Media release

Ad hoc announcement pursuant to Art. 53 LR

dormakaba with strong growth in first half of financial year 2021/22

- Net sales of CHF 1,349.6 million (previous year CHF 1,227.5 million); growth of 10.0%
- Organic sales up 6.6% on previous year
- Adjusted EBITDA increased by 7.9% to CHF 193.5 million; adjusted EBITDA margin of 14.3% (previous year CHF 179.3 million and 14.6%)
- Net profit of CHF 100.6 million (previous year CHF 99.9 million)
- Cash flow from operations at CHF 87.7 million (previous year CHF 233.6 million) – higher inventories
- Outlook for full financial year 2021/22 confirmed
- Board of Director appoints interim Chief Financial Officer as of 1 April 2022
- Board of Directors plans accelerated staggered renewal: Vice-Chairman to step down at AGM 2022, Chairman to step down at AGM 2023 the latest

Rümlang, 2 March 2022 – 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. Growth was supported by strong business in Asian markets, continued demand in Europe as well as an improvement in the US commercial construction market, particularly in renovation and replacement.

Jim-Heng Lee, CEO dormakaba, says: “We saw healthy demand in most of our markets with promising order intake and good order backlogs across all segments. As a result, we were able to achieve strong organic growth. I am confident that we will continue our growth path going forward as we will focus on the implementation of our new strategy. As a global provider of safe, secure and sustainable access solutions, we are well-positioned to capture opportunities stemming from trends such as repurposing of buildings and touchless, seamless flow and integrated access.”

While the overall market environment was positive, labor shortages and supply challenges, particularly for electronic components, continued to affect the business. Thanks to a proactive pricing policy, dormakaba could largely offset raw material inflation, as well as higher costs for freight and labor.

Net sales
dormakaba increased net sales by 10.0% year-on-year to CHF 1,349.6 million (previous year CHF 1,227.5 million). Organic sales were up 6.6%. Positive currency translation effects of 0.9%, or CHF 11.1 million, and acquisition and divestment effects of 2.5%, or CHF 30.4 million, contributed to higher net sales as well. The acquisitions of RELBDA (Australia), Solus (India) and Fermatic Group (France), which expanded the company’s core product and services offering in the relevant markets, as well as the divestment of its interior glass business were in line with the company’s strategic focus on its core business and contributed positively to the financial performance.

Profitability and net profit
The recovery in organic growth and the associated higher volumes were also reflected in a higher adjusted EBITDA. dormakaba achieved an adjusted EBITDA of 193.5 million (previous year CHF 179.3 million). These

results include 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 adjusted EBITDA margin of 14.3% was slightly lower than in the previous reporting period (14.6%) due to product mix, higher raw material and freight costs as well as labor cost inflation.

Items affecting comparability of CHF 9.2 million (previous year CHF -2.6 million) reflected in the adjusted EBITDA were mainly related to the preparation and implementation of the new Shape4Growth strategy.

Profit before taxes increased to CHF 130.6 million (previous year 129.8 million), while the effective income tax rate of 23.0% remained unchanged from the prior-year period. As a result, net profit was at CHF 100.6 million (previous year CHF 99.9 million), thus an increase of 0.7% despite a negative net effect from items affecting comparability of CHF 15.0 million compared to previous year.

Cash flow and balance sheet
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 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 an operating cash flow margin of 3.7% (previous year 15.8%). In total, net debt increased to CHF 708.3 million as of 31 December 2021 (previous year CHF 556.3 million), where the acquisitions of RELBDA, Solus and Fermatic Group contributed as well.

Segment Performances
The markets continued to recover from the impacts of the Covid-19 pandemic, with regional differences. While the development of the adjusted EBITDA margin varied from segment to segment, there was organic sales growth across all segments in the first half of the financial year 2021/22.

Access Solutions AMER (North and South America)
The AS AMER segment generated total sales of CHF 365.2 million in the first half of financial year 2021/22, with an organic sales growth of 5.7%. 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. Mesker, the hollow metal door business, continued to dilute the segment’s adjusted EBITDA margin by 230 basis points (previous year 140 basis points).

Access Solutions APAC (Asia Pacific)
AS APAC achieved total sales of CHF 261.1 million, representing a year-on-year organic increase of 20.0%. Its 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.

Access Solutions DACH (Germany, Austria, Switzerland)
The AS DACH segment achieved an organic sales growth of 8.6% and improved total sales to CHF 424.6 million. The adjusted EBITDA margin improved to 18.2% (previous year 17.1%). This positive development was driven by higher sales volumes, increased sales prices, and further progress in plant efficiencies.

Access Solutions EMEA (Europe, Middle East and Africa)
Organic sales of AS EMEA increased by 6.7% year-on-year, leading to total sales of CHF 377.3 million. The adjusted EBITDA margin declined slightly and was at 9.1% (previous year 9.5%) as volume growth and sales price increases could not entirely offset raw material and freight cost inflation.

Key & Wall Solutions
The Key & Wall Solutions segment generated total sales of CHF 174.3 million during the period under review with an organic sales growth of 2.6%. The adjusted EBITDA margin decreased to 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 strong order intakes were recorded.

Shape4Growth – strategy implementation

dormakaba has started implementing its new strategy Shape4Growth which was presented on 15 November 2021. It will enable the company to accelerate profitable growth through focus on its core businesses in commercial access solutions, on its core markets and on customer-centricity. As of 1 January 2022, the company adapted its operating model with the goal to significantly improve customer-centricity and operational efficiency: three customer-centric regions and sales organizations for Access Solutions – Americas, Asia Pacific, and Europe & Africa – will be supported by newly formed global functions such as Marketing & Products and Operations to capture synergies. AS DACH and AS EMEA were merged to establish this structure, and the region Middle East was allocated to region Asia Pacific. The Key & Wall Solutions segment remains unchanged.

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.

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.

Kaspar W. Kelterborn appointed as interim Chief Financial Officer

The Board of Directors has appointed Kaspar W. Kelterborn (58) as interim Chief Financial Officer as of 1 April 2022. He will take over the role from Bernd Brinker, who – as announced 15 November 2021 – will leave dormakaba at the end of March 2022 to take on a new challenge outside the company. Kaspar W. Kelterborn will stay in the role until a permanent successor for Bernd Brinker has been appointed; the nomination process is ongoing.

Kaspar W. Kelterborn is a seasoned leader, coming with broad financial know-how in a global, industrial, and publicly listed environment. Over the course of his career, Kaspar W. Kelterborn has held several positions as Chief Financial Officer in industrial businesses, most recently at Swiss industrial group Conzzeta AG, where he was Chief Financial Officer and a member of the Executive Committee from 2006 to 2021. Previous roles include Chief Financial Officer at Unaxis Holding AG and various international management positions in finance and controlling at the Clariant group.

Board of Directors plans accelerated staggered renewal

dormakaba is planning for an accelerated staggered renewal of its Board of Directors, with a number of departures envisaged in the coming years for reasons of age and long tenures. As part of this process, John Heppner (70) will retire at the Annual General Meeting in October 2022. Vice-Chairman and Lead Independent Director Hans Hess (67) has decided to not stand for re-election at the Annual General Meeting in October 2022. Further, Chairman Riet Cadonau (60) will step down from his role latest by the Annual General Meeting of October 2023. The Board of Directors has initiated a succession process led by the Nomination and Compensation Committee and will inform about new Board nomination proposals for the Annual General Meeting 2022 in the third quarter of the current calendar year.

dormakaba Group key figures

in CHF million	Half-year ended 31.12.2021	%	Half-year ended 31.12.2020	%
Net sales	1,349.6	100.0	1,227.5	100.0
Adjusted EBITDA (Operating profit before depreciation and amortization)	193.5	14.3	179.3	14.6
Profit before taxes	130.6	9.7	129.8	10.6
Net profit	100.6	7.5	99.9	8.1

dormakaba Holding AG's comprehensive Half-year Report 2021/22 can be found at report.dormakaba.com and the analysts' presentation at dk.world/publications.

Further information for:

Investors and analysts
Siegfried Schwirzer
Head of IR
T: +41 44 818 90 28
siegfried.schwirzer@dormakaba.com

Media
Mirko Meier-Rentrop
Head of External Communications
T: +41 44 818 92 01
Mirko.meier-rentrop@dormakaba.com

dormakaba Group
dormakaba makes access in life smart and secure. As one of the top three companies in the industry, dormakaba is the trusted partner for products, solutions, and services for access to buildings and rooms from a single source. With strong brands in its portfolio, the company and its numerous cooperation partners are represented in over 130 countries worldwide.

dormakaba is listed on the SIX Swiss exchange, is headquartered in Rümlang (Zurich/Switzerland) and generated a turnover of CHF 2.5 billion with around 15,000 employees in financial year 2020/21.

SIX Swiss Exchange: DOKA

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

Insights and inspiration from the world of access on **https://blog.dormakaba.com**

News on financials, products and innovations of dormakaba Group on **https://newsroom.dormakaba.com**

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.

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.