2019/20 in brief

- Consolidated net sales of CHF 2,539.8 million
- Organic sales decrease of 6.9%
- EBITDA reaches CHF 325.0 million, with an EBITDA margin of 12.8%
- Net profit of CHF 164.1 million
- Dividend proposal of CHF 10.50 per share in accordance with dividend policy

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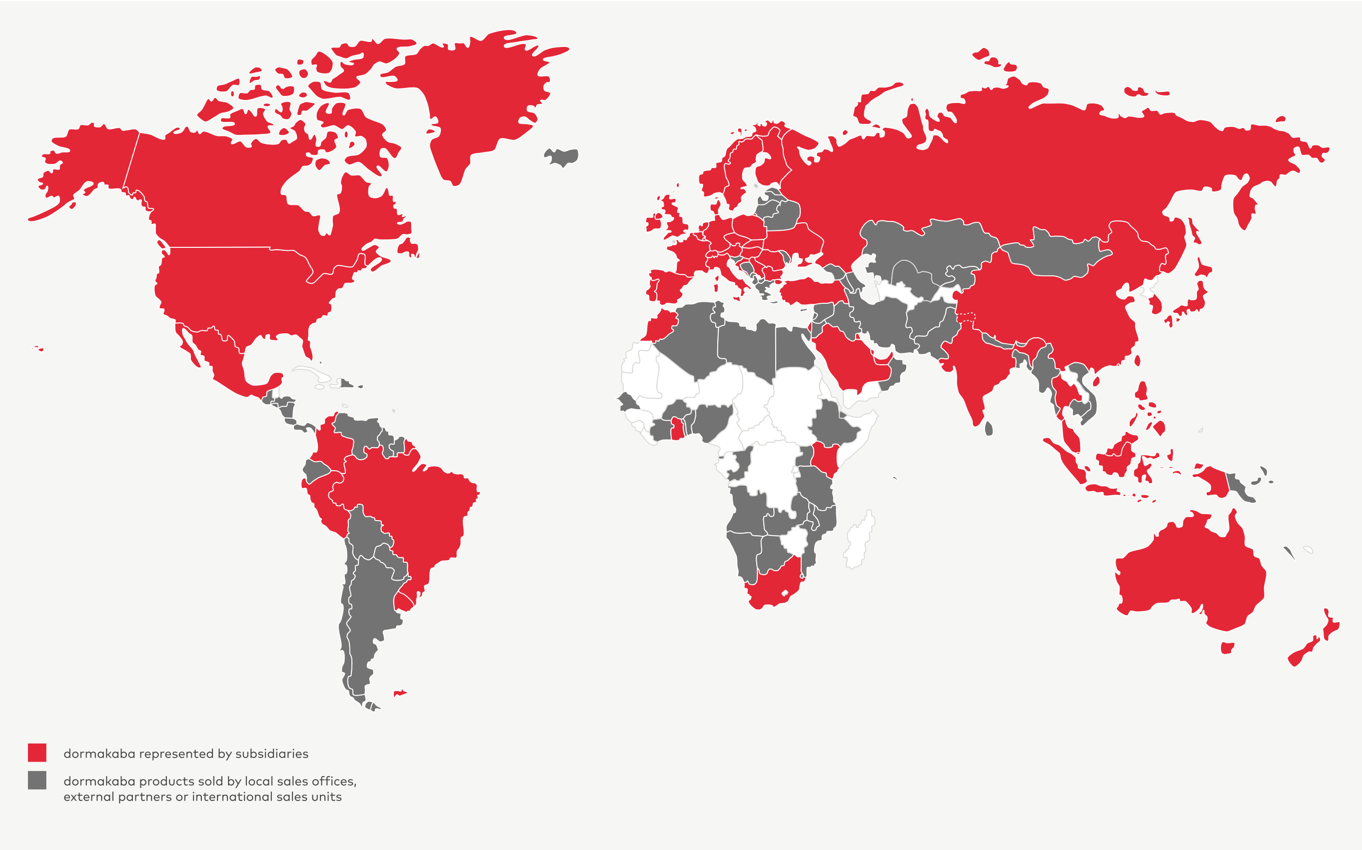

Segment Access Solutions AMER

Organic sales and profitability heavily impacted by Covid-19 pandemic

Operational performance

AS AMER achieved total sales of CHF 755.3 million in the financial year 2019/20. Organic sales decreased 8.1% compared to the previous year. Segment EBITDA reached CHF 128.1 million (previous year CHF 168.1 million), the EBITDA margin was at 17.0% (previous year 20.6%).

While the business recorded organic growth in the first half of financial year 2019/20, organic sales and profitability were heavily influenced by the Covid-19 pandemic in the second half. Impact was driven by the contraction of operational capacity that came as a result of government-mandated manufacturing site closures and restrictions on manufacturing employee density. While in the United States these impacts were short in duration, the manufacturing sites in Canada, Mexico, and Brazil experienced material, unfavorable capacity impact in the period. In addition to capacity impact, the Covid-19 pandemic resulted in increased shipping costs and challenges with supply chain component availability.

The segment's performance was still impacted by challenges in its hollow metal door business (Mesker), which continued to affect both the top line and profitability. While the technical issues had been resolved early on in the period under review, the business performance remains under pressure, as Covid-19 risk management measures slowed efforts.

Despite favorable price realization, procurement savings, a positive M&A effect from the acquisition of Alvarado, as well as cost measures including lower discretionary spending and reduced personnel costs, the strong volume contraction resulted in a lower EBITDA margin.

As part of the Group-wide cost savings and restructuring program to address the ongoing Covid-19 pandemic-related substantial volume contraction and to maintain operational and financial efficiency, AS AMER in the fourth quarter of financial year 2019/20 has initiated specific measures to adjust capacities and costs. Measures include a reduction of around 150 full-time equivalents. This comprises responsible and necessary headcount reductions across multiple AS AMER entities with the objective to shift job duties and to automate processes and the further consolidation of smaller manufacturing and distribution sites, while maintaining commitment to key strategic priorities such as new digital product development and the advancement of the dormakaba brand.

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Market development

In the first half of 2019/20, growth in AS AMER was driven by Door Hardware, Safe Locks, Interior Glass Systems, and the Lodging Systems business in North America. Latin America contributed to growth as well, driven by an improvement in Mexico.

However, sales in the second half of 2019/20 were heavily impacted by the Covid-19 pandemic. Revenue contracted for all countries and product clusters, as sales development was harmed by project execution constraints resulting from lockdowns in individual locations. Markets experienced sequential order rate improvement beginning in April 2020 and extending through the end of the reporting period. While construction site activities in the US resumed normal levels by the end of the financial year 2019/20, US interstate travel restrictions continue to limit service and installation activities.

Beyond Door Hardware and Electronic Access & Data, which were negatively impacted most in terms of volume by the Covid-19 pandemic, the Lodging Systems business has experienced notable impact, as this product cluster is tightly connected to the strength of the hospitality industry. However, given the segment's innovative Lodging product portfolio, including wireless devices and mobile key solutions, as well as touchless solution synergies with other product cluster offerings, dormakaba is well positioned to support health-oriented hotel facility improvement and participate in market recovery.

Outlook

Assuming no further disruptions related to Covid-19, AS AMER expects a sequential improvement in the first quarter of financial year 2020/21 versus the fourth quarter of financial year 2019/20. However, there will be still a negative impact of Covid-19 in financial year 2020/21. Therefore, sales for the first half of financial year 2020/21 will be below previous year's period which was not affected by Covid-19.

The segment will continue to drive operational efficiency and reduce its cost base to compensate for lower demand. Initiatives to maximize benefits of scale and assure integration synergies will be prioritized, as these steps also support positive capability development to serve customers.

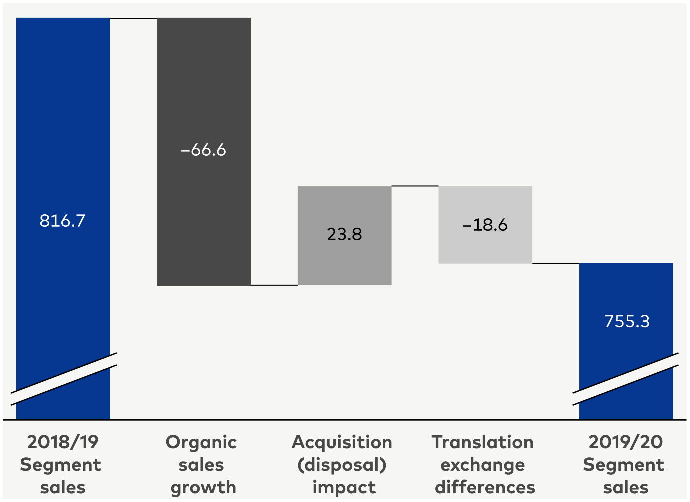
The Covid-19 era will disrupt customary practices in the access solutions marketplace. Access and credentialing policies across all vertical end markets will be strengthened, with emphasis on adaptability, versatility, and health. As such, the segment believes it is well-equipped with key products and interoperable solutions to realize the growth potential in the area of seamless and touchless access solutions. Furthermore, the segment is expected to capitalize on targeted technology investments made over recent years with successful launch of new and innovative products. The most recent example is Switch Tech, a highly durable, digital lock replacement for small-format interchangeable cores. This device replaces a traditional mechanical lock cylinder and extends electronic access control and mobile credentials to the simple mechanical doorway.

Alex Housten assumed responsibility as COO of AS AMER on 1 July 2020 after an onboarding period of three months. He and his team will focus on strategic investments and efficiencies to support sustainable profitable growth. In addition, priorities will be to further strengthen relationships with key customers and build the dormakaba brand reputation and trust in the key market USA.

Key figures - segment AS AMER

CHF million, except where indicated	Financial year ended 30.06.2020	%	Financial year ended 30.06.2019	%	Change on previous year in %
Net sales third parties	720.4		783.7		–8.1
Intercompany sales	34.9		33.0		
Total segment sales	**755.3**		**816.7**		**–7.5**
Change in segment sales	–61.4	–7.5	–11.7	–1.4	
Of which translation exchange differences	–18.6	–2.3	12.8	1.6	
Of which acquisition (disposal) impact	23.8	2.9	–10.0	–1.2	
Of which organic sales growth	**–66.6**	**–8.1**	**–14.5**	**–1.8**	
Operating profit before depreciation and amortization (EBITDA)	**128.1**	**17.0**	**168.1**	**20.6**	**–23.8**
Average number of full-time equivalent employees	2,811		2,875		

Segment sales (in CHF million) - AS AMER



Segment Access Solutions APAC

Despite strong negative impact from Covid-19 pandemic on sales, EBITDA margin kept at a good level

Operational performance

AS APAC achieved total sales of CHF 402.4 million in the financial year 2019/20. Organic sales for the full financial year 2019/20 were 8.5% below previous year's level as the second half of 2019/20 was severely impacted by the outbreak of the Covid-19 pandemic. Segment EBITDA reached CHF 54.8 million, which is 20.5% lower than a year earlier (CHF 68.9 million). Nevertheless, the EBITDA margin was at 13.6% (previous year 14.9%) as effective cost management, reduction of personnel expenses, efficiency improvements, and a favorable product mix could to some extend offset the negative effects of substantially lower volume.

As part of the Group-wide cost savings and restructuring program to address the ongoing Covid-19 pandemic-related substantial volume contraction and to maintain operational and financial efficiency, AS APAC has initiated specific measures to adjust capacities and costs. Measures impact all regions of AS APAC and will include a reduction of around 500 full-time equivalents, most of this being effective already at the end of financial year 2019/20.

Market development

In AS APAC, the second half of the financial year 2019/20 was heavily impacted by the Covid-19 pandemic and its fallout.

The major impact in the third quarter of 2019/20 came from China, where the lockdown in various provinces had a strong negative impact on local demand, whereas production and supply chain could be maintained at a reasonable level. The commercial business, which is a major driver for the segment's performance in China, held up well in 2019/20 versus a strong basis from previous year despite the Covid-19 impact. Therefore, organic sales for China for the financial year 2019/20 were only slightly below previous year.

In the fourth quarter of 2019/20, all major markets across ASEAN region were severely impacted by Covid-19, which not only led to lower local demand but also to bottlenecks in production and supply chain. The biggest negative impact for the business from Covid-19 was attributable to region South Asia, especially India. Fourth quarter sales of our organization in India came close to a standstill being down by roughly 90% compared to previous years' level. However, the Pacific region and particularly Australia have yet been less affected by the impact of Covid-19 and even experienced organic sales growth for the financial year 2019/20, with growth supported by a strong Services business.

Similarly to previous year, sales were still impacted by the ongoing trade conflict between China and the USA, which negatively affects dormakaba's OEM business in China (Wah Yuet) for the US market. AS APAC has initiated countermeasures such as starting to shift capacity to Chinese domestic customers and insourcing production to compensate the top-line shortfall.

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Outlook

Barring newer waves of Covid-19 outbreaks, AS APAC expects an improvement in the first half of financial year 2020/21 versus the second half of financial year 2019/20. However, there will be a continued negative impact of Covid-19 as some regions are still in lockdown respectively hit by a second wave of the coronavirus such as Australia. Therefore, sales for the first half of 2020/21 will be below a comparable base that was not affected by Covid-19.

The segment will continue to adjust its cost base to compensate for lower demand due to the fallout of the Covid-19 pandemic.

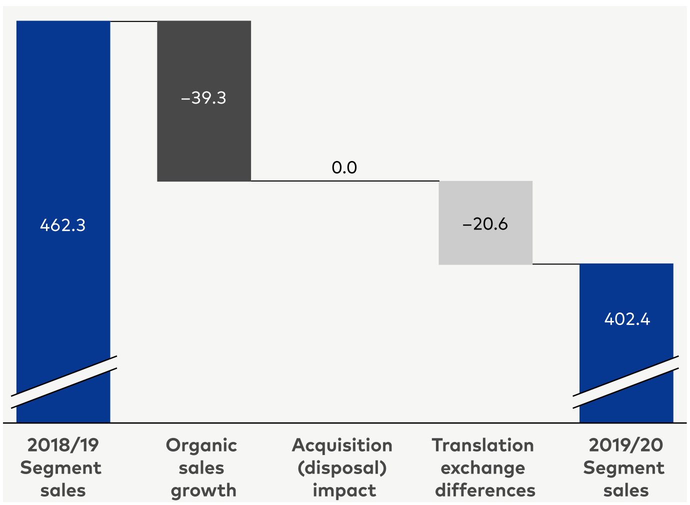
The segment will focus on new and innovative products, like dormakaba 9160, a new face recognition terminal, which can be easily integrated with automatic doors or physical access systems thus enabling touchless access to buildings and rooms. This terminal will be launched in China in the first half of the financial year 2020/21 and for further markets in the second half of 2020/21.

Another product particularly attractive for the Chinese market is IC 800, a cost-effective digital door lock with basic fingerprint functions for the retail and project channel which will be launched in the financial year 2020/21.

Key figures - segment AS APAC

CHF million, except where indicated	Financial year ended 30.06.2020	%	Financial year ended 30.06.2019	%	Change on previous year in %
Net sales third parties	378.2		435.8		–13.2
Intercompany sales	24.2		26.5		
Total segment sales	**402.4**		**462.3**		**–13.0**
Change in segment sales	–59.9	–12.9	–5.7	–1.2	
Of which translation exchange differences	–20.6	–4.4	–12.0	–2.5	
Of which acquisition (disposal) impact	0.0	0.0	–11.0	–2.4	
Of which organic sales growth	**–39.3**	**–8.5**	**17.3**	**3.7**	
Operating profit before depreciation and amortization (EBITDA)	**54.8**	**13.6**	**68.9**	**14.9**	**–20.5**
Average number of full-time equivalent employees	3,299		3,326		

Segment sales (in CHF million) - AS APAC



Segment Access Solutions DACH

Overall negative impact from Covid-19 pandemic

Operational performance

AS DACH generated total sales of CHF 791.9 million in the financial year 2019/20. Following moderate organic sales growth in the first half of 2019/20, the segment reported an organic sales decline of 3.5% for full financial year 2019/20 due to the negative impact of the Covid-19 pandemic.

EBITDA stood at CHF 129.3 million which represents a 15.8% decrease compared to previous year (CHF 153.6 million). The EBITDA margin was at 16.3% (previous year 17.8%). The segment was able to compensate the negative volume impact partly by benefiting from its performance-based program started in financial year 2018/19 to further improve competitiveness. This was supplemented by effective cost management, efficiency improvements, procurement savings, and final merger synergies.

As part of this performance-based program, the segment initiated profitability measures to improve its German site in Ennepetal such as strengthening the management and improving the supply chain as well as the level of automatization and flexibilization of production. In addition, it comprises opportunities to convert personnel from indirect to direct labor and the introduction of flexible production experts' teams. These initiatives will lead to headcount reduction of around 100 full-time equivalents by the end of financial year 2020/21.

As part of the Group-wide cost savings and restructuring program to address the ongoing Covid-19 pandemic-related volume contraction and to maintain operational and financial efficiency, AS DACH in the fourth quarter of financial year 2019/20 has initiated specific measures to adjust capacities and costs. It comprises the rightsizing of the German production facilities in Bad Salzuflen and Buehl to address lower volumes and price pressures in the market. Initiatives have already started in the financial year 2019/20 and will include headcount reductions of another around 100 full-time equivalents predominately until end of financial year 2021/22.

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Market development

The business experienced organic sales growth for the first nine months of the financial year 2019/20; the third quarter particularly benefited from the reduction of the backlog of project business in Germany. However, this could not offset the strong negative impact of the Covid-19 pandemic in the fourth quarter of financial year 2019/20, which particularly impacted April and May 2020, while June 2020 was on previous year's level.

Switzerland was able to deliver organic growth in the financial year 2019/20 which was driven by the Product Clusters Electronic Access & Data and Mechanical Key Systems. Sales in the German market were slightly above last years' level, whereas the segments' plants suffered from the global shortfall of intercompany demand due to Covid-19.

The Covid-19 impact was by far most pronounced for Austria, which experienced a decline in sales for the financial year 2019/20. This is due to the country's full lockdown during which major construction companies closed all sites for several weeks.

Since the Door Hardware production sites in Singapore, Melaka (Malaysia) and Suzhou (China) belong to AS DACH, there was a substantial negative impact on sales and margins for the segment because of lower intercompany demand for global door hardware products due to Covid-19, which impacted capacity utilization at these sites. On a more positive note, the segment was able to ensure its supply chain continuity despite several regional lockdowns at its major production sites.

Outlook

Assuming no further disruptions related to Covid-19, AS DACH expects a sequential improvement in the first quarter of financial year 2020/21 versus the fourth quarter of financial year 2019/20. However, there will be still a negative impact of Covid-19 due to lower global intercompany demand for its main product range. Therefore, sales for the first half of financial year 2020/21 will be below previous year's period which was not affected by Covid-19.

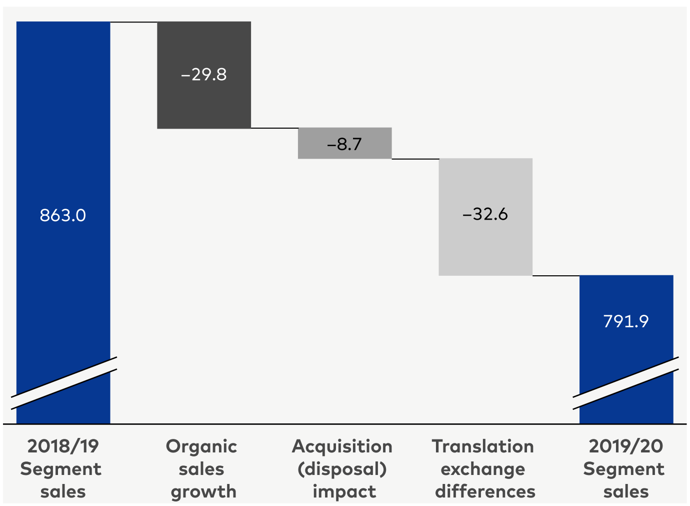
The segment expects to maintain its bottom line by efficiency improvements and benefits from its cost savings and restructuring programs as well as the execution of its performance-based program.

The segment will continue to focus on the introduction of new and innovative products such as the new self-boarding gate dormakaba ARGUS AIR. This product combines dormakaba's latest design-oriented sensor barriers (Argus) with biometric control allowing for touchless access and will be launched in the second quarter of the financial year 2020/21. In addition, the segment will introduce a new generation of highly performing sliding doors and strengthen, driven by current market demand, the marketing efforts on its product portfolio based on touchless access solutions.

Key figures - segment AS DACH

CHF million, except where indicated	**Financial year ended 30.06.2020**	**%**	**Financial year ended 30.06.2019**	**%**	**Change on previous year in %**
Net sales third parties	501.4		534.4		–6.2
Intercompany sales	290.5		328.6		
Total segment sales	**791.9**		**863.0**		**–8.2**
Change in segment sales	–71.1	–8.2	10.6	1.2	
Of which translation exchange differences	–32.6	–3.7	–12.9	–1.6	
Of which acquisition (disposal) impact	–8.7	–1.0	0.0	0.0	
Of which organic sales growth	**–29.8**	**–3.5**	**23.5**	**2.8**	
Operating profit before depreciation and amortization (EBITDA)	**129.3**	**16.3**	**153.6**	**17.8**	**–15.8**
Average number of full-time equivalent employees	3,452		3,481		

Segment sales (in CHF million) - AS DACH



Segment Access Solutions EMEA

Sales and profitability negatively impacted by Covid-19 pandemic

Operational performance

AS EMEA generated total sales of CHF 696.1 million in the financial year 2019/20. Organic sales for the full year were impacted by the Covid-19 pandemic with 5.7% below previous year's level despite organic growth during the first nine months of the financial year 2019/20. Segment EBITDA reached CHF 45.5 million, which is 19.8% lower than a year earlier (CHF 56.7 million).

The EBITDA margin reached 6.5% (previous year 7.3%). Volumes dropped substantially during the last four months of the financial year as a consequence of the Covid-19 pandemic. Strong cost management, reduction of personnel expenses (including furlough compensation and overtime reduction), efficiency improvements, and procurement savings could partly offset the negative volume impact.

As part of the Group-wide cost savings and restructuring program to address the ongoing Covid-19 pandemic-related volume contraction and to maintain operational and financial efficiency, AS EMEA has adjusted its market organizations with an overall headcount reduction of around 150 (around 5% of total AS EMEA headcount) through the consolidation of certain regional support functions and business model alignments.

Market development

AS EMEA experienced organic growth in the first nine months of the financial year 2019/20 which was driven by high single-digit growth rates in most markets in Central & Eastern Europe as well as double digit growth in Turkey. The UK and Benelux as well as South Europe also contributed to organic growth in the first nine months, the latter region with both solid product and project business activity in France.

All markets were to some degree negatively impacted by the Covid-19 pandemic during the last four months of financial year 2019/20. The Covid-19 impact was significant in South Europe in countries such as Italy, France and Spain, followed by UK and Benelux (where only Netherlands continued to achieve solid growth), in Middle East & Africa and Central & Eastern Europe (especially Russia), whereas the Covid-19 impact in Scandinavia was less pronounced. Even stable business activities such as Services were negatively impacted due to restricted access to customer premises during lockdown.

Overall, for the financial year 2019/20, the region Central & Eastern Europe continued to deliver solid growth in most markets except Russia. In addition, Saudi Arabia, Finland and Netherlands were other countries with growth despite Covid-19.

Outlook

Assuming no further disruptions related to Covid-19, AS EMEA expects a gradual improvement in the first quarter of financial year 2020/21 (as compared to the fourth quarter of financial year 2019/20) with the completion of previously delayed projects and stronger products sales. There will continue to be a negative impact of Covid-19 during the financial year 2020/21 with the return to stable business as individual countries open up post lockdown. Therefore, sales for the first half of financial year 2020/21 are expected to be lower than previous year.

As of 1 January 2020, the segment is led by a new COO, Steve Bewick. Steve and his team have successfully addressed structural issues in Scandinavia, and EBITDA in Sweden has significantly improved. The Norwegian business will improve operational efficiency through the divestment of its project installation business as well as enhanced business model. The divestment includes approximately 80 employees and is expected to close end of August 2020.

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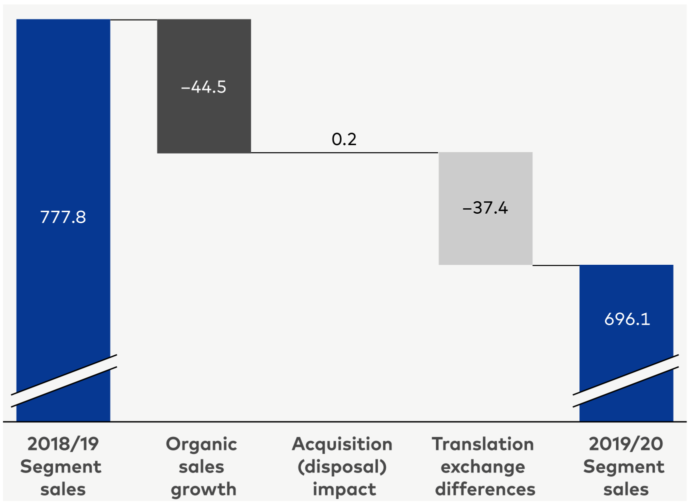
The segment will continue to introduce new and innovative solutions, such as an automatic door system that uses 3D and thermal imaging to control the flow of people in stores and meets the legal requirements of several countries imposed as a result of the Covid-19 pandemic. This innovative solution was developed in only two months and launched in June 2020. AS EMEA has already received a major order in the UK, which also includes a service component.

Key figures - segment AS EMEA

CHF million, except where indicated	Financial year ended 30.06.2020	%	Financial year ended 30.06.2019	%	Change on previous year in %
Net sales third parties	585.2		660.7		–11.4
Intercompany sales	110.9		117.1		
Total segment sales	**696.1**		**777.8**		**–10.5**
Change in segment sales	–81.7	–10.5	–4.1	–0.5	
Of which translation exchange differences	–37.4	–4.8	–22.3	–2.8	
Of which acquisition (disposal) impact	0.2	0.0	3.0	0.4	
Of which organic sales growth	**–44.5**	**–5.7**	**15.2**	**1.9**	
Operating profit before depreciation and amortization (EBITDA)	**45.5**	**6.5**	**56.7**	**7.3**	**–19.8**
Average number of full-time equivalent employees	3,468		3,408		

Segment sales (in CHF million) - AS EMEA



Segment Key & Wall Solutions

Despite strong negative impact from Covid-19 pandemic on sales, EBITDA margin kept at a good level

Operational performance

While the Key Systems Business Unit was severely affected by the pandemic, the Movable Walls Business Unit recorded sales and profitability above the previous year. Overall, the segment Key & Wall Solutions generated total sales of CHF 351.4 million in the financial year 2019/20, representing a year-on-year organic sales decline of 8.9%. EBITDA stood at CHF 50.5 million, 19.8% below previous year; the EBITDA margin came to 14.4% (previous year 15.7%).

While the segment experienced organic sales growth of 2.8% in the first half of the financial year 2019/20, both organic sales and profitability came heavily under pressure by the Covid-19 pandemic in the second half of 2019/20.

The EBITDA margin for the financial year 2019/20 was impacted by lower volume. Therefore, the segment has initiated swift mitigation measures to adjust costs for the lower volumes, including lower discretionary spending and the reduction of personnel expenses.

As part of the Group-wide cost savings and restructuring program to address the ongoing Covid-19 pandemic-related substantial volume contraction and to maintain operational and financial efficiency, Key & Wall Solutions in the fourth quarter of financial year 2019/20 has initiated specific measures to adjust capacities and costs. Measures include overall headcount reductions of around 350 full-time equivalents, which mainly consists of the rightsizing of its North American Key Systems business and further headcount reductions in Latin America, in India, in Malaysia and in Germany.

Market development

The Key Systems Business Unit was heavily impacted by the Covid-19 pandemic in the second half of 2019/20. April and May 2020 in particular were impacted by a sales decline of more than 60%, as major production sites in the US, in Italy, India, Columbia and Peru were unexpectedly and temporarily closed. Furthermore, regional lockdowns in most of the major business markets led to a significant decline in demand, which was particularly pronounced in India and Latin America. Sales were also impacted by an unprecedented slump in the global automotive industry, which is an important customer for the segment. However, the business unit saw sales increase in June 2020 above the low levels of May and April.

The Movable Walls Business Unit was impacted by a temporary shutdown of its major production sites in Canada and Malaysia, with the latter impacting particularly the sizeable Australian business. Moreover, customers have postponed some major projects due to regional lockdowns. Despite this challenging environment, the Movable Walls Business Unit achieved good organic growth in the financial year 2019/20, especially based on a strong performance of its US-based Modernfold business. The EBITDA margin in the financial year 2019/20 increased as well. The margin improvement was supported by a positive contribution from measures to increase the automatization of the production site in Ocholt (Germany) as well as by a strong performance of the Modernfold and Skyfold (Canada) businesses.

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Five-year performance overview

Outlook

Assuming no further disruptions related to Covid-19, the segment expects a sequential improvement in the first quarter of financial year 2020/21 versus the fourth quarter of financial year 2019/20 due to the suspension of regional lockdowns and because major end-consumer markets such as the automotive industry are showing first signs of recovery. However, there will be still a negative impact of Covid-19 on individual countries in financial year 2020/21. Therefore, sales for the first half of financial year 2020/21 for the segment will be below previous year's period which was not affected by Covid-19.

Sales in the Movable Walls business are expected to be driven both by good order intake and by a strong backlog of projects that could not be finalized in the financial year 2019/20.

Key & Wall Solutions will continue to adjust its cost base to compensate for lower demand. Additional cost savings and restructuring measures are in preparation and will put in place dependent on the economic development and on the duration and severity of the impact of the Covid-19 pandemic.

The segment sees growth potential for new products such as cost-effective automated movable walls which will be launched in autumn 2020. Key Systems is expected to further benefit from new digital solutions, including "MyKeys Safe", a digital wallet for residential and automotive keys that offers end users support for lost key situations, that has been successfully launched in 2019/20.

Key figures - segment Key & Wall Solutions

CHF million, except where indicated	**Financial year ended 30.06.2020**	**%**	**Financial year ended 30.06.2019**	**%**	**Change on previous year in %**
Net sales third parties	340.2		388.0		–12.3
Intercompany sales	11.2		13.9		
Total segment sales	**351.4**		**401.9**		**–12.6**
Change in segment sales	–50.5	–12.6	14.4	3.7	
Of which translation exchange differences	–14.6	–3.7	–1.6	–0.4	
Of which acquisition (disposal) impact	0.0	0.0	7.5	1.9	
Of which organic sales growth	**–35.9**	**–8.9**	**8.5**	**2.2**	
Operating profit before depreciation and amortization (EBITDA)	**50.5**	**14.4**	**63.0**	**15.7**	**–19.8**
Average number of full-time equivalent employees	2,188		2,296		

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