Media release

dormakaba announces preliminary key figures for the 2017/18 financial year and outlook

Rümlang, 19 July 2018 – **dormakaba today announced preliminary, unaudited key figures for the 2017/18 financial year. Sales and EBITDA increased, organic sales growth and the EBITDA margin however remained below expectations. The integration process has largely been completed in most countries. dormakaba will continue to consequently pursue its business strategy and, over the coming years, plans to further invest substantially in digitalization and innovation in order to strengthen its market position sustainably. The Group confirms its medium-term financial targets, which it now aims to reach at the latest in the 2020/21 financial year.**

Preliminary, unaudited key figures for 2017/18
In the 2017/18 financial year, dormakaba increased consolidated sales by around 13% to approx. CHF 2.84 billion (previous year CHF 2.52 billion). As in the first six months, organic sales growth for the second half of 2017/18 rose only moderately. Organic sales growth for the full financial year was around 2.5%. Pleasing growth rates were achieved for Key & Wall Solutions and Access Solutions Asia-Pacific, where the integration has been completed, while in Germany and the US, the last financial year was still significantly impacted by the integration process. Overall, the integration is proceeding according to plan in almost all countries and was largely completed as foreseen. All of the acquisitions since the dormakaba merger have made a positive contribution to results.

On the cost side, further progress was achieved during the course of the integration. In Germany, however, part of the efficiency gains will only be achieved with a delay; this is mainly due to the socially acceptable measures relating to job reductions agreed to with the social partners. The relocation of the production for standard door closers from Germany to Singapore and China was completed as planned.

The operating profit (EBITDA) increased by around 10% (previous year CHF 387 million). At around 15.0%, the EBITDA margin was slightly below the previous year (15.4%). This in particular reflects the delay in the realization of cost synergies in Germany as well as the not yet fully effective revenue synergies from the combined product portfolio. Specifically, in Germany as well as the US, not all business opportunities were exploited, as the organization was more absorbed by the integration than expected. In the US, profitability was also adversely impacted in particular by the weak environment for ATM locks (Safe Locks) as well as by a declining services business.

Riet Cadonau, CEO of dormakaba: “The results for the 2017/18 financial year are not in line with our ambitious targets, but are solid in light of the progress made with regard to integration. Our company is very well positioned in the market for access and security solutions. We want to take advantage of this position to achieve further profitable growth.”

Outlook

In light of the results for the 2017/18 financial year, which are below expectations, and due to the delay of the integration particularly in Germany and the US, dormakaba is adjusting the timeline for achieving its medium-term financial targets. In line with its strategy, the company will continue to invest significantly in innovation as well as allocate substantial additional funds to its digital transformation in the coming years. Provided the business environment is stable, the company aims to achieve its targeted EBITDA margin of 18% at the latest by 2020/21 instead of the 2018/2019 financial year. Also by 2020/21, organic sales growth should be 200 basis points above the GDP growth in dormakaba’s relevant markets.

For the 2018/19 financial year, dormakaba aims to substantially increase its investments in Information Technology to advance the digitalization of the company. In addition, with a view to strengthening innovation, the company aims to continue to invest around 4-5% of sales in research and development, which corresponds to over CHF 100 million. As a result, dormakaba expects an EBITDA margin in the range of 16.0% – 16.5% for the current financial year 2018/19. In terms of sales, the company expects to see organic growth in line with the previous year.

Ulrich Graf, Chairman of the Board of Directors of dormakaba: “The Board of Directors wants to further strengthen dormakaba with respect to innovation and digitalization through targeted investments, even if, in light of the results for the past financial year, this means that we will achieve our medium-term financial targets only at a later point in time. These investments are essential for sustainable business development, which will benefit our customers, shareholders and employees.”

The complete, final and audited financial results for the 2017/18 financial year will be announced on 11 September 2018.

Media and Analyst Information

A telephone conference will be held in German for **media representatives** from **8:00 to 8:30 am**.

A telephone conference will be held in English for **analysts and investors** from **9:00 to 9:30 am**.

The dial-in numbers for the conferences are as follows:

Switzerland/Europe	+41 (0) 58 310 50 00
United Kingdom	+44 (0) 207 107 06 13
USA	+1 (1) 631 570 56 13

Speakers dormakaba Group: Riet Cadonau, CEO / Bernd Brinker, CFO

Please dial in ten minutes before the start of the conference.

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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 16,000 employees in financial year 2016/17.

SIX Swiss Exchange: DOKA
Further information at www.dormakaba.com