



# Group Management Report

MotionIQ, an intelligent door system, optimizes the control of automatic swing doors determining the movement vector of people and calculates the ideal opening point as well as the individual hold-open time. This significantly reduces the time the door is left open and reduces energy losses.

# Chairman Letter



Svein Richard Brandtzæg (Chairman)

## Dear Shareholders,

This financial year has seen dormakaba make good progress on the execution of its Shape4Growth strategy and related transformation program, leading to a strong financial performance in line with its mid-term targets. A new organizational setup has been put into place, with global management of our commercial organization and innovation. We have sharpened our focus on core strategic markets and launched key efficiency and cost initiatives in operations, procurement and corporate services.

### Strong 2023/24 performance driven by strategy execution

The strategy is delivering as expected: dormakaba has achieved strong organic net sales growth with substantial increases in both the adjusted EBITDA margin and ROCE. As we progress further in our strategy execution, our priorities are also evolving: these will include building on leadership positions to boost sustainable growth in core markets, leveraging key offerings beyond their home markets, reducing portfolio complexity to free up resources for further investment in innovation, establishing continuous improvement programs throughout production and procurement, and fostering a high-performance, customer-centric culture. With this, we will ensure that our strategy continues to deliver sustainable improvements and growth.

### Fostering our strong ESG position

As a leading global player in the access and thus construction industry, we take our ESG responsibilities very seriously. That is why we have now further linked sustainability goals with our business goals, integrating ESG targets into our Long-Term Incentive plan for executive compensation.

dormakaba benefits from a strong foundation for its sustainability governance, with clear targets and ambitions. This has allowed us to delegate further oversight responsibility for sustainability measures to the Board of Directors and the Executive Committee. This year we are publishing our first Task Force on Climate-Related Financial Disclosures (TCFD) and extended EU Taxonomy reports. We are also in compliance with the non-financial reporting requirements of the Swiss Code of Obligations, and have completed the double materiality assessment under the EU Corporate Sustainability Reporting Directive. Most importantly, we have now introduced a binding vote on our Sustainability Report at the Annual General Meeting of Shareholders (AGM) on 10 October 2024.

### AGM 2024: continued progress in governance

At the upcoming AGM, the Board of Directors will propose a dividend CHF 8.00 which represents a payout ratio of 51.1%. This reflects our strong operational performance and the impact of one-off restructuring expenses for our transformation on this financial year's net profit.

Till Reuter resigned from his seat on the Board of Directors in order to take up his responsibilities as CEO on 1 January 2024. In addition, John Y. Liu will retire from the Board effective 10 October. The Board of Directors proposes Marianne Janik and Ilias Läber for election to the two open seats.

Finally, the Board of Directors is opening the position of Auditor with an ongoing tender, with the resulting candidate to be proposed to the 2025 AGM.

We firmly believe that dormakaba is well positioned for the coming years, and we will continue to work to earn your trust and support every day. On behalf of the Board of Directors, I want to take this opportunity to thank you for your much valued trust during this time of transformation.

Sincerely,



**Svein Richard Brandtzæg**  
Chairman

# CEO Message



Till Reuter (CEO)

## Dear Shareholders,

In the eight months since becoming CEO, I have had many fruitful conversations with dormakaba employees and customers around the world. I am grateful for their frank input and highly encouraged by their enthusiasm for what we as a company have to offer.

### **Transformation program delivers tangible improvements**

Our strategy execution is progressing well and delivering tangible, sustainable improvements, supported by the transformation program introduced in July 2023. In the past year, we have set up the three planned regional shared service centers, defined the optimization of our operations network for implementation, improved plant productivity, consolidated our supplier base further, and established a global product development roadmap. We reached agreements with our social partners in Germany, Switzerland and Austria which enabled us to enter the execution phase of major transformation initiatives and to realize the corresponding cost savings. With major efficiency initiatives in execution, we are now advancing to establish further growth initiatives. This will include building on leadership positions to boost sustainable growth in core markets, leveraging key offerings beyond their home markets, and further reducing portfolio complexity to free resources for further investment in innovation.

### **Strong 2023/24 performance both for organic growth and profitability**

The 2023/24 results show our progress: We achieved strong organic net sales growth of 4.7% in a demanding economic environment. We significantly expanded our adjusted EBITDA margin by 120bps to 14.7%, showing first payoffs from the transformation program. Both business segments, Access Solutions (AS) and Key & Wall Solutions and OEM (KWO), contributed to this strong performance: our AS core markets recorded positive organic net sales growth and KWO overall marked a record year in both growth and profitability. Return on capital employed (ROCE) increased substantially by 390bps to 29.0%, profiting from improved average net working capital and adjusted EBIT. Finally, we achieved solid free cash flow and strengthened our debt profile.

### Setting our team up to win

Our success in key markets and market segments highlights that our strategic initiatives are well aligned with what our customers want. Our new organizational setup, with global management of our commercial activities and innovation, has brought us closer to our customers to serve them more efficiently as one global team. This has led to significant project wins around the world, such as the University of Oslo's ambitious Life Science Building project, where dormakaba was chosen to supply access solutions for what will become Norway's largest research and education facility.

We successfully implemented numerous airport projects around the world, expanding our regional production center in Chennai to meet growing demand. To maintain our innovation leadership in this sector, we are collaborating with leading technology companies like Rohde & Schwarz on new solutions for passenger screenings.

### Merging innovation, sustainability and customer efficiency

Our Motion IQ technology and Door Efficiency Calculator (DEC) tool are prime examples for how we are merging innovation, customer efficiency and sustainability by offering our customers solutions that help them meet their own sustainability goals. Starting with Germany and Switzerland in the past year, Motion IQ is now being rolled-out throughout Europe and is continuously integrated into more product ranges such as automatic swing doors. The DEC tool is now introduced in 18 countries.

### Recognized progress in our sustainability initiatives

We have hit our ambitious CO<sub>2</sub> emissions targets for the third year in a row, and have again increased our share of self-generated solar energy. Further, we have taken a big leap in our health and safety management, resulting in a substantial reduction of our recordable injury rates. Our overall progress in sustainability has been recognized by the media and the markets. dormakaba was named among TIME magazine's 500 World's Most Sustainable Companies for 2024, and one of Europe's Climate Leaders by the Financial Times. We kept our Prime Status in the ISS-ESG Corporate Rating and our AA rating from MSCI. We also received our third gold medal from EcoVadis, recognizing dormakaba as among the top five percent of over 130,000 organizations assessed for ESG criteria.

### Outlook

Looking ahead, we will continue to execute our strategy, supported by a strong orderbook and new, innovative products. We are confident that we will continue to grow organically despite an ongoing, challenging environment. For 2024/25 we expect organic net sales growth in the range of 3–5% and adjusted EBITDA margin of at least 15%.

Throughout this eventful year, I have been most grateful for the positive energy of our employees, whose drive to innovate and provide great service is at the heart of all we do – and for the inspiration of our customers, whose ever-evolving needs give us the chance to show our best. Together, we are on the right path to growth.

Sincerely,



**Till Reuter**  
CEO

# Major Highlights of the Year

dormakaba achieved significant milestones in the past year, including key customer deals and strategic partnerships, and was recognized for its product innovations and environmental stewardship. We remain committed to innovation and bolstering our corporate social responsibility.



## Energy efficiency through smart doors

The Door Efficiency Calculator consulting tool compares different dormakaba automatic doors in terms of their impact on the building's energy consumption, costs and carbon footprint, thus helping customers to find the most energy-efficient solutions that also meet specific building and use requirements. The tool calculates how the various door types impact the air flow and the loss of heating/cooling of the building. The calculation result is summarized in a customer-specific report comparing the ecological and economic aspects of the proposed solutions.



## Innovation recognized

dormakaba's transformative technology continues to receive recognition from industry bodies. At the 2023 ICONIC AWARD: Innovative Architecture, both the innovative EntriWorX EcoSystem and the Argus V60 sensor interlock were winners in the Product-Building Technologies category, while the Axessor Apexx IP safe lock was awarded by the Security Industry Association in April 2024. Further product lines received recognition for outstanding product design at the 2024 ICONIC AWARD.



## Unlocking breakthroughs

dormakaba is a partner to supply access solutions to the University of Oslo's ambitious Life Science Building project. The facility is set to become Norway's largest research and education building spanning across 97,000m<sup>2</sup>. The state-of-the-art facility will serve as a focal point for interdisciplinary research and collaboration, bringing together academia, healthcare institutions, and industry partners. The scope includes door hardware, access control solutions, and project management services.



## Integrated modernization for an iconic banking brand

One of the oldest and largest cantonal banks in Switzerland is the Berner Kantonalbank (BEKB | BCBE). Between May 2019 and December 2023, it modernized its 54 branches, creating bright, welcoming, informal yet highly efficient customer spaces. dormakaba was at the heart of this transformation, providing a linked ecosystem of RFID readers, on- and off-line key systems, door hardware, and access systems.



## The ticket to visitor satisfaction

At sports events, mega-concerts, theme parks, and museums, visitors naturally want to immerse themselves immediately in the experience without the hassle of waiting in line to hand over a ticket. Self-scanning allows smooth access and frees staff to optimize the visitor experience. Vivaticket S.p.A is a global leader in venue ticketing; its US division turned to Alvarado's line of intelligent admission devices to deliver seamless and versatile access control. Alvarado's DirectConnect API provides simple plug-and-play connection between Vivaticket's software and the admissions devices without intervening servers, ensuring data security while supporting wide flexibility in installation design.



## Supplying access system for a global engineering group

dormakaba is entering a partnership for supplying access control systems to thyssenkrupp Dynamic Components, the global engineering company, covering 10 locations in seven countries ranging from Brazil to China. dormakaba's Exos access management system will be installed at thyssenkrupp's Ilsenburg headquarters, creating the potential for further hardware and software extensions.



## Enabling a seamless campus access

New York University Shanghai is the first Sino-American international university officially approved by the Ministry of Education with an independent legal personality. It has degree-granting authority while also being an integral part of the global education system of New York University. Its new 114,000m<sup>2</sup> campus in Shanghai's Qiantan International Business Zone drew on dormakaba's expertise in Access Automation and Access Hardware solutions to provide seamless, stress-free access for the university's nearly 2,500 students and faculty. The order included 22 access lanes and gates, locks, premium exit devices, and door-closers.



## Supporting women to thrive

ISC West is the largest security industry trade show in the USA held annually in Las Vegas. Global professionals gather to explore innovations in access control, video surveillance, and more. At the event, dormakaba stood out by showcasing its latest advancements in security solutions and by providing the trade show's entry solution (V60 Optical Turnstile) used by the 29,000 attendees. Further, dormakaba's Nancy Lambert and Yazmina Rawji were named among the Security Industry Association's Women in Security Forum Power 100 for 2024. This makes a total of nine dormakaba women who have received this award since its inception in 2022: just one of many testimonies to dormakaba's strong commitment to increasing opportunities and advancing leadership for women.



## Recognitions in sustainability

dormakaba was named among TIME magazine's 500 World's Most Sustainable Companies for 2024; the ranking covers over 20 sustainability criteria. We received our third gold medal from EcoVadis, recognizing dormakaba as among the top five percent of over 130,000 organizations assessed for ESG criteria. GreenCircle Certified has issued 23 new certificates to dormakaba recognizing the use of recycled materials in all door closers manufactured in Singapore and adding to the 16 existing certificates for US-manufactured door hardware.



## United against child labor

Cobalt is a critical mineral for the modern economy. Any company sourcing electronic components cannot be sure that the cobalt in these components does not come from the Democratic Republic of Congo (DRC), where 70% of the cobalt mined worldwide originates and which is well-known for a high prevalence of child labor. dormakaba is the first company in Europe to support Save the Children Switzerland in a pioneering project to remediate child labor in the DRC. Over a period of ten years, dormakaba will invest around one million Swiss francs to support the project's objectives.



## Self-scan convenience arrives at airports

Together with leading technology companies like Rohde & Schwarz, dormakaba has developed new solutions for passenger screening at airports. This self-screening is a new approach but is based on mature technologies, products, and solutions within the dormakaba portfolio and the portfolios of the other companies. This innovative approach gives passengers more autonomy during the security check. These new solutions will also be able to be used in areas such as critical infrastructure, IP protection, and prisons.



# Strategy

dormakaba's corporate strategy Shape4Growth (S4G) is about transforming the company, shaping it to achieve its full potential and accelerating sustainable, profitable growth. It consists of five building blocks: Accelerating Growth; Customer Centricity; Improve Operational Excellence & Gain Scale; Realize Effective Capital Deployment; and Customer-centric & High-performance Culture.

In 2023/24, dormakaba made good progress in executing its strategy, supported by the transformation program launched in July 2023. Spanning over three years, this program focuses on network and production efficiency, procurement improvements, innovation, functional efficiency in HR and Finance, and reduced IT complexity through standardization and harmonization of systems and processes. The initial effects of the program are reflected in the strong 2023/24 performance.

## Selected achievements in strategy execution:

### Markets & Innovation

- **Transformation to a more streamlined organizational structure completed:** removing the regional layer of management and creating the global positions of Chief Commercial Officer and Chief Innovation Officer, the simplified setup enables dormakaba to sharpen its go-to-market approach and customer-centricity, and to coordinate all its R&D activities for improved time-to-market.
- **Strengthened focus on leadership in core markets:** supporting profitable growth by prioritizing core markets where dormakaba holds strong competitive positions. This also means changing the go-to-market approach in selected countries with smaller scale: for example, divesting the business in Sub-Saharan Africa to an exclusive distribution partner.
- **Increased specification capabilities:** opening a new specialist center for specification writers in Chennai (India) and integrating the EntriWorX P360 web-based project collaboration software with Salesforce CRM and SAP CPQ (Configure, Price, Quote) – both major boosts to specification efficiency and customer experience.
- **First Global Product Roadmap:** allows to harmonizing of innovation capabilities and product development and enables targeted investment in highest market potential.
- **Award-winning innovation:** the innovative EntriWorX EcoSystem and the Argus V60 sensor interlock were winners in the Product-Building Technologies category at the 2023 ICONIC AWARD: Innovative Architecture. The Axessor Apexx IP safe lock received the New Products and Solutions Award from the Security Industry Association in April 2024.

### Efficiency

- **Agreement with workers councils:** major agreements with workers councils in key countries were reached, ensuring that the transformation program can be executed as planned.
- **Procurement improvements:** the consolidation of supplier base progressed further to 23% against baseline, and we achieved continued procurement savings.
- **Establishment of shared service centers:** as of 30 June 2024, more than 250 employees are working out of these centers located in Sofia (Bulgaria), Nogales (Mexico) and Chennai (India). The centers provide, simplify, enhance, and harmonize administrative and support services in areas such as Finance, HR, and IT.

## Sustainability

- **Carbon targets achieved:** for Scope 1+2 emissions for the third year in a row with savings of 12,500 tCO<sub>2</sub>e since the baseline (FY 19/20).
- **Substantial increase in self-generated energy share:** our production sites in Malaysia and China now have 21,000 solar panels in operation, producing over 11,000 MWh of electricity and saving almost 7,000 tons of CO<sub>2</sub> equivalent annually. Overall we increased our on-site solar energy production by more than five times.
- **Leap forward in Health & Safety management:** this has resulted in a 21% decrease in injury rates year on year.

# Well positioned to deliver on industry trends

dormakaba remains well positioned to leverage present and upcoming trends in the global building market. In broad terms, increasing urbanization and an ageing population in many countries are reflected in a move towards more flexible working spaces and multi-housing, including repurposing of existing buildings. This creates demand for responsive, versatile digital and cloud-enabled access solutions. Digitalization also plays an important role in the drive for sustainable construction and energy efficiency. The result is increasing emphasis on Building Information Modelling (BIM) and ever-closer integration of building systems, including access solutions, with consequent requirements for robust physical and cyber security. Growing demand for touchless access solutions in the aftermath of Covid-19 puts further emphasis on integrating mobile and biometric authentication into electromechanical systems. Increasingly, this means combining access management with flow management solutions, which also reduces building energy loss. These trends all play to dormakaba's strengths in R&D: electromechanical technologies, sensors, digital software and interfaces, building operations, and the deep understanding of how to enable the seamless flow of people through places that matter.

# Group Performance

## Strong organic net sales growth and margin expansion

organic net sales growth

**+4.7%**

CHF 2,837.1m

adjusted EBITDA Margin

**14.7%**

+120bps

ROCE

**29.0%**

+390bps

net profit

**CHF82.2m**

-7.1%

free cash flow

**CHF204.6m**

+15.9%

net debt

**CHF454.8m**

-23.8%

dormakaba achieved strong organic net sales growth and significantly expanded its adjusted EBITDA margin in the financial year 2023/24. Net profit was influenced by one-off restructuring charges by the Shape4Growth Transformation program.

In the financial year 2023/24, dormakaba's net sales grew organically by 4.7%, driven by higher pricing (+2.8%) and volume (+1.9%); the latter showed even stronger development in the second half of the financial year. This strong organic growth was achieved in a demanding economic environment characterized by ongoing inflation, high interest rates, and geopolitical tension. Both business segments, Access Solutions (AS) and Key & Wall Solutions and OEM (KWO), contributed to organic sales growth and business expansion. The appreciation of the CHF against all major currencies led to a negative currency translation effect of 4.9% resulting in total sales of CHF 2,837.1 million, a decline of 0.4%.

dormakaba expanded its adjusted EBITDA margin significantly during the financial year. The company closed 2023/24 with an adjusted EBITDA of CHF 416.9 million and an adjusted EBITDA margin of 14.7%. Not only does this represent a 120bps margin increase over the previous year, it also marks a continuous margin improvement over the last four semesters.

dormakaba is on track to deliver on its mid-term targets. Execution of the transformation program that was announced on 3 July 2023 significantly contributed to the expansion of adjusted EBITDA margin through operational efficiency and procurement initiatives. Three shared service centers were established: Nogales (Mexico) for North and Latin America, Sofia (Bulgaria) for Europe, and Chennai (India) for Asia Pacific. These centers are fully operational. Several countries have been already successfully transitioned to the shared service centers.

Agreements with employee representatives were reached in Germany, Switzerland, and Austria. This enables dormakaba to enter the execution phase of major transformation initiatives concerning the operations footprint and the transfer of tasks to the shared service centers, and to realize the corresponding cost savings. dormakaba incurred one-off

restructuring expenses and overall items affecting comparability (IAC) at EBITDA level of CHF 123.8 million. The impact of goodwill amortization on EBIT amounted to CHF 49.5 million; adjusted EBIT was therefore CHF 344.0 million. Net profit, at CHF 82.2 million, was additionally impacted by a higher tax-rate of 38.7%, driven mainly by tax non-deductible goodwill amortization and restructuring expenses in Germany.

In the financial year 2023/24 dormakaba delivered a solid free cash flow of CHF 204.6 million, an increase of 15.9% over the previous year. Strong operational performance was the major driver of this development, and the sale of investments in associates also contributed positively.

### Key balance sheet figures

Net working capital as a percentage of net sales increased slightly from 24.4% to 24.8%. The strong organic net sales growth led to an increase in accounts receivable, partially offset by increased accounts payable. Cash and cash equivalents increased by 23.2% and ended the year at CHF 150.4 million. A solid free cash flow of CHF 204.6 million allowed dormakaba to significantly reduce its current borrowings from CHF 119.1 million to CHF 6.2 million. dormakaba has a strong debt profile with the only remaining maturities being the two bonds due in October 2025 and 2027. As a result, net debt decreased to CHF 454.8 million with a resulting net debt to adjusted EBITDA ratio of 1.1x. Return on capital employed (ROCE) increased substantially by 390bps to 29.0%, profiting from improved average net working capital and increased adjusted EBIT.

### Strong organic net sales growth and margin expansion in both business segments

Both business segments, [Access Solutions](#) and [Key & Wall Solutions and OEM](#), performed well and were able to support dormakaba's development in line with its mid-term targets.

# Access to a sustainable future

Three years after the launch of our sustainability framework with more than 30 ESG targets, we are proud to share what we have achieved and the focus of our future plans.

## Selected ESG Achievements:



Energy

**+550%**

in our on-site generated solar energy



Climate Transition

**12,500**

tCO<sub>2</sub>e saved since our baseline year



Occupational Health & Safety

**20.6%**

reduction in injury rate since financial year 22/23



Supplier Due Diligence

**164**

high-risk suppliers were assessed in our Supplier Sustainability Engagement Program



Product Transparency

**322**

sustainability-related product declarations / certifications are available



Gender Diversity

**28%**

of candidates for succession of senior management positions are women

More about achievements:



[report.dormakaba.com/sustainability/](https://report.dormakaba.com/sustainability/)

# For every place that matters

dormakaba serves a diverse range of markets, providing innovative access solutions that ensure security, accessibility, and seamless flow. From airports to healthcare facilities, educational institutions to retail environments, dormakaba delivers tailored solutions that meet the specific needs of each industry.

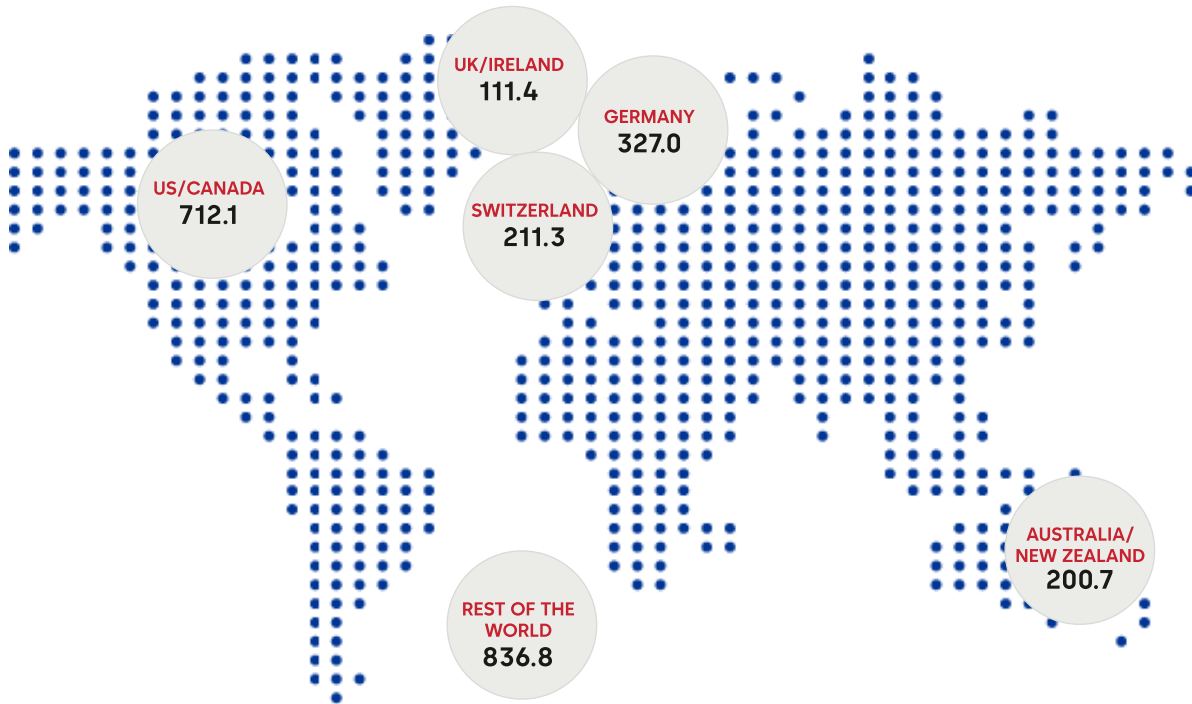
With a commitment to sustainability and cutting-edge technology, the Group enhances user experience and operational efficiency across various sectors, making it the trusted partner for comprehensive access management solutions worldwide.



Explore our 3D City



# Business Performance at a Glance



<sup>1)</sup> The graphic above represents third-party net sales figures only for AS key markets.

## THIRD-PARTY NET SALES<sup>1</sup> IN mCHF

TOTAL AS  
2,399.3

TOTAL KWO  
437.8

TOTAL GROUP  
2,837.1

	Access Solutions	Key & Wall Solutions and OEM	Group
Organic growth	+4.9%	+4.5%	+4.7%
Currency impact	-5.0%	-4.7%	-4.9%
Aquisition effect	0.0	0.0	0.0
Employees	11,713	3,162	15,336

# Access Solutions

## Organic net sales growth across core countries

organic net sales growth

**+4.9%**

CHF 2,405.9m

adjusted EBITDA Margin

**15.2%**

+80bps

While the global economy avoided a broad recession in the financial year 2023/24, it still experienced subdued GDP growth that fell short of pre-pandemic levels. This slowdown was driven by persistent high inflation, elevated interest rates, and ongoing geopolitical tensions. Regionally, economic performance was uneven. The US economy displayed notable resilience, while Europe faced downturns, with Germany experiencing negative growth. China fought with a sluggish housing market.

Elevated interest rates impacted affordability of property, and therefore demand for residential construction. In contrast, the non-residential sector, in which dormakaba is primarily active, displayed more robust growth in 2023/24.

The Access Solutions business segment reported strong organic net sales growth of 4.9% and total sales of CHF 2,405.9 million. Price realizations contributed +3.0%, while volumes grew by 1.9%. All major product clusters as well as After Sales Services contributed to growth.

Core markets recorded positive organic net sales growth. Germany reported growth of 10.0% supported by strong project business. Growth of 2.5% in Australia/New Zealand was driven by automation and hardware solutions. Both these markets also saw gains in market share. North America reported solid sales growth of 5.2%. Switzerland recorded a strong performance in Access Solutions, with the project as well as service business being the primary growth drivers. This strong performance was offset by softer demand for contactless smart cards resulting in organic net sales decline of 0.6%. United Kingdom/Ireland was able to turn around its growth: after experiencing negative sales growth in the first half of the financial year, the market was able to generate positive growth in the second half, ending the financial year with overall organic net sales growth of 0.6%.

dormakaba's business in India maintained its momentum and recorded double-digit organic growth, while China was able to increase volumes in the second half of the financial year, ending with positive organic net sales growth.

The Rest of the World Access Solutions markets reported favorable organic net sales growth, with strong growth rates in Scandinavia/Baltic, Austria, and France and very strong, primarily volume-driven rates in mid-sized markets such as Italy, Iberia, Singapore, and Eastern Europe. Following the first half of the financial year, Middle East continued to record a decline in net sales due to project delays and a high prior-year baseline.



The financial year 2023/24 marked the first year in the ongoing transformation program announced on 3 July 2023. dormakaba made significant progress on the individual components of the transformation. The company successfully established three shared service centers for HR and Finance in Mexico, Bulgaria, and India. While currently in ramp-up, these have already started taking over activities from operational businesses. Moreover, agreements were reached with employee representatives in Germany, Switzerland, and Austria. This enables dormakaba to take the next step in successfully executing its transformation program.

Activities that focus on further consolidating the company's supplier base, the impact from the transformation program, lower raw material expenses, and price increases as well as increased procurement and operational efficiencies resulted in a tangible, positive contribution to the segment's profitability in the financial year 2023/24. Consequently, adjusted EBITDA for Access Solutions increased to CHF 366.3 million, reaching an adjusted EBITDA margin of 15.2%.



Sensor barriers like Argus V60 (left) are an elegant type of access control solution in supervised areas, allowing access control through an integrated sensor technology. The PIN code keypad 90 12 (right) can increase security for selected rooms. In addition to verification with RFID access media, you can enter a PIN code with the battery-powered keypad.

# Key & Wall Solutions and OEM

## A record year in profitable growth

organic net sales growth

**+4.5%**

CHF 484.4m

adjusted EBITDA Margin

**19.7%**

+270 bps

The financial year 2023/24 marked a record in both growth and profitability for Key & Wall Solutions and OEM (KWO). The second half of the financial year was characterized by a recovery in organic net sales growth compared to the first half of the financial year. In addition, the business segment was able to surpass its record level of profitability from the first half of the financial year. It reported total sales of CHF 484.4 million and strong organic net sales growth of 4.5%, of which 1.4% were attributable to price realizations and 3.1% to volume. The main growth drivers were an exceptional performance of the Movable Walls business unit and increased volumes in OEM. The Key Systems business unit recorded a decline in sales.

Key Systems net sales were negatively impacted by softer demand, primarily in North and Latin American markets, and lower demand for key blanks from the residential business in Europe. Key Systems EMEA and India & South-East Asia reported stable net sales. Overall, the business unit recorded a good order intake in the financial year. Due to the reduction in net sales, adjusted EBITDA declined in 2023/24. However, good management of sales & marketing, general and administrative expenses mostly compensated for the lower demand.

Movable Walls continued the path of the first half of the financial year and reported double-digit organic net sales growth for the full year. This was primarily driven by the business unit's leadership position in the North American market, but all regions contributed to growth while also recording good order intake. Adjusted EBITDA increased in all regions, reaching record levels in America. Extensive operational performance improvements in Europe & Africa also contributed to the positive development.

The OEM business unit, a part of KWO since July 2023, saw low organic net sales growth compared to the previous year. This was in the context of a weaker external market characterized by high inflation, increased pricing pressure, and a challenging economic situation. The business unit was also able to increase its adjusted EBITDA margin.

As a result, Key & Wall Solutions and OEM was able to significantly improve its profitability by 270bps, reporting a record adjusted EBITDA margin of 19.7% (CHF 95.2 million). A strong order book and efficient profitability management will allow the business segment to continue leveraging its market-leading position in Movable Walls and Key Systems.



Variflex movable wall (left) is a sound-insulating partitioning systems that can modify room sizes with ease, flexibility, and speed. The Silca Quattrocode D700 (right) cuts and engraves sheet and dimple keys in a single operation to improve the speed and quality of service for your customers.

# Outlook

For the financial year 2024/25, dormakaba will progress further on its trajectory of profitable growth. Supported by a strong order book and new, innovative products, dormakaba is confident that it will continue growing organically despite an ongoing, challenging macroeconomic environment, persistent high inflation, and a lack of visibility. The company will continue the rigorous execution of its Shape4Growth transformation, leveraging shared services, optimizing its footprint, and boosting operational efficiency while introducing additional components to reduce product and process complexity and further accelerate growth.

For 2024/25 dormakaba expects organic net sales growth in the range of 3–5% and an adjusted EBITDA margin of at least 15%.

organic net sales growth

**3–5%**

adjusted EBITDA margin

**at least  
15%**

# Corporate Information

dormakaba Holding AG is the parent company of dormakaba Group, which was formed by the merger on 1 September 2015 of two previously unaffiliated enterprises: the family-owned German company Dorma Holding and the Swiss Kaba Group. Following the merger, dormakaba Holding AG owns 52.5% of dormakaba Holding GmbH + Co. KGaA, an intermediate holding company that comprises all the operating entities of the Group and is fully consolidated in the financial statements prepared by the parent company<sup>1</sup>. Minority interests are shown separately as part of equity capital. dormakaba Holding AG's consolidated financial statements are reported in Swiss francs (CHF) and for the financial year that runs from 1 July 2023 to 30 June 2024. They are prepared in accordance with Swiss GAAP FER, an internationally accepted accounting standard for small and medium-sized organizations and groups of organizations with a presence in Switzerland. dormakaba Holding AG is listed on the SIX Swiss Exchange and is headquartered in Rümlang (Zurich/Switzerland).

Beyond its obligations under Swiss GAAP FER, dormakaba Holding AG produces a Group Management Report that meets the requirements of the Swiss Code of Obligations (Schweizer Obligationenrecht, OR), particularly Art. 961c; of Section 315 of the German Commercial Code (Deutsches Handelsgesetzbuch, HGB); and of Standard 20 of the German Accounting Standards (Deutscher Rechnungslegungs Standard Nr. 20, DRS20).

<sup>1</sup> Under § 290 of the Deutsches Handelsgesetzbuch (HGB, German Commercial Code), dormakaba Holding GmbH + Co KGaA is obliged to prepare consolidated financial statements, and under § 315 HGB it is obliged to prepare a Group Management Report. However, under § 292 HGB dormakaba Holding GmbH + Co KGaA is exempt from these obligations if consolidated financial statements and a Group Management Report are produced and published at the level of the parent company in Switzerland. dormakaba Holding GmbH + Co KGaA's single-company financial statements were produced in accordance with the relevant provisions of HGB.

## Business model

dormakaba Group (dormakaba) is a leading provider in the access solutions market. The company offers customers a broad, innovative portfolio of products, solutions, and services that easily fit into building ecosystems. With a clear portfolio segmentation, dormakaba concentrates its global core businesses Access Automation Solutions (door operators, sliding doors, and revolving doors), Access Control Solutions (connected devices and engineered solutions), Access Hardware Solutions (door closers, exit devices, and mechanical key systems), and Services. The company is also a market leader for Key Systems (key blanks, key cutting machines, and automotive solutions such as transponder keys and programmers), as well as Movable Walls including acoustic movable partitions and horizontal and vertical partitioning systems.

dormakaba has a long tradition of innovation and engineering expertise. It strives to be an innovation leader that anticipates and fulfills customer needs through continuous technological advancement, creating state-of-the-art solutions that add value for customers and end users alike.

dormakaba is active in around 130 countries and is present in all relevant markets through production sites, distribution and service offices, and collaboration with local partners.

## Goals and strategies

As a publicly listed company, dormakaba's fundamental goal is to increase its long-term enterprise value across industry cycles and economic fluctuations. It is assisted in this by a strong Pool Shareholder Group that ensures the long-term orientation of its strategy. The company aims to create shareholder value while also furthering the interests of other stakeholders: most importantly its customers, as well as technology and distribution partners, employees, and associates. dormakaba's corporate strategy – Shape4Growth (S4G) – is about transforming the company, shaping it to its full potential, and accelerating profitable growth. It consists of five pillars: Accelerating profitable growth; Focus on customer centricity; Improve operational excellence and gain scale; Realize effective capital deployment; Customer-centric and high-performance culture.

For more about the strategy and strategic example, visit [here](#).

## Operating Model

Under the Shape4Growth strategy, dormakaba's operating model builds on globalized management of our Operations and Product Development (Innovation) functions to secure efficiencies of scale and business synergies. This setup extends to globally managed Finance and HR functions.

Since 1 July 2023, the Executive Committee consists of the CEO, CFO, Chief Operations Officer (COO), Chief Commercial Officer (CCO), and Chief Innovation Officer (CIO), along with the President Key & Wall Solutions and OEM.

The CCO leads all Access Solutions market organizations, with those in our "5+2" key markets reporting directly and the others managed through three country clusters for increased efficiency. Customer excellence functions such as Strategic Marketing, Global Accounts & OEM, Services, and the Product Management for Access Hardware Solutions and Access Automation Solutions are also under the CCO's lead.

Product Development, along with the combined Access Control Solutions and EntriWorX product management organization, are the responsibility of the CIO. The distinction reflects the different requirements of mature versus emerging businesses: it allows management of more mature product segments in Access Hardware Solutions and Access Automation Solutions to move closer to the market, enabling faster innovation in newer and more dynamic segments. Product Development encompasses three main competence center areas: Software, Hard/Firmware, and Mechanical Engineering. In addition to these competence centers, the Global Architecture team plays a crucial role in defining the technology standards, ensuring consistency and excellence across all products. Engineering Management oversees the planning and execution control of all development programs, ensuring that strategic objectives are met.

A detailed description of the operating model can be found [here](#).

## Management responsibilities

Strategic leadership of dormakaba is exercised by the Board of Directors (BoD) of dormakaba Holding AG. The duties and responsibilities of the BoD are defined by the Swiss Code of Obligations, combined with the company's [Articles of Incorporation](#) and Organizational Regulations. The BoD delegates responsibility for day-to-day management of the business to the Chief Executive Officer (CEO), supported by the Executive Committee (EC). The powers and functions of the EC are set out in the Organizational Regulations. Further details of the internal management system are provided in the Corporate Governance Report 2023/24.

## Compensation for the BoD and EC

The principles governing compensation for the BoD and EC are set out in the Articles of Incorporation. These include: the basic principles of compensation for the BoD (Article 23); the basic principles of compensation for the EC (Article 24); a binding vote on compensation at the General Meeting of Shareholders (Article 22); the maximum additional amount of compensation for new EC members (Article 25); agreements with members of the Board of Directors and the Executive Committee, and notice periods for the members of the Executive Committee (Article 26); and their credits and loans (Article 28).

The Compensation Report, which provides further details on the compensation system and on compensation paid out in the financial year 2023/24, is available [here](#).

## Sustainability reporting

Responding to the needs and expectations of society, customers, and employees, dormakaba has made a long-term commitment to fostering sustainable development along its entire value chain, recognizing its economic, environmental, and social responsibilities to current and future generations.

The company's sustainability framework is based on a rigorous materiality assessment: monitoring global trends and engaging with key stakeholders, dormakaba has identified ten material topics that are most relevant for stakeholders and where the company has the highest potential impact. The framework outlines sustainability standards and measures for the period from 2021 to 2027, grouping topics according to three broad categories: People, Planet, and Partnerships.

The dormakaba [Sustainability Report 2023/2024](#), prepared in accordance with the Global Reporting Initiative (GRI) standards, contains detailed information on the company's sustainability framework, measures, and progress. The information published on dormakaba's sustainable economic activities is in line with the EU Taxonomy Regulation. Disclosures on non-financial matters are made in accordance with Art. 964b of the Swiss Code of Obligations. The Sustainability Report also includes a detailed climate risk and opportunities analysis and management report aligned with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). dormakaba is taking active steps to comply with forthcoming regulations on non-financial reporting, including the EU Corporate Sustainability Reporting Directive (CSRD) that will apply to dormakaba entities as of the next financial year. The Sustainability Report is supplemented by annually issued reports on related matters, such as the Modern Slavery and Child Labor Statement, the Communication on Progress to the [UN Global Compact](#), and the submission to the [Carbon Disclosure Project](#).

## Course of business and position at the end of the financial year

Detailed information on the business performance and the average number of full-time equivalent employees in the financial year 2023/24 can be found in the [Group Performance](#) section of this Group Management Report and in the [Consolidated Financial Statements](#) for the financial year 2023/24.

## Non-financial performance indicators

dormakaba has defined a set of strategic non-financial performance indicators for each strategy cycle. These are continuously tracked, although not used for operational control. The main non-financial performance indicators are the following:

### Customers and products

Customer satisfaction and product quality are crucial for dormakaba as its brands stand for the high-quality of its products and services provided. Customer satisfaction is assessed through regular dialog, as well as through market research.

## Customer Experience Tracking

As part of Customer Experience Management, dormakaba runs an annual survey in its core and some additional markets to evaluate its Net Promoter Score (NPS) and customer satisfaction. The NPS indicates touchpoints along the customer journey where we need to take action to improve our customers' experience, and provides insights on how to do business easily through all processes and product clusters. We initiate the necessary changes on a local and global level to further enhance customer experience.

## Innovation Power

This metric captures how successful innovations are in relevant markets, and therefore how R&D efforts contribute to the overall success of the Group. As a KPI, it has become part of the Group incentive program, helping to ensure that innovation processes are well aligned to customer needs.

## Human resources

Two indicators, Employee Engagement and Diversity & Inclusion, help to track dormakaba's success in its transformation towards a customer-centric and performance-oriented work culture that fosters accountability and ownership and enables professional growth.

dormakaba measures its Employee Engagement Index through periodic global surveys, the most recent of which was conducted as a Pulse Check in November 2023. The survey aimed to listen to the voices of our employees during the S4G transformation to understand where the organization can be supported with corresponding follow-up actions. This survey was open to dormakaba employees with a company email address. Over 6,600 employees participated, responding to 22 questions on Our dormakaba Behaviors, Me & My Work Environment, My Manager, and Engagement. The results showed an Employee Engagement Index of 61%. Specific actions are planned to ensure that the engagement level is increased to the target of 73%, which is the external global benchmark.

dormakaba is committed to diversity in employment and has established concrete targets to improve the gender balance of management teams, along with a roadmap to achieving those targets. Initiatives include training on unconscious bias, among other relevant topics, as well as the establishment of Women's Networks across dormakaba. Further information on these targets and initiatives can be found in the [Sustainability Report](#).

## Compliance and human rights

As a matter of course, dormakaba complies with all applicable laws and regulations at local, national, and international levels. Its internal company directives, based on a binding Group-wide [Code of Conduct](#), apply globally and cover internal processes as well as relations with external partners, including customers, authorities, and suppliers. dormakaba has developed a range of measures and processes to prevent abuses and ensure that responsibilities are met; these measures and processes are continuously reviewed and refined. The [Code of Conduct](#) is available, in several languages, to all employees on the Group Intranet and to external stakeholders on the dormakaba website. Mandatory Code of Conduct training sessions are offered to all dormakaba new joiners.

The [Code of Conduct](#) and the [Supplier Code of Conduct](#) confirm dormakaba's commitment to respecting human rights. The Group's Human Rights Due Diligence (HRDD) framework and material topics are further described in its Statement of Commitment on Human Rights, which aligns with international standards, including the UN Guiding Principles on Business and Human Rights, and which has been revised to reflect requirements under the German Supply Chain Due Diligence Act.

Based on the human rights-related risks and impacts identified, dormakaba will continue to develop prevention and mitigation measures integrated into company operations, training programs, policies, and management systems. Human rights-related risks identification and mitigation are also a central part of supplier due diligence. In the financial year 2023/24, a key focus has been to further assess the risks present in our high-risk suppliers by means of on-site audits. There is further information on human rights in the [Sustainability Report 2023/24](#).



**Environment**

As a manufacturer, dormakaba inevitably consumes resources and generates waste and emissions; environmental issues are therefore highly relevant along the Group’s entire value chain. In September 2021, dormakaba adopted its global Environment Directive, which defines its fundamental requirements and regulations for environmental performance. The directive has since been updated with new product development standards to reflect dormakaba’s commitment to a circular economy. A detailed overview of the company’s sustainability work and key benchmarks, including greenhouse gas emissions, energy consumption, water consumption, and waste management, is available in the Sustainability Report 2023/24. A detailed climate risk and opportunities analysis and management report, aligned with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), also forms part of the Sustainability Report.

**Supply chain**

dormakaba maintains a comprehensive, globally consistent procurement policy, based on detailed analysis of its own needs and rigorous assessment of current and potential suppliers, supported where necessary by on-site quality audits.

The dormakaba [Supplier Code of Conduct](#) outlines minimum requirements relating to human rights, fair working conditions, environmental responsibility, and business ethics, among other criteria. Supply chain risk assessment is based on seven families of indicators: energy and emissions; effluents and waste; occupational health and safety; materials; training and education; freedom of association; and human rights. dormakaba assesses suppliers’ sustainability performance in collaboration with EcoVadis, the world’s most trusted business sustainability ratings provider, and requires improvement plans where assessment results are unsatisfactory.

Further information is available in the Supplier Sustainable Development chapter of the [Sustainability Report 2023/24](#).

**Capital structure**

Detailed information on dormakaba Holding AG’s capital structure can be found in the [Corporate Governance Report 2023/24](#).

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# Opportunity & Risk Report

## Opportunities

### Opportunities from market trends

The market for security and access solutions is in transformation. Megatrends such as the need for safety & security, urbanization, and sustainability, as well as new technological opportunities connected to the progressing digitalization, are driving demand but also require new solutions. Increasing digitalization of services, often cloud-based, is transforming our relationship with our physical surroundings. Patterns of work and travel have adapted to new, post-pandemic norms, and the need to reduce carbon emissions is becoming a global imperative. dormakaba continues to invest significantly in innovation, product development, and sustainability in order to exploit the growth opportunities brought by these megatrends, and to defend its innovation leadership. Read more on innovation in the chapter [here](#).

### Opportunities from industry consolidation

Opportunities also arise from the ongoing and anticipated consolidation of the industry in which dormakaba operates. Despite the consolidation that has already occurred, the market for security and access solutions remains highly fragmented: The three biggest companies in the industry together account for only about one third of market share. dormakaba plans to further strengthen its market position and will therefore continue to play an active role in industry consolidation.

### Opportunities from market position

dormakaba is already a global leader in security and access solutions. Its commitment to innovation and sustainability will help it maintain and improve that position as the industry consolidates. Its business is characterized by high resilience and barriers to entry as well as strong profit pools. Digitalization, country-specific regulation, complex system integration, and continuing after-sales service all contribute to customers' need for a close and continuing partnership with their chosen supplier. As a trusted innovator, with a comprehensive solutions portfolio, broad and deep global market presence, and strong pricing power, dormakaba is well-positioned to anticipate, influence, and participate in all significant developments in the building industry.

### Opportunities from the "dormakaba" brand

The company's brands are key assets in its business development as they play a significant role in creating customer loyalty and differentiation. The company's main brand "dormakaba" is well-known and appreciated in the market for seamless flow and integrated access. It emerged from the combination of the renowned brands Dorma and Kaba following the merger in 2015. In addition, segmentation through a limited number of strong regional, local, and independent brands help the company to improve channel penetration and market reach. This is why the company's brand portfolio, beside the main brand dormakaba, includes constituent brands such as Best, Alvarado, Kilargo, and Groom that are well-established in the market and inspire long-term customer loyalty. The Key Systems and Movable Walls businesses are managed under separate brands Dorma Hüppe, Modernfold, Skyfold, Silca, and Ilco.

## Risks

### Risk policy, risk management, and risks at dormakaba

#### Risk policy

dormakaba operates in an international business environment that is exposed to a variety of risks. dormakaba's risk policy provides a comprehensive framework to identifying, assessing, and mitigating risks effectively, ensuring the resilience and success of our operations and objectives. The overriding goal of the risk policy of dormakaba is to secure the future development of the Group, to achieve sustainable profitable growth, and thus to increase enterprise value. In the course of its business activities, dormakaba is exposed to the general risks inherent in any entrepreneurial operation, and these may impede or prevent the achievement of its goals. In this context, opportunities to be utilized to meet or exceed planned targets are analyzed to identify and assess the risks they bring about. In the course of business, these risks are monitored and managed carefully, and their mitigation plans are continuously adapted to changes.

dormakaba always takes strategic and operational decisions on the basis of a systematic analysis and evaluation of the opportunities and risks relating to its assets, financial position, and earnings. It avoids risks that are assessed to be incalculable, unreasonably high, or existential.

Opportunities, as understood in the Group's opportunity and risk policy, are chances to use events, developments, or active operations to achieve or exceed planned quantitative and qualitative objectives. Risks, as understood in the risk policy of dormakaba, are all those internal and external events and developments that could have a negative effect on the Group's planned economic success. In addition to direct, quantitatively measurable risks, qualitative risks, such as reputational risks, are also taken into account.

#### Risk management

The overriding aim of dormakaba is to sustainably increase its enterprise value (see also section [Goals and Strategies](#)). Active risk management supports the company's management in achieving this goal.

Opportunities and risks should be identified at an early stage and actively controlled. To do this, dormakaba has implemented a comprehensive risk management system.

#### a) Internal Control System based on Group accounting

In line with the Swiss Code of Obligations, dormakaba has implemented an Internal Control System (ICS) based on the consolidated (Group) accounting (see bullet points below). The ICS ensures that business activities are correctly recorded, analyzed, evaluated, and transmitted to the external accounts.

The essential characteristics of the ICS with respect to accounting are:

- A clear organizational, business, controlling, and monitoring structure;
- Computer systems used for accounting are protected against unauthorized access;
- Internal regulations about the specific requirements are developed, implemented, and communicated;
- The departments and persons involved in accounting meet the requirements in terms of quantity and expertise;
- The ICS, as it relates to accounting, and the internal reporting systems ensure and continuously check the correctness and completeness of data in the accounting system; the Internal Audit department regularly conducts spot checks of the implemented processes and controls;
- The four-eyes principle has to be applied to all processes relevant to accounting, and the separation of functions has to be respected, both of these to the extent organizationally possible, which is subject to special audits;
- The BoD regularly deals with the main topics relevant to accounting, risk management, Internal Audit, the external audit mandate, and external audit priorities.

In addition, statutory and specific internal corporate guidelines and directives are used to ensure that accounting is consistent and proper. The application of clear and consistent accounting rules and a uniform consolidation software tool ensure consistent accounting throughout the Group in line with legal and statutory requirements as well as the chosen accounting framework, Swiss GAAP FER.

Further information can be found in the [Corporate Governance Report 2023/24](#).

#### b) Risk management system

Risk management is integrated into the regular business and decision-making processes, codified in internal rules and regulations, and made binding to all Group companies. It includes an impact-focused assessment of risks, implementation of appropriate risk mitigation measures, regular review of identified risks and measures, and transparent reporting of the risk situation. Responsibility for the definition and monitoring of risk management ("risk governance") lies with the Board of Directors (BoD), while the Audit Committee monitors implementation. Responsibility for implementing and applying the risk management system rests with the Executive Committee (EC) and with line managers throughout the internal hierarchy.

The company's risk management system distinguishes between operational and strategic risks:

- Operational risks are future events that could hurt the efficiency or effectiveness of business processes, or that could compromise compliance with regulations or reporting requirements in day-to-day business. Responsibility for identifying and controlling these risks lies with the countries and Global Functions.
- Strategic risks are future events that may compromise the long-term development of dormakaba and prevent it from achieving its strategic objectives. Reports about strategic risks from the Regions and Global Functions are consolidated at Group level into risk maps that show likelihood of occurrence and potential amount of damage, with both dimensions divided into four evaluation categories. Strategic risks are discussed within the medium-term planning process and consolidated by the EC into a "Group Risk Assessment" that is presented for approval to the BoD through its Audit Committee. The EC reviews the risk situation every half year. Additionally, the risk situation is scheduled for discussion and review during Monthly Performance Review meetings every quarter.

The Group Internal Audit function is responsible for internal audits at dormakaba. Internal Audit reports directly to the Audit Committee, although in functional terms it reports to the CFO. All audits performed in the financial year 2023/24 were in line with the (yearly) audit plan and approved by the Audit Committee.

#### Risks faced by dormakaba

##### a) Risks arising from business transactions

Our strategy includes active portfolio management, acquisition, and divestments. This creates risks in the evaluation, transaction, and integration of the corresponding entities and assets. To minimize these risks, dormakaba manages the acquisition projects rigorously through standardized due diligence and Post-Merger Integration processes, using well-trained specialist employees and professional support from outside the Group.

##### b) Opportunities and risks arising from the business model

In recent years, dormakaba has continued to extend its product portfolio on electronic and cloud-based solutions. Its products are very frequently used in security-relevant applications such as access control systems which are increasingly often connected. dormakaba is therefore more exposed to cybersecurity risks, e.g., hackers gaining unauthorized access to sites and premises protected by dormakaba products, causing damage to the Group's reputation and possibly exposing dormakaba to liability claims. dormakaba counters the increasing significance of such cybersecurity threats during the product development process by using the latest methods to identify points that could be attacked, and then closing these known vulnerabilities in the hardware and software with upgrades before new products are launched on the market. Equally important, existing products (mechanical, electronic, and cloud-based) are subject to continuous testing to keep them robust against

new threats. dormakaba has taken out product liability insurance to be protected against these cyber threats to an extent that is economically reasonable.

Digital transformation is progressing rapidly, and it is essential to the success of dormakaba that it keeps pace with this development. This applies to the Group's products and their connectivity as well as services, but also to operational processes. Sudden, disruptive developments are not rare these days, and there is a risk that existing competitors or new entrants to the markets of dormakaba could use such disruptive leaps to create significant advantages for themselves. The company's innovation management team systematically monitors and analyzes the relevant technologies. As part of mid-term planning, targeted analysis of information relating to the state of the market and the competition is conducted to ensure that local peculiarities are also taken into consideration. For dormakaba, as a manufacturer and supplier of high-quality access products and solutions in the premium market segment, the growing pressure on prices in relevant markets and specific product areas also represents a risk. It counters this risk through the targeted development of new products that offer customers a broader range of solutions, services, business models, and continuous improvement in operational excellence (efficiency), thus helping to secure the Group's market position. This strategy is complemented by elaborate strategic pricing efforts.

A significant risk in product manufacturing is the possibility of a lengthy interruption to operations at one or several of the Group's worldwide production sites, for example because of fire or cyberattacks. Supplier failure and poor-quality raw materials and components also constitute a risk. Alongside the essential insurance protection, a central goal of the loss prevention programs in place at all manufacturing sites is to minimize these risks. Through these programs, the measures in place to prevent fire are regularly updated, formulated, and implemented. This is a recurring process that includes regular site visits and systematic risk grading analyses, conducted by the company's global insurance provider who also organizes feedback loops and support in improvement projects. To counter the increasing risk of cyberattacks aimed at information technology as well as operational technology, dormakaba established an information security organization that assesses cyber threats and orchestrates adequate mitigation projects to protect vital assets.

Manufacturing processes create the risk of air and water pollution. To minimize this risk, dormakaba invests continuously in environmental protection measures. Please see the [Sustainability Report](#) for specific information about measures and relevant certifications.

As a globally active company, dormakaba is exposed to risks created by the political situation in individual countries and regions, and also to risks resulting from pandemics as well as war and trade conflicts between countries or country groups. Such risk drivers can rarely be influenced. dormakaba carefully monitors such situations and tries to implement prompt and appropriate risk control measures. Its top priority is always to protect its own employees.

Although inflation rates and energy prices have recently declined and supply chain pressures eased, transnational activities may again be negatively impacted by shortages of certain commodities and components and rising input prices, due to potential political uncertainty stemming from, for example the war in Ukraine, tensions related to the Taiwan situation, and the Israel-Hamas war. Inflation has been falling towards central-bank targets, but some pressures persist and, for the time being, the banks' monetary policies remain on the tighter side.

To adequately react to changes that might occur from a macroeconomic downturn, dormakaba implements state-of-the-art contingency planning to minimize the impact on business operations and supply chains, and thus on customers and employees, while at the same time placing a strong focus on its financial stability. Additionally, scenario planning methods are used to identify organizational and geographic units that provide opportunities for cost reduction measures. The scenarios are also used to find opportunities to introduce new products or fine-tune the business approach to specific markets. Monitoring and re-evaluation of the current situation is institutionalized and repeated at a quick pace to keep up with geopolitical and economic developments. The target is to be and remain capable of reacting quickly and adequately to changes that might occur.

### c) Personnel risks

dormakaba's success depends on skilled and committed employees. The most significant personnel risks therefore involve skills shortage, where vacant positions cannot be filled properly, or competent employees leave the company. These risks are addressed through extensive employer branding initiatives, expanded talent acquisition practices, improved benefits and succession management, and through individual, targeted employee development programs.

With the implementation of the S4G strategy, specific attention is given to ensure social responsibility, particularly during the reduction of employee positions. Effective and fair change management is a high priority, focusing on employee wellbeing during the change process and thereafter. dormakaba also focuses on driving employer branding and ensuring employee engagement in the new locations where employees are being hired. This also includes career path models for certain functions such as product development and IT, as well as remote working models. At dormakaba the attrition rate is closely monitored, and since the beginning of the fiscal year there is a general positive trend towards lower attrition.

### d) IT risks

The main business processes and customer solutions of dormakaba are supported by IT systems. The failure of these systems and the permanent loss of data through operating or program error, or as a result of increasingly prevalent external influences (e.g., cybercrime), represent a risk. To limit the risk of failure of critical systems and infrastructure, including operational technology (OT) in manufacturing, the company's IT strategy is to use state-of-the-art protection standards. These are, for example email address validation, client security protection and monitoring, identity and access control management, network security management, network and infrastructure management (including 24x7 monitoring, high-level firewall protection tools, and redundant network connections), special OT cybersecurity measures, and IT continuity operating plans for provision of redundant data and systems. dormakaba uses advanced threat protection solutions and operates a security operations center to further mitigate cybersecurity risks. A global information security management system (ISMS) in accordance with ISO 27001 is in place. Cybersecurity risk awareness training (e-learnings and behavior training on phishing malware) is globally mandatory for all employees with access to corporate IT systems. Additionally, dormakaba has taken out insurance protecting against cyber threats to the extent that this is economically reasonable.

Successful and timely execution of the global IT strategy (standardization of applications and infrastructure) is vital for the company's future success. Failure could result in the delay of integration projects and underperformance of important business or Group-wide processes, including financial damage.

Mitigation of current risks derived from outdated or out-of-maintenance legacy systems will be driven by a new Group-wide program as part of the ongoing Shape4Growth transformation.

### e) Legal and tax risks

As a globally active group of companies, dormakaba is exposed to the risk of legal disputes involving such matters as product liability, competition and antitrust law, or intellectual property rights. Group-wide standards, training, and controls are in place to mitigate this risk.

International business activities can cause tax-related risks. To identify and manage such tax risks, dormakaba sets directives and manuals based on a defined tax policy approved by the Board of Directors. Intra-Group transactions can raise issues about the correct profit allocation between the involved countries. dormakaba applies the Arm's Length Principle of the OECD (Organization for Economic Cooperation and Development). The profits are taxed, where the economic value is created. dormakaba files the amount of taxes paid in a yearly CbCR (Country-by-Country Report). All transactions may be subject to export control regulations. Compliance is managed through Group-wide standards, including directives and

employee training. The internal Tax department works closely together with the local internal finance and legal organization and consults external advisors in case of need.

#### f) Compliance risks

All business activities have their compliance risks, especially when the business model involves worldwide production and sales, growth into new markets, and international procurement. Significant compliance risks include bribery and corruption, infringements of antitrust and competition law, fraud, preferential treatment of business partners out of personal motives, and violation of intellectual property protection rights.

The mission of Group Compliance is to support dormakaba management and employees in taking appropriate decisions, consistent with applicable laws and corporate regulations, and in acting with integrity. Its Compliance Management System meets the most stringent certification demands according to best practice standards. Group Directives, Directives, and local guidelines covering the company's main activities provide a full set of relevant internal rules and regulations and are regularly updated. In addition to mandatory training on the Code of Conduct for all dormakaba employees, those whose roles expose them to specific compliance risks receive further training, e.g. in antitrust and anticorruption measures.

#### g) Financial risks

dormakaba is exposed to the various financial risks that are part of doing business internationally, including default on trade receivables, liquidity and credit risks, and pricing risks from interest-rate and currency fluctuations.

The "European Market Infrastructure Regulation" (EMIR), the EU initiative to regulate OTC trade in derivatives, imposes an audit duty. During the annual audit under § 20 para. 1 of the German Securities Trading Act for the audit period from 1 July 2021 to 30 June 2022, it was confirmed that dormakaba has an overall, and in all respects appropriate and effective system for ensuring compliance with the statutory requirements.

Switzerland regulates the OTC trade in derivatives with the Finanzmarktinfrastrukturgesetz (FinfraG). All Swiss-based Group companies classify as "NFC" (small non-financial counterparties) and have signed agreements with their banks regarding the delegation of reporting duties.

The funding for dormakaba Group companies is managed centrally. A five-year syndicated sustainability-linked credit facility, agreed for dormakaba during financial year 2020/21 with a consortium of banks, amounts to CHF 525 million with options to extend by another two years and to increase the facility by CHF 200 million. There are also agreements in place with various regional banks for bilateral credit facilities. dormakaba thus has sufficient liquidity reserves to ensure that even unexpected events do not have a significant effect on its liquidity position. The two CHF bonds – CHF 320 million for 2017–2025 and CHF 275 million for 2022–2027 – ensure a solid and well-balanced mid-term maturity structure for dormakaba's debt portfolio.

#### h) Other risks

The company's business model could also give rise to other risks not mentioned so far, e.g. sustainability compliance risks (including compliance with materials restrictions laws or human rights due diligence laws), climate change risks, and liability risks resulting from local laws that are not known at Group level. dormakaba counters these risks by diverse measures, including its sustainability framework and organization, the consistently high quality of its products and services, the engagement of legal experts when the risk of a legal dispute is identified, or by taking out appropriate insurance cover. A full disclosure of climate change-related risks is made available in dormakaba's annual submission to the Carbon Disclosure Project (CDP) and in the climate risk analysis in the [Sustainability Report FY 2023/24](#) aligned with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

**Assessment of overall risk and opportunity situation**

In conclusion, the company's opportunity and risk situation can be rated as moderate.

Existing risks are identified and continuously monitored through the risk management system. When necessary, they are hedged using appropriate countermeasures.

With strong brands, the broad existing portfolio, the wide market presence, and with the existing innovation structure and approach, the prospects of further profitable growth for dormakaba remain promising. The Shape4Growth strategy places its focus on customer centricity and accelerating profitable growth, giving dormakaba even more leverage to make use of these strengths.

There is no sign of any risks that would endanger the continued existence of dormakaba. Currently no specific risk has been identified that could significantly affect the assets, financial position or earnings of dormakaba, neither is there evidence of any material liquidity risk. A material deterioration in the future assets, financial position, and earnings is not expected given the current risk situation. This assessment is based on the assumption that no global economic recession hits the markets in the near future.

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# Research & Development

The key to dormakaba's sustainable profitable growth – and a core part of its strategy – is its strength in innovation. The Chief Innovation Officer leads global engineering capabilities and is responsible for dormakaba's innovation strategy, including the platform and connectivity initiatives through the EntriWorX ecosystem. The company continuously develops new products, solutions, and services, supported by a substantial annual investment in R&D.

As of financial year 2023/24, dormakaba holds more than 1,800 active patents and patent applications. Employees around the world contribute to the Group's innovation and product development, increasingly using data-driven ecosystems to create solutions that will satisfy future needs of customers and markets. The company has also set up a range of technology partnerships to realize the potential of its offerings in vertical markets such as airports, healthcare, lodging, and multi-housing.

All Access Solution product development efforts are organized as one global function, leading to a range of initiatives to rationalize dormakaba's product offerings onto common hardware and software platforms, reducing time-to-market while increasing efficiency in product development. The company continues to enhance the value of digital transformation through service offerings, including a comprehensive support package covering the full life cycle of its products: not just planning and installation, but continuous, digitally provided day-to-day services.

Continued investment in digitalization and related product innovation has positioned the company well to provide its customers with effective solutions to their fast-evolving needs for safe, secure, and sustainable buildings. The adoption of seamless, touchless access and mobile solutions, has accelerated further, opening opportunities for dormakaba in attractive vertical markets such as healthcare and multi-housing.

dormakaba continues to embed sustainability in the core of its product development. Several sustainability innovations have been brought to the market, including an energy efficiency calculator and a novel sensor system to dynamically adjust the opening and closing of automatic doors and so contribute to optimize building's energy consumption. Since 2023, all new product developments and optimizations are covered by our circularity approach.

## Latest Innovations:

The **EntriWorX ecosystem** offers further solutions for planning and supporting architects, specifiers, and engineers, including the new BIM-based EntriWorX Planning 360 specification tool, which integrates into the tool chain of EntriWorX Planner and into both Salesforce and SAP Configurator. Other EntriWorX products provide improved visualization of door placement and maintenance interval specification, among other features.

Access Automation Solutions offers a range of products empowered by **ConnectorOne**, which allows customers to connect our products to third-party building management systems with plug-and-play ease. Successfully deployed in corporate headquarters, banking, and logistics locations, **RC TOUCH** continues to enhance our security gates offering, providing touch panel monitoring and control over up to ten gates per panel and multiple panels in a network. Our **UltraQ ACT** provides sporting venues with a compact, guest-operated, battery powered admission control solution, featuring automatic tailgating detection. The gate perfectly complements our UltraQ ticket validation device, which is the preferred solution for major global sporting events.

The **ES 250 PRO EASY** sliding door operator, launched globally in April 2024, is a worthy successor to the ES 200 EASY. Based on our ES PROLINE platform, ES 250 PRO EASY now

includes the SMART Drive Unit. Fully conforming with EN 16005, the line is intended to replace other ES 200 variants in future.

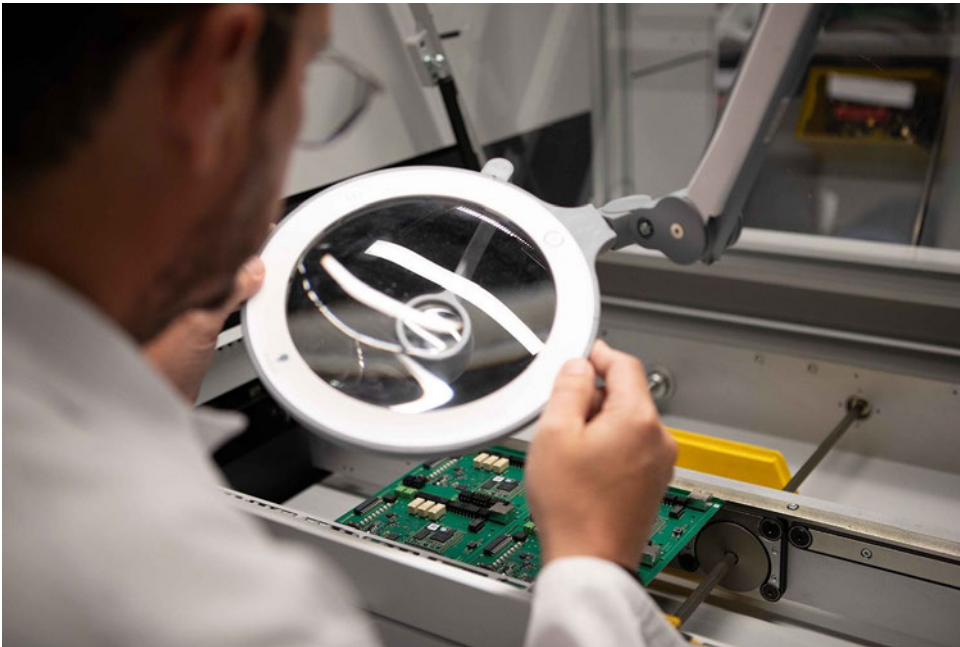
Access Control Solutions has launched MATRIX as a Service (**MATRIXaaS**), providing a simple, flexible cloud-based solution for advanced access control. Available globally, MATRIXaaS is aimed at small to medium business customers and offers an always up-to-date solution without on-site installation or software updates. The MATRIX IoT Connector provides secure communication between the cloud application and components.

Seamlessly integrating with global ERP systems, **B-COMM HCM** consolidates time and labor data to track, manage, and clarify employee attendance, shopfloor activity, and building access for medium to large businesses. Further security is provided by the **9012 Keypad** unit which connects to c-lever PRO, c-lever compact and digital cylinder systems, and allows PIN-code verification for digital door locks without wiring.

The **EHD9000 BEST** Heavy Duty Door Closer is joined by the TS Match OEM door closer, which provides customers with further performance/price balance options.

Safe Locks' **APEXX Axessor IP**, which launched in March 2024, won the 2024 ISC West New Product + Solutions award in the Lock and Key category. A multi-year harmonization, the one-of-a-kind APEXX consolidates the key features from four high-security platforms into an industry-leading IoT device.

Key Systems pre-launched the **Quattrocode D key** machines in May 2024, providing highly automated duplication and engraving of dimple and laser keys at 20% faster cycle timing with extremely tight tolerances. In addition, the Profile Reader, launched in December 2023, is the first locksmithing device using AI and advanced algorithms to identify key profiles and support key duplication. The **OBID Snoop ID88**, launched in November 2023, is a world-first cloning tool for Volkswagen Group models, and complements the ID49 launched in May 2023 which provides cloning for Renault, Dacia, Kia, and Hyundai models.



Visual inspection of a circuit board assembly on the SMD (surface mount device) system