

**Ad hoc announcement pursuant to Art. 53 LR**

## 2020/21 financial year: Good and improved business results in a demanding environment

- Consolidated net sales of CHF 2,499.7 million (previous year CHF 2,539.8 million)
- Organic sales growth of 1.3% with a strong second half-year (10.0%)
- EBITDA reaches CHF 353.1 million (previous year CHF 325.0 million), with an improved EBITDA margin of 14.1% (previous year 12.8%)
- Continued strong operating cash flow margin of 12.5% (previous year 12.9%)
- Strong balance sheet; reduced net debt and higher equity ratio
- Progress in sustainability: emissions reduction targets approved by Science Based Targets initiative
- Dividend of CHF 12.50 per share proposed (previous year CHF 10.50) due to improved net profit
- Annual General Meeting 2021: Thomas Aebischer proposed for election as independent member of the Board of Directors

Rümlang, 1 September 2021 – dormakaba finished the 2020/21 financial year with good business results that marked an improvement on the previous year. The company's performance continued to be impacted by the influences surrounding Covid-19, especially in the first half-year. While organic sales in the first six months were still down at -6.0%, the second half of the financial year saw double-digit organic sales growth of 10.0%, driven notably by a strong fourth quarter. While some countries remained impacted by the pandemic, major markets showed good growth such as China, India, and in Europe, most notably Southern Europe, Austria, Germany and Switzerland.

Says dormakaba CEO Sabrina Soussan: "Our results are in line with our guidance, with a slightly better organic growth. The main reason for the good results was the strong performance of our European and Asian businesses; however, our American Access Solutions business did not meet our expectations. Further contributing factors to the good results were the cost-saving measures we implemented early in the pandemic, and our focus on cash flow. Of course, this was only made possible by the resilience and commitment of our employees, who kept their focus firmly on serving our customers."

**Net sales, profitability and net profit**

Overall year-on-year organic sales growth came to 1.3%. Net sales came to CHF 2,499.7 million (previous year CHF 2,539.8 million). Currency translation effects impacted sales negatively by 3.0% due to the strong Swiss franc.

EBITDA reached CHF 353.1 million (previous year CHF 325.0 million). Compared to the previous year, the EBITDA margin improved from 12.8% to 14.1%. The increase in profitability was driven by higher volume, sales price increases, improvements in operational efficiency and effective cost management, including in

procurement. With all these measures, the company managed to more than offset the effect of higher raw material and freight costs.

Net profit increased by 17.8% year-on-year to CHF 193.3 million (previous year CHF 164.1 million), primarily because of the significantly improved operating profit and an improved net financial result, while the income tax rate remained more or less unchanged.

### **Cash flow and balance sheet**

During the year under review, operational cash flow was kept at a high level of CHF 384.5 million (previous year CHF 407.9 million). The strong focus on the “cash is king” principle led to a further improvement in key parameters and the increase in business volume over the course of the year could be absorbed comfortably. In light of the pandemic, only selective investments were made in property, plant, and equipment, and in smaller acquisitions. Consequently, net debt was CHF 158.9 million lower against previous year as of the balance sheet date. This leaves a leverage ratio of net debt/EBITDA of 1.4x, which gives dormakaba a healthy amount of financial leverage for future strategic measures.

By the end of the 2020/21 financial year, dormakaba reported total assets of CHF 1,869.8 million and net debt of CHF 508.8 million (30 June 2020: CHF 667.7 million). At balance sheet date, 30 June 2021, equity came to CHF 264.9 million (30 June 2020: CHF 141.3 million).

### **Segment performances**

#### *Access Solutions AMER (North and South America)*

AS AMER reached total sales of CHF 669.6 million; organic sales increased by 1.6% in the second half-year but declined by 5.2% for the full year. The EBITDA margin was at 16.4% (previous year 17.0%). Performance was impacted by the lagging demand of the US commercial market, the continued weak lodging business, and ongoing issues at the Mesker business (hollow metal doors), with Mesker alone negatively impacting the segment's EBITDA margin by 240 basis points. As the performance at Mesker continues to be unsatisfactory, the focus will be on turnaround; on top, strategic options are being evaluated.

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

AS APAC achieved total sales of CHF 415.2 million; organic sales growth was 4.3%, including a 24.0% improvement in the second half-year against the same period of previous year. The segment achieved above-expected market growth, driven by the recovery in China and India in the second half-year. The EBITDA margin improved to 14.2% (previous year 13.6%).

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

AS DACH achieved organic sales growth of 2.6% to post total sales of CHF 812.9 million, with an 8.6% improvement in the second half-year against the same period of previous year. Market growth in Germany, Austria, and Switzerland was significantly stronger than overall segment growth, which was diluted by weak intercompany sales, particularly in the first half-year. The EBITDA margin reached 17.3% (previous year 16.3%).

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

AS EMEA achieved 4.4% organic sales growth and recorded total sales of CHF 712.9 million, with a 13.0% improvement in the second half-year against the same period of previous year. This growth was driven by all European regions, particularly Southern Europe, the UK and Benelux. At 8.5% (previous year 6.5%), the EBITDA margin even surpassed pre-Covid levels.

#### *Key & Wall Solutions*

Key & Wall Solutions achieved 1.8% organic sales growth to reach total sales of CHF 344.9 million, with a 16.0% improvement in the second half-year against the same period of previous year. The EBITDA margin reached the pre-Covid level of 15.7% (previous year 14.4%). While Business Unit Key Systems recorded an impressive recovery, the Movable Walls Business Unit, as expected, experienced a decline in sales compared

to the previous year due to project business and a strong base effect. However, Movable Walls EBITDA margin was at record levels.

### **Sustainability progress**

With its offering and sustainability activities, dormakaba aims to lead the industry's effort to address market and societal shifts, while at the same time "walking the talk" in its internal operations. The five key strategic objectives scheduled for the year under review were achieved. These related to climate change mitigation, certification of the company's environmental management system, transparency about products' environmental impacts for customers, and supplier due diligence. The renewal of the CHF 525 million syndicated credit facility during the reporting period also includes incentives for the achievement of ambitious sustainability performance objectives.

Another milestone came with the approval from the Science Based Targets initiative of dormakaba's long-term operational and value chain emissions reduction targets. dormakaba is the first company in the sector to have targets approved by this leading organization – an achievement that has required a concerted effort across the company since 2018. Detailed information about sustainability at dormakaba can be found in the Sustainability Report 2020/21, which is being published today along with the company's Annual Report.

### **Business 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.

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 the 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%).

### **Strategy outlook**

dormakaba's current strategy cycle comes to an end in this calendar year. Therefore, in April 2021, the company initiated the process to define the new strategy and resulting KPIs, and initiatives. Building on the levers identified during the strategy process, dormakaba will focus on accelerating growth and increasing profitability with the "Shape4Growth" strategy program. Vision, strategy, and targets will be presented at the Capital Markets Day on 15 November 2021.

### **Proposals to the Annual General Meeting of 12 October 2021**

#### *Dividend proposal*

The improved net profit allows the Board of Directors – based on an unchanged dividend policy – to propose to the Annual General Meeting a dividend of CHF 12.50 per share, which is 19.0% higher than the previous year's CHF 10.50.

#### *Elections to the Board of Directors*

Karina Dubs-Kuenzle, member of the Board of Directors of dormakaba since 2001, has decided to retire from the Board at the next Annual General Meeting on 12 October 2021. The Board of Directors is appreciative of the very valuable contributions Karina Dubs-Kuenzle has made to the successful development of dormakaba over the past two decades and wishes her all the best for the future. The Board of Directors is proposing Thomas Aebischer for election as a new independent member. With this nomination, the Board of Directors intends to augment its financial competence: Thomas Aebischer brings broad financial know-how in a global, industrial, and publicly listed environment. Over the course of his career, Thomas Aebischer has held several

positions as CFO in industrial businesses such as Holcim/LafargeHolcim and LyondellBasell Industries. Since 2021, he is CFO of the biotech start-up RWDC Industries Limited based in Singapore.

All other members of the Board of Directors will stand for re-election for another one-year term of office, with Riet Cadonau as Chairman and Hans Hess as Vice-Chairman and Lead Independent Director.

### Key figures of the dormakaba Group

CHF million, except where indicated	Financial year ended 30.06.2021	%	Financial year ended 30.06.2020	%
Net sales	2,499.7	100.0	2,539.8	100.0
Organic sales growth in %	1.3		-6.9	
Acquisition/disposal impact in %	0.1		0.7	
Translation exchange difference in %	-3.0		-3.7	
Operating profit before depreciation and amortization (EBITDA)	353.1	14.1	325.0	12.8
Operating profit (EBIT)	274.3	11.0	253.2	10.0
Profit before taxes	249.6	10.0	211.2	8.4
Net profit	193.3	7.7	164.1	6.5
– Net profit attributable to minority interests	92.5		79.5	
– Net profit attributable to the owners of the parent	100.8		84.6	
Dividend per share (in CHF) <sup>1)</sup>	12.5		10.5	
<b>Other key figures</b>				
Total assets	1,869.8		1,808.6	
Net debt	508.8		667.7	
Market capitalization	2,628.4		2,147.2	

<sup>1)</sup> Financial year ended 30.06.2021: proposal to the Annual General Meeting; distribution of an equal share from the reserves from capital contributions and from statutory retained earnings.

The full Annual Report including consolidated financial statements as well as financial statements and the Sustainability Report for financial year 2020/21 of dormakaba Holding AG are available online at [report.dormakaba.com](http://report.dormakaba.com). The analysts' presentation is available at [dk.world/publications](http://dk.world/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 in its portfolio, the company and its numerous cooperation partners are represented in over 130 countries worldwide.

dormakaba is listed on the SIX Swiss exchange, is headquartered in Rümlang (Zurich/Switzerland) and generated a turnover of CHF 2.5 billion with around 15,000 employees in financial year 2020/21.

SIX Swiss Exchange: DOKA

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

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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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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