



Riet Cadonau, Chairman & CEO
Bernd Brinker, CFO

Zurich/Switzerland, 3 March 2021

Half-year results 2020/21

(1 July – 31 December 2020)

dormakaba 

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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 2020/21 of dormakaba.

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Agenda

Half-year results 2020/21 at a glance

Riet Cadonau

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Sustainable investments

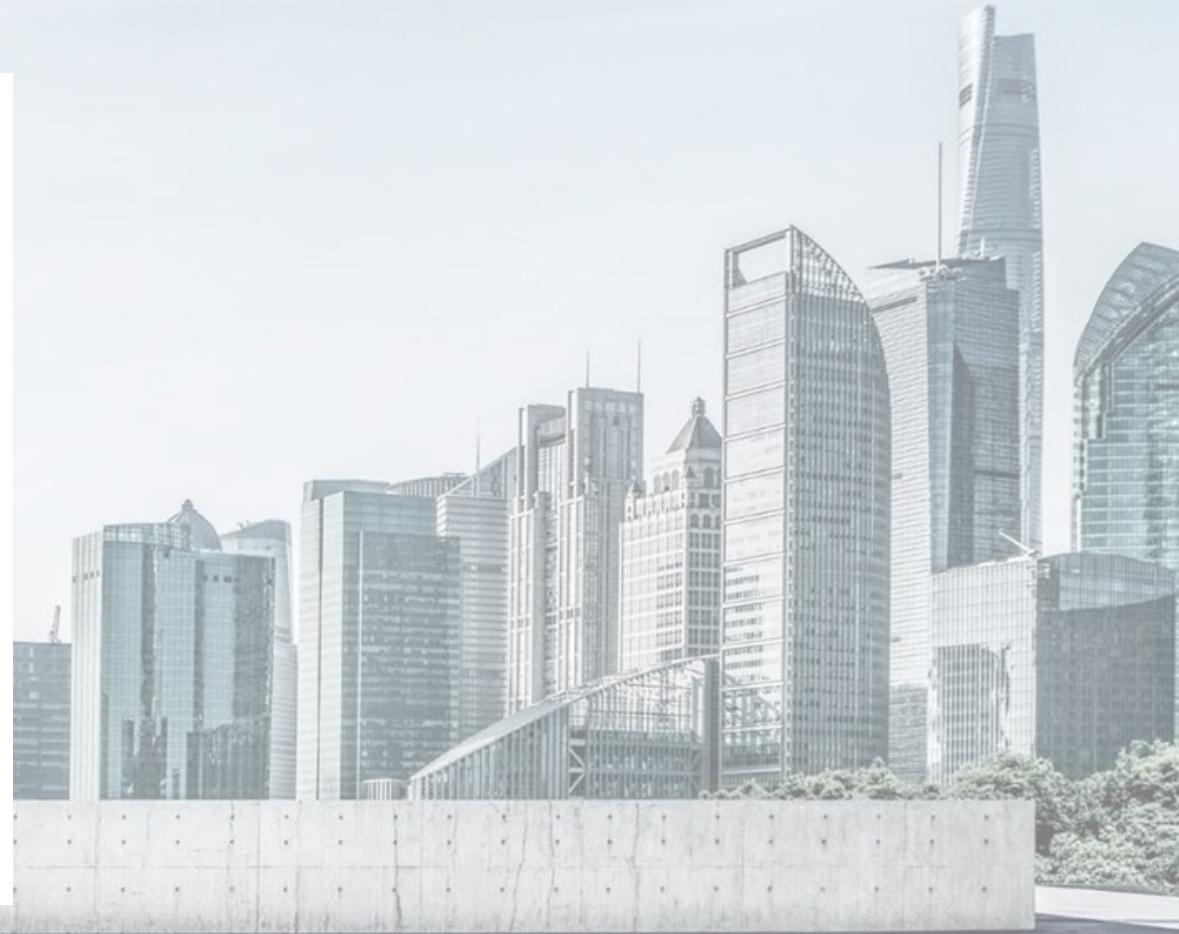
Riet Cadonau

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Financial results and outlook

Bernd Brinker

Slide 15



Significant improvement over previous half-year and strong cash flow

- Sales of CHF 1,227.5 million (previous year CHF 1,385.7 million)
- Impact from currency translation -5.5% and from M&A +0.1%
- Organic sales -6.0% (previous year 0.8%; HY2 2019/20: -14.3%)
- EBITDA at CHF 181.9 million (previous year CHF 214.1 million; HY2 2019/20: CHF 110.9 million)
- EBITDA margin 14.8% (previous year 15.5%; HY2 2019/20: 9.6%)
- Net profit at CHF 99.9 million (previous year CHF 119.4 million; HY2 2019/20: CHF 44.7 million)
- Net cash from operating activities CHF 194.3 million, operating cash flow margin 15.8% (previous year CHF 139.1 million, 10.0%)

AS AMER: Organic sales and profitability below previous year

CHF million	HY 2020/21	HY 2019/20	Variance
Total segment sales	339.7	416.3	-18.4%
Third-party sales	326.8	399.7	-18.2%
EBITDA	58.5	87.2	-32.9%
EBITDA margin	17.2%	20.9%	-3.7ppt
Organic sales growth	-10.8%	+1.4%	

- Sequential improvement; performance in North and Latin America still negatively impacted by the pandemic
- Continued strong performance of Alvarado (acquired in July 2019)
- The hollow metal door business (Mesker) improved sequentially, as the business steadily but slowly regained customer trust
- Electronic Access & Data with organic growth; all other Product Clusters declined, particular weakness in Lodging Systems
- Alex Houston assumed responsibility as COO AS AMER as of 1 July 2020: business started to implement growth initiatives

AS APAC: Lower sales, but EBITDA margin close to previous year's level

CHF million	HY 2020/21	HY 2019/20	Variance
Total segment sales	195.0	230.5	-15.4%
Third-party sales	184.0	217.2	-15.3%
EBITDA	28.5	35.1	-18.8%
EBITDA margin	14.6%	15.2%	-0.6ppt
Organic sales growth	-10.5%	-0.3%	

- Sales improved sequentially in HY1 2020/21, most regions still impacted by the pandemic
- China: Sales sequentially increasing but impacted by project delays in the commercial sector; Wah Yuet with strong growth
- Pacific region: Organic growth impacted by regional lockdowns, partly compensated by growth in the Kilargo business (acquired in July 2017)
- South East Asia and India: still impacted by the pandemic
- Major markets like China and India are expected to return to organic growth driven by improved order intake, e.g. for touchless entrance solutions in China, and a good backlog of orders in general

AS DACH: Organic sales growth in third party sales in all regional markets and improved EBITDA margin, lower intercompany sales

CHF million	HY 2020/21	HY 2019/20	Variance
Total segment sales	396.2	415.6	-4.7%
Third-party sales	265.5	252.7	5.1%
EBITDA	67.5	70.3	-4.0%
EBITDA margin	17.0%	16.9%	0.1ppt
Organic sales growth	-2.9%	+0.7%	

- Organic third-party sales in Germany, Switzerland and Austria in HY1 2020/21 in total more than 6% above previous year
- Segment negatively impacted by lower global demand, resulting in lower intercompany sales
- Continued focus on innovative products like new sliding door operator ES PROLINE and successful introduction of new self-boarding gate dormakaba ARGUS AIR. The latter has been successfully tested with Lufthansa at Frankfurt Airport in Germany
- AS DACH will continue to explore growth opportunities in Multi-Housing. An example: A cooperation for 1000 micro apartments in Switzerland (“City Pop” apartments) including a platform for mobile access integrating dormakaba’s exivo platform (a cloud-based solution)

AS EMEA: Lower sales, but higher EBITDA and EBITDA margin

CHF million	HY 2020/21	HY 2019/20	Variance
Total segment sales	342.9	374.5	-8.4%
Third-party sales	283.3	317.6	-10.8%
EBITDA	32.1	30.4	5.6%
EBITDA margin	9.4%	8.1%	1.3ppt
Organic sales growth	-3.0%	+1.4%	

- Norway with organic growth and improved profitability following the divestment of the project installation business (1 September 2020). Denmark and the Netherlands continued to deliver organic growth
- Most other countries still suffered from the pandemic, but narrowed gap versus previous year sequentially
- Sales benefited from a recovery of the Services business and several airport projects, e.g. in the Netherlands (Schiphol, Amsterdam) and Italy (Fiumicino, Rome)
- Solid project pipeline going forward

Key & Wall Solutions: Lower sales, but EBITDA margin above previous year's level

CHF million	HY 2020/21	HY 2019/20	Variance
Total segment sales	169.1	198.9	-15.0%
Third-party sales	162.0	191.5	-15.4%
EBITDA	26.6	29.8	-10.7%
EBITDA margin	15.7%	15.0%	0.7ppt
Organic sales growth	-9.2%	+2.8%	

Business Unit Key Systems:

- Sales improved sequentially but are still below previous year's level due to regional lockdowns
- The business has gained several major contracts, e.g. two customized product solutions for key cutting machines supplying approx. 500 US-dealers of a major Japanese car manufacturer

Business Unit Movable Walls:

- Sales were impacted by delays in the finalization of existing projects, postponed construction projects and regional lockdowns
- The business has gained several major projects like the “The Circle” convention center at Zurich Airport and the expansion of the Las Vegas Convention Center

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Sustainable investments

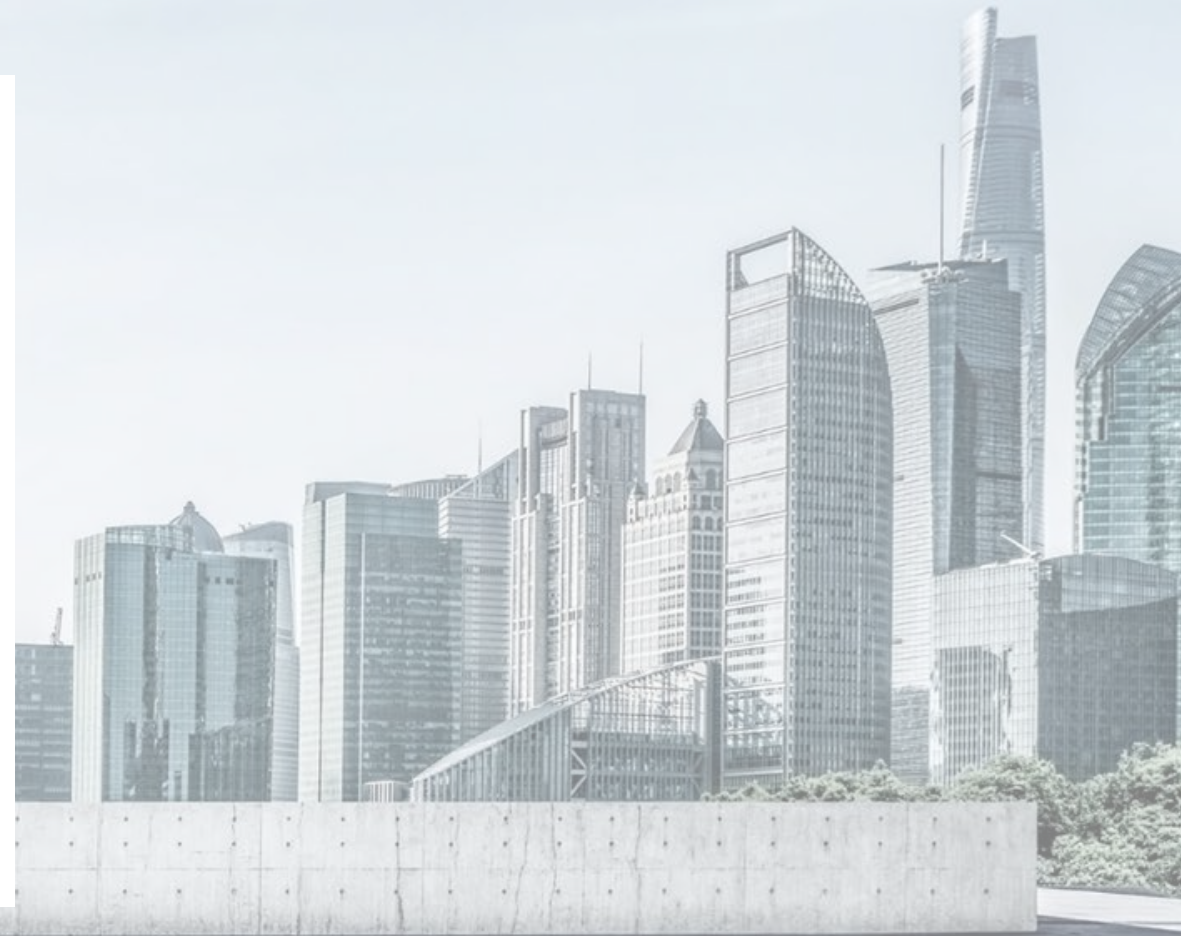
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Financial results and outlook

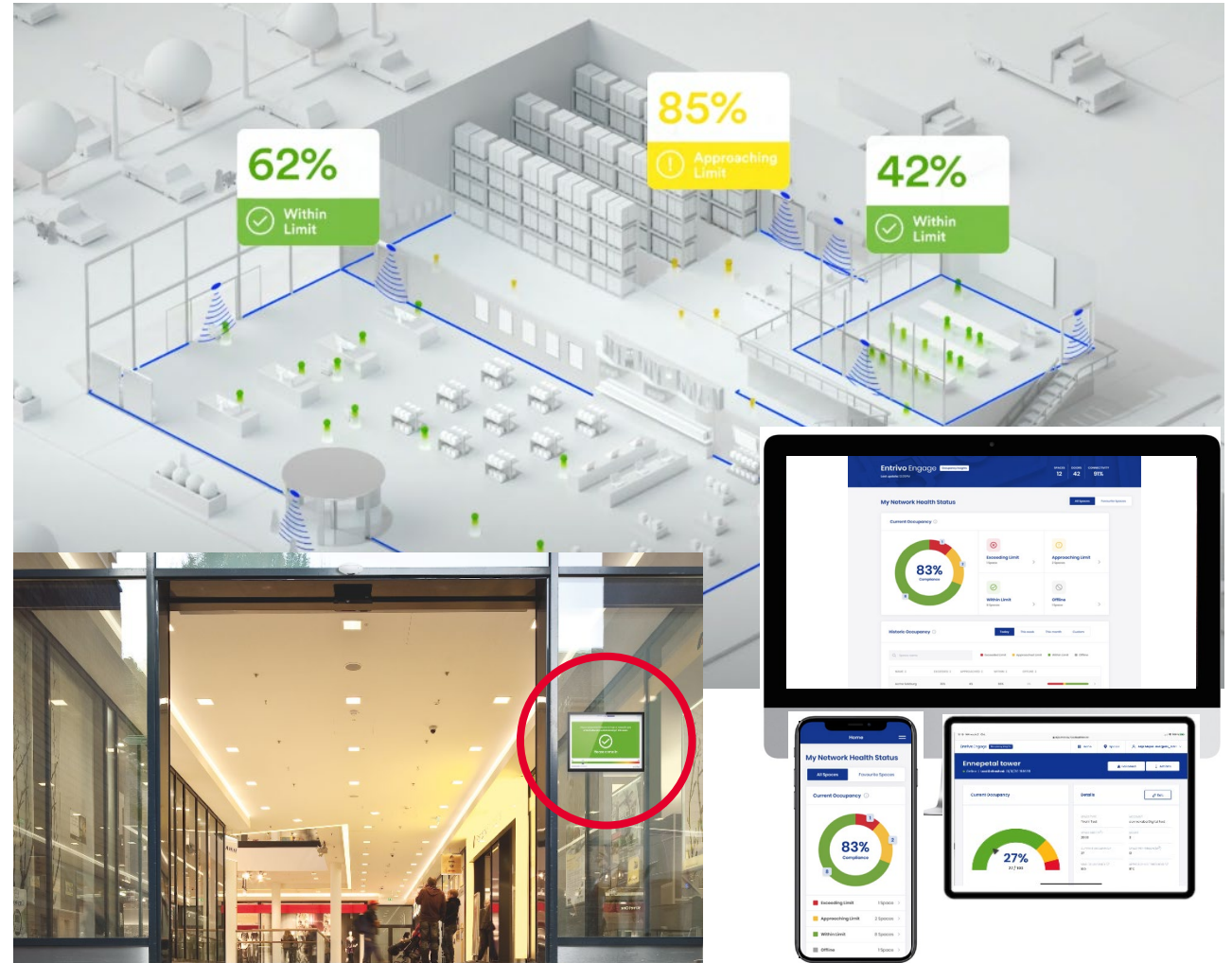
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Slide 15



Digital services offering: Supporting customers to manage regulatory challenges due to the Covid pandemic – Entrivo

- Cloud-based solution enabling customers to monitor occupancy compliance, door traffic and current occupancy in real-time and over-time from anywhere
- Connected doors with sensors work as an eco-system to count traffic flow and calculate the overall occupancy
- Subscription model, offer includes installation, digital services and hardware bundles for any door (door closers, automatic doors etc.)
- “Software-as-a-service” solution as complement offering to our core portfolio



Digital solutions: Offering increased efficiency and cost savings for the multi-housing market with dormakaba Resivo



Cost savings for administrators through central access management online



Increased efficiency through easier handover of keys



Time savings by creating and assigning additional keys online



Pilot installation Munich

State-of-the-art engineering supporting green buildings: next generation, energy-efficient door drive system ES Proline ST Green

Twofold advantage: Operate **larger dimensioned doors** with higher thermal insulation and security degrees using less energy, **contributing to reduction of carbon emissions**



Modular and flexible



Sustainable and energy-efficient



Design-orientated technology



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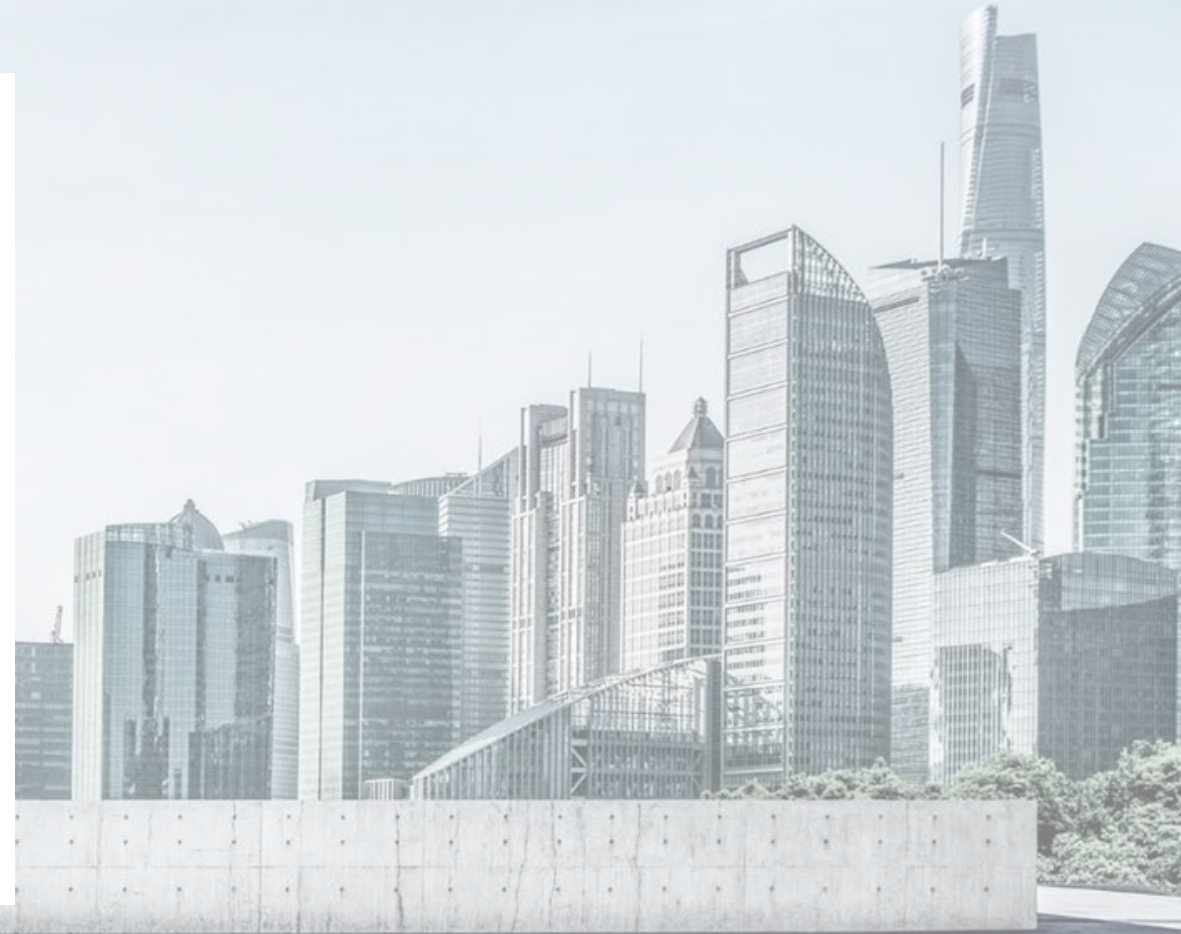
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Key figures

- Organic sales growth of -6.0% (previous year: HY1 2019/20: 0.8%; HY2 2019/20: -14.3%)
- Significant negative currency translation impact on net sales of 5.5% due to stronger CHF against all major currencies
- Small net positive M&A impact on net sales of 0.1%
- EBITDA of CHF 181.9 million, lower due to Covid-19 related lower volume (previous year: HY1 2019/20: CHF 214.1 million; HY2 2019/20: CHF 110.9 million)
- Profit before tax declined to CHF 129.8 million due to lower operational performance (HY1 2019/20: CHF 157.1 million; HY2 2019/20: CHF 54.1 million)
- Net profit declined by 16.3% to CHF 99.9 million (HY1 2019/20: CHF 119.4 million; HY2 2019/20: CHF 44.7 million)

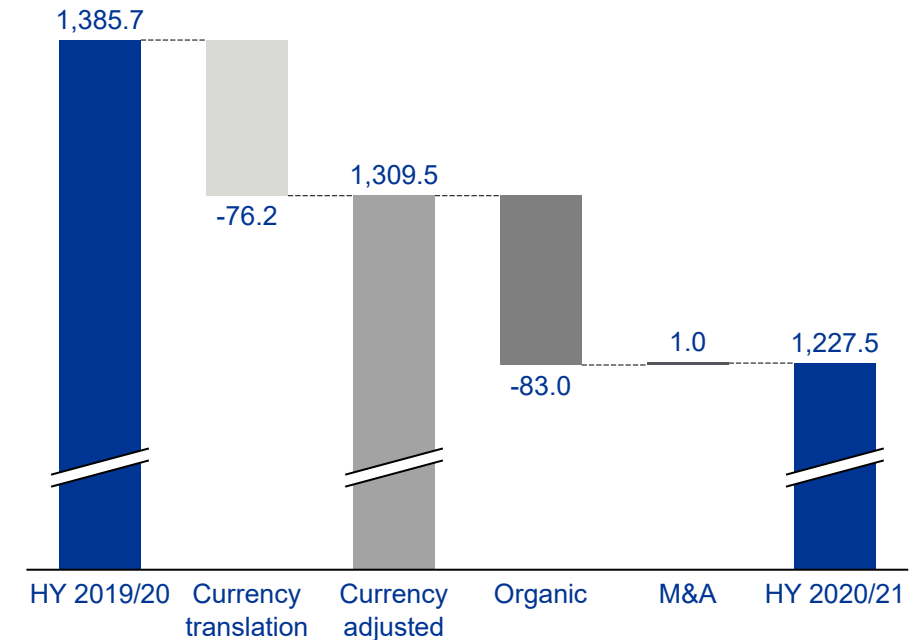
CHF million (except where indicated)	HY 2020/21	HY 2019/20	Variance
Net sales	1,227.5	1,385.7	-11.4%
- thereof: organic sales growth	-6.0%	0.8%	
- thereof: acquisition sales growth	0.1%	0.5%	
- thereof: currency effect on sales	-5.5%	-2.1%	
EBITDA	181.9	214.1	-15.0%
EBITDA margin	14.8%	15.5%	-0.7 ppt
Profit before taxes	129.8	157.1	-17.4%
Net profit	99.9	119.4	-16.3%
Net profit after minorities	52.3	61.3	-14.7%

Sales development

- Negative impact on net sales from currency translation (-5.5%) due to stronger CHF against all major currencies
- Organic growth of -6.0%, strongest performance by AS DACH (-2.9%) and AS EMEA (-3.0%)
- As a result, increased weight of European sales contribution
- Organic growth better than in HY2 2019/20, which was -14.3%
- M&A net impact insignificant, reflecting the current pandemic related priorities; includes divestment of project installation business in Norway

Third-party sales contribution and organic sales growth by segment

Segments	Third-party sales contribution		Organic sales growth	
	HY 2020/21	HY 2019/20	HY 2020/21	HY 2019/20
AS AMER	26.6%	28.9%	-10.8%	1.4%
AS APAC	15.0%	15.7%	-10.5%	-0.3%
AS DACH	21.6%	18.2%	-2.9%	0.7%
AS EMEA	23.1%	22.9%	-3.0%	1.4%
AS total	86.3%	85.7%	-5.4%	0.6%
Key & Wall Solutions	13.2%	13.8%	-9.2%	2.8%
Others	0.5%	0.5%	-10.8%	8.9%
Total	100.0%	100.0%	-6.0%	0.8%

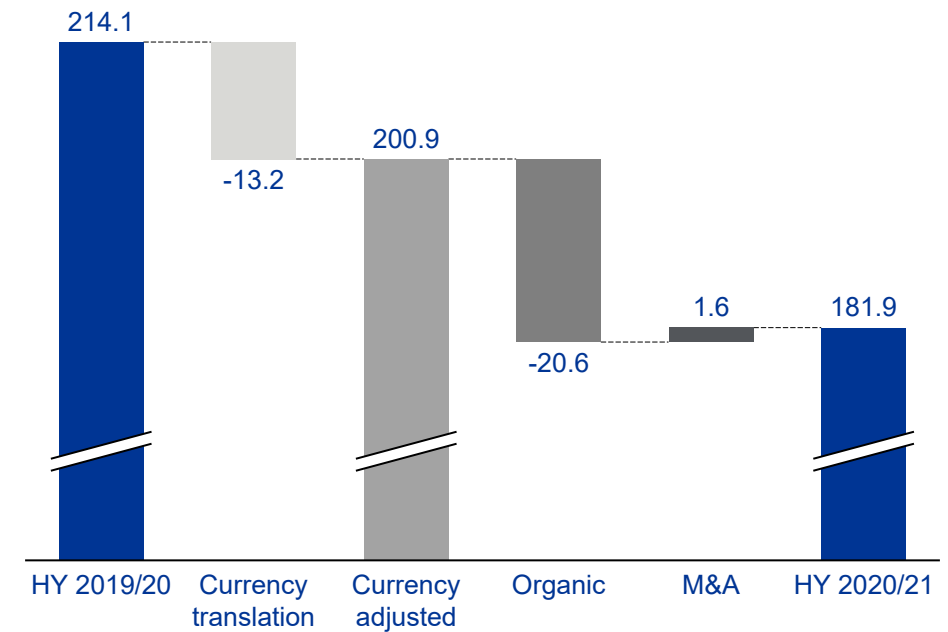


FX development against CHF (average rate)

	Dec 2020	Dec 2019	Change
EUR	1.0765	1.0961	-1.8%
USD	0.9118	0.9880	-7.7%
CAD	0.6921	0.7482	-7.5%
AUD	0.6592	0.6761	-2.5%
GBP	1.1910	1.2440	-4.3%
CNY	0.1347	0.1405	-4.1%
HKD	0.1177	0.1262	-6.7%
INR	0.0123	0.0140	-12.1%

EBITDA development

- EBITDA performance driven by Covid-19 related lower volume
- EBITDA decreased by CHF 32.2 million (-15.0%) to CHF 181.9 million; this compares with CHF 110.9 million in HY2 2019/20
- Positive non-recurring one-offs in the reporting period of CHF 6.6 million (+0.5 ppt EBITDA margin)
- EBITDA margin declined to 14.8% (PY: 15.5%); this compares with 9.6% in HY2 2019/20
- Strong performance by AS DACH, AS EMEA and KWS, which improved EBITDA margin even against PY period
- As a result, increased weight of European EBITDA contribution



EBITDA contribution and EBITDA margin development by segment

Segments	EBITDA contribution		EBITDA margin development	
	HY 2020/21	HY 2019/20	HY 2020/21	HY 2019/20
AS AMER	27.4%	34.5%	17.2%	20.9%
AS APAC	13.4%	13.9%	14.6%	15.2%
AS DACH	31.6%	27.8%	17.0%	16.9%
AS EMEA	15.1%	12.0%	9.4%	8.1%
AS total	87.5%	88.2%	17.6%	18.6%
Key & Wall Solutions	12.5%	11.8%	15.7%	15.0%
Total	100.0%	100.0%	14.8%	15.5%

Income statement (condensed)

- Net sales of CHF 1,227.5 million, which compares with CHF 1,154.1 million in HY2 2019/20
- Gross margin slightly weaker, mainly due to lower demand
- Lower S&M as well as lower G&A as a result of successful cost savings and restructuring activities to protect profitability
- Slightly higher R&D spending, leading to a higher R&D ratio (4.3% of sales); capitalized projects: CHF 4.0 million (PY: CHF 4.3 million), adjusted R&D ratio 4.6% (PY: 4.0%)
- Improved net financial expenses due to lower gross debt (average) and more favorable interest environment
- Improved income tax rate of 23.0% (PY: 24.0%) due to country profit mix as well as several smaller positive one-time impacts
- Decline of net profit by CHF 19.5 million (-16.3%) to CHF 99.9 million; this compares with CHF 44.7 million in HY2 2019/20

CHF million	HY 2020/21	%	HY 2019/20	%	Variance in %
Net sales	1,227.5	100.0	1,385.7	100.0	-11.4
Gross margin	511.9	41.7	589.0	42.5	-13.1
Other operating income, net	10.7	0.8	5.0	0.4	114.0
Sales and marketing	-198.1	-16.1	-224.3	-16.2	-11.7
General administration	-128.1	-10.4	-140.3	-10.1	-8.7
Research and development	-52.2	-4.3	-51.3	-3.7	1.8
EBIT	144.2	11.7	178.1	12.9	-19.0
Financial result, net	-14.4	-1.1	-21.0	-1.6	-31.4
Profit before taxes	129.8	10.6	157.1	11.3	-17.4
Income taxes	-29.9	-2.5	-37.7	-2.7	-20.7
Net profit	99.9	8.1	119.4	8.6	-16.3

Cash flow

- Strong cash flow as a result of crisis related “cash is king” principles
- Much higher cash generated from operations and net cash from operating activities, driven by improved working capital management in all areas
- As a result, operating cash flow margin improved significantly vs. PY from 10.0% to 15.8%
- Pandemic-related reduction of capital expenditures and de-prioritization of M&A
- Significant free cash flow available to reduce net debt

CHF million	HY 2020/21	HY 2019/20
Cash generated from operations	233.6	192.1
Net cash from operating activities	194.3	139.1
Net cash used in investing activities	-41.0	-191.8
- thereof: capital expenditure	-30.8	-50.2
- thereof: acquisition and divestment related	-7.5	-141.4
Free cash flow	153.3	-52.7
Operating cash flow margin ¹⁾	15.8%	10.0%
Free cash flow before acquisitions/ divestments	160.8	88.7

¹⁾ Net cash from operating activities / net sales

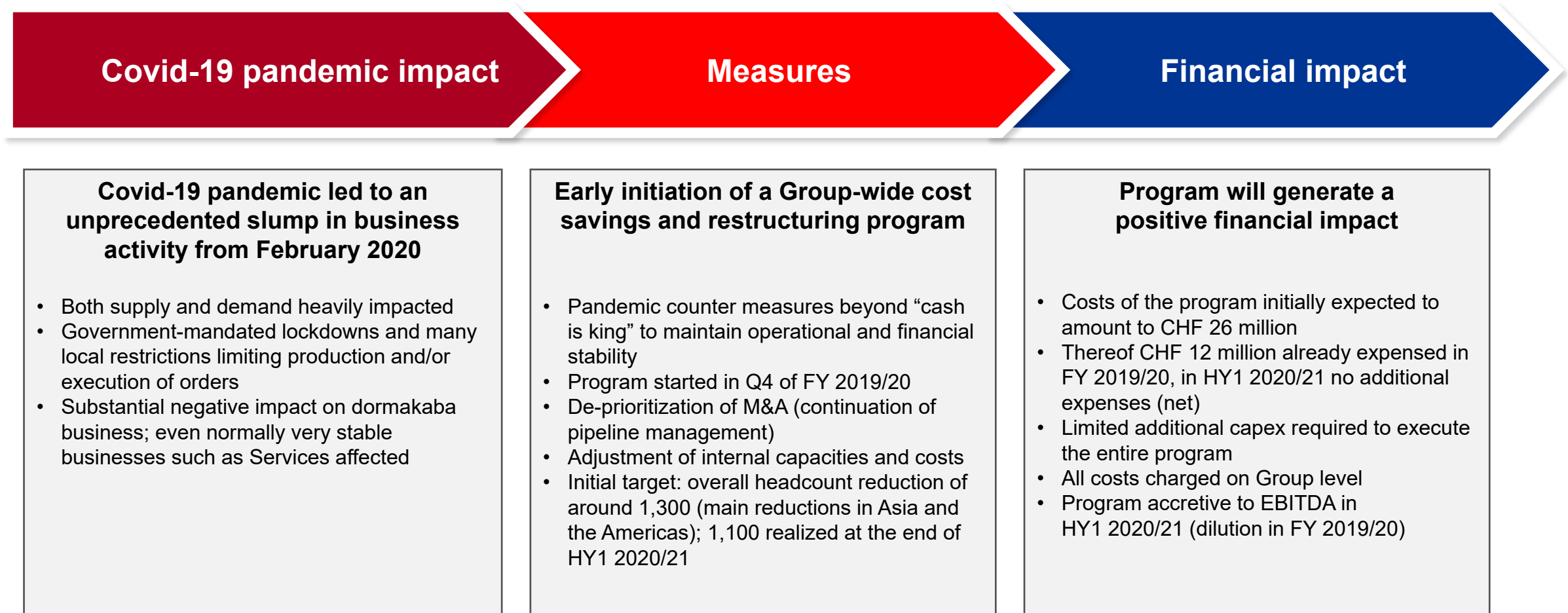
Net debt

- Significantly lower net debt by CHF 279.8 million against end of PY period and by CHF 111.4 million against end of prior FY as a result of strong operating cash flow
- Current leverage (net debt/EBITDA) at 1.5x, which represents a solid financial profile; comfortable long-term with leverage of up to 2.5x (short term even higher), however focus on deleveraging in the current crisis environment
- Update: refinancing of main credit facility
 - In November 2020, the main credit facility (CHF 500 million, due date March 2021) was renewed with a new five-year syndicated credit facility in the amount of CHF 525 million
 - Includes options for a prolongation of two additional years and for an increase of up to CHF 200 million
 - Includes incentives for the achievement of ambitious sustainability performance objectives

CHF million	HY ended 31.12.2020	FY ended 30.06.2020	HY ended 31.12.2019
Cash and cash equivalents	-138.0	-156.8	-100.2
Short-term bank loans and overdrafts	9.4	139.0	248.8
Bonds – short- and long-term	680.3	680.4	680.4
Other liabilities	4.6	5.1	7.1
Net debt	556.3	667.7	836.1
Net debt / EBITDA (leverage)	1.5x*	2.1x	2.0x*

* Calculation: Net debt / (half-year EBITDA x2)

Cost savings and restructuring program (update)



Guidance and business outlook for financial year 2020/21

Market Environment

The current business environment is still characterized by uncertainties and lack of visibility due to the Covid-19 pandemic.

The Group-wide cost savings and restructuring program launched in the previous financial year will be consistently completed and is intended to protect profitability.

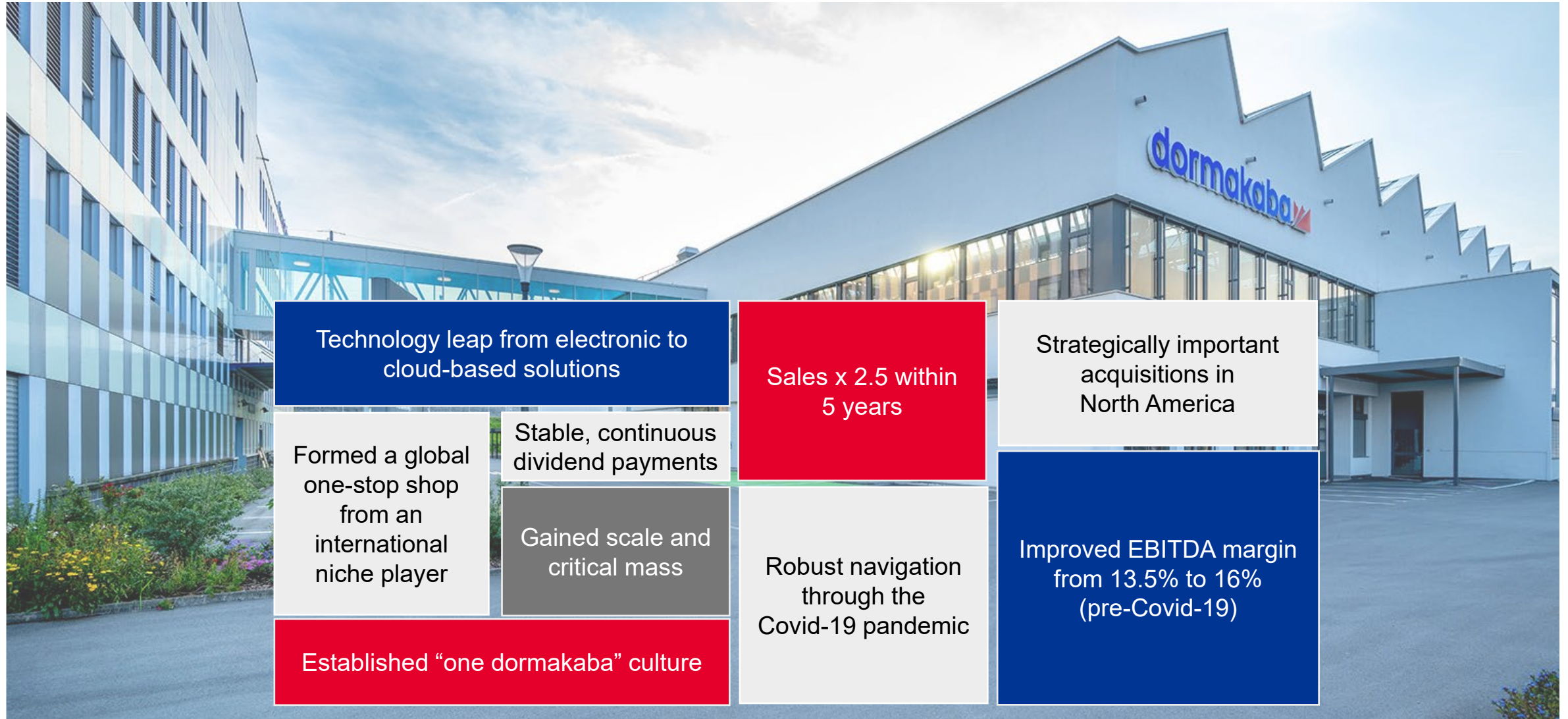
Outlook

From today's perspective the company expects positive organic sales growth for the second half of financial year 2020/21, resulting in flat year-on-year organic sales growth for the financial year 2020/21 overall. The full year EBITDA margin will likely be somewhat lower than the one for the first half of the financial year 2020/21.

Q&A



Handing over the baton as CEO to Sabrina Soussan on 1 April 2021



A photograph of a modern, multi-story glass skyscraper with a unique, angular design. The building is surrounded by a paved courtyard with several small trees planted in concrete planters. The sky is overcast with soft clouds. The text "Thank you for your attention." is overlaid in a large, blue, sans-serif font on the left side of the image.

Thank you for your attention.

If you want to find out more, visit us on our websites and channels

Half-year Report 2020/21

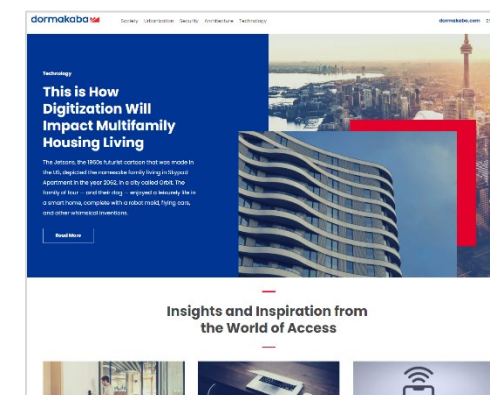
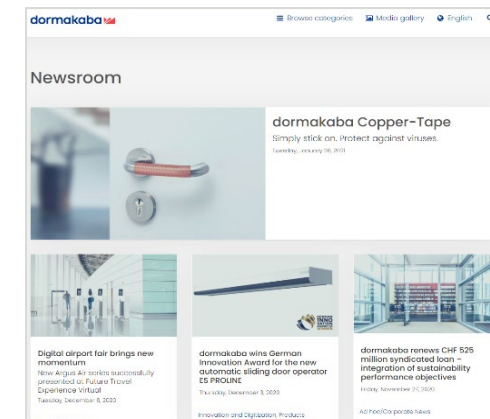
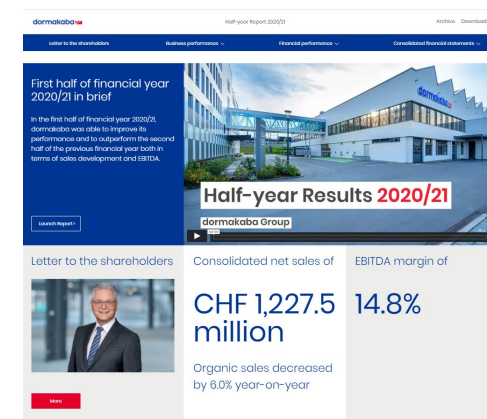
Read more about results of the first half of financial year 2020/21 of dormakaba Group on report.dormakaba.com/hyr_2020_21

dormakaba Newsroom

Find the latest news about dormakaba in our newsroom on newsroom.dormakaba.com

dormakaba blog

Latest insights and inspirations from the world of access in our blog on blog.dormakaba.com



Appendix

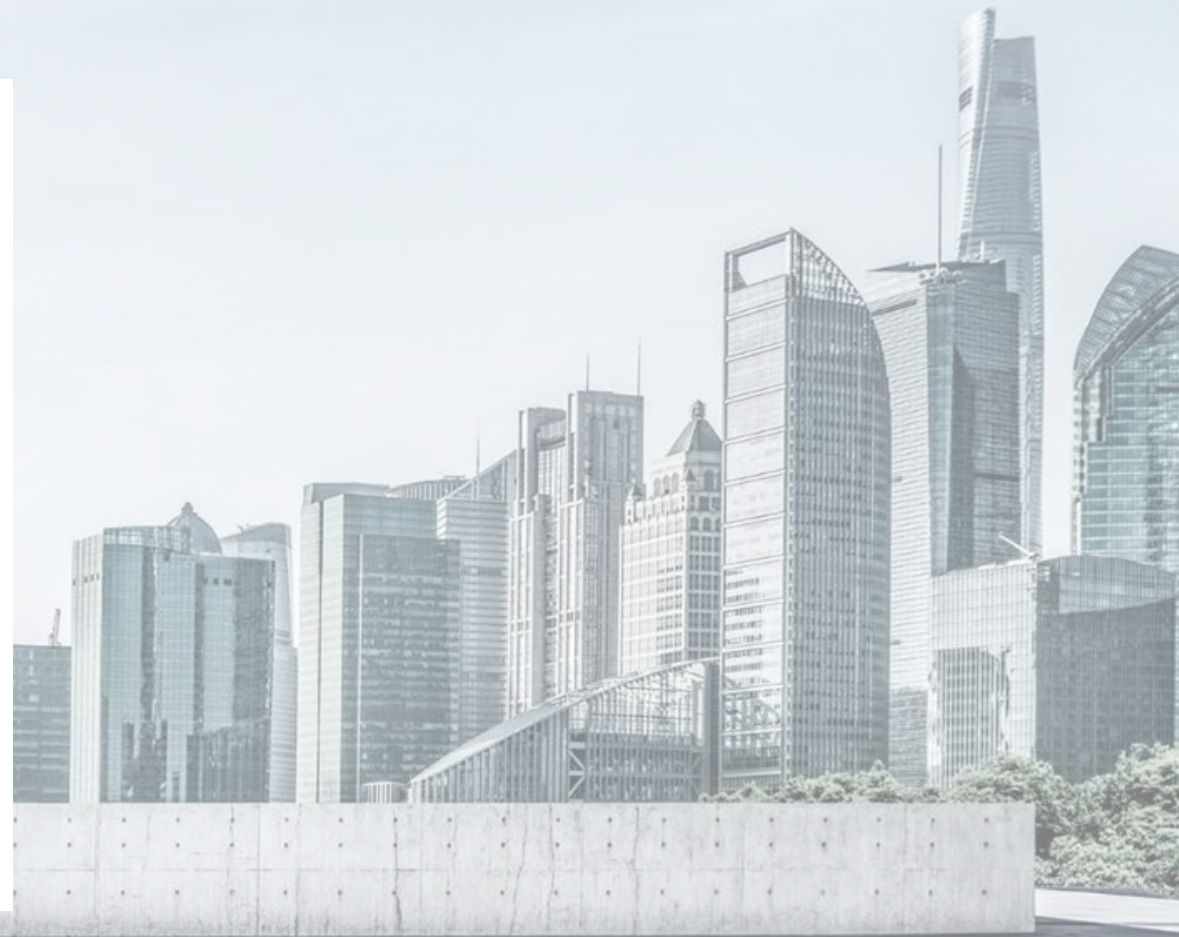
**dormakaba in a nutshell: who we are
and what we offer**

Segment split – Key & Wall Solutions

Currency exposure

Shareholder structure

“Cash is king” update



One of the Top 3 companies in our industry. Globally leading in smart and secure access solutions



> 150
years of experience



> 130
countries



~ 15,000
employees



Stock-listed
SIX Swiss Exchange
(DOKA)



CHF 2.5 billion
net sales in FY 2019/20



Sustainable
entrepreneurship

Delivering comprehensive access solutions and services worldwide



Broad product & solutions portfolio



Global sales and services presence

XEA®

Awarded product design



Preferred brands, trusted for generations



Expertise at every phase of building lifecycle



Iconic references around the globe

Growth drivers shaping our industry



Urbanization



Increasing prosperity
in emerging markets



Demographic
change



Increasing need
for security



Technology



Sustainability

Segment split – Key & Wall Solutions

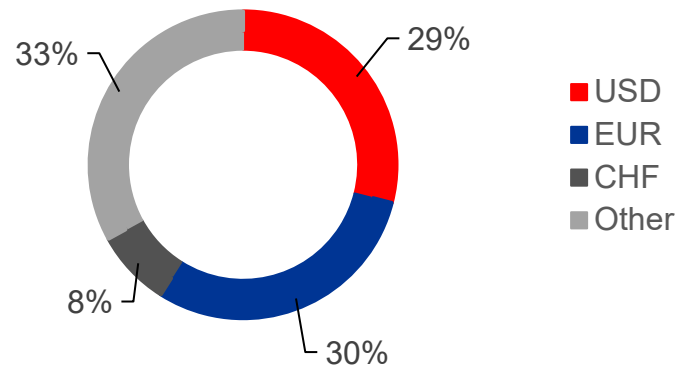
Business Units			Key Systems			Movable Walls				
CHF million	HY 2020/21	%	HY 2019/20	%	Change on previous year in %	HY 2020/21	%	HY 2019/20	%	Change on previous year in %
Net sales third parties	93.0		105.5		-11.8%	69.0		86.0		-19.8%
Intercompany sales	1.6		2.2			5.5		5.2		
Total Business Unit sales	94.6		107.7		-12.1%	74.5		91.2		-18.3%
Change in business unit sales	-13.1	-12.1	-8.1	-7.1		-16.7	-18.3	9.7	12.0	
Of which translation exchange differences	-6.4	-5.8	-2.4	-2.1		-5.1	-5.6	-1.5	-1.8	
Of which acquisition (disposal) impact	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	
Of which organic sales growth	-6.7	-6.3	-5.7	-5.0		-11.6	-12.7	11.2	13.8	
Operating profit before depreciation and amortization (EBITDA)	13.7	14.5	14.6	13.6	-6.2%	12.9	17.3	15.2	16.7	-15.1%
Average number of full-time equivalent employees	1,248		1,435			776		820		

Currency exposure

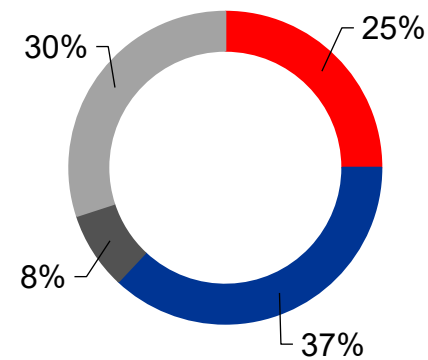
As every globally active group, dormakaba is exposed to currency risks.

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

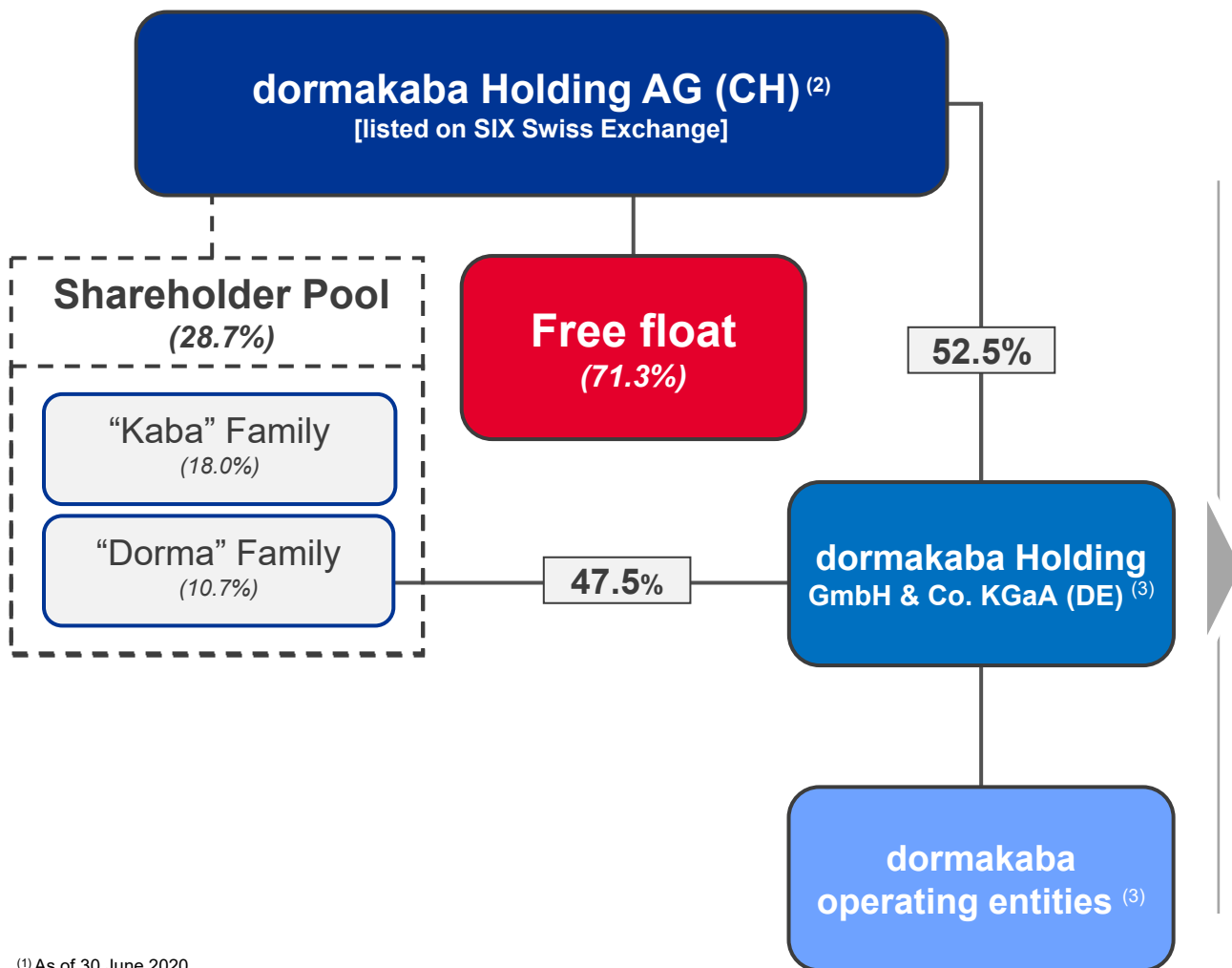
Sales per currency regions



Cost per currency regions



Shareholder structure ⁽¹⁾ – supporting sustainable development



Shareholder dormakaba Holding AG	30.06.2019	30.06.2020
Pool Shareholders ⁽⁴⁾	27.2%	28.7%
Free Float	72.8%	71.3%

- Members of the Pool Shareholder Group hold:
- An **economic interest of 62.6%** in dormakaba;
 - 28.7% 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.
- “Dorma” Family has **increased its shareholding** during FY 2019/20 from 9.2% to 10.7%.

⁽¹⁾ As of 30 June 2020

⁽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

“Cash is king” update



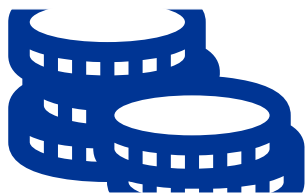
Early implementation of a comprehensive crisis management

- In March 2020, the “cash is king” principle was introduced throughout the entire organization to address the Covid-19 challenges
- Adjustment of financial management to retain entrepreneurial flexibility at all times
- Weekly steering by senior management, strong collaboration between Operations, HR, Finance, and IT



Measures (extract)

- Re-assessment and adjustment of previously approved investments and projects
- Reduction in overtime, vacation days and of temporary workers, hiring freeze, selective use of short-time work in selected countries
- De-prioritization of M&A (continuation of pipeline management)
- Daily monitoring of cash flow development by tracking of all bank accounts



Status and results as at 31 December 2020 (extract)

- Significant improvement of working capital against 31.12.2019 (pre-Covid) as well as against 30.06.2020
- Solid de-leveraging (net debt/EBITDA) to 1.5x
- Sufficient committed credit lines available (undrawn amount of more than CHF 650 million)