

2023/24 Results and Strategy Update

Till Reuter, CEO
René Peter, CFO (ad interim)

Agenda

- 01** Highlights and key developments
Till Reuter, CEO
- 02** Financial performance
René Peter, CFO (ad interim)
- 03** Strategy update
Till Reuter, CEO
- 04** Outlook 2024/25
Till Reuter, CEO
- 05** Q&A



Strong organic growth and margin expansion

- Strong financial performance in FY 2023/24, on track to deliver mid-term targets
- Organic net sales growth of **+4.7%**, supported by strong volume growth in H2 / adj. EBITDA margin improvement of **+120bps** in FY 2023/24
- Transformation program delivering tangible results
- Solid free cash flow generation, leverage (net debt / adj. EBITDA) of **1.1x**
- Continued progress in sustainability
- Strategy reiterated and enhanced: **From Shape to Growth**
- Outlook for 2024/25: organic net sales growth of **3-5%** and adj. EBITDA margin of **at least 15%**



Strong organic net sales growth and margin expansion

+4.7%

Organic net sales growth

14.7%

Adj. EBITDA margin
+120bps

29.0%

ROCE
+390bps

References & selected project wins



THYSSENKRUPP, Global



NYU, China



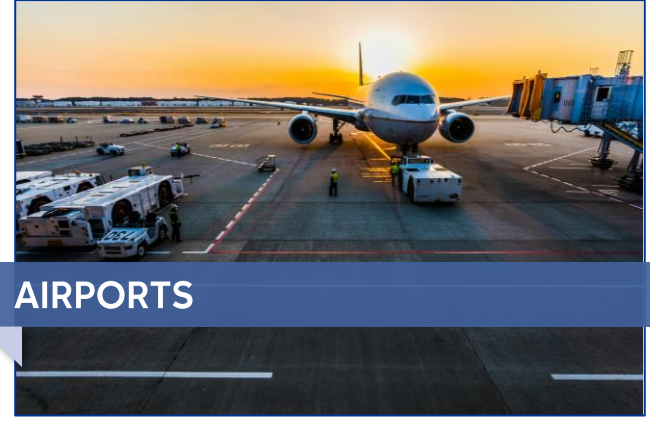
UNIVERSITY OSLO, Norway



TICKETING SOLUTION, US



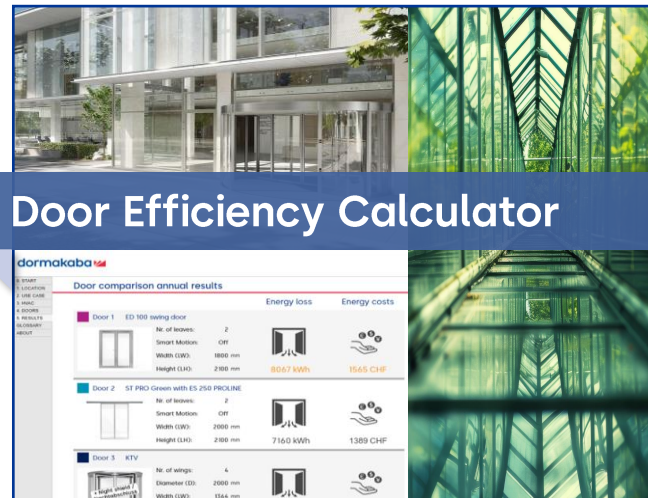
RETAIL



AIRPORTS

Product highlights

Bringing **innovative products** to the market





Leading in sustainability by helping our partners make a positive impact...

People

21%

decrease in the recordable injury rate vs. PY due to the proactive safety culture and additional measures

Planet

17%

reduction in CO₂ in our operations (Scope 1+2)*

Partnerships

625

high-risk suppliers assessed for sustainability by a third-party*



*vs. baseline FY 2019/20

... and gaining external recognition



One of the world's most sustainable companies in 2024

One of Europe's climate leaders 2024

Gold

Prime Status

AA (unchanged)

dormakaba named as **one of the worlds most sustainable 2024 companies** by the TIME magazine

dormakaba named as **one of Europe's climate leaders 2024** in the annual ranking in the Financial Times and Statista

We are in the **top 5%** of the more than **100,000 companies** assessed

dormakaba shares are **eligible for responsible investment** by over **3000 institutional investors** and clients of ISS

We are **among the industry leaders** in managing the most significant ESG risks and opportunities

02 Financial performance



Strong organic growth and profitability improvement

Net sales organic

+4.7%

CHF 2,837.1m

Adj. EBITDA margin

14.7%

+120bps

ROCE

29.0%

+390bps

Net profit

CHF 82.2m

-7.1%

Free cash flow

CHF 204.6m

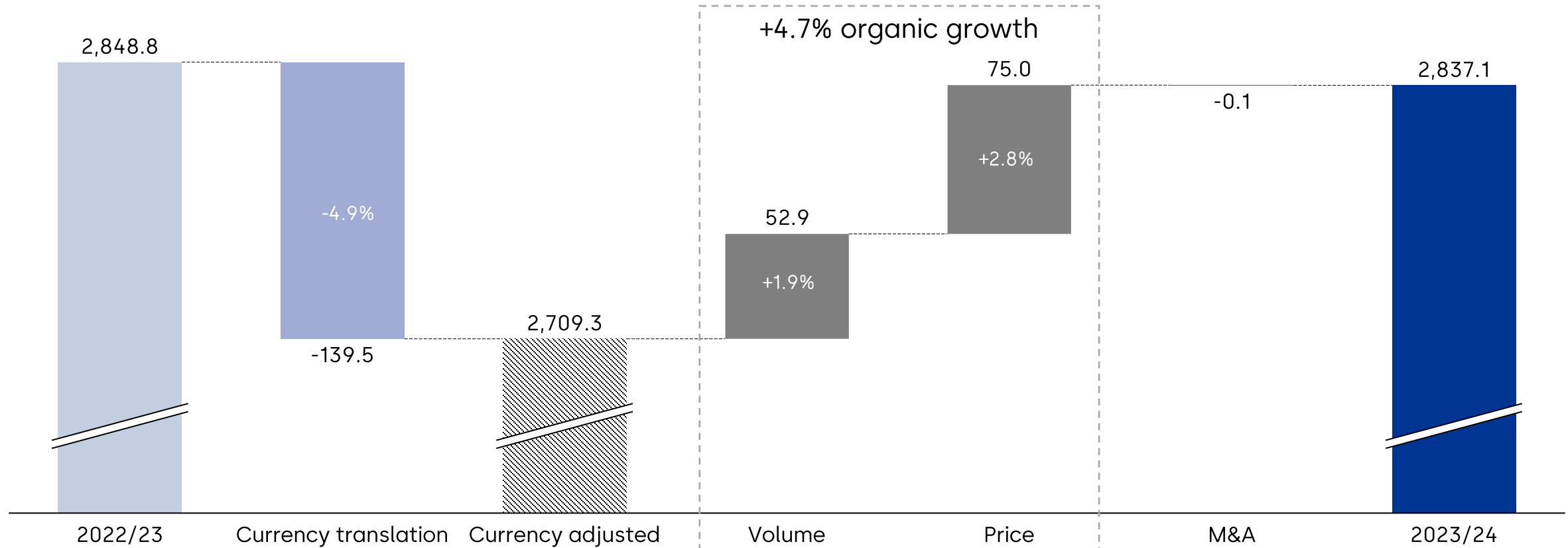
+15.9%

Net debt

CHF 454.8m

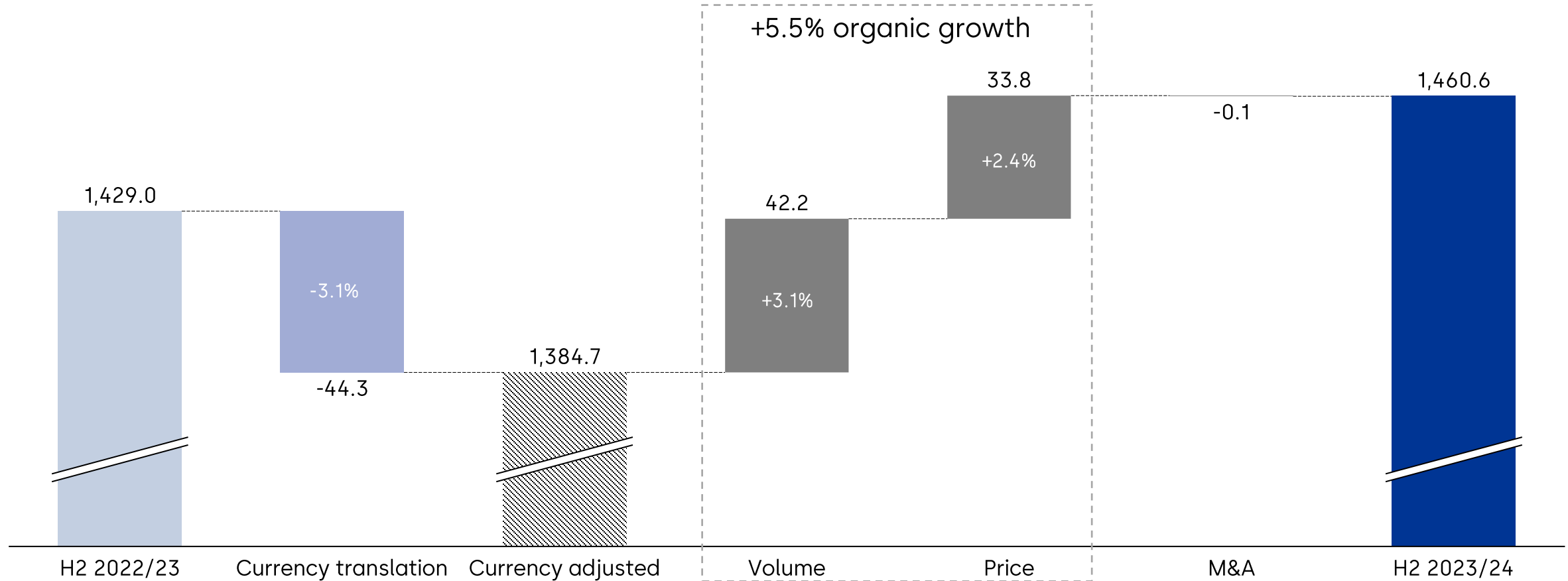
-23.8%

Strong organic net sales growth of +4.7%



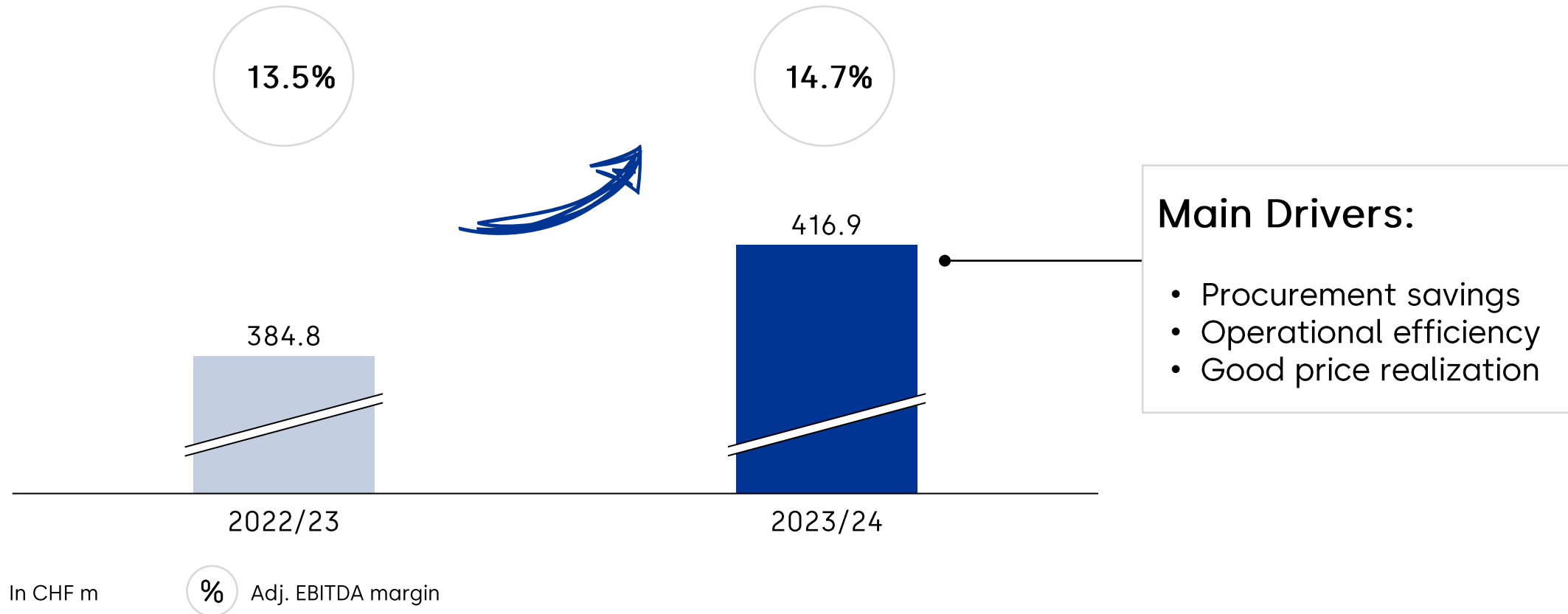
Net sales, in CHF m

Strong organic net sales growth in H2

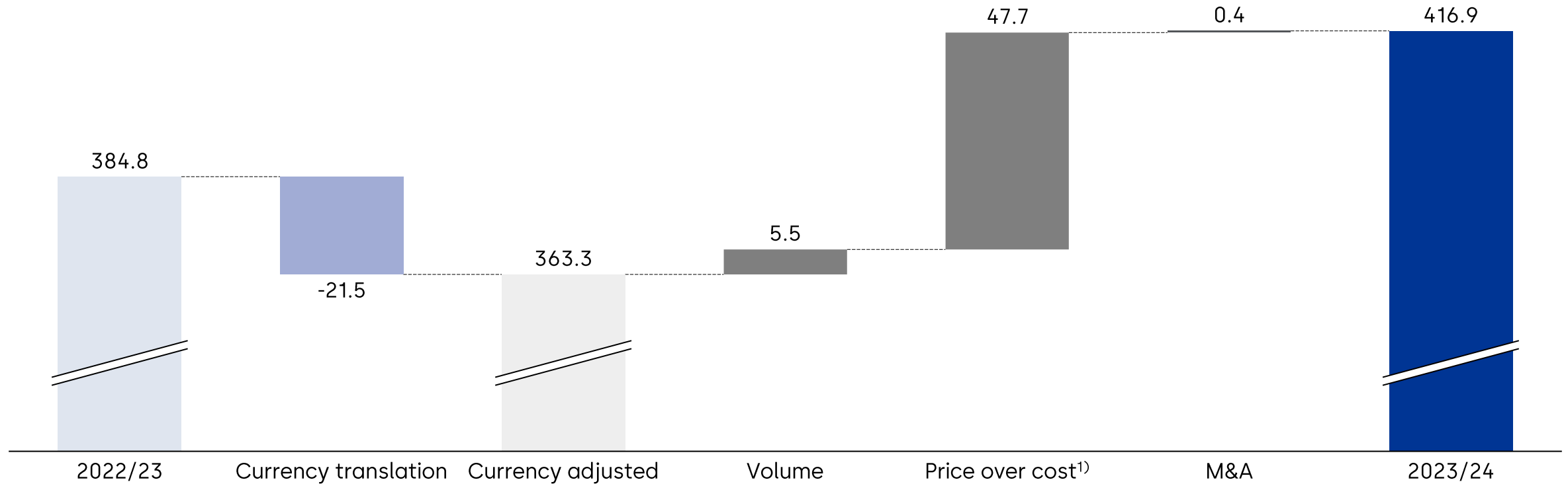


Net sales, in CHF m

Adj. EBITDA margin expansion of 120bps



Adj. EBITDA development

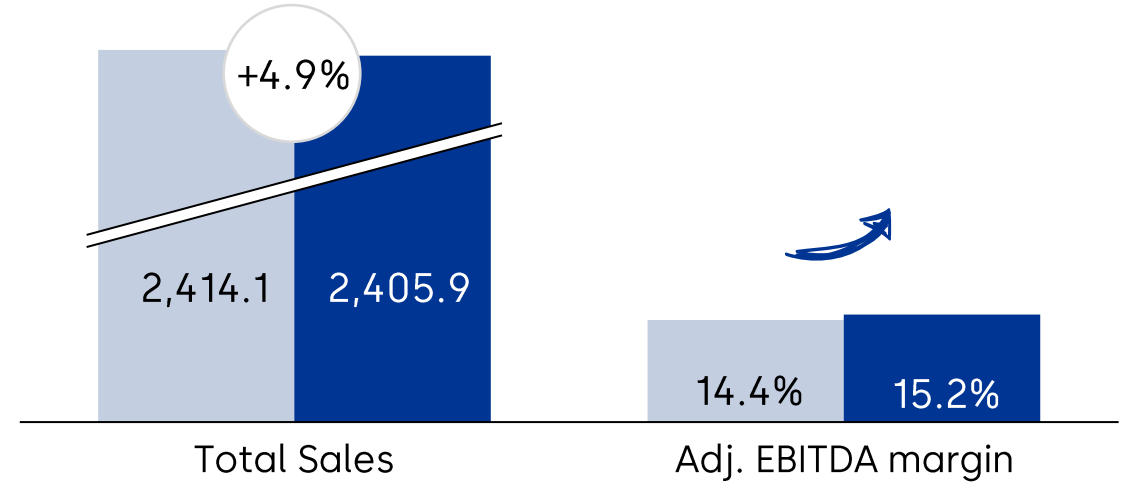


In CHF m

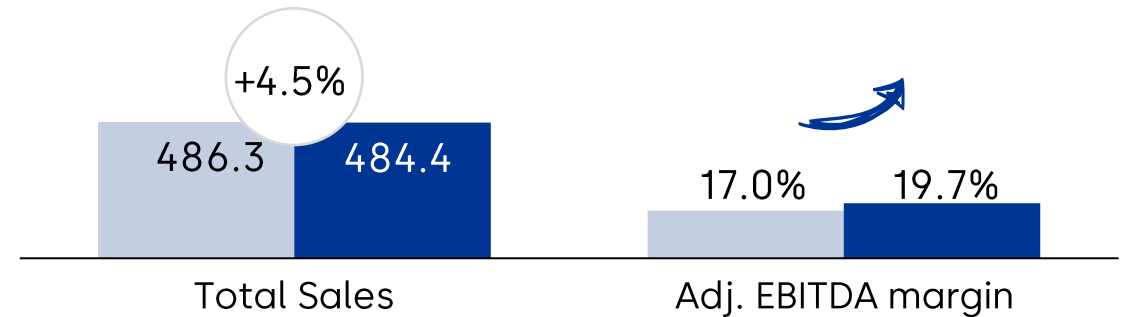
¹⁾ Price over cost is defined as the sum of price increases, cost inflation & efficiency gains

Margin expansion in both business segments

Access Solutions



Key & Wall Solutions and OEM




In CHF m

%

Organic growth %

Access Solutions organic growth of +4.9%



USA / Canada	+5.2% 712.1	Switzerland	-0.6% 211.3	UK / Ireland	+0.6% 111.4
<ul style="list-style-type: none">• Growth resulting from pricing and volumes in hardware, strong lodging business		<ul style="list-style-type: none">• Strong projects & service business primary growth drivers• Softer demand for contactless smart cards• Strong order intake in 2023/24		<ul style="list-style-type: none">• Strong 2nd half-year resulting in positive topline development• Order book growing, driven by all product clusters	
Germany	+10.0% 327.0	Australia / New Zealand	+2.5% 200.7	Rest of World	+5.0% 836.8
<ul style="list-style-type: none">• Growth driven by volume & price (access controls & project business)• Strong order book, especially for project business		<ul style="list-style-type: none">• Growth by automation and hardware solutions• Demand remaining on high level		<ul style="list-style-type: none">• Increased demand in India, Iberia, Eastern Europe and Asia	

Key & Wall Solutions and OEM organic growth of +4.5%



- Movable Walls: #1 leadership position established in the US & Europe with record high order backlog, expansion of current production line in America
- Stable market for automotive solutions and keys
- Weaker demand for key blanks and OEM products on the back of softer residential market in Europe and America

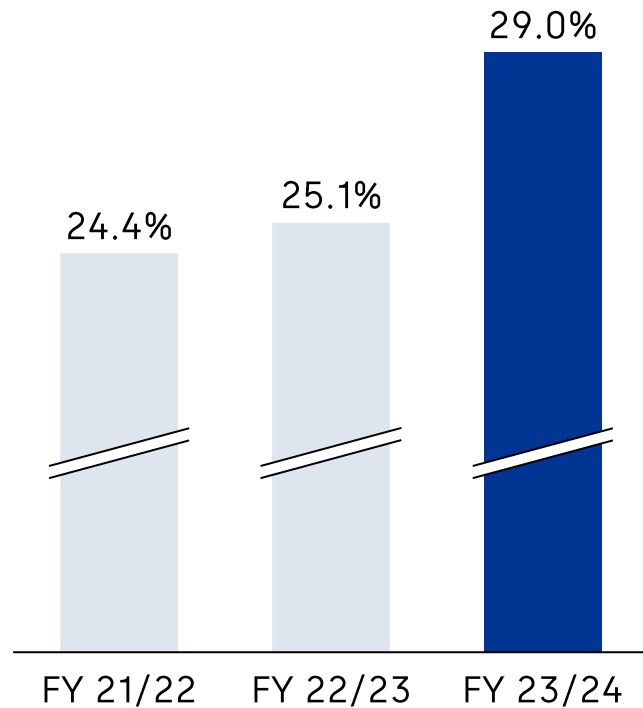
Profit & Loss: transformation delivering tangible results

In CHF m	FY 23/24			FY 22/23	
	Adjusted	IAC ¹⁾	Reported	Adjusted	Change (adjusted)
Net Sales	2,837.1		2,837.1	2,848.8	-0.4%
Gross margin	1,170.8	-29.1	1,141.7	1,140.6	+2.6%
<i>Gross margin %</i>	41.3%		40.2%	40.0%	+130bps
Functional expenses	833.8	102.7	936.5	841.3	-0.9%
<i>Functional expenses %</i>	29.4%		33.0%	29.5%	-10bps
Other operating income (net)	7.0	-47.2	-40.2	8.2	-14.6%
EBIT	344.0	-179.0	165.0	307.5	+11.9%
Depreciation and amortization	72.9	55.2	128.1	77.3	-5.7%
EBITDA	416.9	-123.8	293.1	384.8	+8.3%
<i>EBITDA %</i>	14.7%		10.3%	13.5%	+120bps
Financial result, net	-42.5	11.6	-30.9	-46.8	-9.2%
Profit before taxes	301.5	-167.4	134.1	260.7	+15.7%
Income taxes	-73.9	22.0	-51.9	-69.3	+6.6%
<i>Effective Tax rate</i>	24.5% ²⁾		38.7%	26.6%	-210bps
Net profit	227.6	-145.4	82.2	191.4	+18.9%

¹⁾ Items affecting comparability

²⁾ Income tax adjusted for impacts from divestments/non-deductible goodwill amortization, losses resulting from restructuring cost

Return on capital employed



- Further improvements in average net working capital
- Increased adj. EBIT



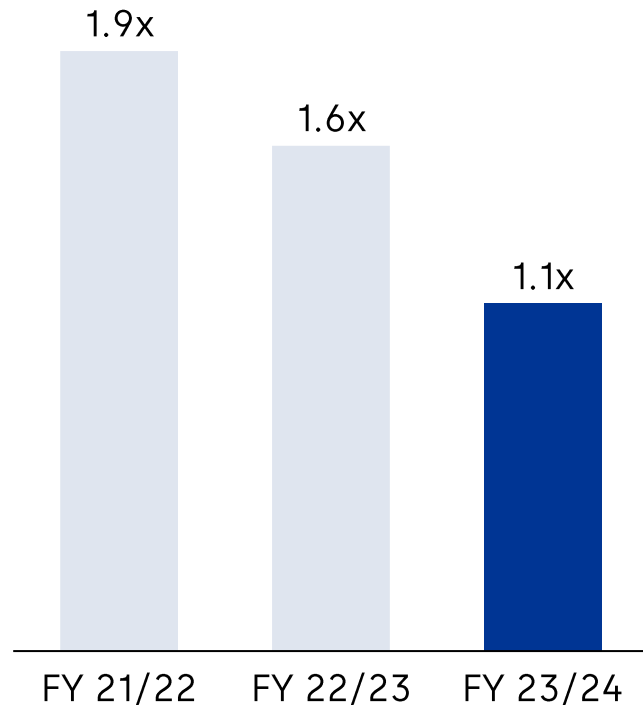
Solid free cash flow generation

	FY 23/24	% of sales	FY 22/23	% of sales
Adj. EBITDA	416.9	14.7%	384.8	13.5%
Change in NWC and other assets/liabilities (excl. IAC)	27.3		34.5	
Financial expenses paid, net	-42.4		-40.0	
Tax expenses paid, net	-60.6		-42.3	
Adj. cash flow from operating activities	341.2	12.0%	337.0	11.8%
Restructuring expenses paid	-55.0		-48.6	
Cash flow from operating activities	286.2	10.1%	288.4	10.1%
CAPEX net	-89.4		-99.2	
Sale / Acquisition of subsidiaries	7.8		-12.6	
Free cash flow	204.6	7.2%	176.6	6.2%

+15.9%

In CHF m

Balance sheet remains strong



Leverage defined as Net debt / adj. EBITDA

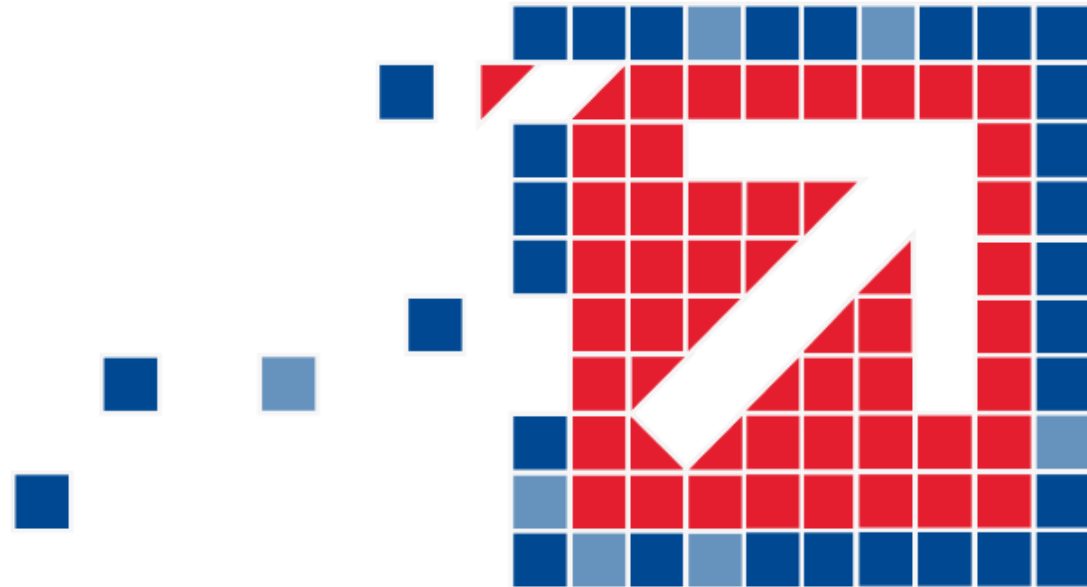
- Net debt reduced by 23.8% to CHF 454.8m
- Increase in adj. EBITDA
- Significant reduction of current borrowings from CHF 119.1m to CHF 6.2m
- Remaining maturities:
 - CHF 320m bond due in October 2025
 - CHF 275m bond due in October 2027

Dividend 2023/24

- Dividend of CHF 8.00 to be proposed at AGM on October 10th, 2024
- Proposed dividend implies a payout ratio of 51.1%
- Impact of the goodwill accounting not considered when determining the net profit



03 Strategy update



Where do we come from

- Synergies from the merger not realized
- Overpromising and underdelivering
- Lack of performance culture
- Lagging behind the competition



Where do we stand today

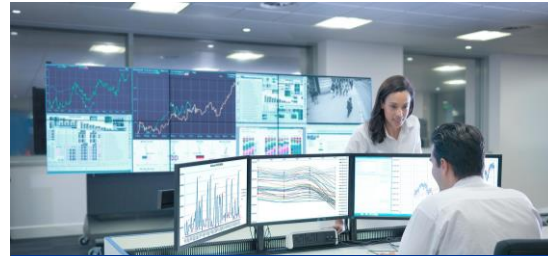
- **Ongoing transformation delivering first, tangible results**
- **Organization broadly in place**
- **Corporate Governance / Board of Directors renewed**

We are operating in a highly attractive industry

MEGATRENDS



SAFETY & SECURITY



DIGITALIZATION



PEACE OF MIND



LOCAL REGULATIONS & BARRIERS



SUSTAINABILITY



URBANIZATION

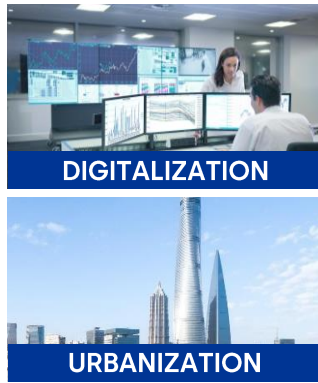
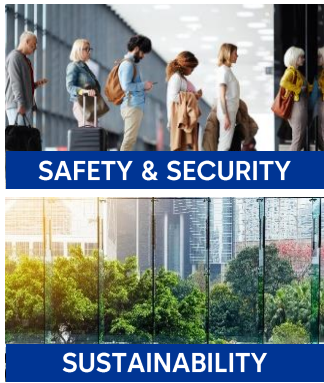


RESILIENCE



STRONG PROFIT POOLS

Well positioned to exploit market and technical opportunities ahead, execution is key



Field-proven & reliable



Access Solutions leader with strong domain know-how



Engineering excellence



Design & aesthetics

Taking the next step: From Shape to Growth



Elevate performance

1

Strict execution of Shape4Growth

2

Launch commercial transformation

3

Establish performance culture



Reduce complexity

1

Streamline product portfolio to free up resources to innovate

2

ONE dormakaba

3

Resilience, simplicity and cost efficiency in supply chain



Innovate & Grow

1

Integrated, innovative products & Ecosystem

2

Grow North America / Grow verticals

3

External growth

Sustainability

Strict execution of Shape4Growth

- Operational Footprint & Efficiency
- Product Development
- Procurement
- G&A Cost Efficiency
- IT Harmonization

dormakaba business services

Successful set-up of shared service centers around the globe (Nogales for North America, Sofia for Europe and India for Asia Pacific) for functions HR, Finance, IT & Innovation

Operations network

Framework established, negotiation finalized in Germany, Austria and Switzerland

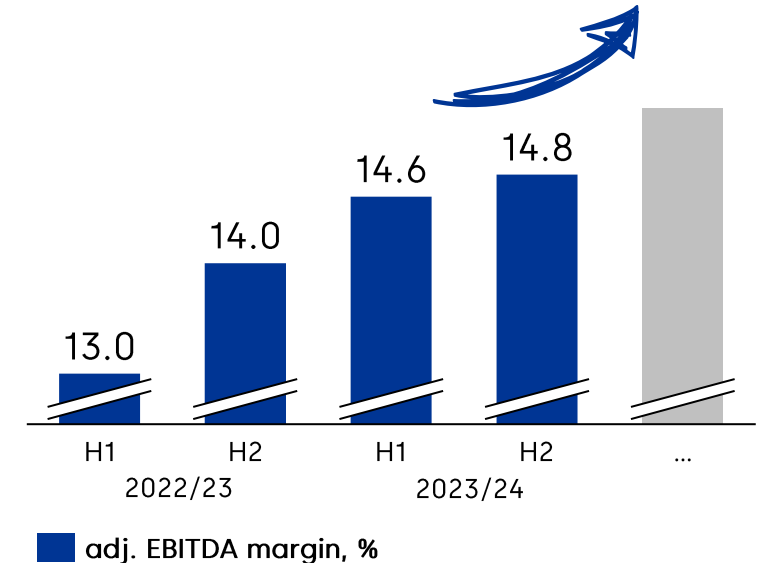
Supply chain efficiency

Improved plant productivity, ongoing procurement contribution and consolidation of supplier base

Portfolio review

Longtail countries improvement process started, e.g. exit South Africa

Sequential margin improvement over the last four semesters



Commercial transformation shaped across five levers

1



Go-To-Market

- Focus on Global Core
- Account Segmentation
- Inside Sales
- Vertical value proposition
- Review and optimize service GTM

2



Longtail Countries

- Exit and import
- Restructure
- Transform and focus Go-to-Market

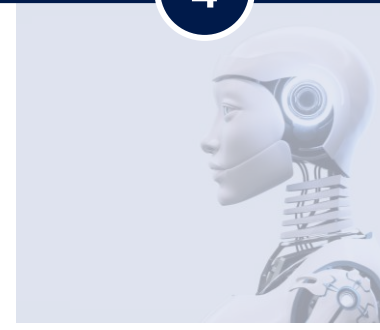
3



Sales Excellence

- Standardize & enhance "opportunity to cash" processes
- Improve customer interaction
- Sales Enablement
- Funnel Management
- Performance Management

4



Automation & Digitization

- Improve customer experience and efficiency
- Order Automation
- E-commerce
- Price – Quote – Configure (CPQ)
- Digital Marketing

5



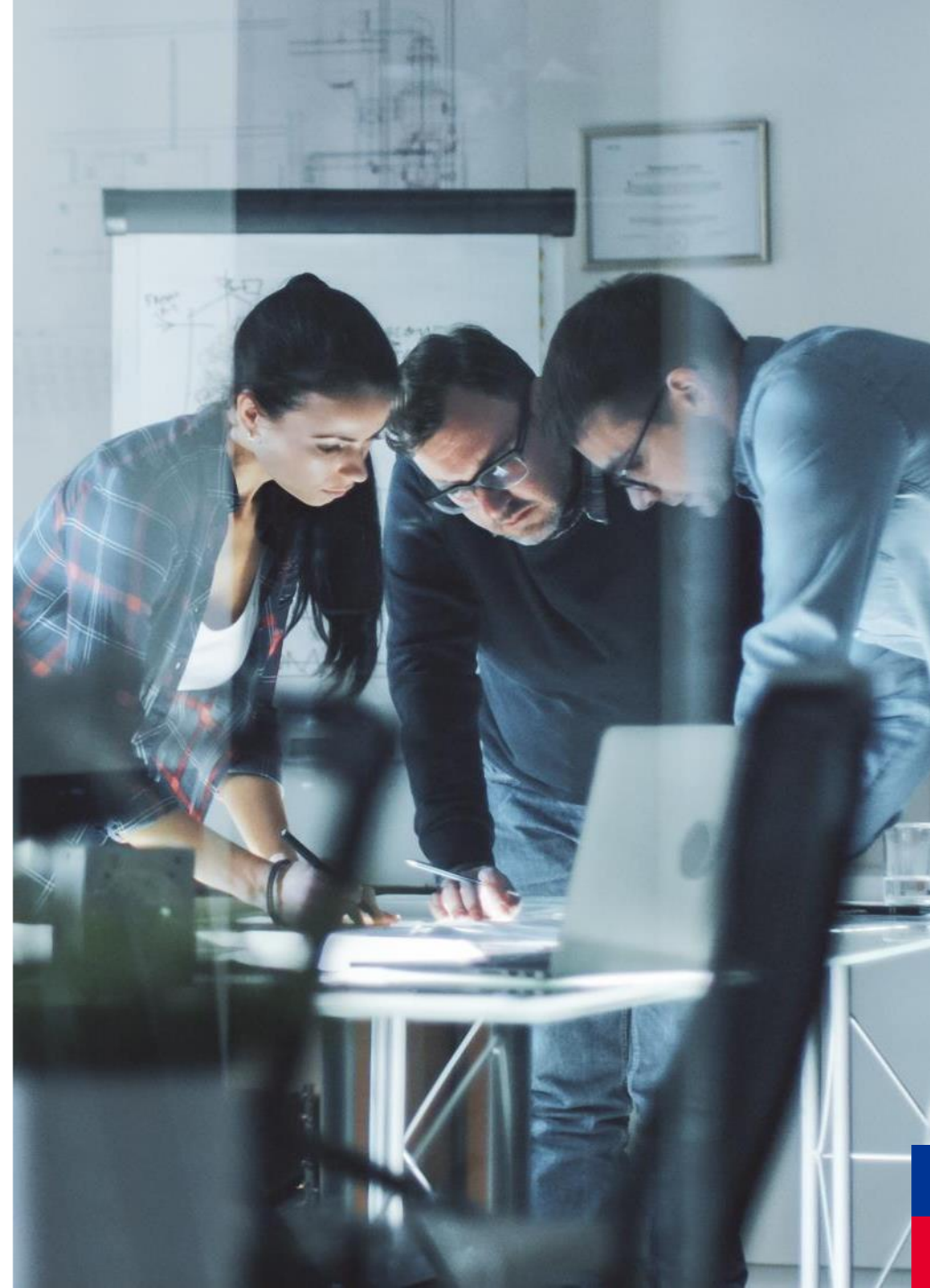
Efficiency

- Free up frontline capacities
- Drive economies of scale in transactional tasks

Elevate performance

Establish performance culture

- 1 Invest in people
- 2 Aligned incentive scheme
- 3 Drive accountability and ownership on all levels



Reduce complexity

Streamline product portfolio to free up resources to innovate



1

Simplify Access Control Solutions



Focus invest and offerings and **reduce number of SOFTWARE** Applications



Platform for a **GLOBAL HARDWARE** portfolio



Develop **CONNECTED DEVICE ECOSYSTEM** for cloud & EntriWorX

2

Streamline Door Closer Portfolio to increase agility and get closer to our customer



Analysis and **pruning of Door Closer** Portfolio



Reduce complexity in R&D, supply chain and manufacturing



Reduce cost and variants and **free up resources**

Integrated, innovative products & Ecosystem

CUSTOMER VALUE CREATION



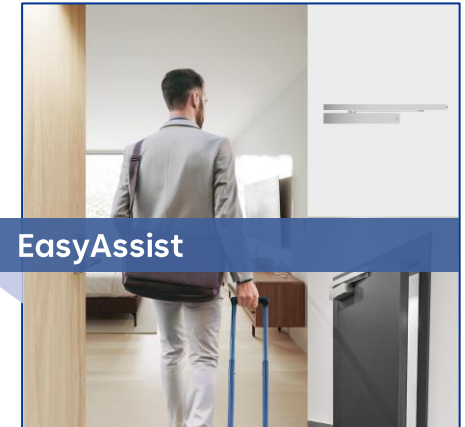
MotionIQ



Door Efficiency Calculator



Door IoT

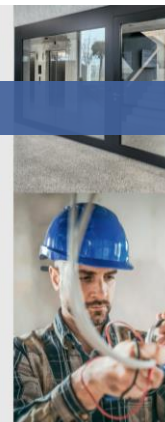


EasyAssist

Enabling our customers to save energy and CO2

Bringing Door Closers in the digital age

EntriWorX



Boosting efficiency in specification & planning

Grow North America

FROM

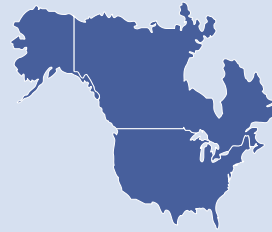
- **Distant #3** across segments (except hospitality), losing market share
- **Insufficient focus** in commercial
- Portfolio **requiring refreshment**
- **Inefficient supply chain** performance

TO

- **Over-proportional growth** with a stronger regional focus and selected distributors, starting with Access Hardware Solutions (AHS)
- **Reorganize salesforce** for enhanced effectiveness with Regional target accounts
- **Rejuvenated** product offering
- **Optimized local supply chain** performance

Net sales share
North America

2023/24



2025/26

Grow verticals

Currently strong presence in

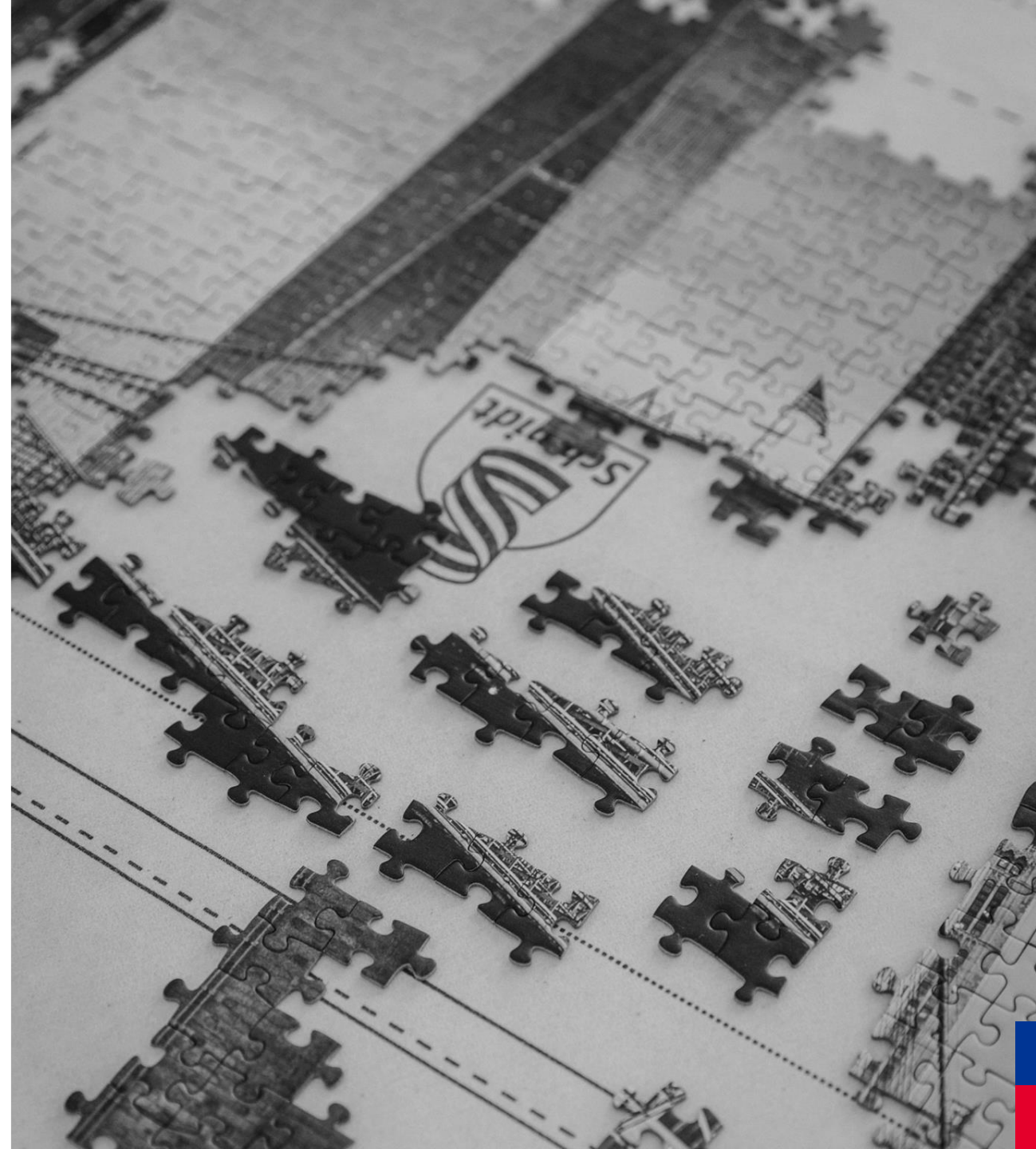


...and big potential in



Grow externally

- Continuously evaluating opportunities for **inorganic growth** to close strategic gaps in our products / markets
- Pursuing opportunities to **strengthen core business**



Taking the next step: from Shape to Growth



Elevate performance

1

Strict execution of Shape4Growth

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Reduce complexity

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ONE dormakaba

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Resilience, simplicity and cost efficiency in supply chain



Innovate & Grow

1

Integrated, innovative products & Ecosystem

2

Grow North America / Grow verticals

3

External growth

Sustainability

Re-building trust | Shifting gears to growth

+3-5%

Organic net sales growth p.a.

16-18%

Adj. EBITDA margin in FY
2025/26

>30%

ROCE in FY 2025/26

04 Outlook 2024/25



Organic net sales growth

3 to 5%

Adj. EBITDA margin

at least 15%

SAVE THE DATE

**dormakaba
Capital Markets Day**

November 20th, 2024
Ruemlang, Switzerland



Q&A



Upcoming Events & Contact

02 October 2024	Closing of share register
10 October 2024	AGM
14 October 2024	Ex-dividend date
16 October 2024	Dividend Payment
20 November 2024	Capital Markets Day
25 February 2025	H1 2024/25
02 September 2025	FY 2024/25

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Thank you

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For definition of alternative performance measures, please refer to the chapter “Notes to the consolidated financial statements” of the Half-year Report 2023/24 of dormakaba.

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Annex



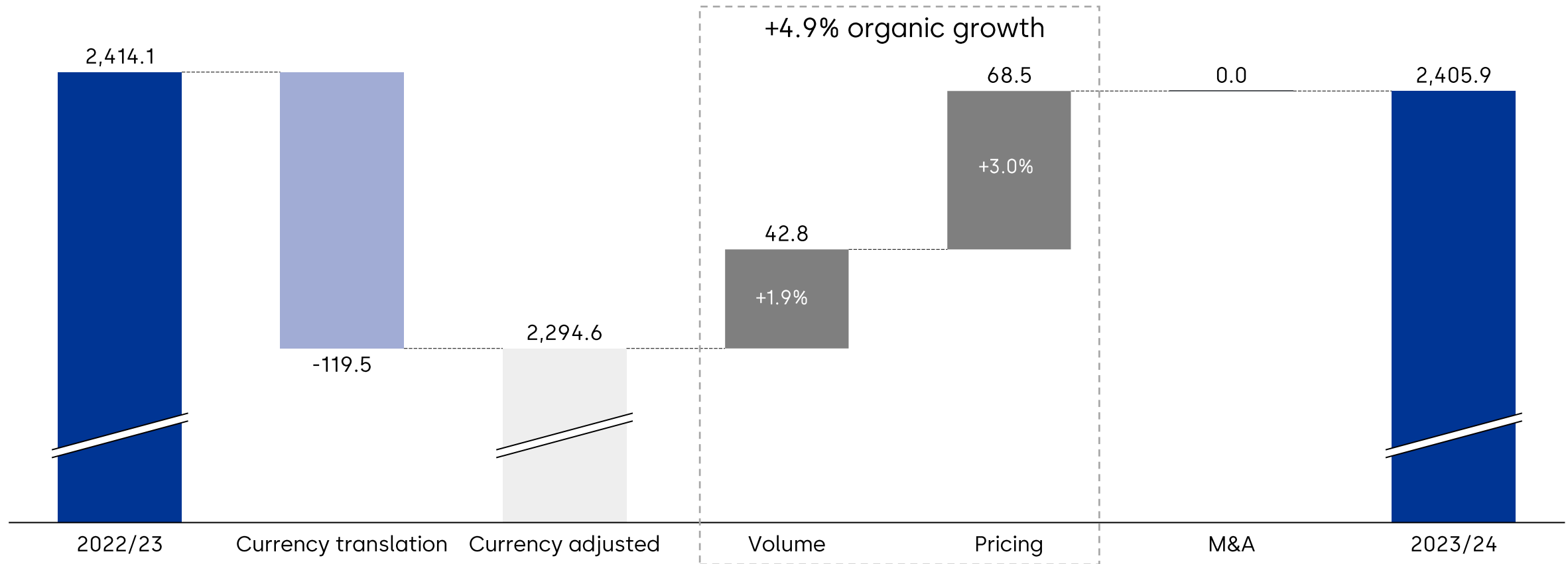
Transformation delivering tangible results

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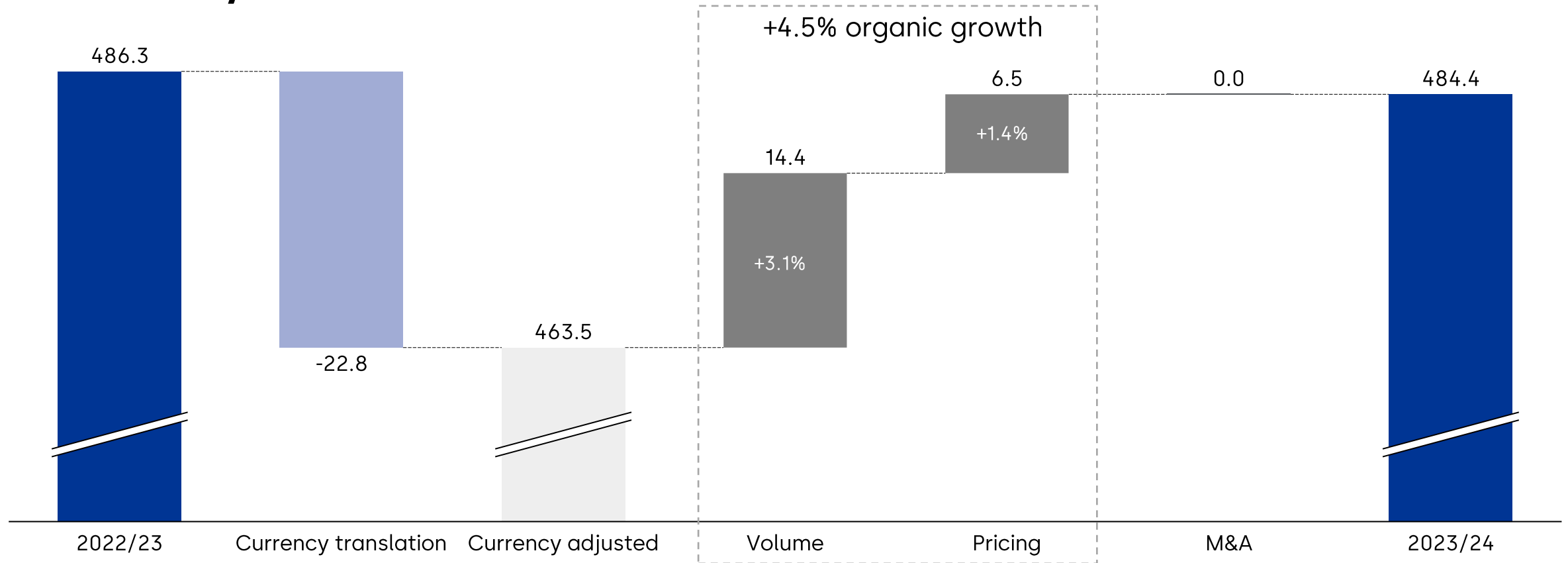
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Access Solutions - Net sales development FY 2023/24



In CHF m, including intercompany sales

Key & Wall Solutions and OEM - Net sales development FY 2023/24



In CHF m, including intercompany sales

Currency exposure

As every globally active group, dormakaba is exposed to currency risks.

The currency profile of dormakaba shows a broad balance between sales and cost per region (= natural hedge).

