



Value Creation through focus and growth
Capital Markets Day, 15 November 2021

dormakaba 

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For definition of alternative performance measures, please refer to the chapter 5.1 of the notes to the consolidated financial statements of the Annual Report 2020/21 of dormakaba.

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Sabrina Soussan

Keynote

Capital Markets Day Agenda

Agenda

Presenter

Keynote

Sabrina Soussan

Focus on Financials

Bernd Brinker

Q&A

Sabrina Soussan & Bernd Brinker

Break

Focus AS AMER

Alex Housten

Q&A

Alex Housten

Focus AS APAC

Jim-Heng Lee

Q&A

Jim-Heng Lee

Focus EntriWorX

Alex Bradfisch

Closing & summary

Sabrina Soussan



- **Purpose and Vision**
- A global leader in commercial access solutions
- A highly attractive market
- Ambitious and achievable targets
- A strategy to accelerate profitable growth
- Delivering on our financial mid-term targets

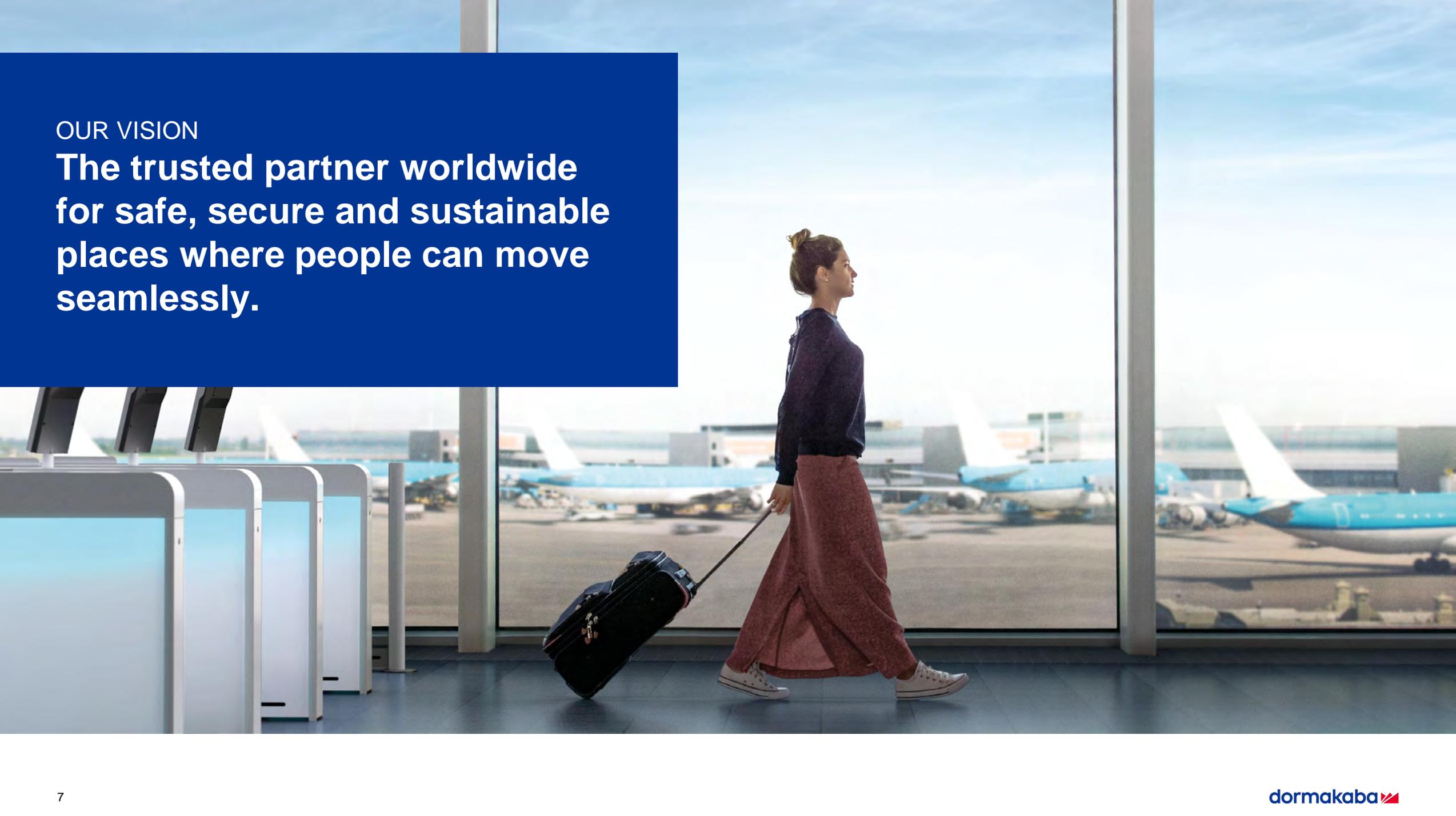


OUR PURPOSE
For every place that matters



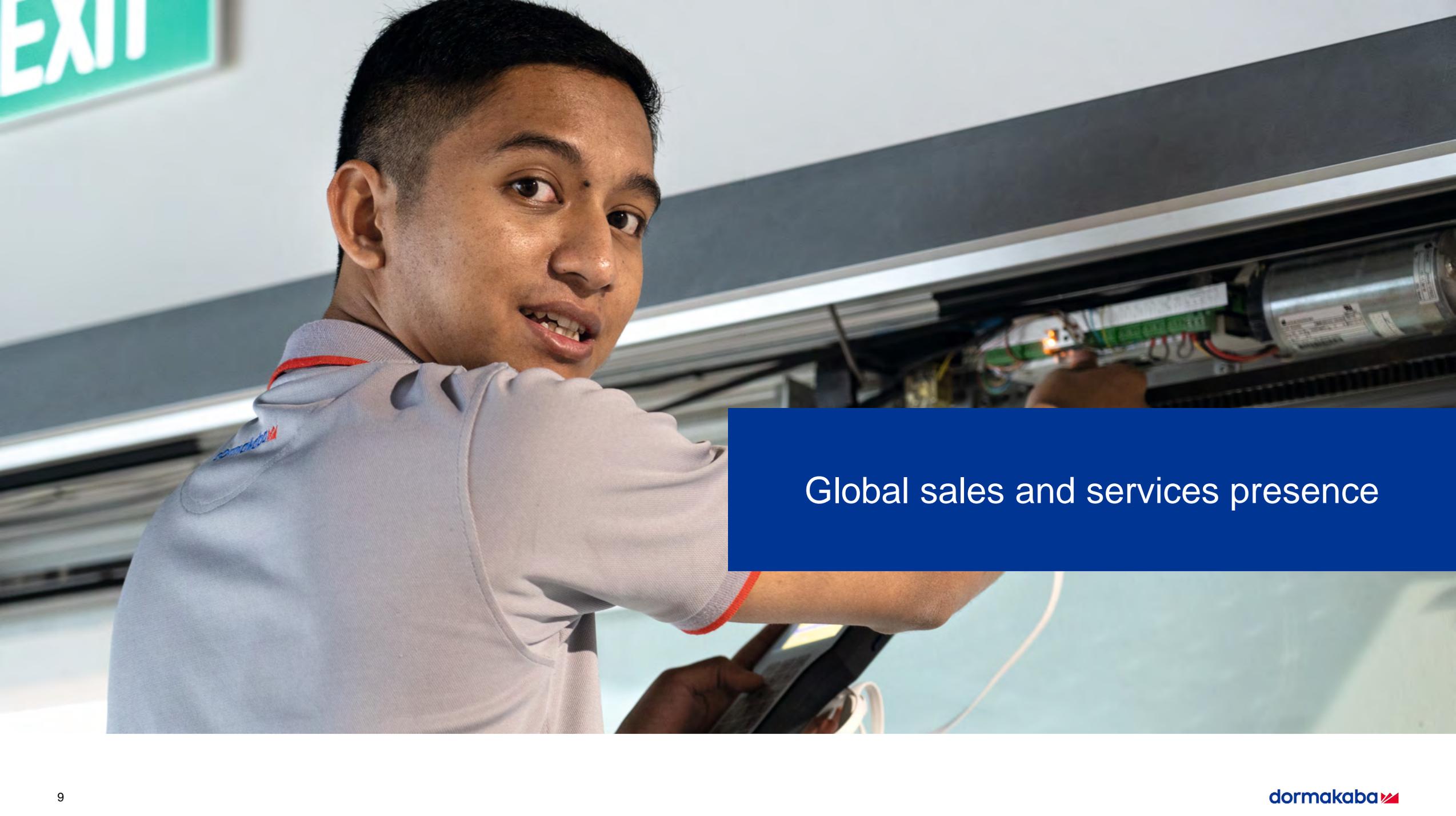
OUR VISION

**The trusted partner worldwide
for safe, secure and sustainable
places where people can move
seamlessly.**





- Purpose and Vision
- **A global leader in commercial access solutions**
- A highly attractive market
- Ambitious and achievable targets
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Global sales and services presence



A reputed master brand, complemented locally by specialized brands

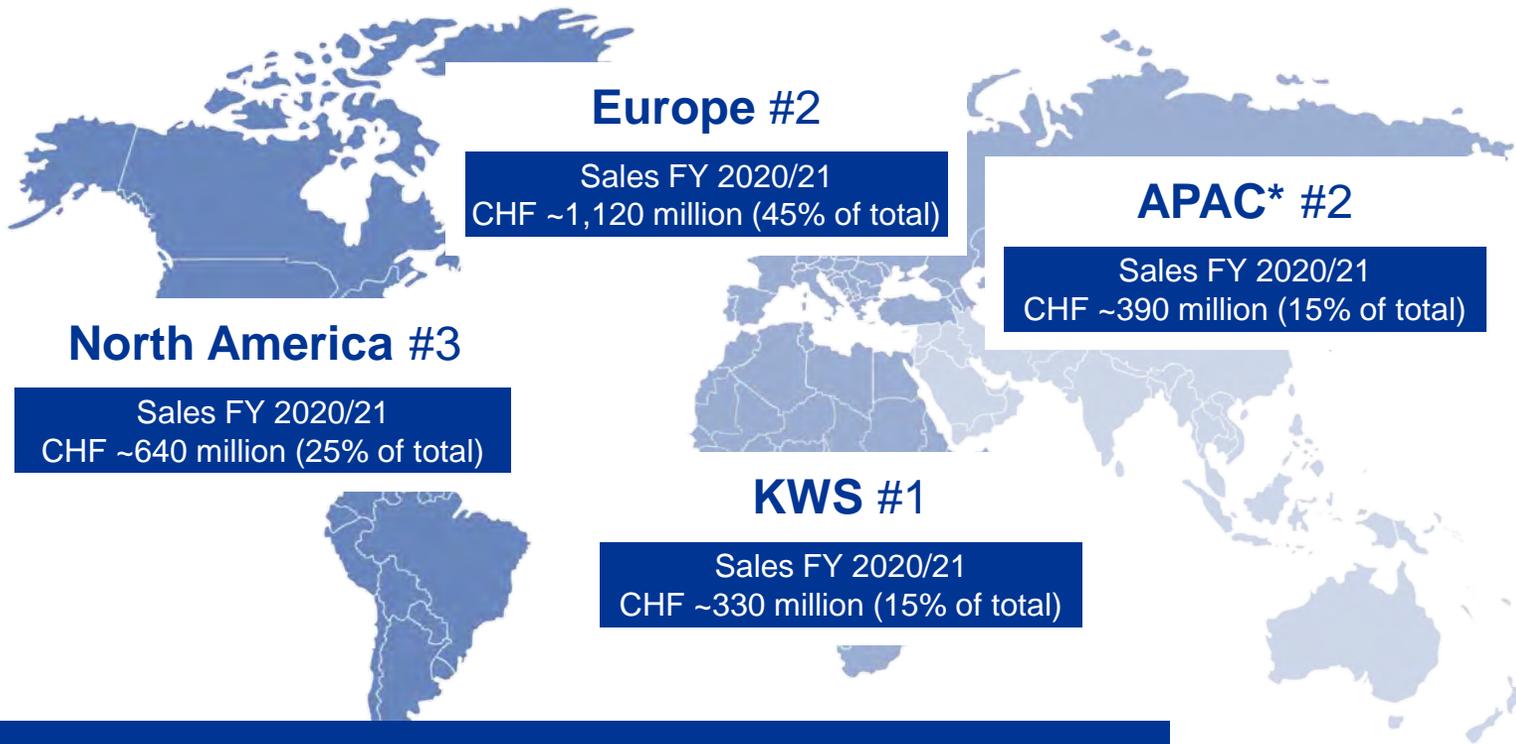


High customer loyalty



Iconic references around the globe

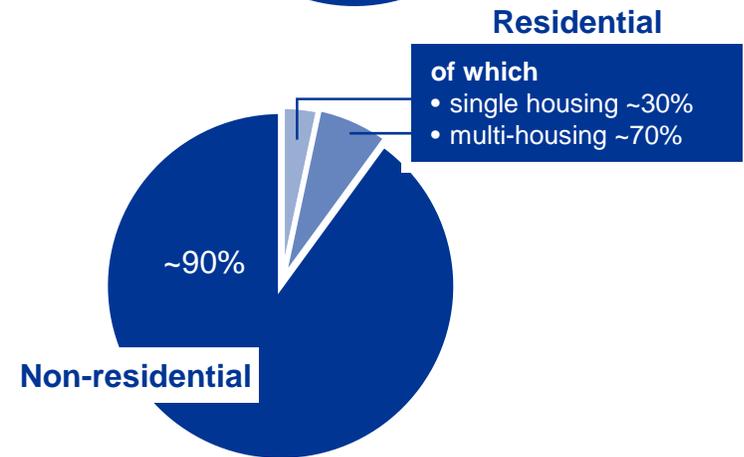
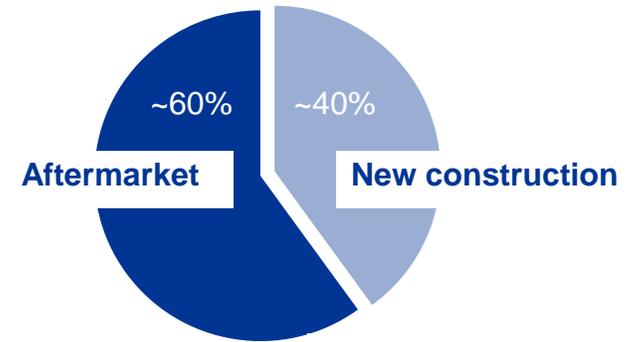
Galaxy Soho Office Building, Beijing (China)



**Strong market position
in many geographies**

15,000 dedicated employees

Sales split



* Premium segment
Source: Company estimate



Skilled and passionate people

Focus on digitalization



Successfully delivering comprehensive solutions



The Circle, Zurich Airport (Switzerland)



1
Access control solutions and lodging systems



2
Door hardware and mechanical key systems



3
Entrance systems



4
Services



5
Movable Walls

Access Solutions

Key & Wall Solutions



- Purpose and Vision
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“One of the most attractive markets in industrial goods”



* source: market studies, company estimates

A highly attractive market

A market driven by global, as well as sector-specific trends

Megatrends



Urbanization, growing and ageing population

Decarbonization

New normal (working and living), repurposing of buildings

Physical and digital security

Digitalization (connectivity, cloud, AI)

Building technology trends



Sustainability

Health and Safety

Smart (home) solutions

Building Information Modeling (BIM)

System integration within buildings

Access industry-specific trends



Touchless access

Shift to electromechanical

Merger of Access and Flow Management

Mobile and biometric authentication

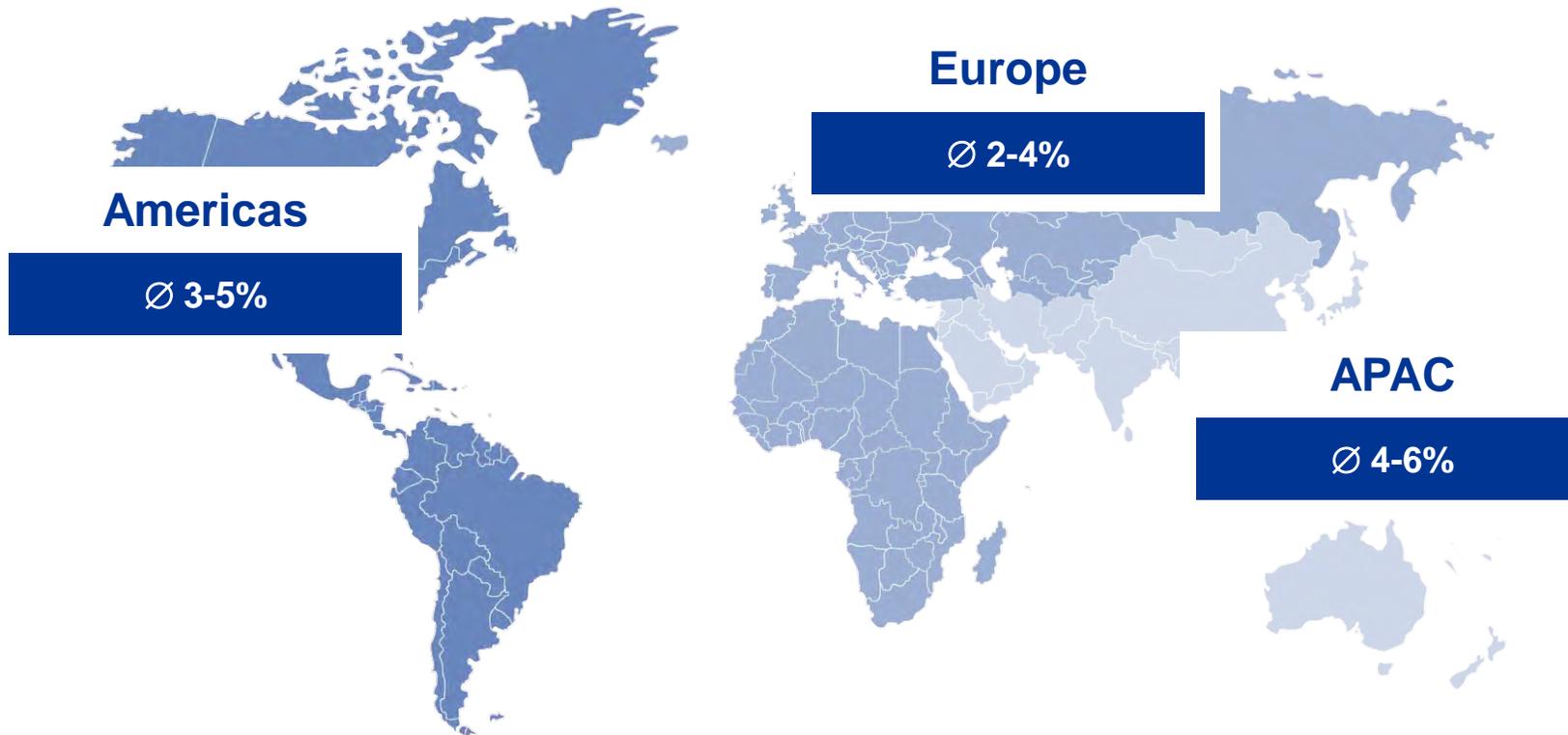
Integrated and connected components

Access as a Service

A highly attractive market

A market growing above GDP, in which dormakaba can expand accretively

Commercial access solutions, market expected to grow with 3.5% CAGR until 2027



CAGR 2021-2027, source: market studies, company estimates

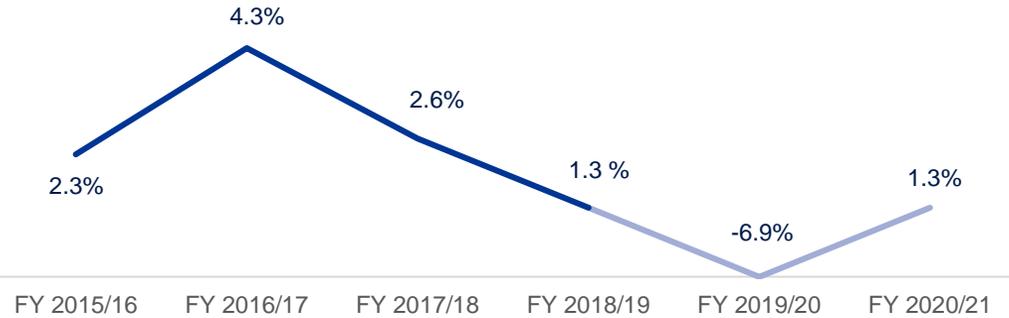


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- **Ambitious and achievable targets**
- A strategy to accelerate profitable growth
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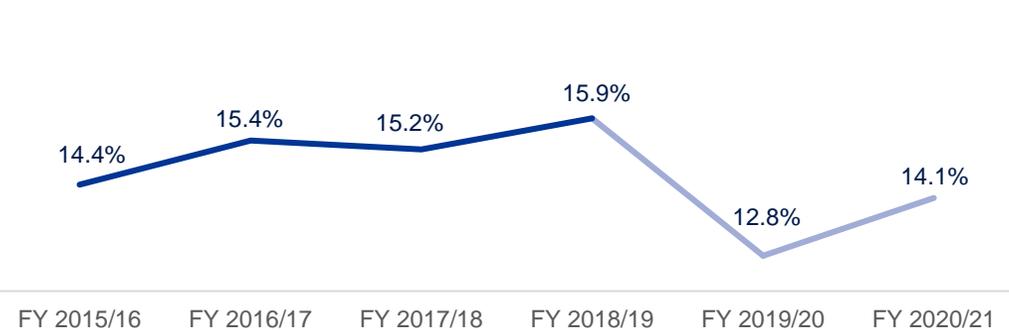
We must act ...

Past ambition levels were not achieved

Organic sales growth (% of sales) Group



EBITDA margin (% of sales) Group



— Impacted by Covid-19 pandemic

Areas for improvement

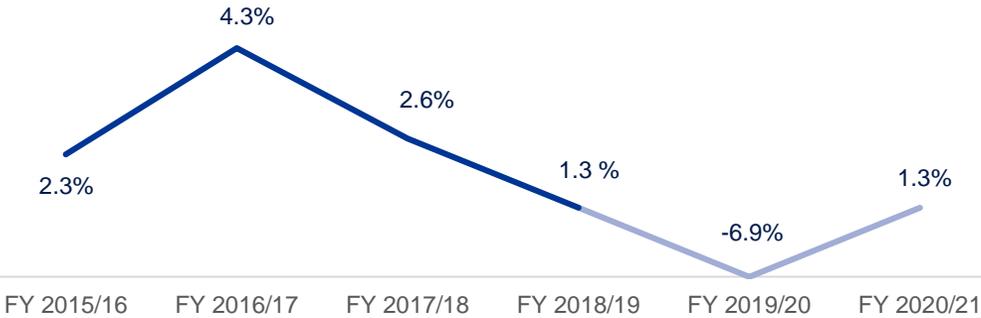
- 🎯 Organic sales growth
- 🎯 Customer centricity
- 🎯 Operational excellence, including procurement, manufacturing & pricing
- 🎯 US performance
- 🎯 Return on investment in innovation
- 🎯 Process & IT landscape

... and we will accelerate profitable growth

Ambitious and achievable targets

Through Shape4Growth

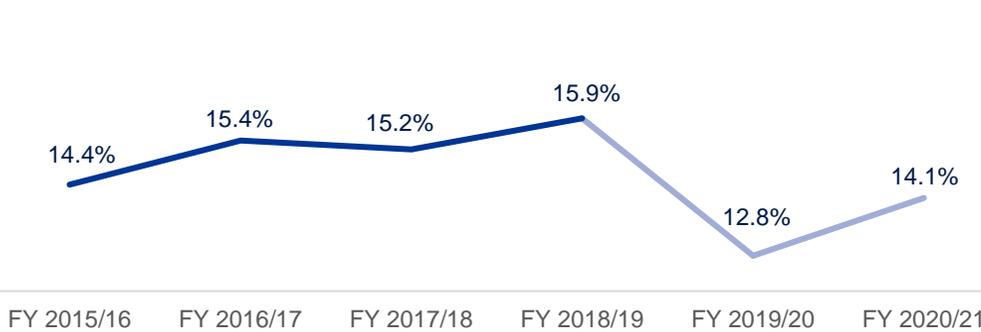
Organic sales growth (% of sales) Group



3 - 5%
growth p.a.

Mid-term ambition

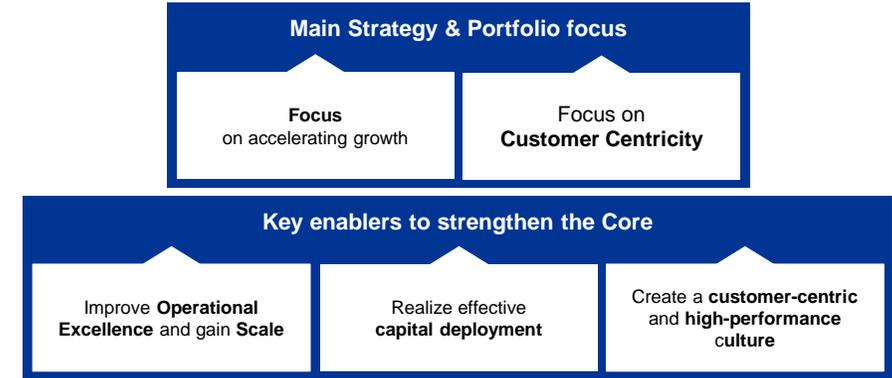
EBITDA margin (% of sales) Group



16 - 18%
adjusted EBITDA

Mid-term ambition

Through Shape4Growth

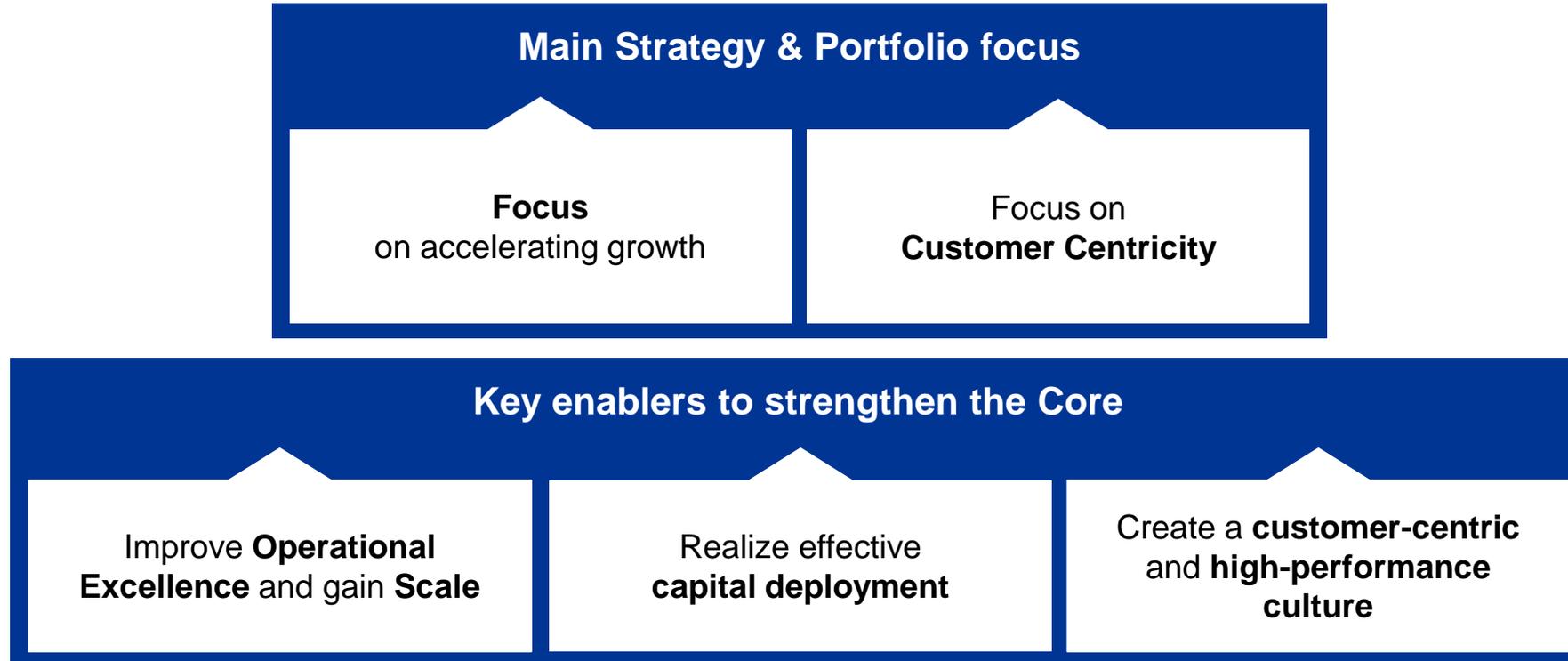




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Our Strategy: Focus on accelerating profitable growth

Shape4Growth

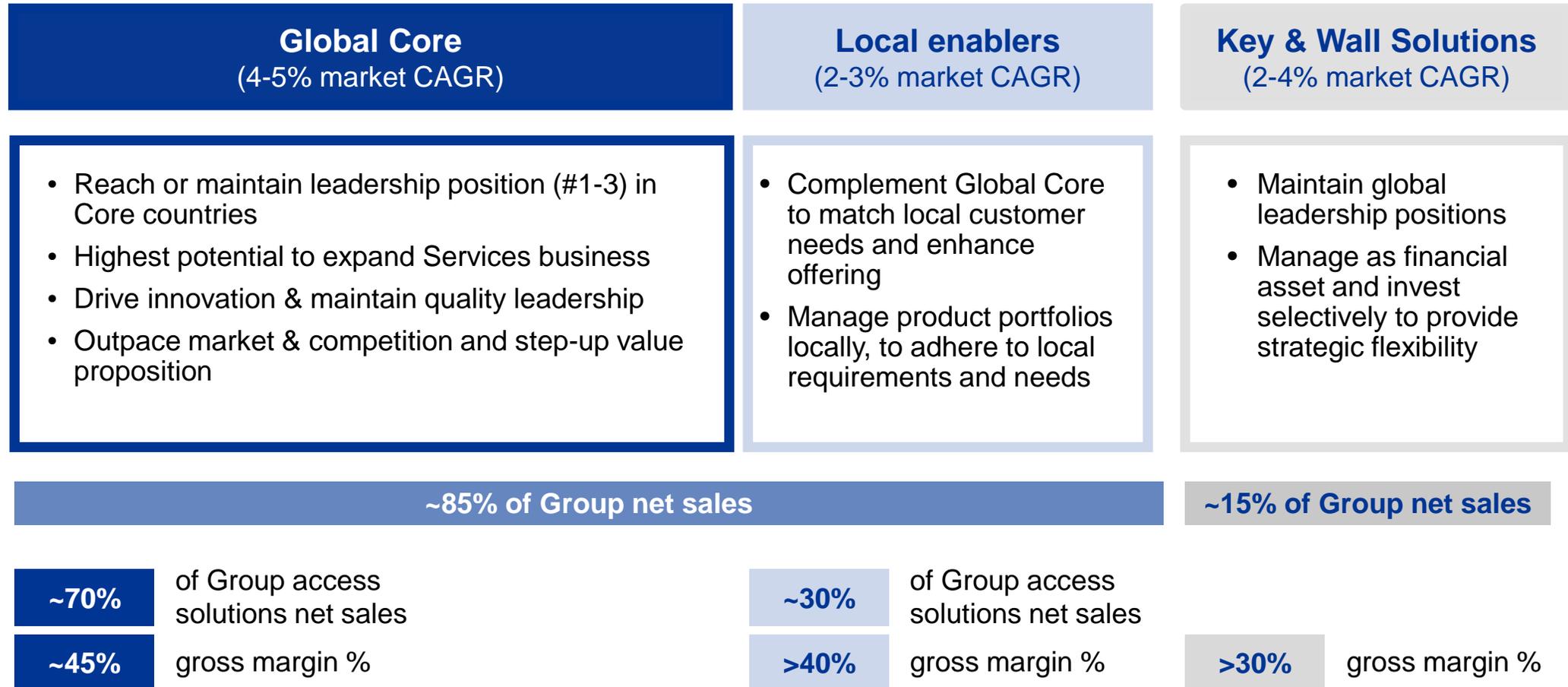


Focus on accelerating growth

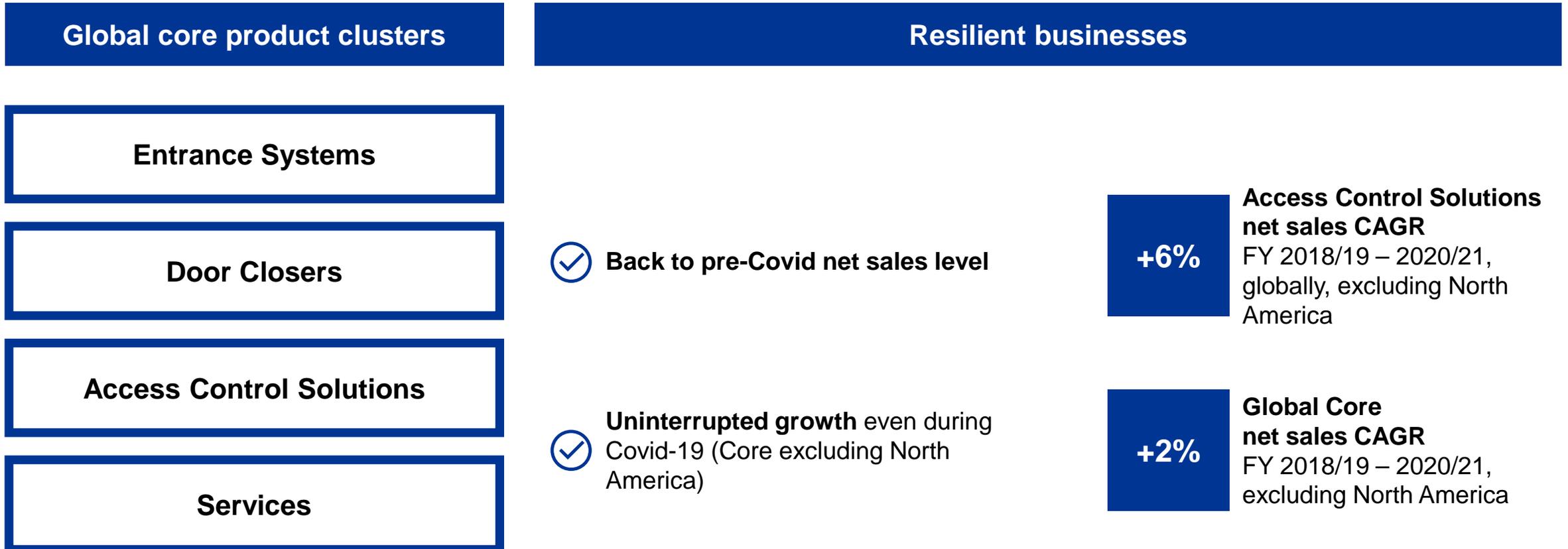


- Focus on Global Core
- Grow Services along Core
- Focus on Core countries
- Turnaround US business & divest Mesker

A clear portfolio segmentation to enable focus on growth



A Global Core of resilient businesses with the right-to-win



Growing Services along the global core to increase recurring sales



~15%

of **net sales** in FY 2020/21
coming from Services sales

>20%

of **net sales** in FY2026/27
coming from Services sales

Rationale

- Accretive margin and profit contribution
- Increased customer intimacy and stickiness through Services
- High conversion rate in renovation through customer lifecycle

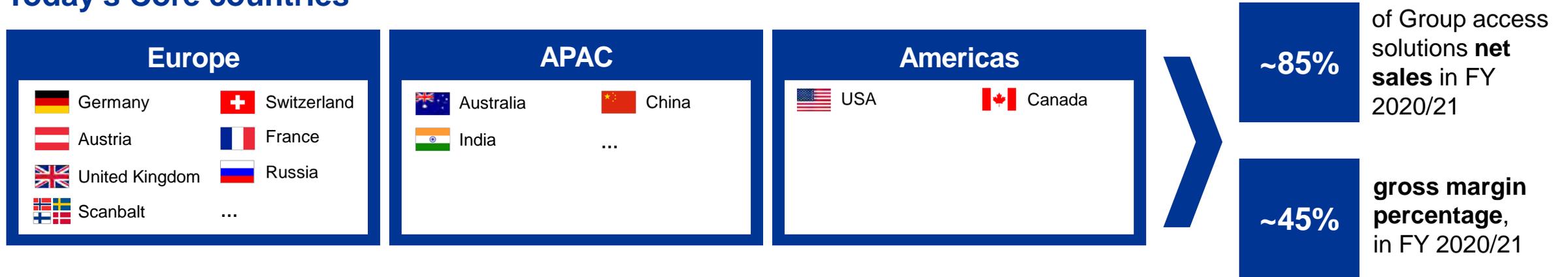
Ambition

- Increase conversion across Global Core portfolio
- Increase penetration through targeted M&A
- Expand capabilities, incl. third party, eSpare parts and digital services

Note: Services include contracts related to the execution of aftersales Services to our customers and the sale of spare parts

Focus on those countries, where the Global Core and Services can expand

Today's Core countries



Rationale

- Core countries with sustained growth & significant value pools
- High relevance of global core product clusters
- Strong market share in access solutions as starting point
- Strong potential for profitable Services expansion

Ambition

- Maintain leadership position across Global Core clusters
- Defocus or even exit other selected countries
- Outpace market, through profitable organic sales growth
- Drive market consolidation through disciplined, targeted M&A

Focus on accelerating growth

In North America, we will **turnaround our US business** and **divest Mesker**



Our ambition for North America

Annual net sales growth target: 4-6% in three years

EBITDA margin target: +400 to 500 bps in three years

Focus on **Customer Centricity**



- Customer-centric operating model
- Dedicated solutions for selected verticals and cross-selling
- Specification capabilities
- Sustainability as differentiator for our customers

Customer centricity at the heart of our operating model and our offering

New customer-centric operating model

Focus on profitable growth through customer proximity and leverage global scale



Increase specification capabilities

Increase specification FTEs by 50% to drive demand in key markets and industries



Differentiate in selected verticals to improve cross-selling

Utilize domain know-how to tailor offering to key verticals, and increase cross-selling



Sustainability: differentiator for our customers and driver for growth

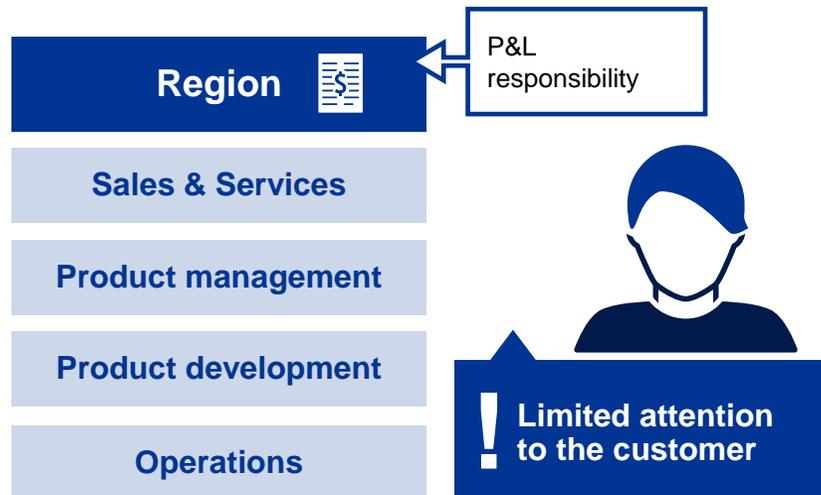
Lead in sustainability to support our customers' and partners' commitments



An operating model to drive customer centricity

From multiple, vertically integrated regions...

- Regions responsible for a multitude of activities – from operations, to R&D and Sales & Marketing
- Dependence on other regions for development and delivery of key products and solutions



...to customer-focused regions and sales organizations

- 3 Regions (Europe & Africa, Asia-Pacific, Americas) with clear focus on **sales generation through customer proximity**
- Regions with full **P&L responsibility**



Operating model in place from January 2022 onwards

Each region built around three functions to enable focus on customer and sales generation



Operating model in place from January 2022 onwards

Increase specification capabilities to gain share in project business

Strong specification = strong win rate

Where we have a strong specification support, we reach a win rate of 60 – 70%

Examples (FY 2020/21):  <10% Middle East: ~60%

Key acceleration actions

- ✓ Develop an integrated and coherent set of tools
- ✓ Increase specification FTEs by ~50% in our top six specification countries
- ✓ Leverage solutions as key USP in specification approach
- ✓ Improve engagement with architects and planning community globally

Differentiate in selected verticals to improve cross-selling

Focus on verticals with strong tailwind... while balancing exposure

Industrial	15-20%
Offices	~10%
Healthcare	5-10%
Education	5-10%
Multi-Housing	5-10%
Airports/Transport Infrastructure	5-10%
Hospitality	5-10%
(Utilities, Sports & Entertainment, Retail...)	<5% ...

% of net sales, FY 2020/21

Dedicated vertical solutions to increase customer intimacy and cross-selling



Vertical specific solutions



Dedicated resources in product development and management



Dedicated sales resources at local level



Integration of Global Core and local complements

Committed to sustainability: differentiator for our customers and driver for growth

We are committed to sustainability

First company in the industry to have carbon emission targets approved by SBTi



We meet customer demand for sustainable products

>100 products classified with Environmental & Health Product Declarations



We further drive sustainability through innovation

Optimize frequency, duration and width of entryways opening in buildings to save energy

In/Out detection (UWB)



Door proximity detection



Access intent detection (UWB)



Speed and width detection



Sustainability – our commitments

Planet



Reduce by 42% our own CO₂ emissions by 2030 (vs. FY 2019/20)
Reduce by 25% CO₂ emissions from purchased goods & services, and the use of our sold products by 2030 (vs. FY 2019/20)
Cover all new product developments by our circularity approach by 2023



SCIENCE
BASED
TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

People



1 in 3 managers are women by 2027

Partnerships



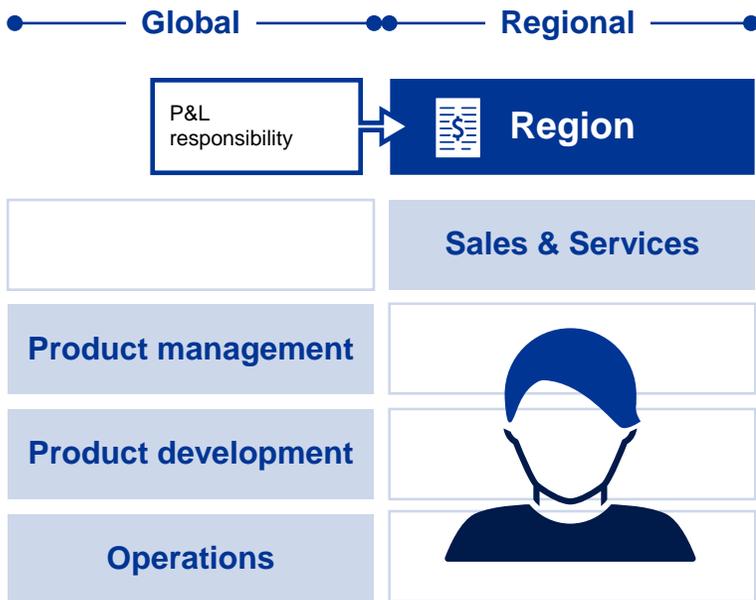
Assess all high-risk suppliers for their sustainability management by a third party, by 2027

Improve **Operational Excellence** and gain **Scale**



- Operating model as key enabler
- Operations (procurement and manufacturing)
- Pricing
- IT

The operating model will result in three benefits



Customer centricity

- Customer-centric operating model
- Dedicated solutions for selected verticals & cross-selling
- Specification capabilities
- Sustainability as differentiator for our customers

Focus of this chapter

Synergies & Operational efficiency

- Improve operational excellence & gain scale
- Unleash procurement excellence to support performance
- Address lead time & competitiveness in manufacturing
- Leverage customer intimacy to reach pricing excellence
- Catch up in IT

Transparency and accountability

- Full value chain transparency
- Coherent financial steering, based on Group margin

CFO presentation

Operating model in place from January 2022 onwards

Improve operational excellence and gain scale all along the value chain



IT

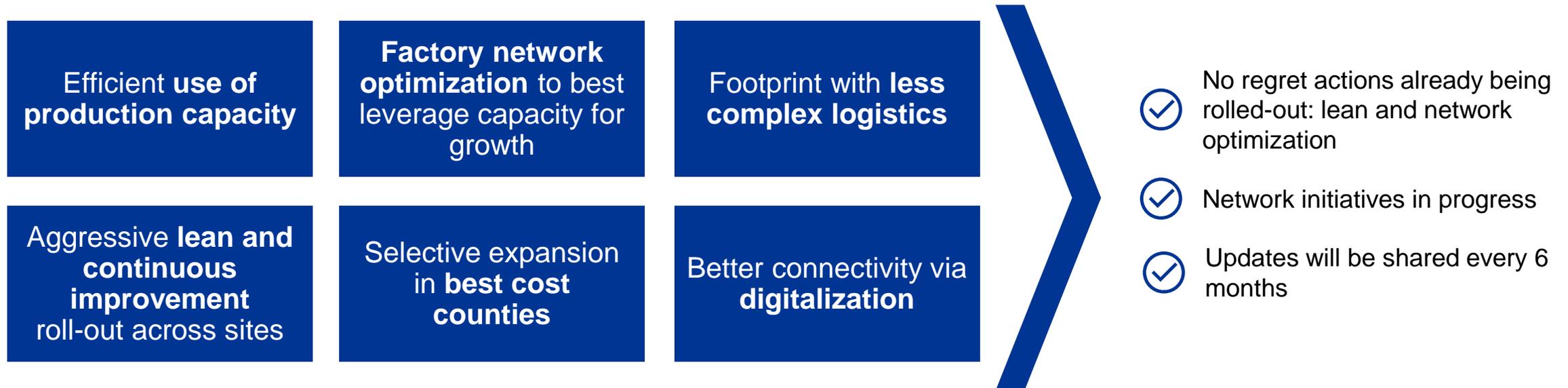
- Harmonize application and ERP landscape across regions and countries
- Create single data source of truth across regions and roll-out global e-commerce strategy
- Enable state-of-the-art business continuity across applications and processes

Improve operational excellence and gain scale

Procurement: unleash spend management excellence to support performance, addressing a total procurement spend of around CHF 1.2 billion



Manufacturing: addressing lead time and competitiveness



Marketing & Sales: leverage customer intimacy to reach pricing excellence



IT: acceleration to catch up, reduce internal complexity & enable profitable growth

See CFO presentation

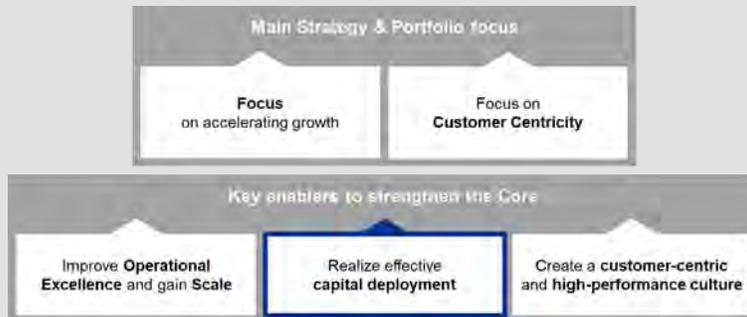


CHF 35 million Additional annual investments (compared to FY 2020/21)

- ✓ Enable state-of-the-art business continuity across applications and processes
- ✓ Accelerate ERP harmonization and upscale digital capabilities
- ✓ Enable seamless additional digital customer journeys

Note: Planned investments based on current internal expectations and estimates

Realize effective capital deployment



- Higher R&D return
- Differentiation through digitalization & domain know-how
- Partnerships to create ecosystem
- Active portfolio management

Higher R&D productivity, through scale and stringent prioritization of Global Core

Productivity: one global pipeline

Increase R&D productivity by eliminating duplications, streamlining offering, discontinuing long-tail products with high maintenance costs

Scale: global R&D and local enablement

Realize the power of our full R&D spend, driving scale globally, coordinating innovation and technology investment, enabling local adaptations

Prioritization: focus on Global Core

Apply stringent prioritization, focusing on Global Core to develop open, interoperable platform solutions that respond to our customer needs

**Our ambition in
innovation power**

25%

of net sales in
FY 2023/24 generated
through new products

EntriWorX: differentiation through digitalization & domain know-how



Facility Managers

up to 1 FTE less

per building

Ecosystem Partner

**up to CHF 80,000
cost reduction**

due to reduced
number of interfaces
from four to one



Architects & Planners

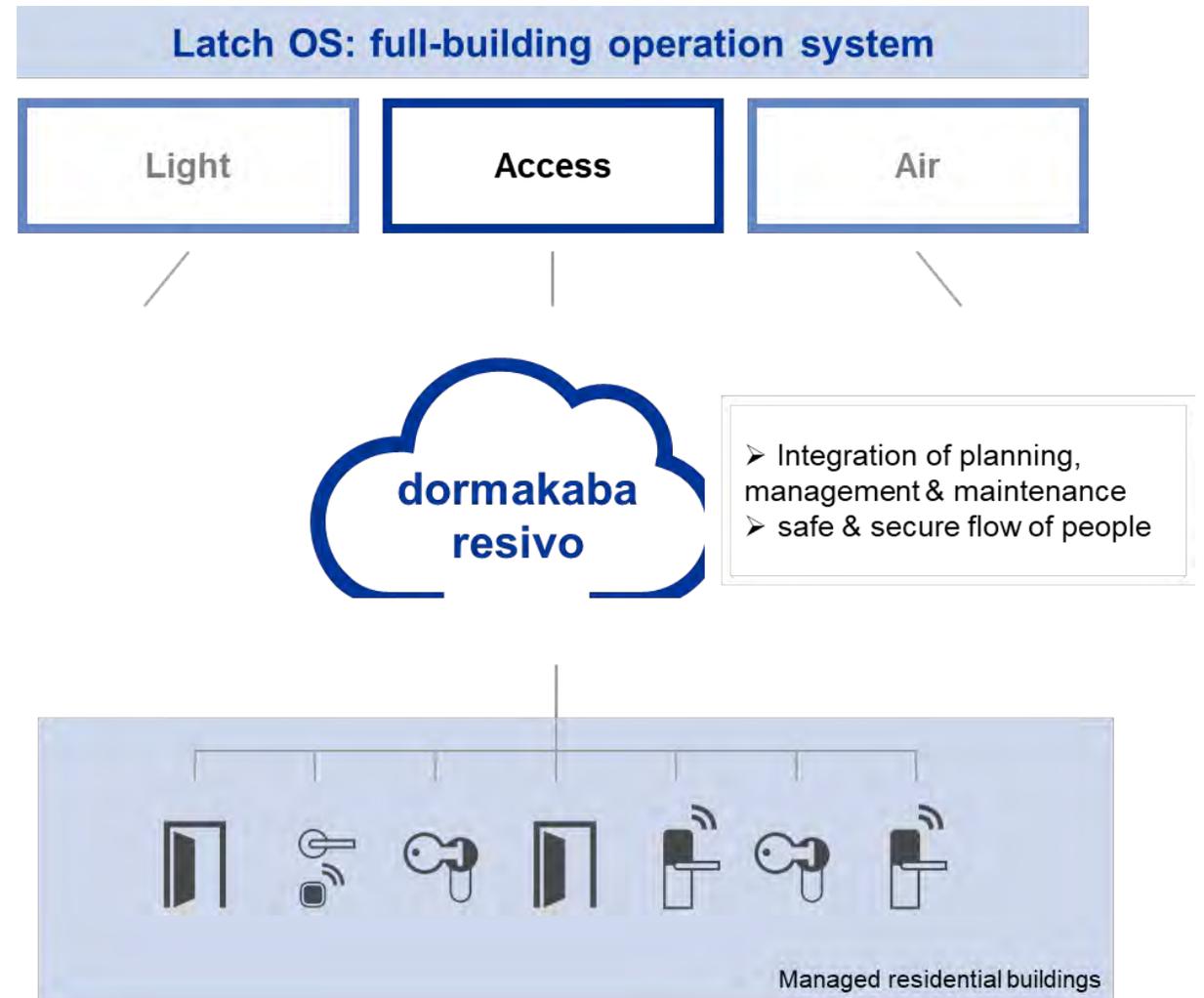
**up to 20% time
savings in planning**

Ecosystem Partner

**up to 50% less
installation time**



Strategic partnership to embed access control into building management



Value-adding portfolio management:

3 acquisitions expanding our Global Core, 2 divestments increasing our focus

Company	Strategic rationale	Global Core	Focus on key countries	Focus on Services	Financial impact
Fermatic Group Closing: 22 October 2021	<ul style="list-style-type: none"> Strengthen the Services business Attractive target to grow in EMEA 	✓	✓	✓	EBITDA margin accretive from FY 2023/24 EPS accretive from day 1
RELBDA Closing: 31 August 2021	<ul style="list-style-type: none"> Drive growth in APAC and Services Diversify & expand in Australia 	✓	✓	✓	EBITDA margin and EPS accretive from day 1
Solus Closing: 15 July 2021	<ul style="list-style-type: none"> Expand in EAD market in India Leverage expertise in Asia 	✓	✓	✓	EBITDA margin and EPS accretive from day 1
Divestment of the interior glass business (IGS) Closing: 29 October 2021	<ul style="list-style-type: none"> Smallest and largely independent product cluster; limited synergies and integration with dormakaba 				
Divestment of Mesker Work in progress					

Create a **customer-centric** and **high-performance culture**



- Stringent transformation management
- Ownership, implementation & incentives
- KPIs-driven accountability

Investing in our people

- Shape4Growth is a **growth strategy**
- It will require **new skills & capabilities**, e.g. specification, digitalization
- Therefore, we will **invest further in our people**
- And we expect **our team to grow in a purposeful way in line with our business**



“Culture eats strategy for breakfast”

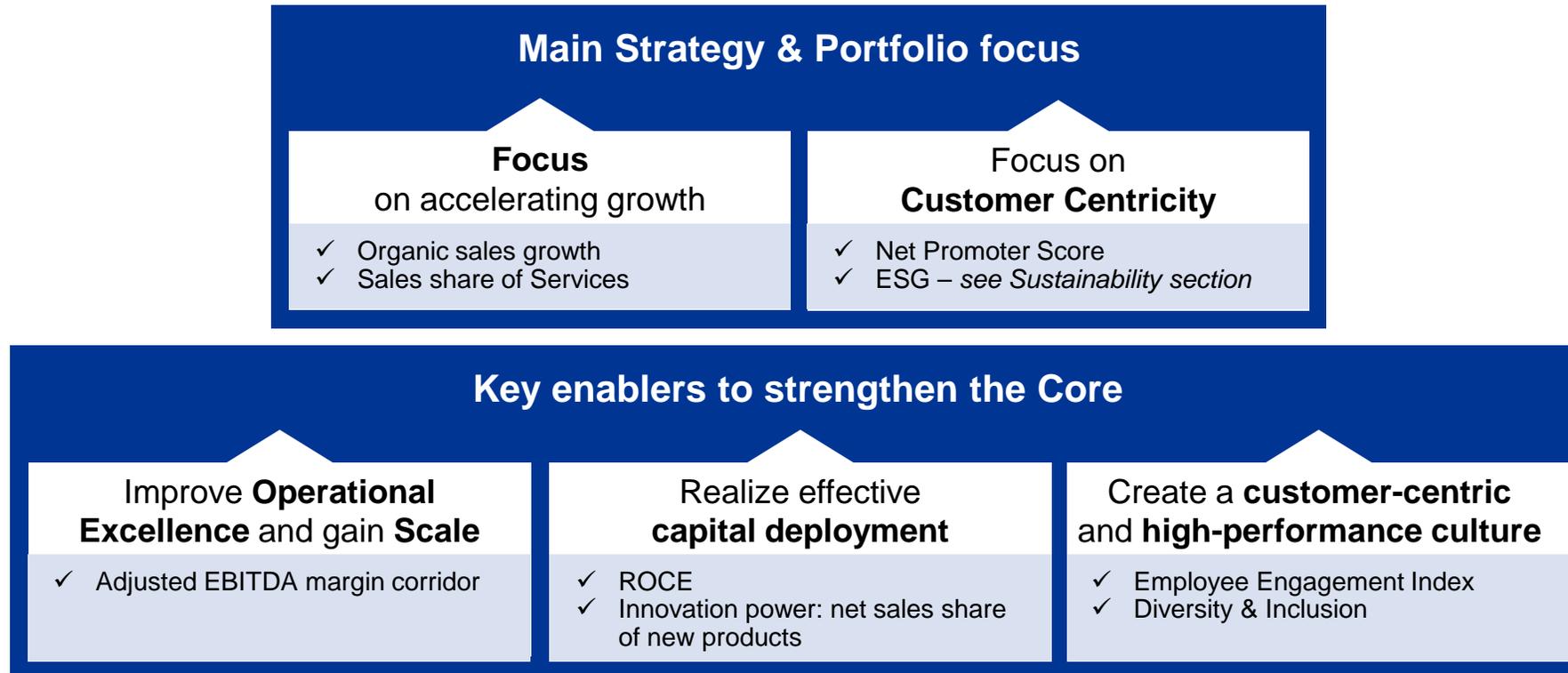


"Pay for performance" – our new incentive plan, effective as of FY 2022/23



Accountability through transparent execution: **KPIs**

Shape4Growth



Create a customer-centric and high-performance culture

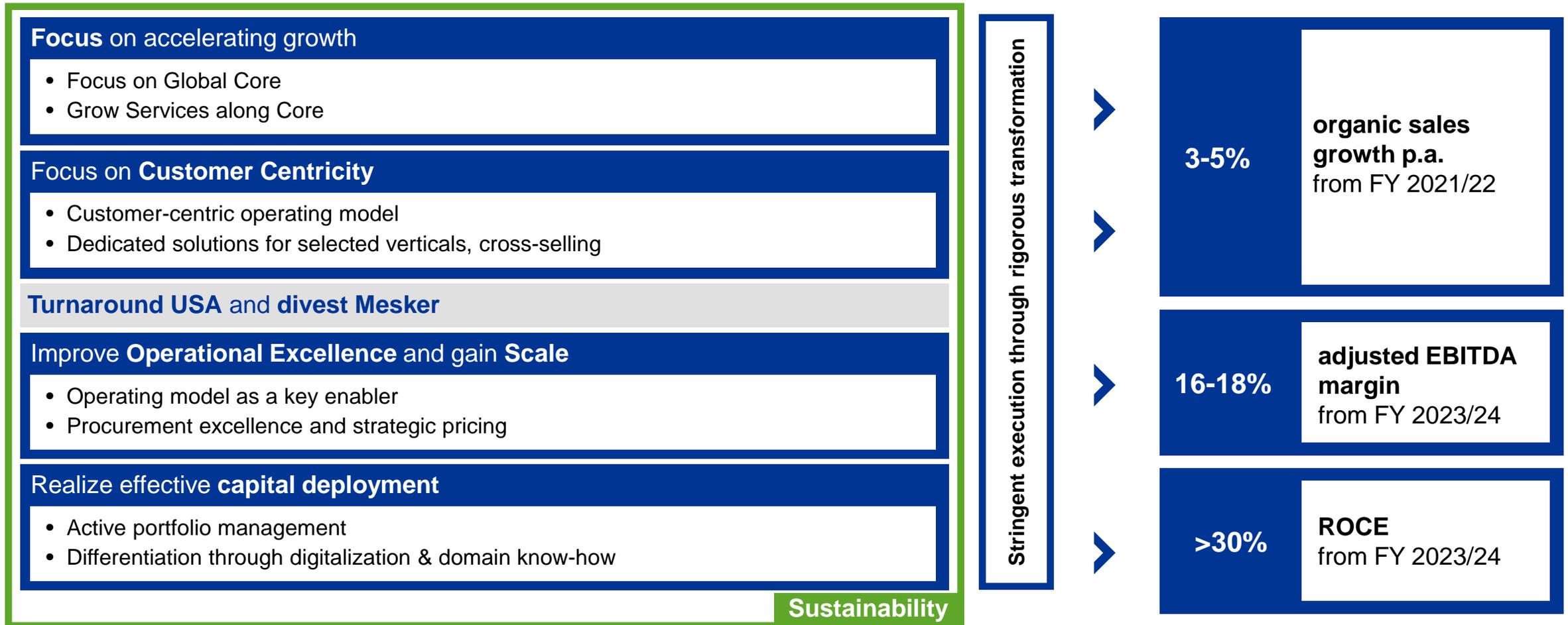
Our Executive Committee

	Bernd Brinker CFO		Jim-Heng Lee President Asia-Pacific	
Sabrina Soussan CEO		Alex Housten President Americas		Andreas Häberli Chief Technology Officer (CTO)
	Steve Bewick President Europe & Africa		Stefano Zocca President Key & Wall Solutions	
Mathias Mörtl Chief Operations Officer (COO)		Alwin Berninger Chief Product Officer (CPO)		Frederick Jeske-Schönhoven Chief Strategy & Marketing Officer (CSMO)



- Purpose and Vision
- A global leader in commercial access solutions
- A highly attractive market
- Ambitious and achievable targets
- A strategy to accelerate profitable growth
- **Delivering on our financial mid-term targets**

Delivering on our vision and mid-term targets



Note: Medium-term targets assumes stable market conditions

Value Creation through focus and growth





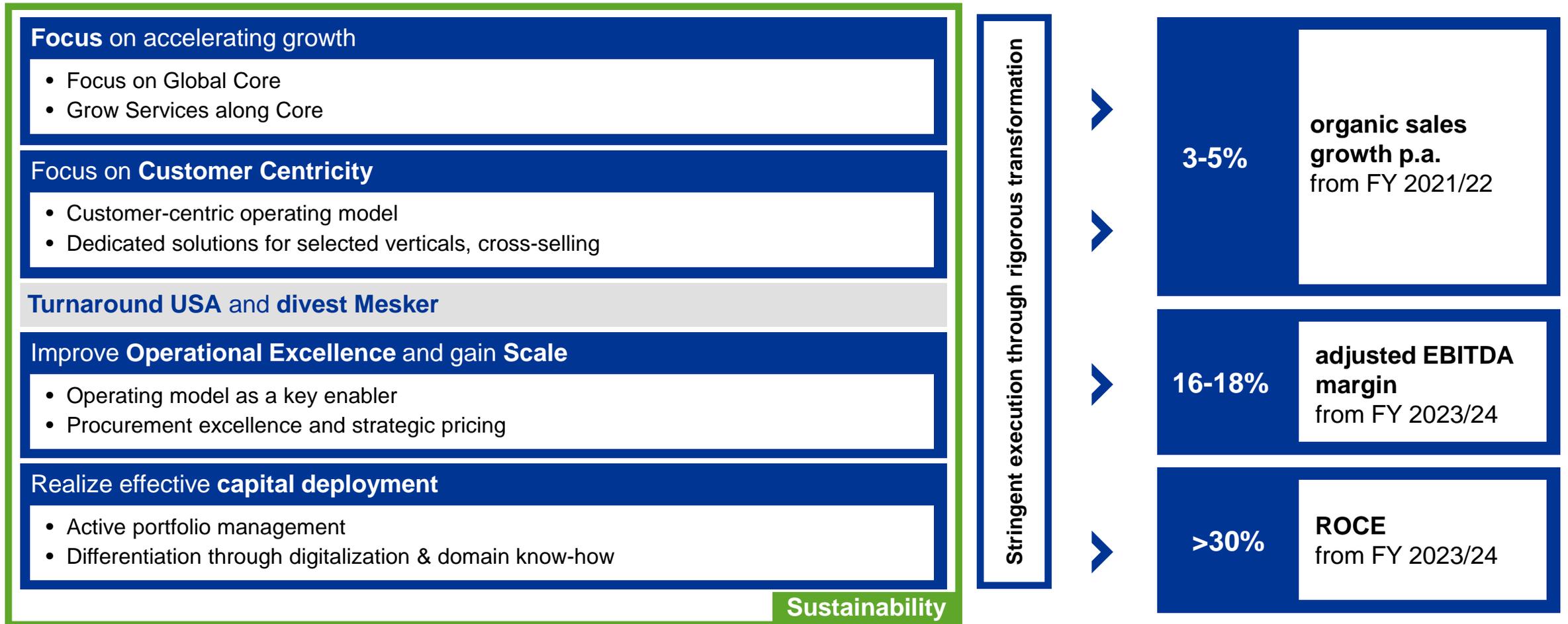
Bernd Brinker

Focus on Financials



- **Ambitious and achievable targets**
- Financial targets and trading update

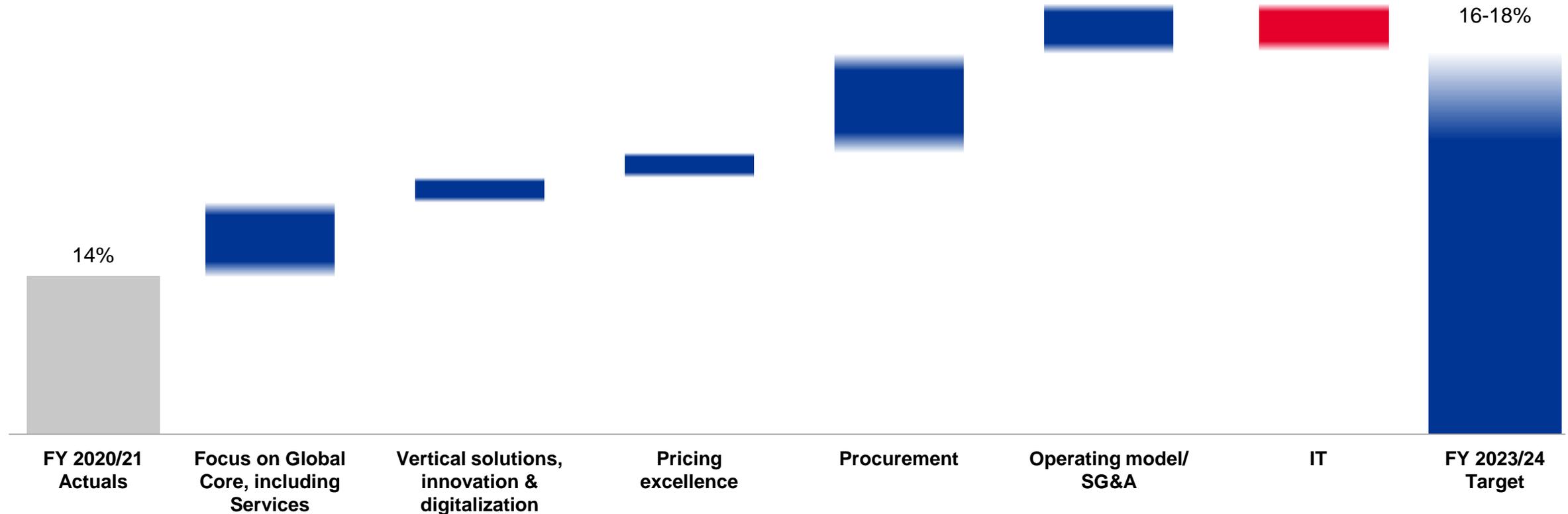
Delivering on our vision and mid-term targets



Note: Medium-term targets assumes stable market conditions

Adjusted EBITDA % bridge – overview on largest contributors to profit improvement

(Adjusted EBITDA % bridge, FY 2020/21 Actuals – FY 2023/24 Targets)



Note: Medium-term targets assumes stable market conditions

Leverage customer intimacy to reach pricing excellence

Recent measures carried out successfully

- Challenge: early 2021, raw material prices increased significantly
- Solution: already mid 2021, dormakaba was able to pass on around CHF 30 million via price increases
- dormakaba will compensate raw material inflation in FY 2021/22 with sales price increases
- If there is a major further increase in raw material costs, we will continue to increase prices



**Passed on 100% of direct material price increases
High customer loyalty**

Execution of pricing excellence strategy

- “Value based pricing” – ensuring that we more than compensate inflation and material cost increases
- Strengthen pricing excellence across the organization, implementing value-based pricing, price elasticity testing, dynamic and digital pricing
- Establish stronger pricing governance, with decision power and ability to realize prices in the markets
- Focus on margin contribution



**Yearly positive effect of up to 0.5% on
net sales, starting from FY 2022/23**

Procurement: unleash spend management excellence to support performance, addressing a total procurement spend of around CHF 1.2 CHF billion

Recent measures carried out successfully

- **Supply Resilience**

Taskforce and war room implementation for electronics, logistics, aluminum and plastics to manage risks globally, and securing supply of critical parts

- **Introduction of e-auctions**

E-Sourcing leveraged in raw materials to optimize value creation in challenging market conditions



Secured supply of chips to prevent supply chain disruptions
Generated first savings from quick wins

Execution of procurement excellence strategy

- Global procurement approach and organization
- Active supplier portfolio consolidation
- Addressing not only direct but indirect spend on a global level
- New global tools and harmonized processes
- Dual sourcing and nearshoring
- Redesign of critical parts



1-2% YoY net savings from procurement spend
(starting FY 2021/22)

Operating model and SG&A: delayering and increase of span of control as well as process harmonization will deliver sizeable savings

Measures to be carried out

Delayering

Combination of AS DACH and AS EMEA into Region Europe & Africa; elimination of duplicate functions across regions

Span of control

Increase span of control to industry best practices (i.e. from current 5 to 6 - 8)

Process harmonization

Standardizing processes on a global level across regions and functions

Expected financial impact

Headcount reduction induced by future operating model*

> 300 FTEs in the next two years

Costs

around CHF 25 million one-off costs in FY 2021/22

Savings

> CHF 30 million savings p.a.
(around 40% already in FY 2022/23, full savings available in FY 2023/24)

* Growth strategy will include investments in business and people; number of total FTEs expected to increase to support growth

IT: acceleration to catch up, reduce internal complexity and enable profitable growth

Progress has been made to harmonize complex IT landscape since merger in 2015

Acceleration to complete IT harmonization and enable state-of-the-art digital capabilities across organization

	Starting point (merger in 2015)	Achievements so far (FY 2020/21)	Ambition & benefits (target picture five years)
ERP	Very fragmented application landscape with >100 separate ERP systems (driven by decentralized setup)	Development of global templates almost finalized; harmonized ERP landscape and processes in 30+ countries	Complete accelerated ERP harmonization to optimize global supply chain management and upscale digital capabilities across Group
eCommerce & master data management	Decentralized approach to eCommerce and (master) data	Streamlining of master data across dormakaba and eCommerce modernization initiated	Harden tech foundation with single source of truth across organization to enable seamless digital customer journeys
IT infrastructure	High complexity and technology debt	Overhaul of IT infrastructure	Completion of IT infrastructure optimization (including state of the art business continuity management across applications and processes)

Clear roadmap to realize ambition and business opportunities – acceleration will lead to additional investments of around CHF 35 million p.a.

	FY 2021/22 (compared to FY 2020/21)	FY 2022/23 ff. (compared to FY 2020/21)
Opex (Run and Change)	ca. CHF 120 million (+ CHF 15 million)	ca. CHF 125 million (+ CHF 20 million on average)
Capex	ca. CHF 30 million (+ CHF 20 million)	ca. CHF 25 million (+ CHF 15 million on average)
Items affecting comparability *	ca. CHF 15 million	ca. CHF 12 million

Focus on consistent execution

- Commitment and attention by CEO and Senior Management on roadmap (in time, in budget, in quality without business interruption)
- Strong governance
- Close alignment between business & IT, supported by operating model
- We will leverage system integrators where beneficial

* Adjustment to EBITDA; "catch-up" investment amounts required to close IT related foundational gaps beyond normal course of business

Effective Capital Deployment – introducing a ROCE target: > 30% from FY 2023/24

ROCE

- Target: > 30% (starting FY 2023/24)
- Return figure that reflects efficiency in the use of capital employed
- Is commonly used in the industrial goods sector
- Performance to be reported as part of external disclosure (HY, FY)
- ROCE to become part of dormakaba’s short-term incentive plan as of FY 2022/23



EBIT

EBIT (adj.) as disclosed

Capital Employed

- Components as disclosed in financial statements
- Capital Employed (CE) will be the average of opening, half-year and year end reporting (three data points)
- CE does not include goodwill
 - Goodwill under Swiss GAAP FER is offset in equity at acquisition and theoretical depreciation is disclosed in the financial notes, which is different to “impairment only approach” under IFRS
 - Total goodwill as of 30 June 2021 amounts to CHF 2,035 million gross

Return On Capital Employed

	FY2016/17	FY2017/18	FY2018/19	FY2019/20	FY2020/21
EBIT (adj.)	323.1	362.6	369.9	270.1	276.1
Capital Employed	1,016.1	1,170.5	1,245.4	1,241.3	1,139.9
ROCE	31.8%	31.0%	29.7%	21.8%	24.2%

* Average of current year, half-year and prior year

Mesker – divestment process under preparation

- When acquired by dormakaba, Mesker consisted of Hollow Metal Door business and Design Hardware business. Profitable Design Hardware business was internally transferred to BEST in February 2021
- Mesker performance FY 2020/21: negative EBITDA margin impact on AS AMER (-240 bps) and Group results (-60 bps)
- Current trading (Q1 2021/22): basically unchanged
- Outcome of evaluation of strategic options = dormakaba not best owner for Mesker business
- Decision taken to initiate divestment process
- Restructuring efforts ongoing to improve performance and support divestment
- Goodwill of Mesker business is USD 52 million (initially USD 98 million)

Operating model: improve financial steering, transparency, and accountability

Internal benefits

- Shift of internal focus to consolidated margin contribution of the business as opposed to local margins
- Catalyst for stronger emphasis on cross-selling
- Catalyst for removing internal discussions on intercompany pricing
- Higher focus of plants on production efficiency and regional sales organizations on market share and profitability
- Global focus in product development (rather than segment focus)

External benefits

- Higher transparency on financial performance – segment reporting will reflect full profitability of revenues (including plant profitability) aligned with market view
- Segment reporting will include total sales, EBITDA/EBIT adjusted, EBITDA/EBIT
- Additional disclosure will be provided for composition of change in segment sales (organic, FX, M&A)
- New operating model to be effective as of January 2022; first external reporting based on new structures for FY 2021/22



- Ambitious and achievable targets
- **Financial targets and trading update**

Additional financial guidance (1/3)

Financial leverage (net debt / EBITDA)

Target range

- As of 30 June 2021 = 1.4x
- Comfort zone: up to 2.5x
- Upper end of range: 3.5x (short term even higher)

Income tax rate

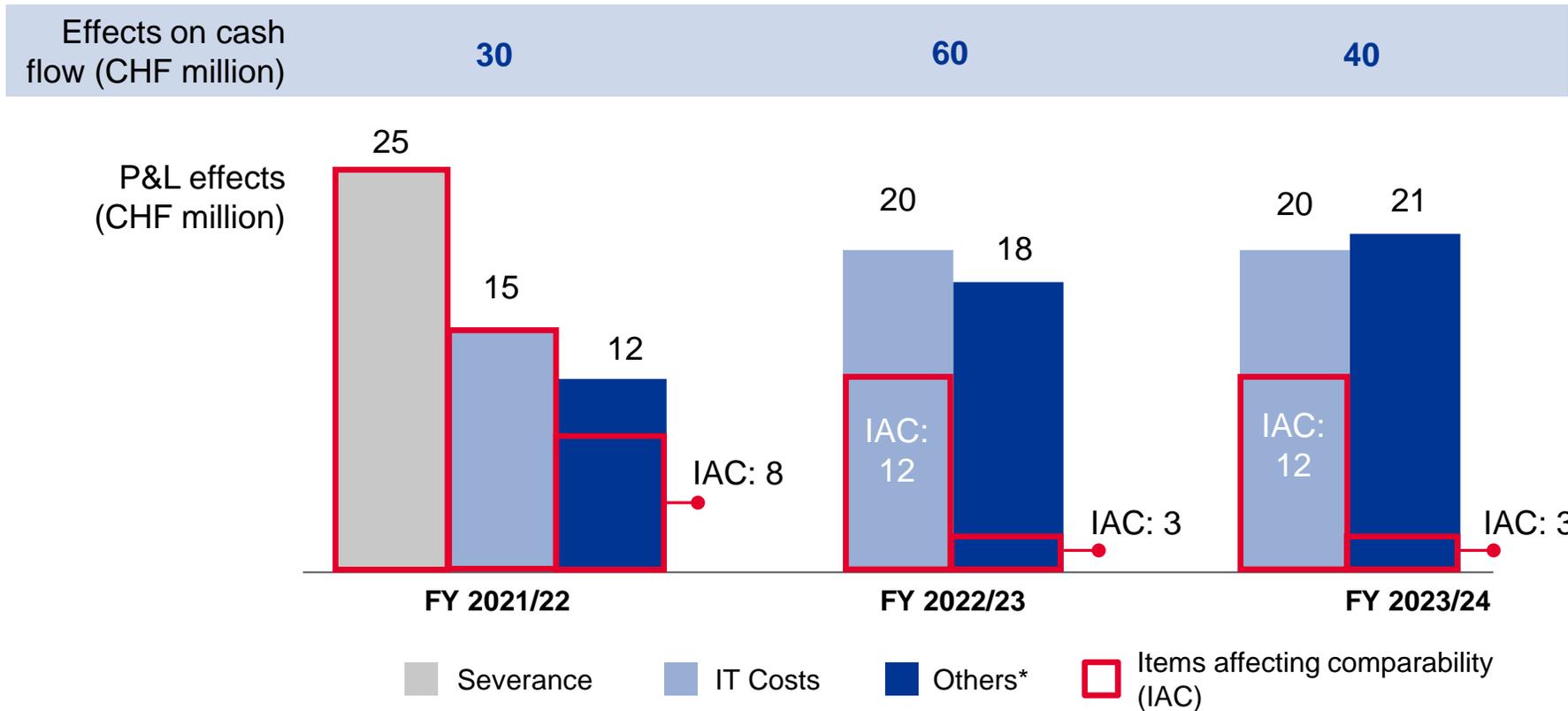
- Weighted applicable tax rate (WATR) as of 30 June 2021 = 25.2% (effective tax rate = 22.6% due to favorable one-time items)
- WATR expected at 25-26% (country profit mix, expected changes in certain countries)

Capex

- Underlying business requirements for Capex around 2.5% of sales p.a.
- Shape4Growth will lead to additional investments translating to around 3.5% of sales p.a.

Additional financial guidance (2/3)

Major Shape4Growth related investments (Opex) and cash flow impact (FY 2021/22 – FY 2023/24, CHF million)

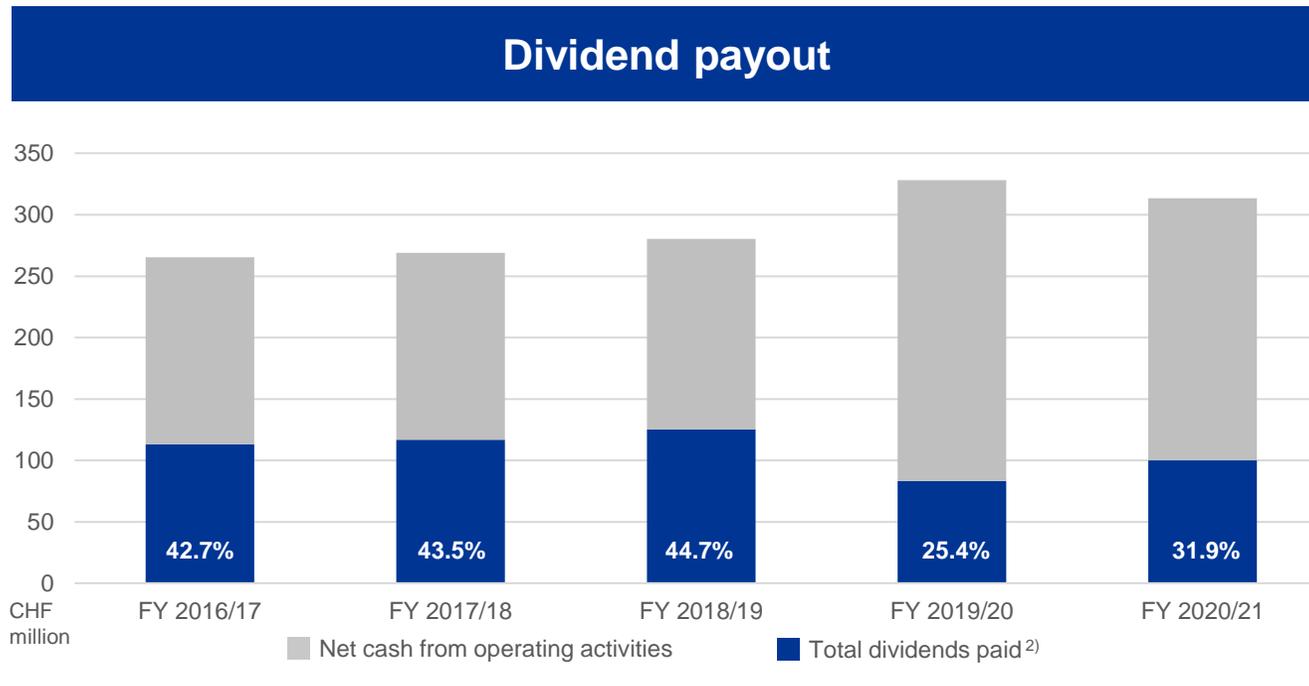


*: Others includes investments in specification, Master Data Management, strategy acceleration (S&M, R&D), procurement excellence
 Note: All shown figures based on current internal expectations and estimates

Additional information on cash flow (FY 2021/22)

- Temporarily higher inventories due to safety stock and mitigation of supply chain issues
- Increased net working capital due to higher volumes

Additional financial guidance (3/3) – dividend



	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Dividend ³⁾	14.00	15.00	16.00	10.50	12.50
Payout ratio ⁴⁾	50.3%	50.2%	50.5%	52.1%	52.2%

¹⁾ Medium-term targets assumes stable market conditions

²⁾ Dividends paid to company's shareholders and minority shareholders (CHF million)

³⁾ Dividend per share paid to company's shareholders (CHF)

⁴⁾ In % of net profit after minority interests

Dividend policy (unchanged)

Envisaged payout ratio of minimum of 50% of consolidated net profit after minority interests

Shape4Growth impact ¹⁾

Execution of Shape4Growth should result in dividend upside potential supported by strong cash flow generation

FY 2021/22 – update on current trading – guidance for organic growth increased

Current trading

- Q1 2021/22: organic growth 7%
- Growth was driven by good growth in all Access Solutions segments (including AS AMER); particularly strong organic growth in AS APAC despite countries such as Australia are still impacted by Covid-19 related lock-downs
- Key & Wall Solutions: organic growth driven by Key Systems; Movable Walls still impacted by weaker project business
- Sales price increases on track. Provided no further increase in raw material costs, dormakaba will compensate raw material inflation in FY 2021/22 with higher sales prices
- Supply issues particularly for electronic components continue to be an area of concern, currently situation under control

FY 2021/22 targets*

Guidance for FY 2021/22

- Organic growth: raised from "moderate organic sales growth" to "3-5%"
- Adjusted EBITDA margin: confirmed - slight increase against PY (FY 2020/21: 14.2%)

The company is currently expecting 3-5% organic sales growth for financial year 2021/22 as well as a slight year-on-year increase in the adjusted EBITDA margin (adjusted EBITDA margin for FY 2020/21: 14.2%).

* Note: FY 2021/22 guidance assumes stable market conditions



Q&A



Alex Houston

Focus on AS Americas

A mixed track-record in a very attractive market ...

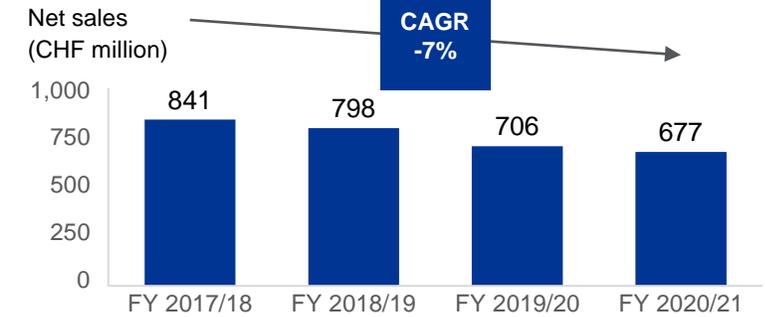
Market

- Largest access solutions market: USD 12 billion
- Strong growth rates in key core markets
 - **Electronic Access & Data (EAD): 6-8%**
 - **Entrance Systems (ENS): 3-4%**
- Industry margins for the region are compelling: ~25% EBITDA margin for top players

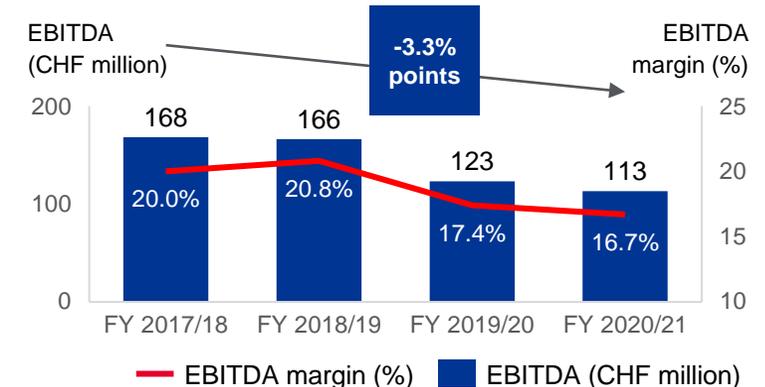
dormakaba's footprint in North America: 3,100 FTEs



Sales



EBITDA



Source: Oracle Hiperion Financial Management [HFM]

dormakaba Americas performance issues significantly executional in nature

Global scale	<ul style="list-style-type: none">• We have not sufficiently leveraged global scale of dormakaba in manufacturing, procurement and R&D• Product portfolio has lagged, particularly on hightech categories
Integration	<ul style="list-style-type: none">• Portfolio of businesses were acquired but not fully integrated (technology, process & data)• Has made execution significantly more difficult than it should be
Commercial	<ul style="list-style-type: none">• Americas has not kept pace in best-in-class executional practices, particularly commercial<ul style="list-style-type: none">- Go-to-market organization and process- Pricing and price realization- Customer service (order management through after sales support)
Transformation	<ul style="list-style-type: none">• Americas has not leveraged best practices in executing a successful transformation• Modernizing and becoming world class has been far too slow as a result
Verticals	<ul style="list-style-type: none">• Under-represented in key market spaces such as higher education and healthcare

dormakaba has compelling building blocks to become a strong and focused #3

Strong brands

dormakaba 

BEST 
dormakaba Group


ALVARADO
dormakaba Group

**KABA
MAS**

Key leadership positions...

EAD
(lodging systems)



ENS:
revolving doors
and security
products
(turnstiles)



... and supported by customers

Customer voices

Customers demanding choice beyond two players – excellent opportunities for an aggressive **challenger**

“Reliable products and quality”

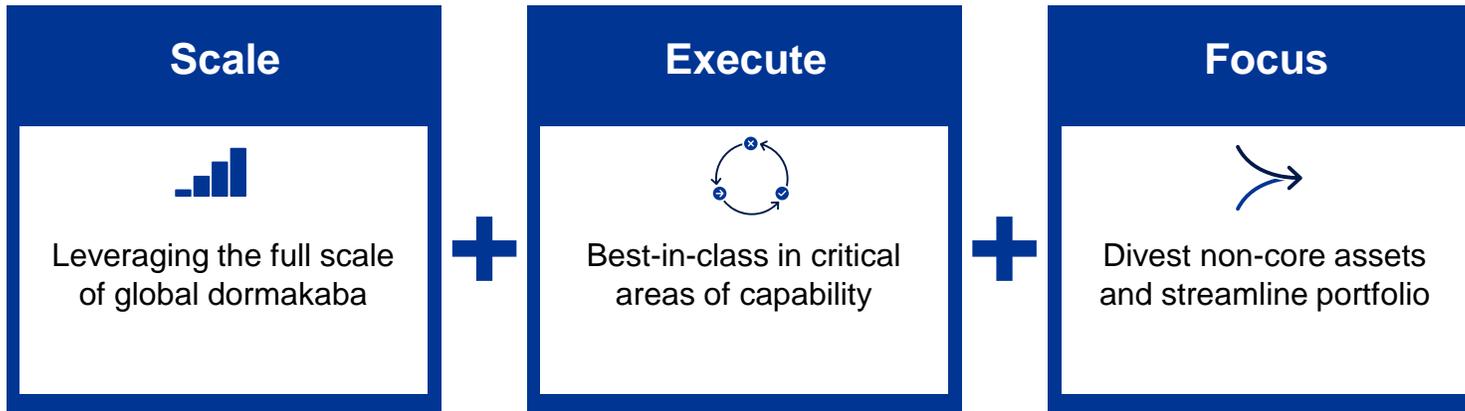
“BEST lock is superior hardware. We have used it for decades”

“We like to see dormakaba being aggressive and challenging Assa Abloy and Allegion”

“We need you as an alternative to Assa Abloy and Allegion”

Success requires a turnaround of the region

Three core pillars for the dormakaba Americas turnaround



A turnaround for a suitably aggressive ambition

- Three-year annual sales growth target: 4-6%
- EBITDA margin target: +400 to 500 bps in three years

Better leverage dormakaba global in America

Scale where it matters, adapted locally for success

Globally scaled ...

- Eliminate duplication
- Leverage R&D scale in platforms (particularly tech) and capabilities



... and locally capable

- Meet requirements of local customers
- Fast response to opportunities

- Global supply network optimization
- Global supply contracts



- Tight, responsive partnerships with local vendors

- Least cost country
- Eliminate duplication



- Seamless connectivity to local market needs and strong SLAs

- Scale in shared services
- Leverage technology efficiently



- Close-in support of Americas businesses and people

Bringing global Access Control Solutions to North America

From a local R&D to a global strategy, with local adaptations ...

Bring global Access Control Solutions' platform to North America, elevating our existing local component base

Leverage elevated offering to strengthen presence in Lodging, Multi-housing and beyond

Extend reach to all Core clusters, increasing relevance, specifically in Entrance Systems

... fulfilling unsolved needs, in terms of openness, interoperability and integration

Customers need...

Open



... solutions that do not lock them into tech, software, or hardware

Inter-operable



... solutions to simplify, commissioning, and use, eliminating pain points

Enduring platform



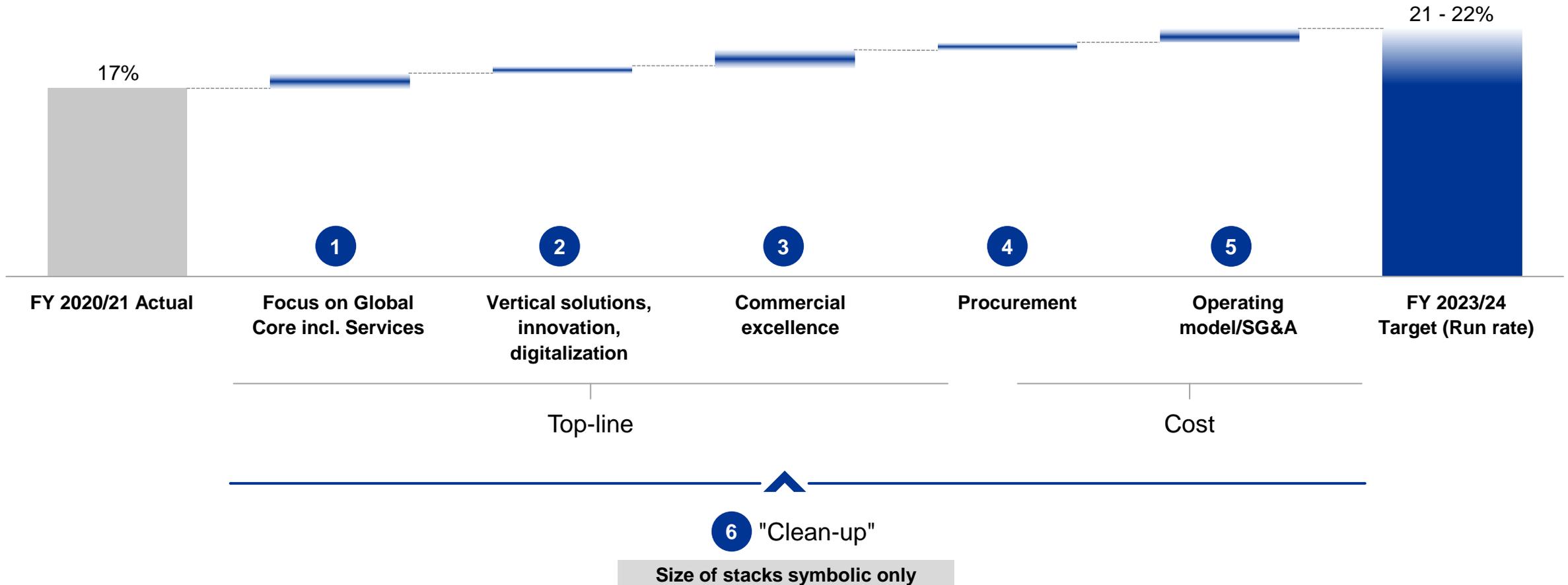
... of products that enables a variety of options based on changing needs

Americas Transformation: Combination of global and local levers

	Global	Americas
Workstream	<p>R&D/Product management</p> <ul style="list-style-type: none"> • Eliminate duplication • Leverage global scale • Tactical product gap fills • Bigger platform-driven innovation <p>Procurement</p> <ul style="list-style-type: none"> • Direct and indirect <p>Operations</p> <ul style="list-style-type: none"> • Global network consolidation • Joint bundling for supply chain/logistics • Make-or-buy • Lean production 	<p>Topline</p> <ul style="list-style-type: none"> • Focus on Global Core incl. Service • Vertical solutions, innovation, digitalization • Commercial Excellence <p>Cost</p> <ul style="list-style-type: none"> • Operating model/SG&A • Procurement <p>"Clean-up"</p> <ul style="list-style-type: none"> • Entity consolidation • System integration • Data lakes & analysis tools
Execution system	<p>Transformation process and governance</p> <ul style="list-style-type: none"> • Global Transformation Management Office (TMO) • Designated Transformation Head 	<p>America's transformation execution</p> <ul style="list-style-type: none"> • Americas TMO • Designated Americas Transformation Head • Rigorous execution tracking and impact quantification by stage-gate review

Six workstreams to deliver value to hit EBITDA margin target within three years

Adjusted EBITDA bridge, FY 2020/21 Actual – FY 2023/24 Target (Run rate)



We will turnaround our business in the USA: success will be a function of disciplined execution





Q&A



Jim-Heng Lee

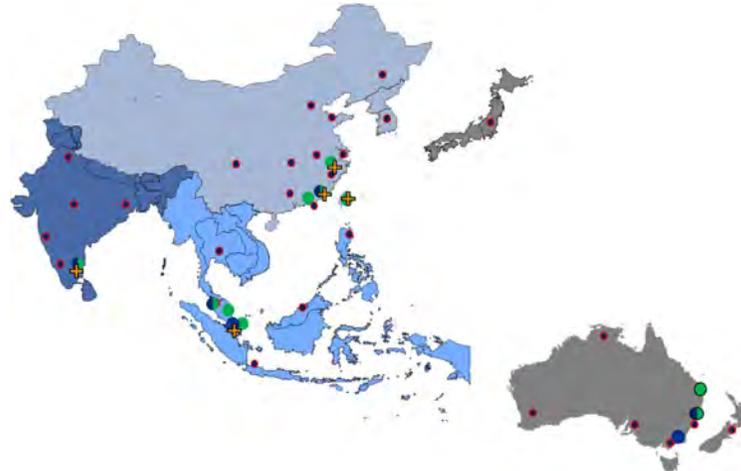
Focus on AS APAC

A positive track record in the fastest growing region

Market overview

- Dynamic region with strong residential, commercial, and industrial construction footprint
- Strong **market growth** expected until 2026/27 across the region
- China: 5-6% p.a.
- India: 8-10% p.a.
- Australia: 3-4% p.a.
- Covid drove growth of touchless solutions across APAC
- Conversion to electro-mechanical and biometrics driving growth in China

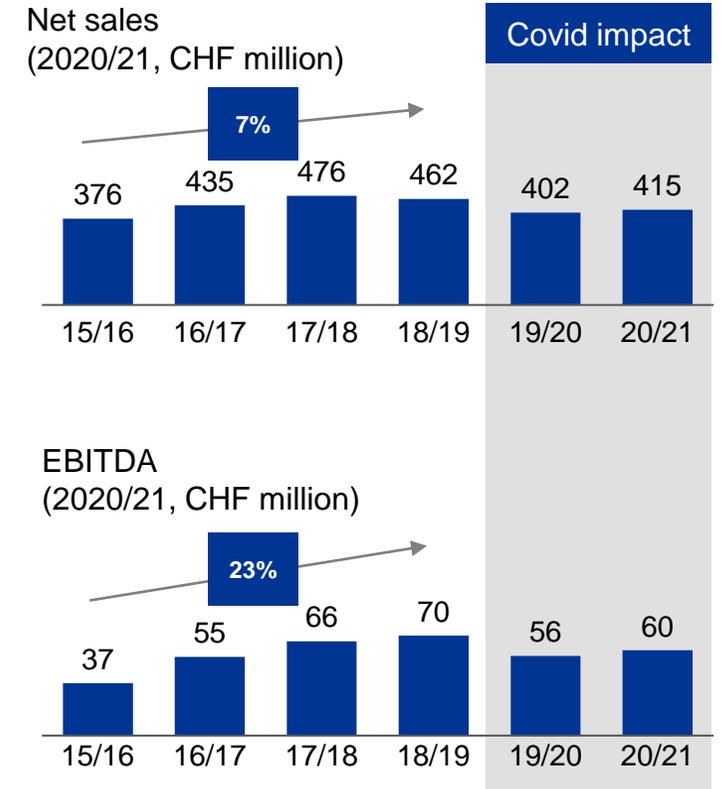
Footprint



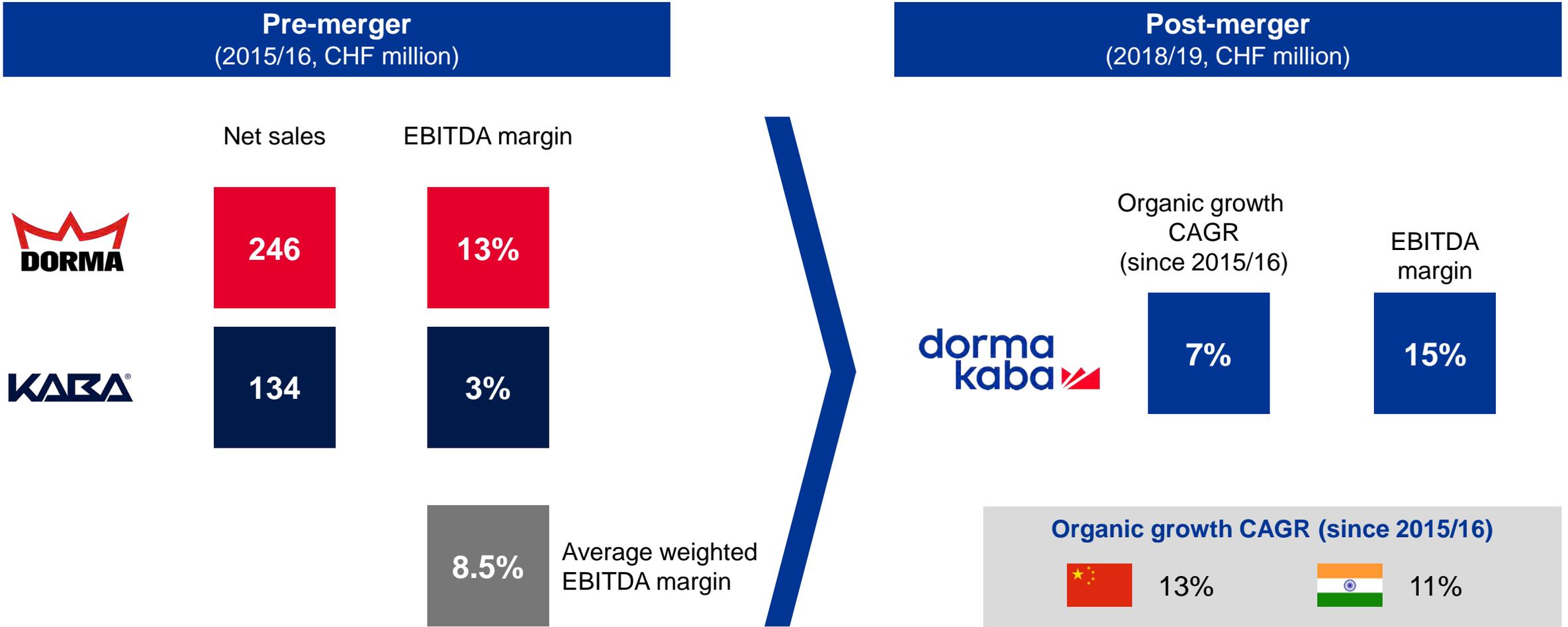
- Strong and widespread local presence
- Support by local manufacturing units and dedicated product development centre
- Total of >3,000 FTEs within region

● Regional headquarter and sales unit ● Regional production unit
● Sales office + Product development center

Net sales and EBITDA



1 + 1 > 2: merger unlocked organic growth & largely improved profit



Our success story strongly linked to our ability to leverage on our strengths

Successfully brought global offering to market, complemented by local digital products

- Reached leadership position in premium segment in Entrance Systems and Door Closers
- Accelerated organic growth through innovative electro-mechanical products such as digital locks

Strong project business coverage through vertical intimacy

- Developed strong specification capabilities and sales excellence
- Met customer demands through vertical-specific solutions and deep local collaborations

Large share of Service in selected markets

- Sustained strong performance in Services through organic growth and structured investments
- Drove digital innovation to further increase Services business and recurring revenues

Passionate, engaged employees driving the business

- Continued to train sales force to build deep expertise to effectively sell products and solutions
- Built up and elevated own talent pipeline within region

Deep dive on specifications: APAC with strong local team and high success rate

APAC offers holistic set of specification services

Skilled, experienced specification getters and writers

>60 specification headcounts with close customer relations and technical expertise across verticals and product clusters

Strong aftersales project execution

Quick and precise project execution to the customer-satisfaction in coordination with all relevant stakeholders

Win rates of >70%

Win rates on specified projects of >70% in Australia, India, and China

Recent project win: Hang Lung Plaza, Wuhan (China)



Specified and installed products range from access hardware (European Norms - EN and American Standards - ANSI) automatic doors with touch free access solutions, glass solutions and master key system

Deep dive: Deployed comprehensive solution in Access Control for Alibaba

Tailored and rolled out Access Solution platform for Alibaba Group

Leveraged deep relationship to deploy comprehensive solution

One of the largest single projects for dormakaba until today



Internal access solution integrating visitor management and customer workflows

Customized Access Control Solutions and Entrance Systems components to local standards and tailored platform to customer requirements

Full integration of Alibaba's system internationally through our platforms, enabling the dynamic and agile way of working at Alibaba

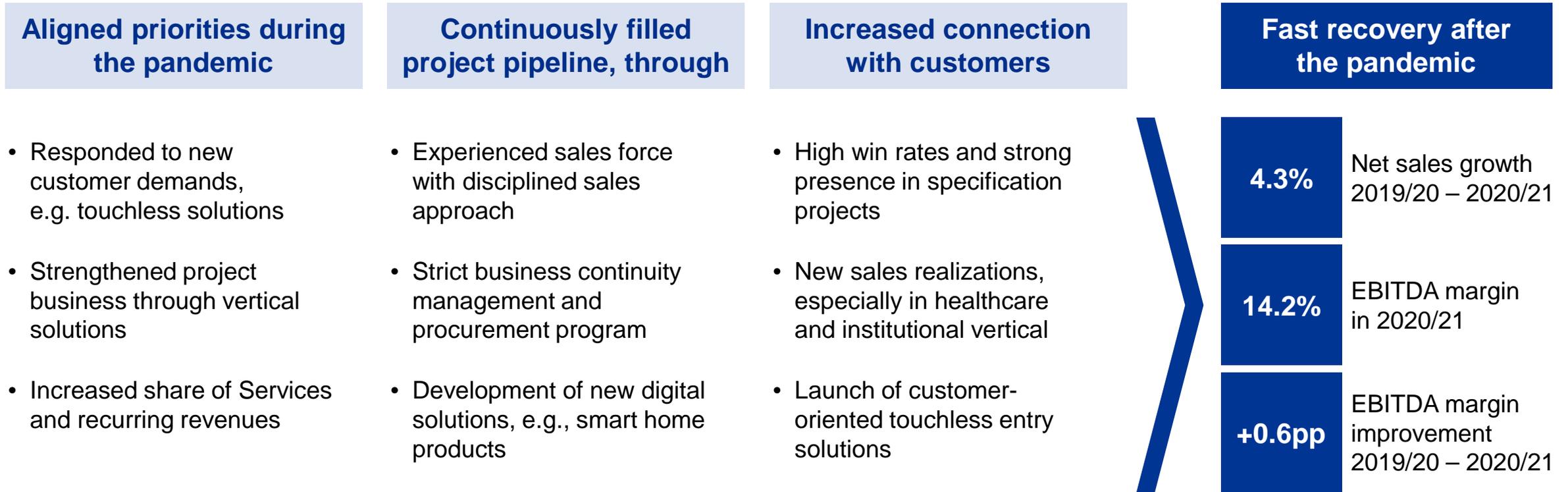
>10k

Access points equipped

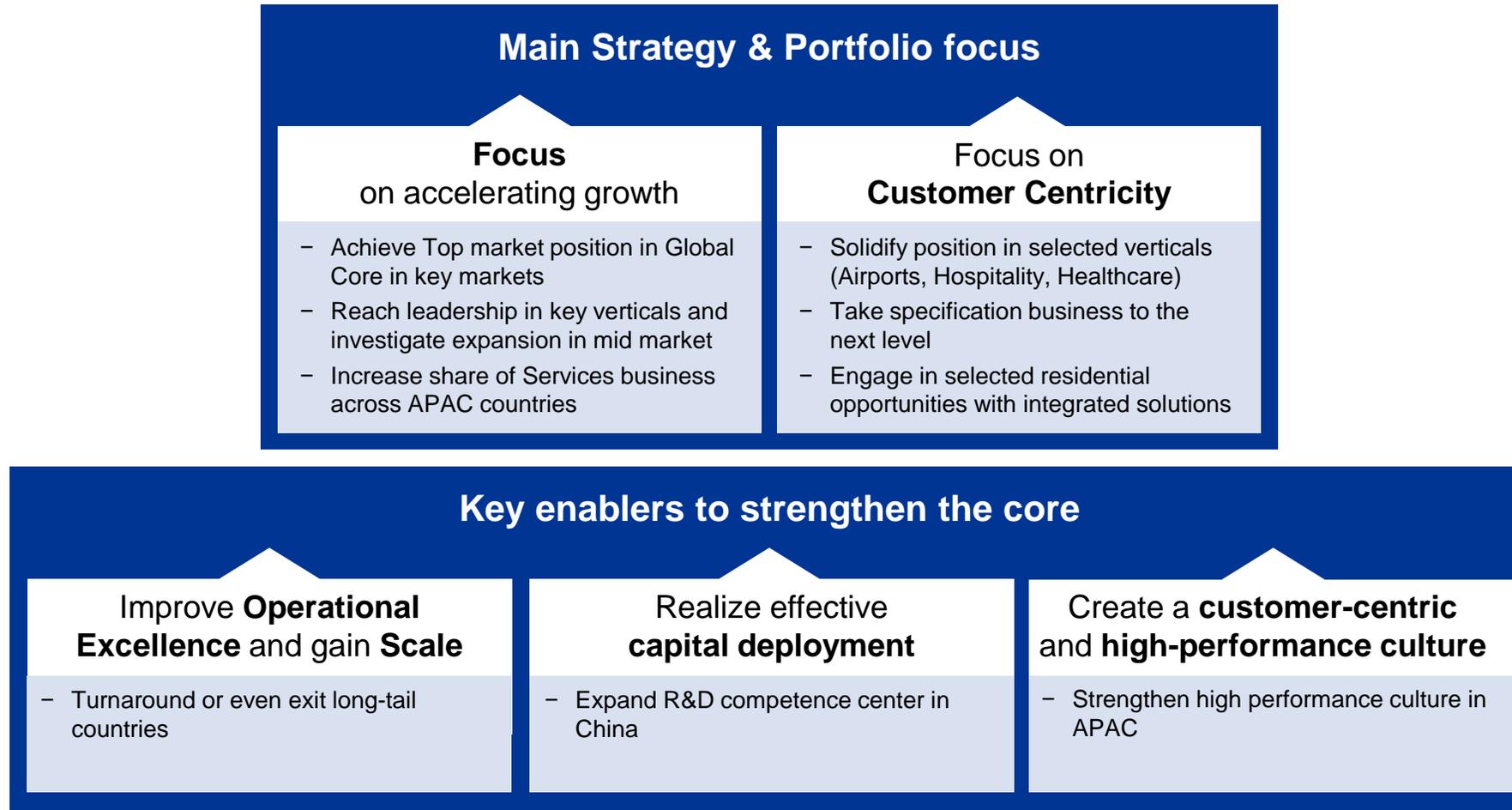
>500k

Master records processed daily

We hardened our foundation during the pandemic and recovered fast



We will build on our solid foundation to strengthen our business in a coordinated fashion with our global strategy framework



Conclusion

Strong foundation and track record in dynamic and fast-growing region

- Asia Pacific is in a stronger position to grow following recent local leadership redeployments/appointments
- Opportunity to grow in premium segment in both China and India to solidify market positions
- Opportunity to expand accretively in medium segment with targeted fit-for-use solutions/offers

dormakaba will increase investments in Asia Pacific with the objective of accelerating growth

- Significantly increase R&D activities in Asia Pacific
- Exploit full potential of the Chinese market
- Group CTO will be co-based in Shanghai as of 2022



Q&A



Alexander Bradfisch

**EntriWorX:
the intelligent door**

EntriWorX, the intelligent door:



- To increase ease-of-doing business & raise the productivity from planning to operation, for our customers
- To differentiate from our competitors through digitalization of components, connected solutions & domain know-how

EntriWorX will simplify our customers life and raise productivity



Made of
connected, plug
& play
components



Making
planning
processes
smart

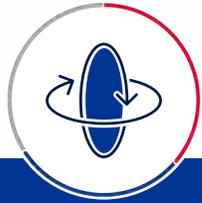


Simplifying
installation and
commissioning
procedures



Enabling a safe &
effective
management of a
building

EntriWorX: differentiation through digitalization and domain know-how



Solutions

- Enabling a step-change for dormakaba: from product to solution selling
- Solutions consist of a broad ecosystem, including entrance systems and access control components platforms



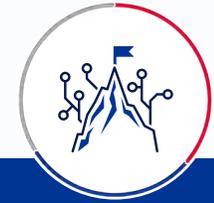
Customer centricity

- Ease of doing business increases customer intimacy and stickiness
- Opens up opportunity space for partnerships with door OEMs



Integrated offering

- Integrating Dorma and Kaba portfolios, bringing them to the market together
- Increasing cross-selling through the integration and connection of our offering



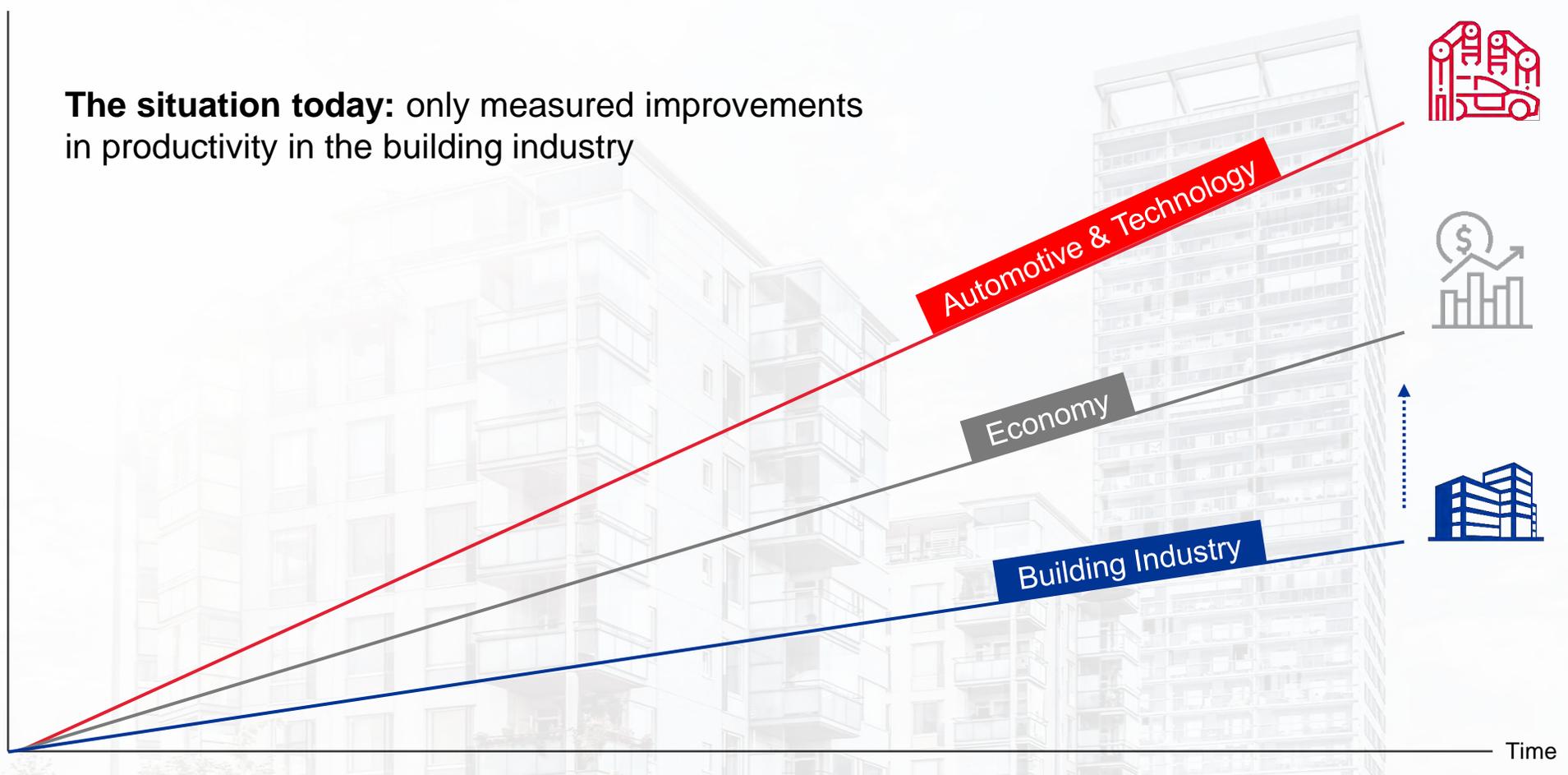
Digitalization & innovation

- Building a solid base for future developments of Access Control Solutions

Bringing meaningful innovation to the building industry

Productivity

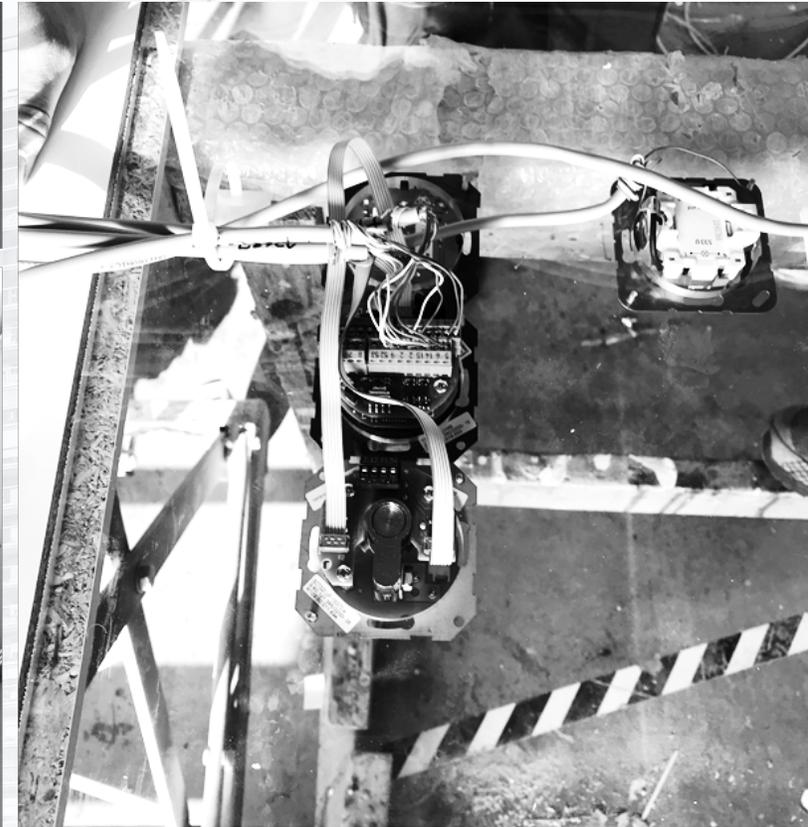
The situation today: only measured improvements in productivity in the building industry



The situation today... delivery of the components



The situation today... assembly and wiring



The situation today... after installation



Customer voices from German partners – challenges (video)

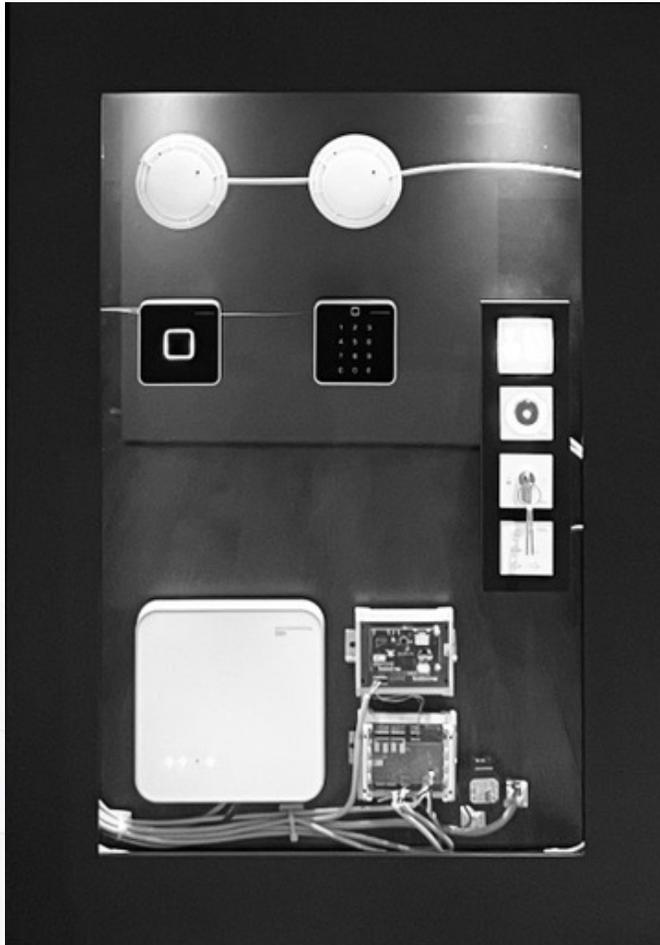


Heiko Lohrer



Christian Koch

EntriWorX: single components become an Ecosystem



EntriWorX: measurable productivity gains for every customer



Customer voices from German partners – benefits (video)

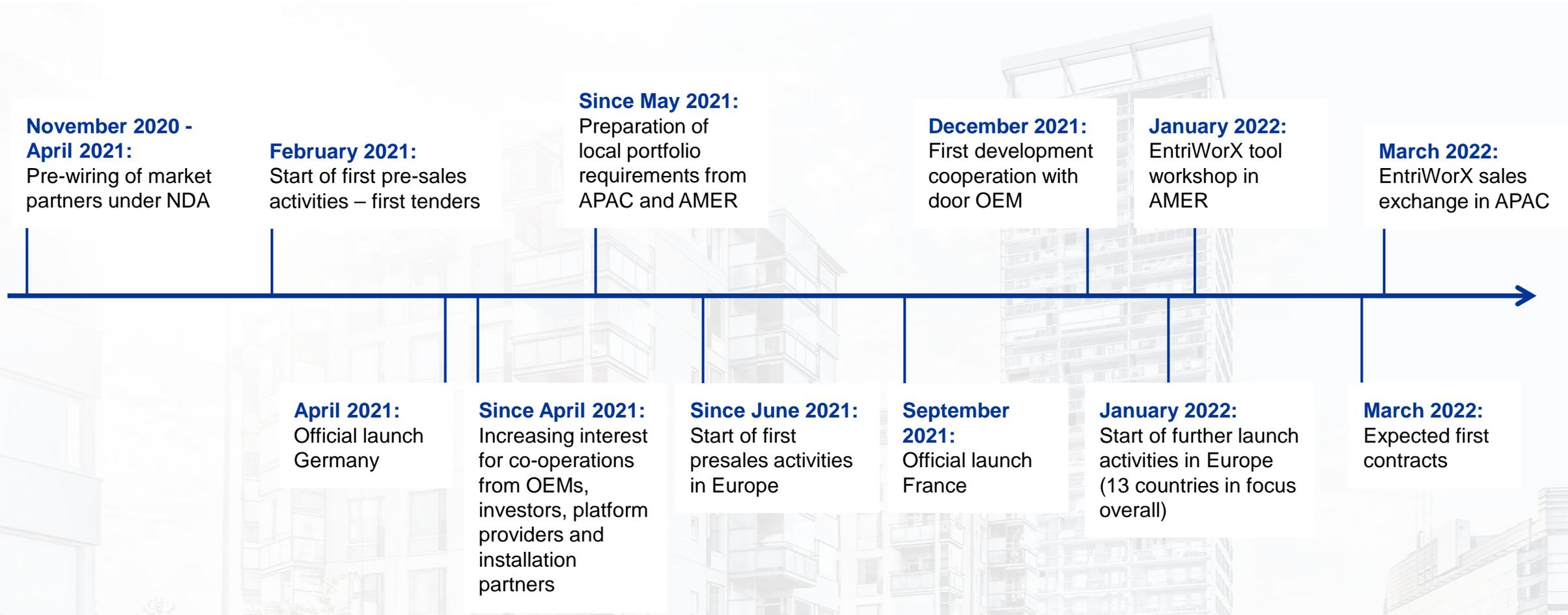


Heiko Lohrer



Christian Koch

Full speed ahead





Sabrina Soussan

Closing

Value creation through focus and growth

- In a highly attractive market, our strategy is to focus on the customer in our core businesses, in our core countries and in selected verticals.
- Through this focus, we will accelerate our profitable growth.
- Building on our strengths, we will differentiate further from competition through digital and sustainable solutions.
- We will unlock our potential through improvements in operational excellence, as well as in capital efficiency.
- This requires a change of the operating model and significant additional investments upfront in people and in IT.
- The strategy will be anchored in the company through a change of our culture, behaviors and incentives.
- The strategy will be executed through stringent transformation management.

Value creation through focus and growth

3-5%

**organic sales
growth p.a.**
from FY 2021/22

16-18%

**adjusted EBITDA
margin**
from FY 2023/24

>30%

ROCE
from FY 2023/24



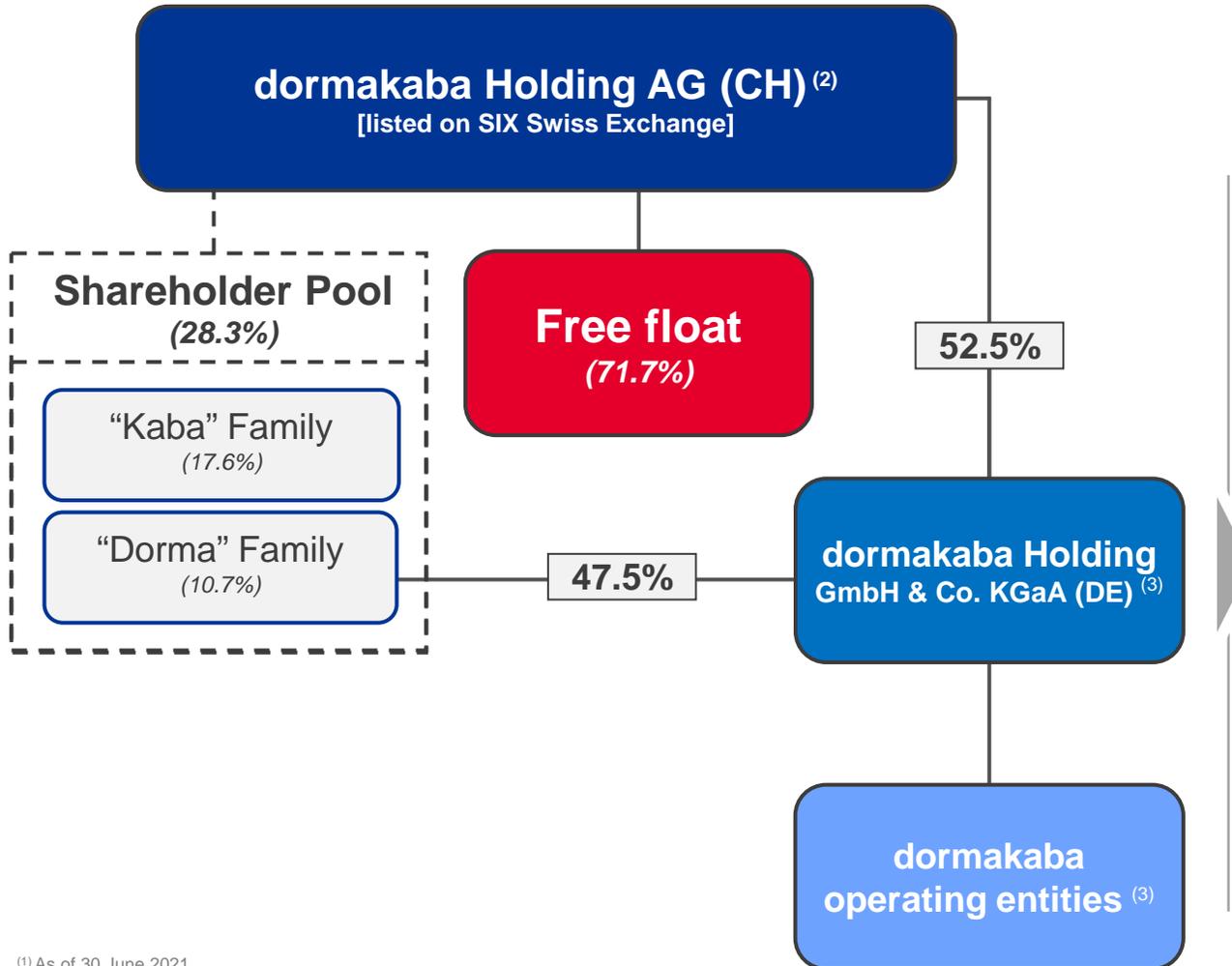
Thank you for your attention.

Detailed calculation of Return on Capital Employed (ROCE)

Return on Capital Employed	FY2016/17	FY2017/18	FY2018/19	FY2019/20	FY2020/21
EBIT	327.0	364.3	375.0	253.2	274.3
IAC (Items affecting comparability)	-3.9	-1.7	-5.1	16.9	1.8
Adjusted EBIT	323.1	362.6	369.9	270.1	276.1
Receivables	422.9	478.9	487.5	454.8	395.9
Inventories	391.4	431.6	452.6	455.2	436.6
Short term liabilities	-198.4	-222.8	-209.7	-199.2	-213.9
Net Working Capital	615.9	687.6	730.5	710.9	618.6
Fixed and intangible assets	400.2	482.8	515.0	530.5	521.2
Average Capital Employed*	1'016.1	1'170.5	1'245.4	1'241.3	1'139.9
ROCE	31.8%	31.0%	29.7%	21.8%	24.2%

* Average of current year, half-year and prior year

Shareholder structure ⁽¹⁾ – supporting sustainable development



Shareholder dormakaba Holding AG	30.06.2020	30.06.2021
Pool Shareholders ⁽⁴⁾	28.7%	28.3%
Free Float	71.3%	71.7%

Members of the Pool Shareholder Group hold an **economic interest of 62.3%** in dormakaba:

- 28.3% of the 52.5% in dormakaba Holding GmbH + Co. KGaA, which are directly held by the ultimate parent company dormakaba Holding AG
- and 47.5% in dormakaba Holding GmbH + Co. KGaA

⁽¹⁾ As of 30 June 2021

⁽²⁾ Strategic, financial and operational decisions are made at level of listed holding entity

⁽³⁾ Execution of M&A as well as financing take place at level of dormakaba Holding GmbH + Co. KGaA (intermediate holding entity) and below

⁽⁴⁾ Based on a pool agreement dated 29.04.2015