Overview

In the 1st half of financial year 2018/19, dormakaba generated consolidated net sales of CHF 1,396.5 million, which is approximately on par with the previous year's CHF 1,400.6 million. Organic sales growth was 2.1%, while currency translation had an impact on reported sales growth of -1.0%. Acquisitions and divestments affected sales growth by -1.4%.

+11.5%

increase in net profit

+5.7%

increase in EBITDA

Profitability

dormakaba improved its profitability considerably and showed an increase not only in gross margin, but also in the EBITDA and EBITDA margin. Gross margin for the reporting period came to 42.6% (previous year 42.2%). EBITDA increased by 5.7% to CHF 223.0 million compared to CHF 210.9 million in the previous year, with all segments making a positive contribution to this improvement. The EBITDA margin rose to 16.0%, compared to the previous year's level of 15.1%; all segments contributed by higher EBITDA margins. The EBITDA margin reflects overall efficiency improvements and was positively impacted by cost synergies resulting from the dormakaba merger and by higher sales prices. Investments in the production footprint in the USA, acquisition-related integration costs and higher raw material prices could be more than compensated. EBIT increased by CHF 10.0 million to CHF 188.1 million (previous year CHF 178.1 million), and the EBIT margin improved to 13.5% compared to 12.7% in the previous year.

Financial result, profit before taxes and income taxes

Net financial result for the reporting period was CHF -18.0 million (previous year CHF -22.5 million) which was mainly attributable to lower interest expenses and the higher result from associates, which was driven by the divestment of the ISEO participation.

Profit before taxes increased to CHF 170.1 million in the period under review (previous year CHF 155.6 million). Income taxes for the reporting period amounted to CHF 43.4 million, resulting in an income tax rate of 25.5% compared to 27.0% in the previous year.

Net profit

dormakaba closed the 1st half of financial year 2018/19 with a higher net profit of CHF 126.7 million, representing an increase by 11.5% (previous year CHF 113.6 million). This positive development is mainly attributable to the improved operating performance and net financial result. Net profit after minority interests came to CHF 66.1 million, up from CHF 58.7 million in the previous year. The corresponding earnings per share increased by 12.9% to CHF 15.8 (previous year CHF 14.0).

Cash flow and balance sheet

Cash flow from operations amounted to CHF 149.1 million, and free cash flow increased to CHF 99.7 million (previous year CHF 147.8 million and CHF -56.1 million, respectively). The positive free cash flow resulted primarily from the strong operational cash flow and from the participation in ISEO compared to acquisitions in subsidiaries such as Skyfold and Kilargo in the previous year.

Cash flow from investing activities of CHF -4.8 million includes mainly capital expenditures of CHF 45.2 million (previous year CHF 56.0 million) in property, plant and equipment and intangible assets, which represents 3.2% of sales (previous year 4.0%), as well as proceeds from the sale of investments in associates and joint ventures in the amount of CHF 41.1 million. Cash flow from financing activities in the amount of CHF -99.2 million includes the dividend payments of CHF 117.1 million and purchase of treasury shares in the amount of CHF 38.7 million.

As at 31 December 2018, total assets were at CHF 1,921.8 million. Within current assets, cash and cash equivalents amounted to CHF 133.9 million; inventories stood at CHF 470.8 million (24.5% of total assets; previous year 22.7%), and trade receivables at CHF 461.0 million (24.0% of total assets; previous year 23.7%). Non-current assets consisted mainly of property, plant and equipment worth CHF 448.8 million (23.3% of total assets; previous year 22.3%). Total liabilities were at CHF 1,781.1 million (92.7% of total assets; previous year 94.2%), of which CHF 684.7 million reflects mainly the two corporate bonds due in 2021 and 2025. Net financial debt was reduced by CHF 21.9 million to CHF 764.7 million as at 31 December 2018 (31 December 2017: CHF 786.6 million).

dormakaba's equity stood at CHF 140.7 million as at 31 December 2018, with an equity ratio of 7.3% (CHF 114.5 million or 5.8% as at 31 December 2017). The change in equity is mainly due to higher retained earnings as a result of improved financial performance.

Currency effects

The average Euro exchange rate against the Swiss Franc fell by 0.5% year-on-year from CHF 1.1466 to CHF 1.1405. The average exchange rate of the US dollar has strengthened by 1.6% from CHF 0.9748 to CHF 0.9900. As the Swiss Franc strengthened against other major currencies as well (e.g. AUD, CAD, CNY, GBP, INR, NOK), currency translation had an overall negative impact on net sales and operational profitability.

Smart Offices

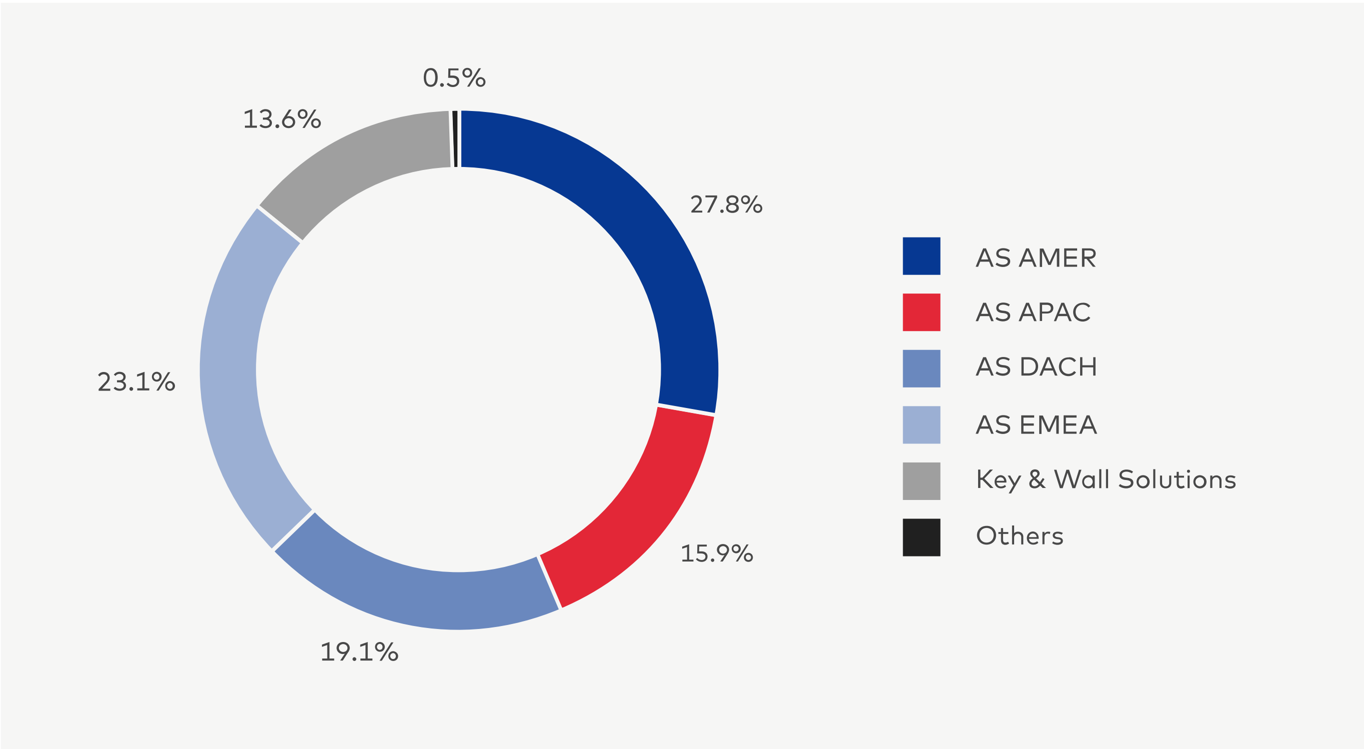
Read, how digital features are affecting workplaces

More

Key figures

in CHF million	Reporting half-year ended 31.12.2018	in %	Reporting half-year ended 31.12.2017	in %
Net sales	1,396.5	100.0	1,400.6	100.0
Organic sales growth in %	2.1		2.9	
Acquisition sales growth in %	–1.4		14.6	
Currency effect on sales in %	–1.0		1.9	
Operating profit before depreciation and amortization (EBITDA)	**223.0**	**16.0**	**210.9**	**15.1**
Operating profit (EBIT)	**188.1**	**13.5**	**178.1**	**12.7**
Profit before taxes	170.1	12.2	155.6	11.1
Net profit	126.7	9.1	113.6	8.1
Other key figures				
Total assets	1,921.8		1,989.6	
Net debt	764.7		786.6	
Market capitalization	2,457.9		3,799.5	
Average number of full-time equivalent employees	15,801		16,750	

Third-party sales by segments



EBITDA contribution by segments (in % of total main segment EBITDA)