



Riet Cadonau, Chairman & CEO
Bernd Brinker, CFO
Zurich/Switzerland, 6 March 2019

Half-year results 2018/19

(1 July 2018 – 31 December 2018)

dormakaba 

Agenda

Half-year results 2018/19 at a glance

Riet Cadonau

Slide 3

Financial results and outlook

Bernd Brinker

Slide 11

Half-year results 2018/19 in brief

- Organic sales growth of 2.1%
- Sales of CHF 1,396.5 million impacted by the effect of foreign currencies -1.0% and the effect of M&A -1.4% (Acquisitions/Divestments)
- EBITDA increased by 5.7% to CHF 223.0 million; all segments contributed positively
- EBITDA margin 16.0% (previous year 15.1%); all segments contributed positively
- Net profit increased by 11.5% to CHF 126.7 million

AS AMER: Lower sales, higher profitability

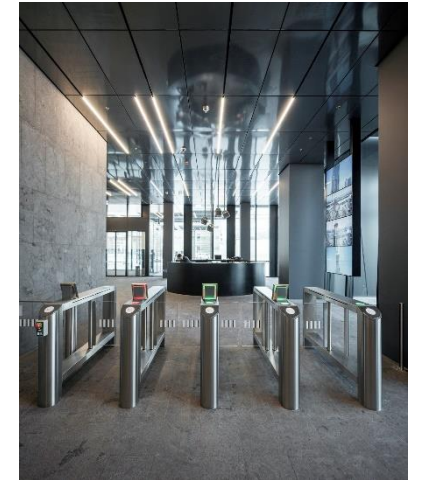
in CHF million	HY 2018/19	HY 2017/18
Total segment sales	402.1	410.5
Third-party sales	388.1	395.6
EBITDA	84.7	80.9
EBITDA margin	21.1%	19.7%
Organic sales growth	-1.8%	2.2%



- Sales were impacted by a weaker Lodging Systems business
- All other Product Clusters positively contributed to organic growth. Entrance Systems and Electronic Access & Data experienced double digit sales growth
- Divestment of part of US Door Hardware Service business with effect of December 2018. The impact of the discontinued business on growth in the HY 2018/19 was 80 bps
- Segment continues to execute initiatives to further improve profitability, including an optimized production footprint

AS APAC: Continuous profitable growth

in CHF million	HY 2018/19	HY 2017/18
Total segment sales	236.5	238.1
Third-party sales	222.6	224.1
EBITDA	36.8	33.5
EBITDA margin	15.6%	14.1%
Organic sales growth	5.5%	6.0%



- Double-digit growth in India, high single-digit growth in China with particular good growth in the commercial sector
- Good growth in all other regional markets except South East Asia, which was slightly below previous year
- Strong demand for most of its Product Clusters with particular good growth in Services, Door Hardware and Entrance Systems
- The segment continuously leveraged its good foundation to further improve profitability
- The segment has started to integrate the Commercial Building Physical Access Systems (PAS) business from Cambaum Group (China) and has successfully integrated the Kilargo business (Australia)

AS DACH: Sales growth and higher profitability

in CHF million	HY 2018/19	HY 2017/18
Total segment sales	430.0	420.9
Third-party sales	266.5	260.6
EBITDA	78.5	73.8
EBITDA margin	18.3%	17.5%
Organic sales growth	2.6%	2.1%



- All countries of AS DACH contributed to organic sales growth, with lowest growth coming from Germany
- Particularly Door Hardware, Entrance Systems, Mechanical Key Systems and Services contributed to growth
- The relocation of the production of certain standard door closers from Germany to Asia has been completed. Final steps of the post-merger integration process are currently executed, full synergies will materialize in financial year 2019/20

AS EMEA: Growth in sales and profitability

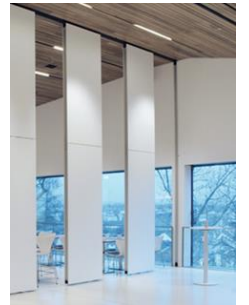
in CHF million	HY 2018/19	HY 2017/18
Total segment sales	381.1	375.8
Third-party sales	322.1	315.8
EBITDA	30.0	28.7
EBITDA margin	7.9%	7.6%
Organic sales growth	3.1%	2.7%



- Double-digit growth in Central and Eastern Europe. Positive growth contribution from Southern Europe and the UK. Sales in the Middle East & Africa improved, now slightly above previous year's level
- Sales in Scandinavia are below previous level
- Most Product Clusters like Entrance Systems, Door Hardware, Electronic Access & Data, Services and particularly Lodging Systems contributed to growth
- Further improvement potential driven by IT investments and organizational efficiencies

Key & Wall Solutions: Sales growth and higher profitability

in CHF million	HY 2018/19	HY 2017/18
Total segment sales	197.3	185.7
Third-party sales	190.1	180.2
EBITDA	29.0	26.1
EBITDA margin	14.7%	14.1%
Organic sales growth	3.8%	2.3%



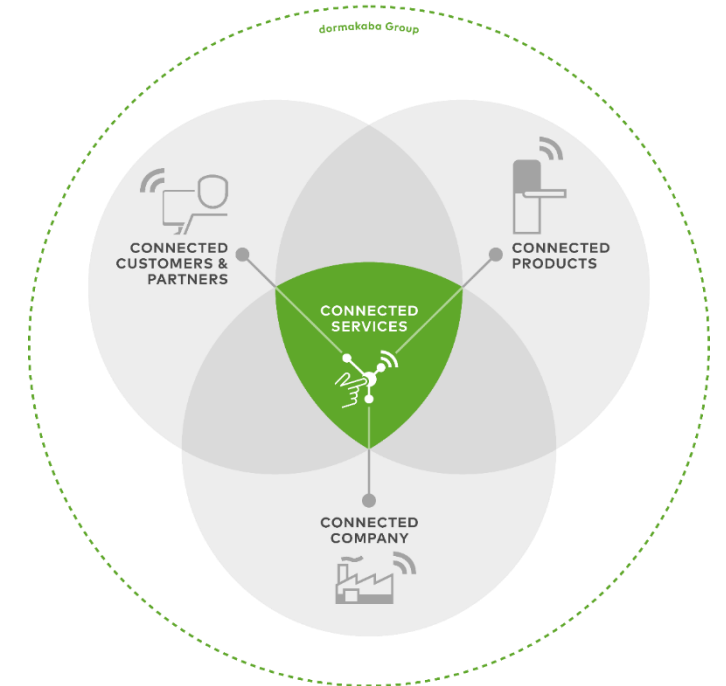
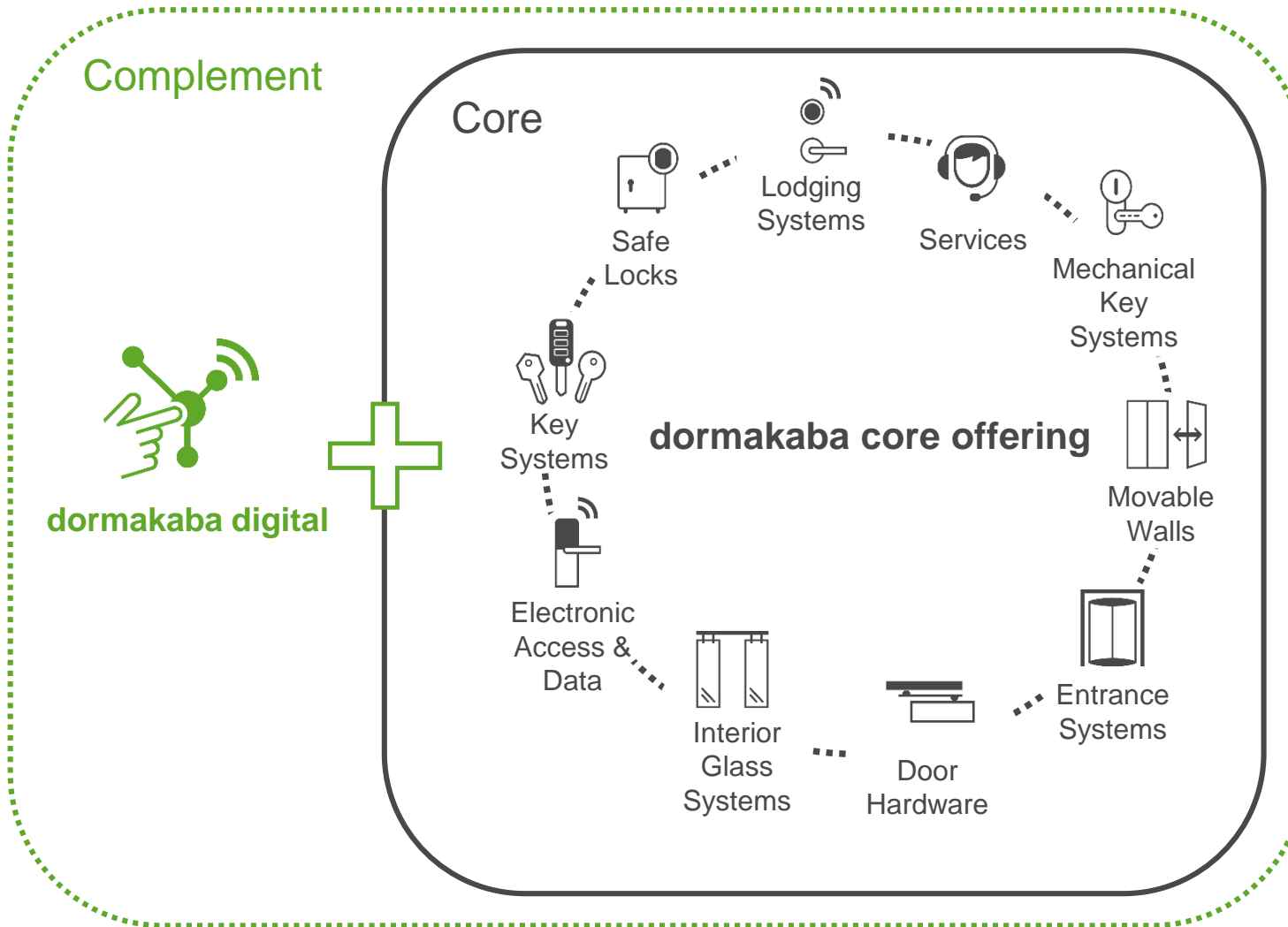
Key Systems:

- Growth was mainly driven by North America, Asia and South America; EMEA reported sales growth as well
- The recently acquired Klaus Group (Peru) is in the process to be integrated

Movable Walls:

- Growth with particular strength in the North American business
- EMEA region focuses on the execution of the automation of its German production plant
- The acquired Skyfold business has been successfully integrated

Incubator dormakaba digital



- dormakaba digital is an organizational unit of dormakaba
- Provides connected services to complement our core by means of an open platform.

Agenda

Half-year results 2018/19 at a glance

Slide 3

Riet Cadonau

Financial results and outlook

Slide 11

Bernd Brinker

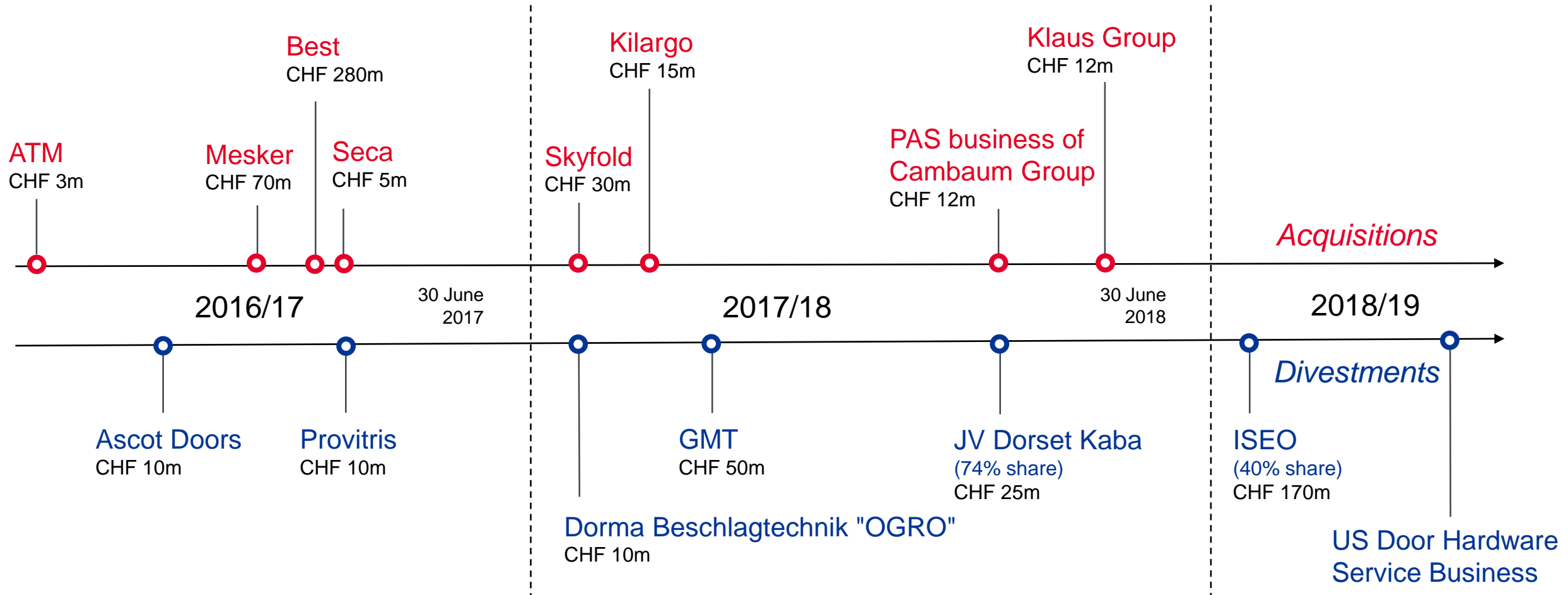
Key figures

in CHF million	HY 2018/19	HY 2017/18	Variance
Net sales	1,396.5	1,400.6	-0.3%
- thereof: organic sales growth ¹⁾			2.1%
- thereof: acquisition sales growth			-1.4%
- thereof: currency effect on sales			-1.0%
EBITDA	223.0	210.9	5.7%
EBITDA margin	16.0%	15.1%	0.9 ppt
Profit before taxes	170.1	155.6	9.3%
Net profit	126.7	113.6	11.5%
Net profit after minorities	66.1	58.7	12.6%

1) Organic growth = growth in local currency, excl. M&A

- Organic sales growth of 2.1%
- Net sales decreased by 0.3% due to currency translation (stronger CHF) and divestments
- EBITDA increased by CHF 12.1 million (+5.7%) due to operational improvements
- As a result, EBITDA margin improved to 16.0% (+90 bps)
- Increase of profit before taxes by CHF 14.5 million (+9.3%) due to improved operational performance and better financial result
- Increase of net profit by CHF 13.1 million (+11.5%)

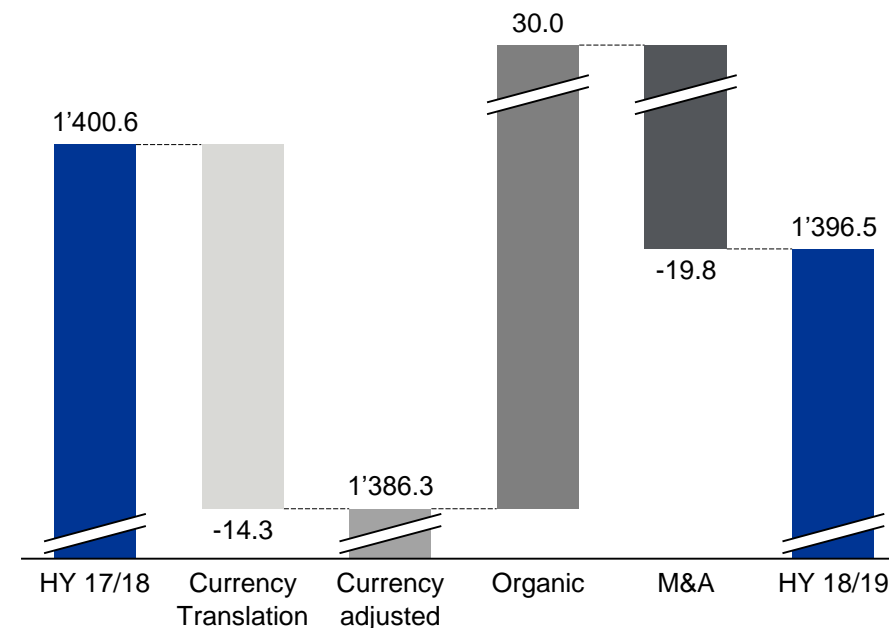
Active Portfolio Management*



* Pro-forma sales figures for the respective financial year, based on a 12 months basis

Sales development

- Negative impact on net sales from currency translation (-1.0%) due to stronger CHF
- Organic growth of 2.1%, strongest contribution by AS APAC; AS AMER negatively impacted by the lodging business; all other segments with higher growth compared to previous year
- Negative impact of 1.4% on net sales from M&A (driven by divestment GMT and part of US Door Hardware Service Business, dissolution JV Dorset Kaba India, acquisition of Klaus Group and PAS China)



Third-party sales and organic growth by segment

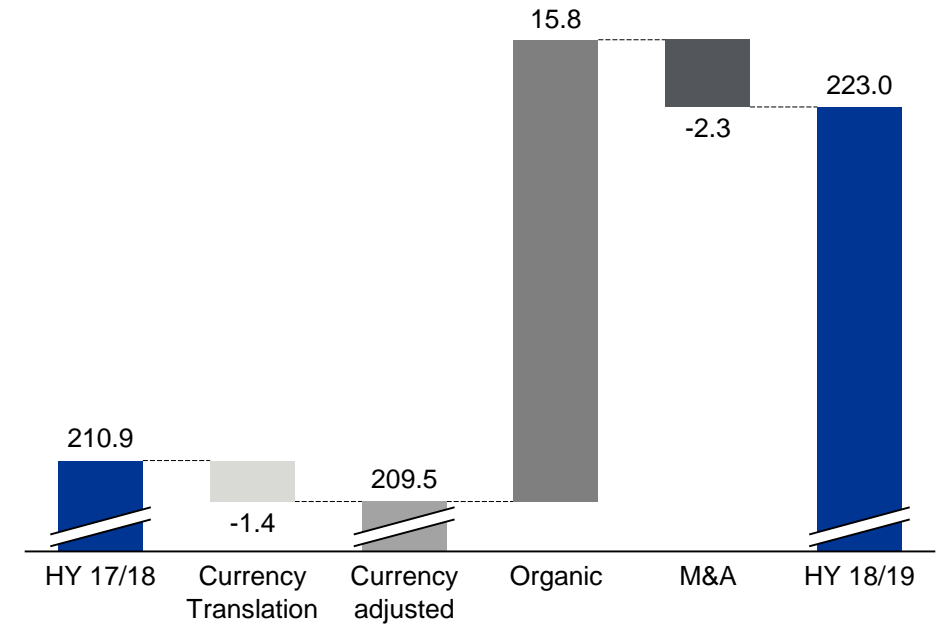
Segments	Third party sales in % of total sales		Organic Sales Growth	
	HY 2018/19	HY 2017/18	HY 2018/19	HY 2017/18
AS AMER	27.8%	28.3%	-1.8%	2.2%
AS APAC	15.9%	16.0%	5.5%	6.0%
AS DACH	19.1%	18.6%	2.6%	2.1%
AS EMEA	23.1%	22.5%	3.1%	2.7%
AS total	85.9%	85.4%	2.1%	2.2%
Key & Wall Solutions	13.6%	12.9%	3.8%	2.3%
Others	0.5%	1.7%	-1.5%	16.0%
Total	100.0%	100.0%	2.1%	2.9%

FX development against CHF (average rate)

	Dec 2018	Dec 2017	Change
AUD	0.7174	0.7594	-5.5%
CAD	0.7539	0.7724	-2.4%
CNY	0.1443	0.1467	-1.6%
EUR	1.1405	1.1466	-0.5%
GBP	1.2822	1.2846	-0.2%
INR	0.0139	0.0151	-7.8%
NOK	0.1187	0.1210	-1.9%
USD	0.9900	0.9748	1.6%

EBITDA development

- EBITDA margin improved to 16.0% (PY: 15.1%)
- EBITDA increased by CHF 12.1 million vs. PY (+5.7%)
- Organic EBITDA improved by CHF 15.8 million
- All segments contributed to EBITDA increase and EBITDA margin improvement
- M&A activities (net divestments) of HY 2018/19 led to a slightly lower EBITDA (-2.3 million) and improved EBITDA margin by 10 bps



EBITDA contribution and EBITDA margin development by segment

Segments	EBITDA contribution		EBITDA margin development	
	HY 2018/19	HY 2017/18	HY 2018/19	HY 2017/18
AS AMER	32.7%	33.3%	21.1%	19.7%
AS APAC	14.2%	13.8%	15.6%	14.1%
AS DACH	30.3%	30.4%	18.3%	17.5%
AS EMEA	11.6%	11.8%	7.9%	7.6%
AS total	88.8%	89.3%	19.0%	17.8%
Key & Wall Solutions	11.2%	10.7%	14.7%	14.1%
Total	100.0%	100.0%	16.0%	15.1%

Income Statement (condensed)

in CHF million	HY 2018/19	in %	HY 2017/18	in %	Variance in %
Net sales	1'396.5	100.0	1'400.6	100.0	-0.3
Gross margin	594.6	42.6	590.7	42.2	0.7
Other operating income, net	10.6	0.8	6.0	0.4	76.7
SG&A	-364.6	-26.1	-364.3	-26.0	0.1
R&D	-52.5	-3.8	-54.3	-3.9	-3.3
EBIT	188.1	13.5	178.1	12.7	5.6
Financial result, net	-18.0	-1.3	-22.5	-1.6	-20.0
Profit before taxes	170.1	12.2	155.6	11.1	9.3
Income taxes	-43.4	-3.1	-42.0	-3.0	3.3
Net profit	126.7	9.1	113.6	8.1	11.5

- Gross margin improved from 42.2% to 42.6%, driven by operational improvement, pricing and product mix
- SG&A basically unchanged at 26.1% of sales
- R&D basically unchanged at 3.8% of sales; capitalized project account for CHF 1.9 million (PY: CHF 1.0 million); including capitalized R&D projects at 3.9% (PY: 3.9%)
- Slightly lower financial expenses, driven by lower interest expenses; includes a book gain from divestment of ISEO participation
- Income tax rate for HY 2018/19 at 25.5% (PY: 27.0%), weighted applicable tax rate at 25.1% (PY: 26.7%)
- Increase of net profit by 11.5% driven by operational improvements and better net financial result

Cash Flow

in CHF million	HY 2018/19	HY 2017/18
Cash generated from operations	149.1	147.8
Net cash from operating activities	104.5	92.6
Net cash used in investing activities	-4.8	-148.7
Free cash flow	99.7	-56.1
Operating cash flow margin ¹⁾	7.5%	6.6%

1) Net cash from operating activities / net sales

- Higher cash generated from operations and net cash from operating activities, driven by improved operational performance
- Net cash used in investing activities includes capex of CHF 45.2 million (3.2% of sales; PY: CHF 56.0 million, 4.0 %); positively influenced by proceeds from divestment of ISEO participation
- PMI provisions as of 31 December 2018 are at CHF 9 million (30 June 2018 = CHF 16 million)
- As a result, free cash flow of CHF 99.7 million generated
- Operating cash flow margin improved vs. PY from 6.6% to 7.5%

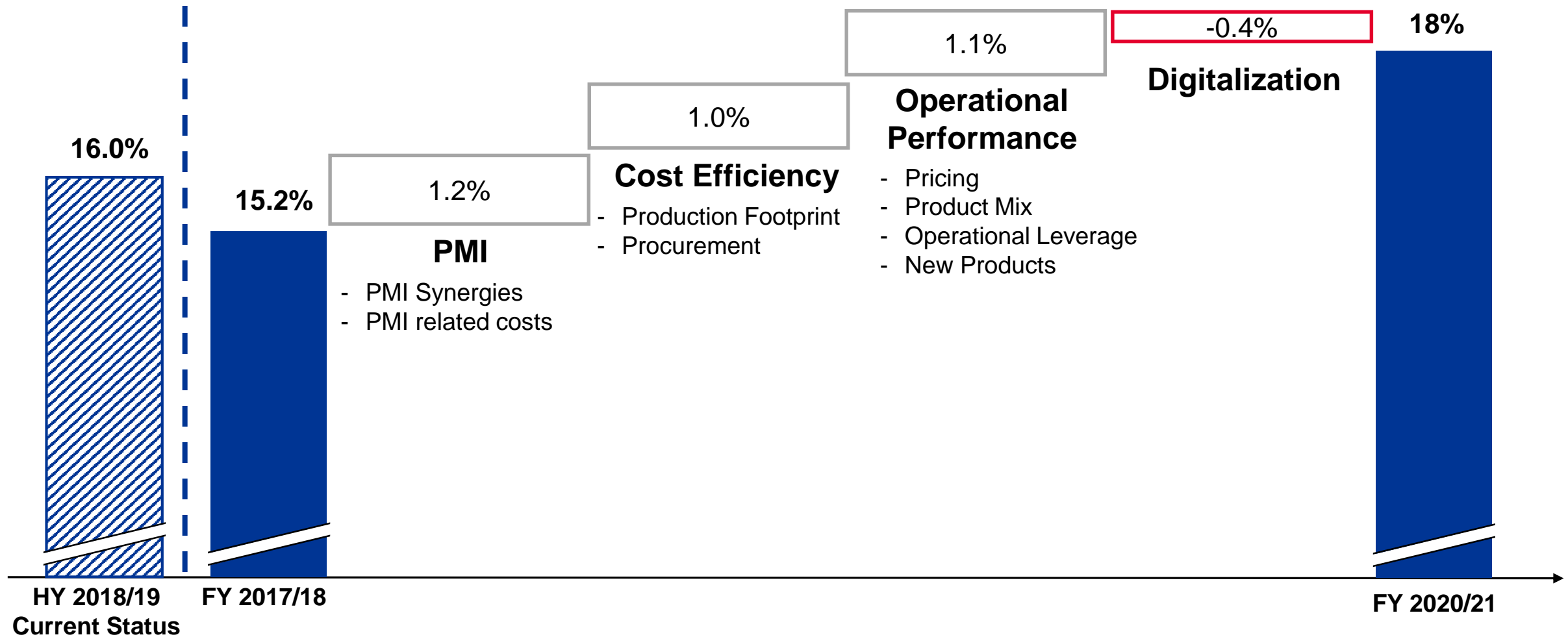
Net Debt

in CHF million	HY ended 31.12.2018	FY ended 30.06.2018	HY ended 31.12.2017
Cash and cash equivalents	133.9	145.3	181.2
Short term debt	209.3	156.5	284.3
Bond (long term)	680.0	680.0	680.0
Other long term debt	9.3	10.0	3.5
Net Debt	764.7	701.2	786.6
Net debt / EBITDA (leverage)	1.7x*	1.6x	1.9x*

- Net debt profile improved vs. 31 December 2017 (net debt reduction by CHF 21.9 million, leverage from 1.9x to 1.7x)
- Almost entire gross financial debt is used to finance USD assets (acquisitions), therefore swapped from CHF and EUR into USD
- Current leverage (net debt/EBITDA) at 1.7x; comfortable with leverage of up to 2.5x (short term even higher)

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

EBITDA bridge FY 2020/21



Guidance and business outlook for financial year 2018/19

Market Environment dormakaba believes that the global macroeconomic and geopolitical environment remains volatile and that there are several threats like the trade tensions which could substantially impact the macroeconomic environment and could lead to a downturn. The following expectations are made under the assumption that there will be no further trade tensions between the US, Canada, Europe and China.

- **North America:** Good growth
- **EMEA:** Largely moderate growth in Europe. Still very demanding situation in the Middle East.
- **Asia Pacific:** Good growth in most countries. In South East Asia, further deterioration of the economic environment might negatively impact growth expectations.

Organic growth^{*/**} Organic sales growth expected around the previous year

EBITDA margin^{**} EBITDA margin expected in the range of 16.0% - 16.5%

* in local currency

** provided no change of current economic situation

Thank you for your attention – Q&A

dormakaba Holding AG
Hofwisenstrasse 24
8153 Rümlang
Switzerland

www.dormakaba.com

dormakaba 

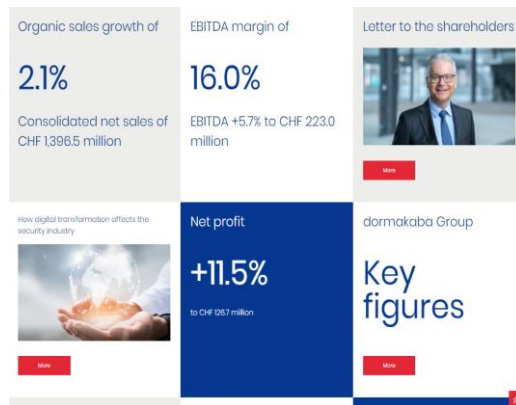
IR Agenda 2019

- Kepler Cheuvreux's 20th Swiss Seminar 21 March 2019
- Vontobel Investor Conference 4 June 2019
- Publication and presentation of FY results 2018/19, Zurich 12 September 2019
- Annual General Meeting, Regensdorf 22 October 2019
- Credit Suisse Swiss Small & Mid Cap Conference 13 November 2019

Now online: Half-year Report and Sustainability Report as well as dormakaba Innovation Dossier

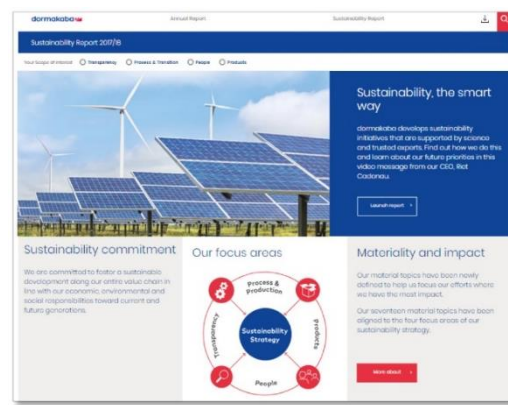
Half-year Report 2018/19

Read more online about the results of the 1st half of financial year 2018/19 on www.report.dormakaba.com.



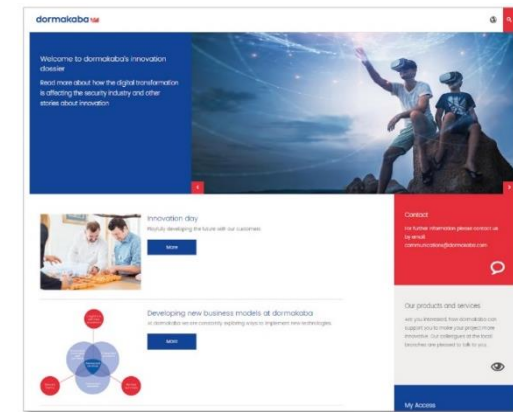
Sustainability Report 2017/18

Curious what we have achieved in sustainability? Visit go.dormakaba.com/SR1718 and discover the Sustainability Report 2017/18.



Innovation Dossier

Visit www.dormakaba.com/innovation to read about how digital transformation is affecting our company and other stories.



Appendix

Appendix

- dormakaba in a nutshell
- Segment Split – Key & Wall Solutions
- Currency exposure

We make access in life **smart and secure**



Our Offering

- Door Hardware
- Entrance Systems
- Electronic Access & Data
- Interior Glass Systems
- Mechanical Key Systems
- Lodging Systems
- Safe Locks
- Key Systems
- Movable Walls
- Services

+

- Consulting
- Planning
- Realization
- Operation
- Maintenance

Our Focused Industries



Our Values

Customer first

We always focus what we do on the needs of our customers, partners and users.

Curiosity

We constantly scout for trends as the inspiration for future-focused solutions.

Performance

We go the extra mile to ensure customer satisfaction and set the bar high in terms of security, quality and reliability.

Courage

We are committed to continuously developing solutions that generate genuine added value for our customers and users.

Trust

Our core corporate value is at the heart of everything we do, so customers can rest assured that they are in good hands.

Our Company

More than
150
years of



More than
2.000
patents



Sustainability Report
GRI Standards



stock-listed at
SIX Swiss Exchange (DOKA)

We call it **trusted access**

Segment Split – Key & Wall Solutions

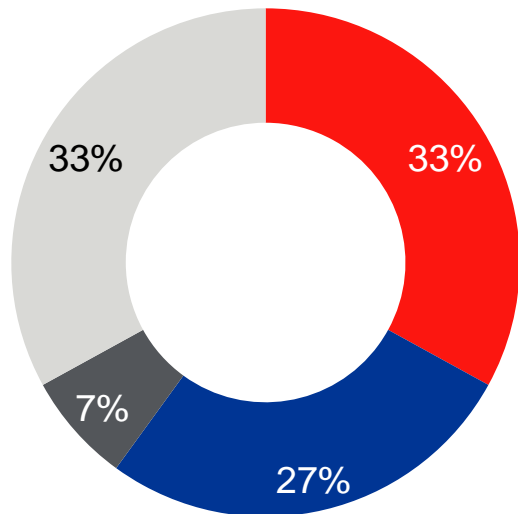
Business Units	Key Systems					Movable Walls				
	HY 2018/19	in %	HY 2017/18	in %	Change on previous year in %	FY 2018/19	in %	FY 2017/18	in %	Change on previous year in %
in CHF million										
Net sales third parties	113.8		106.5		6.9%	76.3		73.7		3.5%
Intercompany sales	2.0		1.1			5.2		4.4		
Total business unit sales	115.8		107.6		7.6%	81.5		78.1		4.4%
Change in business unit sales	8.2	7.7%	2.0	1.9%		3.4	4.4%	19.9	34.1%	
Of which translation exchange differences	-0.3	-0.4%	2.4	2.1%		-0.3	-0.4%	0.9	1.5%	
Of which acquisition (disposal) impact	5.1	4.8%	0.0	0.0%		0.0	0.0%	14.8	25.5%	
Organic sales growth	3.5	3.3%	-0.3	-0.3%		3.6	4.7%	4.1	7.1%	
Operating profit before depreciation and amortization (EBITDA)	16.7	14.4%	16.3	15.2%	2.5%	12.3	15.1%	9.8	12.5%	25.5%
Average number of full-time equivalent employees	1,508		1,370			780		746		

Currency exposure

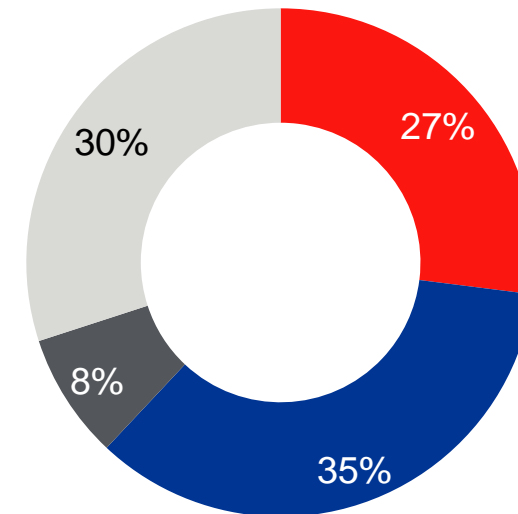
As every globally active group, dormakaba is exposed to currency risks.

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

Sales per currency regions



Cost per currency regions



Disclaimer

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 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 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. Such factors include, but are not limited to:

the general economic conditions / competition from other companies / the effects and risks of new technologies / the company’s continuing capital requirements / financing costs / delays in the integration of the merger or acquisitions / changes in the operating expenses / currency and raw material price fluctuations / the company’s ability to recruit and retain / qualified employees / political risks in countries where the company operates / changes in applicable law / and other factors identified in this communication

Should one or more of these risks, uncertainties or other factors materialize, or should any underlying assumption or expectation prove incorrect, actual outcomes may vary substantially from those indicated. In view of these risks, uncertainties or other factors, readers are cautioned not to place undue reliance on such forward-looking statements. Except as required by applicable law or regulation, the company accepts no obligation to continue to report or update such forward-looking statements or adjust them to future events or developments. It should be noted that past performance is not a guide to future performance. Please also note that interim results are not necessarily indicative of the full-year results. Persons requiring advice should consult an independent adviser.

This communication does not constitute an offer or an invitation for the sale or purchase of securities in any jurisdiction.

dormakaba®, dorma+kaba®, Kaba®, Dorma®, Ilco®, La Gard®, LEGIC®, Silca®, SAFLOK®, BEST®, phi® etc. are registered trademarks of the dormakaba Group. Due to country-specific constraints or marketing considerations, some of the dormakaba Group products and systems may not be available in every market.