Media release

Ad hoc announcement pursuant to Art. 53 LR

First half of the 2022/23 financial year: dormakaba reports strong organic growth

- **Net sales of CHF 1,419.8 million (previous year: CHF 1,349.6 million); growth of 5.2%**
- **Strong organic sales growth of 8.0% (of which 6.5% pricing)**
- **Adjusted EBITDA of CHF 184.6 million (previous year: CHF 193.5 million); adjusted EBITDA margin of 13.0%, in line with guidance (previous year: 14.3%)**
- **Net profit of CHF 84.9 million (previous year: CHF 100.6 million)**
- **Net cash from operating activities of CHF 103.9 million (previous year: CHF 49.3 million); operating cash flow margin of 7.3%**
- **Outlook for full 2022/23 financial year: due to stricter cost management, dormakaba expects a sequential improvement to a slightly higher adjusted EBITDA margin and continued organic growth above its mid-term target range of 3-5%**
- **Board of Directors continues renewal: Riet Cadonau to leave Board at the end of April 2023, handing over Chairmanship to Svein Richard Brandtzæg**

Rümlang, 7 March 2023 – dormakaba achieved strong organic sales growth in the first half of the financial year 2022/23, mainly driven by pricing. The adjusted EBITDA margin was lower than in the previous year, however in line with the guidance given in late August 2022. All business segments contributed to the strong organic sales growth, despite a challenging operating environment with continued supply chain constraints, inflationary pressure, and disruptions related to Covid-19 restrictions in China. Profitability declined, as positive growth effects were offset by the product mix, an increase in functional costs – mainly due to strategic investments in profitable growth initiatives with a payback in the future – and slower volume growth due to a reduction in customer inventories.

Jim-Heng Lee, CEO dormakaba, says: "dormakaba has consequently continued on its path toward sequential improvements. We exceeded our growth targets, and our profitability was in line with our expectations, despite a challenging macroeconomic environment. While this is a good result, there is still much work to be done. We are strongly committed to improving our margins and will focus on measures in the second half of the financial year 2022/23 to reduce the cost base across the organization, drive efficiency and improve our operational performance."

Net sales, profitability and net profit

dormakaba increased net sales by 5.2% to CHF 1,419.8 million year-on-year (previous year: CHF 1,349.6 million). Organic sales growth, contributed most to the overall increase with 8.0%, 6.5% of which reflects price measures.

Adjusted EBITDA, which excludes items affecting comparability, declined by 4.6% to CHF 184.6 million (previous year: CHF 193.5 million).

The adjusted EBITDA margin was in line with guidance at 13.0% (previous year: 14.3%). There were strong price realizations and further improvements in operational efficiency. However, margins were reduced by a negative product mix, an increase of functional costs – mainly due to strategic investments in growth and profitability initiatives –, and a slower volume growth than expected due to inventory destocking on the customer side. In addition, inflation, including higher raw material, freight, labor, and energy costs and the effect of foreign currencies had a negative impact on margins.

The half-year figures contain items affecting comparability of CHF 14.0 million on EBITDA level, which include costs related to the implementation of Shape4Growth such as reorganization and restructuring.

dormakaba closed the first half of the financial year 2022/23 with a net profit of CHF 84.9 million (previous year: CHF 100.6 million) due to a lower EBITDA contribution and higher financial expenses.

Cash flow and balance sheet
Cash flow from operations increased to CHF 137.6 million (previous year: CHF 87.7 million) due to a sequential improvement in net working capital. The operating cash flow margin (net cash flow from operating activities as a percentage of sales) improved by 3.6 percentage points.

Free cash flow improved from CHF -53.9 million to CHF 50.1 million, benefiting from a lower M&A volume versus the previous year.

Net cash from operating activities doubled to CHF 103.9 million (previous year: CHF 49.3 million), representing an operating cash flow margin of 7.3% (previous year: 3.7%). In total, net debt increased to CHF 736.7 million (previous year: CHF 708.3 million). Financial leverage, defined as net debt relative to adjusted EBITDA, was 2.0x (31 December 2021: 1.9x).

Performance by business segment
dormakaba experienced stable demand, with some variation in individual markets. All business segments contributed positively to organic growth in the first half of the 2022/23 financial year.

Region Americas
Organic sales in Region Americas increased by 8.2% to CHF 389.8 million in the first half of the financial year 2022/23, driven by higher sales prices, steady US commercial construction activity, robust growth in multifamily housing demand, and the positive performance in Latin America. The adjusted EBITDA increased to CHF 68.7 million (previous year: CHF 66.9 million), while the adjusted EBITDA margin declined to 17.6% (previous year: 18.3%). This reduction was mainly due to an unfavorable product mix, along with higher raw materials and freight costs that have not yet been fully compensated by price increases.

Region Asia Pacific
Organic sales in Region Asia Pacific grew by 5.1% to CHF 305.2 million year-on-year, driven by both higher sales prices and volume gains, despite the challenging Covid-related environment in China. The adjusted EBITDA increased to CHF 49.1 million (previous year: CHF 41.2 million), with an adjusted EBITDA margin of 16.1% (previous year: 14.5%). This increase was largely due to market price and product mix developments, rigorous cost management, and efficiency improvements.

Region Europe & Africa
Organic sales for Region Europe & Africa grew by 7.1% to CHF 566.7 million year-on-year, mainly due to price increases to compensate for inflationary pressure. The adjusted EBITDA decreased to CHF 106.7 million (previous year: CHF 125.3 million), which represents an adjusted EBITDA margin of 18.8% (previous year: 22.1%). The adjusted EBITDA margin was affected by lower sales for access door

hardware products particularly door closers, which led to a lower contribution from the manufacturing sites. Further effects included continued cost and labor inflation as well as investments in specification.

Key & Wall Solutions
Organic sales in Key & Wall Solutions grew by 14.3% to CHF 196.0 million year-on-year. The adjusted EBITDA margin was 17.4% (previous year: 12.7%). This increase was driven by a favorable product mix, with higher sales prices and volumes that more than compensated for inflationary impacts.

Sustainability progress
dormakaba is committed to an industry-leading framework for sustainability, with over 30 ambitious ESG targets as part of its Shape4Growth strategy. The company showed positive performance in these key indicators during the period under review.

In November 2022, dormakaba achieved Prime Status in the ESG ratings of Institutional Shareholder Services (ISS), making it eligible as a responsible investment for ISS's over 3,000 institutional investor clients. End of 2022, the CDP (Carbon Disclosure Project) raised dormakaba's ranking from B to A- placing it well above the global average of more than 18,700 assessed companies. Being part of the leadership band means dormakaba is recognized as implementing current best practices for addressing climate issues. The EURO Baubeschlag-Handel, Europe's largest association of wholesalers and distributors in the construction hardware and fittings industry, awarded dormakaba its "Best Sustainability Program 2022" prize. Finally, EcoVadis, the world's largest provider of corporate sustainability ratings, awarded dormakaba a gold medal beginning of 2023. This result places dormakaba among the top five percent of more than 100,000 organizations assessed worldwide.

Outlook
The global macroeconomic and geopolitical situation is characterized by limited visibility and uncertainty. dormakaba's customers in the commercial property and construction industries remain exposed to the twin pressures of price inflation and higher interest rates as well as supply chain disruptions.

With these caveats, dormakaba expects a sequential improvement to a slightly higher adjusted EBITDA margin for the full financial year and continued organic growth above its mid-term target range of 3-5%.

Board of Directors continues accelerated staggered renewal
As part of the renewal of the Board of Directors, Riet Cadonau will step down as Chairman and member of the Board as of 30 April 2023. The Board and the Executive Committee greatly appreciate his valuable contribution to the development of dormakaba and his tireless commitment over so many years and wish him every success in his future endeavors. Svein Richard Brandtzæg, currently Lead Independent Director and Vice-Chair of the Board, will take over as Chairman, with Thomas Aebischer, Chair of the Audit Committee, assuming also the role as Vice-Chair.

Key figures of the dormakaba Group

CHF million	Half year ended 31.12.2022	%	Half year ended 31.12.2021	%
Net sales	1,419.8	100.0	1,349.6	100.0
Adjusted EBITDA (Operating profit before depreciation and amortization)	184.6	13.0	193.5	14.3
Profit before taxes	114.7	8.1	130.6	9.7
Net profit	84.9	6.0	100.6	7.5

The Half-Year Report of dormakaba Holding AG, including consolidated financial statements, is available online at report.dormakaba.com. The analysts' presentation is available at dk.world/publications.

Further information for: **Investors and analysts**
Siegfried Schwirzer
Head of Investor Relations
T: +41 44 818 90 28
siegfried.schwirzer@dormakaba.com

Media
Patrick Lehn
Senior Manager External Communications / Press Officer
T: +41 44 818 92 86
patrick.lehn@dormakaba.com

About dormakaba Group

dormakaba is a leading global provider in the access solutions market. The company reimagines access by setting industry standards for smart systems and sustainable solutions across the lifecycle of a building. Around 16,000 employees worldwide provide their expertise to a growing customer base in more than 130 countries. dormakaba supports its customers with a broad, innovative portfolio of integrated access products, solutions and services that easily fit into building ecosystems to create safe, secure and sustainable places where people can move around seamlessly.

dormakaba is listed on the SIX Swiss Exchange and is headquartered in Rümlang near Zurich (Switzerland). It generated a turnover of CHF 2.8 billion in financial year 2021/22.

SIX Swiss Exchange: DOKA

Further information about dormakaba Group on **www.dormakabagroup.com/en**

Insights and inspirations from the world of urbanization **blog.dormakaba.com**

The latest on corporate topics, products and innovation from dormakaba at **www.dormakabagroup.com/en/newsroom**

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 2022/23 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.