dormakaba with strong growth in first half of financial year 2021/22
(1 July 2021 – 31 December 2021)

Jim-Heng Lee, CEO
Bernd Brinker, CFO

dormakaba

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The first two months as CEO



- Focus on S4G strategy implementation
- Ensure a smooth transition in leadership amid an ongoing pandemic situation
- Meet as many people as I can to build bridges and create trust
- Remind everyone that dormakaba remains a healthy company with huge potential worth fighting for

Strong growth in first half of financial year 2021/22

- Strong organic sales growth slightly above full-year guidance, all segments contributed to growth
- Growth driven by continued strong recovery in Asia, continued good demand in Europe and an improvement of the US commercial construction market
- Adjusted EBITDA increased by 7.9% driven by good growth. On top positive effects from currency translation and from acquisitions and divestments
- Slight decline of adjusted EBITDA margin due to impact of higher raw material and freight costs
- Operating cash flow impacted by higher inventories
- Slightly higher net profit despite CHF 12 million costs for implementation of new strategy Shape4Growth

CHF **1,349.6 million**

Net sales
(previous year CHF 1,227.5 million)

6.6%

Organic sales growth

CHF **193.5 million**

adjusted EBITDA
(previous year CHF 179.3 million)

14.3%

Adjusted EBITDA margin
(previous year 14.6%)

CHF **100.6 million**

Net profit
(previous year CHF 99.9 million)

3.7%

Operating cash flow margin
(previous year 15.8%)

Highlights and headwinds

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- Organic sales growth in all segments as well as promising order intakes and backlogs
- Strong business in Asia, continued demand in Europe and improvement of US commercial construction market
- Sales price increases and procurement savings for financial year 2021/22 on track
- Ambitious new mid-term targets released at CMD; newly defined growth strategy will ensure that dormakaba will meet these targets
- Consistent implementation of new strategy has started

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- Labor shortages, supply chain issues like for electronic components, and cost inflation continued to affect business
- Adjusted EBITDA margin impacted by product mix, higher raw material, freight and labor cost
- AS AMER still negatively impacted by Mesker, structured divestment process initiated
- Weak Movable Walls business with continued project and investment delays
- Management changes created short-term insecurities within dormakaba

Success stories

A recognized global player providing dedicated solutions and driving market accessibility through new partnerships

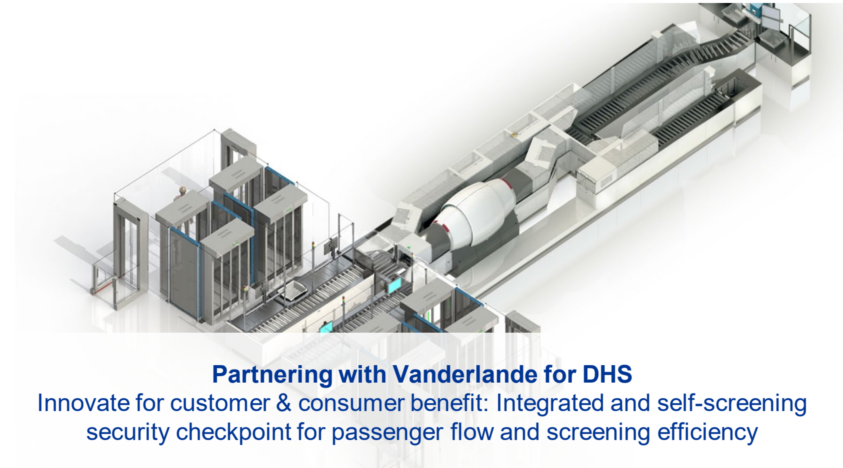
The FACE Suites, Kuala Lumpur, MY
Hospitality & Lodging: Largest project for sliding door solutions in Malaysia

SUVA, Lucerne, CH
Commercial: Over 500 mobile access points and 700 standalone components, creating a seamless working environment

Normanton Park, Singapore, SG
Multi-housing: 9 Towers with 1862 residential units, one of the largest residential projects in Singapore to date

Accenture Tower, Chicago, USA
Commercial: Alvarado to provide 28 lanes of SU5000, custom made to deliver on the architectural vision of the building

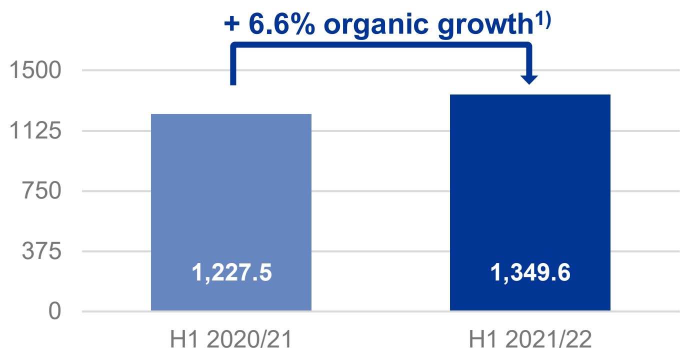
Partnering with Latch
Combining the best technology of two market leaders to increase the value proposition for managed residential buildings in Europe



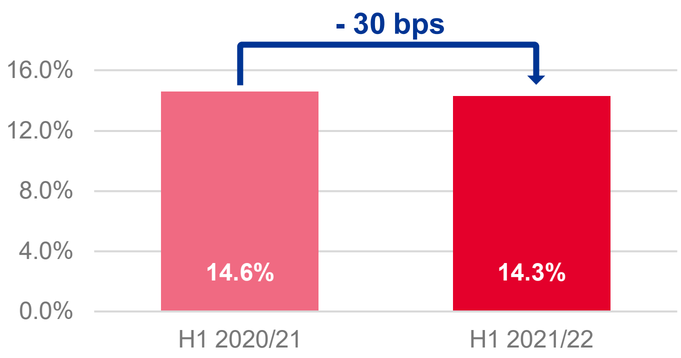
Partnering with Vanderlande for DHS
Innovate for customer & consumer benefit: Integrated and self-screening security checkpoint for passenger flow and screening efficiency

Strong organic growth, slightly lower adjusted EBITDA margin

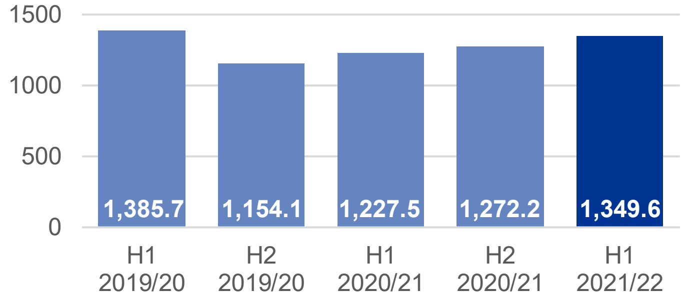
Total sales
CHF million



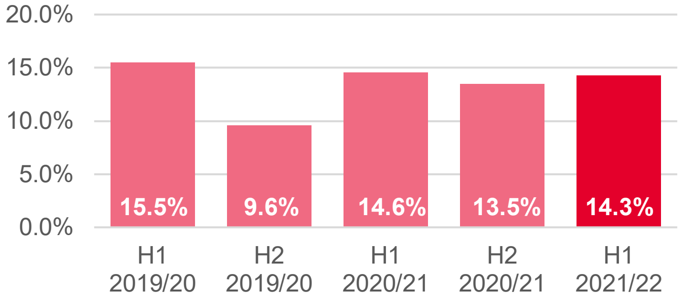
Adj. EBITDA margin
in % of sales



Sales development
CHF million



EBITDA margin[2)]
in % of sales



- **Net sales CHF 1,349.6 million** (HY1 20/21: CHF 1,227.5 million), **sales growth +10.0%**
  - Organic sales +6.6%
  - Currency translation effects +0.9%
  - Acquisition and divestment effects +2.5%
- **Adjusted EBITDA increased by 7.9%** to CHF 193.5 million (HY1 20/21: CHF 179.3 million)
- **Adjusted EBITDA margin 14.3%** (HY1 20/21: 14.6%) impact of higher raw material and freight costs and mix effects not completely offset by positive impact of higher volumes and sales price increases
- **Items affecting comparability** CHF 12.4 million (HY1 20/21: CHF -2.6 million) mainly related to the new Shape4Growth strategy
- **Sales price increases on track** to fully compensate for cost inflation in full year

1) Excl. FX, M&A

2) H1 2021/22 and H1 2020/21 adjusted, all other figures as reported

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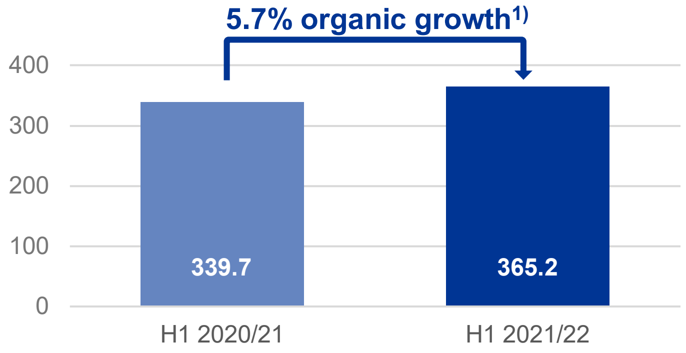
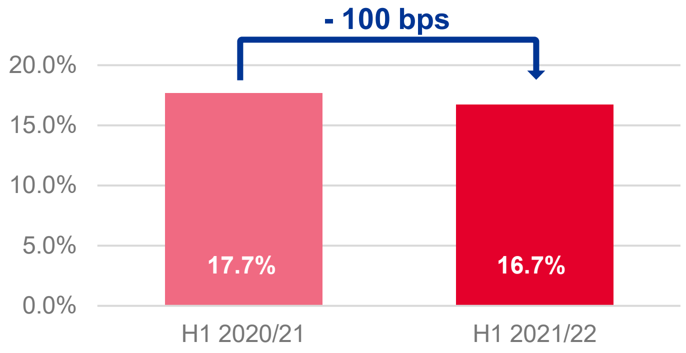
Good growth driven by recovery in the US commercial market, profitability impacted by higher raw material and freight costs

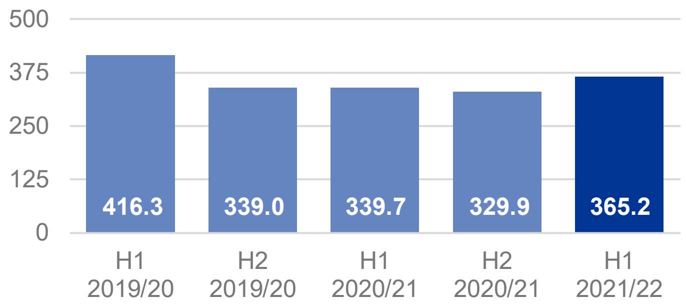
Total sales
CHF million



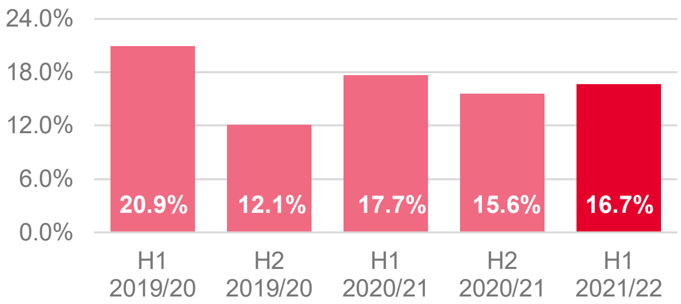
Adjusted EBITDA margin
in % of sales



Sales development
CHF million



EBITDA margin[2)]
in % of sales



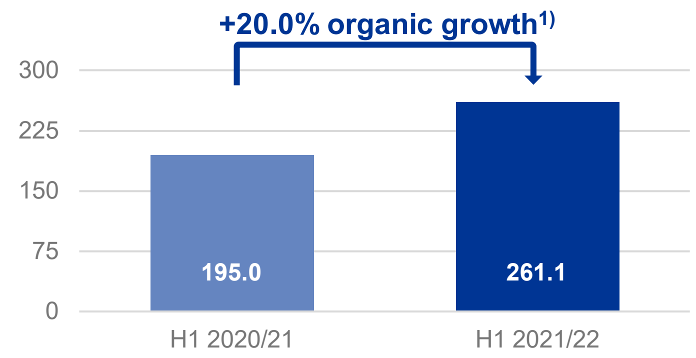
- **Growth** driven **by recovery in the US commercial construction market**, particularly in renovation and replacement projects
- **Lodging business recovered** but still far below pre-Covid levels
- **Growth** in Safe Locks, Door Hardware, and Mechanical Key Systems. **Entrance Systems supported** by key **project wins** like Alvarado's touchless access solution for ticket holders for the SoFi Stadium, Los Angeles during the Superbowl
- **Profitability impacted** by higher raw material and freight costs, labor cost inflation and negative product mix
- **Negative impact of Mesker** on the segment´s EBITDA margin increased year-on-year (HY1 21/22: -230 basis points; HY1 20/21: -140 basis points), structured divestment process initiated

[1)] Excl. FX, M&A

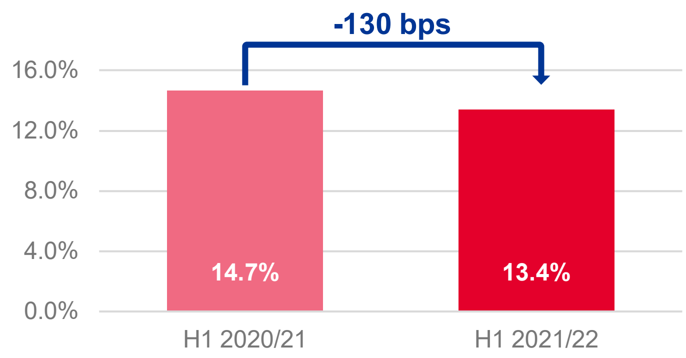
[2)] H1 2021/22 and H1 2020/21 adjusted, all other figures as reported

Continued strong sales recovery, strong double-digit growth in China, India and Southeast Asia

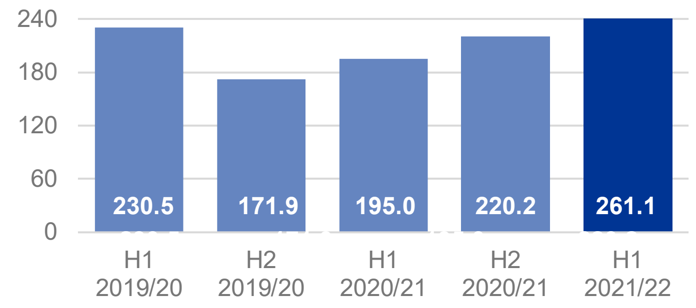
Total sales
CHF million



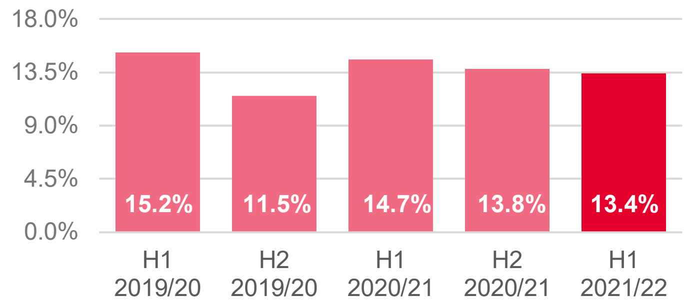
Adj. EBITDA margin
in % of sales



Sales development
CHF million



EBITDA margin[2)]
in % of sales

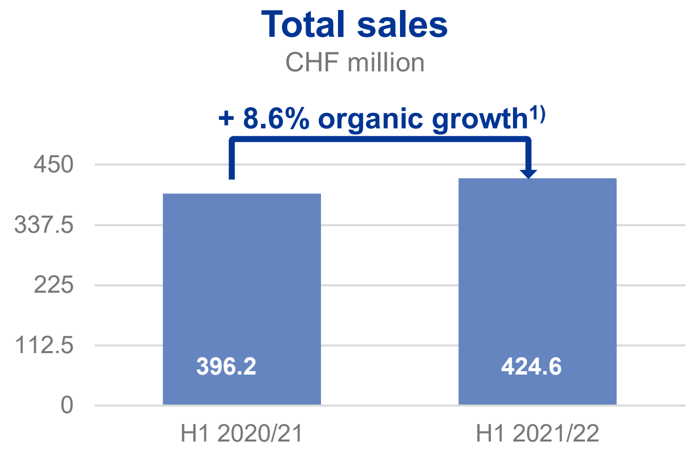


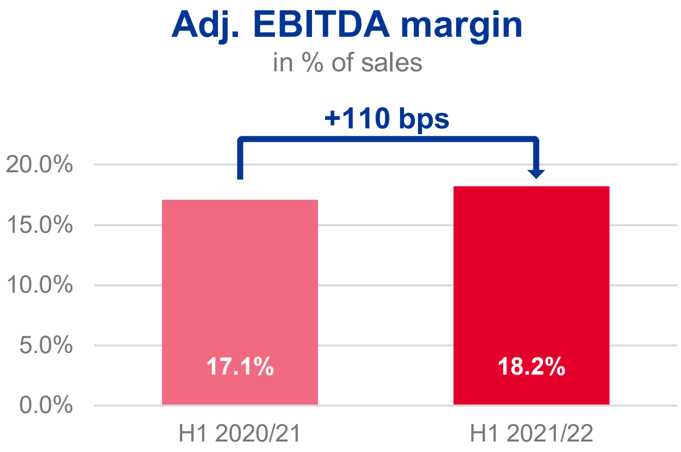
- **China, India and Southeast Asia posted strong double-digit growth,** Pacific North Asia with modest growth
- **All Product Clusters contributed** to this positive trend with **double-digit growth rates**
- **Adjusted EBITDA margin impacted by negative product mix** resulting from stronger sales in the lower margin OEM business for the US market (Wah Yuet)
- Segment **expects an improved gross margin** due to the lower impact of specific margin-dilutive projects and due to sales price increases
- **Future growth** will be supported **by the recent acquisition** of Australian Reliance Doors and Best Doors Australia Groups (RELBDA), first synergies realized by selling RELBDA products combined with digital door lock technology from dormakaba

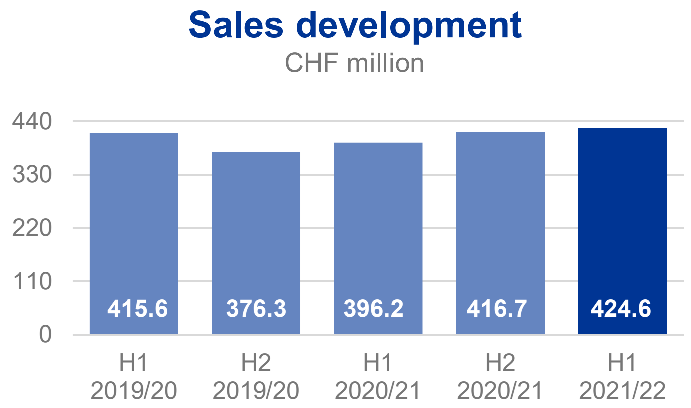
[1)] Excl. FX, M&A

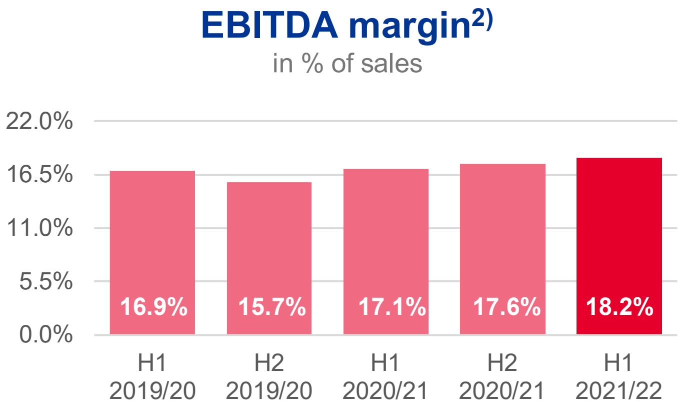
[2)] H1 2021/22 and H1 2020/21 adjusted, all other figures as reported

Strong sales growth and improved profitability









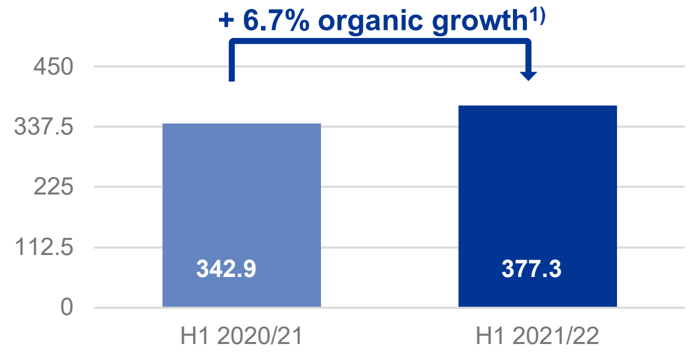
- **Strong organic sales growth, good growth** in **Germany and Austria,** strong intercompany business
- **Good growth contribution** particularly by Services and Entrance Systems
- **Adjusted EBITDA improved to 18.2%** driven by higher sales volumes, increased sales prices, effective cost management and improvements in operational efficiency
- **First orders for EntriWorX**, an innovative solution that supports smart planning processes and simple installation of door solutions
- The segment **expects continued good organic growth** for HY2 2021/22 based on a good order backlog
- Focus **on continued sales price initiatives** to compensate for higher raw material and freight costs

[1] Excl. FX, M&A

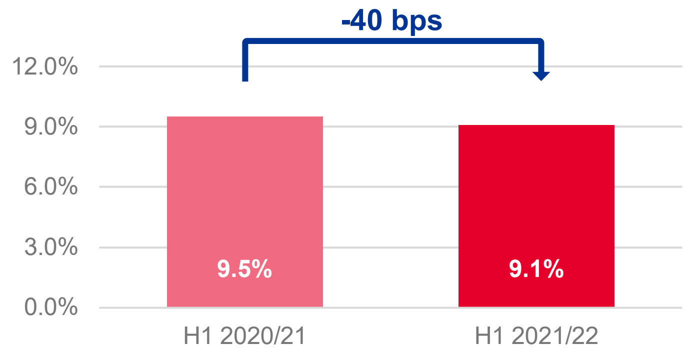
[2] H1 2021/22 and H1 2020/21 adjusted, all other figures as reported

Continued good growth, profitability slightly impacted by higher raw material and freight costs

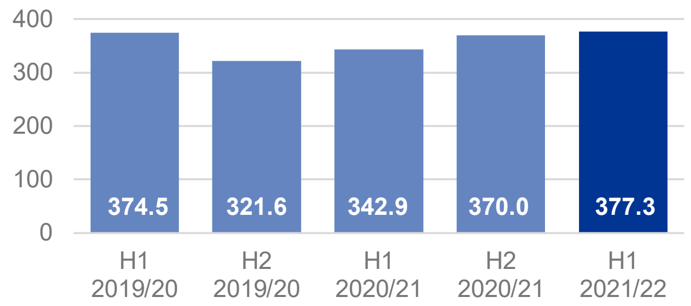
Total sales
CHF million



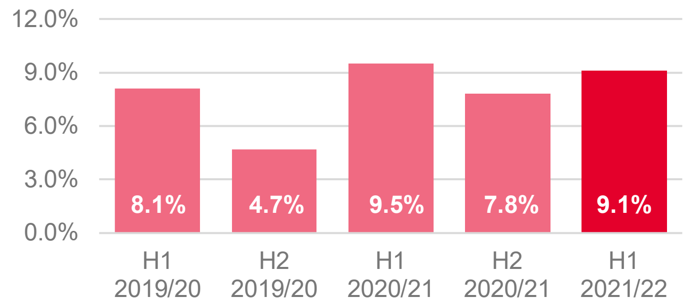
Adj. EBITDA margin
in % of sales



Sales development
CHF million



EBITDA margin[2)]
in % of sales



1) Excl. FX, M&A

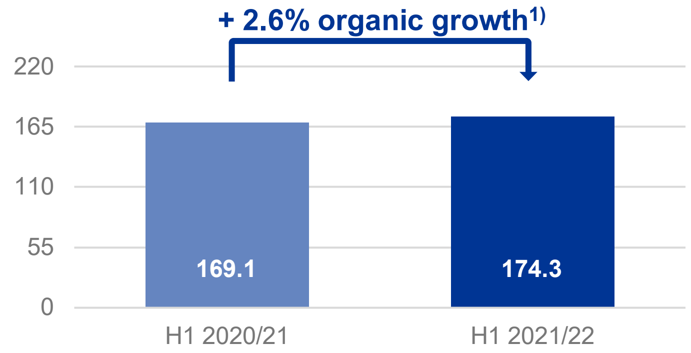
2) H1 2021/22 and H1 2020/21 adjusted, all other figures as reported

- **Good organic sales growth in all regions**; strong sales growth in the UK and the Benelux region; in Scandinavia, organic growth and profitability driven by the successful turnaround in Norway
- Growth was strong across all major product clusters
- **Adjusted EBITDA slightly declined** to 9.1% **as strong volume growth and sale price increases could not offset inflation** in raw material and freight costs.
- For HY2 2021/22 AS EMEA **expects continued good organic growth** based on a strong order book and a solid project pipeline
- **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

Strong Key Systems business, Movable Walls business below previous year, overall organic sales growth but lower profitability

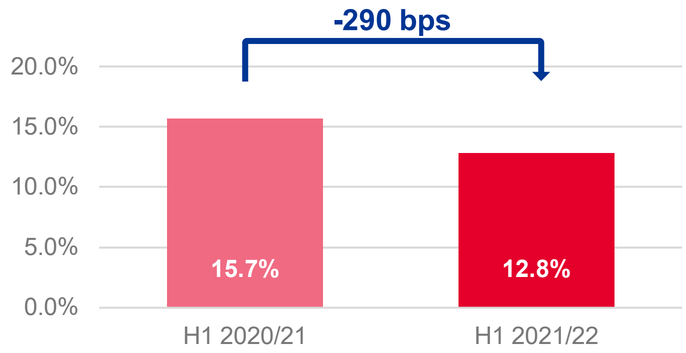
Total sales

CHF million



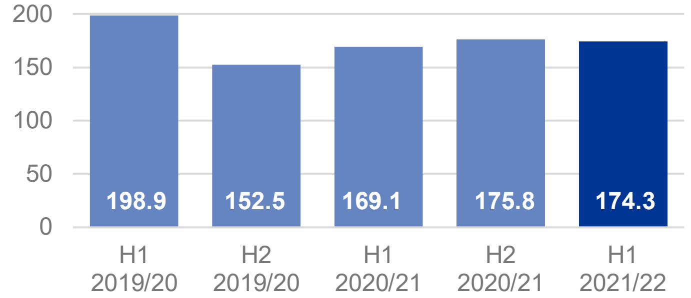
Adj. EBITDA margin

in % of sales



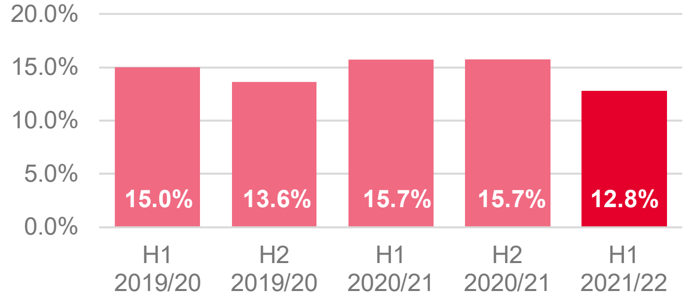
Sales development

CHF million



EBITDA margin[2)]

in % of sales



- **Business Unit Key Systems:**
  9.9% organic sales, good demand in all business lines, including Keys, Key Cutting Machines and Automotive Solutions
- **Business Unit Movable Walls**
  Organic sales declined by 6.7% as orders continue to be delayed and some projects could not be finalized due to the limited availability of labor and materials
- The **adjusted EBITDA** margin was **12.8%** (HY1 20/21 15.7%)
- **Both Business Units** will continue **to work on raising selling prices** to compensate for higher energy, raw material and freight costs
- **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

[1)] Excl. FX, M&A

[2)] H1 2021/22 and H1 2020/21 adjusted, all other figures as reported

Shape4Growth: focus on accelerating profitable growth which will enable dormakaba to meet its new mid-term targets

Shape4Growth

Main Strategy & Portfolio focus

Focus on accelerating growth

Engrain **Customer Centricity**

Key enablers to strengthen the core

Improve **Operational Excellence** and gain **Scale**

Realize effective **Capital Deployment**

Create a customer-centric and high-performance **Culture**

- New operating model implemented per 1 January 2022
- 75 transformation projects kicked-off
- IT acceleration to catch up and reduce internal complexity to enable profitable growth
- Development in the core (right technologies, e-commerce and sales enablement) for example in China, France, India and the UK
- Turnaround Americas initiated
Three-year annual sales growth target: 4-6% and EBITDA margin +400 to 500 bps in three years

Delivering on our vision & mid-term targets

Focus on accelerating growth

- Focus on Global Core
- Grow Services along Core

Focus on **Customer Centricity**

- Customer-centric operating model
- Dedicated solutions for selected verticals, cross-selling

Turnaround USA and **divest Mesker**

Improve **Operational Excellence** and gain **Scale**

- Operating model as a key enabler
- Procurement excellence and strategic pricing

Realize effective **capital deployment**

- Active portfolio management
- Differentiation through digitalization & domain know-how

Sustainability

Stringent execution through rigorous transformation

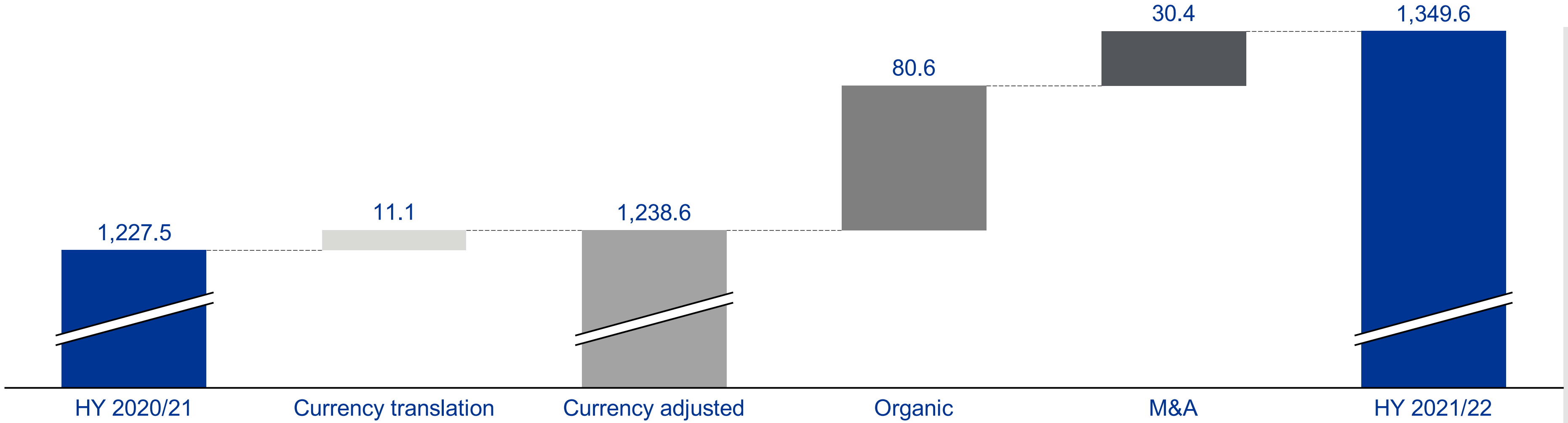
3-5%	**organic sales growth p.a.** from FY 2021/22
16-18%	**adjusted EBITDA margin** from FY 2023/24
>30%	**ROCE** from FY 2023/24

Key figures

CHF million (except where indicated)	HY 2021/22	HY 2020/21	Variance
Net sales	1,349.6	1,227.5	10.0%
- thereof: organic sales growth	6.6%	-6.0%	
- thereof: acquisition (disposal) sales growth	2.5%	0.1%	
- thereof: currency effect on sales	0.9%	-5.5%	
Adjusted EBITDA	193.5	179.3	7.9%
Adjusted EBITDA margin	14.3%	14.6%	-0.3ppt
Net profit	100.6	99.9	0.7%
Net profit after minorities	52.4	52.3	0.2%
ROCE (Return on capital employed)	25.8%	18.4%	

- Sales growth of 10.0% driven by strong organic sales growth (6.6%)
- Higher adjusted EBITDA (+7.9%)
- Adjusted EBITDA margin 30 bps below PY
- Slightly higher net profit
- Improved ROCE

Sales development

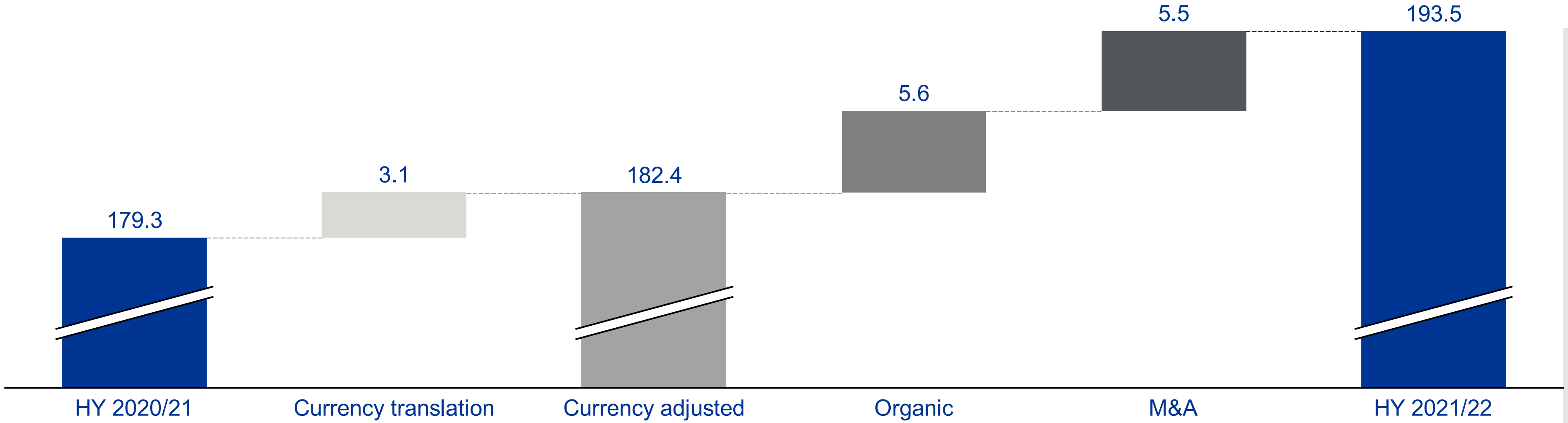


- Strong organic sales growth of CHF 80.6 million (6.6%)
- All segments contributed to organic sales growth; strongest growth in AS APAC and AS DACH, organic sales growth of AS AMER by 5.7%
- Good contribution (net CHF 30.4 million, +2.5%) from M&A, mainly acquisitions of RELBDA (Australia), Fermatic (France) and divestment of Interior Glass Business
- Positive currency translation of CHF 11.1 million (0.9%) due to weaker CHF against major other currencies (except EUR)

Third-party sales contribution and organic sales growth by segment

	Third-party sales contribution		Organic sales growth	
Segments	**HY 2021/22**	**HY 2020/21**	**HY 2021/22**	**HY 2020/21**
AS AMER	25.8%	26.6%	5.7%	-10.8%
AS APAC	18.1%	15.0%	20.0%	-10.5%
AS DACH	19.9%	21.6%	8.6%	-2.9%
AS EMEA	23.1%	23.1%	6.7%	-3.0%
AS total	**86.9%**	**86.3%**	**6.8%**	**-5.4%**
Key & Wall Solutions	12.4%	13.2%	2.6%	-9.2%
Others	0.7%	0.5%	51.7%	-10.8%
Total	**100.0%**	**100.0%**	**6.6%**	**-6.0%**

Adjusted EBITDA development



Adjusted EBITDA contribution and adjusted EBITDA margin development by segment

	adj. EBITDA contribution		adj. EBITDA margin development	
Segments	**HY 2021/22**	HY 2020/21	**HY 2021/22**	HY 2020/21
AS AMER	26.5%	27.9%	16.7%	17.7%
AS APAC	15.2%	13.3%	13.4%	14.7%
AS DACH	33.6%	31.4%	18.2%	17.1%
AS EMEA	15.0%	15.1%	9.1%	9.5%
AS total	**90.3%**	**87.7%**	**17.5%**	**17.8%**
Key & Wall Solutions	9.7%	12.3%	12.8%	15.7%
Total	**100.0%**	**100.0%**	**14.3%**	**14.6%**

- Adjusted EBITDA increased by CHF 14.2 million (+7.9%), driven by organic growth (CHF 5.6 million) and M&A contribution (net CHF 5.5 million)
- Adjusted EBITDA margin below PY as higher raw material, freight and labor costs and product mix effects more than offset positive effects from higher volume, sales price increases and cost management initiatives
- Positive currency translation of CHF 3.1 million due to weaker CHF against major other currencies (except EUR)
- AS DACH was able to improve adjusted EBITDA margin, while other segments are below PY level

Income statement (condensed)

CHF million	HY 2021/22	%	HY 2020/21	%	Variance in %
Net sales	**1,349.6**	**100.0**	1,227.5	100.0	**10.0**
Gross margin	**551.1**	**40.8**	511.9	41.7	7.7
Other operating income, net	7.6	0.6	10.7	0.8	-29.0
Sales and marketing	-209.4	-15.5	-198.1	-16.1	5.7
General administration	-152.4	-11.3	-128.1	-10.4	19.0
Research and development	-54.5	-4.0	-52.2	-4.3	4.4
EBIT	**142.4**	**10.6**	144.2	11.7	-1.2
Financial result, net	-11.8	-0.9	-14.4	-1.1	-18.1
Profit before taxes	**130.6**	**9.7**	129.8	10.6	**0.6**
Income taxes	-30.0	-2.2	-29.9	-2.5	0.3
Net profit	**100.6**	**7.5**	99.9	8.1	**0.7**

Reconciliation operating figures

	HY 2021/22			HY 2020/21		
CHF million	Adjusted	IAC	Unadjusted	Adjusted	IAC	Unadjusted
EBITDA	193.5	-9.2	184.3	179.3	2.6	181.9
D&A	-38.7	-3.2	-41.9	-37.7	0.0	-37.7
EBIT	154.8	-12.4	142.4	141.6	2.6	144.2

- Lower gross margin due to higher raw material, freight and labor costs and product mix effects which offset positive effects from higher volume and sales price increases
- Higher R&D spending in line with long term strategy
- Net financial result benefitted from more favorable interest rate environment
- Income tax rate unchanged at 23%
- Items affecting comparability (IAC): CHF 12.4 million (previous year CHF -2.6 million) mainly related to the preparation and implementation of the new strategy Shape4Growth
- Slightly higher net profit as operational performance and better net financial result more than offset costs for implementation of new strategy Shape4Growth

Cash flow

CHF million	**HY 2021/22**	HY 2021/22
Cash generated from operations	87.7	233.6
Net cash from operating activities	49.3	194.3
Net cash used in investing activities	-103.2	-41.0
- thereof: capital expenditure	-36.2	-30.8
- thereof: acquisition and divestment related	-69.7	-7.5
Free cash flow	-53.9	153.3
Operating cash flow margin[1)]	3.7%	15.8%
Free cash flow before acquisitions/divestments	15.8	160.8

[1)] Net cash from operating activities / net sales

- Cash flow from operations impacted by increase in inventory related to supply chain issues and conscious decisions to build up safety stock for certain components
- Low operating cash flow margin for the period under review, while PY period was driven by Covid-19 related “cash is king” principles
- Higher M&A investments and higher capital expenditure due to significant improvement of economic environment compared to PY period

Net debt

CHF million	HY ended 31.12.2021	FY ended 30.06.2021	HY ended 31.12.2020
Cash and cash equivalents	-98.2	**-169.1**	**-138.0**
Short term debt	463.9	**9.9**	**9.4**
Bond	320.2	**660.3**	**680.3**
Other liabilities	22.4	**7.7**	**4.6**
Net debt	**708.3**	**508.8**	**556.3**
Net debt / EBITDA (leverage)	1.9x	**1.4x**	**1.9x**

- Higher net debt driven by M&A, inventory built-up and dividend payments for FY 2020/21
- Change in mix of financial debt: corporate bond maturity in 10/2021 (CHF 360 million) fully refinanced via Syndicated Credit Facility (short-term debt)
- Remaining corporate bond (CHF 320 million) will mature in 10/2025
- Leverage (net debt/EBITDA) at 1.9x
- Comfortable long term with leverage of up to 2.5x (short term even higher)

Changes in management

Interim Chief Financial Officer	President Asia Pacific
 **Kaspar W. Kelterborn** will join dormakaba in the role of Interim CFO as of 1 April 2022, following Bernd Brinker. He is a seasoned leader, coming with broad financial know-how in a global, industrial, and publicly listed environment.	 **Andy Jones** assumed his role as President Asia Pacific as of 12 January 2022. He is a seasoned industrial leader with an impressive long-term track record in markets dormakaba operates in.

Guidance and business outlook for financial year 2021/22

Basis for Outlook	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.
Outlook for 2021/22	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**.

Q&A

If you want to find out more, visit us on our websites and channels

Half-year Report 2021/22

Read more about the financial results of the first half-year 2021/22 of dormakaba Group on report.dormakaba.com/hyr_2021_22/

Sustainability Report 2020/21

Visit report.dormakaba.com/2020_21/sustainability to find out what we have achieved in sustainability during financial year 2020/21.

dormakaba Newsroom

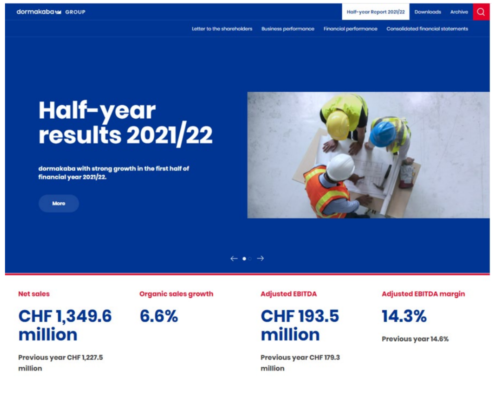
Find the latest news about dormakaba in our newsroom on newsroom.dormakaba.com.

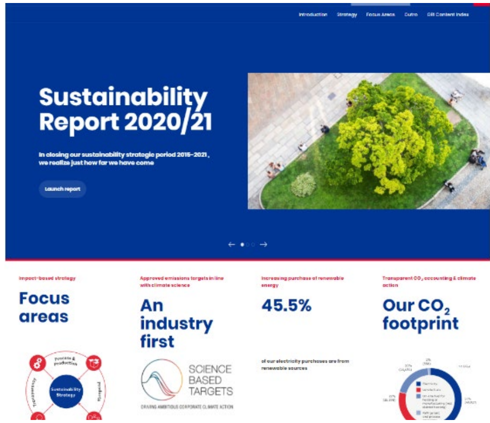
dormakaba Blog

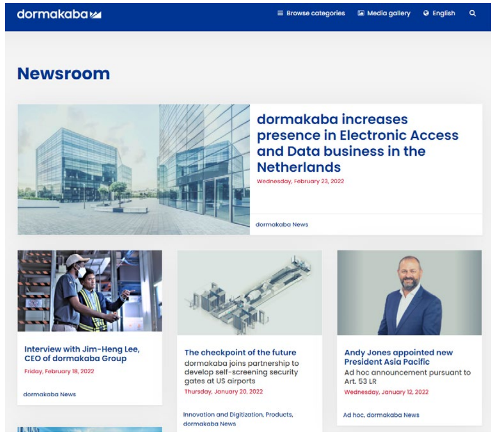
Latest insights and inspirations from the world of access in our blog on blog.dormakaba.com.

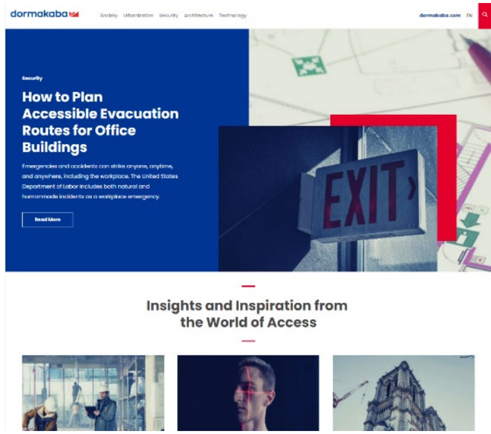
Jim-Heng Lee on Linkedin

Bernd Brinker on Linkedin









Disclaimer

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.

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dormakaba

Appendix

Segment Split – Key & Wall Solutions

Business Units	Key Systems					Movable Walls				
CHF million	HY 2021/22	%	HY 2020/21	%	Change on previous year in %	HY 2021/22	%	HY 2020/21	%	Change on previous year in %
Net sales third parties	101.4		93.0		9.0%	66.4		69.0		-3.8%
Intercompany sales	2.3		1.6			4.2		5.5		
Total business unit sales	**103.7**		**94.6**		**9.6%**	**70.6**		**74.5**		**-5.2%**
Change in business unit sales	9.1	9.6	-13.1	-12.1		-3.9	-5.2	-16.7	-18.3	
Of which translation exchange differences	-0.2	-0.3	-6.4	-5.8		1.1	1.5	-5.1	-5.6	
Of which acquisition (disposal) impact	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	
Of which organic sales growth	**9.3**	**9.9**	**-6.7**	**-6.3**		**-5.0**	**-6.7**	**-11.6**	**-12.7**	
Adjusted EBITDA	**15.3**	**14.8**	**13.7**	**14.5**	**11.7%**	**7.0**	**9.9**	**12.9**	**17.3**	**-45.7%**
Average number of full-time equivalent employees	1,201		1,248			722		776		

Currency exposure

As every globally active group, dormakaba is exposed to currency risks.

The currency profile of dormakaba shows a broad balance between sales and cost per region (= natural hedge)