

dormakaba

Capital Markets Day 2024

20 November 2024



Capital Markets Day 2024

From Shape to Growth

Agenda	Speakers	
09:00	Welcome	Till Reuter, CEO
09:05	Keynote – From Shape to Growth	Till Reuter, CEO
09:45	Room change	-
09:50	Break out sessions <ul style="list-style-type: none">• Commercial• Innovation• Operations	Steve Bewick, CCO Magin Guardiola, CIO Carsten Franke, COO
11:15	Coffee Break	
11:30	Q&A	CEO, CFO a.i., CCO, COO, CIO
12:15	Lunch	-
13:00	Customer testimonial – Airport Zurich	Andres Stierli, Airport Zurich
13:30	Departure to field trip location by bus	-
14:00	Customer Trip – Airport Zurich	-
16:00	End of event & individual departure	-

Capital Markets Day 2024

Presenters of the day



Till Reuter
Chief Executive Officer



René Peter
Chief Financial Officer a.i.



Carsten Franke
Chief Operations Officer



Steve Bewick
Chief Commercial Officer



Magín Guardiola
Chief Innovation Officer

20 November 2024

From Shape to Growth

Capital Markets Day 2024



Till Reuter
Chief Executive Officer

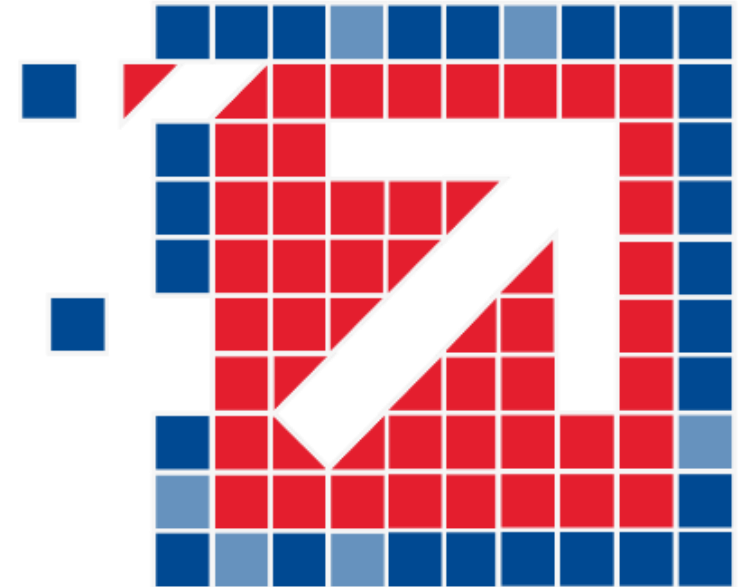
Agenda

1 We operate in an attractive industry

2 dormakaba is well positioned with a holistic, global offering

3 Taking the next step:
from Shape to Growth

4 Financial profile and mid-term targets



Capital Markets Day 2024

We operate in an attractive industry



We operate in an attractive industry

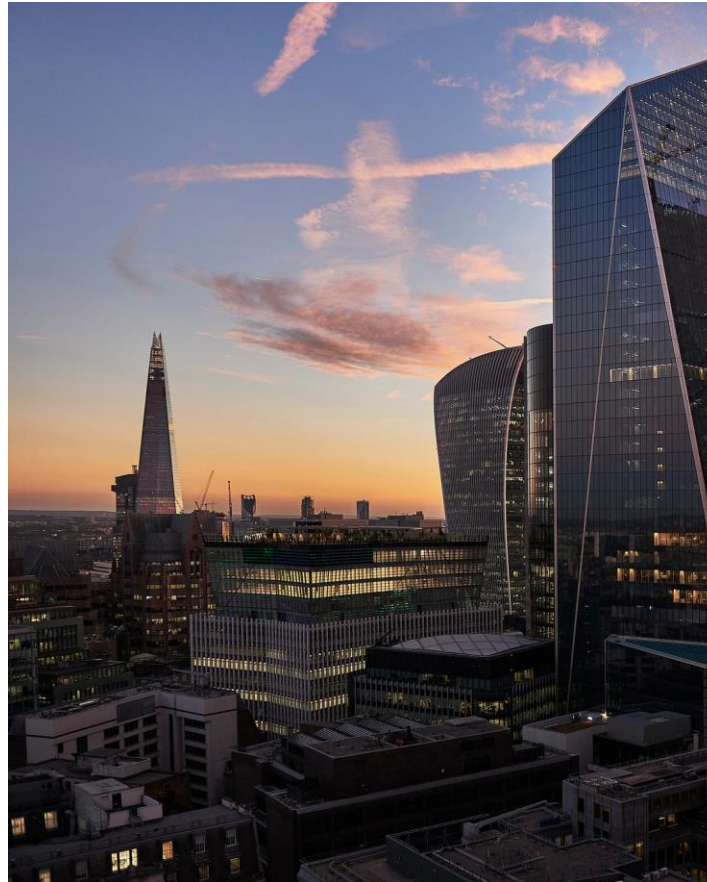
One of the most attractive markets in industrial goods

High resilience

- Good profitability and less cyclical
- Big aftersales market

High entry barriers

- Country-specific regulations & sales channels
- Specification & channel intimacy create stickiness



Pricing Power

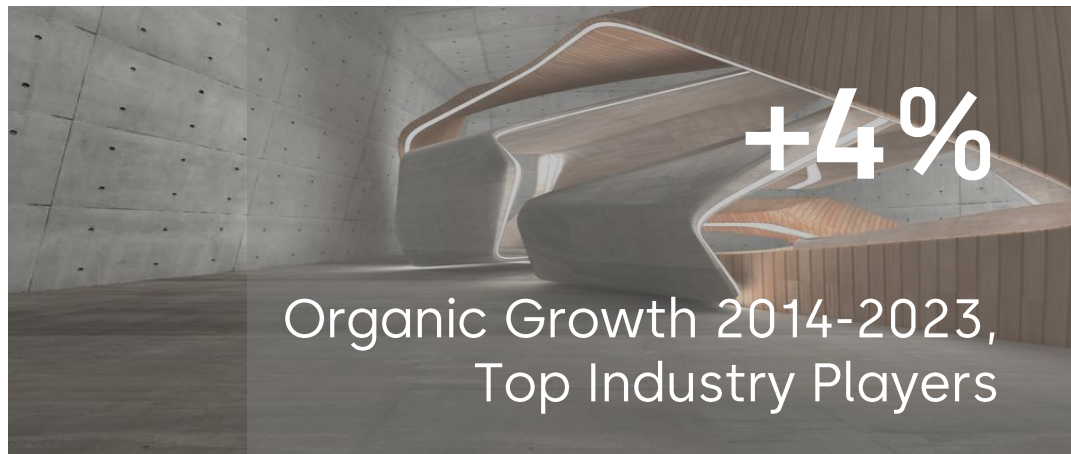
- Access control solutions, a fraction of the buildings' total cost of ownership
- Brand reputation and regulatory know-how are key

Fragmented industry

- Few global players and low degree of consolidation
- Room in the market to grow inorganically

We operate in an attractive industry

Resilient and late-cyclical industry with strong growth potential



Well balanced

- New construction
 - Refurbishment
 - Aftersales Service
 - Infrastructure
 - Industries
 - Institutions
- &

Growth Drivers

- GDP
- Non-Residential Construction
- Increase of higher value-add products through Automation & Digitalization

Source: Company estimates

We operate in an attractive industry

Industry growth is reinforced by powerful megatrends...



Urbanization

Smart cities are on the rise. People are reassessing what they want from urban living

200,000

people move to a city each day

7 billion

people will be living in urban areas by 2050

11,000+

new buildings worldwide



Safety & Security

Globalization and an increasing number of geopolitical risks and developments drive the need for security in everyday life

People are searching for trusted partners with experience and innovative solutions to provide reliable security



Sustainability

Green architecture supports the battle against climate change on the part of the building industry

~17.4%

annual growth of the global green building industry

2x

doubling the annual renovation rate by 2030 (EU Green Deal)



Digitalization

The disruptive nature of technological evolution continues to transform the world

65%

of the world's population has access to the internet

90%

of the world's data was generated within the past two years alone

5.4 billion

people in the world own a mobile device

Source: EU Green Deal, World Bank Group

We operate in an attractive industry

...and strengthened by construction industry trends

Building Modernization



Global building renovation market expected to grow at a **4-5% CAGR**



>4 billion connected IoT devices in commercial buildings by 2028



<30% of US homes protected to National Fire Protection Association standards

Energy Efficiency



Buildings account for **~40% of GHG** emissions



Integrated smart buildings can reduce energy use by **10-20%**



1 in 5 existing buildings to be retrofitted to meet net zero emissions by 2050

Source: Morgan Stanley

We operate in an attractive industry

Example Offices: Managing productivity of people flow and spaces



We operate in an attractive industry

Evolution of customer needs drive demand for Access Solutions



Connectivity & Cloud



Interoperability



Simplicity



Design



Energy Efficiency & Serviceability

Requires customer centricity with strong domain and vertical knowhow

Access in Commercial Buildings:

2024



Accessibility to All

Making Offices Inclusive with Automatic Doors for Seamless, Barrier-Free Accessibility (ES Proline, ED100, KTV ATRIUM Flex)



Employee & Visitor Access

Adaptive Access Control for Seamless Visitor & Employee Management (MATRIXaaS)



Server Room Security

Advanced Access Management for Uncompromised Server Room Security (MATRIXaaS)



Protecting People & Property

Fire & Safe Route Solutions for Complete Workplace Safety (SafeRoute)



Remote Service

Remote Monitoring of Access Solutions for Seamless Facility Management (EntriWorX Insights)



Full Lobby Control

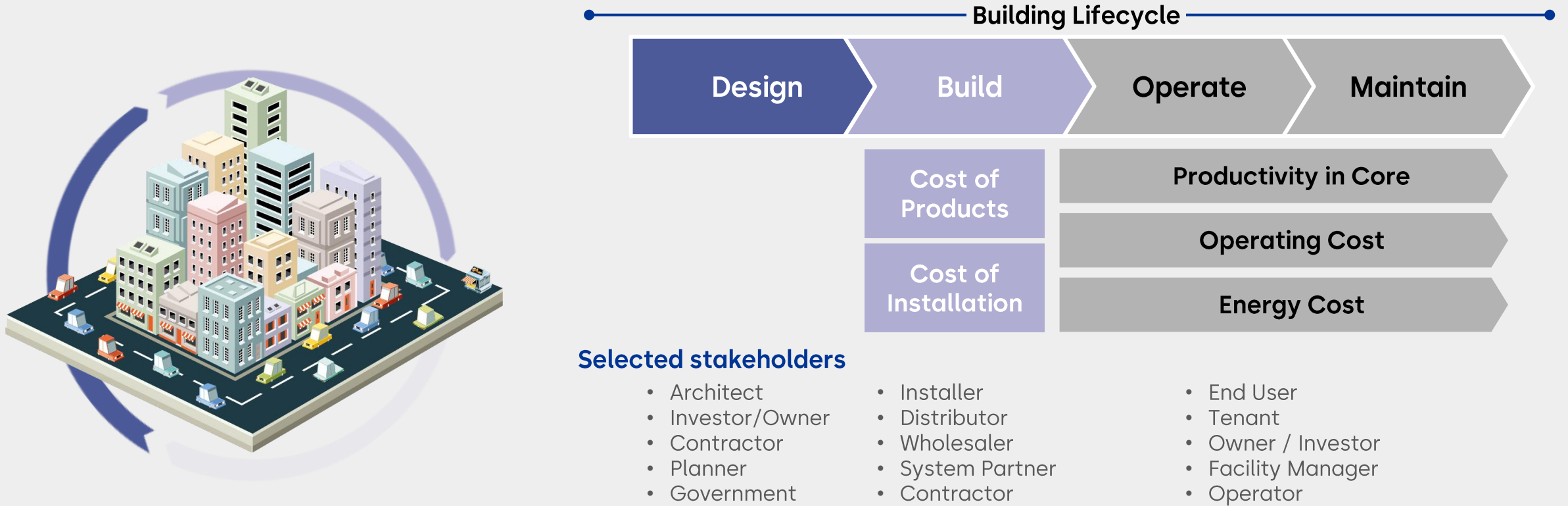
Sensor Barriers Elevate Security, Safeguarding Against Unauthorized Access (Argus)

Perimeter Protection

Turnstiles for Controlled, Authorized Entry to Company Grounds (Kentauer)

We operate in an attractive industry

Our products create value across the whole building lifecycle



Optimizing Total Cost of Ownership

Ease of Planning

Ease of Installation

Ease of Engineering & Commissioning

Easy to use

Easy to service & maintain

Energy Efficient

We operate in an attractive industry

Evolving underlying technologies in the access solutions industry



Electromechanical transition



Connectivity & Cloud

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Data & Artificial Intelligence



Access as a Service
Service & Lifecycle



Interoperability & Open Standards



Convergence of Physical & Cyber Security



Mobile Access & Contactless, Biometry, Seamless Flow

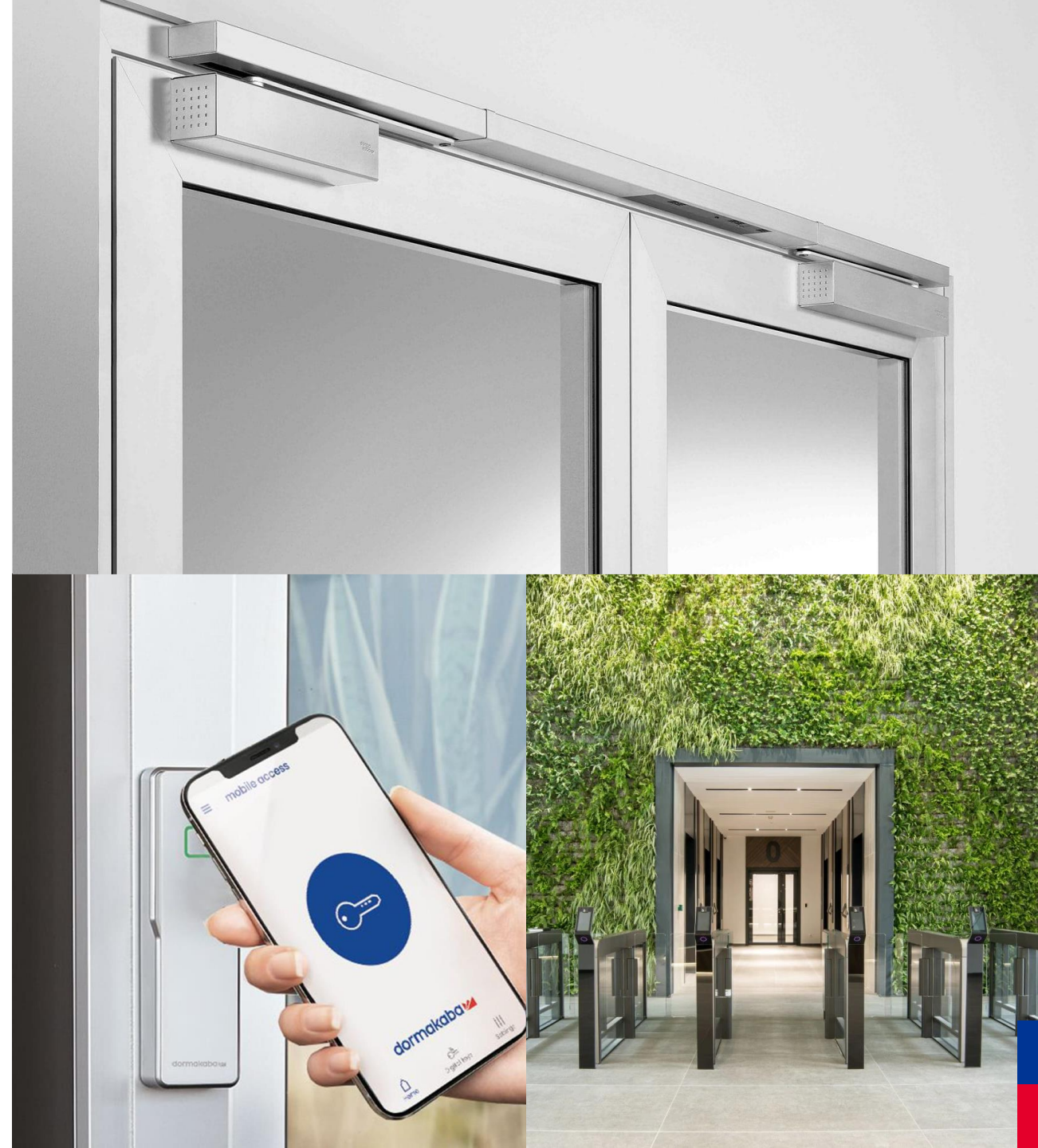


Energy Efficiency



Capital Markets Day 2024

dormakaba is
well positioned
with a holistic,
global offering



dormakaba is well positioned with a holistic, global offering

Well positioned with a holistic, global offering of products & solutions...



Access Hardware Solutions (AHS)

Door Closers
Architectural Hardware
Mechanical Key Systems



~30%



Access Automation Solutions (AAS)

Entrance Automation
Entrance Security



~18%



Access Control Solutions (ACS)

Escape and Rescue
Lodging Systems
Electronic Access & Data
Safe Locks



~20%

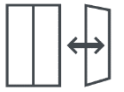


Services

Consulting and Planning
Implementation
Commissioning
Maintenance



~15%



Key & Wall Solutions and OEM (KWO)

Movable Walls
Key Systems
OEM



~17%

dormakaba is well positioned with a holistic, global offering

...with underlying key competence of today and tomorrow



Access Hardware Solutions (AHS)

Door Closers
Architectural Hardware
Mechanical Key Systems



Access Automation Solutions (AAS)

Entrance Automation
Entrance Security



Access Control Solutions (ACS)

Escape and Rescue
Lodging Systems
Electronic Access & Data
Safe Locks



Services

Consulting and Planning
Implementation
Commissioning
Maintenance



Key & Wall Solutions and OEM (KWO)

Movable Walls
Key Systems
OEM

Key competence



Digital



Electromechanical



Mechanical

dormakaba is well positioned with a holistic, global offering

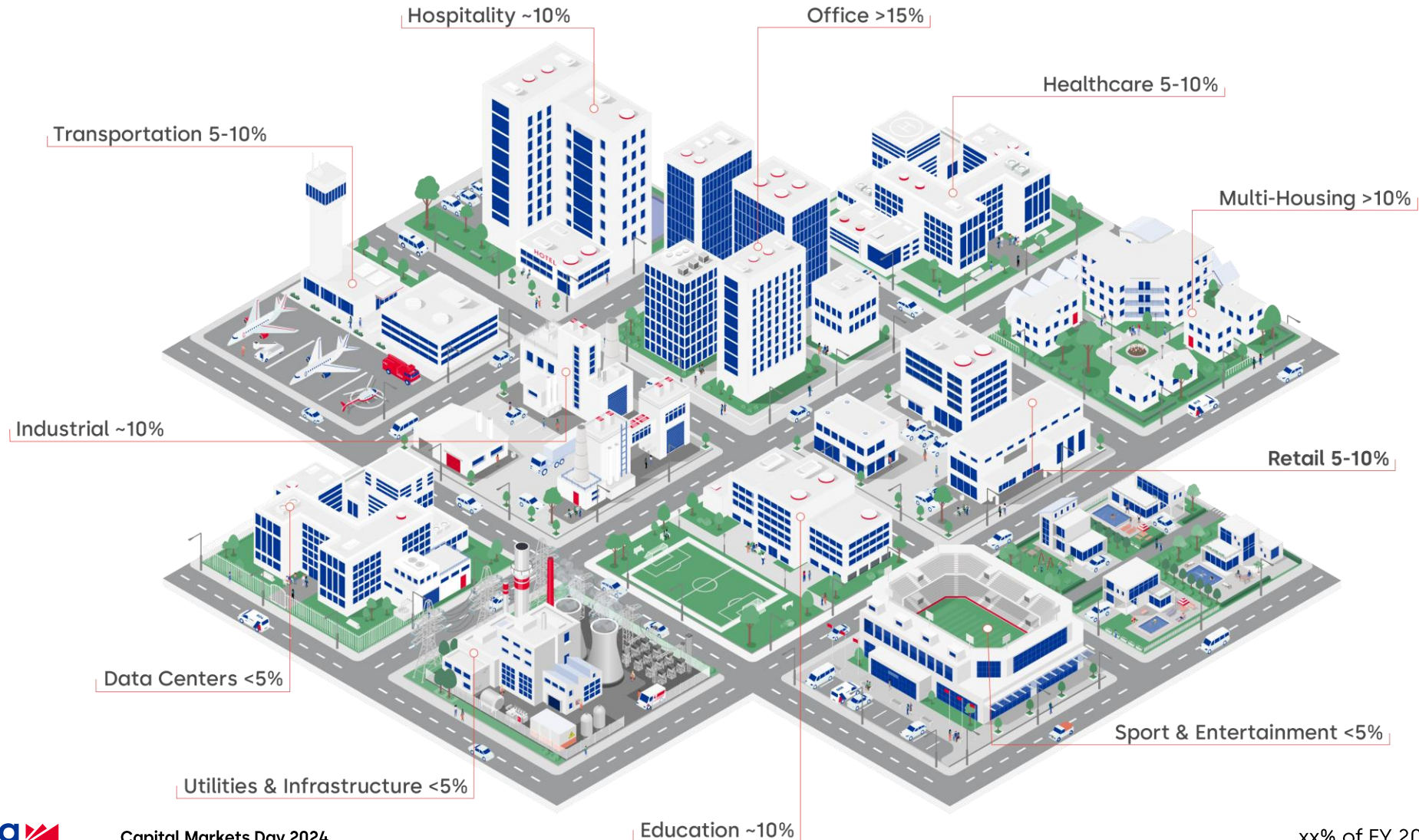
Resilient exposure across end-markets with strong project and service business



Based on FY 2023/24 net sales

dormakaba is well positioned with a holistic, global offering

Offering products & solutions for a wide variety of verticals



dormakaba is well positioned with a holistic, global offering

Uniquely positioned to benefit from installed base and upsell into technologically advanced solutions

Installed Base



CHF ~20 bn

**of installed base added over
past 15 years**

Use Case

Service technician site visit,
manual labor

Product repair with replacement
parts

Product successors, end of life,
competitor replacements

Better product available
(mechanical to electro-
mechanical), building retrofiting

New business operators with new
requirements (e.g., security,
design)

Business Potential

 **After Sales Services**

 **Spare Parts**

 **Product Sales**

 **Product Upselling**

 **Projects**

Examples



MotionIQ



EasyAssist



Skyra



dormakaba is well positioned with a holistic, global offering

Leading in sustainability and helping our partners make a positive impact

We contribute to 9 out of 17 SDGs



Three pillar approach to sustainability



People

We create a fair, inclusive and safe culture which enables our employees to thrive



Planet

We open the doors wide to a low carbon and circular economy



Partnerships

We collaborate with suppliers and customers to promote sustainable development beyond our own doors

External recognitions for progress in sustainability



B rating



AA rating



1st in the industry with approved 1.5° targets

Taking the next step: from Shape to Growth



Taking the next step: from Shape to Growth

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

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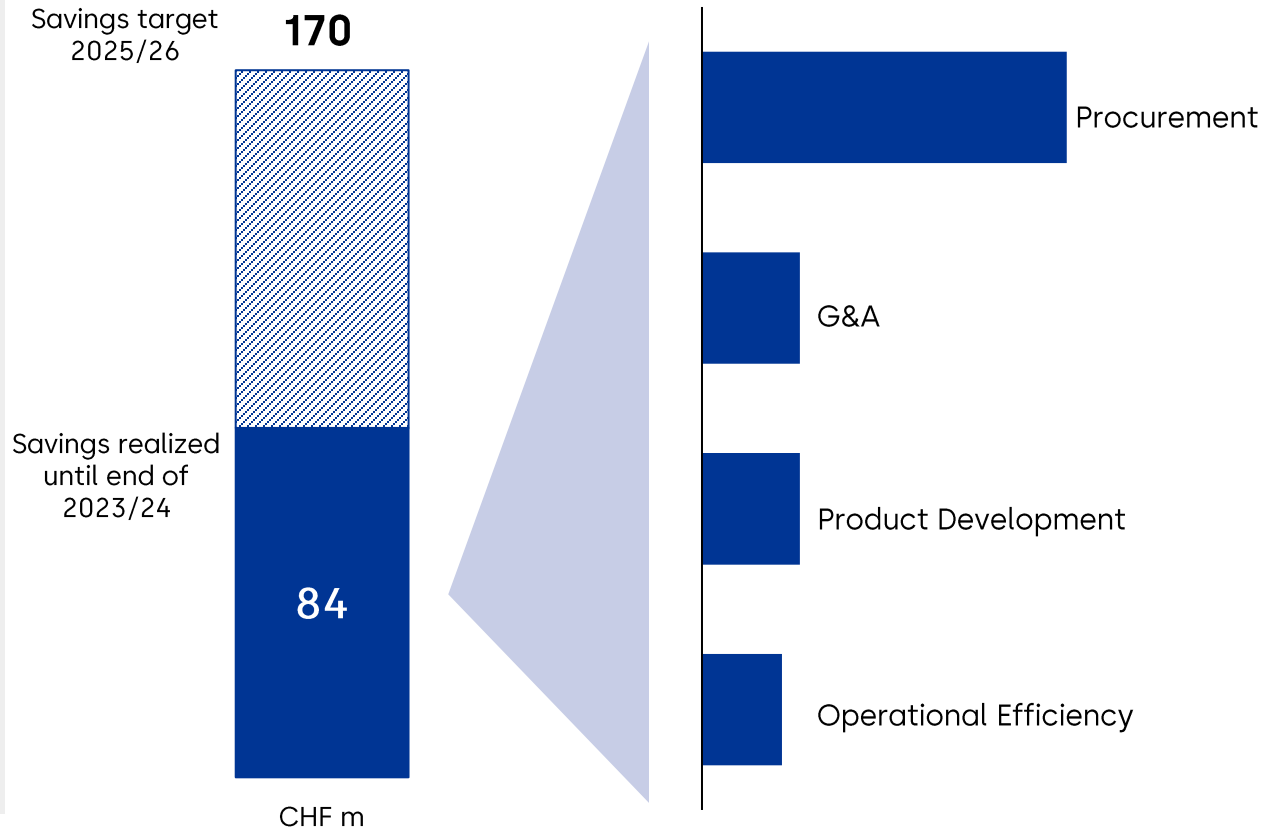
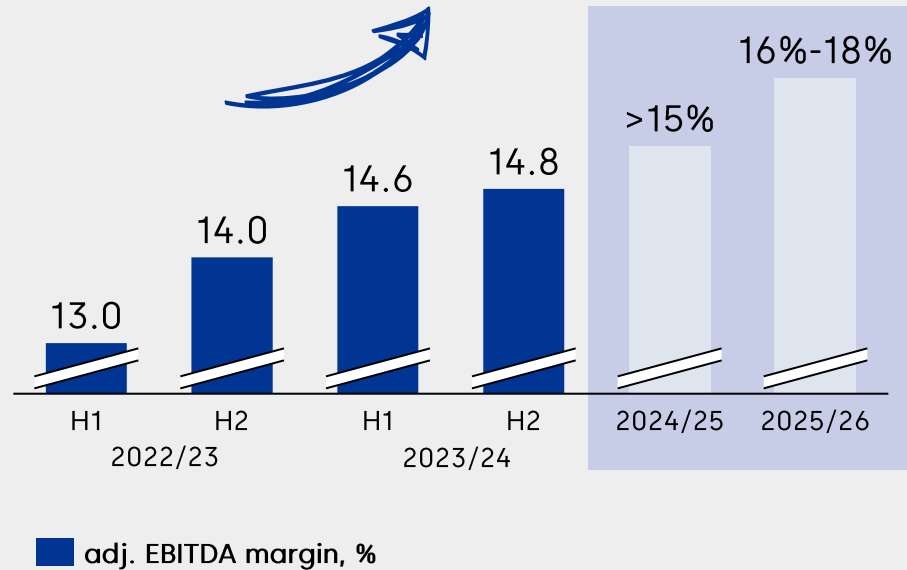
External growth

Sustainability

Taking the next step: from Shape to Growth

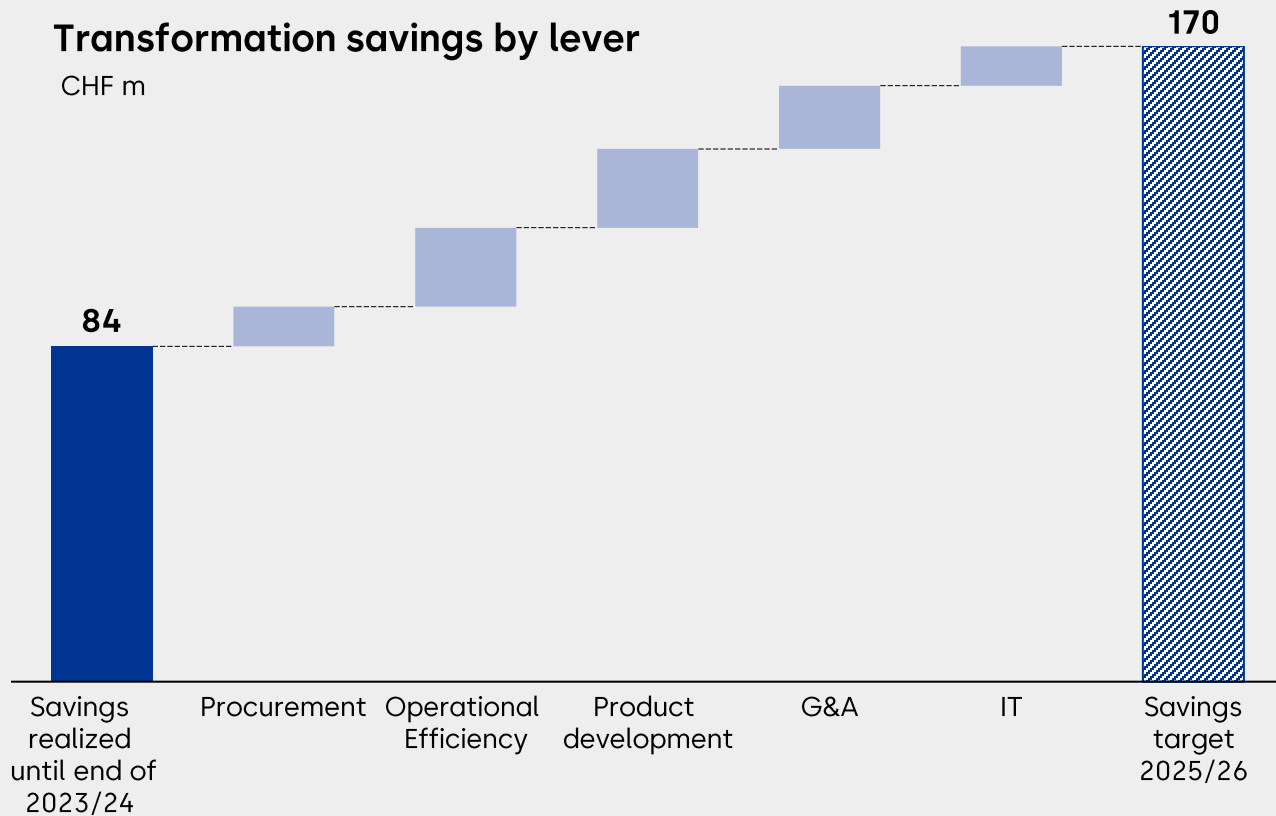
Transformation program delivering tangible results

Sequential margin improvement over the last 4 semesters



Taking the next step: from Shape to Growth

Continue strict execution while adding Commercial Transformation



Commercial Transformation

CHF 40m
additional savings
by 2027/28

Taking the next step: from Shape to Growth

Commercial transformation to deliver additional CHF 40m savings

1



- Focus on Global Core
- Account segmentation
- Inside sales
- Vertical value proposition
- Review and optimize service GTM

2



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

3



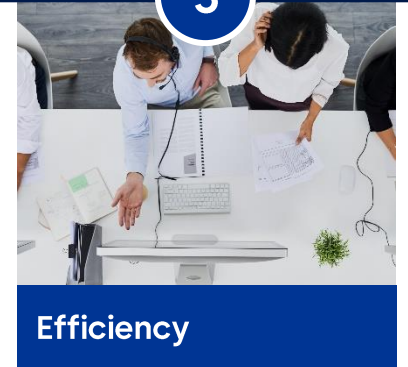
- Standardize & enhance "opportunity to cash" processes
- Improve customer interaction
- Sales enablement
- Funnel management
- Performance management

4



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

5

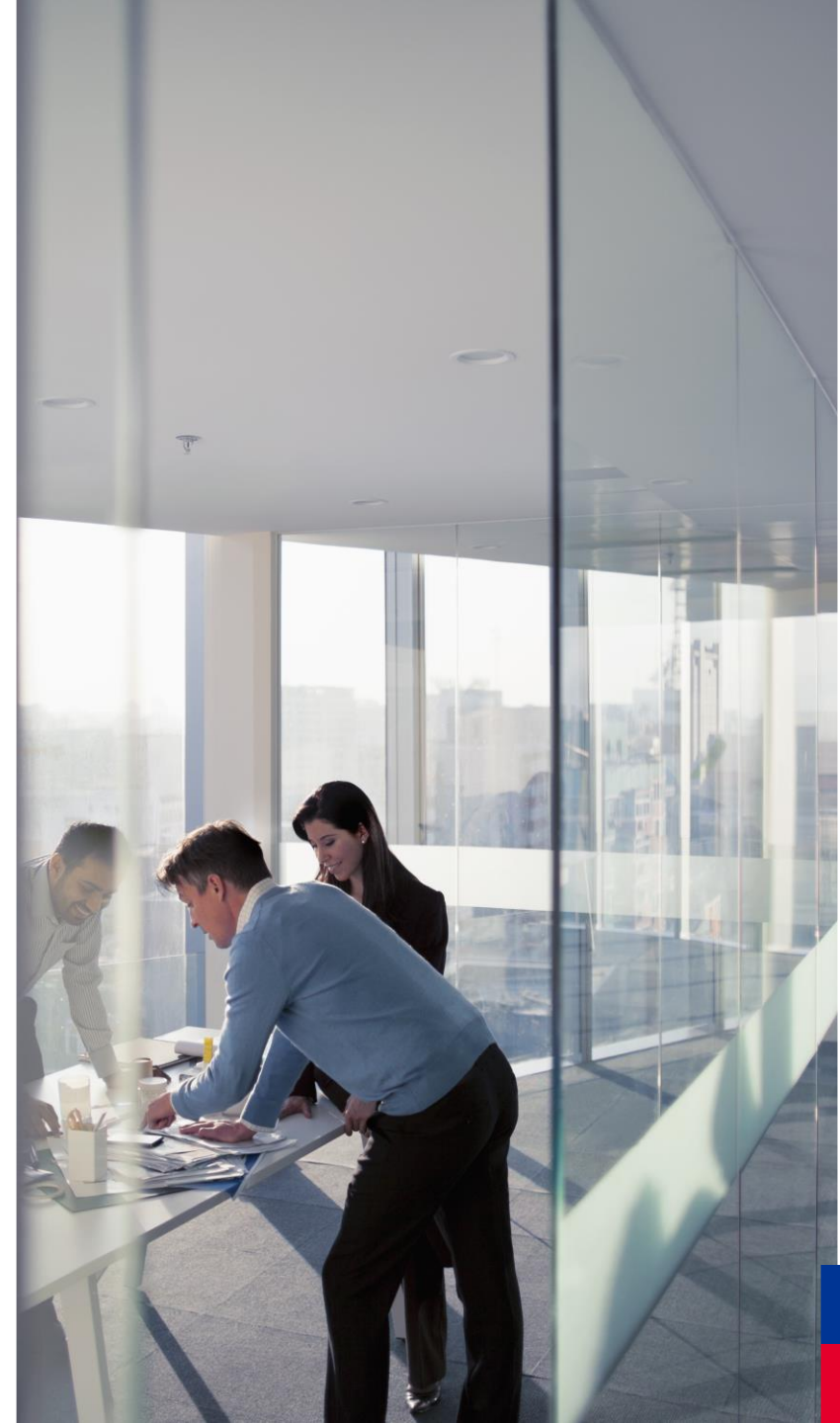


- Free up frontline capacities
- Drive economies of scale in transactional tasks

Taking the next step: from Shape to Growth

Establish performance culture

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



Taking the next step: from Shape to Growth

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Continuous review of business portfolio to reduce complexity

Portfolio Measures



Divest Under-Critical Business

Sale or MBO of business and serve as export model from other country



e.g., South Africa



Reduce Unprofitable Business

Exit service organizations and other business areas with low profitability



e.g., UK ESA service, Qatar/ Kuwait



Optimize Go-to-market

Leverage market hub structures and focus go-to-market approaches (e.g., export / distribution only)



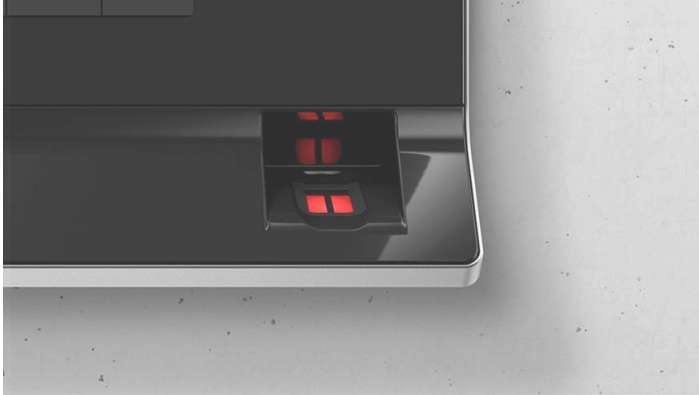
e.g., South-East Europe

- Limited topline impact from expected divestments
- Accretive on adj. EBITDA margin

- Re-focus investments to core markets
- Complexity reduction

Taking the next step: from Shape to Growth

Streamline product portfolio to free up resources



1 Simplify Access Control Solutions



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

Free up resources to innovate

Taking the next step: from Shape to Growth

Simplify Access Control Solutions – reduce software platforms by > 50%

1



Focus invest and offerings and reduce Software applications



- Software platforms reduction **at least by half over next 4 years incl. migration**
- **Clear positioning** according to verticals & channels
- **Enable TO cloud** offerings

2



Platform for a **Global Hardware** portfolio



- **Common hardware platform** for readers and locks, controllers and terminals
- **Mobile ready**
- Common global platform, **adapted to regional standards**

3



Develop **Connected Device Ecosystem** for cloud & EntriworX



- **Common device & access management system**
- **Integrate all devices** into EntriWorX
- Open API enabling **interoperability**

**Less platforms, less maintenance, better interoperability & operations, clear migration path
Free up resources to innovate**

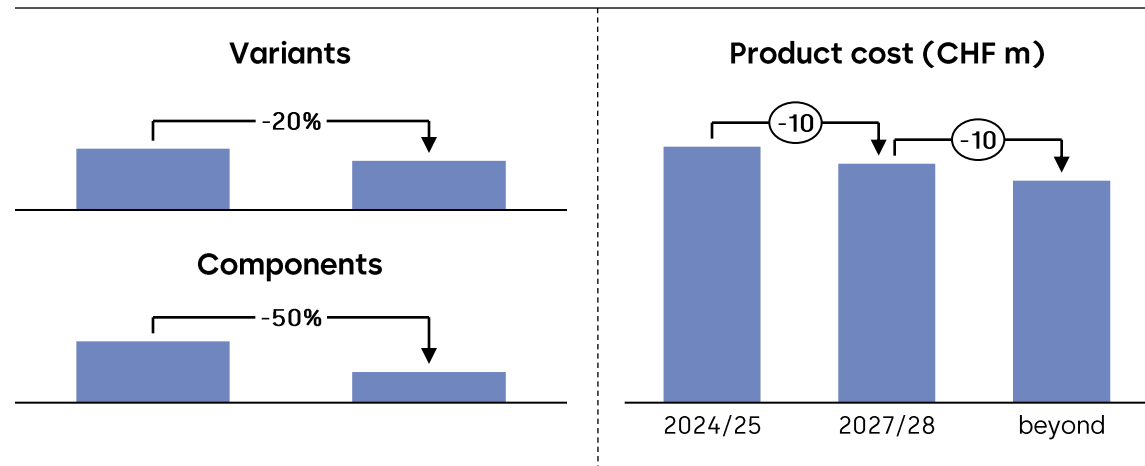
Taking the next step: from Shape to Growth

Streamline Hardware Portfolio – starting with door closers



- CHF ~300m of Group's net sales from door closers
- Vast variety of articles
- **Less than 3% of SKUs generate 80% of profit**
- Driving complexity in R&D, supply chain, manufacturing and logistics, sales and customers

Reduction of costs and variants



Savings of at least CHF 10m of cost base by 2027/28 and additional CHF 10m beyond

Taking the next step: from Shape to Growth

Introducing one global R&D roadmap

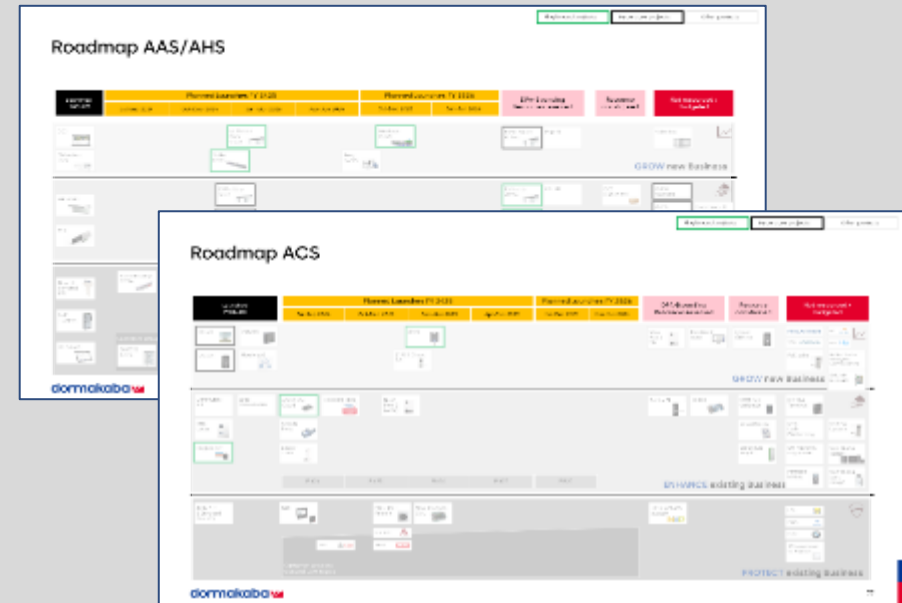
Focus
on major
opportunities



Alignment
with
key markets



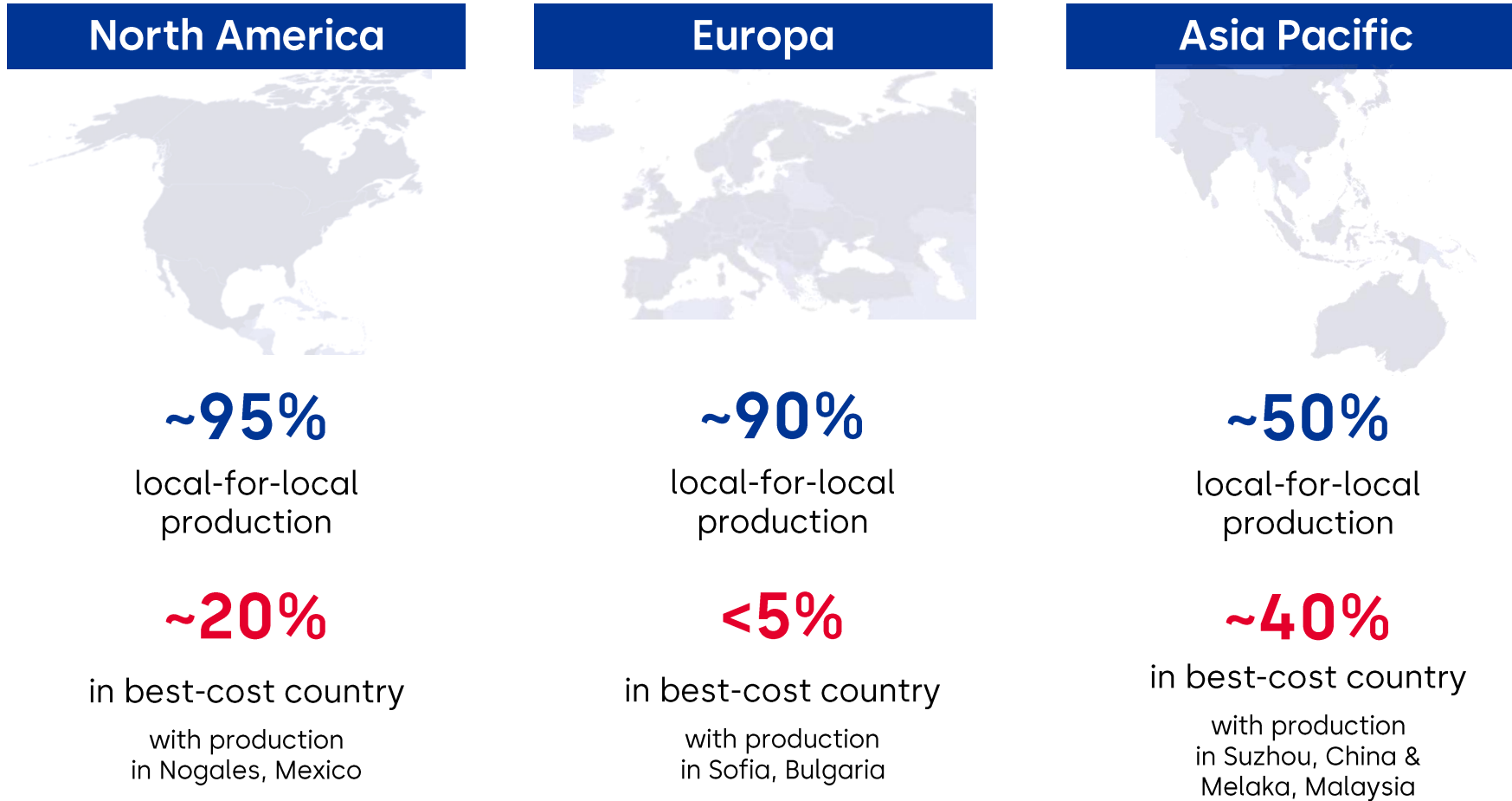
Synchronized
go-to-market



More efficient, more reliable, higher ROI - eliminating duplications in development

More market impact

Strong local-for-local footprint with 3 regional hubs



**Unlocking
potential of
best-cost
countries in
Europe &
North America**

xx% net sales produced locally
xx% net sales produced in best-cost country

Taking the next step: from Shape to Growth

Taking the next step: From Shape to **Growth**



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External growth

Sustainability

Taking the next step: from Shape to Growth

Our products are evolving from the purely physical into the digital world



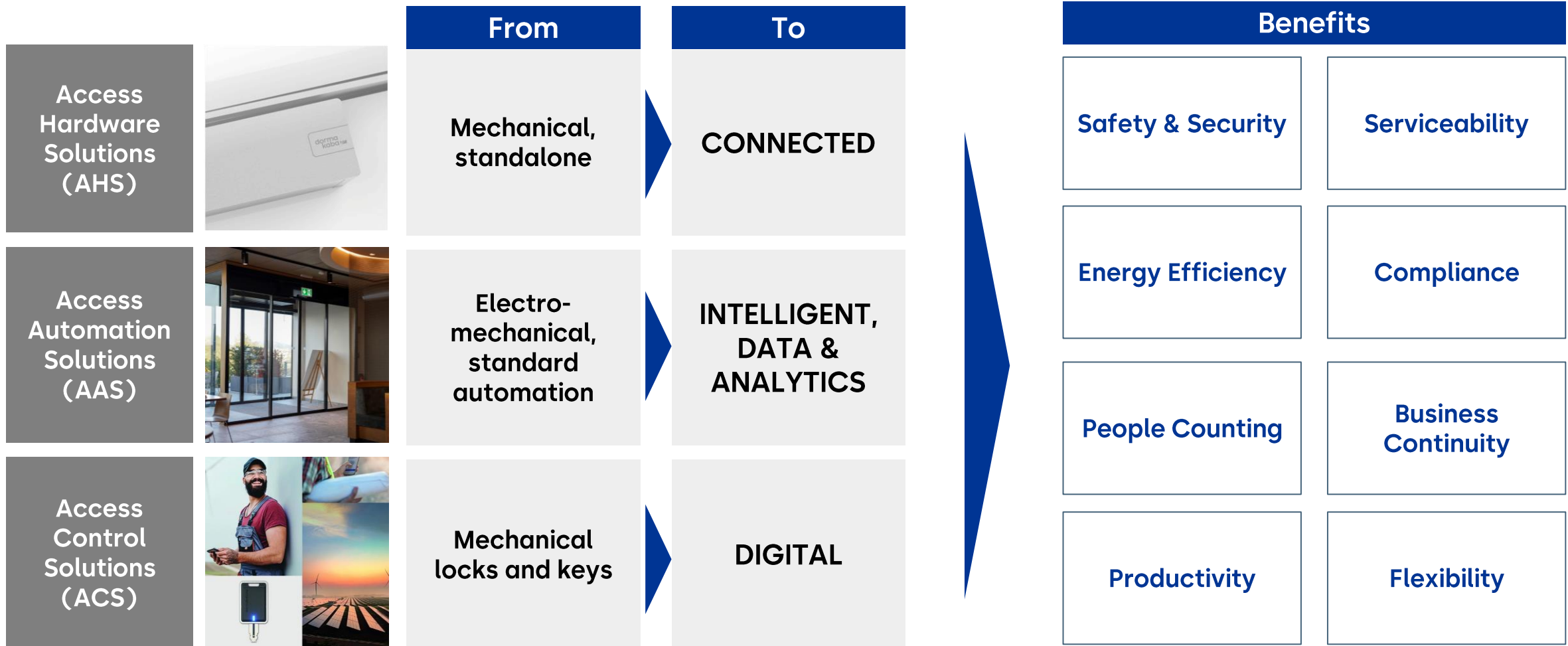
This is **NOT** a door closer



This is an **IoT** device

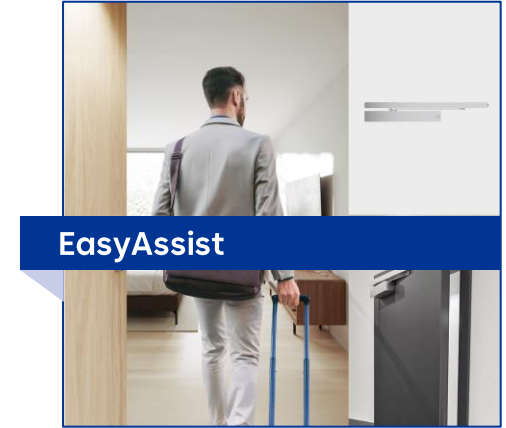
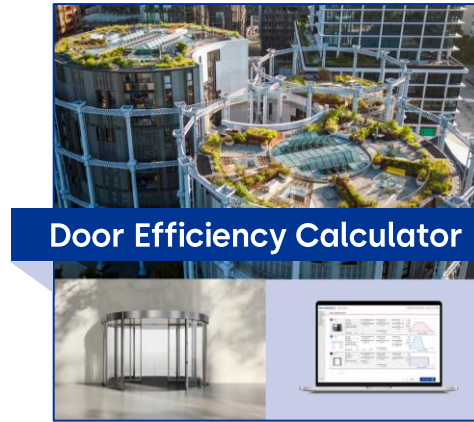
Taking the next step: from Shape to Growth

Our offering is evolving towards **CONNECTED**, **INTELLIGENT** and **DIGITAL**



Taking the next step: from Shape to Growth

Tangible, innovative, customer-centric solutions are creating customer value across the building lifecycle...



Enabling our customers to save energy and CO2

Bringing door closers in the digital age



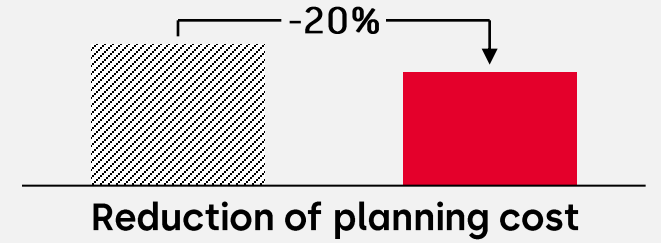
Boosting efficiency in specification & planning

Taking the next step: from Shape to Growth

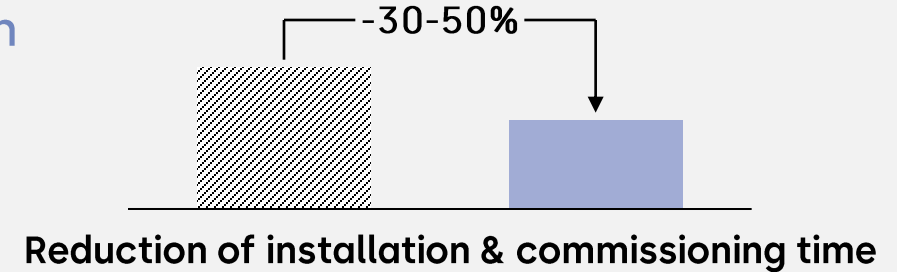
...and help customers to become more efficient



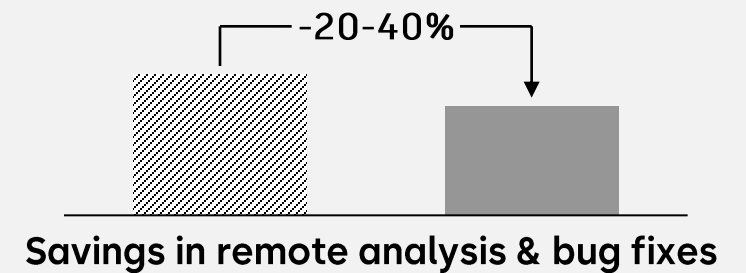
Planning



Installation



Operation



Taking the next step: from Shape to Growth

Developing into THE
access solutions
provider **combining**
physical & digital
world



Taking the next step: from Shape to Growth

Gain market share in North America

Net sales ambition:
GDP growth +2% p.a.
over next 3 years

1 Focus on selected markets and distributors

2 Improve commercial productivity



Taking the next step: from Shape to Growth

Strengthen our vertical approach

Currently strong presence in...



...and big potential in

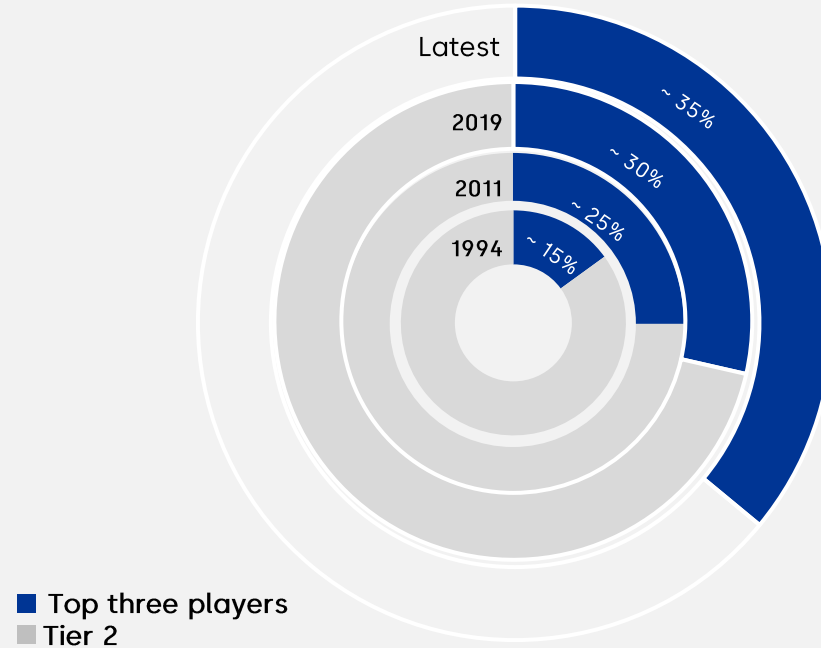


Taking the next step: from Shape to Growth

Adding external growth and participating in ongoing industry consolidation



Market share development of the top three industry players 1994 – 2024



- Few global players and increased level of consolidation
- Room in the market to grow inorganically

Source: Company estimates

Taking the next step: from Shape to Growth

Adding external growth and participating in ongoing industry consolidation

Acquisition priorities...

- Building Leadership positions
- Scale up **global core**, with emphasis on AAS and ACS
- **Regional Focus on 5+2**, with emphasis on the US, building leadership in core
- Adjacencies with significant leverage for core and / or threat potential
- Optimization of **Service Go-to-Market**
- **Selective** investments in **new technologies** and business models

...with clearly defined acquisition criteria

- 1 Strategic Fit
- 2 Convincing USP
- 3 Critical mass
- 4 Profitability
- 5 Purchase price

Taking the next step: from Shape to Growth

Taking the next step: From Shape to Growth



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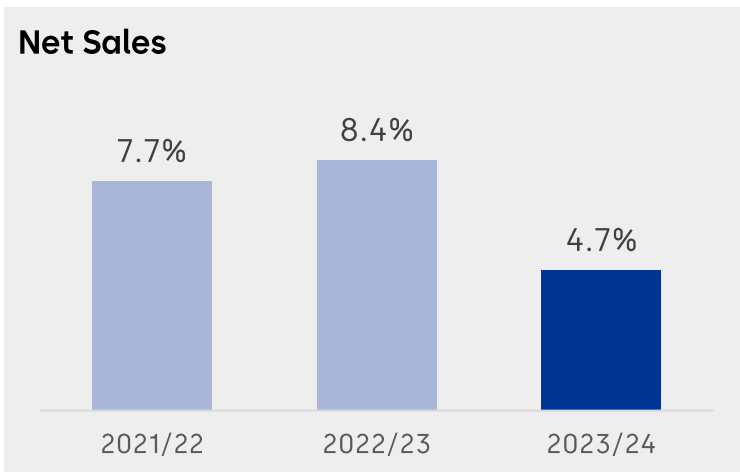
External growth

Sustainability

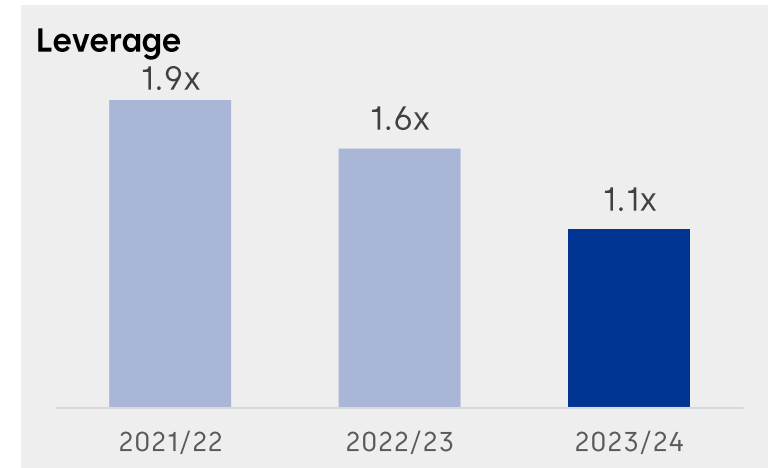
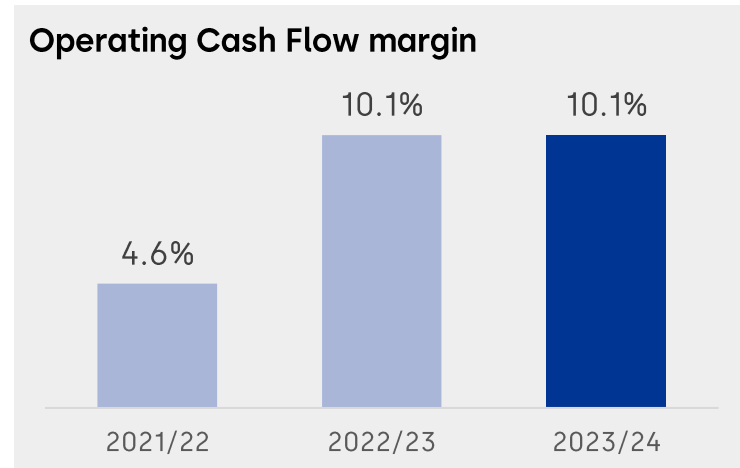
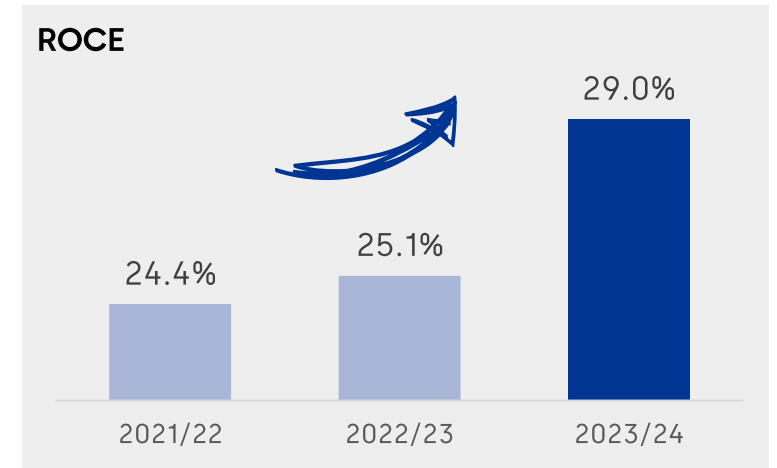
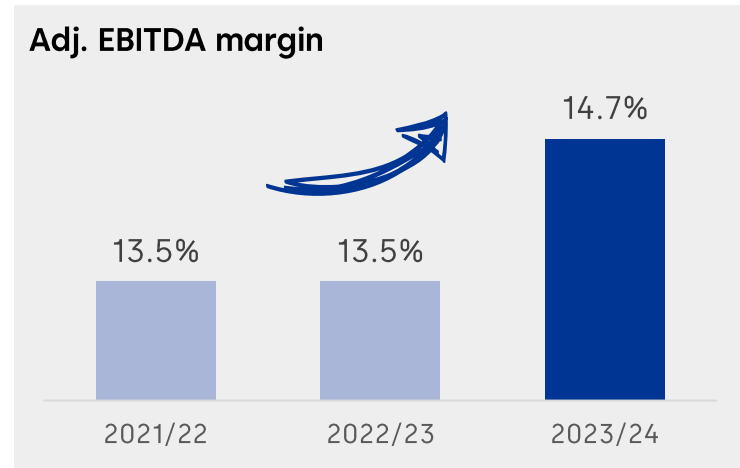
Financial profile and mid-term targets



Financial performance is getting traction



- Mid to high single-digit sales growth
- Gaining market share



On track to deliver on our 2025/26 commitments



+3-5%

Organic net sales
growth p.a.

16-18%

Adj. EBITDA margin in FY
2025/26

>30%

ROCE in FY 2025/26

on track

14.7%

Adj. EBITDA margin in FY
2023/24

29.0%

ROCE in FY 2023/24

dormakaba with an attractive business and financial profile

dormakaba has
an **attractive**
business &
financial profile

Balanced business portfolio with **limited volatility**

Low capital intensity & attractive **profitability**

High Cash Generation

Strong Balance sheet

Capital Allocation Priorities

1 Maintaining strong balance sheet

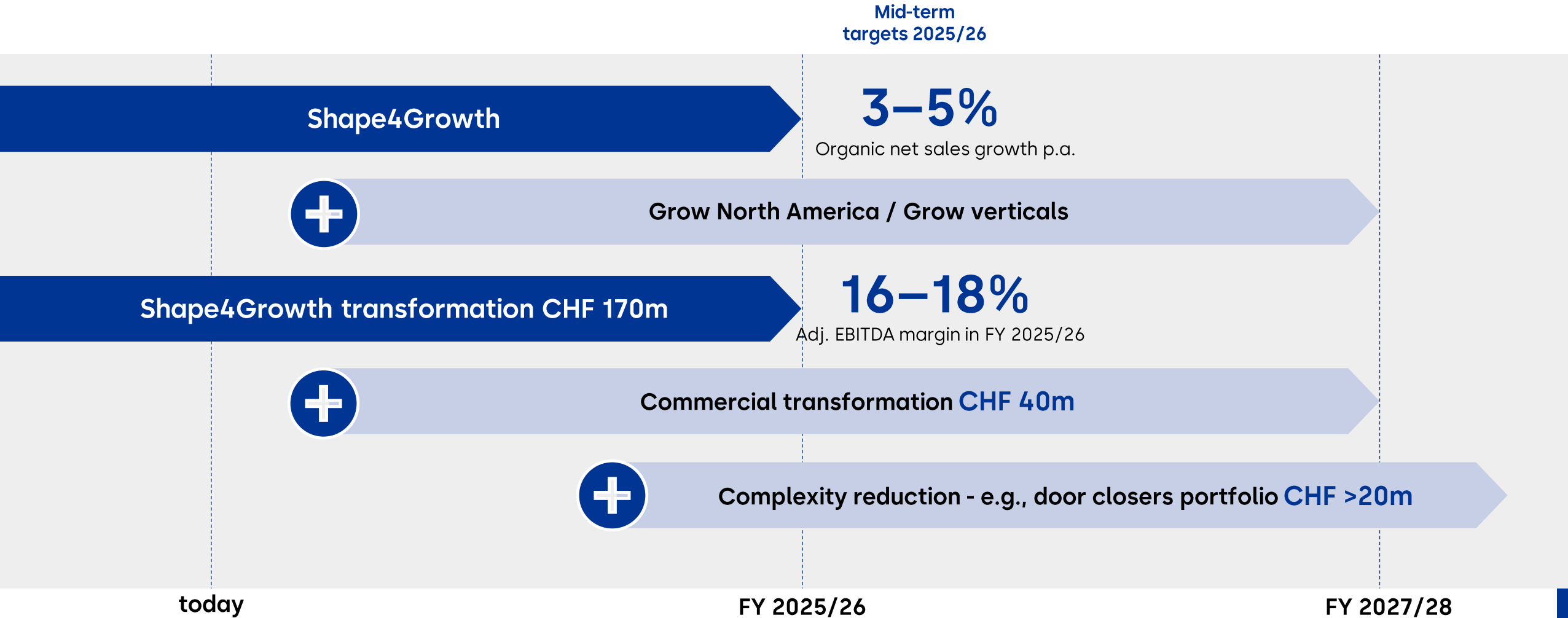
2 Funding organic growth

3 Value accretive acquisitions

4 Attractive shareholder returns



Current and new initiatives to deliver until June 2026 and beyond



Execution is key | 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

Thank you

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