Media release

Ad hoc announcement pursuant to Art. 53 LR

2021/22 financial year: dormakaba with strong growth despite external headwinds

- **Net sales of CHF 2,756.9 million (previous year: CHF 2,499.7 million); growth of 10.3%**
- **Strong organic sales growth of 7.7%**
- **Adjusted EBITDA increased by 2.8% to CHF 372.3 million (previous year: CHF 362.0 million), with an adjusted EBITDA margin of 13.5% (previous year: 14.5%)**
- **Net profit of CHF 122.5 million (previous year: CHF 193.3 million), negatively impacted by Mesker divestment (CHF 61.4 million)**
- **Operating cash flow margin down at 4.6% (previous year: 12.5%) mainly due to increase in net working capital**
- **Dividend of CHF 11.50 per share proposed (previous year: CHF 12.50), corresponding to a payout ratio of 50.4%**
- **Progress in sustainability: 2.4% year-on-year reduction in Scope 1 and 2 carbon emissions; energy management systems established at 67% of plants (previous year: 21%)**
- **The Board of Directors is proposing Svein Richard Brandtzæg, Kenneth Lochiatto and Michael Regelski to be elected as new independent members**

Rümlang, 31 August 2022 – dormakaba posted strong organic sales growth in the 2021/22 financial year and an increase in adjusted EBITDA, while the adjusted EBITDA margin was lower than in the previous year. External headwinds such as supply chain constraints and inflationary trends impacted the company's profitability and prevented even better growth. While dormakaba was able to compensate for most of these headwinds in the first half of 2021/22, in the second half-year the accelerated inflation due to the war in Ukraine and higher labor cost particularly in the Region Americas could only partly be offset with price increases in the short term. On top there was a negative mix effect due to the shortage of electronic components which impacted the high-margin electronic business such as Electronic Access & Data.

Jim-Heng Lee, CEO dormakaba, says: "We exceeded our growth targets despite a challenging operating environment. This positive result was driven by reaching first milestones in the implementation of our new strategy. Despite geopolitical and macroeconomic uncertainties, we want to continue accelerating profitable growth, focusing on the sequential improvement of our performance with the execution of our strategic initiatives. This includes both growth and cost management measures such as pricing and operational excellence."

Net sales, profitability and net profit

dormakaba increased net sales by 10.3% to CHF 2,756.9 million in 2021/22 (previous year: CHF 2,499.7 million). Organic sales growth contributed most with 7.7% (thereof 3.5% pricing) to the overall sales increase. In addition, portfolio adjustments (inorganic growth) added 2.8% to higher net sales, and currency translation effects were almost flat with a contribution of -0.1%.

Adjusted EBITDA, which excludes items affecting comparability, increased by 2.8% to CHF 372.3 million (previous year: CHF 362.0 million). The adjusted EBITDA margin was 13.5% (previous year: 14.5%). There was a positive margin contribution due to higher sales volumes, price realizations, and improvements in operational efficiency. However, these effects were more than offset by inflation including higher raw material, freight, labor, and energy costs. The impact of inflationary pressure was more pronounced in the second half of the year.

Items affecting comparability were at CHF -88.6 million on EBIT (previous year: CHF -9.3 million) and mainly related to the Mesker divestment in June 2022 and development and implementation of Shape4Growth.

dormakaba closed the financial year 2021/22 with a net profit of CHF 122.5 million (previous year: CHF 193.3 million). Excluding the effect of the Mesker divestment (CHF 61.4 million), the underlying net profit was CHF 183.9 million.

Cash flow and balance sheet
Cash flow from operations decreased to CHF 188.4 million (previous year: CHF 384.5 million). The reduction on the previous year is due to an increase in net working capital driven by a rise in inventories due to higher volumes and raw material prices, build-up of safety stock for electronic components and certain other raw materials, as well as higher goods in transit due to freight and supply chain constraints.

Net financial debt increased by CHF 199.3 million to CHF 708.1 million as of 30 June 2022 (previous year: CHF 508.8 million). Financial leverage, defined as net debt relative to adjusted EBITDA, was at 1.9x (30 June 2021: 1.4x net debt/adjusted EBITDA).

Performance of Regions (Access Solutions) and Key & Wall Solutions
The new strategy Shape4Growth includes the transition into a new operating model, with related changes in organizational setup and financial reporting. On 1 January 2022, dormakaba shifted its operating model to three Regions for Access Solutions – Americas, Asia Pacific, and Europe & Africa. These customer-centric sales organizations are supported by three global functions (Marketing & Products, Operations and Product Development). The previous segments AS DACH and AS EMEA were merged accordingly, and the Market Middle East was consolidated into Asia Pacific. Key & Wall Solutions remains unchanged as a self-contained global business.

dormakaba experienced good demand in most of its markets with good order intakes and order backlogs.

Region Americas
Organic sales in Region Americas increased by 8.3% to CHF 744.7 million year-on-year, driven by the continued recovery in the US commercial construction market and by market share gains. The adjusted EBITDA margin was 17.8% (previous year: 19.3%) and impacted by cost inflation and a negative product mix effect. The Mesker business, which was divested in mid-June 2022, had a negative effect of 210 basis points (previous year: 240 basis points) on the Region's adjusted EBITDA margin.

Region Asia Pacific
Organic sales in Region Asia Pacific grew by 11.3% to CHF 574.0 million year-on-year, with all major Markets contributing to growth. The adjusted EBITDA margin was 18.9% (previous year: 18.5%). The slightly higher margin was supported by good volume growth which overcompensated a negative mix effect.

Region Europe & Africa
Organic sales for Region Europe & Africa grew by 5.9% to CHF 1,144.5 million year-on-year. All Markets experienced solid growth despite headwinds. The adjusted EBITDA was 20.6% (previous year: 21.1%) as higher sales volumes, price increases, operational efficiency and effective cost management could not fully offset the inflationary pressure and the margin dilution from lower sales of high-margin Electronic Access & Data products due to components shortages.

Key & Wall Solutions
Organic sales in Key & Wall Solutions grew by 5.7% to CHF 364.1 million year-on-year. There was strong organic growth for Business Unit Key Systems (10.4%). Organic sales for Business Unit Movable Walls were 0.6% lower than in the previous year due to delays in the release of orders and projects resulting from labor shortages across the construction market; sales recovered during the second half, with high single-digit growth in the final quarter. The adjusted EBITDA margin was 14.0% (previous year: 15.9%).

Sustainability progress
dormakaba has committed to an industry-leading framework for sustainability with over 30 ambitious ESG targets as part of its Shape4Growth strategy. As regards dormakaba's key sustainability objectives, the company showed a positive performance in the period under review.

dormakaba achieved a 2.4% year-on-year reduction in Scope 1 and 2 carbon emissions. As of 30 June 2022, 67% of company's own plants, local assembly centers and regional logistic centers have established energy management systems (previous year: 21%). Towards dormakaba's goal to assess all high-risk suppliers for their sustainability management by a third-party until 2027, the company has improved year-on-year from 10% to 18.7%.

In addition, dormakaba's MSCI rating improved from A to AA in the reporting period. Detailed information about sustainability at dormakaba can be found in the Sustainability Report 2021/22, which is being published today along with the company's Annual Report.

Outlook
The current business environment is characterized by uncertainties and lack of visibility. Geopolitical risks have further increased in the last months particularly in Asia and Europe. Spillover effects of the war in Ukraine could lead to a sudden stop of European gas imports from Russia and result in an energy crisis. Further, higher interest rates of the central banks to fight rising inflation might impact general economic growth including new construction activities. And finally, renewed Covid-19 outbreaks and lockdowns might suppress growth and further deteriorate global supply chains going forward.

Due to the aforementioned lack of visibility and as geopolitical and macroeconomic risks increase, dormakaba's outlook applies to the first half of 2022/23. The company will continue to carefully assess the economic situation in the next months and will update its guidance for the financial year 2022/23 with its half year results.

Based on a healthy order intake and backlog at the end of 2021/22, dormakaba expects a good start in the financial year 2022/23. For the first half-year of 2022/23, the company expects organic growth slightly above the mid-term target range of annually 3% - 5%. Expecting a sequential improvement on the 2021/22 second half-year performance excluding the dilutive effect of the divested Mesker business, the company expects an adjusted EBITDA margin of around 13% in the first half of financial year 2022/23.

Independent from macroeconomic conditions dormakaba will continue to focus on the execution of its Shape4Growth initiatives which includes both growth and cost management measures such as pricing and expense management.

Proposals to the Annual General Meeting of 11 October 2022

Dividend proposal
As the transaction has no material impact on the company's cash flow, the Board of Directors has decided to exclude the effect of the Mesker divestment in the dividend payout calculation and proposes that CHF 11.50 per share be paid out for financial year 2021/22 (previous year: CHF 12.50 per share). This corresponds to a payout ratio of 50.4%.

Elections to the Board of Directors
As part of a staggered renewal of the Board of Directors, Vice-Chair und Lead Independent Director Hans Hess (67), John Heppner (70) and Christine Mankel (40) will step down from the Board of Directors and not stand for re-election at the Annual General Meeting in October. The Board and the Executive Committee highly appreciate their valuable contribution to the development of dormakaba and their tireless commitment over so many years. dormakaba's best wishes accompany them on their future endeavors.

The Board of Directors is proposing Svein Richard Brandtzæg (64), Kenneth Lochiatto (59) and Michael Regelski (57) to be elected as new independent members. The Board intends to appoint Svein Richard Brandtzæg as Vice-Chair and Lead Independent Director subject to his election by the Annual General Meeting. With these nominations, the Board also further strengthens its industry expertise and competence in digital transformation and commercial building ecosystems.

All other members of the Board of Directors will stand for re-election for another one-year term of office. This includes Riet Cadonau as Chairman, who has announced that he will step down from his role latest by the Annual General Meeting in October 2023.

Key figures of the dormakaba Group

CHF million, except where indicated	Financial year ended 30.06.2022	%	Financial year ended 30.06.2021	%
Net sales	2,756.9	100.0	2,499.7	100.0
Organic sales growth in %	7.7		1.3	
Acquisition (divestment) impact in %	2.8		0.1	
Translation exchange difference in %	-0.1		-3.0	
Adjusted EBITDA (Operating profit before depreciation and amortization)	372.3	13.5	362.0	14.5
Adjusted EBIT (Operating profit)	293.4	10.6	283.6	11.3
Profit before taxes	173.9	6.3	249.6	10.0
Net profit	122.5	4.4	193.3	7.7
- Net profit attributable to minority interests	59.3		92.5	
- Net profit attributable to the owners of the parent	63.2		100.8	
Dividend per share (in CHF)[1]	11.5		12.5	
Other key figures				
Total assets	1,907.2		1,869.8	

Net debt	708.1		508.8
Market capitalization	1,740.3		2,628.4

1) Financial year ended 30.06.2022: proposal to the Annual General Meeting; distribution of an equal share from the reserves from capital contributions and from statutory retained earnings.

The full Annual Report of dormakaba Holding AG including consolidated financial statements as well as financial statements and the Sustainability Report for financial year 2021/22 are available online at report.dormakaba.com. The analysts' presentation is available at dk.world/publications.

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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

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For definition of alternative performance measures, please refer to the chapter 5.1 of the notes to the consolidated financial statements of the Annual Report 2021/22 of dormakaba.

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