

## First half of financial year 2020/21: Significant improvement over second half-year 2019/20 and strong cash flow

- Consolidated net sales of CHF 1,227.5 million (previous year CHF 1,385.7 million); however, compared with second half of 2019/20 financial year net sales increased 6.4%
- Organic sales down 6.0% on previous year; significant improvement of 8.3 percentage points on second half of 2019/20 financial year
- EBITDA of CHF 181.9 million; EBITDA margin of 14.8% (previous year CHF 214.1 million and 15.5%)
- Consolidated net profit of CHF 99.9 million (previous year CHF 119.4 million)
- Strong increase in operating cash flow margin to 15.8% (previous year: 10.0%)
- Significant reduction of net debt to CHF 556.3 million (previous year CHF 836.1 million)
- “Cash is king”: strong focus on cash flow and cost savings and restructuring program continues to pay off
- Outlook for financial year 2020/21: flat overall organic sales growth compared with previous year expected, along with a somewhat lower EBITDA margin compared with first half-year 2020/21

Rümlang, 3 March 2021 – dormakaba was able to improve its financial results in the first half of the 2020/21 financial year and outperformed the second half of the 2019/20 financial year both in terms of sales growth and EBITDA. All segments made a positive contribution to this performance. However, compared to the previous year sales were down 11.4%, with a significant part of the decline due to the negative currency translation effect (-5.5%) created by the continued strength of the Swiss franc.

Riet Cadonau, Chairman and CEO: “Our business continued to feel the negative influences of the Covid-19 pandemic. Our strong focus on cash flow and cost savings in connection with the restructuring program, launched in spring 2020, has paid off: despite the pandemic’s ongoing negative impact on sales, we were able to protect our EBITDA margin and improve cash flow – even though we continued to invest significantly in R&D and the digitization of the company.”

Overall, markets saw good sequential improvement over the course of the period under review, though the picture varied from country to country. There continued to be a high correlation with the severity of the pandemic and with the related government measures and restrictions. In some cases, results already returned to or even exceeded the level achieved before the outbreak of the pandemic.

**Net sales**

dormakaba achieved consolidated net sales of CHF 1,227.5 million for the first half of the 2020/21 financial year (previous year CHF 1,385.7 million). This corresponds to a decline of 11.4% compared with the previous year. Organic sales were 6.0% down year-on-year, however compared with the second half of the 2019/20 financial year they showed a significant improvement of 8.3 percentage points. Negative currency effects caused by the continued strength of the Swiss franc against major currencies had a negative impact of 5.5%, or CHF 76.2 million, on sales.

**Profitability and net profit**

Group EBITDA amounted to CHF 181.9 million (previous year CHF 214.1 million) and the EBITDA margin stood at 14.8% (previous year 15.5%). Profitability at the EBITDA level was significantly better than in the second half of the 2019/20 financial year (CHF 110.9 million, 9.6%). EBITDA was pulled down by negative currency translation effects amounting to CHF 13.2 million (previous year CHF -3.9 million). Meanwhile, exceptional one-time items during the period under review had a positive impact of 0.5 percentage points on the EBITDA margin.

dormakaba launched a Group-wide cost-savings and restructuring program in the fourth quarter of the 2019/20 financial year (April to June 2020) to reduce the negative effects of the pandemic on its business activities, as well as to maintain operational efficiency and financial stability. The measures included a target to reduce of up to 1,300 full-time equivalents – mainly in manufacturing in Asia and America – due to lower demand. Most of these measures, including a reduction of around 1,100 full-time equivalents, were already executed by 31 December 2020. As some parts of the business are recovering faster than expected when the restructuring program was first defined, dormakaba has started to selectively build up its workforce in certain areas.

Profit before taxes for the period under review came to CHF 129.8 million (previous year CHF 157.1 million), while consolidated net profit stood at CHF 99.9 million (previous year CHF 119.4 million).

**Cash flow and balance sheet**

Net cash from operating activities reached CHF 194.3 million in the first half of financial year 2020/21 (previous year CHF 139.1 million), giving an operating cash flow margin of 15.8% (previous year 10.0%). This positive development can be attributed to the early measures taken during the pandemic in spring 2020, which were based on the “cash is king” principle. These led to a strong reduction in the company’s net debt to CHF 556.3 million (previous year CHF 836.1 million). In addition, dormakaba secured a new five-year CHF 525 million syndicated credit facility during the period under review with favorable and improved terms and conditions. This is a strong indicator of the company’s financial flexibility and stability. The loan agreement includes interest rate-relevant sustainability objectives reinforcing dormakaba’s strategic goals and its commitment to fulfilling important ESG criteria.

As at 31 December 2020, equity came to CHF 175.6 million (30.12.2019: CHF 110.4 million).

**Segment performances**

During the period under review, all segments reported a sequential improvement in business compared with the second half of the 2019/20 financial year.

*Access Solutions AMER (North and South America)*

The AS AMER segment generated sales of CHF 339.7 million in the first half of financial year 2020/21. Organic sales were down 10.8% compared to the previous year owing to the ongoing pandemic. The EBITDA margin was 17.2% (previous year 20.9%).

#### *Access Solutions APAC (Asia Pacific)*

AS APAC achieved total sales of CHF 195.0 million, representing a year-on-year organic decline in sales of 10.5%. Its EBITDA margin was 14.6% (previous year 15.2%).

#### *Access Solutions DACH (Germany, Austria, Switzerland)*

Germany, Austria and Switzerland posted organic third-party sales growth of more than 6.0% compared to the same period of previous year. As was already evident in the second half of the 2019/20 financial year, the segment's production sites - particularly in Asia – suffered a sharp drop in global internal demand owing to the pandemic. This led to an organic decline in sales of 2.9%, resulting in an overall sales figure of CHF 396.2 million. The EBITDA margin improved to 17.0% (previous year 16.9%).

#### *Access Solutions EMEA (Europe, Middle East and Africa)*

Organic sales at AS EMEA declined by 3.0% year-on-year to CHF 342.9 million despite growth in countries including the Netherlands, Norway and Denmark. The EBITDA margin improved to 9.4% (previous year 8.1%).

#### *Key & Wall Solutions*

The Key & Wall Solutions segment generated total sales of CHF 169.1 million during the period under review, representing an organic decline in sales of 9.2% compared with the previous year. The EBITDA margin went up to 15.7% (previous year 15.0%).

### **Outlook**

The current business environment is still characterized by uncertainties and lack of visibility due to the Covid-19 pandemic. Short-term postponements or delays may occur on the sales side, while on the procurement side raw material costs have risen. However, dormakaba anticipates 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 overall. The EBITDA margin for financial year 2020/21 as a whole will likely be somewhat lower than the one for the first half of the financial year. The Group-wide cost savings and restructuring program launched in the previous financial year will be consistently completed and is intended to protect profitability.

### **dormakaba Group key figures**

CHF million	Half-year ended 31.12.2020	%	Half-year ended 31.12.2019	%
Net sales	1,227.5	100.0	1,385.7	100.0
Operating profit before depreciation and amortization (EBITDA)	181.9	14.8	214.1	15.5
Profit before taxes	129.8	10.6	157.1	11.3
Net profit	99.9	8.1	119.4	8.6

dormakaba Holding AG's comprehensive half-year report 2020/21 can be found at [report.dormakaba.com](https://report.dormakaba.com) and the analysts' presentation at [go.dormakaba.com/publications](https://go.dormakaba.com/publications).

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**dormakaba Group**

dormakaba makes access in life smart and secure. As one of the top three companies in the industry, dormakaba is the trusted partner for products, solutions and services for access to buildings and rooms from a single source. With strong brands such as Dorma, Kaba and Best in its portfolio, the company and its numerous cooperation partners are represented in over 130 countries worldwide.

dormakaba is listed at the SIX Swiss exchange, is headquartered in Rümlang (Zurich/Switzerland) and generated a turnover of over CHF 2.5 billion with more than 15,000 employees in financial year 2019/20.

SIX Swiss Exchange: DOKA

Further information about dormakaba Group on [www.dormakaba.com](http://www.dormakaba.com)

Insights and inspiration from the world of access on <https://blog.dormakaba.com>

News on financials, products and innovations of dormakaba Group on <https://newsroom.dormakaba.com>

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- changes in the operating expenses,
- currency and raw material price fluctuations,
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- political risks in countries where the company operates,
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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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