margin² excluding the acquisition of HHI and divestment of the Emtek/U.S. Smart Residential was 16.6%.

Earnings per share before and after dilution² for the first half-year amounted to SEK 6.68 (5.41), an increase of 23% compared with last year. Operating cash flow totaled SEK 10,741 M (4,699), an increase of 129% versus last year.

² Adjusted for items affecting comparability. Please see the section 'Items affecting comparability' in the report for further details about the financial effects.

Items affecting comparability

Impairment of intangible assets

In the second quarter of 2023, impairment of goodwill and other intangible assets of SEK 2,268 M was reported in the Global Technologies division, primarily related to the Citizen ID business. The corresponding cost after tax was SEK 2,126 M. The impairment in Citizen ID reflects the continued long-term challenging situation since the pandemic with significantly lower volumes, mainly in the passport business.

Divestment gains

The Emtek and Smart Residential business in the U.S. and Canada was divested in June 2023. The divestment gain, net of exit costs, totaled SEK 3,661 M in the quarter. The corresponding gain after tax was SEK 1,984 M. An additional SEK 400 M in expected exit costs will be expensed in future periods.

Restructuring costs

A new Manufacturing Footprint Program was launched during the first quarter of 2023. The restructuring cost year-to-date totaled SEK 1,242 M. The corresponding cost after tax year-to-date was SEK 991 M.

Restructuring measures

Payments related to all restructuring programs amounted to SEK 146 M (84) during the second quarter. The restructuring programs proceeded according to plan. At the end of the quarter provisions of SEK 1,140 M remained in the balance sheet for carrying out the programs.

Quarterly comments by division

Opening Solutions EMEIA

Sales for the quarter in EMEIA totaled SEK 6,202 M (5,561), with organic growth of -5% (8). Organic sales growth was strong in Middle East/Africa/India, but declined in South Europe, Central Europe, UK/Ireland and showed a significant decline in the Nordics. Net sales growth from acquisitions was 10%. Operating income excluding items affecting comparability totaled SEK 777 M (801), which represents an operating margin (EBIT) of 12.5% (14.4). Return on capital employed, on an annualized basis and excluding items affecting comparability, amounted to 15.3% (16.1). Operating cash flow before non-cash items and interest paid totaled SEK 841 M (662).

Opening Solutions Americas

Sales for the quarter in the Americas totaled SEK 8,549 M (7,036), with organic growth of 4% (20). Organic sales growth was very strong in US Residential, Access & High Security and Canada, good in Architectural Hardware and stable in Security Doors, Electromechanical Solutions and Latin America. Net sales growth from acquisitions was 8%. Operating income excluding items affecting comparability totaled SEK 1,755 M (1,451), which represents an operating margin (EBIT) of 20.5% (20.6). The corresponding operating margin also excluding the acquisition of HHI and divestment of the Emtek/U.S. Smart Residential was 24.1%. Return on capital employed, on an annualized basis and

excluding items affecting comparability, amounted to 28.1% (31.3). Operating cash flow before non-cash items and interest paid totaled SEK 2,229 M (1,446).

Opening Solutions Asia Pacific

Sales for the quarter in Asia Pacific totaled SEK 2,765 M (2,379), with organic growth of -2% (-5). Organic sales growth was very strong in South-East Asia, stable in South Korea, but declined in Pacific and China. Net sales growth from acquisitions was 15%. Operating income excluding items affecting comparability totaled SEK 215 M (45), which represents an operating margin (EBIT) of 7.8% (1.9). Return on capital employed, on an annualized basis and excluding items affecting comparability, amounted to 2.9% (3.7). Operating cash flow before non-cash items and interest paid totaled SEK 350 M (87).

Global Technologies

Sales for the quarter in Global Technologies totaled SEK 5,869 M (4,417), with organic growth of 20% (6). Organic sales growth was very strong in Physical Access Control, strong in Extended Access, Citizen ID and Identity & Access Solutions and good in Identification Technology, while sales declined significantly in Secure Issuance. Sales growth in Global Solutions was very strong. Net sales growth from acquisitions was 5%. Operating income excluding items affecting comparability totaled SEK 1,082 M (677), which represents an operating margin (EBIT) of 18.4% (15.3). Return on capital employed, on an annualized basis and excluding items affecting comparability, amounted to 14.9% (10.6). Operating cash flow before non-cash items and interest paid totaled SEK 1,253 M (545).

Entrance Systems

Sales for the quarter in Entrance Systems totaled SEK 11,715 M (10,673), with organic growth of 0% (19). Organic sales growth was strong in Pedestrian and Industrial, but organic sales declined in Perimeter and declined significantly in Residential. Net sales growth from acquisitions was 2%. Operating income excluding items affecting comparability totaled SEK 1,899 M (1,651), which represents an operating margin (EBIT) of 16.2% (15.5). Return on capital employed, on an annualized basis and excluding items affecting comparability, amounted to 19.2% (17.7). Operating cash flow before non-cash items and interest paid totaled SEK 2,473 M (1,261).

Acquisitions and divestments

Acquisitions

Five acquisitions were completed during the quarter. The combined acquisition price for the businesses acquired during the year, including adjustments from prior-year acquisitions, amounted to SEK 48,817 M. The corresponding acquisition price on a cash and debt free basis totaled SEK 49,669 M. Preliminary acquisition analyses indicate that goodwill and other intangible assets with indefinite useful life amounted to SEK 43,861 M. Estimated deferred considerations for acquisitions made during the year amounted to SEK 104 M.

On June 20, 2023, it was announced that ASSA ABLOY had acquired the Spectrum Brands' Hardware and Home Improvement division ("HHI"). HHI's net sales for calendar year 2022 amounted to about SEK 16.6 bn. Please see Note 2 Business Combinations in this report for a preliminary purchase price allocation for the acquisition of HHI.

Divestments

On June 20, 2023, it was announced that ASSA ABLOY had divested Emtek and the Smart Residential business in the U.S. and Canada to Fortune Brands. External sales in 2022 for the business amounted to about SEK 4.1 bn.

Sustainable development

ASSA ABLOY is committed to delivering on our sustainability program and targets for 2025. One example is our manufacturing site in Salvador Brazil, which has been focusing on reducing its energy consumption and carbon footprint. Through continuous improvement projects, they have been able to reduce energy consumption during peak demand periods by automating process equipment and industrial heating and minimizing compressed air waste in their production areas. These continuous improvement projects have reduced the site's annual energy consumption and carbon emissions by 5%.

Parent company

Other operating income for the parent company ASSA ABLOY AB totaled SEK 4,319 M (2,924) for the first half-year of 2023. Operating income for the same period amounted to SEK 1,530 M (325). Investments in tangible and intangible assets totaled SEK 3 M (8). Liquidity is good and the equity ratio is 36.2% (42.2).

Accounting principles

ASSA ABLOY applies International Financial Reporting Standards (IFRS) as endorsed by the European Union. The same accounting and valuation principles have been applied as in the last Annual Report. No new or amended standards with material impact on the Group's financial reports have been applied for the first time in 2023, except for the adoption of IAS 29 "Financial Reporting in Hyperinflationary Economies" for the ASSA ABLOY operations in Türkiye.

From 2023, the income statement and non-monetary items in the balance sheet for all Turkish subsidiaries have therefore been adjusted for the impact of hyperinflation. The index used by ASSA ABLOY for the hyperinflation adjustment of the income statements and non-monetary items in the balance sheet is the consumer price index with base period 2005 from the Turkish statistical institute. The income statements for all Turkish subsidiaries have been recalculated. The net monetary result is recognized in the income statement within financial items. The hyperinflation adjustment related to periods prior to 2023 is recognized in the translation reserve within equity. The hyperinflation impact has been excluded from the statement of cash flows.

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 – described as 'alternative performance measures'. For definitions of financial performance measures, refer to Page 19 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 2022 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. ASSA ABLOY has limited direct business exposure to Russia, Ukraine and Belarus, but indirect business effects continue to be monitored closely.

For a more detailed description of particular risks and risk management, please see the 2022 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 as at 30 June 2023, will have an effect of 11% on sales in the third quarter of 2023 versus the same period last year, while the effect on the operating margin is estimated to be strongly dilutive in the third quarter of 2023.

Exchange-rate effects

On the basis of the currency rates on 30 June 2023, it is estimated that the weighted currency effects on sales in the third quarter of 2023 versus the same period last year will be 5%, while the effect on the operating margin is estimated to be slightly accretive in the third quarter of 2023.

Certification

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

Stockholm, July 19, 2023

Johan Hjertonsson
Chairman

Carl Douglas
Vice Chairman

Nico Delvaux
President and CEO

Victoria Van Camp
Board member

Erik Ekudden
Board member

Lena Olving
Board member

Susanne Pahlén Åklundh
Board member

Sofia Schörling Högberg
Board member

Joakim Weidemanis
Board member

Rune Hjälms
Employee representative

Bjarne Johansson
Employee representative

Review Report

ASSA ABLOY AB, org.no 556059-3575

Introduction

We have reviewed the condensed interim report for ASSA ABLOY AB as at June 30, 2023 and for the six months period then ended. The Board of Directors and President and CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

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

Conclusion

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

Stockholm, July 19, 2023

Ernst & Young AB

Hamish Mabon
Authorized Public Accountant

Financial information

A digital Sustainability seminar will be held on 8 September 2023. Please register at <https://www.assaabloy.com/group/en/investors/events-calendar/sustainability-seminar-2023>

The Quarterly Report for the third quarter of 2023 will be published on 25 October 2023.

The Year-end Report and Quarterly Report for the fourth quarter of 2023 will be published on 7 February 2024.

Further information can be obtained from:

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Björn Tibell,
Head of Investor Relations, tel. no: +46 70 275 67 68,
e-mail: bjorn.tibell@assaabloy.com

ASSA ABLOY is holding a **telephone and web conference at 09.30 on July 19, 2023** which can be followed online at [assaabloy.com/investors](https://www.assaabloy.com/investors).

It is possible to submit questions by telephone on:
08-505 100 31, +44 207 107 0613 or +1 631 570 5613

This is information that ASSA ABLOY AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 08.00 CEST on July 19, 2023.

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Corporate identity number: 556059-3575

No.13/2023

Financial information – Group

CONDENSED INCOME STATEMENT

SEK M	Q2		Jan-Jun	
	2022	2023	2022	2023
Sales	29,466	34,474	56,057	66,865
Cost of goods sold	-17,836	-20,255	-33,952	-40,036
Gross income	11,630	14,219	22,106	26,829
Selling, administrative and R&D costs	-7,228	-8,741	-13,708	-17,394
Capital gain from divestment, incl. exit costs	-	3,661	-	3,661
Impairment of goodwill and other intangible assets from business combinations	-	-2,268	-	-2,268
Share of earnings in associates	4	4	10	9
Operating income	4,406	6,875	8,407	10,836
Finance net	-198	-445	-388	-788
Income before tax	4,208	6,430	8,019	10,049
Tax on income	-1,052	-2,854	-2,005	-3,759
Net income for the period	3,156	3,576	6,015	6,290
Net income for the period attributable to:				
Parent company's shareholders	3,153	3,574	6,012	6,288
Non-controlling interests	3	1	3	2
Earnings per share				
Before and after dilution, SEK	2.84	3.22	5.41	5.66
Before and after dilution and excluding items affecting comparability, SEK	2.84	3.36	5.41	6.68

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

SEK M	Q2		Jan-Jun	
	2022	2023	2022	2023
Net income for the period	3,156	3,576	6,015	6,290
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Actuarial gain/loss on post-employment benefit obligations, net after tax	-169	68	-179	33
Total	-169	68	-179	33
Items that may be reclassified subsequently to profit or loss				
Share of other comprehensive income of associates	-10	-24	-36	-45
Cashflow hedges and net investment hedges, net after tax	2	7	9	5
Exchange rate differences	4,140	4,220	5,345	4,107
Total	4,132	4,203	5,318	4,067
Total other comprehensive income	3,963	4,271	5,139	4,100
Total comprehensive income for the period	7,119	7,847	11,153	10,390
Total comprehensive income for the period attributable to:				
Parent company's shareholders	7,115	7,848	11,150	10,392
Non-controlling interests	3	-1	3	-2

Financial information - Group

CONDENSED BALANCE SHEET

	31 Dec	30 Jun	
SEK M	2022	2022	2023
ASSETS			
Non-current assets			
Intangible assets	90,897	84,012	133,060
Property, plant and equipment	10,106	9,538	11,885
Right-of-use assets	3,804	3,601	5,476
Investments in associates	676	636	644
Other financial assets	373	320	552
Deferred tax assets	1,313	1,182	1,686
Total non-current assets	107,170	99,289	153,303
Current assets			
Inventories	19,217	18,272	21,487
Trade receivables	19,760	19,697	22,179
Other current receivables and investments	5,000	6,034	6,991
Cash and cash equivalents	3,417	1,707	6,665
Total current assets	47,394	45,710	57,323
TOTAL ASSETS	154,564	144,999	210,625
EQUITY AND LIABILITIES			
Equity			
Equity attributable to Parent company's shareholders	86,014	78,365	93,696
Non-controlling interests	12	11	10
Total equity	86,026	78,376	93,706
Non-current liabilities			
Long-term loans	20,523	20,784	58,367
Non-current lease liabilities	2,624	2,535	4,178
Deferred tax liabilities	2,785	2,919	3,076
Other non-current liabilities and provisions	3,005	4,062	3,391
Total non-current liabilities	28,936	30,299	69,012
Current liabilities			
Short-term loans	9,304	7,046	11,598
Current lease liabilities	1,284	1,163	1,429
Trade payables	10,469	10,523	11,849
Other current liabilities and provisions	18,545	17,593	23,031
Total current liabilities	39,602	36,323	47,907
TOTAL EQUITY AND LIABILITIES	154,564	144,999	210,625

CHANGES IN EQUITY

SEK M	Equity attributable to:		
	Parent company's shareholders	Non-controlling interests	Total equity
Opening balance 1 January 2022	69,582	9	69,592
Net income for the period	6,012	3	6,015
Other comprehensive income	5,139	0	5,139
Total comprehensive income	11,150	3	11,153
Dividend	-2,333	-1	-2,333
Stock purchase plans	-35	-	-35
Total transactions with shareholders	-2,368	-1	-2,369
Closing balance 30 June 2022	78,365	11	78,376
Opening balance 1 January 2023	86,014	12	86,026
Net income for the period	6,288	2	6,290
Other comprehensive income	4,105	-4	4,100
Total comprehensive income	10,392	-2	10,390
Dividend	-2,666	-	-2,666
Stock purchase plans	-44	-	-44
Change in non-controlling interest	0	-	0
Total transactions with shareholders	-2,710	0	-2,710
Closing balance 30 June 2023	93,696	10	93,706

Financial information - Group

CONDENSED STATEMENT OF CASH FLOWS

SEK M	Q2		Jan-Jun	
	2022	2023	2022	2023
OPERATING ACTIVITIES				
Operating income	4,406	6,875	8,407	10,836
Add back of				
Depreciation/amortization	961	1,158	1,900	2,213
Items affecting comparability	-	-1,376	-	-151
Other non-cash items	52	45	65	96
Restructuring payments	-84	-146	-152	-255
Cash flow before interest and tax	5,335	6,557	10,221	12,739
Interest paid and received	-257	-364	-390	-606
Tax paid on income	-1,278	-2,281	-1,876	-3,007
Cash flow before changes in working capital	3,800	3,911	7,955	9,126
Changes in working capital	-641	1,267	-3,902	156
Cash flow from operating activities	3,159	5,179	4,053	9,281
INVESTING ACTIVITIES				
Net investments in intangible assets and property, plant and equipment	-410	-572	-746	-1,088
Investments in subsidiaries	-3,013	-47,957	-3,060	-48,295
Divestments of subsidiaries	3	8,114	5	8,114
Other investments and disposals	0	-1	0	-1
Cash flow from investing activities	-3,420	-40,417	-3,800	-41,271
FINANCING ACTIVITIES				
Dividends	-2,333	-2,666	-2,333	-2,666
Amortization of lease liabilities	-324	-363	-635	-715
Net cash effect of changes in borrowings	502	42,096	79	38,615
Cash flow from financing activities	-2,156	39,068	-2,889	35,235
CASH FLOW FOR THE PERIOD	-2,417	3,830	-2,637	3,245
CASH AND CASH EQUIVALENTS				
Cash and cash equivalents at beginning of period	4,113	2,811	4,325	3,417
Cash flow for the period	-2,417	3,830	-2,637	3,245
Effect of exchange rate differences	12	25	19	3
Cash and cash equivalents at end of period	1,707	6,665	1,707	6,665

Quarterly information - Group

THE GROUP IN SUMMARY										Jan-Jun	Jan-Jun	Year	Last 12
SEK M	2021	2021	2021	2022	2022	2022	2022	2023	2023	2022	2023	2022	months
Sales	23,648	23,930	25,623	26,591	29,466	31,820	32,915	32,391	34,474	56,057	66,865	120,793	131,601
Organic growth	23%	7%	10%	14%	13%	14%	9%	8%	3%	14%	5%	12%	-
Gross income ¹	9,438	9,535	10,082	10,476	11,630	12,626	13,199	13,393	14,231	22,106	27,624	47,931	53,449
Gross margin ¹	39.9%	39.8%	39.3%	39.4%	39.5%	39.7%	40.1%	41.3%	41.3%	39.4%	41.3%	39.7%	40.6%
EBITDA ¹	4,552	4,373	4,982	4,941	5,367	6,014	6,298	6,241	6,658	10,308	12,899	22,620	25,211
EBITDA margin ¹	19.3%	18.3%	19.4%	18.6%	18.2%	18.9%	19.1%	19.3%	19.3%	18.4%	19.3%	18.7%	19.2%
Depreciation, excl attrib. to business combinations	-812	-833	-821	-788	-810	-875	-961	-862	-936	-1,598	-1,798	-3,433	-3,633
EBITA ¹	3,740	3,539	4,161	4,153	4,557	5,139	5,338	5,379	5,722	8,710	11,101	19,187	21,578
EBITA margin ¹	15.8%	14.8%	16.2%	15.6%	15.5%	16.2%	16.2%	16.6%	16.6%	15.5%	16.6%	15.9%	16.4%
Amortization attrib. to business combinations	-151	-147	-148	-151	-152	-166	-185	-193	-222	-303	-415	-655	-767
Operating income (EBIT) ¹	3,589	3,392	4,013	4,001	4,406	4,973	5,152	5,186	5,500	8,407	10,686	18,532	20,811
Operating margin (EBIT) ¹	15.2%	14.2%	15.7%	15.0%	15.0%	15.6%	15.7%	16.0%	16.0%	15.0%	16.0%	15.3%	15.8%
Items affecting comparability ¹	-	-	-	-	-	-	-	-1,225	1,376	-	151	-	151
Operating income (EBIT)	3,589	3,392	4,013	4,001	4,406	4,973	5,152	3,961	6,875	8,407	10,836	18,532	20,961
Operating margin (EBIT)	15.2%	14.2%	15.7%	15.0%	15.0%	15.6%	15.7%	12.2%	19.9%	15.0%	16.2%	15.3%	15.9%
Net financial items	-148	-159	-194	-190	-198	-237	-387	-343	-445	-388	-788	-1,011	-1,411
Income before tax	3,441	3,233	3,819	3,811	4,208	4,736	4,766	3,619	6,430	8,019	10,049	17,521	19,550
Profit margin	14.6%	13.5%	14.9%	14.3%	14.3%	14.9%	14.5%	11.2%	18.7%	14.3%	15.0%	14.5%	14.9%
Tax on income	-229	-841	-776	-953	-1,052	-1,184	-1,036	-905	-2,854	-2,005	-3,759	-4,225	-5,979
Net income for the period	3,212	2,392	3,043	2,859	3,156	3,552	3,729	2,714	3,576	6,015	6,290	13,296	13,571
Net income attributable to:													
Parent company's shareholders	3,212	2,393	3,042	2,858	3,153	3,551	3,728	2,713	3,574	6,012	6,288	13,291	13,567
Non-controlling interests	0	0	1	0	3	1	1	1	1	3	2	5	4
OPERATING CASH FLOW										Jan-Jun	Jan-Jun	Year	Last 12
SEK M	2021	2021	2021	2022	2022	2022	2022	2023	2023	2022	2023	2022	months
Operating income (EBIT)	3,589	3,392	4,013	4,001	4,406	4,973	5,152	3,961	6,875	8,407	10,836	18,532	20,961
Reversal items affecting comparability	-	-	-	-	-	-	-	1,225	-1,376	-	-151	-	-151
Depreciation and amortization	963	980	969	939	961	1,041	1,146	1,055	1,158	1,900	2,213	4,088	4,400
Net capital expenditure	-388	-407	-545	-336	-410	-509	-735	-516	-572	-746	-1,088	-1,990	-2,332
Change in working capital	-9	-157	-629	-3,261	-641	-477	1,548	-1,111	1,267	-3,902	156	-2,831	1,227
Interest paid and received	-175	-110	-162	-133	-257	-217	-192	-242	-364	-390	-606	-799	-1,016
Repayment of lease liabilities	-315	-313	-303	-312	-324	-335	-360	-352	-363	-635	-715	-1,330	-1,409
Other non-cash items	-39	233	41	13	52	44	29	50	45	65	96	137	168
Operating cash flow	3,627	3,619	3,384	912	3,787	4,520	6,588	4,069	6,671	4,699	10,741	15,808	21,849
Cash conversion	1.05	1.12	0.89	0.24	0.90	0.95	1.38	0.84	1.32	0.59	1.09	0.90	1.13
CHANGE IN NET DEBT										Jan-Jun	Jan-Jun	Year	Last 12
SEK M	2021	2021	2021	2022	2022	2022	2022	2023	2023	2022	2023	2022	months
Net debt at beginning of period	29,160	28,509	25,732	27,071	27,617	32,565	30,618	31,732	29,336	27,071	31,732	27,071	32,565
Operating cash flow	-3,627	-3,619	-3,384	-912	-3,787	-4,520	-6,588	-4,069	-6,671	-4,699	-10,741	-15,808	-21,849
Restructuring payments	129	130	166	68	84	81	171	109	146	152	255	404	508
Tax paid on income	820	805	960	597	1,278	1,038	1,452	726	2,281	1,876	3,007	4,366	5,497
Acquisitions and divestments	472	-632	975	67	3,039	826	5,080	367	40,773	3,106	41,140	9,012	47,046
Dividend	2,167	1	2,166	-	2,333	-	2,333	-	2,666	2,333	2,666	4,666	4,999
Actuarial gain/loss on post-employment benefit oblig.	-44	-37	-216	11	191	-538	-906	47	-92	202	-45	-1,241	-1,489
Change to lease liabilities	-97	7	33	-76	-51	-53	62	254	138	-127	392	-119	400
Exchange rate differences, etc.	-471	568	639	791	1,860	1,219	-490	171	1,274	2,651	1,445	3,380	2,174
Net debt at end of period	28,509	25,732	27,071	27,617	32,565	30,618	31,732	29,336	69,851	32,565	69,851	31,732	69,851
Net debt/Equity	0.45	0.38	0.39	0.38	0.42	0.35	0.37	0.33	0.75				
NET DEBT										Jan-Jun	Jan-Jun	Year	Last 12
SEK M	2021	2021	2021	2022	2022	2022	2022	2023	2023	2022	2023	2022	months
Interest-bearing assets	-176	-177	-177	-177	-199	-207	-224	-221	-484				
Cash and cash equivalents	-3,544	-5,995	-4,325	-4,113	-1,707	-2,978	-3,417	-2,811	-6,665				
Derivative financial instruments, net	1	62	86	283	141	231	288	306	15				
Pension provisions	2,922	2,949	2,736	2,715	2,803	2,389	1,351	1,379	1,415				
Lease liabilities	3,530	3,401	3,515	3,534	3,697	3,840	3,907	4,182	5,607				
Interest-bearing liabilities	25,776	25,492	25,237	25,374	27,829	27,344	29,826	26,500	69,965				
Total	28,509	25,732	27,071	27,617	32,565	30,618	31,732	29,336	69,851				
CAPITAL EMPLOYED AND FINANCING										Jan-Jun	Jan-Jun	Year	Last 12
SEK M	2021	2021	2021	2022	2022	2022	2022	2023	2023	2022	2023	2022	months
Goodwill	60,198	60,604	62,502	63,600	69,536	73,540	75,873	75,075	117,142				
Other intangible assets	14,004	13,920	13,834	13,877	14,476	14,774	15,024	15,539	15,918				
Property, plant and equipment	8,186	8,325	8,753	8,934	9,538	10,079	10,106	10,178	11,885				
Right-of-use assets	3,466	3,330	3,436	3,450	3,601	3,735	3,804	4,075	5,476				
Other capital employed	7,588	7,623	8,796	11,932	14,327	15,257	13,244	14,206	14,277				
Restructuring reserve	-971	-848	-658	-600	-537	-469	-294	-1,229	-1,140				
Capital employed	92,471	92,954	96,663	101,193	110,941	116,916	117,758	117,844	163,558				
Net debt	28,509	25,732	27,071	27,617	32,565	30,618	31,732	29,336	69,851				
Non-controlling interests	9	8	9	9	11	13	12	12	10				
Equity attributable to Parent company's shareholders	63,953	67,214	69,582	73,568	78,365	86,285	86,014	88,496	93,696				
OTHER KEY RATIOS ETC										Jan-Jun	Jan-Jun	Year	Last 12
SEK M	2021	2021	2021	2022	2022	2022	2022	2023	2023	2022	2023	2022	months
Earnings per share, SEK	2.89	2.15	2.74	2.57	2.84	3.20	3.36	2.44	3.22				
Earnings per share, excl IAC, SEK	2.89	2.15	2.74	2.57	2.84	3.20	3.36	3.32	3.36				
Shareholders' equity per share, SEK	57.57	60.51	62.64	66.23	70.55	77.68	77.44	79.67	84.35				
Return on capital employed	14.9%	14.6%	15.2%	15.7%	16.0%	16.8%	16.9%	17.4%	17.2%				
Return on equity	18.5%	14.4%	17.0%	16.8%	16.1%	16.4%	17.1%	16.2%	15.8%				
Net debt/EBITDA	1.6	1.5	1.5	1.5	1.7	1.4	1.4	1.2	2.8				
Average number of employees	50,727	50,946	50,934	50,984	51,545	51,937	52,463	52,960	53,824				
Average adjusted capital employed	93,076	93,287	93,199	95,766	99,074	103,663	109,372	113,480	120,917				
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				
Items affecting comparability, net of tax	-	-	-	-	-	-	-	-978	-156				

¹⁾ Excluding items affecting comparability (IAC). Please see the section 'Items affecting comparability' on page 4 of this report for further details about the financial effects.

Reporting by division

Q2 and 30 Jun

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Sales, external	5,429	6,047	6,994	8,507	2,014	2,415	4,379	5,818	10,650	11,689	-	-	29,466	34,474
Sales, internal	132	156	42	42	365	351	38	51	23	27	-600	-626	-	-
Sales	5,561	6,202	7,036	8,549	2,379	2,765	4,417	5,869	10,673	11,715	-600	-626	29,466	34,474
Organic growth	8%	-5%	20%	4%	-5%	-2%	6%	20%	19%	0%	-	-	13%	3%
Acquisitions and divestments	-5%	10%	1%	8%	1%	15%	2%	5%	1%	2%	-	-	0%	6%
Exchange-rate effects	3%	7%	20%	10%	10%	3%	13%	8%	13%	8%	-	-	12%	8%
Share of earnings in associates	-	-	-	-	4	4	-	-	0	-	-	-	4	4
EBIT, excl items affecting comparability	801	777	1,451	1,755	45	215	677	1,082	1,651	1,899	-219	-228	4,406	5,500
EBIT margin, excl items affecting comparability	14.4%	12.5%	20.6%	20.5%	1.9%	7.8%	15.3%	18.4%	15.5%	16.2%	-	-	15.0%	16.0%
Items affecting comparability ¹	-	-32	-	3,531	-	150	-	-2,271	-	-2	-	-	-	1,376
Operating income (EBIT)	801	744	1,451	5,286	45	365	677	-1,190	1,651	1,897	-219	-228	4,406	6,875
Operating margin (EBIT)	14.4%	12.0%	20.6%	61.8%	1.9%	13.2%	15.3%	-20.3%	15.5%	16.2%	-	-	15.0%	19.9%
OPERATING CASH FLOW														
SEK M														
Operating income (EBIT)	801	744	1,451	5,286	45	365	677	-1,190	1,651	1,897	-219	-228	4,406	6,875
Items affecting comparability ¹	-	32	-	-3,531	-	-150	-	2,271	-	2	-	-	-	-1,376
Depreciation and amortization	212	245	135	217	83	102	240	256	282	328	10	10	961	1,158
Net capital expenditure	-127	-169	-104	-91	-28	-38	-39	-116	-105	-161	-7	2	-410	-572
Amortization of lease liabilities	-64	-69	-45	-47	-27	-31	-41	-43	-142	-167	-4	-5	-324	-363
Change in working capital	-160	56	8	395	14	102	-293	74	-425	574	213	65	-641	1,267
Operating cash flow by division	662	841	1,446	2,229	87	350	545	1,253	1,261	2,473	-8	-157	3,992	6,990
Other non-cash items											52	45	52	45
Interest paid and received											-257	-364	-257	-364
Operating cash flow													3,787	6,671

Jan-Jun and 30 Jun

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Sales, external	10,604	12,099	13,203	16,319	3,575	4,385	8,397	11,362	20,278	22,701	-	-	56,057	66,865
Sales, internal	266	333	73	91	684	791	71	89	48	51	-1,142	-1,355	-	-
Sales	10,870	12,432	13,276	16,410	4,259	5,177	8,468	11,450	20,326	22,752	-1,142	-1,355	56,057	66,865
Organic growth	7%	-1%	21%	7%	-4%	1%	9%	22%	20%	1%	-	-	14%	5%
Acquisitions and divestments	-5%	9%	1%	5%	1%	15%	2%	4%	1%	2%	-	-	0%	6%
Exchange-rate effects	4%	6%	17%	12%	9%	6%	11%	9%	10%	9%	-	-	9%	8%
Share of earnings in associates	-	-	-	-	8	9	-	-	1	-	-	-	10	9
EBIT, excl items affecting comparability	1,577	1,635	2,716	3,462	111	326	1,193	2,021	3,206	3,686	-396	-443	8,407	10,686
EBIT margin, excl items affecting comparability	14.5%	13.1%	20.5%	21.1%	2.6%	6.3%	14.1%	17.7%	15.8%	16.2%	-	-	15.0%	16.0%
Items affecting comparability ¹	-	-500	-	3,364	-	10	-	-2,487	-	-132	-	-104	-	151
Operating income (EBIT)	1,577	1,135	2,716	6,826	111	336	1,193	-466	3,206	3,553	-396	-547	8,407	10,836
Operating margin (EBIT)	14.5%	9.1%	20.5%	41.6%	2.6%	6.5%	14.1%	-4.1%	15.8%	15.6%	-	-	15.0%	16.2%
OPERATING CASH FLOW														
SEK M														
Operating income (EBIT)	1,577	1,135	2,716	6,826	111	336	1,193	-466	3,206	3,553	-396	-547	8,407	10,836
Items affecting comparability ¹	0	500	-	-3,364	-	-10	-	2,487	-	132	-	104	-	-151
Depreciation and amortization	418	469	262	375	162	201	479	509	560	637	19	22	1,900	2,213
Net capital expenditure	-214	-297	-187	-238	-52	-97	-85	-172	-197	-286	-11	0	-746	-1,088
Amortization of lease liabilities	-126	-137	-86	-94	-53	-61	-76	-88	-285	-325	-9	-10	-635	-715
Change in working capital	-970	-411	-707	-252	-307	-106	-613	-391	-1,402	1,287	97	28	-3,902	156
Operating cash flow by division	685	1,259	1,997	3,254	-139	264	897	1,880	1,882	4,998	-299	-403	5,025	11,251
Other non-cash items											65	96	65	96
Interest paid and received											-390	-606	-390	-606
Operating cash flow													4,699	10,741
CAPITAL EMPLOYED														
SEK M														
Goodwill	12,023	13,866	13,327	56,638	5,448	5,723	17,824	17,804	20,914	23,112	-	-	69,536	117,142
Other intangible assets	1,050	1,494	1,378	1,518	1,225	2,100	3,868	3,382	6,915	7,392	40	31	14,476	15,918
Property, plant and equipment	2,627	3,248	2,021	3,207	1,468	1,478	1,283	1,494	2,088	2,408	51	50	9,538	11,885
Right-of-use assets	913	927	487	1,722	230	279	525	555	1,407	1,966	40	26	3,601	5,476
Other capital employed	3,817	4,824	1,569	2,118	2,483	2,032	1,368	2,228	5,154	4,124	-64	-1,051	14,327	14,277
Adjusted capital employed	20,430	24,359	18,782	65,204	10,854	11,612	24,868	25,464	36,478	39,002	67	-943	111,478	164,698
Restructuring reserve	-217	-484	-1	-145	-92	-52	-105	-164	-100	-194	-23	-100	-537	-1,140
Capital employed	20,213	23,875	18,781	65,058	10,763	11,560	24,763	25,300	36,378	38,808	44	-1,043	110,941	163,558
Return on capital employed	16.1%	15.3%	31.3%	28.1%	3.7%	2.9%	10.6%	14.9%	17.7%	19.2%	-	-	16.0%	17.2%
Average adjusted capital employed	18,370	22,107	15,798	23,673	9,055	11,334	22,663	26,092	33,383	38,204	-	-	99,074	120,917
Average number of employees	11,771	12,205	9,416	10,486	7,712	7,359	6,926	7,554	15,292	15,794	428	426	51,545	53,824

¹ Please see the section 'Items affecting comparability' on page 4 of this report for further details about the financial effects.

Reporting by division

Jan-Dec and 31 Dec					Global				Entrance							
	EMEIA		Americas		Asia Pacific		Technologies		Systems		Other		Total			
SEK M	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022		
Sales, external	20 040	22 286	20 356	28 191	7 549	8 302	14 495	19 186	32 568	42 827	-	-	95 007	120 793		
Sales, internal	483	572	151	152	1 170	1 522	109	158	123	100	-2 036	-2 505	-	-		
Sales	20 522	22 858	20 507	28 344	8 719	9 824	14 604	19 344	32 690	42 928	-2 036	-2 505	95 007	120 793		
Organic growth	13%	5%	14%	17%	2%	-5%	5%	15%	14%	17%	-	-	11%	12%		
Acquisitions and divestments	-2%	1%	1%	1%	-2%	7%	3%	2%	7%	2%	-	-	2%	2%		
Exchange-rate effects	-3%	5%	-7%	20%	-1%	11%	-5%	15%	-6%	12%	-	-	-5%	13%		
Share of earnings in associates	-	-	-	-	18	22	1	3	-1	1	-	-	19	26		
Operating income (EBIT)	2 916	3 335	4 200	5 899	499	119	2 253	3 065	4 988	6 847	-675	-732	14 181	18 532		
Operating margin (EBIT)	14,2%	14,6%	20,5%	20,8%	5,7%	1,2%	15,4%	15,8%	15,3%	15,9%	-	-	14,9%	15,3%		
Operating income (EBIT)	2 916	3 335	4 200	5 899	499	119	2 253	3 065	4 988	6 847	-675	-732	14 181	18 532		
Depreciation and amortization	969	865	493	634	306	363	923	1 012	1 114	1 176	37	38	3 841	4 088		
Net capital expenditure	-475	-443	-351	-436	-182	-289	-250	-301	-361	-495	-10	-26	-1 629	-1 990		
Amortization of lease liabilities	-306	-266	-148	-178	-92	-111	-144	-158	-537	-599	-15	-18	-1 242	-1 330		
Change in working capital	-14	-707	-471	-400	-247	207	397	-642	-1 233	-1 494	73	205	-1 496	-2 831		
Operating cash flow by division	3 089	2 785	3 722	5 520	285	288	3 179	2 974	3 971	5 436	-591	-534	13 656	16 470		
Other non-cash items											178	137	178	137		
Interest paid and received											-569	-799	-569	-799		
Operating cash flow													13 265	15 808		
CAPITAL EMPLOYED																
SEK M																
Goodwill	10 949	12 957	11 700	15 416	4 028	6 058	16 164	19 041	19 662	22 401	-	-	62 502	75 873		
Other intangible assets	1 120	1 223	1 250	1 375	1 006	1 637	3 871	3 691	6 545	7 056	43	42	13 834	15 024		
Property, plant and equipment	2 396	2 745	1 727	2 079	1 477	1 591	1 188	1 421	1 917	2 215	48	55	8 753	10 106		
Right-of-use assets	937	914	430	482	243	234	512	540	1 270	1 603	44	31	3 436	3 804		
Other capital employed	1 939	4 034	807	1 536	2 011	1 692	706	1 604	3 510	5 141	-176	-764	8 796	13 244		
Adjusted capital employed	17 341	21 874	15 915	20 889	8 764	11 211	22 440	26 297	32 903	38 418	-42	-636	97 321	118 052		
Restructuring reserve	-278	-97	-7	12	-111	-49	-114	-60	-117	-76	-32	-23	-658	-294		
Capital employed	17 063	21 777	15 908	20 900	8 653	11 161	22 326	26 237	32 787	38 342	-74	-659	96 663	117 758		
Return on capital employed	16,2%	16,8%	30,0%	32,1%	5,9%	1,2%	10,4%	12,4%	15,8%	18,8%	-	-	15,2%	16,9%		
Average adjusted capital employed	17 991	19 861	13 986	18 369	8 498	10 167	21 751	24 745	31 525	36 447	-	-	93 199	109 372		
Average number of employees	11 848	11 943	9 298	9 435	8 259	7 914	6 556	7 278	14 604	15 621	369	271	50 934	52 463		

Financial information - Notes

NOTE 1 DISAGGREGATION OF REVENUE

Sales by continent Q2

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Europe	4,718	5,229	41	21	171	127	1,242	1,473	4,115	4,535	-246	-191	10,040	11,194
North America	137	226	6,340	7,671	427	727	2,068	2,974	5,978	6,403	-251	-311	14,700	17,689
Central- and South America	25	26	615	806	6	13	166	218	22	36	-5	-7	828	1,092
Africa	290	245	4	3	2	6	113	168	13	27	-9	-17	412	432
Asia	355	438	34	46	1,078	1,154	591	706	268	358	-54	-64	2,273	2,638
Oceania	36	38	2	2	695	737	237	330	278	356	-35	-35	1,213	1,429
Total	5,561	6,202	7,036	8,549	2,379	2,765	4,417	5,869	10,673	11,715	-600	-626	29,466	34,474

Sales by continent Jan-Jun

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Europe	9,298	10,632	65	48	319	296	2,446	2,920	8,085	9,015	-466	-440	19,746	22,472
North America	251	370	11,970	14,715	730	1,441	3,891	5,814	11,145	12,253	-476	-655	27,512	33,938
Central- and South America	49	47	1,167	1,552	17	27	313	357	42	61	-12	-17	1,576	2,027
Africa	505	475	12	6	4	7	236	287	24	46	-17	-25	763	795
Asia	699	819	57	85	1,838	1,975	1,141	1,409	520	710	-102	-134	4,153	4,865
Oceania	68	88	5	4	1,351	1,430	443	664	511	667	-70	-85	2,308	2,768
Total	10,870	12,432	13,276	16,410	4,259	5,177	8,468	11,450	20,326	22,752	-1,142	-1,355	56,057	66,865

Sales by product group Q2

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Mechanical locks, lock systems and fittings	2,723	3,038	2,756	3,502	1,182	1,345	97	103	2	2	-205	-199	6,555	7,792
Electromechanical and electronic locks	1,691	1,959	1,819	2,104	584	636	4,316	5,732	303	310	-335	-365	8,379	10,376
Security doors and hardware	1,021	1,121	2,440	2,919	561	738	4	33	1,060	1,108	-34	-31	5,052	5,889
Entrance automation	126	84	20	24	53	46	-	-	9,308	10,296	-25	-32	9,481	10,418
Total	5,561	6,202	7,036	8,549	2,379	2,765	4,417	5,869	10,673	11,715	-600	-626	29,466	34,474

Sales by product group Jan-Jun

	EMEIA		Americas		Asia Pacific		Global Technologies		Entrance Systems		Other		Total	
SEK M	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Mechanical locks, lock systems and fittings	5,357	5,974	5,239	6,553	2,196	2,595	170	202	4	5	-398	-415	12,568	14,913
Electromechanical and electronic locks	3,337	3,940	3,463	4,229	1,030	1,246	8,292	11,165	570	630	-620	-811	16,071	20,399
Security doors and hardware	1,927	2,285	4,539	5,586	936	1,255	6	84	1,998	1,965	-69	-66	9,338	11,108
Entrance automation	249	232	35	42	97	81	-	-	17,754	20,153	-55	-64	18,080	20,445
Total	10,870	12,432	13,276	16,410	4,259	5,177	8,468	11,450	20,326	22,752	-1,142	-1,355	56,057	66,865

NOTE 2 BUSINESS COMBINATIONS

Consolidated acquisitions 2023

Acquisition	Division	Country	Number of employees	Approx. sales in 2022	Month of consolidation
GuardRFID	Global technologies	Canada	<50	60	2023-02
Crewsight	Global technologies	USA	<50	<50	2023-02
Connexient	Global technologies	USA	<50	<50	2023-03
Alexander & Wilks	EMEIA	United Kingdom	<50	<50	2023-04
Mottura Serrature	EMEIA	Italy	120	300	2023-05
Southwest Entrances	Entrance systems	USA	<50	70	2023-05
Iberon	Global technologies	USA	<50	<50	2023-06
HHI	Americas	USA	7 000	16 600	2023-06

	Q2		Jan-Jun		whereof HHI
Amounts recognized in the group, SEK M	2022	2023	2022	2023	2023
Purchase prices					
Cash paid for acquisitions during the year	3,085	48 579	3,092	48,704	47,669
Holdbacks and deferred considerations for acquisitions during the year	137	104	139	104	60
Adjustment of purchase prices for acquisitions in prior years	0	0	8	9	-
Total	3,221	48,683	3,240	48,817	47,729
Acquired assets and liabilities at fair value					
Intangible assets	15	721	115	1,579	17
Property, plant and equipment and right-of-use assets	219	2,379	242	2,461	2,157
Other non-current assets	27	196	28	194	210
Inventories	748	3,117	759	3,086	2,982
Current receivables and investments	503	2,027	465	2,059	1,850
Cash and cash equivalents	114	670	116	665	588
Non-current liabilities	6	-1,490	-13	-1,597	-1,347
Current liabilities	-547	-2,854	-560	-2,908	-2,761
Total	1,085	4,765	1,151	5,539	3,697
Goodwill	2,136	43,918	2,088	43,278	44,032
Change in cash and cash equivalents due to acquisitions					
Cash paid for acquisitions during the year	3,085	48,579	3,092	48,704	47,669
Cash and cash equivalents in acquired subsidiaries	-114	-670	-116	-665	-588
Paid considerations for acquisitions in prior years	43	49	83	256	-
Total	3,013	47,957	3,060	48,295	47,081

The acquisition analyses for acquisitions made during the year are preliminary and will be concluded within one year of the acquisition date.

Fair value adjustments of acquired net assets from acquisitions made in previous periods are included in the above table. During the year, some of the analyses of acquisitions closed during 2022 have been completed, whereby the resulting goodwill in these acquisitions has decreased.

Financial information - Notes

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

30 June 2023

SEK M	Carrying amount	Fair value	Financial instruments at fair value		
			Level 1	Level 2	Level 3
Financial assets					
Financial assets at amortized cost	29,554	29,554			
Financial assets at fair value through profit and loss	97	97			
Derivatives - hedge accounting	6	6		6	
Derivatives - held for trading	279	279		279	
Total financial assets	29,937	29,937	-	286	-
Financial liabilities					
Financial liabilities at amortized cost	81,814	80,737			
Financial liabilities at fair value through profit and loss	941	941			941
Lease liabilities	5,607	5,607			
Derivatives - hedge accounting	157	157		157	
Derivatives - held for trading	143	143		143	
Total financial liabilities	88,662	87,585	-	300	941

31 December 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	23,458	23,458			
Financial assets at fair value through profit and loss	93	93			
Derivatives - hedge accounting	5	5		5	
Derivative instruments - hedge accounting	135	135		135	
Total financial assets	23,690	23,690	-	139	-
Financial liabilities					
Financial liabilities at amortized cost	40,295	39,244			
Financial liabilities at fair value through profit and loss	1,034	1,034			1,034
Lease liabilities	3,907	3,907			
Derivatives - hedge accounting	163	163		163	
Derivatives - held for trading	264	264		264	
Total financial liabilities	45,664	44,613	-	428	1,034

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

EXTRACT FROM INCOME STATEMENT

	Year	Jan-Jun	
SEK M	2022	2022	2023
Operating income	1,965	325	1,530
Income before appropriations and tax	3,411	1,190	1,253
Net income for the period	3,292	1,151	1,067

EXTRACT FROM BALANCE SHEET

	31 Dec	30 Jun	
SEK M	2022	2022	2023
Non-current assets	47,860	47,030	49,609
Current assets	18,809	17,550	20,716
Total assets	66,669	64,580	70,325
Equity	27,104	27,264	25,460
Untaxed reserves	1,265	1,606	1,265
Non-current liabilities	15,119	14,988	15,748
Current liabilities	23,182	20,722	27,852
Total equity and liabilities	66,669	64,580	70,325

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.

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 2022 appear on the company's website.