dormakaba Holding AG

Half-year Report

Consolidated financial statements

First half of financial year

2021/22

Table of contents

Dear Shareholders,

dormakaba posted overall good results for the first half of financial year 2021/22 with strong organic sales growth and slightly higher net profit; the adjusted EBITDA increased while the adjusted EBITDA margin was lower than in the comparable period of the previous year.

Our performance benefited from good demand in most of our markets with promising order intakes and order backlogs for all segments. Growth was supported by strong business in our Asian markets and an improvement in the US commercial construction market, particularly in renovation and replacement. We also saw continued demand in Europe. While the overall market environment was positive, labor shortages and supply challenges, particularly for electronic components, continue to be areas of concern as they adversely affect the finalization of many construction projects. Thanks to a proactive pricing policy, dormakaba could largely offset raw material inflation, as well as higher costs for freight and labor. With a robust process in place, we are better able to offset these factors with additional sales price increases going forward.

Riet Cadonau, Chairman

dormakaba is well-positioned in an attractive industry. New trends such as the repurposing of buildings due to urbanization and in building technology, as well as towards touchless, mobile, and integrated solutions are generating many opportunities – for our customers, for end consumers and for us as an innovative global solution provider for secure, seamless, and sustainable access solutions. Our vision is to become the trusted partner worldwide for safe, secure, and sustainable places where people can move seamlessly. EntriWorX is a great example of how we are positioning ourselves: as a problem-solving partner that provides integrated offerings and ecosystems for the benefit of planners, architects, and facility managers alike.

Jim-Heng Lee, CEO

In the period under review, we were able to win tenders for numerous prestigious projects, such as THE FACE Suites in Kuala Lumpur (Hotel & Residences), the Accenture Tower in Chicago (Offices) and the Acibadem Atasehir Hospital in Istanbul (Access Systems/ Electronic Access & Data), to name just a few. We are also advancing our business and driving market accessibility through new partnerships. These include a pilot project for new self-screening airport gates in the US (with our partners Vanderlande and Rohde & Schwarz), and a partnership with Latch, a leading US-based provider of building management solutions. By combining our cloud-based access management system resivo with the LatchOS enterprise software-as-a-service (SaaS) platform, the partnership is creating an attractive value proposition for managed residential buildings in Europe.

On 15 November 2021, dormakaba presented its new vision, strategy, and mid-term targets to the public. Our new strategy called "Shape4Growth" will accelerate profitable growth through focus: focus on the company's core businesses in commercial access solutions, focus on core markets, and focus on customer-centricity. dormakaba will achieve differentiation through digitalization and its contribution to sustainability.

Shape4Growth will be implemented under the leadership of our new CEO Jim-Heng Lee, who assumed his role on 1 January 2022, succeeding Sabrina Soussan who stepped down at the end of December 2021. Jim-Heng Lee joined dormakaba in 2014 and has been a member of the Executive Committee since that time. His former area of responsibility, the Access Solutions Asia-Pacific segment, has achieved several very remarkable results over the past almost eight years, including steady and strong profitable growth. His many years of success in the industry and his vast market and customer experience give him a great foundation to drive the execution of our new growth strategy together with his leadership team.

Business and financial performance

In the first half of financial year 2021/22, dormakaba improved its performance as measured by net sales, adjusted EBITDA, and net profit. We recorded organic sales growth of 6.6%, increased the adjusted EBITDA by 7.9% to CHF 193.5 million (previous year CHF 179.3 million) and posted a slightly higher net profit of CHF 100.6 million (previous year CHF 99.9 million). The corresponding adjusted EBITDA margin was with 14.3% below previous year (14.6%) due to the impact of higher raw material and freight costs, as well as product mix effects which more than offset the positive effects from higher volume, sales price increases, and cost management initiatives.

While the development of the adjusted EBITDA margin varied, there was organic sales growth across all segments. Organic sales in AS AMER (North and South America) increased by 5.7% in the first half of financial year 2021/22 compared to the previous year. Growth was driven by a recovery of the US commercial construction market. The adjusted EBITDA margin was at 16.7% (previous year 17.7%) and was impacted by higher raw material and freight costs as well as labor cost inflation.

Organic sales at AS APAC grew by 20.0% year-on-year. This increase was driven by some catch-up demand compared to the previous year when the industry was faced with even more Covid-19-related project delays. The adjusted EBITDA margin was 13.4% (previous year 14.7%). The lower margin was caused by a negative product mix and some low-gross-margin projects.

Organic sales at AS DACH grew by 8.6% year-on-year thanks to good growth in Germany and Austria. The adjusted EBITDA margin improved to 18.2% from the previous year's 17.1%. This positive development was driven by higher sales volumes, increased sales prices, and further progress in plant efficiencies.

Organic sales at AS EMEA grew by 6.7% compared to the previous year. All regions showed good organic sales growth. The adjusted EBITDA margin declined slightly by 0.4 percentage points to 9.1% as volume growth and sales price increases could not entirely offset raw material and freight cost inflation.

Organic sales at Key & Wall Solutions grew by 2.6% year-on-year. The adjusted EBITDA margin for the segment was 12.8% (previous year 15.7%) as Business Unit Key Systems was not able to fully offset the margin decline at Business Unit Movable Walls, where during the same period we recorded strong order intakes.

Cash flow from operations decreased to CHF 87.7 million (previous year CHF 233.6 million). This reduction on the previous year is due to a strong increase in net working capital, particularly an increase in inventories because of higher volumes, safety stock for electronic components and certain other raw material, higher goods in transit due to freight issues, and higher raw material prices.

Consistent implementation of Shape4Growth

Our new strategy is a growth strategy. At its core lies a clear portfolio segmentation with focus on our global core businesses of Entrance Systems, Door Closers, Access Control Solutions, and Services: while being highly resilient, these global core businesses have the highest growth and margin potential for dormakaba. We will also focus on those countries where dormakaba has established the strongest market position and where our global core businesses can expand the most.

In North America, we intend to become a strong number three through an ambitious turnaround of our US business, combined with the planned divestment of Mesker. Consequently, we initiated a structured divestment process last fall.

Our focus on operational excellence, notably in procurement, pricing, and IT, will provide a strong foundation for profitable growth. This will be further supported by effective capital deployment through improved R&D return, continued active portfolio management and targeted partnerships.

Our M&A activities of the past half-year reflect our new strategy. We aim for bolt-on acquisitions that expand our services or product offerings, while divesting non-core businesses. The acquisitions of RELBDA (Australia), Solus (India) and Fermatic Group (France), and the divestment of our interior glass business are good examples of our active approach to portfolio management.

With Shape4Growth we are also further strengthening our commitment to sustainable development along the entire value chain with an industry-leading framework that aims to reduce operational emissions by 42% in line with a 1.5° C future by 2030. In the past five years, we have built a strong foundation in line with societal expectations to become a sustainability pioneer in several areas within the access solutions industry.

As part of the implementation of Shape4Growth we changed our operating model as of 1 January 2022. Three customer-centric regions and sales organizations for Access Solutions – Americas, Asia Pacific, and Europe & Africa – will be supported by global functions to capture synergies. Global functions include for example the newly formed Marketing & Products function or Operations under the lead of our Chief Operations Officer Mathias Mörtl, who joined the company at the beginning of last December. Expected benefits of our new operating model include significant improvements in customer centricity and organizational efficiency. The Key & Wall Solutions segment remains unchanged. We will support this organizational change with additional investments in IT to close remaining gaps, reduce internal complexity, and enable growth.

With Shape4Growth, we plan to achieve annual organic sales growth of 3% to 5% from financial year 2021/22 onwards, as well as an adjusted EBITDA margin of 16% to 18% and a ROCE (Return on Capital Employed) above 30%, both from financial year 2023/24 onwards.

Outlook: Business and financial performance on track to meet full-year guidance

The current business environment is still characterized by uncertainties and lack of visibility. This is due to the Covid-19 pandemic and macroeconomic factors, such as potentially higher interest rates and geopolitical tensions as well as to the potential impact of a further deterioration of global supply chains and higher inflation. We will continue to focus on profitable growth, targeting market share gains and accelerating order backlog conversion, as well as on sales price increases to compensate for inflationary effects and support our margin progression.

dormakaba confirms its outlook for the current financial year 2021/22 and anticipates organic sales growth between 3% to 5% as well as an adjusted EBITDA margin of slightly above 14.2%. This is based on the assumption that there is no further supply chain deterioration, especially for electronic components which would temporarily impact some high-margin businesses. Further, this also does not take into account any potential impact resulting from the currently escalating conflict between Russia and the Ukraine.

Thanks

The past half-year was demanding for our management and employees as they faced some significant transitions. We successfully focused on growing our business while at the same time defining a new strategy and initiating organizational change that will transform our company to serve our customers even better. We and our colleagues around the globe are excited about executing our new strategy to create value for all our stakeholders. We thank our customers and partners, who continue to value our products, solutions, and services in every place that matters. We thank our employees for their contribution and their commitment to transforming dormakaba into a true global leader in our industry. And we thank you, our respected and valued shareholders, for continuing to put your trust in dormakaba.

Sincerely yours,

Riet Cadonau
Chairman

Jim-Heng Lee
CEO

Segment Access Solutions AMER

AS AMER achieved total sales of CHF 365.2 million in the first half of financial year 2021/22. Despite the challenging operating environment resulting from supply chain shortages, freight delays and periodic waves of Covid-19-related absenteeism, organic sales increased by 5.7% compared to the previous year. Growth was driven by a recovery in the US commercial construction market, and particularly in renovation and replacement. Sales in Latin America were also up on the previous year.

Growth was broad-based across Safe Locks, Door Hardware, Mechanical Key Systems, and Lodging Systems. Although the lodging business recovered from a low baseline, it is still substantially below pre-Covid levels. Order intake for the Entrance Systems business remains healthy and is supported by key project wins. One example is Alvarado's contract to provide a touchless access solution for ticket holders attending the Super Bowl in February 2022 (SoFi Stadium, Los Angeles).

Adjusted EBITDA increased to CHF 61.0 million (previous year CHF 60.1 million) with an adjusted EBITDA margin of 16.7% (previous year 17.7%). The margin was impacted by higher raw material and freight costs as well as labor cost inflation and a negative product mix, which more than offset higher volumes and sales price increases. The hollow metal door business (Mesker) continued to have a negative effect of 230 basis points (previous year 140 basis points) on the segment's adjusted EBITDA margin. Due to the unsatisfactory performance of this business, management announced plans on 15 November 2021 to divest Mesker and has started a structured divestment process.

For the second half of financial year 2021/22, AS AMER expects continued organic growth based on a healthy order backlog, stable order intake and a continuation of the gradual recovery in the US commercial market that was already evident in the first half of 2021/22. Growth will be supported by several contract wins, including secure Access Automation Solutions for distribution centers run by several significant eCommerce and bricks & mortar retailers in the US, a project at a National Aeronautics & Space Administration (NASA) facility in Texas, and an agreement to provide wireless server rack access devices for the data center of a leading social media platform. However, visibility continues to be limited due to the persistent scarcity of certain raw materials, especially electronic components, as well as to extraordinary freight delays and project delays resulting from labor shortages. Going forward, therefore, there will be a particular focus on continued sales price increases to offset for higher raw material, freight and labor costs. Several rounds of price increases have already been announced for the beginning of the second half of 2021/22.

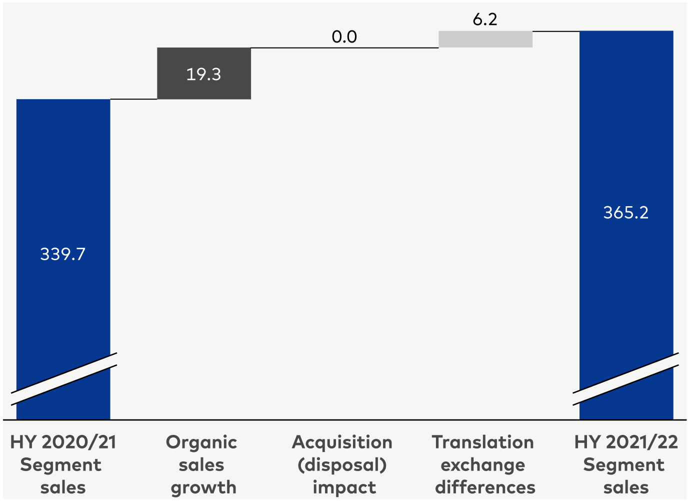
Future growth will be driven by innovative products and solutions. One promising project is the development of self-screening security lanes for US airports. dormakaba is working in collaboration with Vanderlande and Rohde & Schwarz to automate passenger flow through security checkpoints. The initiative is part of a US Department of Homeland Security program to improve efficiency while processing passengers through airport security.

On 15 November 2021 dormakaba announced its new strategy Shape4Growth, which for the segment includes a turnaround plan as well as an annual growth target of 4% to 6% and an improvement in the adjusted EBITDA margin by 400 to 500 basis points over the coming three years. In line with the Group-wide approach, AS AMER has initiated a transformation process in several workstreams, such as growth in global core products, vertical market solutions, commercial excellence, procurement and business system harmonization.

Key figures – segment AS AMER

CHF million, except where indicated	Reporting half-year ended 31.12.2021	%	Reporting half-year ended 31.12.2020	%	Change on previous year in %
Net sales third parties	347.7		326.8		6.4
Intercompany sales	17.5		12.9		
Total segment sales	**365.2**		**339.7**		**7.5**
Change in segment sales	25.5	7.5	–76.6	–18.4	
Of which translation exchange differences	6.2	1.8	–34.5	–8.3	
Of which acquisition (disposal) impact	0.0	0.0	2.8	0.7	
Of which organic sales growth	**19.3**	**5.7**	**–44.9**	**–10.8**	
Adjusted EBITDA (Operating profit before depreciation and amortization)	**61.0**	**16.7**	**60.1**	**17.7**	**1.5**
Average number of full-time equivalent employees	2,751		2,622		

Segment sales (CHF million) – AS AMER



Segment Access Solutions APAC

AS APAC achieved total sales of CHF 261.1 million in the first half of financial year 2021/22. Organic sales grew by 20.0% year-on-year. Growth was supported by projects such as Lodging's work on eleven hotels built for the Winter Olympics in China. Further impetus came from some catch-up demand compared to the previous year, when the industry was faced with even more Covid-19-related project delays. Business continued to be impacted by the pandemic, with regional lockdowns and delays in re-opening offices and borders.

All major regions contributed to growth. China, India, and Southeast Asia posted strong double-digit growth while the region Pacific, Japan & Korea saw modest growth. All Product Clusters contributed to this positive trend with double-digit growth rates. Continued good momentum came from Services, electronic products such as digital locks, and business with touchless access solutions in China. dormakaba is well-positioned here as one of the market leaders in the premium sector. Growth for commercial solutions in China overcompensated for some weakness in the residential market, which was impacted by cash flow issues at some real estate companies. There was also strong growth in India: the segment has strengthened its position in Electronic Access & Data in this market with the acquisition of Indian company Solus Security Systems on 15 July 2021. Solus supplies integrated solutions for access control, time and attendance, visitor management, vehicle access and security, as well as providing the services required for managing these solutions.

Adjusted EBITDA increased to CHF 35.0 million (previous year CHF 28.6 million), with an adjusted EBITDA margin of 13.4% (previous year 14.7%). The lower margin was caused by a negative product mix resulting from stronger sales in the lower margin OEM business for the US market (Wah Yuet) and by some low-gross-margin projects in India and Southeast Asia.

In the second half of financial year 2021/22, AS APAC will continue to increase sales prices to offset cost inflation. Barring new waves of Covid-19 and further deterioration of the supply chain, AS APAC expects an improved gross margin due to the lower impact of specific margin-dilutive projects and to price increases in 2021 supported by further increases in the first months of 2022. Organic growth will be bolstered by projects including work at several military bases in Japan, convention centers in India and hospitals in Greater China, as well THE FACE Suites in Kuala Lumpur (Hotel & Residences). The segment expects good organic sales growth for financial year 2021/22, though with a lower growth rate in the second half of 2021/22 due to a high comparable base.

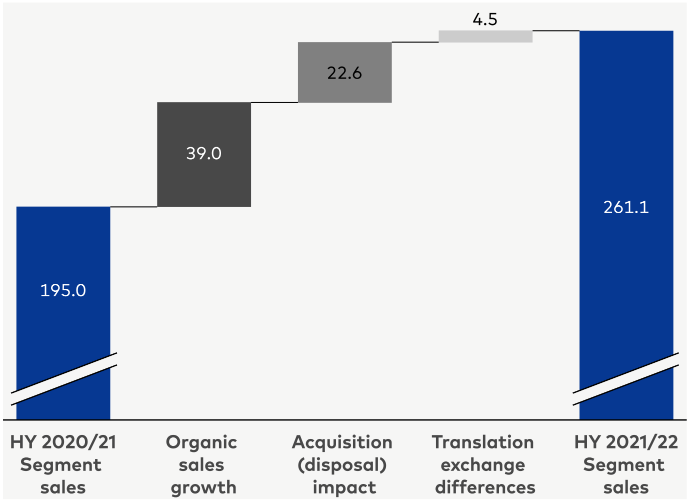
The segment has started to execute the new strategy Shape4Growth to accelerate profitable growth. This includes a focus on core verticals and core countries like India, China, and Australia. Growth in Australia will be supported by the recent acquisition of Australian Reliance Doors and Best Doors Australia Groups (RELBDA), which was completed on 31 August 2021. The segment has already realized initial synergies by selling RELBDA products combined with digital door lock technology from dormakaba. The second half of financial year 2021/22 will also see the segment start to supply the landmark One Sydney Harbour project with the resivo cloud-based access control system and complete door hardware, mechanical key and entrance systems packages.

On 12 January 2022 Andy Jones was appointed as new President of the segment, succeeding Jim-Heng Lee, who became CEO of dormakaba Group. Andy Jones joined dormakaba in 2007 and has held several leadership positions within the company, most recently as Senior Vice President Pacific, Japan & Korea.

Key figures – segment AS APAC

CHF million, except where indicated	Reporting half-year ended 31.12.2021	%	Reporting half-year ended 31.12.2020	%	Change on previous year in %
Net sales third parties	244.1		184.0		32.7
Intercompany sales	17.0		11.0		
Total segment sales	**261.1**		**195.0**		**33.9**
Change in segment sales	66.1	33.9	–35.5	–15.4	
Of which translation exchange differences	4.5	2.3	–11.8	–5.1	
Of which acquisition (disposal) impact	22.6	11.6	0.4	0.2	
Of which organic sales growth	**39.0**	**20.0**	**–24.1**	**–10.5**	
Adjusted EBITDA (Operating profit before depreciation and amortization)	**35.0**	**13.4**	**28.6**	**14.7**	**22.4**
Average number of full-time equivalent employees	3,269		3,099		

Segment sales (CHF million) – AS APAC



Segment Access Solutions DACH

AS DACH generated total sales of CHF 424.6 million in the first half of financial year 2021/22 compared to CHF 396.2 million in the same period of the previous year. Organic sales grew by 8.6% year-on-year despite shortages of materials such as electronic components.

Sales growth in the DACH countries in the first half of 2021/22 was driven in particular by good growth in Germany and Austria as well as by strong intercompany business. The Product Clusters Services and Entrance Systems achieved double-digit growth. Most other businesses contributed as well.

Adjusted EBITDA increased to CHF 77.4 million in the first half of 2021/22 (previous year CHF 67.9 million), while the adjusted EBITDA margin improved to 18.2% from the previous year's 17.1%. This positive development was driven by higher sales volumes, increased sales prices, and effective cost management. Improvements in operational efficiency, including at the production facilities in Buehl and Ennepetal (Germany) also contributed. All these effects offset higher raw material and freight costs.

AS DACH expects continued good organic growth for the second half of financial year 2021/22 based on a good order backlog. Further contributions are expected from new and innovative products such as the new self-boarding gate Argus Air. This product combines dormakaba's latest design-oriented sensor barriers (Argus) with biometric control that enables touchless access. The solution has been successfully tested with Lufthansa at Frankfurt Airport (Germany) and has been installed at Vienna Airport (Austria) for the "Star Alliance Biometric Hub".

The segment has already benefited from first orders for EntriWorX, an innovative solution that supports smart planning processes for buildings, simple installation of door solutions, and secure, smooth operation of these applications. AS DACH launched the solution in the German market at the end of April 2021 and has initiated a phased international market rollout for 2022.

The segment has started to execute the new strategy Shape4Growth to accelerate profitable growth with measures including the implementation of sales activation workstreams and the introduction of additional Specification writers. There will be a particular focus on continued sales price initiatives to compensate for higher raw material and freight costs. Several additional price increases have already been announced for the beginning of the second half of 2021/22, including a surcharge for electronic components.

The new strategy includes a focus on core verticals like the Public Sector, where the segment won in Austria the Campus Vienna with products across several Product Clusters.

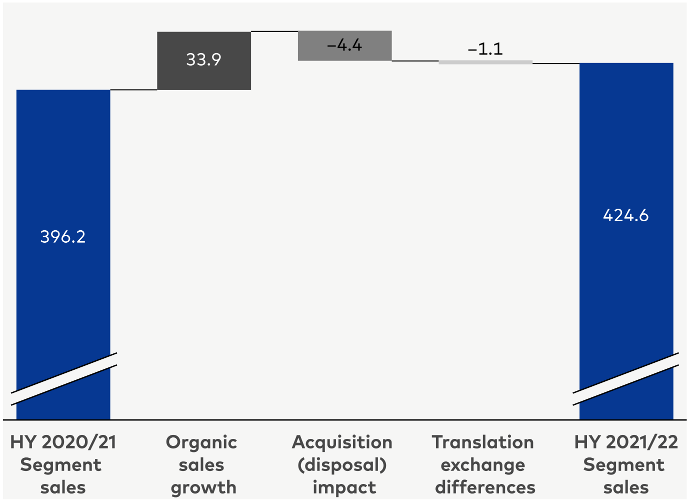
IT projects are being accelerated to enable state-of-the-art digital capabilities across the organization, and AS DACH has initiated its first measures, which include an IT roadmap for extended warehouse management (Wuppertal, Germany) and the standard template for the Services business based on ServiceMax.

On 31 October 2021 dormakaba divested its interior glass business (IGS) to Italian-based industrial and financial group Aliante Equity Tre S.p.A. The deal included the transfer of dormakaba's global interior glass solution products, the Dorma-Glas GmbH manufacturing site in Bad Salzuflen (Germany), and selected sales units in Europe. As part of the transaction 235 employees were taken on by the new owner.

Key figures – segment AS DACH

CHF million, except where indicated	Reporting half-year ended 31.12.2021	%	Reporting half-year ended 31.12.2020	%	Change on previous year in %
Net sales third parties	268.7		265.5		1.2
Intercompany sales	155.9		130.7		
Total segment sales	**424.6**		**396.2**		**7.2**
Change in segment sales	28.4	7.2	–19.4	–4.7	
Of which translation exchange differences	–1.1	–0.3	–7.5	–1.8	
Of which acquisition (disposal) impact	–4.4	–1.1	0.0	0.0	
Of which organic sales growth	**33.9**	**8.6**	**–11.9**	**–2.9**	
Adjusted EBITDA (Operating profit before depreciation and amortization)	**77.4**	**18.2**	**67.9**	**17.1**	**14.0**
Average number of full-time equivalent employees	3,274		3,341		

Segment sales (CHF million) – AS DACH



Segment Access Solutions EMEA

AS EMEA achieved total sales of CHF 377.3 million in the first half of financial year 2021/22. Organic sales grew by 6.7% compared to the previous year.

All regions showed good organic sales growth thanks to a solid business performance, especially in product sales. Region CEERT (Central Eastern Europe, Russia, and Turkey) continued to see strong growth, especially in Turkey, and was able to overcompensate for weaker retail demand in Russia. Order intake in the Middle East remained strong, with projects such as Qatar airport and a high order-to-sales conversion. In Scandinavia, organic growth and profitability were mostly driven by the turnaround completed in Norway following the divestment of the project installation business in August 2020. The UK and the Benelux region saw strong sales growth, especially in services and distribution.
Growth was strong across all major Product Clusters, including Door Hardware, Safe Locks, Entrance Systems and Electronic Access & Data, as well as in the Services business.

Adjusted EBITDA increased by 6.2% to CHF 34.5 million compared to the previous year, supported by strong volume growth and price increases. The rise came despite supply chain constraints, labor shortages (especially for service technicians) and increases in raw material and freight costs. These factors caused a decline in the adjusted EBITDA margin of 0.4 percentage points to 9.1%.

For the second half of the financial year, AS EMEA expects continued good organic growth based on a strong order book and a solid project pipeline across major markets. However, visibility is limited by supply chain issues and labor availability, which could impact the business negatively.

The segment will continue to benefit from the development of new, innovative offerings such as EntriWorX, a solution for "intelligent doors" that makes it easier for our customers to do business while raising productivity across all phases from planning to operation. Premarketing for this solution has started in several European countries, including France, the UK, and the Benelux region.

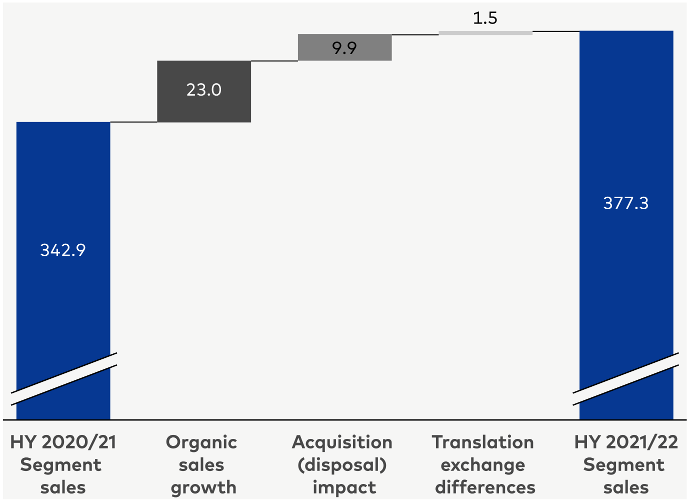
The segment has started to execute the new strategy Shape4Growth to accelerate profitable growth, with a clear focus on customer centricity, market expansion, sales excellence, and consolidation of smaller countries into regional structures. The sales excellence program focuses in particular on the rollout of customer relationship management across countries, pipeline management, and the coaching and upskilling of sales resources.

Growth will be supported by the acquisition of Fermatic Group (France), which was completed in October 2021. Initial cross-selling opportunities for Entrance Systems and Electronic Access & Data businesses have already been realized.

Key figures – segment AS EMEA

CHF million, except where indicated	Reporting half-year ended 31.12.2021	%	Reporting half-year ended 31.12.2020	%	Change on previous year in %
Net sales third parties	311.2		283.3		9.8
Intercompany sales	66.1		59.6		
Total segment sales	**377.3**		**342.9**		**10.0**
Change in segment sales	34.4	10.0	–31.6	–8.4	
Of which translation exchange differences	1.5	0.4	–18.2	–4.8	
Of which acquisition (disposal) impact	9.9	2.9	–2.3	–0.6	
Of which organic sales growth	**23.0**	**6.7**	**–11.1**	**–3.0**	
Adjusted EBITDA (Operating profit before depreciation and amortization)	**34.5**	**9.1**	**32.5**	**9.5**	**6.2**
Average number of full-time equivalent employees	3,430		3,364		

Segment sales (CHF million) – AS EMEA



Segment Key & Wall Solutions

Key & Wall Solutions generated total sales of CHF 174.3 million in the first half of financial year 2021/22. Organic sales grew by 2.6% year-on-year.

The segment consists of the two Business Units Key Systems and Movable Walls, which recorded very different financial performances for the reporting period.

Business Unit Key Systems posted 9.9% organic sales growth in the half-year under review due to good demand in all business lines, including Keys, Key Cutting Machines, and Automotive Solutions. The rise was accentuated by the low baseline from the previous year, when demand in major markets, including Italy, India, and Latin America, was negatively impacted by Covid-19 regulations that led to closed key shops and regional lockdowns in many countries across the Business Unit.

Organic sales for Business Unit Movable Walls were below the previous year (–6.7%). This is because the release of orders continues to be delayed, while some projects could not be finalized due to the limited availability of labor and materials across the construction market. However, the order backlog for Movable Walls is at a record level and order entry remains strong.

Adjusted EBITDA for Key & Wall Solutions was at CHF 22.3 million, down by 16.2% compared to the previous year. The adjusted EBITDA margin for the segment was 12.8% (previous year 15.7%).

Business Unit Key Systems was able to offset higher raw material and freight costs with higher sales prices, thus improving its adjusted EBITDA margin to 14.8% (previous year 14.5%).

The adjusted EBITDA margin at Business Unit Movable Walls was impacted by lower sales volumes as well as higher raw material and freight costs, pushing it down to 9.9% from the previous year's 17.3%. The project-driven business faces headwind due to contract durations and a more pronounced time gap between raw material price increases and higher sales prices. As a result, the business was negatively impacted in the first half of 2021/22 by the strong increase in raw material costs. Going forward, we expect an improvement thanks to higher sales prices for new projects. This will contribute to higher gross margins.

Assuming no further major disruptions related to Covid-19 and no further deterioration of the supply chain, Key & Wall Solutions expects moderate organic sales growth for the second half of 2021/22. Both Business Units will continue to work on raising sales prices to compensate for higher energy, raw material and freight costs as well as labor cost inflation. Additionally, the segment expects to benefit from the initiatives it is currently taking in procurement and sales excellence as part of the new strategy Shape4Growth.

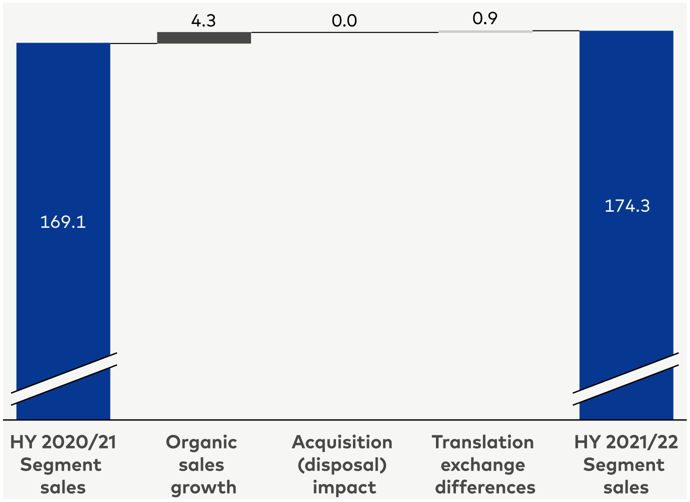
Growth in the second half of 2021/22 will be driven by both a record order backlog in Movable Walls and good demand for Key Systems in major regions and markets.

Sales at Key Systems will also continue to be driven by innovative new products like the Unocode F Series, a new platform of five models of high-end electronic key cutting machines that was launched successfully in the second half of 2020/21. For Movable Walls, growth potential is expected from new cost-effective automated movable walls as well as from the unique portfolio of horizontal and vertical movable walls, which offers competitive advantages.

Key figures – segment Key & Wall Solutions

CHF million, except where indicated	Reporting half-year ended 31.12.2021	%	Reporting half-year ended 31.12.2020	%	Change on previous year in %
Net sales third parties	167.8		162.0		3.6
Intercompany sales	6.5		7.1		
Total segment sales	**174.3**		**169.1**		**3.1**
Change in segment sales	5.2	3.1	–29.8	–15.0	
Of which translation exchange differences	0.9	0.5	–11.5	–5.8	
Of which acquisition (disposal) impact	0.0	0.0	0.0	0.0	
Of which organic sales growth	**4.3**	**2.6**	**–18.3**	**–9.2**	
Adjusted EBITDA (Operating profit before depreciation and amortization)	**22.3**	**12.8**	**26.6**	**15.7**	**–16.2**
Average number of full-time equivalent employees	1,923		2,024		

Segment sales (CHF million) – Key & Wall Solutions



Overview

In the first half of financial year 2021/22, dormakaba improved its performance as measured by net sales, adjusted EBITDA and net profit. The company recorded organic sales growth of 6.6%, an adjusted EBITDA of CHF 193.5 million (previous year CHF 179.3 million), and net profit of CHF 100.6 million (previous year CHF 99.9 million). The corresponding adjusted EBITDA margin was 14.3% (previous year 14.6%).

dormakaba experienced good demand in most of its markets with promising order intakes and order backlogs across all segments. Growth was supported by continued strong recovery in the Asian business and an improvement in the US commercial construction market, particularly in renovation and replacement. There was continued demand in Europe.

Adverse effects related to the global Covid-19 pandemic continued to impact the business environment. These included labor shortages and a scarcity of electronic components, which adversely affected the finalization of construction projects. dormakaba will continue to focus in particular on sales price increases to compensate for higher raw material, freight and labor costs.

On 15 November 2021, dormakaba announced its new strategy "Shape4Growth", as well as new mid-term targets. Shape4Growth will enable dormakaba to accelerate profitable growth by focusing on the company's core businesses in commercial access solutions, as well as on core markets and customer-centricity. With the implementation of Shape4Growth, the company expects to achieve annual organic sales growth of 3% to 5% from financial year 2021/22 onwards, as well as an adjusted EBITDA margin of 16% to 18% and a ROCE (Return on Capital Employed) above 30%, both from financial year 2023/24 onwards.

As the second half of financial year 2021/22 gets underway, dormakaba has started to implement Shape4Growth and to transition into the new operating model, which will change the organizational setup as well as financial reporting going forward. On 1 January 2022, dormakaba shifted its operating model to three customer-centric regions and sales organizations for Access Solutions – Americas, Asia Pacific, and Europe & Africa. The previous segments AS DACH and AS EMEA are being merged accordingly, and the Middle East region will be consolidated into Asia Pacific as of 1 January 2022.

6.6%
organic sales growth

CHF 193.5 million
adjusted EBITDA

14.3%
adjusted EBITDA margin

Sales

In the first half of financial year 2021/22, dormakaba achieved net sales of CHF 1,349.6 million (previous year CHF 1,227.5 million), which represents a year-on-year increase of 10.0%. Organic sales increased by 6.6% year-on-year and contributed most to sales growth. In addition, positive currency translation effects of 0.9%, or CHF 11.1 million, as well as acquisition and divestment effects of 2.5%, or CHF 30.4 million, contributed to higher net sales.

Profitability

The recovery in organic growth and associated higher volumes were also reflected in a higher adjusted EBITDA, which excludes items affecting comparability. Adjusted EBITDA increased by 7.9% and amounted to CHF 193.5 million (previous year CHF 179.3 million). It includes a positive currency translation effect of CHF 3.1 million, as well as a positive effect from acquisitions and divestments of CHF 5.5 million.

The gross margin and adjusted EBITDA margin were below the previous year. The gross margin for the reporting period was at 40.8% (previous year 41.7%). The adjusted EBITDA margin was 14.3% (previous year 14.6%) due to the impact of higher raw material and freight costs, as well as product mix effects, which more than offset the positive effects from higher volume, sales price increases, and cost management initiatives. dormakaba already increased sales prices by around 2% in the first half of financial year 2021/22 and is on schedule to increase them further in the second half-year to compensate for increased raw material, freight, and labor costs.

Items affecting comparability of CHF 12.4 million (previous year CHF –2.6 million) were mainly related to the preparation and implementation of the new Shape4Growth strategy. These included CHF 14.0 million in reorganization and restructuring expenses (previous year CHF 4.1 million), a CHF 1.7 million gain on divestment of businesses (previous year CHF 0.0 million), and CHF 0.1 million in other exceptional items (previous year CHF –6.7 million).

EBIT decreased by CHF 1.8 million to CHF 142.4 million (previous year CHF 144.2 million), and the EBIT margin was at 10.6% compared to 11.7% in the previous year.

While the development of the adjusted EBITDA margin varied, there was organic sales growth across all segments.
Organic sales in AS AMER (North and South America) increased by 5.7% in the first half of financial year 2021/22 compared to the previous year. Growth was driven by the recovery of the US commercial construction market. The adjusted EBITDA margin of 16.7% (previous year 17.7%) was impacted by higher raw material and freight costs as well as labor cost inflation. Mesker, the hollow metal door business, continues to dilute the segment's adjusted EBITDA margin by 230 basis points (previous year 140 basis points).

Organic sales in AS APAC grew by 20.0% year-on-year, driven by some catch-up demand compared to the previous year, when the industry was faced with even more Covid-19-related project delays. The adjusted EBITDA margin was 13.4% (previous year 14.7%). The lower margin was caused by a negative product mix resulting from strong sales in the lower margin OEM business (Wah Yuet) and by some low-gross-margin projects in India and Southeast Asia.

Organic sales for AS DACH grew by 8.6% year-on-year thanks to good growth in Germany and Austria. Strong double-digit growth was realized by the Services and Entrance Systems Product Clusters. The adjusted EBITDA margin improved to 18.2% from the previous year's 17.1%. This positive development was driven by higher sales volumes, increased sales prices and further progress on plant efficiencies.

Organic sales in AS EMEA grew by 6.7% compared to the previous year. All regions showed good organic sales growth. The adjusted EBITDA margin declined slightly, by 0.4 percentage points to 9.1%, as volume growth and sales price increases could not entirely offset raw material and freight cost inflation.

Organic sales in Key & Wall Solutions grew by 2.6% year-on-year. There was good organic growth for Business Unit Key Systems (9.9%). Due to continued delays in the release of orders and project delays resulting from the limited availability of workers across the construction market, organic sales for Business Unit Movable Walls were lower than in the previous year (–6.7%). The adjusted EBITDA margin for the segment was 12.8% (previous year 15.7%) as Business Unit Key Systems was not able to fully offset the margin decline at Business Unit Movable Walls.

Financial result, profit before taxes, and income taxes
The net financial result for the reporting period improved by 18.1% to CHF –11.8 million (previous year CHF –14.4 million) due to a more favorable interest rate environment.

Profit before taxes increased to CHF 130.6 million (previous year CHF 129.8 million). Income taxes for the reporting period amounted to CHF 30.0 million (previous year CHF 29.9 million). The effective income tax rate came to 23.0% and was in line with the previous year (23.0%).

Net profit
dormakaba closed the first half of financial year 2021/22 with a net profit of CHF 100.6 million (previous year CHF 99.9 million), an increase of 0.7% despite the costs for the preparation and implementation of the new Shape4Growth strategy and other items affecting comparability. These costs were more than offset by the recovery in the operating performance and a better net financial result. Net profit after minority interests increased to CHF 52.4 million (previous year CHF 52.3 million).

Cash flow and balance sheet
Cash flow from operations decreased to CHF 87.7 million (previous year CHF 233.6 million). The reduction on the previous year is due to an increase in net working capital, particularly a rise in inventories due to higher volumes, safety stock for electronic components and certain other raw materials, higher goods in transit due to freight issues, and higher raw material prices.

Net cash from operating activities stood at CHF 49.3 million (previous year CHF 194.3 million), representing a low operating cash flow margin of 3.7% (previous year 15.8%).

Cash flow from investing activities of CHF –103.2 million (previous year CHF –41.0 million) was driven by acquisitions totaling CHF 80.7 million (previous year CHF 5.7 million).

Cash flow from financing activities amounted to CHF 0.5 million (previous year CHF –214.1 million). This includes dividend payments to company shareholders of CHF 52.2 million as well as to minority shareholders of CHF 44.8 million (in total CHF 97.0 million, previous year CHF 83.4 million).

As a result, the free cash flow figure of CHF –53.9 million was below the previous year's (CHF 153.3 million).

As of 31 December 2021, total assets stand at CHF 1,831.0 million. Within current assets, cash and cash equivalents amount to CHF 98.2 million, while inventories stand at CHF 507.7 million (27.6% of total assets; previous year 24.1%); trade receivables increased to CHF 429.7 million (23.5% of total assets; previous year 21.8%). Non-current assets consist mainly of property, plant, and equipment worth CHF 417.1 million (22.8% of total assets; previous year 25.0%).

Total liabilities come to CHF 1,691.2 million (92.4% of total assets; previous year 89.8%), of which CHF 320.2 million is accounted for by the corporate bond due in October 2025. The bond maturing in October 2021 was fully refinanced by the syndicated credit facility. The financial debt profile will be reviewed for diversification potential in the near future both in terms of maturities and instruments. Net financial debt increased by CHF 152.0 million to CHF 708.3 million as of 31 December 2021 (previous year CHF 556.3 million). Financial leverage, defined as net debt relative to adjusted EBITDA, is 1.9x and has remained constant (31 December 2020: 1.9x net debt/adjusted EBITDA).

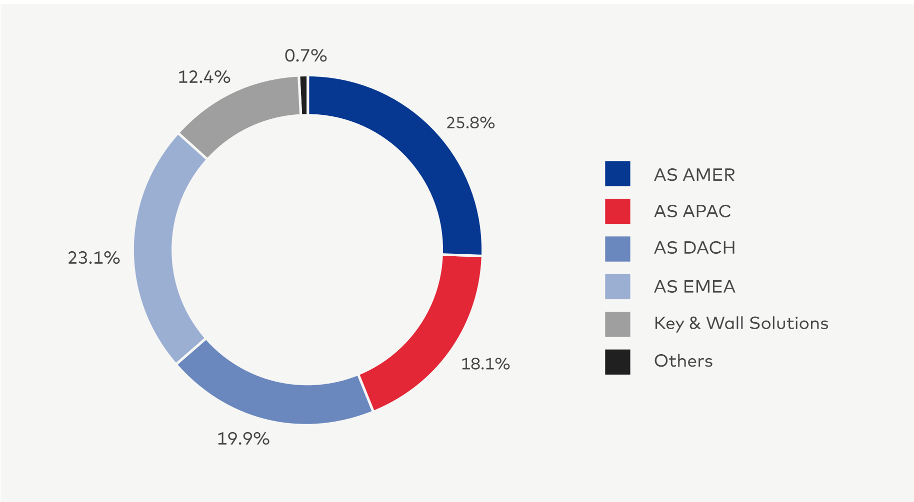
The company's equity stands at CHF 139.8 million as of 31 December 2021, which represents an equity ratio of 7.6% (previous year CHF 175.6 million or 10.2%). The change in equity is mainly due to acquisition-related goodwill, which has been entirely offset against equity.

Currency effects
In the first half of financial year 2021/22 the average euro exchange rate against the Swiss franc decreased by 0.8% year-on-year from 1.0765 to 1.0683. The average Swiss franc exchange against the US dollar rose by 0.9% from 0.9118 to 0.9200. Compared to previous years, most other major currencies appreciated against the Swiss franc, including the Canadian dollar by 5.5%, the British pound by 5.3%, and the Chinese renminbi by 6.2%. Currency translation had an overall positive impact of CHF 11.1 million on net sales and of CHF 3.1 million on adjusted EBITDA.

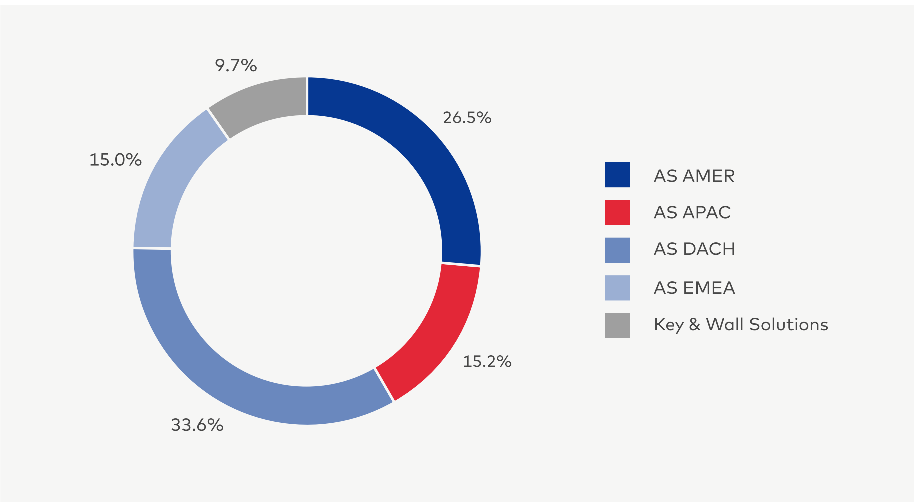
Key figures

CHF million, except where indicated	Reporting half-year ended 31.12.2021	%	Reporting half-year ended 31.12.2020	%
Net sales	1,349.6		1,227.5	
Change in sales	122.1	10.0	–158.2	–11.4
Of which translation exchange difference	11.1	0.9	–76.2	–5.5
Of which acquisition (disposal) impact	30.4	2.5	1.0	0.1
Of which organic sales growth	**80.6**	**6.6**	**–83.0**	**–6.0**
Adjusted EBITDA (Operating profit before depreciation and amortization)	**193.5**	**14.3**	**179.3**	**14.6**
Adjusted EBIT (Operating profit)	**154.8**	**11.5**	**141.6**	**11.5**
Profit before taxes	130.6	9.7	129.8	10.6
Net profit	100.6	7.5	99.9	8.1
Other key figures				
Total assets	1,831.0		1,721.1	
Net debt	708.3		556.3	
Market capitalization	2,520.8		2,093.5	
Average number of full-time equivalent employees	15,304		15,006	

Third-party sales by segments



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



Consolidated financial statements

Consolidated income statement

CHF million, except share amounts	Reporting half-year ended 31.12.2021	%	Reporting half-year ended 31.12.2020	%
Net sales	**1,349.6**	**100.0**	**1,227.5**	**100.0**
Cost of goods sold	–798.5	–59.2	–715.6	–58.3
Gross margin	**551.1**	**40.8**	**511.9**	**41.7**
Other operating income, net	7.6	0.6	10.7	0.8
Sales and marketing	–209.4	–15.5	–198.1	–16.1
General administration	–152.4	–11.3	–128.1	–10.4
Research and development	–54.5	–4.0	–52.2	–4.3
Operating profit (EBIT)	**142.4**	**10.6**	**144.2**	**11.7**
Result from associates	0.2	0.0	–0.1	0.0
Financial expenses	–12.6	–0.9	–14.9	–1.1
Financial income	0.6	0.0	0.6	0.0
Profit before taxes	**130.6**	**9.7**	**129.8**	**10.6**
Income taxes	–30.0	–2.2	–29.9	–2.5
Net profit	**100.6**	**7.5**	**99.9**	**8.1**
Net profit attributable to minority interests	48.2		47.6	
Net profit attributable to the owners of the parent	52.4		52.3	
Basic earnings per share in CHF	12.6		12.6	
Diluted earnings per share in CHF	12.5		12.5	
Adjusted EBITDA (Operating profit before depreciation and amortization)	**193.5**	**14.3**	**179.3**	**14.6**

Consolidated balance sheet

Assets

CHF million	Reporting half-year ended 31.12.2021	%	Financial year ended 30.06.2021	%	Reporting half-year ended 31.12.2020	%
Current assets						
Cash and cash equivalents	98.2	5.4	169.1	9.0	138.0	8.0
Trade receivables	429.7	23.5	424.5	22.7	375.2	21.8
Inventories	507.7	27.6	450.6	24.1	414.2	24.1
Current income tax assets	32.5	1.8	36.2	2.0	36.5	2.1
Other current assets	76.0	4.2	65.7	3.5	54.0	3.1
Total current assets	**1,144.1**	**62.5**	**1,146.1**	**61.3**	**1,017.9**	**59.1**
Non-current assets						
Property, plant, and equipment	417.1	22.8	435.9	23.2	428.8	25.0
Intangible assets	86.2	4.7	90.8	4.9	82.7	4.8
Investments in associates	5.6	0.3	5.4	0.3	5.2	0.3
Non-current financial assets	36.6	2.0	38.8	2.1	38.0	2.2
Deferred income tax assets	141.4	7.7	152.8	8.2	148.5	8.6
Total non-current assets	**686.9**	**37.5**	**723.7**	**38.7**	**703.2**	**40.9**
Total assets	**1,831.0**	**100.0**	**1,869.8**	**100.0**	**1,721.1**	**100.0**

Liabilities and equity

CHF million	Reporting half-year ended 31.12.2021	%	Financial year ended 30.06.2021	%	Reporting half-year ended 31.12.2020	%
Current liabilities						
Current borrowings	472.3	25.8	353.5	18.9	370.1	21.4
Trade payables	182.9	10.0	169.1	9.0	149.3	8.7
Current income tax liabilities	53.5	2.9	46.2	2.5	42.2	2.5
Accrued and other current liabilities	351.1	19.2	364.2	19.5	306.7	17.8
Provisions	24.7	1.3	26.7	1.4	30.3	1.8
Total current liabilities	**1,084.5**	**59.2**	**959.7**	**51.3**	**898.6**	**52.2**
Non-current liabilities						
Accrued pension costs and benefits	261.2	14.3	294.6	15.8	293.8	17.1
Deferred income tax liabilities	11.3	0.6	26.2	1.4	28.9	1.7
Non-current liabilities	334.2	18.3	324.4	17.3	324.2	18.8
Total non-current liabilities	**606.7**	**33.2**	**645.2**	**34.5**	**646.9**	**37.6**
Total liabilities	**1,691.2**	**92.4**	**1,604.9**	**85.8**	**1,545.5**	**89.8**
Equity						
Share capital	0.4	0.0	0.4	0.0	0.4	0.0
Additional paid-in capital	811.3	44.3	811.3	43.4	811.3	47.1
Retained earnings	1,318.2	72.0	1,318.7	70.5	1,269.1	73.7
Goodwill offset in equity	–1,945.3	–106.2	–1,890.6	–101.1	–1,884.0	–109.4
Treasury shares	–17.1	–0.9	–23.0	–1.2	–24.8	–1.4
Translation exchange differences	–23.2	–1.3	–9.3	–0.5	–11.9	–0.7
Total equity owners of the parent	**144.3**	**7.9**	**207.5**	**11.1**	**160.1**	**9.3**
Minority interests	–4.5	–0.3	57.4	3.1	15.5	0.9
Total equity	**139.8**	**7.6**	**264.9**	**14.2**	**175.6**	**10.2**
Total liabilities and equity	**1,831.0**	**100.0**	**1,869.8**	**100.0**	**1,721.1**	**100.0**

Consolidated cash flow statement

CHF million	Reporting half-year ended 31.12.2021	Reporting half-year ended 31.12.2020
Net profit	**100.6**	**99.9**
Depreciation and amortization	41.9	37.7
Income tax expenses	30.0	29.9
Interest expenses	9.3	9.7
Interest income	–0.5	–0.5
(Gain) Loss on disposal of fixed assets, net	–1.7	–0.1
Adjustment for non-cash items	–0.6	7.4
Change in trade receivables	–2.8	7.5
Change in inventories	–71.7	22.6
Change in other current assets	–10.1	9.6
Change in trade payables	12.7	21.2
Change in accrued pension cost	–0.6	2.4
Change in accrued and other current liabilities	–18.8	–13.7
Cash generated from operations	**87.7**	**233.6**
Income taxes paid	–27.0	–27.4
Interest paid	–11.9	–12.4
Interest received	0.5	0.5
Net cash from operating activities	**49.3**	**194.3**
Cash flows from investing activities		
Additions of property, plant, and equipment	–25.6	–21.3
Proceeds from sale of property, plant, and equipment	2.2	0.1
Additions of intangible assets	–10.6	–9.5
Change in non-current financial assets	0.5	–2.8
Acquisition of subsidiaries, net of cash acquired	–80.7	–5.7
Sale of subsidiaries, net of cash sold	11.0	0.2
Acquisition of associates and joint ventures	0.0	–2.0
Net cash used in investing activities	**–103.2**	**–41.0**
Free cash flow	**–53.9**	**153.3**
Cash flows from financing activities		
Repayment of bond	–340.0	0.0
Other proceeds from (repayment of) current borrowings, net	434.2	–129.9
Proceeds from (repayment of) non-current borrowings, net	3.9	–0.4
Change in other non-current liabilities	–0.6	–0.4
Dividends paid to company's shareholders	–52.2	–43.7
Dividends paid to minority shareholders	–44.8	–39.7
Net cash flows from financing activities	**0.5**	**–214.1**
Translation exchange differences	–17.5	42.0
Net increase (decrease) in cash and cash equivalents	**–70.9**	**–18.8**
Cash and cash equivalents at beginning of period	169.1	156.8
Cash and cash equivalents at end of period	98.2	138.0
Net increase (decrease) in cash and cash equivalents	**–70.9**	**–18.8**

Consolidated statement of changes in equity

CHF million	Share capital	Additional paid-in capital	Retained earnings	Goodwill offset in equity	Treasury shares	Cumul. translation adjustm.	Minority interests	Total equity
Balance at 31.12.2021	**0.4**	**811.3**	**1,318.2**	**–1,945.3**	**–17.1**	**–23.2**	**–4.5**	**139.8**
Net profit for the reporting period			52.4				48.2	100.6
Goodwill on acquisitions and divestments				–54.7			–49.5	–104.2
Currency translation adjustments						–13.9	–15.1	–29.0
Dividend paid			–52.2				–44.8	–97.0
Shares awarded (share-based compensation)			–0.7		5.9		–0.7	4.5
Balance at 01.07.2021	**0.4**	**811.3**	**1,318.7**	**–1,890.6**	**–23.0**	**–9.3**	**57.4**	**264.9**
Balance at 31.12.2020	**0.4**	**811.3**	**1,269.1**	**–1,884.0**	**–24.8**	**–11.9**	**15.5**	**175.6**
Net profit for the reporting period			52.3				47.6	99.9
Goodwill on acquisitions and divestments				–2.7			–2.5	–5.2
Currency translation adjustments						10.4	7.7	18.1
Dividend paid			–43.7				–39.7	–83.4
Shares awarded (share-based compensation)			–0.9		6.6		–0.8	4.9
Balance at 01.07.2020	**0.4**	**811.3**	**1,261.4**	**–1,881.3**	**–31.4**	**–22.3**	**3.2**	**141.3**

Notes to the consolidated financial statements

Basis of preparation

The consolidated financial statements of dormakaba Group ("dormakaba") include the operations of dormakaba Holding AG and all direct and indirect subsidiaries in which dormakaba controls more than 50% of votes or otherwise has the power to govern the financial and operating policies. Investments in associates where dormakaba exercises significant influence, but does not have control (normally with an interest between 20% and 50%), and in joint ventures are considered for using the equity method of accounting.

The unaudited consolidated half-year financial statements cover the period from 1 July 2021 until 31 December 2021 and are prepared in accordance with the rules of the Swiss GAAP FER 31 ("Complementary Recommendation for Listed Public Companies") relating to interim financial reporting (Generally Accepted Accounting Principles/FER = Fachempfehlungen zur Rechnungslegung).

The consolidated half-year report should be read in conjunction with the consolidated financial statements compiled for the financial year ended 30 June 2021, as it represents an update of the last complete financial statements and therefore does not contain all information and disclosures required in year-end consolidated financial statements. The consolidated financial statements are prepared in accordance with Swiss GAAP FER and comply with the provisions of the listing rules of the SIX Swiss Stock Exchange as well as the Swiss company law.

The operational performance and the market development are described in the chapter "Business performance" and should be read in conjunction with this consolidated half-year report.

Income tax expense is recognized based upon the best estimate of the weighted average annual income tax rate expected for the full financial year. The preparation of the consolidated half-year financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, and disclosure of contingent liabilities at the date of the consolidated half-year financial statements. If in future such estimates and assumptions, which are based on management's best judgment at the date of the consolidated half-year financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the reporting period in which the circumstances change.

dormakaba treats transactions with minority interests that do not result in a loss of control as transactions with equity owners of dormakaba. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and minority interests to reflect their relative interests in the subsidiary.

Segment reporting

CHF million	Reporting half-year ended 31.12.2021	Reporting half-year ended 31.12.2020	Reporting half-year ended 31.12.2021	Reporting half-year ended 31.12.2020	Reporting half-year ended 31.12.2021	Reporting half-year ended 31.12.2020
	Access Solutions AMER		Access Solutions APAC		Access Solutions DACH	
Net sales third parties	347.7	326.8	244.1	184.0	268.7	265.5
Intercompany sales	17.5	12.9	17.0	11.0	155.9	130.7
Total sales	**365.2**	**339.7**	**261.1**	**195.0**	**424.6**	**396.2**
Adjusted EBIT (Operating profit)	**54.0**	**52.7**	**30.8**	**24.7**	**70.4**	**60.1**
as % of sales	14.8%	15.5%	11.8%	12.7%	16.6%	15.2%
Adjusted depreciation and amortization	7.0	7.4	4.2	3.9	7.0	7.8
Adjusted EBITDA (Operating profit before depreciation and amortization)	**61.0**	**60.1**	**35.0**	**28.6**	**77.4**	**67.9**
as % of sales	16.7%	17.7%	13.4%	14.7%	18.2%	17.1%
Net working capital	211.1	150.0	110.7	95.2	122.4	120.1
Capital expenditure	9.3	7.2	2.8	3.3	5.2	5.3

	Access Solutions EMEA		Eliminations		Access Solutions TOTAL	
Net sales third parties	311.2	283.3	0.0	0.0	1,171.7	1,059.6
Intercompany sales	66.1	59.6	–252.5	–211.1	4.0	3.1
Total sales	**377.3**	**342.9**	**–252.5**	**–211.1**	**1,175.7**	**1,062.7**
Adjusted EBIT (Operating profit)	**29.1**	**26.6**	**–2.6**	**0.1**	**181.7**	**164.2**
as % of sales	7.7%	7.8%	1.0%	0.0%	15.5%	15.5%
Adjusted depreciation and amortization	5.4	5.9	0.0	0.0	23.6	25.0
Adjusted EBITDA (Operating profit before depreciation and amortization)	**34.5**	**32.5**	**–2.6**	**0.1**	**205.3**	**189.2**
as % of sales	9.1%	9.5%	1.0%	0.0%	17.5%	17.8%
Net working capital	181.4	156.9	–13.3	–10.9	612.3	511.3
Capital expenditure	6.1	5.9	0.0	0.0	23.4	21.7

			Key & Wall Solutions		Other	
Net sales third parties			167.8	162.0	10.1	5.9
Intercompany sales			6.5	7.1	2.6	2.5
Total sales			**174.3**	**169.1**	**12.7**	**8.4**
Adjusted EBIT (Operating profit)			**18.0**	**21.9**	**1.5**	**–0.5**
as % of sales			10.3%	13.0%	11.8%	–6.0%
Adjusted depreciation and amortization			4.3	4.7	0.3	0.2
Adjusted EBITDA (Operating profit before depreciation and amortization)			**22.3**	**26.6**	**1.8**	**–0.3**
as % of sales			12.8%	15.7%	14.2%	–3.6%
Net working capital			82.7	81.0	1.9	2.8
Capital expenditure			3.2	3.0	3.9	3.4

	Corporate		Eliminations		Group	
Net sales third parties	0.0	0.0	0.0	0.0	1,349.6	1,227.5
Intercompany sales	0.0	0.0	–13.1	–12.7	0.0	0.0
Total sales	**0.0**	**0.0**	**–13.1**	**–12.7**	**1,349.6**	**1,227.5**
Adjusted EBIT (Operating profit)	**–46.4**	**–44.0**	**0.0**	**0.0**	**154.8**	**141.6**
as % of sales	0.0%	0.0%	0.0%	0.0%	11.5%	11.5%
Adjusted depreciation and amortization	10.5	7.8	0.0	0.0	38.7	37.7
Adjusted EBITDA (Operating profit before depreciation and amortization)	**–35.9**	**–36.2**	**0.0**	**0.0**	**193.5**	**179.3**
as % of sales	0.0%	0.0%	0.0%	0.0%	14.3%	14.6%
Net working capital	–14.0	–12.9	2.1	0.3	685.0	582.5
Capital expenditure	5.7	2.7	0.0	0.0	36.2	30.8

Reconciliation of operational figures

CHF million	Reporting half-year ended 31.12.2021 Adjusted	IAC 1)	Unadjusted	Reporting half-year ended 31.12.2020 Adjusted	IAC 1)	Unadjusted
Operating profit before depreciation and amortization (EBITDA)	**193.5**	**–9.2**	**184.3**	**179.3**	**2.6**	**181.9**
Depreciation and amortization 2)	–38.7	–3.2	–41.9	–37.7	0.0	–37.7
Operating profit (EBIT)	**154.8**	**–12.4**	**142.4**	**141.6**	**2.6**	**144.2**

1) Content of items affecting comparability (IAC) is described in the chapter alternative performance measures (APM).

2) In 2021/22: depreciation and amortization include CHF 2.2 million goodwill recycling from the sale of the interior glass business (IGS) which is treated as IAC. Details are disclosed in the chapter business combinations and divestments.

Business combinations and divestments

Business combinations

The following table summarizes all considerations paid for businesses, as well as the assets and liabilities acquired and recognized at fair value as at the acquisition date in the first half-year 2021/22 and for the full financial year 2020/21 in comparison.

CHF million				Reporting half-year ended 31.12.2021	Financial year ended 30.06.2021
	Fermatic	**RELBDA**	**Others**	**Total**	**Total**
Total consideration	**27.1**	**62.3**	**12.2**	**101.6**	**20.5**
Cash paid	26.7	52.2	7.2	86.1	19.9
Deferred payment	0.0	9.4	4.8	14.2	0.5
Acquisition-related costs	0.4	0.7	0.2	1.3	0.1
Identifiable assets and liabilities	**–2.5**	**–5.2**	**2.9**	**–4.8**	**2.7**
Cash and cash equivalents	2.6	2.5	2.1	7.2	1.4
Trade receivables	9.2	6.4	0.5	16.1	3.2
Inventories	2.2	6.3	0.7	9.2	0.9
Current income tax assets	0.0	0.0	0.4	0.4	0.0
Other current assets	1.7	1.4	0.3	3.4	0.8
Property, plant, and equipment	3.0	4.6	0.4	8.0	0.5
Intangible assets	0.0	0.3	0.0	0.3	0.0
Deferred income tax assets	0.3	0.9	0.0	1.2	0.2
Current borrowings	0.0	0.0	0.0	0.0	–0.4
Trade payables	–3.4	–4.5	–0.5	–8.4	–1.5
Current income tax liabilities	–0.1	–0.4	–0.4	–0.9	–0.3
Accrued and other current liabilities	–6.8	–3.0	–0.4	–10.2	–1.7
Provisions	–0.3	–0.2	0.0	–0.5	0.0
Non-current borrowings	–10.0	–18.2	0.0	–28.2	–0.4
Accrued pension costs and benefits	–0.4	–1.3	–0.2	–1.9	0.0
Deferred income tax liabilities	–0.5	0.0	0.0	–0.5	0.0
Goodwill	**29.6**	**67.5**	**9.3**	**106.4**	**17.8**

Fermatic Group

On 22 October 2021, dormakaba acquired Fermatic Group based near Paris (FR). Fermatic Group is a renowned provider for services for automatic doors and gates. The company is primarily operating in the multi-housing market in the North-West of France and serves also other verticals such as Offices, Retail and Public Buildings.

Australian Reliance Doors and Best Doors Australia Groups (RELBDA)

On 31 August 2021, dormakaba acquired the Australian Reliance Doors and Best Doors Australia Groups (RELBDA) based in eastern and southern Australia. The group of companies is a well-established provider in the Australian market with reputable brands for residential garage doors, automatic openers, industrial overhead doors as well as related services.

Others

In the first half-year 2021/22 dormakaba acquired in addition Rovato Techniek B.V. based in LK Tiel (NL), and Solus Security Systems Pvt Ltd based in Bangalore (IN).

After the balance sheet date, on 16 February 2022, dormakaba signed an agreement to acquire AtiQx Holding B.V. based in Utrecht/Dordrecht (NL). AtiQx provides comprehensive, customized solutions for electronic access control and workforce management in the Netherlands.

Divestments

The following table summarizes the considerations received as well as the net assets divested. The resulting net goodwill was recycled affecting net income.

CHF million	Reporting half-year ended 31.12.2021	Financial year ended 30.06.2021
	Total	**Total**
Total consideration	**26.6**	**2.6**
Cash consideration	30.8	2.6
Deferred expenses / payment	–1.8	0.0
Divestment-related costs	–2.4	0.0
Assets and liabilities divested	**22.7**	**2.9**
Cash and cash equivalents	17.4	1.5
Trade receivables	4.3	0.7
Inventories	8.5	1.3
Other current assets	0.9	0.0
Property, plant, and equipment	13.2	0.0
Intangible assets	0.1	0.0
Non-current financial assets	0.5	0.0
Deferred income tax assets	2.2	0.0
Trade payables	–2.9	–0.6
Accrued and other current liabilities	–1.7	0.0
Provisions	–0.1	0.0
Accrued pension costs and benefits	–19.7	0.0
Amortization on goodwill - recycling 1)	2.2	0.0
Result from sale of subsidiaries 2)	**1.7**	**–0.3**

1) Goodwill is fully offset in equity at the date of acquisition and amortized over five years in the notes of the annual financial statements without affecting consolidated income. In order to determine the result from sale of subsidiary, goodwill allocated to the disposed business is recognized at its original cost in the income statement.

2) Included in other operating income, net

Interior glass business (IGS)

As per 31 October 2021, dormakaba divested its interior glass business (IGS). The purchaser is the Italian-based investment and financial group Aliante Equity Tre S.p.A. Aliante has built up an investment portfolio with other portfolio companies, with a global presence in the design and furniture market, that complement the IGS business and offer commercial synergies.

Alternative performance measures (APM)

Some of the key figures used by dormakaba to measure the financial performance are not defined by Swiss GAAP FER. The comparability of these figures with those of other companies might be limited. Explanations and reconciliations of these APMs are disclosed below.

EBITDA and EBIT adjusted by items affecting comparability (IAC)

Earnings before interest, taxes, depreciation, and amortization (EBITDA) corresponds to the operating result (EBIT) before depreciation and amortization. By adjusting EBITDA and EBIT for items affecting comparability (IAC) transparency is further increased and the comparability of Group's operational performance on a period-to-period basis is improved.

IACs are defined as significant costs and income which, because of their exceptional nature, cannot be viewed as inherent to the Group's underlying performance. The content of these items excluded is summarized in the table below and the reconciliation with EBIT defined by Swiss GAAP FER is disclosed in segment reporting:

CHF million	Reporting half-year ended 31.12.2021	Reporting half-year ended 31.12.2020
Items affecting comparability (IAC)	**12.4**	**–2.6**
Reorganization and restructuring expenses	14.0	4.1
(Gain) Loss on divestment of businesses	–1.7	0.0
Other exceptional items	0.1	–6.7

Reorganization and restructuring comprise expenses in relation to dormakaba's new strategy Shape4Growth, which will change the operating model of dormakaba, and consequently the organizational setup as well as the financial reporting. Strategic IT harmonization projects, which are closely related to the execution of Shape4Growth such as ERP harmonization and accelerated IT infrastructure optimization, including state-of-the-art business continuity management across applications and processes, are also included.

In the first half of financial year 2021/22 dormakaba divested its interior glass business (IGS). Details on the divestments are disclosed in chapter business combinations and divestments.

Other exceptional items comprise revaluation gains or losses, significant gains on sale of property, plant, and equipment, as well as other significant items that cannot be viewed as inherent to the Group's underlying performance.

Capital expenditure

Capital expenditure (Capex) consists of the additions in property, plant, and equipment and the additions of intangible assets.

CHF million	Reporting half-year ended 31.12.2021	Reporting half-year ended 31.12.2020
Capital expenditure	**36.2**	**30.8**
Additions of property, plant, and equipment	25.6	21.3
Additions of intangible assets	10.6	9.5

Free cash flow and free cash flow before acquisitions/divestments

Free cash flow consists of cash flow from operating activities together with cash flow from investing activities. Free cash flow before acquisitions/divestments excludes the cash effective movements arising from acquisitions/divestments.

CHF million	Reporting half-year ended 31.12.2021	Reporting half-year ended 31.12.2020
Free cash flow before acquisitions/divestments	**15.8**	**160.8**
Acquisition of subsidiaries, net of cash acquired	–80.7	–5.7
Sale of subsidiaries, net of cash sold	11.0	0.2
Acquisition of associates and joint ventures	0.0	–2.0
Free cash flow	**–53.9**	**153.3**
Net cash from operating activities	49.3	194.3
Net cash used in investing activities	–103.2	–41.0

Net debt

Net debt describes the current borrowings and non-current liabilities minus cash and cash equivalents.

CHF million	Reporting half-year ended 31.12.2021	Reporting half-year ended 31.12.2020
Net debt	**708.3**	**556.3**
Current borrowings	472.3	370.1
Non-current liabilities	334.2	324.2
Cash and cash equivalents	–98.2	–138.0

Net working capital

Net working capital is used by the Group to measure the efficiency of the segment in managing financial resources and complements the Group's performance management. dormakaba defines net working capital as trade receivables plus inventories, minus the sum of trade payables, advances from customers and deferred income.

CHF million	Reporting half-year ended 31.12.2021	Reporting half-year ended 31.12.2020
Net working capital	**685.0**	**582.5**
Trade receivables	429.7	375.2
Inventories	507.7	414.2
Trade payables	–182.9	–149.3
Advances from customers	–44.0	–35.8
Deferred income	–25.5	–21.8

Operating cash flow margin

Operating cash flow margin is calculated as the ratio of net cash from operating activities to net sales.

CHF million	Reporting half-year ended 31.12.2021	Reporting half-year ended 31.12.2020
Operating cash flow margin	**3.7%**	**15.8%**
Net sales	1,349.6	1,227.5
Net cash from operating activities	49.3	194.3

Organic sales growth

Organic growth in sales refers to the growth compared to the same period of the previous year adjusted for the impacts from currency translation as well as impacts from acquisition and divestment.

Return on capital employed (ROCE)

EBIT divided by capital employed (CE) results in ROCE. dormakaba bases the calculation on a 12 months rolling EBIT, adjusted for items affecting comparability (IAC). CE equals the sum of net working capital, property, plant, and equipment and intangible assets. For the calculation, the average of the last three published balance sheet information is considered (31 December 2021, 30 June 2021, and 31 December 2020). For the previous year comparison, the same principles were applied.

CHF million	Reporting half-year ended 31.12.2021	Reporting half-year ended 31.12.2020
ROCE (Return on capital employed)	**25.8%**	**18.4%**
Adjusted EBIT - rolling 12 months	**296.9**	**216.7**
Adjusted EBIT current half-year	154.8	141.6
Adjusted EBIT second half-year previous year	142.1	75.1
Average CE (Capital employed)	**1,150.2**	**1,178.5**
Average net working capital	636.4	653.9
Average property, plant, and equipment	427.3	447.2
Average intangible assets	86.5	77.4

Disclaimer: important legal information

This communication contains certain forward-looking statements including, but not limited to, those using the words "believes", "assumes", "expects" or formulations of a similar kind. Such forward-looking statements reflect the current judgement of the company, involve risks and uncertainties, and are made on the basis of assumptions and expectations that the company believes to be reasonable at this time but may prove to be erroneous. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks, uncertainties and other factors outside of the company's and the Group's control which could lead to substantial differences between the actual future results, the financial situation, the development or performance of the company or the Group and those either expressed or implied by such statements. Except as required by applicable law or regulation, the company accepts no obligation to continue to report, update or otherwise review such forward-looking statements or adjust them to new information, or future events or developments.

For definition of alternative performance measures, please refer to the chapter "Notes to the consolidated financial statements" of the Half-year Report 2021/22 of dormakaba.

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

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

Imprint

Editor dormakaba Holding AG, www.dormakabagroup.com
Project lead Mirko Meier-Rentrop, Deputy Vice President Group External Communications
Project management Laura Zeller, Communications Specialist Group External Communications

Design NeidhartSchön AG, Dorfstrasse 29, 8037 Zurich, www.neidhartschoen.ch
Technical Implementation ns.wow by mms solutions ag, Dorfstrasse 29, 8037 Zurich, www.mmssolutions.ch

Date and place of issue Rümlang/Switzerland, 25 February 2022

Contact
Investor Relations
Siegfried Schwirzer
Phone +41 44 818 90 28
investor@dormakaba.com

Media Relations
Mirko-Meier Rentrop
Phone +41 44 818 92 01
communications@dormakaba.com

dormakaba Holding AG
Hofwisenstrasse 24
8153 Rümlang, Switzerland