Consolidated financial statements

Table of contents

Consolidated income statement

CHF million, except share amounts	Note	Financial year ended 30.06.2022	%	Financial year ended 30.06.2021	%
Net sales	1.2	**2,756.9**	**100.0**	**2,499.7**	**100.0**
Cost of goods sold		–1,650.4	–59.9	–1,455.9	–58.2
Gross margin		**1,106.5**	**40.1**	**1,043.8**	**41.8**
Other operating income, net		12.5	0.5	17.3	0.7
Result from sale of subsidiaries	4.3	–55.2	–2.1	–0.3	0.0
Sales and marketing		–427.8	–15.5	–404.7	–16.2
General administration		–318.1	–11.5	–272.3	–10.9
Research and development		–113.1	–4.1	–109.5	–4.4
Operating profit (EBIT)		**204.8**	**7.4**	**274.3**	**11.0**
Result from associates	4.2	0.3	0.0	0.1	0.0
Financial expenses	1.4	–32.3	–1.1	–26.7	–1.1
Financial income	1.4	1.1	0.0	1.9	0.1
Profit before taxes		**173.9**	**6.3**	**249.6**	**10.0**
Income taxes	1.5	–51.4	–1.9	–56.3	–2.3
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	
Basic earnings per share in CHF	3.3	15.1		24.2	
Diluted earnings per share in CHF	3.3	15.1		24.1	
Adjusted EBITDA (Operating profit before depreciation and amortization)	1.1	**372.3**	**13.5**	**362.0**	**14.5**

Consolidated balance sheet

Assets

CHF million	Note	Financial year ended 30.06.2022	%	Financial year ended 30.06.2021	%
Current assets					
Cash and cash equivalents		104.5	5.5	169.1	9.0
Trade receivables	2.1	482.8	25.3	424.5	22.7
Inventories	2.2	537.0	28.2	450.6	24.1
Current income tax assets		17.7	0.9	36.2	2.0
Other current assets	2.6	68.5	3.6	65.7	3.5
Total current assets		**1,210.5**	**63.5**	**1,146.1**	**61.3**
Non-current assets					
Property, plant, and equipment	2.3	409.9	21.5	435.9	23.2
Intangible assets	2.3	87.9	4.5	90.8	4.9
Investments in associates	4.2	5.7	0.3	5.4	0.3
Non-current financial assets	2.6	45.0	2.4	38.8	2.1
Deferred income tax assets	1.5	148.2	7.8	152.8	8.2
Total non-current assets		**696.7**	**36.5**	**723.7**	**38.7**
Total assets		**1,907.2**	**100.0**	**1,869.8**	**100.0**

Liabilities and equity

CHF million	Note	Financial year ended 30.06.2022	%	Financial year ended 30.06.2021	%
Current liabilities					
Current borrowings	3.1	481.4	25.2	353.5	18.9
Trade payables		178.7	9.4	169.1	9.0
Current income tax liabilities		37.4	2.0	46.2	2.5
Accrued and other current liabilities	2.6	379.8	19.9	364.2	19.5
Provisions	2.4	24.4	1.3	26.7	1.4
Total current liabilities		**1,101.7**	**57.8**	**959.7**	**51.3**
Non-current liabilities					
Accrued pension costs and benefits	2.5	254.1	13.3	294.6	15.8
Deferred income tax liabilities	1.5	24.3	1.3	26.2	1.4
Non-current liabilities	3.1	331.2	17.3	324.4	17.3
Total non-current liabilities		**609.6**	**31.9**	**645.2**	**34.5**
Total liabilities		**1,711.3**	**89.7**	**1,604.9**	**85.8**
Equity					
Share capital	3.2	0.4	0.0	0.4	0.0
Additional paid-in capital		811.3	42.5	811.3	43.4
Retained earnings		1,329.8	69.7	1,318.7	70.5
Goodwill offset in equity	3.4	–1,925.8	–100.9	–1,890.6	–101.1
Treasury shares	3.2	–16.0	–0.8	–23.0	–1.2
Translation exchange differences	3.5	–25.9	–1.4	–9.3	–0.5
Total equity owners of the parent		**173.8**	**9.1**	**207.5**	**11.1**
Minority interests		22.1	1.2	57.4	3.1
Total equity	**3.4**	**195.9**	**10.3**	**264.9**	**14.2**
Total liabilities and equity		**1,907.2**	**100.0**	**1,869.8**	**100.0**

Consolidated cash flow statement

CHF million	Note	Financial year ended 30.06.2022	Financial year ended 30.06.2021
Net profit		**122.5**	**193.3**
Depreciation and amortization	2.3	137.2	78.8
Income tax expenses	1.5	51.4	56.3
Interest expenses	1.4	20.7	19.5
Interest income	1.4	–0.8	–0.9
(Gain) Loss on disposal of fixed assets, net		–1.7	–0.6
Adjustment for non-cash items		4.7	6.9
Change in trade receivables		–54.9	–29.0
Change in inventories		–105.1	–1.1
Change in other current assets		–2.7	–0.3
Change in trade payables		8.5	36.2
Change in accrued pension cost		0.7	–0.4
Change in accrued and other current liabilities		7.9	25.8
Cash generated from operations		**188.4**	**384.5**
Income taxes paid		–40.3	–52.1
Interest paid		–21.6	–19.9
Interest received		0.8	1.0
Net cash from operating activities		**127.3**	**313.5**
Cash flows from investing activities			
Additions of property, plant, and equipment	2.3	–52.7	–46.6
Proceeds from sale of property, plant, and equipment	2.3	2.7	2.9
Additions of intangible assets	2.3	–25.8	–29.5
Change in non-current financial assets		–0.3	–0.8
Acquisition of subsidiaries, net of cash acquired	4.3	–92.1	–18.6
Sale of subsidiaries, net of cash sold	4.3	9.3	–0.9
Acquisition of associates and joint ventures	4.2	0.0	–2.0
Net cash used in investing activities		**–158.9**	**–95.5**
Free cash flow	**5.1**	**–31.6**	**218.0**
Cash flows from financing activities			
Repayment of bond	3.1	–340.1	–20.0
Other proceeds from (repayment of) current borrowings, net	3.1	439.0	–128.1
Proceeds from (repayment of) non-current borrowings, net	3.1	–1.1	0.1
Change in other non-current liabilities		–1.2	–0.5
Dividends paid to company's shareholders	3.3	–52.2	–43.7
Dividends paid to minority shareholders		–44.8	–39.7
Net cash flows from financing activities		**–0.4**	**–231.9**
Translation exchange differences		–32.6	26.2
Net increase (decrease) in cash and cash equivalents		**–64.6**	**12.3**
Cash and cash equivalents at beginning of period		169.1	156.8
Cash and cash equivalents at end of period		104.5	169.1
Net increase (decrease) in cash and cash equivalents		**–64.6**	**12.3**

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 30.06.2022	**0.4**	**811.3**	**1,329.8**	**–1,925.8**	**–16.0**	**–25.9**	**22.1**	**195.9**
Net profit for the reporting period			63.2				59.3	122.5
Goodwill on acquisitions and divestments (see note 3.4)				–35.2			–31.9	–67.1
Currency translation adjustments						–16.6	–18.0	–34.6
Dividend paid (see note 3.3)			–52.2				–44.8	–97.0
Shares awarded (share-based compensation)			0.1		7.0		0.1	7.2
Balance at 30.06.2021	**0.4**	**811.3**	**1,318.7**	**–1,890.6**	**–23.0**	**–9.3**	**57.4**	**264.9**
Net profit for the reporting period			100.8				92.5	193.3
Goodwill on acquisitions and divestments (see note 3.4)				–9.3			–8.5	–17.8
Minority interest on divestment of subsidiary (see note 4.3)							–0.7	–0.7
Currency translation adjustments						13.0	10.5	23.5
Dividend paid (see note 3.3)			–43.7				–39.7	–83.4
Shares awarded (share-based compensation)			0.2		8.4		0.1	8.7
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 for the financial year 2021/22

1. Performance

This section provides information on the operational performance of dormakaba Group and its changes to the operating model as per 1 January 2022. The description of the operating model provides useful information to understand the segment reporting, which corresponds to the Group's internal reporting system. In addition, information is presented on selected income and expense items.

The key headlines concerning the Group's performance are:

- Net sales of CHF 2,756.9 million, growth of 10.3%
- Organic sales growth of 7.7%
- Adjusted EBITDA increased by 2.8% to CHF 372.3 million with an adjusted EBITDA margin of 13.5%
- Net profit of CHF 122.5 million
- Operating cash flow margin down at 4.6%, mainly due to increase in net working capital
- Dividend proposal of CHF 11.50 per share

1.1 Segment reporting

Operating model

As part of its new corporate strategy Shape4Growth, dormakaba changed its operating model as per 1 January 2022 with the aim to

- Focus stronger on its customers
- Increase operational efficiency to gain scale
- Increase transparency and accountability

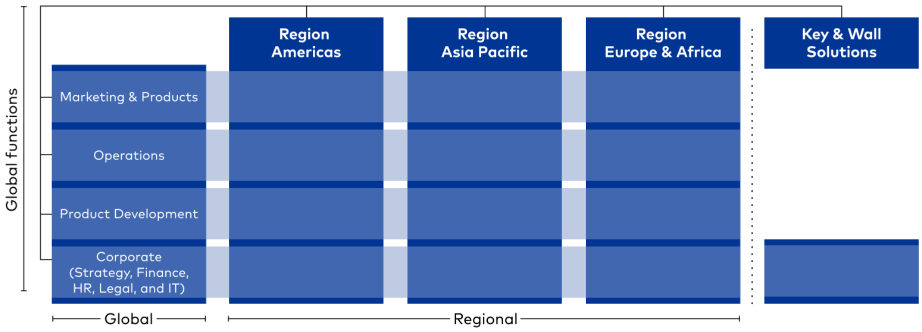
The new operating model drives customer centricity with fewer and more focused regions, leaner organizations, scale, and an ease of doing business.

The Access Solutions (AS) business is divided into three customer-centric regional sales organizations – Americas, Asia Pacific, and Europe & Africa. These three Regions are supported by Global Functions to secure efficiencies of scale and to capture business synergies in product development, product management, and operations. To enable a strong customer focus and sales generation, the three Regions are built around

- **Project and solutions sales**, focusing on architects, design engineers, and influencers to increase specification capabilities
- **Indirect sales,** focusing on distributors, general contractors, and project managers to enhance a dedicated offering for key verticals and to push cross-selling
- **Services,** focusing on facility managers, building operators, or installers to support services growth as part of the company’s global core business

Key & Wall Solutions completes the organizational setup as standalone global segment.

The financial performance of the Regions is measured at full value contribution to the performance of the Group to improve financial steering, transparency, and accountability.



Region Americas covers North and South America.

Region Asia Pacific covers the Markets ASEAN, Greater China, India, Pacific & North Asia, and as a new addition, the Middle East. The Region Asia Pacific includes two OEM (Original Equipment Manufacturer) plants situated in mainland China and Taiwan.

Region Europe & Africa covers the Markets Austria, Germany, Switzerland, CEERT (Central and South East Europe, Poland, Russia, and Turkey), Scanbalt (Sweden, Norway, Denmark, Finland, and the Baltic states), South (Belgium, Luxembourg, France, Spain, Portugal, Italy, and French-speaking Africa), UK, Ireland, Netherlands, and the Sub-Sahara.

Key & Wall Solutions remains as a standalone self-contained segment with two global businesses – Key Systems and Movable Walls. Key & Wall Solutions includes its productions facilities, which are situated around the globe in North and South America, Europe, and Asia.

Marketing & Products manages the entire product & solution portfolio lifecycles globally to support and develop sales units to achieve market success. In addition, it is responsible for creating an engaging customer journey along the sales funnel from strategic marketing through branding and marketing communication to strategic pricing and sales excellence.

Operations is responsible for dormakaba's entire production network including the areas Plants, Manufacturing Excellence, Industrial Engineering, Procurement, Logistics, and Health & Safety. Operations' main task is to build an integrated production network, optimize the production footprint, bundling our purchasing activities, and drive lean efforts.

Product Development is responsible for delivering customer- and market-oriented product and solution developments and innovations. In cooperation with Marketing & Products, it develops and steers innovations and technology strategies to foster dormakaba's innovation leadership in the market.

Corporate functions (Strategy, Finance, HR, Legal, and IT) globally support the above Regions and Functions to steer the business, drive implementation of the current Shape4Growth strategy, and strengthen customer centricity of dormakaba.

In accordance with the management organization, the reporting to Group management consists of the three regions, Key & Wall Solutions, and the Global Functions, as described above. Segment Reporting is prepared up to the level of adjusted EBITDA/EBIT because these are the key figures used for management purposes. The reporting forms the basis for assessing performance and allocating resources. Financial transactions of Global Functions that are directly attributable or can be allocated on a reasonable basis to a specific segment are reported under the segment concerned. The segment results are based on the same accounting principles that are used to determine the operating profit of the Group. Intersegment transactions are based on the arm's length principle.

Offering

dormakaba Group provides smart, secure, and sustainable solutions for seamless flow and integrated access. Its portfolio of strong brands offers customers the full range of products, solutions, and services for access to premises, buildings, and rooms. From award-winning, end-to-end access solutions to industry best practices and straightforward installation across a range of markets and industries, dormakaba is a complete partner for door and access systems, catering to a broad range of industries such as hotels, retail spaces, sporting venues, airports, hospitals, offices, utilities, and multi-housing, as well as in some select residential markets.

The company's global access solutions portfolio ranges from door solutions, such as automatic door systems, swing and revolving doors and their operators, a wide variety of fittings, door closers and stoppers, and locking systems – from cylinders, keys, and locks all the way to fully networked and Cloud-based electronic access solutions and ecosystem solutions. The range also includes solutions for seamless flow such as sensor barriers, speed gates and self-boarding gates, high-security locks, solutions for workforce management, as well as services for all these applications.

In addition, the company also offers products in the areas of Key Systems and Movable Walls, but under different brands. Key Systems offers a range of high-performance key blanks and mechanical, electronic, and (semi-)industrial key cutting and origination machines. In addition, the portfolio covers solutions for the automotive industry, such as vehicle keys, transponders, and key programming devices and duplication equipment. The Movable Walls unit specializes in acoustic movable partitions as well as horizontal and vertical partitioning systems. The business offers partition solutions that range from manual application to fully automatic/electronic walls. The business units Key Systems and Movable Walls are combined in the global standalone, self-contained segment Key &Wall Solutions.

CHF million	Financial year ended 30.06.2022	Financial year ended (restated) 30.06.2021 [1]	Financial year ended 30.06.2022	Financial year ended (restated) 30.06.2021 [1]	Financial year ended 30.06.2022	Financial year ended (restated) 30.06.2021 [1]
		Region Americas		Region Asia Pacific		Region Europe & Africa
Net sales third parties	736.8	657.3	543.1	439.1	1,125.7	1,073.6
Intercompany sales	7.9	14.7	30.9	23.0	18.8	32.2
Total sales	**744.7**	**672.0**	**574.0**	**462.1**	**1,144.5**	**1,105.8**
Adjusted EBIT (Operating profit)	**121.6**	**116.6**	**95.9**	**73.1**	**216.1**	**211.4**
as % of sales	16.3%	17.4%	16.7%	15.8%	18.9%	19.1%
Adjusted depreciation and amortization	11.2	13.2	12.8	12.3	19.8	21.6
Adjusted EBITDA (Operating profit before depreciation and amortization)	**132.8**	**129.8**	**108.7**	**85.4**	**235.9**	**233.0**
as % of sales	17.8%	19.3%	18.9%	18.5%	20.6%	21.1%

				Eliminations		Sales Region Total
Net sales third parties			0.0	0.0	2,405.6	2,170.0
Intercompany sales			–49.5	–63.1	8.1	6.8
Total sales			**–49.5**	**–63.1**	**2,413.7**	**2,176.8**
Adjusted EBIT (Operating profit)			**3.5**	**6.6**	**437.1**	**407.7**
as % of sales			–7.1%	–10.5%	18.1%	18.7%
Adjusted depreciation and amortization			0.0	0.0	43.8	47.1
Adjusted EBITDA (Operating profit before depreciation and amortization)			**3.5**	**6.6**	**480.9**	**454.8**
as % of sales			–7.1%	–10.5%	19.9%	20.9%

		Key & Wall Solutions		Global Research and Development		Corporate
Net sales third parties	351.3	329.7	0.0	0.0	0.0	0.0
Intercompany sales	12.8	15.1	0.0	0.0	0.0	0.0
Total sales	**364.1**	**344.8**	**0.0**	**0.0**	**0.0**	**0.0**
Adjusted EBIT (Operating profit)	**42.2**	**45.2**	**–100.0**	**–86.9**	**–85.9**	**–82.4**
as % of sales	11.6%	13.1%	0.0%	0.0%	0.0%	0.0%
Adjusted depreciation and amortization	8.7	9.6	4.3	6.3	22.1	15.4
Adjusted EBITDA (Operating profit before depreciation and amortization)	**50.9**	**54.8**	**–95.7**	**–80.6**	**–63.8**	**–67.0**
as % of sales	14.0%	15.9%	0.0%	0.0%	0.0%	0.0%

				Eliminations		Group
Net sales third parties			0.0	0.0	2,756.9	2,499.7
Intercompany sales			–20.9	–21.9	0.0	0.0
Total sales			**–20.9**	**–21.9**	**2,756.9**	**2,499.7**
Adjusted EBIT (Operating profit)			**0.0**	**0.0**	**293.4**	**283.6**
as % of sales			0.0%	0.0%	10.6%	11.3%
Adjusted depreciation and amortization			0.0	0.0	78.9	78.4
Adjusted EBITDA (Operating profit before depreciation and amortization)			**0.0**	**0.0**	**372.3**	**362.0**
as % of sales			0.0%	0.0%	13.5%	14.5%

1) dormakaba changed its operating model as of 1 January 2022. To enable a fair comparison with current-year data, all segment information disclosed were retrospectively adjusted to the new operating model by reclassification of transactions within the segment reporting.

Transition into the new operating model

The transition into the new operating model contains the following major elements:

- **Global Operations and Marketing & Products** organizations are separated in the new operating model as Global Functions. Their financial contribution to the Group's financial performance is allocated to the respective sales Region; either directly attributable or allocated on a reasonable basis.
- **Other Organizational Changes** reflect the geographical and other structural shifts of responsibility. The change in Region Americas stems mainly from the centralization of the Safe Locks business (share of former AS EMEA segment) while Region Asia Pacific is impacted by the additional responsibility for the Market Middle East (former AS EMEA segment). The impact of above changes on Europe & Africa are

partly offset by the Legic SmartCard and Connect technologies (former segment "other").

- **Global Research and Development costs** contain the development costs for global products, and are organized as a Global Function (Product Development) and disclosed separately in the new operating model.

The following table bridges current year segment performance to the former operating model, summarized by the changes described above.

CHF million	Financial year ended 30.06.2022	Global Operations and Marketing & Products	Other organizational changes	Global Research and Development	Financial year ended 30.06.2022
	Region Americas				**Access Solutions AMER**
Net sales third parties	736.8	–0.5	20.2	0.0	717.1
Intercompany sales	7.9	–29.1	1.6	0.0	35.4
Total sales	**744.7**	**–29.5**	**21.7**	**0.0**	**752.5**
Adjusted EBIT (Operating profit)	**121.6**	**–6.0**	**4.0**	**23.3**	**100.3**
as % of sales	16.3%				13.3%
Adjusted depreciation and amortization	11.2	0.7	0.2	–3.2	13.5
Adjusted EBITDA (Operating profit before depreciation and amortization)	**132.8**	**–5.3**	**4.2**	**20.1**	**113.8**
as % of sales	17.8%				15.1%
	Region Asia Pacific				**Access Solutions APAC**
Net sales third parties	543.1	–4.4	61.2	0.0	486.3
Intercompany sales	30.9	–3.8	0.1	0.0	34.6
Total sales	**574.0**	**–8.1**	**61.2**	**0.0**	**520.9**
Adjusted EBIT (Operating profit)	**95.9**	**26.5**	**3.6**	**0.9**	**64.9**
as % of sales	16.7%				12.5%
Adjusted depreciation and amortization	12.8	3.7	0.5	0.0	8.6
Adjusted EBITDA (Operating profit before depreciation and amortization)	**108.7**	**30.2**	**4.1**	**0.9**	**73.5**
as % of sales	18.9%				14.1%
	Region Europe & Africa				**Access Solutions EMEA & DACH** [1]
Net sales third parties	1,125.7	5.0	–60.2	0.0	1,180.9
Intercompany sales	18.8	–96.0	5.3	–1.1	110.6
Total sales	**1,144.5**	**–91.0**	**–54.9**	**–1.1**	**1,291.5**
Adjusted EBIT (Operating profit)	**216.1**	**–24.7**	**–13.4**	**70.9**	**183.3**
as % of sales	18.9%				13.9%
Adjusted depreciation and amortization	19.8	–4.3	0.5	–1.1	24.7
Adjusted EBITDA (Operating profit before depreciation and amortization)	**235.9**	**–29.0**	**–12.9**	**69.8**	**208.0**
as % of sales	20.6%				16.1%
	Key & Wall Solutions				**Key & Wall Solutions**
Net sales third parties	351.3	0.0	0.0	0.0	351.3
Intercompany sales	12.8	0.0	0.0	0.0	12.8
Total sales	**364.1**	**0.0**	**0.0**	**0.0**	**364.1**
Adjusted EBIT (Operating profit)	**42.2**	**1.1**	**0.0**	**0.0**	**41.1**
as % of sales	11.6%				11.3%
Adjusted depreciation and amortization	8.7	–0.1	0.0	0.0	8.8
Adjusted EBITDA (Operating profit before depreciation and amortization)	**50.9**	**1.0**	**0.0**	**0.0**	**49.9**
as % of sales	14.0%				13.7%
	Global R&D				**Global R&D**
Adjusted EBIT (Operating profit)	**–100.0**			**–100.0**	**0.0**
Adjusted depreciation and amortization	4.3			4.3	0.0
Adjusted EBITDA (Operating profit before depreciation and amortization)	**–95.7**			**–95.7**	**0.0**

1) For better readability, the former segments AS EMEA and AS DACH are disclosed combined. Intersegment transactions of the combined disclosure are eliminated.

CHF million	Financial year ended 30.06.2022	Financial year ended (restated) 30.06.2021
Net working capital [1]		
Group	**751.3**	**641.6**
Region Americas	87.3	81.9
Region Asia Pacific	139.7	124.3
Region Europe & Africa	167.1	169.0
Operations	299.7	209.9
Key & Wall Solutions	87.4	80.1
Corporate	–14.3	–12.0
Elimination	–15.6	–11.6

1) Details on the calculation of net working capital are disclosed in chapter 5.1 About this report, in the note on the alternative performance measures (APM).

CHF million	Financial year ended 30.06.2022	Financial year ended (restated) 30.06.2021
Capital expenditure [1]		
Group	**78.5**	**76.1**
Region Americas	3.4	4.4
Region Asia Pacific	6.0	5.9
Region Europe & Africa	4.4	4.3
Operations	31.7	30.1
Key & Wall Solutions	7.8	10.7
Global Research and Development	10.1	7.9
Corporate	15.1	12.8

1) Details on the calculation of capital expenditure are disclosed in chapter 5.1 About this report, in the note on the alternative performance measures (APM).

Reconciliation of operational figures

	Financial year ended 30.06.2022			Financial year ended 30.06.2021		
CHF million	Adjusted	IAC [1]	Unadjusted	Adjusted	IAC [1]	Unadjusted
Operating profit before depreciation and amortization (EBITDA)	**372.3**	**–30.3**	**342.0**	**362.0**	**–8.9**	**353.1**
Depreciation and amortization [2]	–78.9	–58.3	–137.2	–78.4	–0.4	–78.8
Operating profit (EBIT)	**293.4**	**–88.6**	**204.8**	**283.6**	**–9.3**	**274.3**

1) Content of items affecting comparability (IAC) is described in the note alternative performance measures (APM) (5.1).

2) In 2021/22: depreciation and amortization include CHF 48.7 million goodwill recycling from the sale of the Mesker hollow metal doors business and CHF 2.2 million goodwill recycling from the sale of the interior glass systems business (IGS), which are treated as IAC. Details are disclosed in the note on business combinations and divestments (4.3).

1.2 Net sales per major geographical markets

CHF million	Financial year ended 30.06.2022	%	Financial year ended 30.06.2021	%
Net sales to third parties	**2,756.9**	**100.0**	**2,499.7**	**100.0**
Switzerland	187.8	6.8	185.6	7.4
Germany	334.1	12.1	336.8	13.5
Rest of EMEA	824.0	30.0	754.1	30.2
Americas	957.7	34.7	855.8	34.2
Asia Pacific	453.3	16.4	367.4	14.7

Accounting principles

Net sales includes all sales of goods and services, after deduction of freight expense of goods sold, sales commissions, and other sales deductions, such as discounts and rebates.

Sales from goods are recognized when all significant risks, rewards of ownership, and control are transferred. Sales related to services are recognized when the service is provided. Distinctive components related to multi-element contracts are recognized separately.

1.3 Personnel expenses

CHF million	Financial year ended 30.06.2022	%	Financial year ended 30.06.2021	%
Personnel expenses	**1,093.9**	**100.0**	**1,022.3**	**100.0**
Salaries and wages	877.6	80.3	824.8	80.6
Social security expenses	175.5	16.0	162.1	15.9
Share-based payments	7.0	0.6	8.3	0.8
Pension cost (see note 2.5)	27.0	2.5	23.3	2.3
Employment termination expenses	6.0	0.5	2.7	0.3
Other benefits	0.8	0.1	1.1	0.1
Employees at balance sheet date	**15,795**		**14,998**	
Average number of full-time equivalent employees	**15,495**		**14,989**	
Average number of employees per segment [1]	**15,495**	**100.0**	**14,989**	**100.0**
Region Americas	1,573	10.2	1,432	9.6
Region Asia Pacific	3,486	22.5	3,101	20.7
Region Europe & Africa	3,911	25.2	3,809	25.4
Operations	3,507	22.6	3,675	24.5
Key & Wall Solutions	1,918	12.4	2,001	13.3
Global Research and Development	524	3.4	466	3.1
Corporate	576	3.7	505	3.4
Average number of employees per geographical region	**15,495**	**100.0**	**14,989**	**100.0**
Switzerland	886	5.7	853	5.7
Germany	2,768	17.9	2,891	19.3
Rest of EMEA	3,842	24.8	3,606	24.1
Americas	3,680	23.7	3,607	24.1
Asia Pacific	4,319	27.9	4,032	26.8

1) dormakaba changed its operating model as of 1 January 2022. To enable a fair comparison with current-year data, all segment information disclosed were retrospectively adjusted to the new operating model by reclassification of full-time employees within the segment reporting.

Personnel expenses also contain Covid-19 contributions from governments for short-time work and other compensation. These grants are recorded in personnel costs with a cost-reducing effect to reflect the economic substance and did not have a material impact on the consolidated financial statements (2021/22 and 2020/21).

Share-based payments

The Nomination and Compensation Committee nominates individual Executive Committee (EC) members and other members of Senior Management for long-term incentive awards. The long-term incentive award in the 2021/22 financial year is granted in full in the form of performance share units of dormakaba subject to a three-year performance-based vesting period. The award is designed to reward participants for the future performance of the earnings per share (EPS) and the relative total shareholder return (TSR) of the company over the three-year performance period. Both performance conditions are equally weighted at 50%. The vesting level may range from 0% to a maximum of 200% of the original number of units granted (maximum two shares for each performance share unit originally granted).

In the 2020/21 financial year, one-third of the long-term incentive award was granted in the form of restricted shares of dormakaba subject to a three-year blocking period.

The restricted shares allocated to the members of the Board of Directors (BoD) are blocked for three years.

The fair value of the performance share units at the grant date comprises adjustments for lost dividends during the vesting periods and the TSR performance condition. The expenses for the performance share units are allocated on a straight-line basis over the vesting period.

The fair value of the restricted shares corresponds to the value of the closing price of the dormakaba Holding AG share on the SIX Swiss Exchange as at the business day prior to the date of the allocation.

Further information about the allocation of treasury shares is disclosed in the note on share capital and treasury shares (3.2), and further details about long-term incentive stock award plans are outlined in the Compensation Report.

Accounting principles

The fair value of the employee services received in exchange for shares is measured at the fair value of the shares as at the grant date and recognized as an expense with a corresponding entry in equity. Expenses for shares that vest immediately are recognized accordingly. Shares that are subject to future services are recognized over the vesting period.

1.4 Financial result

CHF million	Note	Financial year ended 30.06.2022	Financial year ended 30.06.2021
Financial income		**1.1**	**1.9**
Interest income		0.8	0.9
Other financial income		0.3	1.0
Financial expense		**32.3**	**26.7**
Interest expenses for bonds	3.1	3.5	4.4
Interest expenses for forward contracts	3.5	5.4	6.6
Other interest expenses		11.8	8.5
Foreign exchange losses (gains) 1)	3.5	8.8	3.4
Other financial expenses		2.8	3.8

1) In 2021/22: including CHF 5.8 million foreign exchange losses from the divestment of Mesker and CHF 1.4 million from the divestment of the interior glass systems business (IGS).

1.5 Taxes

Income taxes

The weighted applicable tax rate is calculated using the expected income tax rates of the individual Group companies in each jurisdiction. The decrease in the weighted applicable tax rate is driven by the reduction in the profit from the US, which has a higher than average tax rate.

CHF million	Financial year ended 30.06.2022	Financial year ended 30.06.2021
Profit before taxes	**173.9**	**249.6**
Weighted applicable tax rate	24.9%	25.2%
Tax calculated at applicable tax rate	**43.3**	**62.9**
Current income taxes	49.3	50.5
Deferred income taxes	2.1	5.8
Income taxes	**51.4**	**56.3**
Difference between applicable and effective income taxes	**8.1**	**–6.6**
Impact of losses and tax loss carryforwards	0.9	–5.0
Tax-exempt income	–2.6	–6.1
Non-deductible expenses	5.2	7.0
Impact from divestments	14.1	0.0
Non-recoverable withholding tax expenses	2.2	2.2
Tax charges (credits) relating to prior periods, net	–6.1	0.0
Other	–5.6	–4.7
Income taxes charged to equity	0.2	–0.6

Deferred taxes

CHF million	Financial year ended 30.06.2022	Financial year ended 30.06.2021
Balance sheet presentation of deferred income taxes		
Total deferred income taxes, net	**123.9**	**126.6**
Deferred income tax assets	148.2	152.8
Deferred income tax liabilities	24.3	26.2
Expiration of tax loss carryforwards not recognized as deferred tax assets		
Balance of tax loss carryforwards at end of financial year	**146.0**	**142.7**
Expiry in 1 year	2.5	0.0
Expiry in 2 to 5 years	18.7	17.0
Expiry after 5 years	13.4	11.9
No expiry	111.4	113.8

Accounting principles

Current income taxes are based on taxable income for the current year and charged to income when incurred. Deferred income taxes are determined using the liability method, with the applicable and substantially enacted income tax rates applied on a comprehensive basis to eligible temporary differences. Deferred income tax assets arising from temporary differences are only recognized to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilized. Deferred income taxes resulting from tax loss carryforwards applicable to future taxable income are only recognized to the extent of the available deferred tax liabilities.

Use of accounting estimates

The recoverable amount of deferred income tax assets is based on past performance and forecasts of the corresponding taxable entity over a period of several years. Deviations between actual and projected results can lead to impairment losses.

2. Operating assets and liabilities

Detailed information on the operating assets used and liabilities incurred to support the Group's operating activities are disclosed in this section. This includes disclosures on the valuation of trade receivables and inventory as well as movements in tangible and intangible assets, provisions, and employee benefits.

2.1 Trade receivables

Maturity analysis	Financial year ended 30.06.2022			Financial year ended 30.06.2021		
CHF million	Gross	Allow.	Net	Gross	Allow.	Net
Trade receivables	**500.5**	**–17.7**	**482.8**	**446.9**	**–22.4**	**424.5**
Not yet due	365.8	–0.4	365.4	327.4	–0.5	326.9
1–30 day(s) overdue	55.2	–0.3	54.9	50.5	–0.1	50.4
31–60 days overdue	23.1	–0.1	23.0	19.2	–0.1	19.1
61–90 days overdue	16.0	–0.1	15.9	10.6	0.0	10.6
91–120 days overdue	7.3	–0.3	7.0	5.5	–0.2	5.3
121–150 days overdue	3.5	–0.3	3.2	4.2	–0.3	3.9
More than 150 days overdue	29.6	–16.2	13.4	29.5	–21.2	8.3

The Group does not hold material collateral as security for trade receivables.

Accounting principles

Short-term accounts receivable are stated at nominal value less allowance for doubtful accounts. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows. It is assessed based on the maturity structure. In addition, accounts receivable are individually impaired if there is clear evidence of insolvency or other indications that collectability is severely endangered.

2.2 Inventories

CHF million	Financial year ended 30.06.2022	Financial year ended 30.06.2021
Inventories, net	**537.0**	**450.6**
Allowance for obsolete and slow-moving items	59.6	60.6
Inventories, gross	**596.6**	**511.2**
Raw materials and supplies	284.1	228.5
Semi-finished goods and work in progress	79.6	84.8
Finished goods	225.0	193.9
Prepayments to suppliers	7.9	4.0

Accounting principles

Inventories are valued at the lower of purchase/manufacturing cost and net realizable value. Cost is determined using the weighted average method. Manufacturing cost includes direct labor and material as well as a commensurate share of related overhead cost. Allowances are made for obsolete and slow-moving items. Cash discounts from suppliers are treated as purchase cost reductions.

2.3 Property, plant, and equipment/Intangible assets

Property, plant, and equipment

CHF million, except where indicated	Land and buildings	Plant, machinery, and equipment	Furniture and fixtures	Pre-payments	Total property, plant, and equipment
30 June 2022, net	**215.8**	**122.3**	**49.4**	**22.4**	**409.9**
30 June 2021, net	**232.3**	**125.4**	**53.6**	**24.6**	**435.9**
Cost 30 June 2022	**324.2**	**358.9**	**181.8**	**22.4**	**887.3**
Additions	3.3	11.1	14.8	23.5	52.7
Disposals	–1.0	–4.9	–5.0	–0.2	–11.1
Reclassifications	5.8	17.3	0.9	–24.4	–0.4
Acquisition of businesses	0.6	3.2	4.2	0.2	8.2
Divestment of businesses	–21.8	–20.3	–12.5	–0.4	–55.0
Translation exchange differences	–6.6	–9.2	–8.3	–0.9	–25.0
30 June 2021	**343.9**	**361.7**	**187.7**	**24.6**	**917.9**
Additions	4.2	8.7	12.2	21.5	46.6
Disposals	–11.6	–8.6	–7.6	–0.1	–27.9
Reclassifications	0.7	13.2	3.5	–17.6	–0.2
Acquisition of businesses	0.1	0.1	0.3	0.0	0.5
Divestment of businesses	0.0	–0.2	–0.1	0.0	–0.3
Translation exchange differences	2.4	3.4	3.4	0.2	9.4
1 July 2020	**348.1**	**345.1**	**176.0**	**20.6**	**889.8**
Estimated useful life (in years)	20-50 1)	4-15	3-15		
Accumulated depreciation 30 June 2022	**108.4**	**236.6**	**132.4**	**0.0**	**477.4**
Additions	9.1	25.4	20.6	0.1	55.2
Disposals	–1.0	–4.6	–4.4	–0.1	–10.1
Reclassifications	0.7	0.5	–1.4	0.0	–0.2
Divestment of businesses	–10.6	–14.6	–10.5	0.0	–35.7
Translation exchange differences	–1.4	–6.4	–6.0	0.0	–13.8
30 June 2021	**111.6**	**236.3**	**134.1**	**0.0**	**482.0**
Additions	9.6	24.6	21.0	0.0	55.2
Disposals	–11.8	–8.0	–6.1	0.0	–25.9
Reclassifications	0.1	0.1	–0.3	0.0	–0.1
Divestment of businesses	0.0	–0.2	–0.1	0.0	–0.3
Translation exchange differences	0.4	2.4	2.3	0.0	5.1
1 July 2020	**113.3**	**217.4**	**117.3**	**0.0**	**448.0**

1) Land is not depreciated.

Accounting principles

Property, plant, and equipment are recorded at cost less accumulated depreciation using the straight-line method. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Items of minor value are charged directly to the income statement. All gains and losses on the disposal of property, plant, and equipment are recognized in the income statement.

Intangible assets

CHF million, except where indicated	Software	Development	Other	Intangible assets
30 June 2022, net	**49.0**	**31.6**	**7.3**	**87.9**
30 June 2021, net	**52.1**	**24.2**	**14.5**	**90.8**
Cost 30 June 2022	**94.2**	**54.7**	**41.1**	**190.0**
Additions	12.7	10.1	3.0	25.8
Disposals	–2.9	–0.5	–2.3	–5.7
Reclassifications	4.0	1.8	–5.4	0.4
Acquisition of businesses	0.2	0.0	0.1	0.3
Divestment of businesses	–2.1	0.0	–0.3	–2.4
Translation exchange differences	–5.3	–0.7	–2.7	–8.7
30 June 2021	**87.6**	**44.0**	**48.7**	**180.3**
Additions	15.6	8.4	5.5	29.5
Disposals	–14.0	–0.6	–3.9	–18.5
Reclassifications	85.1	1.4	–86.3	0.2
Translation exchange differences	0.9	0.8	1.4	3.1
1 July 2020	**0.0**	**34.0**	**132.0**	**166.0**
Accumulated depreciation 30 June 2022	**45.2**	**23.1**	**33.8**	**102.1**
Additions	15.3	3.8	5.3	24.4
Disposals	–2.7	–0.5	–2.4	–5.6
Reclassifications	0.6	0.3	–0.7	0.2
Divestment of businesses	–1.4	0.0	–0.3	–1.7
Translation exchange differences	–2.1	–0.3	–2.3	–4.7
30 June 2021	**35.5**	**19.8**	**34.2**	**89.5**
Additions	9.7	6.0	7.9	23.6
Disposals	–13.8	–0.5	–3.8	–18.1
Reclassifications	39.2	1.0	–40.1	0.1
Translation exchange differences	0.4	0.3	0.9	1.6
1 July 2020	**0.0**	**13.0**	**69.3**	**82.3**

Accounting principles

Intangible assets that embody future economic benefits (such as acquired licenses, patents, and similar rights) and eligible development costs are capitalized at cost and are amortized using the straight-line method over a period of 2-5 years.

Development costs are recognized as an asset when specific recognition criteria are met and the amount recognized is assessed to be recoverable through future economic benefits.

Other intangible assets consist mainly of licenses, patents and advance payments.

Use of accounting estimates

Property, plant, and equipment as well as intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. To determine whether impairment exists, estimates are made of the expected future cash flows arising from the use of the asset. Actual cost may differ from the discounted future cash flows based on these estimates.

2.4 Provisions

CHF million	Warranty and customer returns	Restructuring	Other	Total
Provisions 30 June 2022	**10.5**	**5.5**	**8.4**	**24.4**
Additions	4.2	6.2	4.3	14.7
Releases	–1.8	–0.9	–1.2	–3.9
Usage	–5.1	–3.9	–3.8	–12.8
Acquisition of businesses	0.5	0.0	0.2	0.7
Divestment of business	–0.1	0.0	0.0	–0.1
Translation exchange differences	–0.5	–0.1	–0.3	–0.9
Provisions 30 June 2021	**13.3**	**4.2**	**9.2**	**26.7**
Additions	7.2	0.2	3.4	10.8
Releases	–1.3	–2.8	–6.6	–10.7
Usage	–7.0	–5.9	–4.6	–17.5
Translation exchange differences	0.1	0.1	0.0	0.2
Provisions 1 July 2020	**14.3**	**12.6**	**17.0**	**43.9**

The provision for warranty and customer returns covers customer warranty claims and voluntary concessions as well as customer returns.

Other provisions mainly comprise those relating to environmental risks, litigation, and sales agents' indemnities.

Accounting principles

Provisions are recognized when:
- the Group has a present obligation (legal or constructive) as a result of a past event;
- it is probable that a use of resources will be required to settle the obligation; and
- the amount of the obligation can be reliably estimated.

A restructuring is a program planned and controlled by the Management that materially changes the manner in which the business is conducted. Costs relating to restructuring plans or agreements, including the reduction of excess staff, the discontinuation of certain activities, the streamlining of facilities and operations, and other restructuring measures, are recorded in the period in which the Group commits itself to a detailed formal plan.

Use of accounting estimates

In the course of their ordinary operating activities, Group companies can face claims from third parties. Provisions for pending claims are measured on the basis of the information available and a realistic estimate of the expected outflow of resources. The outcome of these proceedings may result in claims against the Group that cannot be met at all or in full through provisions or insurance cover.

Significant judgment is required to determine the costs of restructuring plans. The actual cost might deviate from the original plan.

2.5 Employee benefit liabilities

CHF million	Financial year ended 30.06.2022	Financial year ended 30.06.2021	Acquisition and divestment of Businesses	Translation differences	Change to previous year period or recognized in current result of the period, respectively	Contributions concerning the business period	Financial year ended 30.06.2022	Financial year ended 30.06.2021
		Economic part of the Corporation	Economical part of the Corporation					Pension benefit expenses within personnel expenses
Total	**254.1**	**294.6**	**–18.9**	**–20.7**	**–1.6**	**28.6**	**27.0**	**23.3**
Pension institutions with surplus						10.7	10.7	10.0
Pension institutions without surplus/deficit						13.6	13.6	12.2
Pension institutions without own assets	228.1	269.3	–18.9	–20.7	–1.6	4.3	2.7	1.1
Other long-term employee benefits	26.0	25.3						

CHF million	Financial year ended 30.06.2022	Financial year ended 30.06.2021
Pension benefit expenses within personnel expenses	**27.0**	**23.3**
Decrease/increase economic obligation from pension institutions without own assets	2.7	1.1
Contributions and changes employer contribution reserves	**24.3**	**22.2**
Contributions to pension institutions from Group entities	24.3	22.2

The expenses for pension institutions with a surplus relate entirely to pension plans in Switzerland. The Swiss plans are valued annually as of December and in line with Swiss GAAP FER 26. The pension institutions without own assets are assessed annually as of the financial year-end closing. They relate mainly to pension liabilities of Group companies in Germany, Austria, and Italy.

Accounting principles

There are various pension plans in existence within the Group, which are individually aligned with local conditions in the respective countries. The plans are financed either by means of contributions to legally independent pension/insurance funds or by recognition as liabilities in the balance sheet of the respective Group companies. An economic obligation or an economic benefit arising from a Swiss pension scheme is determined from the statements made on the basis of Swiss GAAP FER 26 "Accounting of Pension Plans" and recognized in the balance sheet accordingly. The provision for pension plans of foreign subsidiaries, which are not organized as an independent legal entity, is determined based on the local valuation methods.

Use of accounting estimates

dormakaba Group operates pension plans in various countries. The calculation of pension provisions for plans that do not have their own assets is based on actuarial assumptions, which may differ from the actual results.

2.6 Other assets and liabilities

Other assets

CHF million	Note	Financial year ended 30.06.2022	Financial year ended 30.06.2021
Other current assets		**68.5**	**65.7**
Prepaid expenses		22.6	21.3
Retentions		7.9	6.6
Sales, withholding and other recoverable taxes		33.2	33.1
Fair value of forward contracts	3.5	2.3	1.9
Other receivables and miscellaneous		2.5	2.8
Non-current financial assets		**45.0**	**38.8**
Loans		9.9	0.0
Pension-related assets		17.4	20.1
Long-term prepaid expenses		8.0	8.3
Long-term held securities		9.7	10.4

Accounting principles

Long-term held securities are recorded at fair value. All realized and unrealized gains and losses are recognized in the income statement. Other non-current financial assets are stated at amortized cost less valuation adjustments.

Other liabilities

CHF million	Note	Financial year ended 30.06.2022	Financial year ended 30.06.2021
Accrued and other current liabilities		**379.8**	**364.2**
Advances from customers		50.5	30.6
Deferred income		39.3	33.8
Sales, withholding and other tax payable		37.9	42.8
Payables to social security and pension fund		18.9	20.9
Accruals for salary payments, bonuses, vacation, overtime and other employee benefits		131.7	135.5
Accrued interest		2.4	3.3
Fair value of forward contracts	3.5	0.7	0.8
Other accruals and current non-interest-bearing liabilities		98.4	96.5

Current borrowings and other non-current liabilities are disclosed in the note on capital management (3.1) as this information relates to capital management disclosures.

Accounting principles

Financial liabilities measured at amortized cost are initially recorded at fair value, net of transaction costs incurred, and subsequently measured at amortized cost. Any difference between the proceeds from disposal (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowing using the effective interest method.

3. Capital and financial risk management

This section outlines the principles and procedures applied to manage the capital structure and the financial risks to which the Group is exposed. Detailed information on dormakaba Group's sources of funding, such as credit facilities and bonds, are also provided here. In addition, the details of the share capital, treasury shares, earnings per share, and dividends are disclosed in this section. The theoretical movement of goodwill provides information about the impact of dormakaba Group's accounting option to offset the goodwill in equity.

3.1 Capital management

Capital management has the following objectives:

- securing sufficient liquidity to meet the Group's needs to fulfil its financial obligations;
- securing sufficient funding capacity for future investments and acquisitions;
- ensuring creditworthiness;
- achieving an appropriate risk-adjusted return for investors.

The comprehensive crisis management measures implemented by the Group management in the last financial year due to the Covid-19 pandemic as well as due to the war in Ukraine are ongoing. Measures aimed at focusing on the receivable collection to limit the days sales outstanding increase following the sales growth. The earlier introduced daily monitoring of the liquidity and financial debt status on Group level, including financial covenants and undrawn credit facilities, was continued. Further increased attention was on the net working capital management, which also includes a strict credit management and collection discipline on the trade receivables as well as restrictions on capital expenditures. The inflationary pressure of raw materials, the transportation cost increase as well as increased safety stock due to ongoing supply chain issues as well as the accelerating business focusing towards profitability and sales growth resulted in an increase in accounts receivables and inventory that was accepted to reduce backlog and ensure delivery capability. The inventory increase is seen as a temporary measure and actions to reduce to prior crisis level are ongoing.

Borrowings and other financial liabilities

CHF million	Financial year ended 30.06.2022	Financial year ended 30.06.2021
Current borrowings	**481.4**	**353.5**
Short-term bank loans and overdrafts	473.4	9.9
Bonds - short-term	0.0	340.0
Current portion of other non-current liabilities	**8.0**	**3.6**
Non-current liabilities	**331.2**	**324.4**
Bonds - long-term	320.2	320.3
Other non-interest bearing liabilities	4.7	0.0
Other interest-bearing liabilities	**6.3**	**4.1**

Credit facility

As of 30 June 2022, the short-term bank loans and overdrafts amount to CHF 473.4 million (2020/21: CHF 9.9 million).

In November 2020, dormakaba secured a five-year syndicated loan in the amount of CHF 525 million that includes options for a prolongation of two additional years and for an increase of up to CHF 200 million. For the first time, incentives for the achievement of ambitious sustainability performance objectives in the form of three important ESG (Environmental, Social, and Governance) criteria were included in the contract. The syndicated credit facility contains a single financial covenant that is the leverage factor (calculated as the ratio of net debt to EBITDA). As of 30 June 2022 and throughout the

2021/22 financial year, dormakaba complied with the financial covenant. As per 30 June 2022, this credit line was 30% drawn.

The CHF 360 million bond maturity in October 2021 was refinanced by drawings under the syndicated credit facility due to the unfinished strategy project Shape4Growth. The planned capital market take out in Spring 2022 was cancelled due to the war in Ukraine. To ensure the usual financial flexibility under the syndicated credit facility, dormakaba signed a 12-month CHF 300 million credit facility with one major Swiss bank in June 2022 to „bridge to bond". This credit facility is fully drawn.

The interest expenses on short-term bank loans and overdrafts are recorded within other interest expenses. Interest expenses are disclosed in detail in the note on the financial result (1.4).

Net debt

Disclosed below are the corresponding key figures as at 30 June 2022 and 30 June 2021, respectively, including the maturities.

	Financial year ended 30.06.2022				Financial year ended 30.06.2021			
CHF million	**Up to 1 year**	**2 to 5 years**	**Over 5 years**	**Total**	**Up to 1 year**	**2 to 5 years**	**Over 5 years**	**Total**
Short-term bank loans and overdrafts	473.4			473.4	9.9			9.9
Bonds		320.2		320.2	340.0	320.3		660.3
Other liabilities	8.0	7.7	3.3	19.0	3.6	1.6	2.5	7.7
Cash and cash equivalents	–104.5			–104.5	–169.1			–169.1
Net debt	**376.9**	**327.9**	**3.3**	**708.1**	**184.4**	**321.9**	**2.5**	**508.8**
Adjusted EBITDA				372.3				362.0
Net debt/Adjusted EBITDA (Leverage)				**1.9x**				**1.4x**

The interest expenses for drawdowns from the syndicated credit facility and other credit facilities are recorded within other interest expenses. Interest expenses are disclosed in detail in the note on the financial result (1.4).

Accounting principles

Financial liabilities measured at amortized cost are initially recorded at fair value, net of transaction costs incurred, and subsequently measured at amortized cost. Any difference between the proceeds of disposal (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowing using the effective interest method.

Bonds

Two bonds were placed in September 2017 in the Swiss capital market by dormakaba Finance AG, a Group company of dormakaba Holding AG, as a dual tranche transaction worth a total of CHF 680 million (ISIN CH0384629884 due in 2021 and ISIN CH0384629892 due in 2025). The first tranche of CHF 360 million was matured as of 13 October 2021 and was refinanced by drawings of CHF 340 million in the syndicated credit facility since dormakaba held CHF 20.0 million financed from own cash.

CHF million	Coupon % p.a.	Financial year ended 30.06.2022	Coupon % p.a.	Financial year ended 30.06.2021
Bonds (at fixed interest rates)		**320.2**		**660.3**
CHF 320 million bond 2017 – 2025 Payment date: 13 October 2017 Issue price: 100.46%	1.000	320.2	1.000	320.3
CHF 360 million bond 2017 – 2021 Payment date: 13 October 2017 Issue price: 100.298%			0.375	340.0

The interest expenses for the two bonds amount to CHF 3.5 million in 2021/22 (2020/21: CHF 4.4 million). This is disclosed in the note on the financial result (1.4).

Accounting principles

Bonds are initially recorded at issue price, net of issue costs. Issue costs as well as any discount or premium are recognized in the financial result of the income statement over the period of each bond.

3.2 Share capital and treasury shares

Share capital

As of 30 June 2022, the share capital comprised 4,200,026 registered shares with a par value of CHF 0.10 each. The shares are listed on the SIX Swiss Exchange (DOKA/ISIN CH0011795959).

Conditional capital as of 30 June 2022 amounted to CHF 42,438.40.

In accordance with the resolution of the Annual General Meeting (AGM) of 12 October 2021, the BoD is authorized to increase the share capital, no later than 12 October 2023, by a maximum amount of CHF 42,000 through the issue of a maximum of 420,000 fully paid-in registered shares at a nominal value of CHF 0.10 each. The increase may be made in partial amounts. No shares were issued out of authorized capital in the 2021/22 financial year.

Treasury shares

Treasury shares are recorded as a negative balance within equity and disclosed in the consolidated statement of changes in equity. These registered shares are predominantly intended for share-based compensation. Further information about the long-term incentive stock award plans are disclosed in the note on personnel expense (1.3) and within the Compensation Report.

	Financial year ended 30.06.2022			Financial year ended 30.06.2021		
Equity and treasury shares	Number of shares	Transaction (Ø) price in CHF per share	Treasury shares in CHF million	Number of shares	Transaction (Ø) price in CHF per share	Treasury shares in CHF million
Treasury shares as at 30 June	**21,624**	**740.99**	**16.0**	**31,259**	**736.45**	**23.0**
Purchases of treasury shares	4	675.00	0.0	-	-	-
Shares awarded (share-based compensation)	–9,639	726.24	–7.0	–11,551	723.64	–8.4
Treasury shares as at 1 July	31,259	736.45	23.0	42,810	733.00	31.4

In the 2021/22 financial year, a total of 9,639 shares (2020/21: 11,551 shares) were allocated. 7,552 shares (4,307 restricted and 3,245 performance shares) were vested as part of the long-term incentive stock award plans (2020/21: 9,805 shares made up of 7,605 restricted and 2,200 performance shares). In addition, 2,087 restricted shares (2020/21: 1,746 restricted shares) were allocated to the BoD members. Further information on the long-term incentive stock award plans is included in the Compensation Report.

3.3 Earnings per share and dividends

Earnings per share

Number of shares, except where indicated	Financial year ended 30.06.2022	Financial year ended 30.06.2021
Net profit attributable to the owners of the parent	63.2	100.8
For basic number of shares		
Number of shares outstanding at end of financial year	**4,178,402**	**4,168,767**
Own shares (acquired)/reissued	9,635	11,551
Number of shares outstanding at beginning of financial year	4,168,767	4,157,216
Weighted average number of shares outstanding (basic)	4,174,363	4,163,010
Basic earnings per share in CHF	**15.1**	**24.2**
For diluted number of shares		
Weighted average number of shares outstanding (basic)	4,174,363	4,163,010
Eligible shares under stock award plans and shares awarded in acquisitions	19,496	15,873
Weighted average number of shares outstanding (diluted)	4,193,859	4,178,883
Diluted earnings per share in CHF	**15.1**	**24.1**

The earnings per share is calculated based on the profit attributable to the owners of the parent only. Net profit attributable to minority interests is not taken into account. The minorities represent mainly the shareholders who hold 47.5% of the shares of dormakaba Holding GmbH + Co. KGaA, a direct subsidiary of the Group parent, dormakaba Holding AG, which holds the remaining 52.5%. The legal subsidiaries are disclosed in the note on the legal structure of the dormakaba Group (5.3).

Accounting principles

Basic earnings per share is calculated by dividing net profit attributable to the owners of the parent by the weighted average number of shares outstanding during the reporting period.

The diluted earnings per share includes all potentially dilutive effects.

Dividends

CHF million, except where indicated	CHF per share 1)	Financial year ended 30.06.2022 2)3)	CHF per share	Financial year ended 30.06.2021	CHF per share	Financial year ended 30.06.2020
Dividend for the financial year	**11.50**	**48.1**	**12.50**	**52.2**	**10.50**	**43.7**
Net profit attributable to the owners of the parent		95.4		100.8		84.6
Dividend payout ratio in %		50.4		51.7		51.6

1) In 2021/22: proposal to the AGM; distribution of an equal share from the reserves from capital contributions and from statutory retained earnings.
Date of payment: 17 October 2022 (estimated final dividend payable, subject to variations in the number of shares up to the recording date). This dividend has not been recognized as a liability as at 30 June 2022 and will be recognized in subsequent consolidated financial statements.
2) The dividend for the financial year is calculated on the basis of the outstanding shares at the end of the financial year.
3) In line with the BoD's decision not to consider the negative impact of the Mesker divestment when determining the dividend, the 2021/22 net profit attributable to owners of the parent company of CHF 63.2 million has been adjusted by CHF 32.2 million (CHF 61.4 million net profit impact of the Mesker divestment less minorities of 47.5%).

dormakaba Group envisages a dividend policy whereby the minimum payout ratio should be 50% of the consolidated net profit after minority interests.

The dividend distribution is proposed to the AGM in the form of an equal distribution from the reserves from capital contributions and statutory retained earnings of the parent entity, dormakaba Holding AG. After approval of this proposal by the AGM, the distribution from the reserves from capital contributions as well as dividend distribution from statutory retained earnings will be paid out on 17 October 2022 according to the instructions received: CHF 11.50 (2020/21: CHF 12.50) gross per listed registered share at CHF 0.10 par value, whereof only the distribution from reserves from capital contributions will be paid free of Swiss withholding tax in accordance with Art. 5 para. 1bis of the Federal Law on Withholding Tax.

3.4 Theoretical equity and goodwill movement

The goodwill additions of CHF 118.0 million (2020/21: CHF 17.8 million) and the disposal of CHF 50.9 million (2020/21: CHF 0.0 million) resulting from business acquisitions and divestments are offset as disclosed in the consolidated statement of changes in equity. See also the note on business combinations and divestments (4.3). The following tables show the impact on equity and net profit based on the assumption that the goodwill was capitalized and amortized over a period of five years.

CHF million	Financial year ended 30.06.2022	Financial year ended 30.06.2021
Theoretical book value of goodwill, net	**169.2**	**205.1**
Cost 30 June	**2,115.6**	**2,035.3**
Additions from acquisitions	118.0	17.8
Disposals	–50.9	0.0
Translation exchange differences	13.2	–9.2
Cost 1 July	**2,035.3**	**2,026.7**
Accumulated amortization 30 June	**1,946.4**	**1,830.2**
Additions	151.9	205.7
Impairment	0.0	4.0
Disposals	–50.9	0.0
Translation exchange differences	15.2	0.0
Accumulated amortization 1 July	**1,830.2**	**1,620.5**

The disclosed disposal of CHF 50.9 million relates to the divestments of the Mesker and interior glass systems business. This disposal of goodwill affects consolidated income, but, does not impact the Group's cash flow.

	Financial year ended 30.06.2022			Financial year ended 30.06.2021		
CHF million	Effective	Amorti-zation goodwill	Theoretical (incl. amorti-zation goodwill)	Effective	Amorti-zation goodwill	Theoretical (incl. amorti-zation goodwill)
Effects on the income statement						
Operating profit (EBIT)	204.8	–151.9	**52.9**	274.3	–209.7	**64.6**
EBIT as % of net sales	7.4	–5.5	**1.9**	11.0	–8.4	**2.6**
Net profit	122.5	–151.9	**–29.4**	193.3	–209.7	**–16.4**
Effect on the balance sheet						
Equity according to balance sheet	195.9	169.2	**365.1**	264.9	205.1	**470.0**
Equity as % of balance sheet total	10.3		**17.6**	14.2		**22.6**

Accounting principles

As goodwill is fully offset in equity at the date of acquisition, an impairment of goodwill does not affect income; it is only disclosed in the notes to the consolidated financial statements.

Goodwill represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquired entity, and the book value as at the acquisition date of any previous equity interest in the acquired entity over the fair value of the Group's share of the identifiable net assets acquired. Only intangible assets purchased separately are recognized as part of an acquisition. The positive or negative goodwill resulting from acquisitions is offset in equity at the date of acquisition against retained earnings.

If the purchase price contains elements that are dependent on future results, they are estimated as accurately as possible at the date of acquisition and recognized in the balance sheet. In the event of any disparities when the definitive purchase price is settled, the goodwill offset in equity is adjusted accordingly. The consequences of a theoretical capitalization and amortization of goodwill are explained in the note on the theoretical movement of goodwill.

3.5 Financial risk management

The tasks of the BoD include identifying risks, determining suitable measures, and implementing these measures or having them implemented. The BoD of dormakaba Holding AG conducted a regular Group-wide risk assessment in the year under review and determined the risks to be managed at particular management levels.

The ongoing Covid-19 pandemic and the war in Ukraine continue to have a significant impact on the global economic environment. The ongoing comprehensive crisis management with taskforces implemented by the Group management ensured supportive actions to all Group companies as well as relevant reporting to the EC and BoD. The aim of the Covid-19 measures is to ensure the health and safety of all employees, to minimize the impact on business operations and supply chains, and thus on customers, and to focus on cash flow by following a "cash is king" principle. dormakaba adjusted its financial management as well as its forecast structures to retain its entrepreneurial flexibility and financial stability at all times. This includes the daily monitoring of cash flows, liquidity, and the status of financial debt at Group level, also regarding available undrawn credit facilities. The Ukraine Taskforce implemented rigid sanctions-control as well as business adjustment for Russia. This ensures that operating risks are given due attention, reported accordingly, and the BoD has a comprehensive overview of the key risks and measures taken.

Liquidity risk

Liquidity risk arises due to the possibility that dormakaba Group might experience difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

Liquidity risk is managed centrally by Group Treasury. The Group's objective is to maintain a balance between the continuity of funding and flexibility by using varied financing instruments across a range of maturities. The Group aims to maintain a spread of maturities to avoid excessive refinancing in any one period. The Group endeavors to maintain funding flexibility by keeping available committed credit lines with a variety of counterparties.

Credit risk

Credit risk is the risk of loss if a counterparty fails to fulfil its obligations to dormakaba Group. Hence, dormakaba Group is exposed to credit risk arising from financing activities, including deposits with banks and financial institutions, foreign exchange transactions, and other financial instruments such as trade receivables, other current assets, and non-current financial assets.

Cash and cash equivalents are mainly held in the form of current accounts and current fixed-term deposits. Counterparty risks with financial institutions are monitored continuously and are minimized by the Group limiting its relationships to high-ranking banks only.

Trade receivables are monitored on an ongoing basis locally and via Group management reporting procedures. The danger of cluster risks on trade receivables is limited due to the large number and wide geographical spread of customers. The extent of the credit risk is determined mainly by the individual characteristics of each customer. The assessment of this risk involves a review of the customer's creditworthiness based on its financial situation and experience. The maturity analysis of trade receivables is disclosed in the note on trade receivables (2.1).

Interest rate risk

Interest rate risk is the risk that the Group's financial situation is impacted by changes in interest rates.

The dormakaba Group's interest rate risk arises from its short-term and long-term borrowings. The interest rate risk is hedged only in a few cases. Management strives for a well-balanced mix of long- and short-term interest rate exposure, taking into consideration the planned funding requirements. Funding and related interest are managed centrally by Group Treasury.

Foreign currency exposure

Translation risk

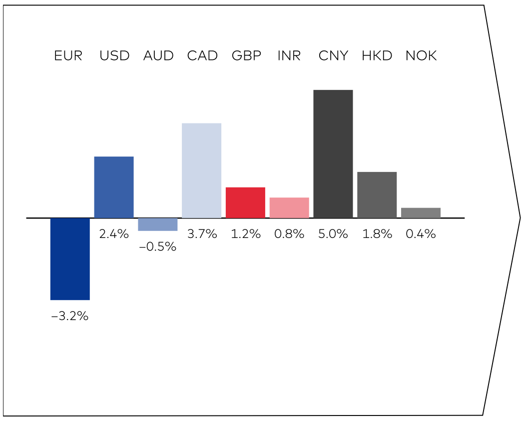
dormakaba Group does not actively manage the translation risk.

In the 2021/22 financial year, the Group's equity was negatively impacted in the amount of CHF 34.6 million by foreign currency translation (2020/21: CHF 23.5 million positive impact).

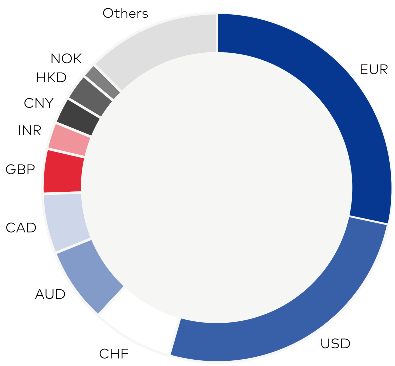
The key exchange rates based on net sales in foreign currencies are disclosed in the table below:

Currency rates (CHF), net sales (CHF million)	Net sales 30.06.2022	Exchange rate 30.06.2022	Average rate 2021/22	Net sales 30.06.2021	Exchange rate 30.06.2021	Average rate 2020/21
Total net sales	**2,756.9**			**2,499.7**		
EUR	785.1	0.997	1.050	753.2	1.096	1.085
USD	722.1	0.955	0.932	644.0	0.921	0.910
CHF	203.7	1.000	1.000	196.6	1.000	1.000
AUD	194.7	0.657	0.676	140.9	0.692	0.680
CAD	153.1	0.740	0.736	141.3	0.743	0.710
GBP	113.5	1.157	1.240	102.1	1.275	1.226
INR	70.8	0.012	0.012	50.0	0.012	0.012
CNY	68.8	0.143	0.144	69.3	0.142	0.137
HKD	68.0	0.122	0.119	56.0	0.119	0.117
NOK	40.0	0.097	0.104	38.3	0.108	0.104
Net sales in other currencies	337.1			308.0		

June 2021 – June 2022
Change of average FX-rate in relation to CHF



2021/22
Net sales exposure



In the 2021/22 financial year, dormakaba Group's sales growth was negatively impacted by foreign currency translations in the amount of CHF 3.0 million (2020/21: CHF 76.6 million negative impact) and EBITDA positively by CHF 3.0 million (2020/21: CHF 11.1 million negative impact).

Transaction risk

Management monitors foreign exchange risks on a regular basis. When management deems it appropriate to do so, dormakaba uses derivative financial instruments to manage its transaction risk exposure to fluctuations in exchange rates.

Foreign exchange risks relating to intercompany loans are covered to a large extent by forward exchange contracts with third parties. The external counterparties involved are high-ranking financial institutions. dormakaba enters into financial transactions only to hedge against a related off-balance-sheet risk or a highly probable future business transaction. No uncovered short transactions are entered into.

Intercompany invoicing is structured in a way that foreign exchange risks are concentrated in dormakaba's manufacturing companies. The use of a group netting system with intercompany payment terms of up to 60 days reduces the intercompany exposure and foreign exchange risk. The third party and intercompany cross-currency exposures are reduced through natural hedges or they are hedged using financial instruments.

dormakaba Group actively manages the transaction risk arising from net investment in foreign currencies.

The following currency forward contracts for hedging purposes existed as at the balance sheet date:

CHF million	Financial year ended 30.06.2022	Financial year ended 30.06.2021
Contract value	**383.9**	**578.2**
Fair value – held-for-trading, net	**1.6**	**1.1**
Assets from fair value of forward contracts	2.3	1.9
Liabilities from fair value of forward contracts	–0.7	–0.8

In the 2021/22 financial year, the net foreign exchange loss amounts to CHF 8.8 million (2020/21: loss amounts to CHF 3.4 million). While the hedges mitigate the foreign currency effect arising from intercompany loans, the interest expenses for forward contracts amounts to CHF 5.4 million (2020/21: CHF 6.6 million). The foreign exchange gains and losses as well as the interest expenses and income are disclosed in the note on the financial result (1.4).

Accounting principles

Derivative financial instruments for the purpose of hedging balance sheet items are recorded using the same valuation principles as applied to the underlying hedged positions.

4. Other financial information

This section provides details of the various commitments and contingencies as well as information about the associated companies, the acquisitions, and the legal subsidiaries including the Group companies' shareholdings.

4.1 Commitments and contingencies

Lease commitments

Operating lease payments are charged to income (CHF 38.5 million in 2021/22 and CHF 35.9 million in 2020/21) on a straight-line basis over the lease term. The following table shows the future minimum lease payments resulting from non-cancellable operating leases:

CHF million	Financial year ended 30.06.2022	Financial year ended 30.06.2021
Future payment commitments for operating leases	**108.2**	**103.5**
Up to 1 year	32.2	31.4
2 to 5 years	60.5	60.6
Over 5 years	15.5	11.5

Operating lease commitments mainly refer to the lease of buildings used for operational purposes.

Accounting principles

Operating lease agreements are lease agreements that do not qualify as finance leases and are not capitalized in the balance sheet.

Other commitments and contingencies

CHF million	Financial year ended 30.06.2022	Financial year ended 30.06.2021
Current endorsement liabilities	0.3	1.0
Investments committed to purchase from third parties:		
Property, plant, and equipment	8.0	6.9
Intangible assets	0.6	0.6

4.2 Equity accounted investments

CHF million	Financial year ended 30.06.2022	Financial year ended 30.06.2021
Investments in associates - 30 June	**5.7**	**5.4**
Increase of investments in associates	0.0	2.0
Share of profit (loss)	0.3	0.1
Investments in associates - 1 July	**5.4**	**3.3**
Result from associates	**0.3**	**0.1**
Share of profit (loss)	0.3	0.1

Accounting principles

Investments in associates and joint ventures where dormakaba Group exercises significant influence but does not have control (i.e. usually an interest between 20% and 50%) are accounted for using the equity method of accounting. Under the equity method, investments in associated companies and joint ventures are initially recognized at cost, and the carrying amount is increased or decreased to recognize dormakaba Group's share of the profit or loss of the associate/joint venture after the date of acquisition. Profit and loss are attributed to the owners of the parent and to the minority interests, even if this results in a negative balance. Investments in which dormakaba Group does not have significant influence (i.e. dormakaba Group's interest is usually less than 20%) are recorded at cost.

4.3 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 for the full financial year 2021/22 and for the full financial year 2020/21 in comparison.

CHF million				Financial year ended 30.06.2022	Financial year ended 30.06.2021
	Fermatic	RELBDA	Others	Total	Total
Total consideration	**27.0**	**62.3**	**25.1**	**114.4**	**20.5**
Cash paid	26.6	52.2	20.2	99.0	19.9
Deferred payment	0.0	9.4	4.6	14.0	0.5
Acquisition-related costs	0.4	0.7	0.3	1.4	0.1
Identifiable assets and liabilities	**–2.9**	**–5.2**	**4.5**	**–3.6**	**2.7**
Cash and cash equivalents	2.6	2.5	3.5	8.6	1.4
Trade receivables	9.3	6.4	2.8	18.5	3.2
Inventories	2.1	6.3	1.5	9.9	0.9
Current income tax assets	0.0	0.0	0.4	0.4	0.0
Other current assets	0.9	1.4	0.1	2.4	0.8
Property, plant, and equipment	2.8	4.6	0.8	8.2	0.5
Intangible assets	0.0	0.3	0.0	0.3	0.0
Deferred income tax assets	0.0	0.9	0.1	1.0	0.2
Current borrowings	0.0	0.0	–0.1	–0.1	–0.4
Trade payables	–3.9	–4.5	–1.0	–9.4	–1.5
Current income tax liabilities	–0.1	–0.4	–0.5	–1.0	–0.3
Accrued and other current liabilities	–6.4	–3.0	–2.6	–12.0	–1.7
Provisions	–0.3	–0.2	–0.2	–0.7	0.0
Non-current borrowings	–10.0	–18.2	–0.1	–28.3	–0.4
Accrued pension costs and benefits	–0.6	–1.3	–0.2	–2.1	0.0
Deferred income tax liabilities	0.7	0.0	0.0	0.7	0.0
Goodwill	**29.9**	**67.5**	**20.6**	**118.0**	**17.8**

Fermatic Group

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

Further, dormakaba acquired AtiQx Holding B.V. based in Utrecht/Dordrecht (NL), MultiGlazingSystems Ltd based in Dudley, West Midlands (UK), Rovato Techniek B.V. based in LK Tiel (NL), and Solus Security Systems PvT Ltd based in Bangalore (IN).

Business divestments

The following table summarizes the considerations received as well as the net assets divested. The resulting net goodwill was recycled affecting result from sale of subsidiaries.

CHF million			Financial year ended 30.06.2022	Financial year ended 30.06.2021
	Mesker	**IGS**	**Total**	**Total**
Total consideration	**5.9**	**26.3**	**32.2**	**2.6**
Cash consideration	0.5	30.5	31.0	2.6
Deferred expenses / payment	6.4	–1.1	5.3	0.0
Divestment-related costs	–1.0	–3.1	–4.1	0.0
Assets and liabilities divested	**13.8**	**22.7**	**36.5**	**2.9**
Cash and cash equivalents	0.0	17.4	17.4	1.5
Trade receivables	0.0	4.3	4.3	0.7
Inventories	7.1	8.5	15.6	1.3
Other current assets	0.0	0.9	0.9	0.0
Property, plant, and equipment	6.1	13.2	19.3	0.0
Intangible assets	0.6	0.1	0.7	0.0
Non-current financial assets	0.0	0.5	0.5	0.0
Deferred income tax assets	0.0	2.2	2.2	0.0
Trade payables	0.0	–2.9	–2.9	–0.6
Accrued and other current liabilities	0.0	–1.7	–1.7	0.0
Provisions	0.0	–0.1	–0.1	0.0
Accrued pension costs and benefits	0.0	–19.7	–19.7	0.0
Amortization on goodwill - recycling 1)	48.7	2.2	50.9	0.0
Result from sale of subsidiaries 2)	**–56.6**	**1.4**	**–55.2**	**–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 subsidiaries, goodwill allocated to the disposed business is recognized at its original cost in the income statement.

2) Included in other operating income, net

Mesker business

On 21 June 2022, dormakaba divested its Mesker hollow metal doors business to the key principals of Trimco and Metal Manufacturing Industries (MMI). US-based Trimco is a recognized leader in the North American market for innovating, designing, and manufacturing architectural hardware solutions. MMI is the premier hollow metal doors and frames manufacturer in the Mexican market, exporting its products to Central and South America.

Interior glass systems business (IGS)

As per 31 October 2021, dormakaba divested its interior glass systems 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.

Accounting principles

Goodwill represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquired entity, and the book value as at the acquisition date of any previous equity interest in the acquired entity over the fair value of the Group's share of the identifiable net assets acquired. Only intangible assets purchased separately are recognized as part of an acquisition. The positive or negative goodwill resulting from acquisitions is offset in equity at the date of acquisition against retained earnings.

If the purchase price contains elements that are dependent on future results, they are estimated as accurately as possible at the date of acquisition and recognized in the balance sheet. In the event of any disparities when the definitive purchase price is settled, the goodwill offset in equity is adjusted accordingly. The consequences of a theoretical capitalization and amortization of goodwill are explained in the note on the theoretical equity and goodwill movement (3.4).

5. Other disclosures

This section provides a general understanding of the preparation and consolidation principles as well as an overview of the use of accounting estimates. In addition, it details any events occurring between the balance sheet date and the date at which the financial statements are approved by the BoD.

5.1 About this report

Parent company of the Group

The parent company of the Group is dormakaba Holding AG, a company limited by shares that is incorporated and domiciled in Rümlang (Switzerland). The address of its registered office is Hofwisenstrasse 24, 8153 Rümlang, Switzerland. The company is listed on the SIX Swiss Exchange.

Basis for preparation

These consolidated financial statements were approved for issue by the BoD on 25 August 2022 and will be presented for approval by the AGM on 11 October 2022.

The consolidated financial statements of dormakaba Group comply with Swiss law and have been prepared using the historical cost principle, except where disclosed in the accounting policies below, and in accordance with Swiss GAAP FER as a whole (GAAP = Generally Accepted Accounting Principles, FER = Fachempfehlung zur Rechnungslegung or "accounting and reporting recommendations"). Furthermore, the accounting complies with the provisions of the Listing Rules of SIX and Swiss company law. The accounting policies have been applied consistently by Group companies. No changes to the Swiss GAAP FER requirements were announced or released in the year under review.

Currency conversion

The consolidated financial statements are presented in Swiss francs (CHF), which is dormakaba Group's presentation currency. Items included in the financial statements of each dormakaba Group company are measured using the currency of the primary economic environment in which that company operates (the "functional currency").

Foreign currency transactions are converted into the functional currency of the appropriate entity using the exchange rates prevailing as at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognized in the income statement.

The assets and liabilities of subsidiaries reporting in currencies other than Swiss francs are translated at the exchange rates prevailing as at the balance sheet date. Income, expenses, cash flows, and other movement items are translated at average exchange rates for the period. All resulting exchange differences are recognized in equity. Upon consolidation, exchange differences arising from the translation of the net investment in foreign companies and from borrowings and other currency instruments designated as hedges of such investments are taken to equity. When a foreign operation is sold, exchange differences that were recorded in equity are recycled to the income statement as part of the gain or loss on the sale.

Basis of consolidation

The consolidated financial statements of dormakaba Group include the operations of dormakaba Holding AG and all direct and indirect subsidiaries. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and it has the ability to affect those returns through its power over the entity. The consolidated accounts are based on the annual financial statements of the individual subsidiaries. All companies follow the uniform measurement and reporting practices prescribed by the Group. In applying the full consolidation method, the assets, liabilities, income, and expenses of all subsidiaries are included in their entirety. Minority interests in equity and profit are disclosed separately. Subsidiaries are consolidated from the date when control is acquired. The identifiable assets and liabilities are revalued and included according to the acquisition method. Any difference between the cost of acquisition and the fair value of the Group's share of net assets acquired constitutes goodwill. Subsidiaries sold are excluded from consolidation as of the date when control ceases. All intercompany balances, transactions, and intercompany profits are eliminated upon consolidation. Investments in associates and joint ventures where dormakaba Group exercises significant influence but does not exercise control (i.e. usually an interest between 20% and 50%) are accounted for using the equity method of accounting. Under the equity method, investments in associated companies and joint ventures are initially recognized at cost, and the carrying amount is increased or decreased to recognize dormakaba Group's share of the profit or loss of the associate/joint venture after the date of acquisition. Profit and loss are attributed to the owners of the parent and to the minority interests, even if this results in a negative balance. Investments in which dormakaba Group does not have significant influence (i.e. dormakaba Group's interest is usually less than 20%) are recorded at cost.

Companies established or acquired or those in which the Group increases its interest and thereby obtains control during the year are consolidated as of the date of establishment or the date when control commences. Companies are deconsolidated as of the date that control effectively ceases upon disposal or a reduction in ownership interest. This rule is applied similarly to investments in associates.

In the event that shares of a Group company or associated company are sold, the difference between the proceeds from the sale and the proportional book value of the net assets, including historical goodwill, is recognized as a gain or loss in the income statement.

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

Use of estimates

The preparation of financial statements in accordance with Swiss GAAP FER requires the use of estimates and assumptions, which have an effect on the reported value of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported value of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events as well as actions that dormakaba Group may undertake in the future, the actual results may differ from the estimates.

The most important accounting estimates are described in a blue box at the end of the note to which they relate as per the following table:

Use of accounting estimates	**Note**
Deferred income taxes	1.5
Provisions	2.4
Testing goodwill and assets for impairment	2.3, 5.1
Accrued pension costs and benefits	2.5

In accordance with Swiss GAAP FER, assets are subject to an impairment test based on indicators reflecting a possible impairment of the individual assets. Therefore, the following accounting estimates apply to all assets in general.

Use of accounting estimates

For the purpose of testing impairment, goodwill and assets are grouped in cash-generating units for which cash flows are separately identifiable. The Group estimates the recoverable amount of those cash-generating units, which generally represent their value in use. Value in use is assessed using the discounted cash flow method. The estimates used in these calculations are based on updated budgets and medium-term plans covering a period of three years. Cash flows beyond the projection period are extrapolated in perpetuity.

When the carrying amount exceeds its recoverable amount, an impairment loss is recognized separately in the income statement. The recoverable amount is the higher of fair value less cost of disposal and value in use.

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 the 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	Financial year ended 30.06.2022	Financial year ended 30.06.2021
Items affecting comparability (IAC)	**88.6**	**9.3**
Reorganization and restructuring expenses	32.1	14.4
(Gain) Loss on divestment of businesses	55.2	0.3
Other exceptional items	1.3	–5.4

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 that 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 systems business (IGS). In the second half-year, dormakaba divested its hollow metal doors business (Mesker). Details on the divestments are disclosed in chapter business combinations and divestments (4.3).

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	Financial year ended 30.06.2022	Financial year ended 30.06.2021
Capital expenditure	**78.5**	**76.1**
Additions of property, plant, and equipment	52.7	46.6
Additions of intangible assets	25.8	29.5

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	Financial year ended 30.06.2022	Financial year ended 30.06.2021
Free cash flow before acquisitions/divestments	**51.2**	**239.5**
Acquisition of subsidiaries, net of cash acquired	–92.1	–18.6
Sale of subsidiaries, net of cash sold	9.3	–0.9
Acquisition of associates and joint ventures	0.0	–2.0
Free cash flow	**–31.6**	**218.0**
Net cash from operating activities	127.3	313.5
Net cash used in investing activities	–158.9	–95.5

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	Note	Financial year ended 30.06.2022	Financial year ended 30.06.2021
Net working capital		**751.3**	**641.6**
Trade receivables	2.1	482.8	424.5
Inventories	2.2	537.0	450.6
Trade payables		–178.7	–169.1
Advances from customers		–50.5	–30.6
Deferred income		–39.3	–33.8

Operating cash flow margin

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

CHF million	Note	Financial year ended 30.06.2022	Financial year ended 30.06.2021
Operating cash flow margin		**4.6%**	**12.5%**
Net sales	1.2	2,756.9	2,499.7
Net cash from operating activities		127.3	313.5

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-month 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 (30 June 2022, 31 December 2021, and 30 June 2021). For the previous year comparison, the same principles were applied.

CHF million	Note	Financial year ended 30.06.2022	Financial year ended 30.06.2021
ROCE (Return on capital employed)		**24.4%**	**24.9%**
Adjusted EBIT		**293.4**	**283.6**
Average CE (Capital employed)		**1,201.9**	**1,139.9**
Average net working capital	5.1	692.6	618.7
Average property, plant, and equipment		421.0	435.5
Average intangible assets		88.3	85.7

5.2 Events after the balance sheet date

On 1 August 2022, dormakaba acquired Alldoorco based in Nijkerk (Netherlands). Alldoorco is a well-known company specializing in the maintenance, repair, and new installation of industrial door systems. With its high level of technical expertise in door solution services, the company is an ideal complement to dormakaba's existing offering in the Dutch market.

5.3 Legal structure of the dormakaba Group

As at 30 June 2022

List of substantial Group and associated companies		Share capital in local currency (000)	Voting rights in %	Group companies with shareholdings
dormakaba Holding AG, Rümlang/CH	CHF	420.0		Publicly Listed Company
dormakaba Holding GmbH + Co. KGaA, Ennepetal/DE	EUR	27,642.1	52.5	dormakaba Holding AG
			47.5	Familie Mankel Industriebeteiligung GmbH + Co. KGaA
dormakaba Beteiligungs-GmbH, Ennepetal/DE	EUR	1,000.0	52.5	dormakaba Holding AG
All of the following companies are held directly or indirectly by dormakaba Holding GmbH + Co. KGaA. The voting rights listed for these companies represent the voting rights of this sub-holding. dormakaba shareholders ultimately benefit from the 52.5% share of the cash flows generated by these entities.				
dormakaba International Holding AG, Rümlang/CH	CHF	101.0	100	dormakaba Holding GmbH + Co. KGaA
ADUK Products Ltd., Nuneaton/GB	GBP	0.1	100	dormakaba UK Holding Limited
Advanced Diagnostics Ltd., Nuneaton/GB	GBP	0.1	100	ADUK Products Ltd.
Aluminium Services Inc., Randolph/US	USD	30.0	100	dormakaba USA Inc.
Alvarado Manufacturing Co. Inc., Chino/US	USD	100.0	100	dormakaba U.S. Holding Ltd.
any2any GmbH, Munich/DE	EUR	35.9	26	dormakaba International Holding GmbH
Atimo Personeelstechniek B.V., Utrecht/NL	EUR	72.9	100	AtiQx Holding B.V.
AtiQx Holding B.V., Utrecht/NL	EUR	201.5	100	dormakaba Nederland B.V.
ATM-Türautomatik GmbH, Gleisdorf/AT	EUR	35.0	100	dormakaba Austria GmbH
AXE S.A.S., Créteil/FR	EUR	38.1	100	dormakaba France S.A.S.
Best Doors Australia Pty. Ltd., Hallam/AU	AUD	5,565.7	100	dormakaba Holding Australia Pty. Ltd.
Best Doors Victoria Pty. Ltd., Hallam/AU	AUD	0.0	100	Best Doors Australia Pty. Ltd.
Corporación Cerrajera Alba, S.A. de C.V., Edo. de México/MX	MXN	202,059.4	100	dormakaba Canada Inc.
Danmar Australia Pty. Ltd., Hallam/AU	AUD	0.1	100	Reliance Doors Pty. Ltd.
Dörken + Mankel Verwaltungs-Gesellschaft mit beschränkter Haftung, Ennepetal/DE	EUR	30.0	100	dormakaba Holding GmbH + Co. KGaA
DORMA Arabia Automatic Doors Company Ltd., Dammam/SA	SAR	10.0	95	dormakaba International Holding GmbH
			5	DORMA Produktion International GmbH
DORMA Ghana Limited, Accra/GH	GHS	1,850.0	100	dormakaba International Holding GmbH
DORMA HUEPPE Pty. Ltd., Regents Park/AU	AUD	5,374.4	100	dormakaba Holding Australia Pty. Ltd.
DORMA Hüppe Asia Sdn. Bhd., Senai, Johor/MY	MYR	2,510.0	100	DORMA Hüppe Raumtrennsysteme GmbH
DORMA Hüppe Austria GmbH, Linz/AT	EUR	146.0	100	DORMA Hüppe Raumtrennsysteme GmbH
DORMA Hüppe S.A., Brugge/BE	EUR	3,300.0	100	DORMA Hüppe Raumtrennsysteme GmbH
dormakaba Ireland Limited, Kildare/IE	EUR	1,500.0	100	dormakaba International Holding GmbH
DORMA Hüppe Raumtrennsysteme GmbH, Westerstede/DE	EUR	3,000.0	100	dormakaba Holding GmbH + Co. KGaA
DORMA Produktion International GmbH, Ennepetal/DE	EUR	60.0	100	dormakaba Deutschland GmbH
dormakaba UK Limited., Hitchin/GB	GBP	250.0	100	dormakaba Nederland B.V.
dormakaba International Holding GmbH, Ennepetal/DE	EUR	110.0	100	dormakaba Holding GmbH + Co. KGaA
dormakaba (China) Technologies Ltd., Shenzhen/CN	CNY	69,500.0	100	dormakaba Hong Kong Limited
dormakaba (Thailand) Ltd., Bangkok/TH	THB	13,490.0	100	dormakaba International Holding GmbH
dormakaba Access Indonesia, PT, Jakarta/IN	IDR	2,555,199.5	90	dormakaba International Holding GmbH
			10	DORMA Produktion International GmbH
dormakaba Access Solutions LLC, Doha/QA	QAR	200.0	100	dormakaba International Holding GmbH
dormakaba Access Solutions (China) Ltd./Shanghai/CN	USD	3,000.0	100	dormakaba International Holding GmbH
dormakaba Australia Pty. Ltd., Hallam/AU	AUD	10.7	100	dormakaba Holding Australia Pty. Ltd.
dormakaba Austria GmbH, Herzogenburg/AT	EUR	1,460.0	100	dormakaba International Holding AG
dormakaba Belgium N.V., Bruges/BE	EUR	2,416.3	100	dormakaba International Holding AG
dormakaba Brasil Soluções de Acesso Ltda., São Paulo/BR	BRL	35,160.7	100	dormakaba International Holding AG
dormakaba Bulgaria Ltd., Sofia/BG	EUR	1,314.1	100	dormakaba International Holding GmbH
dormakaba Canada Inc., Montreal/CA	CAD	1.0	100	dormakaba International Holding AG
dormakaba Cesko s.r.o., Praha/CZ	CZK	100.0	100	dormakaba International Holding GmbH
dormakaba China Ltd, Suzhou/CN	CNY	127,759.1	100	dormakaba International Holding GmbH
dormakaba Danmark A/S, Albertslund/DK	DKK	696.0	100	dormakaba International Holding AG
dormakaba Deutschland GmbH, Ennepetal/DE	EUR	126,780.0	100	dormakaba Holding GmbH + Co. KGaA
DORMAKABA DOO BEOGRAD, Beograd/RS	RSD	4,474.3	100	dormakaba International Holding GmbH
dormakaba EAD GmbH, Villingen-Schwenningen/DE	EUR	819.1	100	dormakaba Holding GmbH + Co. KGaA
dormakaba España S.A.U., Madrid/ES	EUR	600.0	100	dormakaba International Holding AG

dormakaba Eurasia LLC, Moscow/RU	RUB	213,000.0	100	dormakaba International Holding GmbH
dormakaba Finance AG, Rümlang/CH	CHF	100.0	100	dormakaba Holding GmbH + Co. KGaA
dormakaba Services B.V., Dodewaard/NL	EUR	100.0	100	dormakaba Nederland B.V.
dormakaba Finance GmbH, Ennepetal/DE	EUR	25.0	100	dormakaba Holding GmbH + Co. KGaA
dormakaba France S.A.S., Créteil/FR	EUR	5,617.2	100	dormakaba International Holding AG
dormakaba Gulf FZE, Dubai/AE	USD	9,524.9	100	dormakaba International Holding GmbH
dormakaba Holding Australia Pty. Ltd., Hallam/AU	AUD	910.7	100	dormakaba Singapore Pte. Ltd.
dormakaba Hong Kong Limited, Hong Kong/HK	HKD	100.0	100	dormakaba Nederland B.V.
dormakaba Hrvatska d.o.o., Zagreb/HR	HRK	5,650.0	100	dormakaba International Holding GmbH
dormakaba Immobilien GmbH, Villingen-Schwenningen/DE	EUR	50.0	100	dormakaba Holding GmbH + Co. KGaA
dormakaba India Private Limited, Chennai/IN	INR	1,147,197.3	100	dormakaba International Holding GmbH
dormakaba Italia Srl., Milano/IT	EUR	260.0	100	dormakaba Schweiz AG
dormakaba Japan Co. Ltd., Tokyo/JP	JPY	120,000.0	100	dormakaba Schweiz AG
dormakaba Kapi Ve Güvenlik Sistemleri Sanayi Ve Ticaret A.S., Istanbul/TR	TRY	3,750.0	99	dormakaba International Holding GmbH
			1	dormakaba Deutschland GmbH
dormakaba Kenya Limited, Nairobi/KE	KES	40,000.0	99	dormakaba International Holding GmbH
			1	dormakaba Deutschland GmbH
dormakaba Korea Inc., Seoul/KR	KRW	150,000.0	100	dormakaba International Holding GmbH
dormakaba Kuwait for Ready Made Windows LLC, Kuwait City/KW	KWD	10.0	49	dormakaba International Holding GmbH
			51	dormakaba Middle East SPV Ltd.
dormakaba Luxembourg S.A., Wecker/LU	EUR	300.0	100	dormakaba International Holding AG
dormakaba Magyarorszàg Zrt., Budapest/HU	HUF	251,000.0	100	dormakaba Holding GmbH + Co. KGaA
dormakaba Malaysia SDN BHD, Selangor/MY	MYR	800.0	100	dormakaba Nederland B.V.
dormakaba Maroc SARL, Casablanca/MA	MAD	2,000.0	100	dormakaba International Holding GmbH
dormakaba México, S. de R.L. de C.V., Mexico City/MX	MXN	3.0	96.6	dormakaba International Holding GmbH
			3.4	dormakaba Deutschland GmbH
dormakaba Middle East (LLC), Dubai/AE	AED	7,700.0	100	dormakaba International Holding GmbH
dormakaba Middle East SPV Limited, Abu Dhabi/AE	AED	N/A	100	dormakaba International Holding AG
dormakaba Nederland B.V., Dodewaard/NL	EUR	11.7	100	dormakaba International Holding GmbH
dormakaba New Zealand Limited, Auckland/NZ	NZD	384.0	100	dormakaba Nederland B.V.
dormakaba Norge A/S, Drammen/NO	NOK	1,783.5	100	dormakaba International Holding AG
dormakaba Philippines Inc., Makati City/PH	PHP	18,000.0	100	dormakaba International Holding GmbH
dormakaba Polska sp.z.o.o., Konstancin-Jeziorna/PL	PLN	10,000.0	100	dormakaba International Holding AG
dormakaba Portugal, Unipessoal Lda., Lisbon/PT	EUR	50.0	100	dormakaba International Holding GmbH
dormakaba Production GmbH + Co. Kommanditgesellschaft, Ennepetal/DE, Singapore/SGP	EUR	2,560.0	100	dormakaba Deutschland GmbH
dormakaba Production GmbH, Ennepetal/DE	EUR	50.0	100	dormakaba Deutschland GmbH
dormakaba Production Malaysia SDN. BHD., Melaka/MY	MYR	5,000.0	100	dormakaba International Holding GmbH
dormakaba Romania S.R.L., Bucharest/RO	RON	4,705.8	100	dormakaba International Holding GmbH
dormakaba Schweiz AG, Wetzikon/CH	CHF	6,800.0	100	dormakaba International Holding AG
dormakaba Singapore Pte Ltd, Singapore/SGP	SGD	13,300.0	100	dormakaba Production GmbH + Co. KG
dormakaba Slovensko s.r.o, Bratislava/SK	EUR	6.6	100	dormakaba International Holding GmbH
dormakaba South Africa (Pty.) Ltd., Johannesburg/ZA	ZAR	1.0	100	dormakaba International Holding GmbH
dormakaba Suomi Oy, Helsinki/FI	EUR	67.3	100	dormakaba International Holding GmbH
dormakaba Sverige AB, Västra Frölunda/SE	SEK	500.0	100	dormakaba Nederland B.V.
dormakaba Ukraine LLC, Kiev/UA	EUR	250.0	99	dormakaba International Holding GmbH
			1	dormakaba Deutschland GmbH
dormakaba Uruguay S.A, Montevideo/UY	UYU	10.8	100	dormakaba International Holding GmbH
dormakaba U.S. Holding Ltd., Wilmington/US	USD	235,000.0	59.52	dormakaba Schweiz AG
			17	dormakaba Nederland B.V.
			23.48	dormakaba International Holding AG
dormakaba USA Inc., Wilmington/US	USD	1.0	100	dormakaba U.S. Holding Ltd.
dormakaba Workforce Solutions LLC, Wilmington/US	USD	19.7	100	dormakaba U.S. Holding Ltd.
Eminence S.A.S., Guitrancourt/FR	EUR	5,866.0	100	dormakaba France S.A.S.
E Plus Building Products Pty. Ltd., Hallam/AU	AUD	0.2	100	E Plus Nominees Pty. Ltd.
Ezi Roll Doors Australia Pty. Ltd., Hallam/AU	AUD	7,500.0	100	Best Doors Australia Pty. Ltd.
Farpointe Data Inc., San Jose/US	USD	1,701.7	100	dormakaba USA Inc.
Fermatic S.A.S., Guitrancourt/FR	EUR	260.0	100	Eminence S.A.S.
Fermatic AFH S.A.S., Octeville-sur-Mer/FR	EUR	12.5	100	Eminence S.A.S.
Fermatic Agence Normandie S.A.S., Saint-Jacques-sur-Darnétal/FR	EUR	350.0	100	Eminence S.A.S.
Fermatic Fresnais S.A.S., Les Torches/FR	EUR	32.0	100	Eminence S.A.S.

Fermetures GROOM S.A.S., Javené/FR	EUR	1,500.0	100	dormakaba France S.A.S.
Forponto Informática S.A., São Paulo/BR	BRL	10.0	100	Task Sistemas de Computação S.A.
Gliderol International Pty. Ltd., Hallam/AU	AUD	5.0	100	Reliance Doors Pty. Ltd.
Gonen Automation Services B.V., Dordrecht/NL	EUR	18.2	100	AtiQx Holding B.V.
Grupo Klaus S.A.C., Lima/PE	PEN	11,516.2	100	dormakaba International Holding AG
H. Cillekens & ZN BV, Roermond/NL	EUR	15.9	100	dormakaba Nederland B.V.
Jaqmar Pty. Ltd., Hallam/AU	AUD	6,195.1	100	Best Doors Australia Pty. Ltd.
Kaba do Brasil Ltda., São Paulo/BR	BRL	32,051.2	100	dormakaba International Holding AG
dormakaba UK Holding Limited, Hitchin/GB	GBP	173.0	100	dormakaba International Holding AG
Kaba Holding AG, Rümlang/CH	CHF	100.0	100	dormakaba International Holding AG
Kaba Ilco Corp., Rocky Mount/US	USD	56,897.6	100	dormakaba U.S. Holding Ltd.
Kaba Jaya Security Sdn. Bhd., Selangor/MY	MYR	350.0	70	dormakaba Schweiz AG
			30	dormakaba International Holding AG
Kaba Ltd., Tiverton/GB	GBP	6,300.0	100	dormakaba UK Holding Limited
Kaba Mas LLC, Lexington/US	USD	880.7	100	dormakaba U.S. Holding Ltd.
Kilargo Pty. Ltd., Hallam/AU	AUD	1.0	100	dormakaba Holding Australia Pty. Ltd.
KIWS Property LLC, Delaware/US		N/A	100	dormakaba USA Inc.
dormakaba Trondheim A/S, Drammen/NO	NOK	100.0	100	dormakaba Norge A/S
Legic Identsystems AG, Wetzikon/CH	CHF	500.0	100	dormakaba Schweiz AG
Mauer Thüringen GmbH, Bad Berka/DE	EUR	255.7	100	dormakaba EAD GmbH
Minda Silca Engineering Pvt. Ltd., New Delhi/IN	INR	107,510.0	65	dormakaba International Holding AG
Modernfold Inc., Greenfield/US	USD	0.0	100	dormakaba USA Inc.
Modernfold of Nevada LLC., Greenfield/US	USD	0.0	100	Modernfold Inc.
MultiGlazingSystems Limited, Oldbury/GB	GBP	0.3	100	dormakaba UK Limited
Path Line (China) Ltd., Hong Kong/HK	HKD	113,900.0	100	Wah Yuet Hong Kong Limited
Perfect Lease S.A.S., Guitrancourt/FR	EUR	8.0	100	Fermatic S.A.S.
Poksundo GmbH, Villingen-Schwenningen/DE	EUR	62.5	60	dormakaba International Holding GmbH
Rafi Shapira & Sons Ltd., Rishon LeZion/IL	ILS	0.1	30	dormakaba International Holding GmbH
Reliance Doors Pty. Ltd., Hallam/AU	AUD	768.5	100	dormakaba Holding Australia Pty. Ltd.
Resolute Testing Laboratories Pty. Ltd., Hallam/AU	AUD	0.1	100	Kilargo Pty. Ltd.
R.T.R. Services Limited, Derbyshire/GB	GBP	6,270.0	100	dormakaba UK Limited
Seca Solutions A/S, Sandnes/NO	NOK	3,000.0	100	dormakaba Norge A/S
Serrurerie Chaudronnerie Bouffier Alain et Heurtaut Jean Claude SCBH S.A.S., Freneuse/FR	EUR	300.0	100	Eminence S.A.S.
Silca GmbH, Velbert/DE	EUR	358.0	100	dormakaba Holding GmbH + Co. KGaA
Silca Key Systems S.A., Barcelona/ES	EUR	162.3	100	dormakaba Holding GmbH + Co. KGaA
Silca S.A.S., Porcheville/FR	EUR	797.7	100	dormakaba France S.A.S.
Silca S.p.A., Vittorio Veneto/IT	EUR	10,000.0	97	dormakaba Holding GmbH + Co. KGaA
			3	dormakaba Schweiz AG
Silca South America S.A., Tocancipa/CO	COP	4,973,013.8	65.92	dormakaba International Holding AG
			32.52	dormakaba Schweiz AG
Skyfold Inc., Quebec/CA	CAD	113,994.5	100	dormakaba Canada Inc.
Smart Access Solutions Company Ltd., Riyadh/SA	SAR	25.0	100	dormakaba Middle East SPV Limited
SmartteQ B.V., Utrecht/NL	EUR	18.0	100	AtiQx Holding B.V.
Solus Security Systems Private Limited, Mumbai/IN	INR	100.0	100	dormakaba India Private Limited
Task Sistemas de Computação S.A., Rio de Janeiro/BR	BRL	26,438.7	100	dormakaba International Holding AG
TLHM Co. Ltd., Taiwan/TWN	TWD	270,000.0	100	dormakaba International Holding AG
Transquest Tag & Tracing Solutions B.V., Utrecht/NL	EUR	18.0	100	AtiQx Holding B.V.
WAH MEI Access Security Technology Co. LTD. Taishan/CN	USD	15,000.0	100	Wah Yuet Hong Kong Limited
Wah Yuet Hong Kong Limited, Hong Kong/HK	HKD	768,250.0	100	dormakaba Schweiz AG
Wah Yuet (Ng's) Overseas Co. Ltd., Tortola/VG	USD	13,289.0	100	Wah Yuet Hong Kong Limited

Apart from dormakaba Holding AG in Rümlang, none of the companies in the dormakaba Group's scope of consolidation is listed on a stock exchange. The registered shares of dormakaba Holding AG are traded on the SIX Swiss Exchange (security no./ISIN: 1179595/CH 0011795959). As at 30 June 2022, the company's market capitalization was CHF 1,740.3 million.

This disclosure meets the requirements of the GRI standards (Disclosure 102-45).

Consolidated financial statements
Primary statement
Performance
Operating assets and liabilities
Capital and financial risk management
Other financial information
Other disclosures
Report of the statutory auditor

Report of the statutory auditor

to the General Meeting of dormakaba Holding AG

Rümlang

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of dormakaba Holding AG and its subsidiaries (the Group), which comprise the consolidated income statement for the year ended 30 June 2022, the consolidated balance sheet as at 30 June 2022, the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 44 to 87) give a true and fair view of the consolidated financial position of the Group as at 30 June 2022 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

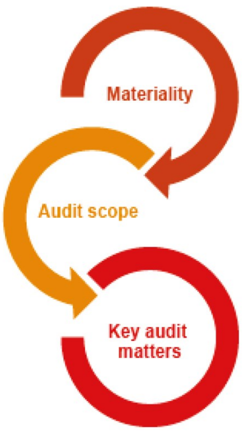
Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview



Overall Group materiality: CHF 11'500'000

We concluded full scope audit work at 47 reporting units in 20 countries.

Our audit scope addressed over 73% of the Group's revenue. In addition, specified procedures were performed on a further 2 reporting units in one country representing a further 2% of the Group's revenue. Reviews were performed for 36 reporting units in 22 countries addressing a further 10% of the Group’s revenue.

As key audit matter the following area of focus has been identified:

Revenue recognition

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due

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to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	CHF 11'500'000
Benchmark applied	Profit before tax (adjusted for effects resulting from sale of Mesker)
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured, and it is a generally accepted benchmark.

We agreed with the Audit Committee that we would report to them misstatements above CHF 575,000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group is structured along six reporting segments: Region Americas, Region Asia Pacific, Region Europe & Africa, Key & Wall Solutions, Global Research and Development and Corporate. In establishing the overall approach for the Group audit, we determined the type of work that needed to be performed by us, as the Group audit team and by component auditors from the other PwC network firms operating under our instructions. The Group consolidation, financial statement disclosures, acquisition and divestment accounting and the valuation of deferred tax assets are audited by the Group audit team. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work for those reporting units to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our audit opinion on the Group's financial statements as a whole. The Group audit team's involvement also included reading the reports from the component auditors and leading conference calls with component auditors to discuss their audit findings.

Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

Key audit matter	How our audit addressed the key audit matter
Total consolidated net sales of the financial year 2021/2022 amounted to CHF 2,756.9 million (2020/2021: CHF 2,499.7 million). Refer to note 1.2 “Net sales per major geographic markets”. Net sales includes all sales of goods and services, after deduction of freight expense of goods sold, sales commissions and other sales deductions, such as discounts and rebates. Sales from goods are recognized when all significant risks,	We obtained an understanding of the Group's policies, processes and methods regarding revenue recognition. During our audit, we analysed the process established to determine revenue recognition and we performed, on a sample basis, the following audit procedures for all full scope reporting components and for the reporting unit subject to specified procedures:

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rewards of ownership and control is transferred. Sales related to services are recognized when the service is provided. Distinctive components related to multi-element contracts are recognized separately. The risk for revenue being recognised in an incorrect period presents a key audit matter due to the financial significance and nature of net sales in the financial statements.	- We tested whether revenue is categorized and recognized in line with the dormakaba accounting policy. - We tested the occurrence and timing of revenue recognition of sales related to products by comparing individual sales transactions to delivery documents. - We tested the occurrence and timing of revenue related to individual services by comparing sales transactions to contracts, handover certificates or equivalent. Based on the audit procedures performed, we consider the risk of revenue recognition in an incorrect period to be adequately addressed by Management.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial

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statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Beat Inauen	Sandra Burgstaller
Audit expert Auditor in charge	Audit expert

Zürich, 25 August 2022

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