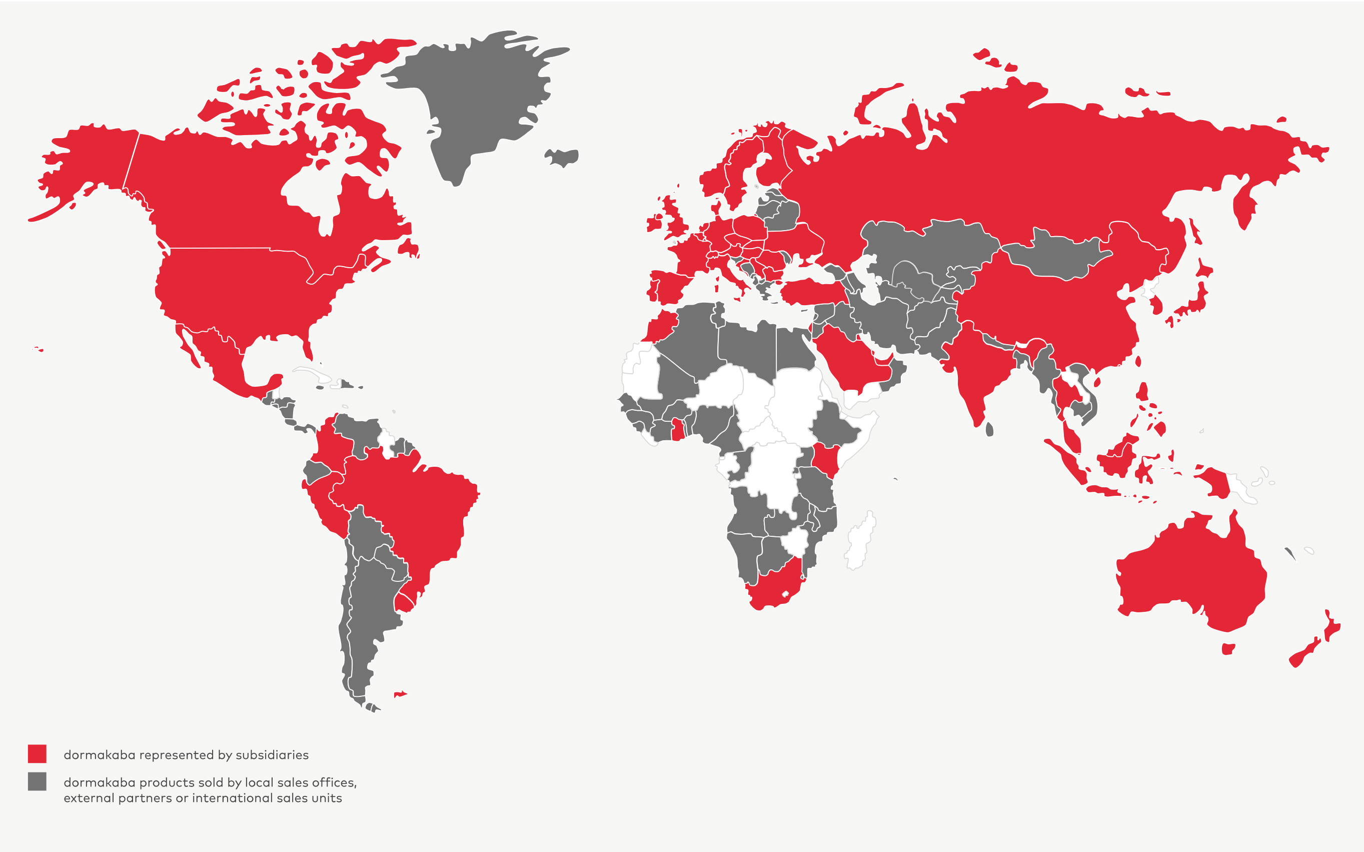
2018/19 in brief

- Sales of CHF 2,818.3 million; organic sales growth of 1.3%
- EBITDA increased by 3.9% to CHF 448.0 million
- EBITDA margin improved to 15.9%
- All segments with positive contribution to increased profitability
- Net profit up 5.8% to CHF 252.5 million
- Dividend proposed to be increased to CHF 16.00 per share

dormakaba worldwide



Segment Access Solutions AMER

Lower sales, higher profitability

Operational performance

The segment AS AMER reported total sales of CHF 816.7 million in the period under review (previous year CHF 828.4 million). Organic sales declined 1.8% compared to the previous year.

The segment continued to focus on profitability which is reflected in the improved EBITDA and EBITDA margin. EBITDA increased by 2.9% to CHF 168.1 million (previous year CHF 163.4 million), the EBITDA margin improved from 19.7% to 20.6%. This improvement was driven by a positive mix effect, cost efficiencies, and higher sales prices, which more than compensated for raw material inflation, higher tariffs, lower volumes, and increased IT costs for the roll-out of global applications.

In addition, the segment already benefited from its ongoing production adjustments, which will lead to an improved cost base. This manufacturing footprint transformation is realized by consolidating various smaller locations into major production hubs, i.e. Indianapolis (USA) for Door Hardware, Montreal (Canada) for Hospitality and Electronic Solutions, Nogales (Mexico) for high-volume assembly products, and Reamstown (USA) for Entrance Systems and Interior Glass Systems. Since the dormakaba merger in September 2015, the segment has closed seven of its production sites due to operational synergies and economies of scale, another two sites have already been announced.

Market development

Organic sales growth in North America was negatively impacted by a weaker Lodging Systems business. After four years of double-digit growth driven by upgrades to mobile access solutions for major hotel chains, the Lodging Systems business was for the first time below previous year when a major project was finalized. Strong demand for access solutions for multi-housing in North America and orders from hotels outside North America partially compensated for this development.

Sales were impacted as well by a weak business environment in Latin America, which was partly compensated by moderate growth in Canada. In addition, there was a negative impact from the North American manual door business (Mesker). Due to operational challenges while implementing a new ERP system, delivery times of products did not meet customers' requirements for a period of time. These issues impacted the second half of financial year 2018/19. The segment is currently in the process to solve the technical issues.

There was strong growth for Safe Locks and Interior Glass Systems, and double-digit growth for the Electronic Access & Data, and the Entrance Systems business. The Entrance Systems business will be further strengthened by the acquisition of Alvarado Manufacturing based in Chino (CA/USA). The acquisition offers a good strategic fit to dormakaba as Alvarado is a leading North American manufacturer of physical access solutions such as speed gates, turnstiles, and other admission devices. Its offering focuses on office, commercial and government buildings as well as sports, leisure and entertainment facilities. The acquisition was closed on 31 July 2019 and will be accretive to EBITDA margin and earnings per share from day one.

AS AMER divested the unprofitable parts of the US Door Hardware Service Business in December 2018 which had a positive effect on its EBITDA margin (sales affected CHF 10 million). Going forward, the Product Cluster Services will focus on more profitable opportunities like the service business for Entrance Systems.

Outlook

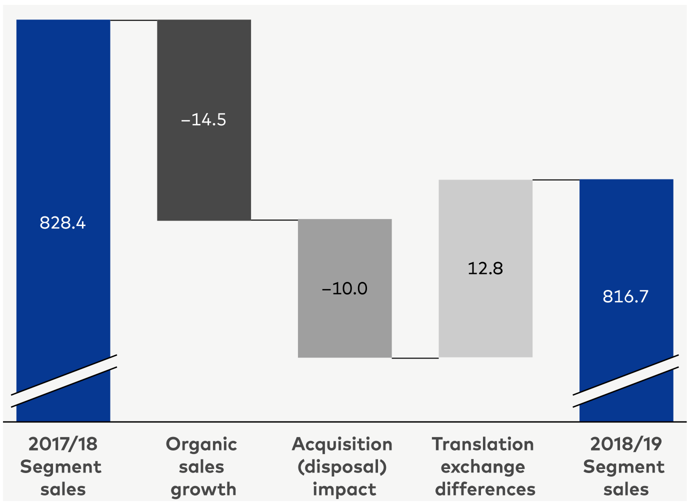
AS AMER expects no major change in the economic environment in the financial year 2019/20 with good underlying demand in North America but continued weakness in Latin America.

The business is expected to return to organic sales growth based on a solid order book. Growth will be supported by the Lodging Systems business which is expected to return to growth as it will not be impacted by the abovementioned base effect anymore. On top it will benefit from new innovative products and solutions like Ambiance, a state-of-the-art lodging access management software solution for hospitality and commercial use, which consolidates different legacy software applications and will be available as a cloud version as well. The segment expects, however, that the challenges with its manual door business will have an impact on the Door Hardware Product Cluster in the first half of financial year 2019/20 as the sales management has to shift resources to rebuild customer trust.

Key figures - segment AS AMER

CHF million, except where indicated	Financial year ended 30.06.2019	%	Financial year ended 30.06.2018	%	Change on previous year in %
Net sales third parties	783.7		796.9		–1.7
Intercompany sales	33.0		31.5		
Total segment sales	**816.7**		**828.4**		**–1.4**
Change in segment sales	–11.7	–1.4	143.4	20.9	
Of which translation exchange differences	12.8	1.6	–11.3	–1.6	
Of which acquisition (disposal) impact	–10.0	–1.2	155.0	22.5	
Of which organic sales growth	**–14.5**	**–1.8**	**–0.3**	**0.0**	
Operating profit before depreciation and amortization (EBITDA)	**168.1**	**20.6**	**163.4**	**19.7**	**2.9**
Average number of full-time equivalent employees	2,875		3,078		

Segment sales (in CHF million) - AS AMER



Segment Access Solutions APAC

Continuous profitable growth

Operational performance

The segment AS APAC generated total sales of CHF 462.3 million in the period under review. The continued focus on profitable growth resulted in organic sales growth of 3.7% compared to the previous year and an increase in EBITDA by 4.7% to CHF 68.9 million (previous year CHF 65.8 million). The EBITDA margin was considerably higher with 14.9% compared to 14.1% in the previous year. This improvement was driven by higher volumes, efficiency improvements, a favorable product mix, and portfolio management measures which more than compensated the effects of raw material inflation and the negative impact of the trade conflict between China and the US.

Market development

The segment generated good growth in most of its major regions. There was continuous strong growth in India and in China. The latter with particular good growth in the commercial sector driven by the expansion of high-end solutions and offerings as well as by the continued success of cost-effective mid-market products. Demand in the residential business in China remained somewhat subdued. The OEM business of Wah Yuet for the US market was negatively affected in the second half of financial year 2018/19 by the ongoing trade conflict between China and the US.

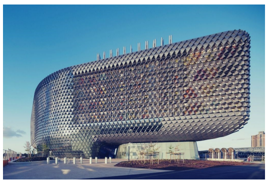
Sales in the Pacific region were above previous year's level despite a slowdown in the economic environment in Australia. South East Asia region was impacted by a weaker construction market and project delays which led to sales below previous year with a more pronounced impact in the second half of financial year 2018/19.

The segment recorded good demand for most of its Product Clusters, with particular good growth in Mechanical Key Systems, Safe Locks, Entrance Systems and Services. Growth in Entrance Systems was supported by a strong Physical Access System (PAS) business for the commercial sector in China. The business gained market share due to the enlarged product offering of the Commercial Building PAS business acquired from Cambaum Group (China) in April 2018. Further, the segment strengthened its production footprint for PAS solutions and invested in new assembly capacities in China, India, and Malaysia.

Net sales of AS APAC were below previous year due to currency translation and the dissolution of the Dorset Kaba joint venture in April 2018. The discontinuation of the joint venture had a positive effect on margins though, and as a result of the new structure, dormakaba expects to be able to further expand profitable growth in this important regional market by addressing customer needs with an enlarged product portfolio.

Adelaide's Royal Hospital

Empowered with the latest innovations, Adelaide's Royal Hospital gives a glimpse into how the future of healthcare will be.



More

Outlook

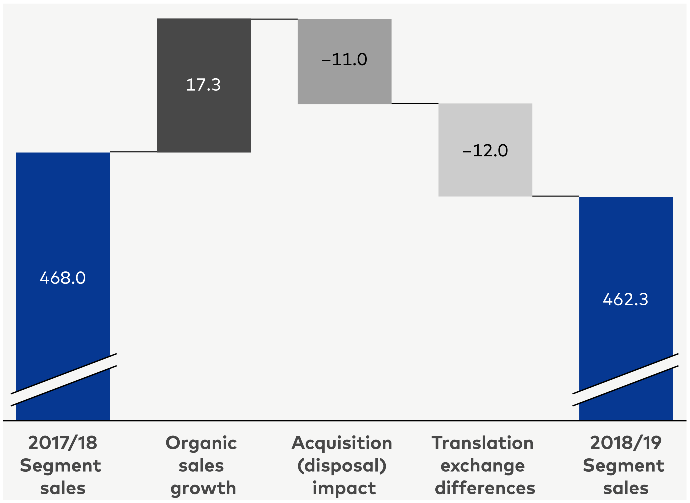
AS APAC expects stable growth in financial year 2019/20 and will continue to execute its profitable growth strategy, which is leveraging the combined new product portfolio and further improved cost structures.

The segment does not expect major changes in the general business environment in the region Asia-Pacific in financial year 2019/20, which includes a continuation of the challenging economic environment in Australia and South East Asia. As visibility in the development of the trade conflict between China and the US remains low, countermeasures are in the process to be prepared to mitigate a potential negative financial impact.

Key figures - segment AS APAC

CHF million, except where indicated	Financial year ended 30.06.2019	%	Financial year ended 30.06.2018	%	Change on previous year in %
Net sales third parties	435.8		441.1		–1.2
Intercompany sales	26.5		26.9		
Total segment sales	**462.3**		**468.0**		**–1.2**
Change in segment sales	–5.7	–1.2	47.1	11.2	
Of which translation exchange differences	–12.0	–2.5	0.9	0.2	
Of which acquisition (disposal) impact	–11.0	–2.4	27.4	6.5	
Of which organic sales growth	**17.3**	**3.7**	**18.8**	**4.5**	
Operating profit before depreciation and amortization (EBITDA)	**68.9**	**14.9**	**65.8**	**14.1**	**4.7**
Average number of full-time equivalent employees	3,326		3,836		

Segment sales (in CHF million) - AS APAC



Segment Access Solutions DACH

Sales growth, higher profitability

Operational performance

The segment AS DACH generated total sales of CHF 863.0 million in the period under review. Organic sales growth was 2.8% compared to the previous year. The segment reported an EBITDA of CHF 153.6 million, which is 3.6% higher than previous year. The EBITDA margin increased from 17.4% to 17.8%. The effects of higher sales prices, post-merger integration synergies, cost efficiencies, and higher volumes overcompensated the negative effects from raw material and labor cost inflation, foreign exchange, and lower EBITDA contribution from some of the German production plants.

With the successful relocation of the production of certain standard door closers from Germany to Asia, the segment has achieved its targeted post-merger synergies for the financial year 2018/19 and expects final cost synergies to materialize in financial year 2019/20.

Market development

There was good growth compared to the prior-year period in Germany and Switzerland, and most pronounced in Austria. With regard to Product Clusters, there was particular good growth in Door Hardware – especially door closers – as well as in Services. Sales in Mechanical Key Systems were in line with last year, whereas Interior Glass Systems sales were below previous year.

Entrance Systems contributed to growth driven by several new projects. For example, the business has won contracts for the equipment of several cruise ships, not only installing Entrance Systems products but also cross-selling products from other Product Clusters like Door Hardware and Services.

The Electronic Access & Data (EAD) business continued to improve based on a good order intake, however as there were more smaller projects compared to the previous year, it needs more time until revenues are realized. The segment is in the process to strengthen its market approach for EAD for the project driven businesses and expects to foster growth by allocating additional sales and marketing resources to the attractive multi-housing business.

Outlook

AS DACH expects continued growth in financial year 2019/20 driven by stable underlying demand.

The segment is in the process to improve its competitiveness with a performance-based program throughout the entire organization to sustainably improve profitability. The segment aims to improve its cost efficiency, to further execute on strategic pricing measures and on optimized purchasing, to strengthen its marketing efforts and to invest into an optimized IT infrastructure.

AS DACH started to address the unsatisfactory profitability contribution of some of its German plants, particularly at its site in Ennepetal. Measures will include the improvement of the whole supply chain, further modernization and automatization of production as well as flexibilization in all areas. This will be supported by the realization of the remaining cost synergy potential of the post-merger integration in Germany, which will help to improve the overall cost base.

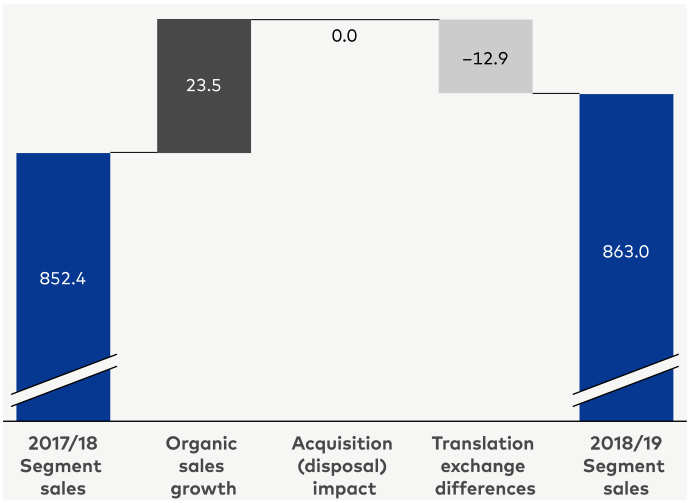
In addition, the segment intends to increase its competitiveness and sales with new products including its innovative half-height sensor barriers Argus (HSB), which are used to manage people flow in areas such as corporate entrances and lobbies. Argus combines an attractive design with a modular and configurable architecture. Additionally, it enables simple integration of biometric recognition devices and cost-efficient production. This new product line has been launched in financial year 2018/19 and already contributed positively to the result by gaining several major orders.

Key figures - segment AS DACH

CHF million, except where indicated	Financial year ended 30.06.2019	%	Financial year ended 30.06.2018 [1]	%	Change on previous year in %
Net sales third parties	534.4		530.8		0.7
Intercompany sales	328.6		321.6		
Total segment sales	**863.0**		**852.4**		**1.2**
Change in segment sales	10.6	1.2	51.4	6.4	
Of which translation exchange differences	–12.9	–1.6	42.8	5.3	
Of which acquisition (disposal) impact	0.0	0.0	–7.9	–1.0	
Of which organic sales growth	**23.5**	**2.8**	**16.5**	**2.1**	
Operating profit before depreciation and amortization (EBITDA)	**153.6**	**17.8**	**148.2**	**17.4**	**3.6**
Average number of full-time equivalent employees	3,481		3,506		

1) In 2017/18: in order to enable fair comparison with current-year data, certain sales have been reclassified within segment AS EMEA and AS DACH.

Segment sales (in CHF million) - AS DACH



Segment Access Solutions EMEA

Organic sales growth, slightly higher profitability

Operational performance

In the period under review, segment AS EMEA generated total sales of CHF 777.8 million and organic sales growth of 1.9% compared to the previous year. EBITDA amounted to CHF 56.7 million, an increase of 0.2% over the last year's figure. The EBITDA margin was slightly higher at 7.3% (previous year 7.2%). Higher volumes, a positive mix effect, and operational efficiency improvements slightly overcompensated higher expenditures in business development and higher IT costs for the roll-out of global applications.

Market development

Sales growth of AS EMEA was driven by double-digit growth rates in Central and Eastern Europe, especially Russia where the business gained several major contracts for retail chains. The Benelux countries and the UK contributed to sales growth as well. Business in the UK benefited from Services, which more than offset the weaker business environment due to political uncertainty. The segment's UK organization has prepared itself for a potential hard Brexit and has increased, amongst other measures, its inventory levels.

Sales in Scandinavia were below previous year's level as double-digit growth in Denmark and Finland could not compensate a very weak performance in Norway. The region Middle East and Africa was flat in terms of sales compared to the previous year due to challenging market conditions in South Africa and Kuwait which offset a favorable development in the UAE, Qatar, and Saudi Arabia. Sales in Southern Europe were below previous year's level due to a strong prior year performance in Spain, where major airport projects were executed. This negative base effect particularly impacted growth in the second half of financial year 2018/19. Growth in France was weaker in the second half of financial year 2018/19 as well, but flat year-on-year.

Growth in the Product Clusters was driven by Entrance Systems, Lodging Systems, and Electronic Access & Data (EAD). The latter benefited from projects like the Doha Oasis project in Qatar where EAD and Lodging Systems solutions were combined to an attractive offering for the customers. Lodging Systems won several major contracts for Mobile Access Solutions from global hotel chains which is another step in establishing this technology in Europe. Safe Locks and Interior Glass Systems were below prior year's level.

The segment has introduced, amongst other products, mobile access for corporates which was successfully launched in February 2019. This solution enables the use of mobile credentials within online, wireless and unconnected readers. The solution scales across large and complex organizations and reduces the effort for managing the badges for corporates.

Outlook

AS EMEA will focus on profitable growth in financial year 2019/20. The business expects a relatively stable market environment despite the ongoing political and economic volatility.

The segment expects that profitable growth will be driven by strategic pricing initiatives as well as strengthening of its Services and project business across regions. Strategic focus will be on specifications and selected verticals such as healthcare, airports, and hospitality. AS EMEA will continue to improve organizational efficiencies by substantially investing in its IT infrastructure and global applications as part of the enterprise excellence and digitalization strategy.

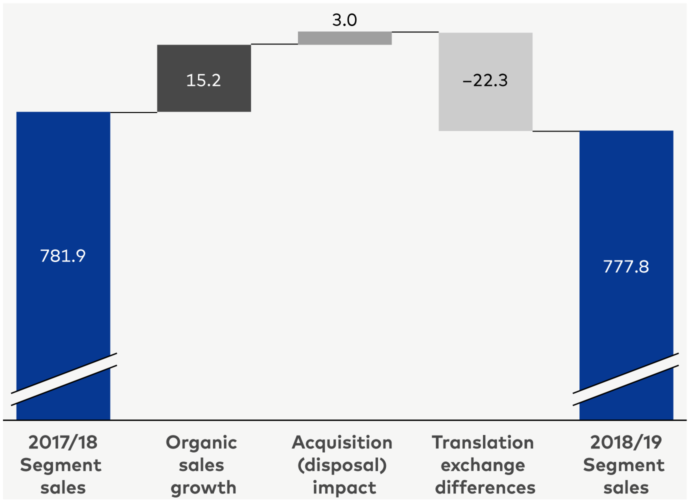
AS EMEA has addressed structural issues in Scandinavia and has selectively strengthened local management; it will implement measures to improve business performance in this region.

Key figures - segment AS EMEA

CHF million, except where indicated	Financial year ended 30.06.2019	%	Financial year ended 30.06.2018 [1]	%	Change on previous year in %
Net sales third parties	660.7		666.2		–0.8
Intercompany sales	117.1		115.7		
Total segment sales	**777.8**		**781.9**		**–0.5**
Change in segment sales	–4.1	–0.5	49.0	6.7	
Of which translation exchange differences	–22.3	–2.8	29.8	4.0	
Of which acquisition (disposal) impact	3.0	0.4	1.2	0.2	
Of which organic sales growth	**15.2**	**1.9**	**18.0**	**2.5**	
Operating profit before depreciation and amortization (EBITDA)	**56.7**	**7.3**	**56.6**	**7.2**	**0.2**
Average number of full-time equivalent employees	3,408		3,378		

1) In 2017/18: in order to enable fair comparison with current-year data, certain sales have been reclassified within segment AS EMEA and AS DACH.

Segment sales (in CHF million) - AS EMEA



Segment Key & Wall Solutions

Sales growth, higher profitability

Operational performance

The segment Key & Wall Solutions generated total sales of CHF 401.9 million in the financial year 2018/19, representing year-on-year organic sales growth of 2.2%. EBITDA stood at CHF 63.0 million, up 11.1% compared to the previous year; the EBITDA margin improved from 14.6% to 15.7%. This increase mainly resulted from good profitable growth in the Movable Walls business in the US, where higher volumes, price increases, and a better product mix more than offset the impact of raw material inflation.

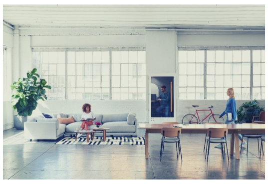
Market development

Strong growth in Asia could not compensate for lower growth in the other regions in the Business Unit Key Systems. Sales were impacted by a weaker key cutting machine business in Europe and a weaker key replacement business in the US, particularly in the second half of financial year 2018/19. Klaus Group, a business acquired in Peru in May 2018, met expectations by making a positive contribution to growth and by increasing its profitability compared to previous year.

There was strong organic growth in the Movable Walls Business Unit with particular strength of the North American business, but all other regions contributed to growth as well. Acquired in year 2017, the Skyfold business has been successfully integrated and delivered top-line synergies as the business can offer now both, vertical and horizontal movable walls. There was also a positive contribution from the progress of the measures to increase the automatization of its production site in Ocholt (Germany) with the aim to sustainably improve the cost base and efficiency of the European business.

Working With Limited Space

With land at a premium, an urban future, where businesses and individuals can thrive, will require flexible room designs that maximizes existing space.



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Outlook

Key & Wall Solutions expects no major change in the business environment in financial year 2019/20.

Growth in the Business Unit Key Systems will benefit from the launch of new products like “SIX”, a next generation high-end electronic key cutting machine, which is expected to launch in the second half of financial year 2019/20. SIX enables faster operations, more automation, and enhanced connectivity for locksmiths.

Furthermore, Key Systems expects initial contributions from the investments into digital initiatives which will put a stronger emphasis on a higher service component. First products will be launched in 2019/20 including “MyKeys Safe”, a digital wallet for residential and automotive keys that offers end users support for lost key situations. With regards to profitability, Key Systems will continue to invest in its operational efficiency including significant investment into its ERP infrastructure in North America.

Supported by a good order book, the Business Unit Movable Walls will continue to focus on profitable growth of its businesses in the US as well as in Asia. In Germany, the Business Unit will finalize the automatization of its production site with the aim to sustainably improve the cost base and efficiency of the European business.

Skyfold is expected to continue to contribute positively to growth and profitability. There is significant potential to transform the vertical Movable Walls business which is still very North American centric to a true global business. This business case is supported by first successful orders from Europe, China, and the Middle East.

Key figures - segment Key & Wall Solutions

CHF million, except where indicated	Financial year ended 30.06.2019	%	Financial year ended 30.06.2018	%	Change on previous year in %
Net sales third parties	388.0		374.2		3.7
Intercompany sales	13.9		13.3		
Total segment sales	**401.9**		**387.5**		**3.7**
Change in segment sales	14.4	3.7	55.7	16.8	
Of which translation exchange differences	–1.6	–0.4	7.2	2.1	
Of which acquisition (disposal) impact	7.5	1.9	32.4	9.8	
Of which organic sales growth	**8.5**	**2.2**	**16.1**	**4.9**	
Operating profit before depreciation and amortization (EBITDA)	**63.0**	**15.7**	**56.7**	**14.6**	**11.1**
Average number of full-time equivalent employees	2,296		2,139		

Segment sales (in CHF million) - Key & Wall Solutions