



Good and improved results in a demanding business environment
Financial year 2020/21 (1 July 2020 – 30 June 2021)

Sabrina Soussan, CEO; Bernd Brinker, CFO

dormakaba 

My first 100 days

Listen and focus



Good and improved business results in a demanding environment

- Organic sales growth slightly above guidance, with double-digit sales growth in HY2 and strong Q4
- Improvement of EBITDA margin in line with guidance
- Particular strong performance in European and Asian businesses
- All segments, except AS AMER, contributed to organic sales growth and higher profitability, with EBITDA margins of Key & Wall Solutions and AS EMEA already in line with respectively above pre-Covid levels
- Continued strong financial profile with leverage ratio (net debt/EBITDA) at 1.4x, providing healthy amount of financial leverage for future strategic measures
- Increase of net profit leads to higher dividend proposal

CHF 2,499.7 million

Net sales
(previous year CHF 2,539.8 million)

1.3%

Organic sales growth

CHF 353.1 million

EBITDA
(previous year CHF 325.0 million)

14.1%

EBITDA margin
(previous year 12.8%)

CHF 193.3 million

Net profit
(previous year CHF 164.1 million)

12.5%

Operating cash flow margin
(previous year 12.9%)

CHF 12.50

Dividend proposal per share
(previous year CHF 10.50 per share)

Highlights and set-backs



Strong **growth** in Asia-Pacific, despite a slow-down in several markets

Profitability: EBITDA margin of AS EMEA already above pre-Covid, of KWS at pre-Covid level

Successful transformation of AS DACH leads to **sustained improved performance**

Focus through active portfolio management: acquisitions of Solus (India) and RELBDA (Australia), divestment of Interior Glass Systems

Sustainability: First in our industry to have carbon emissions targets approved by the Science Based Target initiative.



Continued unsatisfactory performance of **Mesker** (AS AMER)

Weak US commercial construction market

Continued **Covid impact** in many countries

Increasing costs of raw materials and freight, as well as shortage of electronic components

Portfolio management – Focus on core businesses

<p>Company</p>	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>RELBDA Australia</p> </div> <div style="text-align: center;">  </div> <div style="text-align: center;">  <p>Solus India</p> </div> </div>	<p>Divestment of the interior glass business (IGS)</p>
<p>Strategic rationale</p>	<div style="display: flex; justify-content: space-around;"> <ul style="list-style-type: none"> • Drive growth in APAC • Diversify and expand position in Australian door automation and residential market (smart home) • Drive growth in Services <ul style="list-style-type: none"> • Expand in the Electronic Access & Data market in India with a strongly growing business • Leverage product and software expertise in Asia • Add new sales channels and scale in Services </div>	<ul style="list-style-type: none"> • Smallest and largely independent product cluster • Limited synergies and integration with offering of dormakaba • Better growth opportunities under new, focused ownership
<p>Financial impact</p>	<div style="display: flex; justify-content: space-around;"> <p style="text-align: center;">Accretive from day 1 on Group EBITDA margin & EPS</p> <p style="text-align: center;">Accretive from day 1 on Group EBITDA margin & EPS</p> </div>	<p style="text-align: center;">Positive</p>
<p>Acquisitions</p>		<p>Divestment</p>

A recognized brand providing dedicated solutions worldwide to verticals with strong growth potential



Iconic Awards 2021:
Four awards, 3 times "best of best"



EntriWorX – differentiation through ease of doing business and higher productivity



Facility Managers:

1 FTE Less

per building

Ecosystem Partner:

80k CHF

Cost Reduction

due to reduced number of interfaces from four to one



EntriWorX

A door made of connected, plug & play components, that are paired with solutions for...

- smart planning processes,
- simple and efficient installation procedures
- safe and effective management of a building



Architects & Planners:

20% Time Savings

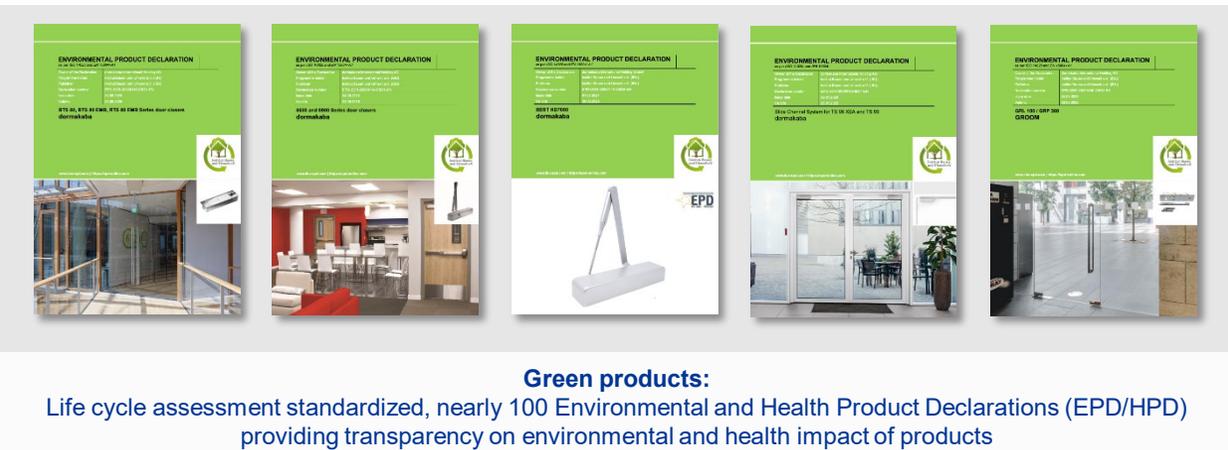
in planning



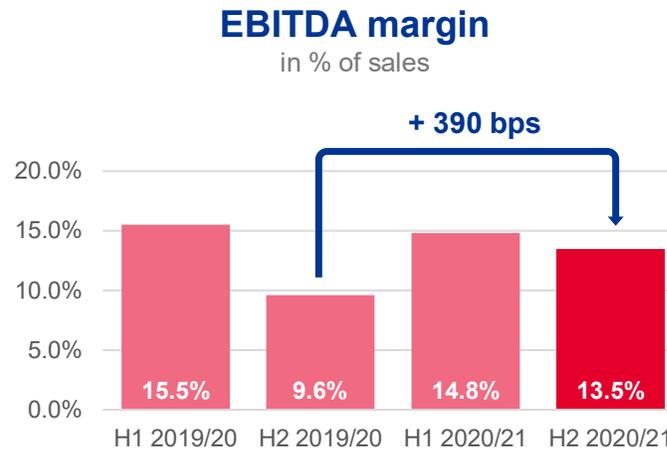
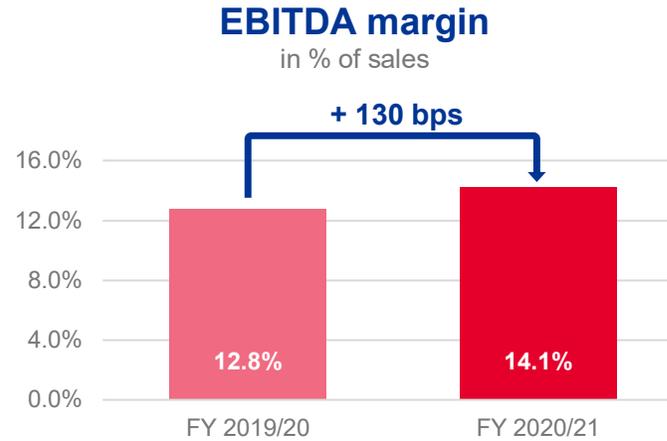
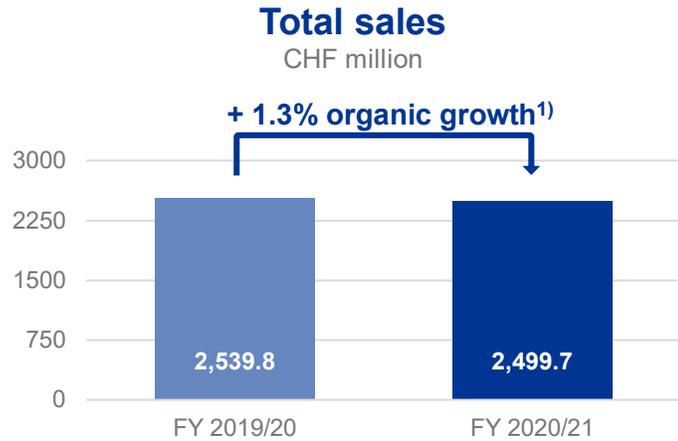
Installers:

**Almost 50% Less
Installation Time**

Sustainability progress: leading the industry's efforts to address market and societal shifts while also walking the talk in our internal operations



Good organic growth and increased profitability



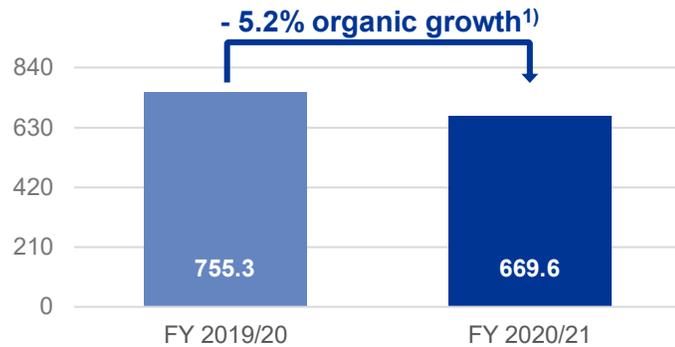
¹⁾ Excl. FX, M&A

- **Organic sales growth 1.3%** in FY 2020/21, though unevenly distributed:
HY1 20/21: -6.0%
HY2 20/21: +10.0%, supported by lower comparable base as well a sequential improvement
- **EBITDA margin +130 bps to 14.1%**
- Margin improvement due to **higher volume, sales price increases**, improvements in **operational efficiency** and effective **cost management**. All these measures more than offset raw material and freight costs inflation
- **All segments contributed** to organic growth and higher profitability except AS AMER
- **All segments to continue to increase sales prices** to compensate for higher raw material costs

Sales and profitability impacted by weak US commercial market and Mesker

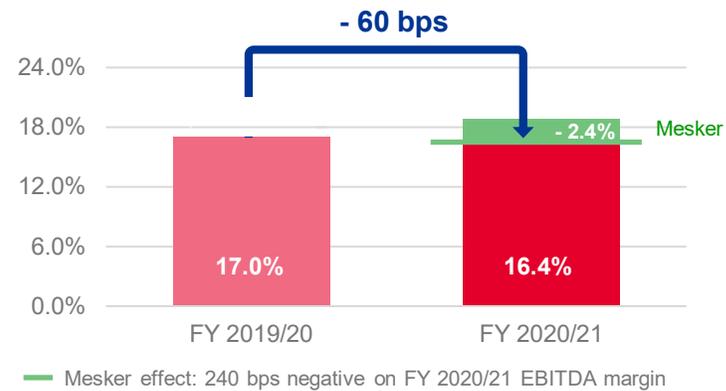
Total sales

CHF million



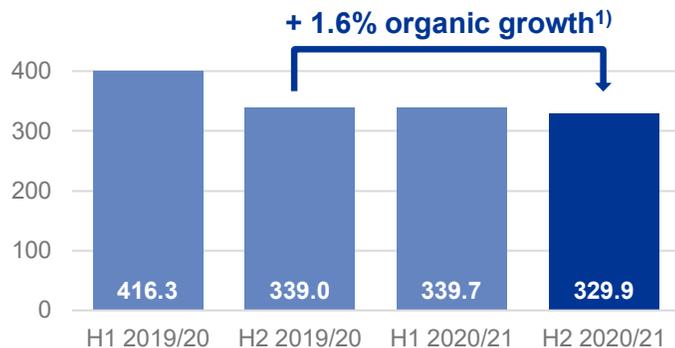
EBITDA margin

in % of sales



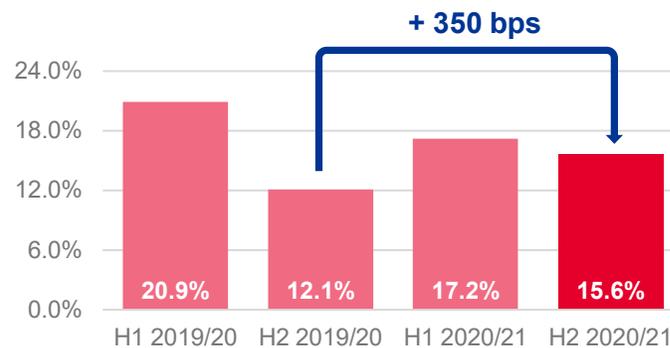
Sales development

CHF million



EBITDA margin

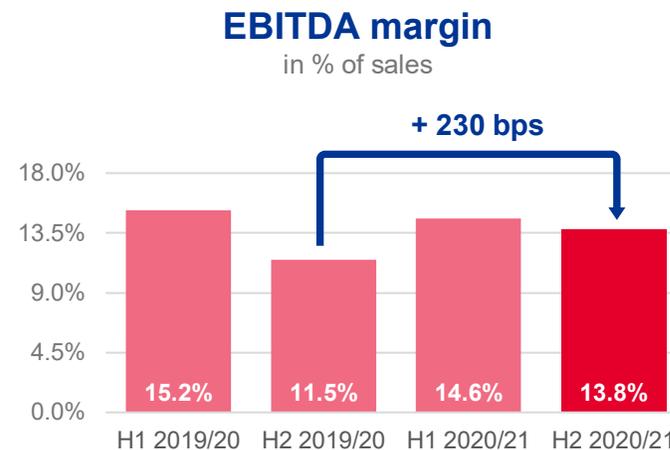
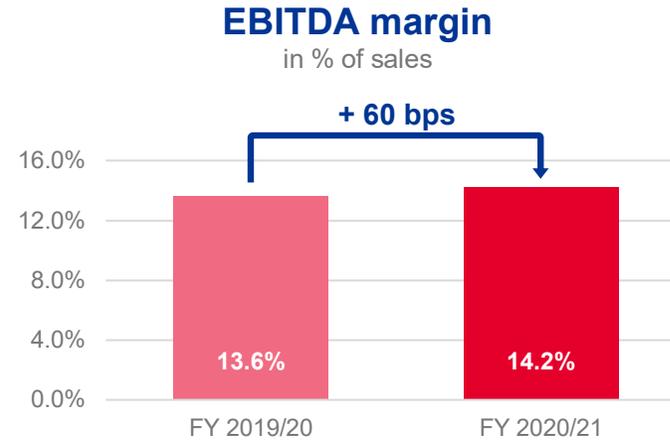
in % of sales



- **US commercial market below previous year level**, Lodging Systems sales 20% below pre-Covid levels
- **Rebound in the aftermarket business and for touchless products** (Entrance Systems). Sales in Electronic Access & Data, Safe Locks and Mechanical Key Systems above previous year. Strong performance from Alvarado
- Profitability impacted by **lower volumes, raw material and freight cost inflation** and weak performance of **Mesker**
- **Negative impact of Mesker by 240 bps on EBITDA margin**. Focus on turnaround, while evaluating strategic options
- AS AMER to **return to organic growth** in FY 2021/22, driven by a recovery of the US commercial market and operational improvement

¹⁾ Excl. FX, M&A

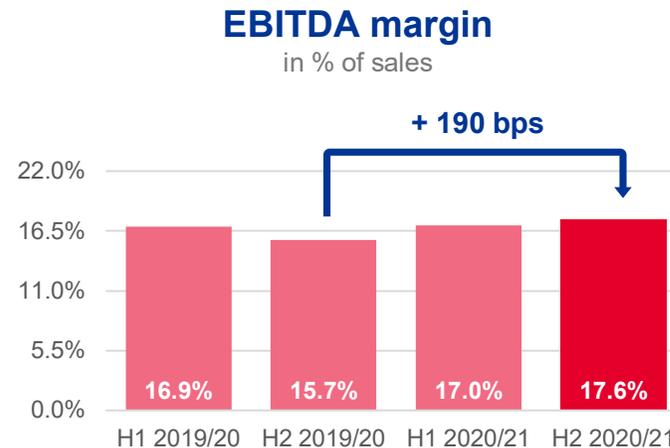
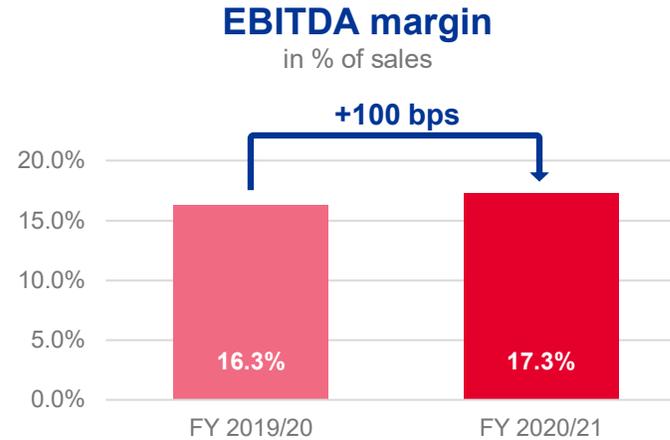
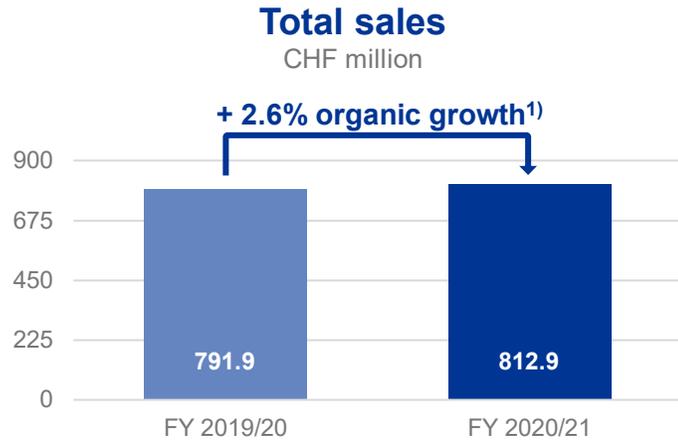
Strong sales recovery in the second half-year driven by China and India



¹⁾ Excl. FX, M&A

- Growth driven by **China and India**. Southeast Asia and Pacific impacted by Covid pandemic
- Good growth for **Services, electronic products and digital door locks** and particularly for **touchless solutions** in China
- Margin improvement driven by **higher volume, cost and efficiency improvements** offsetting a negative mix effect
- Some countries still heavily impacted by the **pandemic**, risk of further regional lockdowns in FY 2021/22
- **Positive outlook** with continued strength in China expected, supported by a good order book

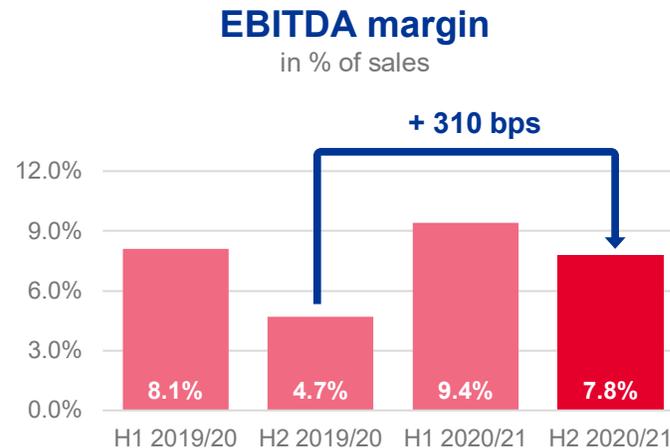
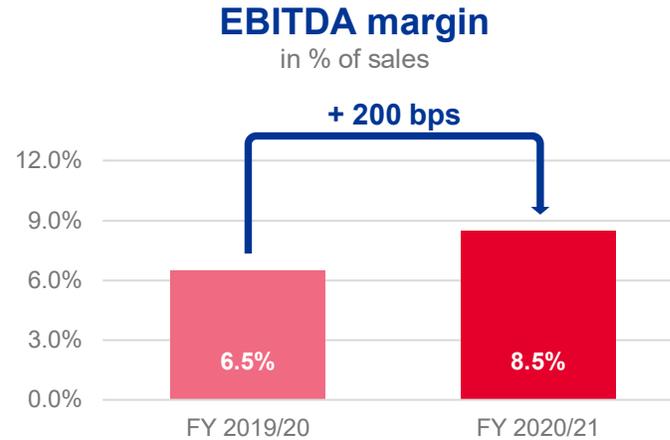
Increase in EBITDA margin and good growth in third-party sales



- Third-party sales (Germany, Switzerland, Austria) **increased by 6.3%** in FY 2020/21, intercompany sales improved during the year
- Sales growth driven by **Entrance Systems, Services, and Electronic Access & Data**, which is expected to continue
- Margin improvement due to **higher volume, positive mix effect, effective cost management and efficiency improvements**
- **Continued organic growth expected**, supported by a good order book

¹⁾ Excl. FX, M&A

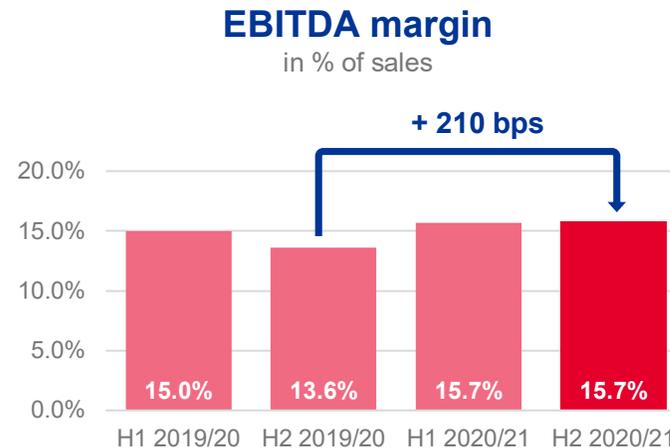
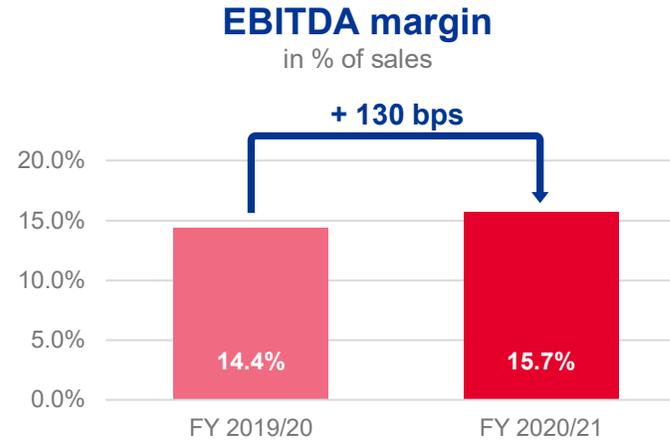
Strong recovery, good growth, EBITDA margin above pre-Covid level



¹⁾ Excl. FX, M&A

- **All major regions contributed to growth**, except for MEA
- Sales growth driven by **strong double-digit growth for Electronic Access & Data**, most other Product Clusters experienced good growth as well, Lodging Systems posts double-digit decline
- Increased profitability driven by a **positive volume and mix effect** as well as improved **operational efficiency**
- **Successful turnaround of the Norwegian business** supported by the divestment of its project installation business in August 2020
- **Continued organic growth expected**, supported by a good order book

EBITDA margin improvement to pre-Covid levels, strong sales recovery in HY2



¹⁾ Excl. FX, M&A

- Business Unit Key Systems:**
 Strong recovery in HY2 with 35.6% growth, rebound in all regions, most pronounced Europe, Latin America, and India. Growth supported by successful product launches
- Business Unit Movable Walls:**
 Sales below previous year due to project delays and a base effect; margin at record high
- Margin improvement due to **higher volume, operational improvements and strict cost management**
- Continued organic growth expected,** supported by a good order book

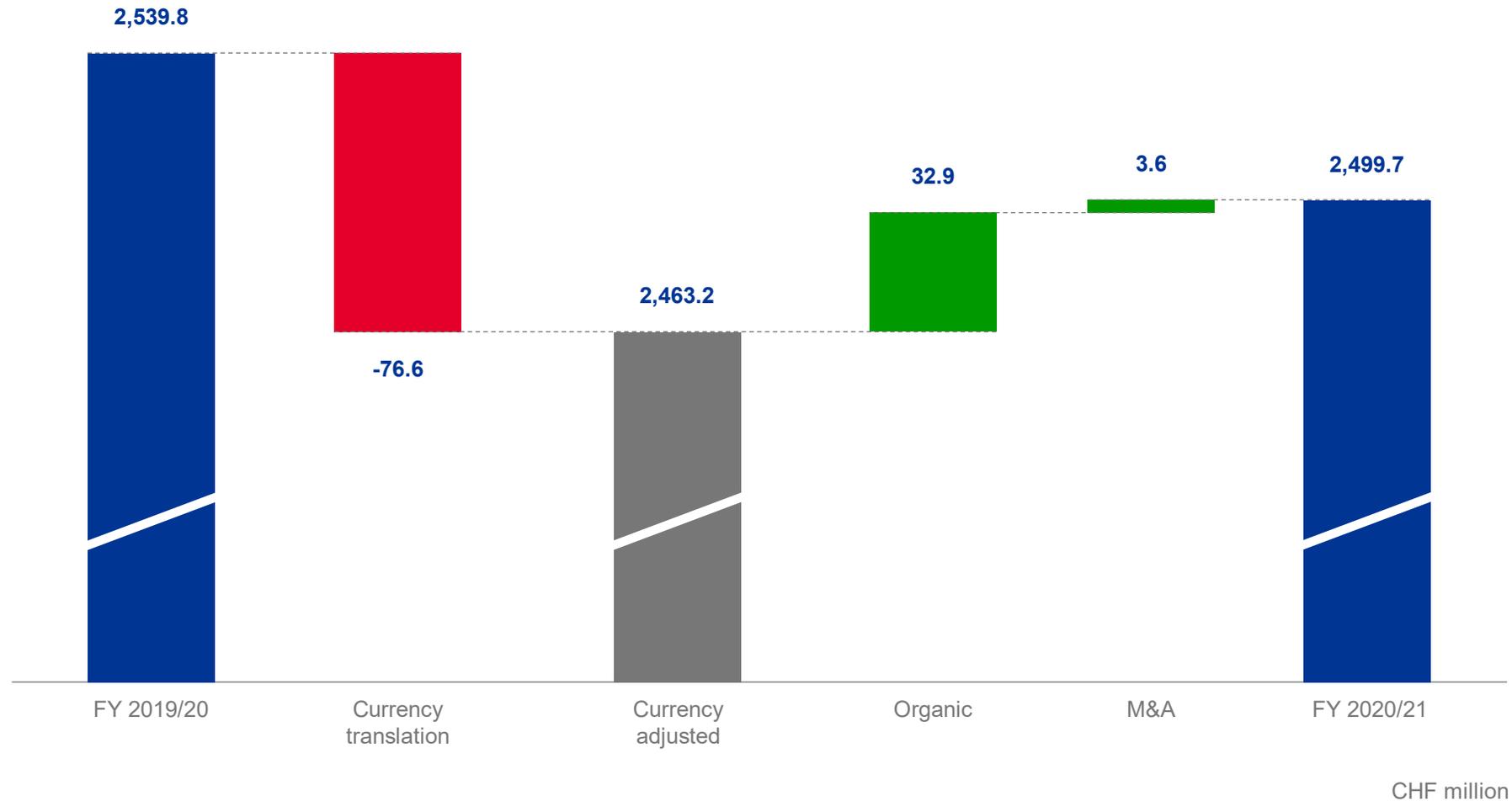
Key figures

CHF million (except where indicated)	FY 2020/21	FY 2019/20	Variance
Net sales	2,499.7	2,539.8	-1.6%
- thereof: organic sales growth	1.3%	-6.9%	
- thereof: acquisition sales growth	0.1%	0.7%	
- thereof: currency effect on sales	-3.0%	-3.7%	
EBITDA	353.1	325.0	8.6%
EBITDA margin	14.1%	12.8%	1.3 ppt
Profit before taxes	249.6	211.2	18.2%
Net profit	193.3	164.1	17.8%
Net profit after minorities	100.8	84.6	19.1%
Earnings per share (diluted – in CHF)	24.10	20.30	
Dividend per share (in CHF)	12.50 ¹⁾	10.50	

- Organic growth of 1.3%, better than guidance
- EBITDA margin of 14.1%, in line with guidance
- Net profit significantly higher (+17.8%) due to improved operating profit and financial result

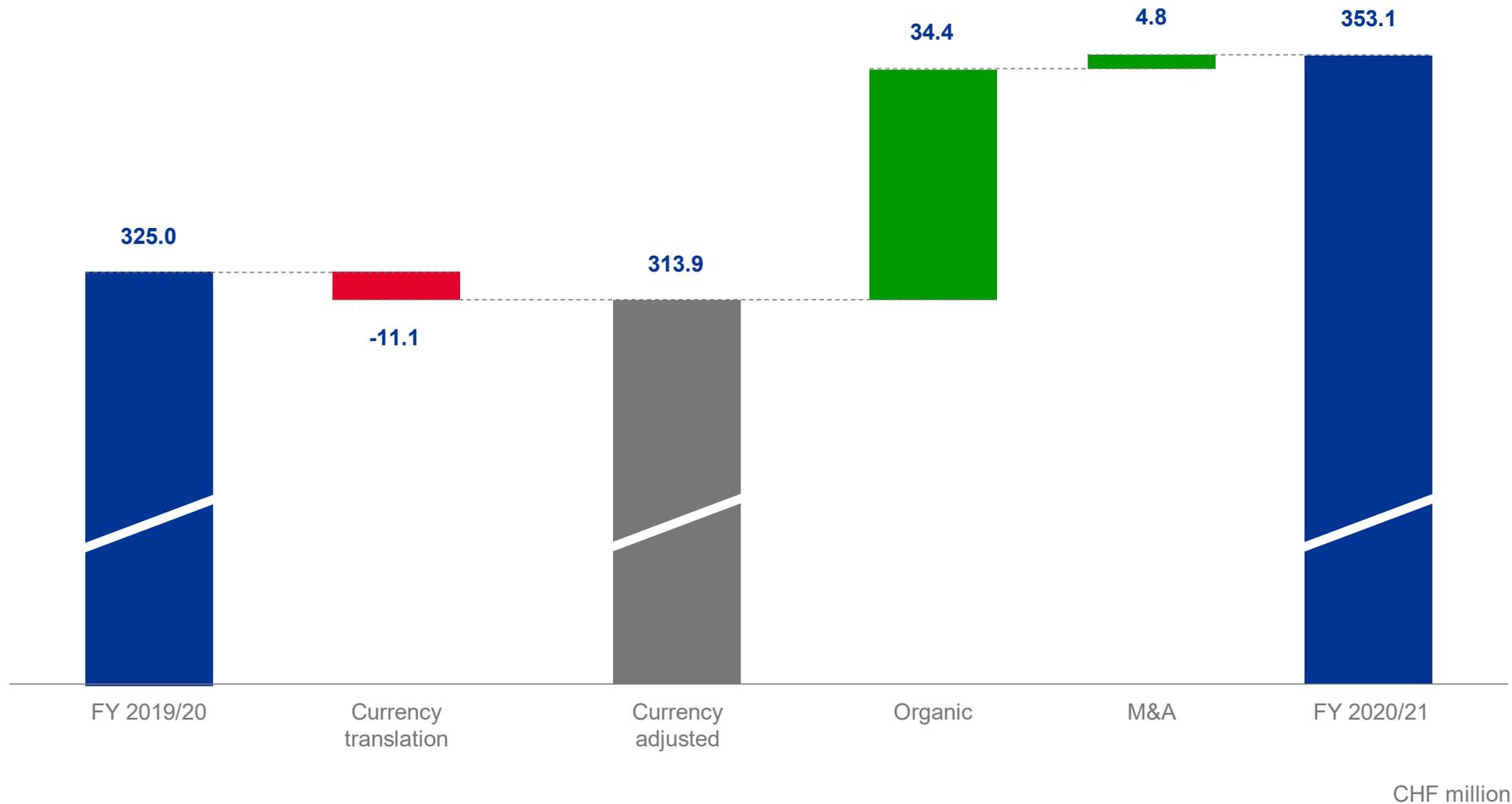
¹⁾ In 2020/21: proposal to the Annual General Meeting

Sales development



- **Organic sales growth** of 1.3%, driven by a strong HY2 (+10.0%) with a **strong Q4**
- Negative currency translation (-3.0%)
- Limited contribution (net) from M&A due to low activity as well as divestments and acquisitions

EBITDA development



- Higher EBITDA due to volume and sales prices, improvements in operational efficiency and cost management, overcompensating raw material and freight cost inflation
- Attractive contribution from M&A
- **EBITDA margin:**
 - FY 2020/21 = 14.1%
 - HY1 2020/21 = 14.8%
 - HY2 2020/21 = 13.5%
- **Adjusted EBITDA margin** (adjusted for exceptional items affecting comparability):
 - FY 2020/21 = 14.2%
 - HY1 2020/21 = 14.1%
 - HY2 2020/21 = 14.3%

Income statement (condensed)

CHF million	FY 2020/21	%	FY 2019/20	%	Variance in %
Net sales	2,499.7	100.0	2,539.8	100.0	-1.6
Gross margin	1,043.8	41.8	1,042.8	41.1	0.1
Other operating income, net	17.0	0.7	11.3	0.4	50.4
Sales and marketing	-404.7	-16.2	-428.7	-16.9	-5.6
General administration	-272.3	-10.9	-269.7	-10.6	1.0
Research and development	-109.5	-4.4	-102.5	-4.0	6.8
EBIT	274.3	11.0	253.2	10.0	8.3
Financial result, net	-24.7	-1.0	-42.0	-1.6	-41.2
Profit before taxes	249.6	10.0	211.2	8.4	18.2
Income taxes	-56.3	-2.3	-47.1	-1.9	19.5
Net profit	193.3	7.7	164.1	6.5	17.8

- Higher gross margin due to volume growth, sales price increases, improvements in operational efficiency and effective cost management
- Higher R&D spending
- Improved net financial result due to more favorable interest rate environment and lower net debt
- Significantly higher net profit due to increased operational performance and better net financial result

Cash flow

CHF million	FY 2020/21	FY 2019/20
Cash generated from operations	384.5	407.9
Net cash from operating activities	313.5	328.1
Net cash used in investing activities	-95.5	-232.4
- thereof: capital expenditure	-76.1	-94.9
- thereof: acquisition and divestment related	-21.5	-147.2
Free cash flow	218.0	95.7
Operating cash flow margin ¹⁾	12.5%	12.9%
Free cash flow before acquisitions/divestments	239.5	242.9

- Cash flow remained strong due to Covid-19 related “cash is king” principles
- Volume growth required investments into business with a stronger emphasis on HY2 2020/21
- Investments in PP&E and M&A still at a low level, but increasing trend towards the end of FY 2020/21
- Significant free cash flow available to reduce net debt

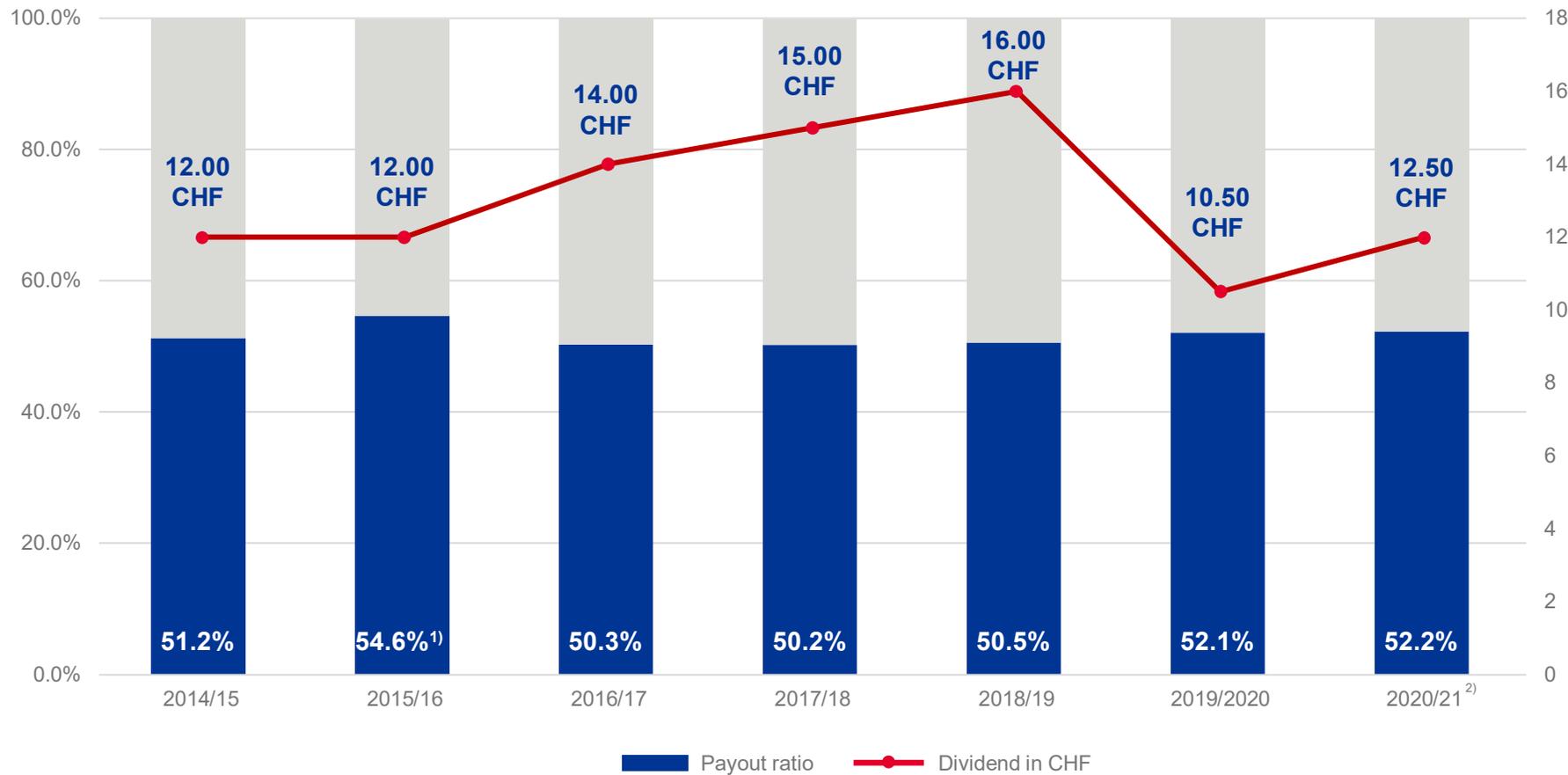
¹⁾ Net cash from operating activities / net sales

Net debt

CHF million	FY ended 30.06.2021	FY ended 30.06.2020
Cash and cash equivalents	-169.1	-156.8
Short term debt	9.9	139.0
Bond	660.3	680.4
Other long term debt	7.7	5.1
Net debt	508.8	667.7
Net debt / EBITDA (leverage)	1.4x	2.1x

- Almost CHF 160 million lower net debt as a result of strong operating cash flow and low level of investments
- Leverage (net debt/EBITDA) at 1.4x, which offers flexibility for future strategic measures
- Comfortable long-term with leverage of up to 2.5x (short term even higher)

Dividend proposal



Dividend policy: Envisaged pay-out ratio of minimum of 50% of consolidated net profit after minority interests

Consolidated net profit after minority interests for FY 2020/21 = CHF 100.8 million

Proposed dividend payout
 CHF 12.50 per share
 (total CHF 52.6 million)
 → pay-out ratio = 52.2%

Distribution of an equal share from the reserves from capital contributions (balance today: CHF 71.6 million) and from statutory retained earnings (balance today: CHF 464.0 million)

¹⁾ FY 2015/16: Adjusted for merger-related integration costs, "extraordinary result"
²⁾ FY 2020/21: Dividend proposal, pay-out ratio calculation is based on the total number of shares as at 30 June 2021. The effective ratio depends on the number of shares entitled to dividend as at 13 October 2021.

Guidance and business outlook for financial year 2021/22

Basis for Outlook

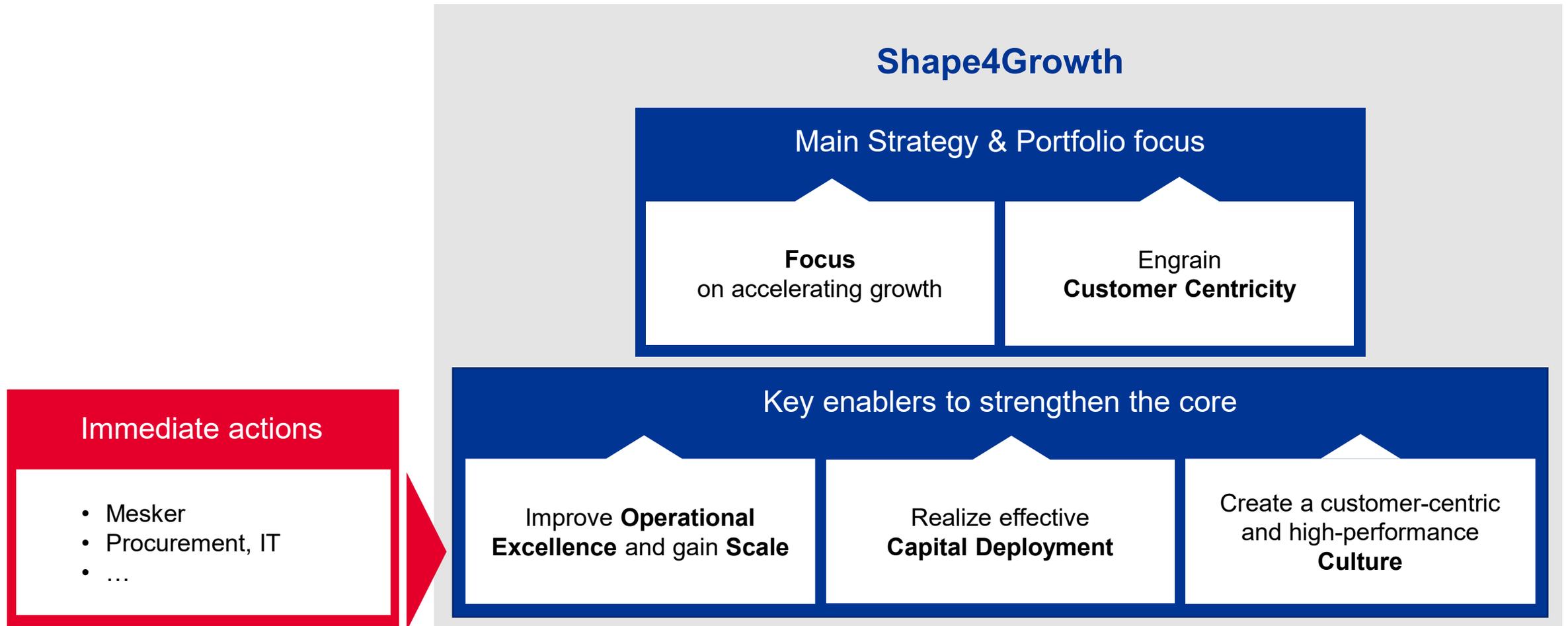
The coming months may well see a high level of uncertainty and volatility, including continued negative effects associated with Covid-19. This may include selective regional restrictions and lockdowns, increasing shipping costs, shortages of electronic components, and raw material price inflation. Further factors may be geopolitical such as trade conflicts.

Outlook for 2021/22

As part of its financial reporting going forward, the company has decided to introduce an adjusted EBITDA margin, which reflects the underlying financial performance before exceptional items affecting comparability.

The company is currently expecting moderate 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 financial year 2020/21: 14.2%).

Shape4growth: focus on accelerating profitable growth





Q&A



Thank you for your attention.

IR Agenda 2021/22

- UBS, Best of Switzerland Virtual Conference 14 September 2021
- Baader Helvea, Investment Conference 2021, Munich & Virtual 20 September 2021
- Annual General Meeting 12 October 2021
- Capital Market Day 15 November 2021
- Credit Suisse, Swiss EQ Mid-Cap Conference, Zurich 16 November 2021
- Oddo BHF Forum 11 January 2022
- Publication and presentation of HY results 2021/22 02 March 2022

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

Annual Report 2020/21

Read more about the financial results 2020/21 of dormakaba Group on report.dormakaba.com/2020_21.

Sustainability Report 2020/21

Visit report.dormakaba.com/2020_21/sustainability to find out what we have achieved in sustainability during financial year 2020/21.

dormakaba Newsroom

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

dormakaba blog

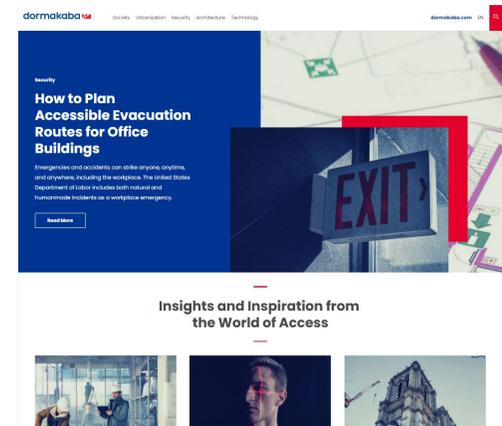
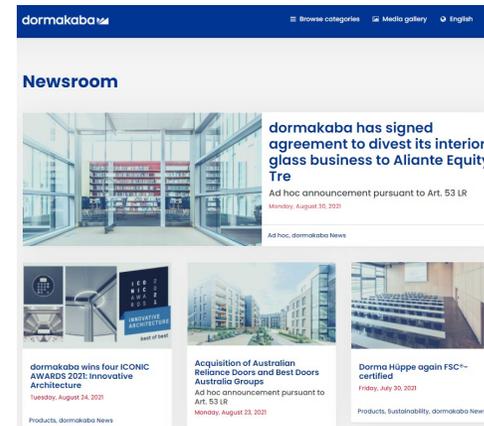
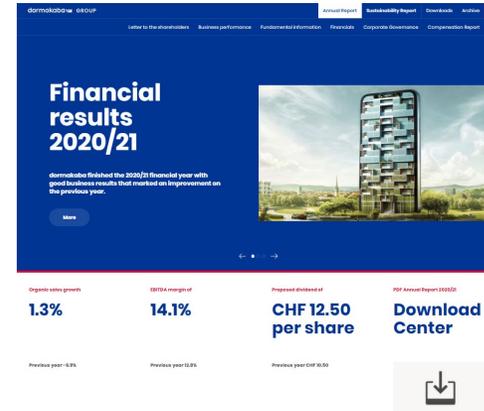
Latest insights and inspirations from the world of access in our blog on blog.dormakaba.com.



[Sabrina Soussan on LinkedIn](#)



[Bernd Brinker on LinkedIn](#)



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This communication contains certain forward-looking statements including, but not limited to, those using the words “believes”, “assumes”, “expects” or formulations of a similar kind. Such forward-looking statements reflect the current judgement of the company, involve risks and uncertainties and are made on the basis of assumptions and expectations that the company believes to be reasonable at this time but may prove to be erroneous. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks, uncertainties and other factors outside of the company's and the Group's control which could lead to substantial differences between the actual future results, the financial situation, the development or performance of the company or the Group and those either expressed or implied by such statements. Except as required by applicable law or regulation, the company accepts no obligation to continue to report, update or otherwise review such forward-looking statements or adjust them to new information, or future events or developments.

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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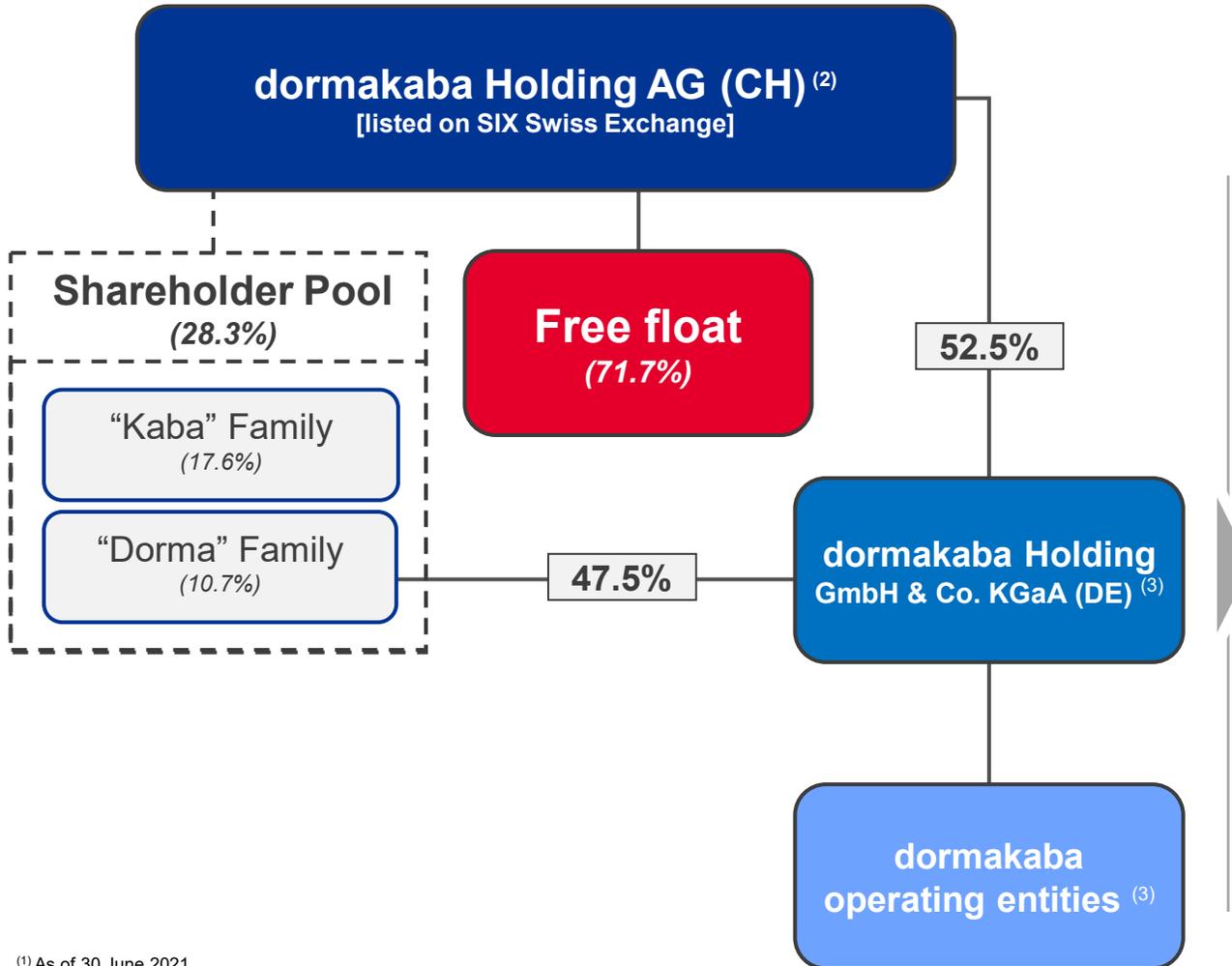
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dormakaba 

Segment Split – Key & Wall Solutions

Business Units	Key Systems					Movable Walls					
	CHF million	FY 2020/21	%	FY 2019/20	%	Change on previous year in %	FY 2020/21	%	FY 2019/20	%	Change on previous year in %
Net sales third parties		194.2		180.4		7.6%	135.6		159.8		-15.1%
Intercompany sales		3.2		3.5			11.9		7.7		
Total business unit sales		197.4		183.9		7.4%	147.5		167.5		-11.9%
Change in business unit sales		13.5	7.4	-49.4	-21.2		-20.0	-11.9	-1.1	-0.7	
Of which translation exchange differences		-6.9	-3.7	-8.9	-3.8		-5.7	-3.4	-5.7	-3.4	
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		20.4	11.1	-40.5	-17.4		-14.3	-8.5	4.6	2.7	
Operating profit before depreciation and amortization (EBITDA)		29.5	14.9	22.9	12.5	28.8%	24.7	16.7	27.6	16.5	-10.5%
Average number of full-time equivalent employees		1'238		1,387			763		801		

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

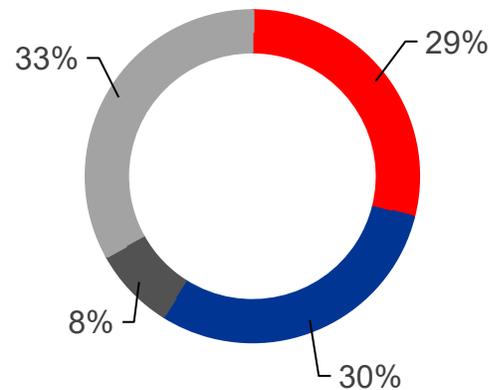
⁽¹⁾ As of 30 June 2021
⁽²⁾ Strategic, financial and operational decisions are made at level of listed holding entity
⁽³⁾ Execution of M&A as well as financing take place at level of dormakaba Holding GmbH + Co. KGaA (intermediate holding entity) and below
⁽⁴⁾ Based on a pool agreement dated 29.04.2015

Currency exposure

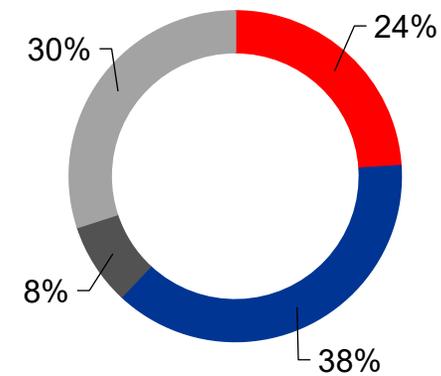
As every globally active group, dormakaba is exposed to currency risks.

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



- USD
- EUR
- CHF
- Other