Consolidated Financial Statements

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Consolidated income statement

CHF million, except share amounts	Note	Financial year ended 30.06.2023	%	Financial year ended 30.06.2022 (restated)[1]	%
Net sales	1.2	**2,848.8**	**100.0**	**2,756.9**	**100.0**
Cost of goods sold		–1,711.6	–60.1	–1,675.4	–60.8
Gross margin		**1,137.2**	**39.9**	**1,081.5**	**39.2**
Sales and marketing		–484.3	–17.0	–449.5	–16.3
General administration		–283.0	–10.0	–265.8	–9.6
Research and development		–129.6	–4.5	–119.0	–4.3
Other operating income	1.4	10.8	0.4	17.5	0.6
Other operating expenses	1.4	–62.1	–2.2	–161.7	–5.9
Operating profit (EBIT)		**189.0**	**6.6**	**103.0**	**3.7**
Result from associates	4.2	0.6	0.0	0.3	0.0
Financial expenses	1.5	–48.9	–1.7	–29.5	–1.0
Financial income	1.5	1.5	0.1	1.1	0.0
Profit before taxes		**142.2**	**5.0**	**74.9**	**2.7**
Income taxes	1.6	–53.7	–1.9	–36.1	–1.3
Net profit		**88.5**	**3.1**	**38.8**	**1.4**
Net profit attributable to minority interests		42.8		19.5	
Net profit attributable to the owners of the parent		45.7		19.3	
Basic earnings per share in CHF	3.3	10.9		4.6	
Diluted earnings per share in CHF	3.3	10.9		4.6	
Adjusted EBITDA (Operating profit before depreciation and amortization)	1.1	**384.8**	**13.5**	**372.3**	**13.5**

1 dormakaba changed the choice of accounting policies for goodwill accounting as well as the Group internal accounting principles for IT cost allocation. To enable a fair comparison with the current year, the prior-year disclosures have been restated. Details are disclosed in chapter changes in accounting principles and restatement of previous period (5.1).

Consolidated balance sheet

Assets

CHF million	Note	Financial year ended 30.06.2023	%	Financial year ended 30.06.2022 (restated)[1]	%
Current assets					
Cash and cash equivalents		122.1	6.3	104.5	5.0
Trade receivables	2.1	461.2	23.7	482.8	23.3
Inventories	2.2	487.7	25.1	537.0	25.9
Current income tax assets		11.4	0.5	17.6	0.8
Other current assets	2.6	68.3	3.5	68.5	3.4
Total current assets		**1,150.7**	**59.1**	**1,210.4**	**58.4**
Non-current assets					
Property, plant, and equipment	2.3	398.1	20.5	409.9	19.8
Intangible assets	2.3	209.9	10.8	258.1	12.4
Investments in associates	4.2	0.9	0.0	0.3	0.0
Non-current financial assets	2.6	43.9	2.3	45.0	2.2
Deferred income tax assets	1.6	143.0	7.3	148.2	7.2
Total non-current assets		**795.8**	**40.9**	**861.5**	**41.6**
Total assets		**1,946.5**	**100.0**	**2,071.9**	**100.0**

[1] dormakaba changed the choice of accounting policies for goodwill accounting. To enable a fair comparison with the current year, the prior-year disclosures have been restated. Details are disclosed in chapter changes in accounting principles and restatement of previous period (5.1).

Liabilities and equity

CHF million	Note	Financial year ended 30.06.2023	%	Financial year ended 30.06.2022 (restated)[1]	%
Current liabilities					
Current borrowings	3.1	119.1	6.1	481.4	23.2
Trade payables		163.5	8.4	178.7	8.6
Current income tax liabilities		35.0	1.8	37.4	1.8
Accrued and other current liabilities	2.6	390.6	20.1	379.8	18.4
Provisions	2.4	18.3	0.9	24.4	1.2
Total current liabilities		**726.5**	**37.3**	**1,101.7**	**53.2**
Non-current liabilities					
Accrued pension costs and benefits	2.5	254.5	13.1	254.1	12.3
Deferred income tax liabilities	1.6	31.0	1.6	24.3	1.2
Non-current liabilities	3.1	599.9	30.8	331.2	15.9
Total non-current liabilities		**885.4**	**45.5**	**609.6**	**29.4**
Total liabilities		**1,611.9**	**82.8**	**1,711.3**	**82.6**
Equity					
Share capital	3.2	0.4	0.0	0.4	0.0
Additional paid-in capital		811.3	41.8	811.3	39.2
Retained earnings		–484.6	–24.9	–481.8	–23.2
Treasury shares	3.2	–9.1	–0.5	–16.0	–0.8
Translation exchange differences	3.4	–67.3	–3.5	–53.6	–2.6
Total equity owners of the parent		**250.7**	**12.9**	**260.3**	**12.6**
Minority interests		83.9	4.3	100.3	4.8
Total equity		**334.6**	**17.2**	**360.6**	**17.4**
Total liabilities and equity		**1,946.5**	**100.0**	**2,071.9**	**100.0**

[1] dormakaba changed the choice of accounting policies for goodwill accounting. To enable a fair comparison with the current year, the prior-year disclosures have been restated. Details are disclosed in chapter changes in accounting principles and restatement of previous period (5.1).

Consolidated cash flow statement

CHF million	Note	Financial year ended 30.06.2023	Financial year ended 30.06.2022 (restated)[1]
Net profit		**88.5**	**38.8**
Depreciation and amortization	2.3	136.8	239.0
Income tax expenses	1.6	53.7	36.1
Interest expenses	1.5	41.5	20.7
Interest income	1.5	–1.4	–0.8
(Gain) Loss on disposal of fixed assets, net		0.0	–1.6
Adjustment for other non-cash items		12.9	1.8
Change in trade receivables		–4.4	–54.9
Change in inventories		16.8	–105.1
Change in other current assets		–5.9	–2.7
Change in trade payables		–5.9	8.5
Change in accrued pension cost		6.2	0.7
Change in accrued and other current liabilities		24.6	7.9
Cash generated from operations		**363.4**	**188.4**
Income taxes paid		–42.3	–40.3
Interest paid		–34.1	–21.6
Interest received		1.4	0.8
Net cash from operating activities		**288.4**	**127.3**
Cash flows from investing activities			
Additions of property, plant, and equipment	2.3	–61.5	–52.7
Proceeds from sale of property, plant, and equipment	2.3	1.1	2.7
Additions of intangible assets	2.3	–37.0	–25.8
Change in non-current financial assets		–1.8	–0.3
Acquisition of subsidiaries, net of cash acquired	4.3	–12.3	–92.1
Sale of subsidiaries, net of cash sold	4.3	–0.3	9.3
Net cash used in investing activities		**–111.8**	**–158.9**
Free cash flow	5.2	**176.6**	**–31.6**
Cash flows from financing activities			
Repayment of bond	3.1	0.0	–340.1
New bonds issued	3.1	274.2	0.0
Other proceeds from (repayment of) current borrowings, net	3.1	–357.5	439.0
Proceeds from (repayment of) non-current borrowings, net	3.1	–1.9	–1.1
Change in other non-current liabilities		–0.1	–1.2
Dividends paid to company's shareholders	3.3	–48.1	–52.2
Dividends paid to minority shareholders		–43.4	–44.8
(Purchase) Sale of treasury shares	3.2	–1.0	0.0
Net cash flows from financing activities		**–177.8**	**–0.4**
Translation exchange differences		18.8	–32.6
Net increase (decrease) in cash and cash equivalents		**17.6**	**–64.6**
Cash and cash equivalents at beginning of period		104.5	169.1
Cash and cash equivalents at end of period		122.1	104.5
Net increase (decrease) in cash and cash equivalents		**17.6**	**–64.6**

[1] dormakaba changed the choice of accounting policies for goodwill accounting. To enable a fair comparison with the current year, the prior-year disclosures have been restated. Details are disclosed in chapter changes in accounting principles and restatement of previous period (5.1).

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 30.06.2023	**0.4**	**811.3**	**–484.6**	**0.0**	**–9.1**	**–67.3**	**83.9**	**334.6**
Net profit for the reporting period			45.7				42.8	88.5
Currency translation adjustments						–13.7	–15.4	–29.1
Dividend paid (see note 3.3)			–48.1				–43.4	–91.5
Shares awarded (share-based compensation)			–0.4		7.9		–0.4	7.1
Treasury shares (purchased) re-issued					–1.0			–1.0
Balance at 30.06.2022 (restated)[1]	**0.4**	**811.3**	**–481.8**	**0.0**	**–16.0**	**–53.6**	**100.3**	**360.6**
Net profit for the reporting period			19.3				19.5	38.8
Currency translation adjustments						–19.2	–20.5	–39.7
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 01.07.2021 (restated)[1]	**0.4**	**811.3**	**–449.0**	**0.0**	**–23.0**	**–34.4**	**146.0**	**451.3**
Effect of changes in accounting policies (restatement)	0.0	0.0	–1,767.7	1,890.6	0.0	–25.1	88.6	186.4
Balance at 01.07.2021 (before restatement)	**0.4**	**811.3**	**1,318.7**	**–1,890.6**	**–23.0**	**–9.3**	**57.4**	**264.9**

[1] dormakaba changed the choice of accounting policies for goodwill accounting. To enable a fair comparison with the current year, the prior-year disclosures have been restated. Details are disclosed in chapter changes in accounting principles and restatement of previous period (5.1).

Notes to the consolidated financial statements for the financial year 2022/23

1. Performance

This section provides information on the operational performance of dormakaba Group and the current operating model, the outlook on the organizational changes and its implication on the operating model, as well as on the future segment disclosure. 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 2,848.8 million, growth of 3.3%
- Organic sales growth of 8.4%
- Adjusted EBITDA increased by 3.4% to CHF 384.8 million with an adjusted EBITDA margin of 13.5%
- Net profit of CHF 88.5 million
- Operating cash flow margin increased to 10.1%
- Dividend proposal of CHF 9.50 per share

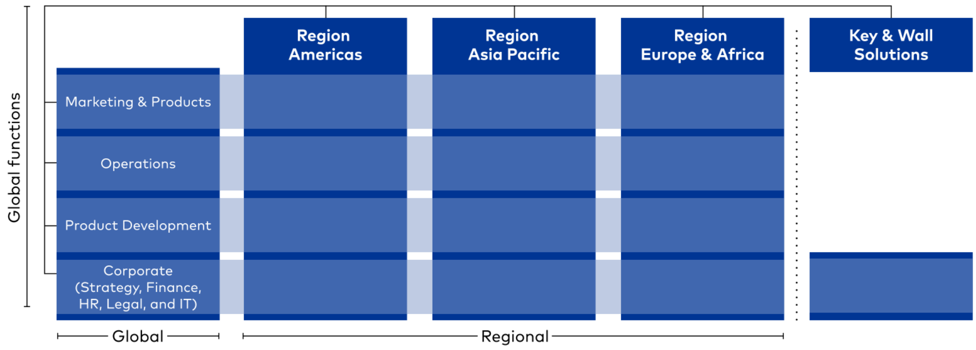
1.1 Segment reporting

Operating model until 30 June 2023

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 a standalone global segment.



Region Americas covers North and South America.

Region Asia Pacific covers the Markets ASEAN, Greater China, India, Pacific & North Asia, and 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 operates 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 (Finance, HR, IT, Legal, and Strategy) 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 financial performance of the Regions is measured at full value contribution to the performance of the Group to improve financial steering, transparency, and accountability. 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.

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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 selected residential markets.

With a clear portfolio segmentation, dormakaba focuses on its global core businesses Access Automation Solutions (door operators, sliding doors and revolving doors), Access Control Solutions (connected devices and engineered solutions), Access Hardware Solutions (door closers, exit devices, and mechanical, key systems) and Services. The Group is also a market leader for Key Systems (key blanks, key cutting machines, and automotive solutions such as transponder keys and programmers), as well as Movable Walls including acoustic movable partitions and horizontal and vertical partitioning systems.

Segment reporting

CHF million	Financial year ended 30.06.2023	Financial year ended 30.06.2022 (restated) [1]	Financial year ended 30.06.2023	Financial year ended 30.06.2022 (restated) [1]	Financial year ended 30.06.2023	Financial year ended 30.06.2022 (restated) [1]
	Region Americas		Region Asia Pacific		Region Europe & Africa	
Net sales third parties	772.2	736.8	542.5	543.1	1,152.5	1,125.7
Intercompany sales	9.6	7.9	29.7	30.9	14.0	18.8
Total sales	**781.8**	**744.7**	**572.2**	**574.0**	**1,166.5**	**1,144.5**
Adjusted EBIT (Operating profit)	**130.7**	**114.7**	**75.5**	**84.4**	**192.4**	**206.3**
as % of sales	16.7%	15.4%	13.2%	14.7%	16.5%	18.0%
Adjusted depreciation and amortization	15.0	15.5	17.1	16.8	27.4	26.3
Adjusted EBITDA (Operating profit before depreciation and amortization)	**145.7**	**130.2**	**92.6**	**101.2**	**219.8**	**232.6**
as % of sales	18.6%	17.5%	16.2%	17.6%	18.8%	20.3%

			Eliminations		Sales Regions Total	
Net sales third parties			0.0	0.0	2,467.2	2,405.6
Intercompany sales			–45.4	–49.5	7.9	8.1
Total sales			**–45.4**	**–49.5**	**2,475.1**	**2,413.7**
Adjusted EBIT (Operating profit)			**0.2**	**3.5**	**398.8**	**408.9**
as % of sales			–0.4%	–7.1%	16.1%	16.9%
Adjusted depreciation and amortization			0.0	0.0	59.5	58.6
Adjusted EBITDA (Operating profit before depreciation and amortization)			**0.2**	**3.5**	**458.3**	**467.5**
as % of sales			–0.4%	–7.1%	18.5%	19.4%

	Key & Wall Solutions		Global Research and Development		Corporate	
Net sales third parties	381.6	351.3	0.0	0.0	0.0	0.0
Intercompany sales	13.4	12.8	0.0	0.0	0.0	0.0
Total sales	**395.0**	**364.1**	**0.0**	**0.0**	**0.0**	**0.0**
Adjusted EBIT (Operating profit)	**61.0**	**39.8**	**–105.8**	**–104.9**	**–46.5**	**–50.4**
as % of sales	15.4%	10.9%	0.0%	0.0%	0.0%	0.0%
Adjusted depreciation and amortization	10.1	10.5	5.7	4.3	2.0	5.5
Adjusted EBITDA (Operating profit before depreciation and amortization)	**71.1**	**50.3**	**–100.1**	**–100.6**	**–44.5**	**–44.9**
as % of sales	18.0%	13.8%	0.0%	0.0%	0.0%	0.0%

			Eliminations		Group	
Net sales third parties			0.0	0.0	2,848.8	2,756.9
Intercompany sales			–21.3	–20.9	0.0	0.0
Total sales			**–21.3**	**–20.9**	**2,848.8**	**2,756.9**
Adjusted EBIT (Operating profit)			**0.0**	**0.0**	**307.5**	**293.4**
as % of sales			0.0%	0.0%	10.8%	10.6%
Adjusted depreciation and amortization			0.0	0.0	77.3	78.9
Adjusted EBITDA (Operating profit before depreciation and amortization)			**0.0**	**0.0**	**384.8**	**372.3**
as % of sales			0.0%	0.0%	13.5%	13.5%

1 Details on the restatement are disclosed in chapter changes in accounting principles and restatement of previous period (5.1).

CHF million	Financial year ended 30.06.2023	Financial year ended 30.06.2022[1]
Net working capital		
Group	**694.0**	**751.3**
Region Americas	139.6	147.0
Region Asia Pacific	119.2	139.2
Region Europe & Africa	193.3	187.0
Operations	172.7	205.0
Key & Wall Solutions	86.6	87.8
Corporate	–17.4	–14.7

1 The internal functional allocation relating to the new operating model implemented as of January 2022 was further improved. To enable a fair comparison with the current year, prior-year disclosure was adjusted accordingly.

CHF million	Financial year ended 30.06.2023	Financial year ended 30.06.2022
Capital expenditure		
Group	**98.5**	**78.5**
Region Americas	5.4	3.4
Region Asia Pacific	5.7	6.0
Region Europe & Africa	5.9	4.4
Operations	31.8	31.7
Key & Wall Solutions	10.2	7.8
Global Research and Development	15.8	10.1
Corporate	23.7	15.1

Reconciliation of operational figures

	Financial year ended 30.06.2023			Financial year ended 30.06.2022 (restated)[2]		
CHF million	Adjusted	IAC[1]	Unadjusted	Adjusted	IAC[1]	Unadjusted
Operating profit before depreciation and amortization (EBITDA)	**384.8**	**–59.0**	**325.8**	**372.3**	**–30.3**	**342.0**
Depreciation and amortization	–77.3	–59.5	–136.8	–78.9	–160.1	–239.0
Operating profit (EBIT)	**307.5**	**–118.5**	**189.0**	**293.4**	**–190.4**	**103.0**

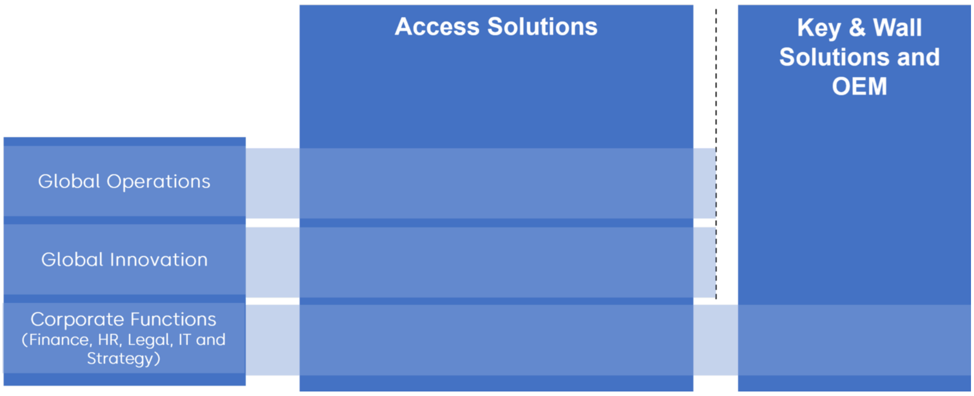
1 Content of items affecting comparability (IAC) is described in the note alternative performance measures (APM) (5.2).
2 Details on the restatement are disclosed in chapter changes in accounting principles and restatement of previous period (5.1).

Operating model and organizational structure as of 1 July 2023

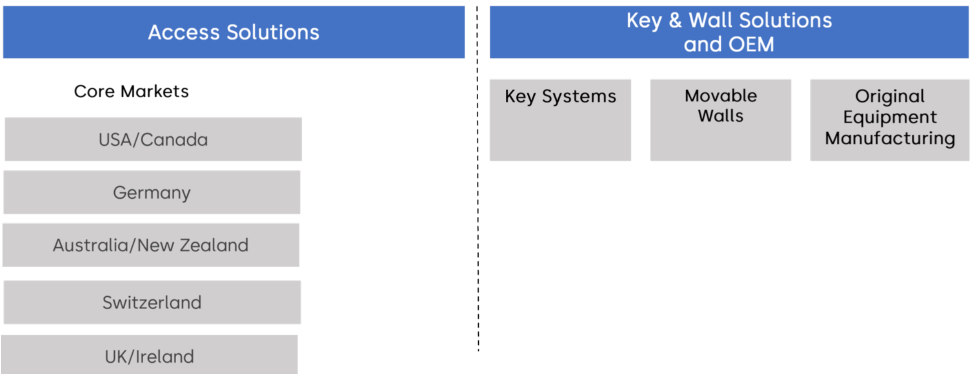
In line with its Shape4Growth strategy to boost profitable volume growth, dormakaba continues to strengthen its operating model by further optimizing its organizational structure.

The organizational structure was simplified by moving all AS commercial business into one functional unit under one leadership of a Chief Commercial Officer (CCO) with continued support by Global Functions Operations and Innovation. The company's seven key markets (USA/Canada, Germany, Australia/New Zealand, Switzerland, UK/Ireland, China, and India) are now reporting directly to the CCO; together they represent 65% of Access Solutions sales. The original equipment manufacturing (OEM) business of Region Asia Pacific was moved to Key & Wall Solutions and the segment was renamed accordingly to Key & Wall Solutions and OEM.

Operating model



Organizational structure



Segment reporting as of 1 July 2023

CHF million	Financial year ended 30.06.2023	Financial year ended 30.06.2022	Financial year ended 30.06.2023	Financial year ended 30.06.2022	Financial year ended 30.06.2023	Financial year ended 30.06.2022
		Access Solutions		Key & Wall Solutions and OEM		Corporate
Net sales third parties	2,409.4	2,330.5	439.4	426.4	0.0	0.0
Intercompany sales	4.7	4.7	46.9	48.0	0.0	0.0
Total sales	**2,414.1**	**2,335.2**	**486.3**	**474.4**	**0.0**	**0.0**
Adjusted EBIT (Operating profit)	**284.7**	**296.5**	**69.3**	**47.3**	**–46.5**	**–50.4**
as % of sales	11.8%	12.7%	14.3%	10.0%	0.0%	0.0%
Adjusted depreciation and amortization	61.8	59.3	13.5	14.1	2.0	5.5
Adjusted EBITDA (Operating profit before depreciation and amortization)	**346.5**	**355.8**	**82.8**	**61.4**	**–44.5**	**–44.9**
as % of sales	14.4%	15.2%	17.0%	12.9%	0.0%	0.0%
				Eliminations		Group
Net sales third parties			0.0	0.0	2,848.8	2,756.9
Intercompany sales			–51.6	–52.7	0.0	0.0
Total sales			**–51.6**	**–52.7**	**2,848.8**	**2,756.9**
Adjusted EBIT (Operating profit)			**0.0**	**0.0**	**307.5**	**293.4**
as % of sales			0.0%	0.0%	10.8%	10.6%
Adjusted depreciation and amortization			0.0	0.0	77.3	78.9
Adjusted EBITDA (Operating profit before depreciation and amortization)			**0.0**	**0.0**	**384.8**	**372.3**
as % of sales			0.0%	0.0%	13.5%	13.5%

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1.2 Net sales per geographical markets / business units

CHF million	Financial year ended 30.06.2023	Financial year ended 30.06.2022
Net sales to third parties[1]		
USA/Canada	717.8	688.1
Germany	304.1	298.1
Australia/New Zealand	212.8	196.0
Switzerland	212.6	202.7
UK/Ireland	111.9	114.6
Rest of the World AS	850.2	831.0
Total Access Solutions	**2,409.4**	**2,330.5**
Key & Wall Solutions and OEM	439.4	426.4
Total Group	**2,848.8**	**2,756.9**

1 Table adjusted to the operating model and organizational structure as of 1 July 2023.

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, except FTE	Financial year ended 30.06.2023	%	Financial year ended 30.06.2022	%
Personnel expenses	**1,127.9**	**100.0**	**1,093.9**	**100.0**
Salaries and wages	905.5	80.3	877.6	80.3
Social security expenses	170.4	15.1	175.5	16.0
Share-based payments	7.1	0.6	7.0	0.6
Pension cost (see note 2.5)	35.6	3.2	27.0	2.5
Employment termination expenses	8.3	0.7	6.0	0.5
Other benefits	1.0	0.1	0.8	0.1
Employees at balance sheet date	**15,352**		**15,795**	
Average number of full-time equivalent employees	**15,519**		**15,495**	
Average number of employees per segment[1]	**15,519**	**100.0**	**15,495**	**100.0**
Region Americas	1,534	9.9	1,730	11.1
Region Asia Pacific	3,561	22.9	3,527	22.8
Region Europe & Africa	4,093	26.4	3,932	25.4
Operations	3,225	20.8	3,188	20.6
Key & Wall Solutions	1,905	12.3	1,918	12.4
Global Research and Development	698	4.5	653	4.2
Corporate	503	3.2	547	3.5
Average number of employees per geographical region	**15,519**	**100.0**	**15,495**	**100.0**
Switzerland	932	6.0	886	5.7
Germany	2,788	18.0	2,768	17.9
Rest of EMEA	4,018	25.9	3,842	24.8
Americas	3,462	22.3	3,680	23.7
Asia Pacific	4,319	27.8	4,319	27.9

1 The internal functional allocation relating to the new operating model implemented as of January 2022 was further improved. To enable a fair comparison with the current year, prior-year disclosure was adjusted accordingly.

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 2022/23 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).

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

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 Other operating expenses

CHF million	Financial year ended 30.06.2023	Financial year ended 30.06.2022 (restated)[1]
Total other operating expenses	**–62.1**	**–161.7**
Goodwill amortization	–59.5	–152.3
Loss from sale of subsidiaries	0.0	–8.0
Other operating expenses	–2.6	–1.4

[1] Details on the restatement are disclosed in chapter changes in accounting principles and restatement of previous period (5.1).

1.5 Financial result

CHF million	Note	Financial year ended 30.06.2023	Financial year ended 30.06.2022 (restated)[1]
Financial income		**1.5**	**1.1**
Interest income		1.4	0.8
Other financial income		0.1	0.3
Financial expense		**48.9**	**29.5**
Interest expenses for bonds	3.1	10.6	3.5
Interest expenses for forward contracts	3.4	14.4	5.4
Other interest expenses		16.5	11.8
Foreign exchange losses (gains)	3.4	4.3	6.0
Other financial expenses		3.1	2.8

[1] Details on the restatement are disclosed in chapter changes in accounting principles and restatement of previous period (5.1).

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1.6 Taxes

Income taxes

The weighted applicable tax rate results from applying each subsidiary's statutory income tax rate to the income before taxes. Since the group operates in countries that have different tax rates, the weighted applicable tax rate may vary from year to year according to variations in income per country and changes in applicable tax rates.

CHF million	Financial year ended 30.06.2023	Financial year ended 30.06.2022 (restated)[1]
Profit before taxes	**142.2**	**74.9**
Weighted applicable tax rate	24.8%	24.9%
Tax calculated at applicable tax rate	**35.3**	**18.6**
Current income taxes	48.7	49.3
Deferred income taxes	5.0	–13.2
Income taxes	**53.7**	**36.1**
Difference between applicable and effective income taxes	**18.4**	**17.5**
Impact of losses and tax loss carryforwards	–3.3	1.3
Tax-exempt income	–3.8	–2.6
Non-deductible expenses	6.3	5.2
Non-deductible goodwill amortization	14.8	19.9
Non-recoverable withholding tax expenses	3.4	2.2
Effect of change in tax rates	2.2	–0.4
Tax charges (credits) relating to prior periods, net	–0.3	–6.1
Other	–0.9	–2.0
Income taxes charged to equity	–0.7	0.2

1 Details on the restatement are disclosed in chapter changes in accounting principles and restatement of previous period (5.1).

The effective income tax rate of 37.8% (2021/22: 48.5%) is significantly impacted by the amortization of goodwill (see note changes in accounting principles and restatement of previous period (5.1)). Amortization of goodwill that is non-deductible for tax purposes results in an increase of the effective tax rate. The impact from "non-deductible goodwill amortization" is disclosed separately in the reconciliation above. Without this impact, the effective tax rate is 26.6% (2021/22: 22.9%). The lower rate in the previous year was mainly due to significant tax charges and credits of CHF 6.1 million relating to years before the financial year 2021/22.

Deferred taxes

CHF million	Financial year ended 30.06.2023	Financial year ended 30.06.2022
Balance sheet presentation of deferred income taxes		
Total deferred income taxes, net	**112.0**	**123.9**
Deferred income tax assets	143.0	148.2
Deferred income tax liabilities	31.0	24.3
Expiration of tax loss carryforwards not recognized as deferred tax assets		
Balance of tax loss carryforwards at end of financial year	**122.4**	**146.0**
Expiry in 1 year	2.1	2.5
Expiry in 2 to 5 years	16.1	18.7
Expiry after 5 years	8.5	13.4
No expiry	95.7	111.4

These financial statements have been prepared without recognition of deferred tax assets and liabilities nor top-up taxes related to the 'International Tax Reform – Pillar Two'. Developments are closely monitored, and it is expected that for dormakaba the Pillar Two rules will come into effect for the first time in the financial year 2024/25.

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 30.06.2023			Financial year ended 30.06.2022		
CHF million	Gross	Allow.	Net	Gross	Allow.	Net
Trade receivables	**477.8**	**–16.6**	**461.2**	**500.5**	**–17.7**	**482.8**
Not yet due	350.7	–0.4	350.3	365.8	–0.4	365.4
1–30 day(s) overdue	52.2	–0.3	51.9	55.2	–0.3	54.9
31–60 days overdue	21.8	–0.1	21.7	23.1	–0.1	23.0
61–90 days overdue	14.2	–0.2	14.0	16.0	–0.1	15.9
91–120 days overdue	6.9	–0.2	6.7	7.3	–0.3	7.0
121–150 days overdue	4.6	–0.3	4.3	3.5	–0.3	3.2
More than 150 days overdue	27.4	–15.1	12.3	29.6	–16.2	13.4

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 30.06.2023	Financial year ended 30.06.2022
Inventories, net	**487.7**	**537.0**
Allowance for obsolete and slow-moving items	63.9	59.6
Inventories, gross	**551.6**	**596.6**
Raw materials and supplies	262.5	284.1
Semi-finished goods and work in progress	78.8	79.6
Finished goods	202.6	225.0
Prepayments to suppliers	7.7	7.9

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, fixtures and other	Pre-payments	Total property, plant, and equipment
30 June 2023, net	**204.0**	**110.8**	**51.0**	**32.3**	**398.1**
30 June 2022, net	**215.8**	**122.3**	**49.4**	**22.4**	**409.9**
Cost 30 June 2023	**326.6**	**362.1**	**197.7**	**32.3**	**918.7**
Additions	4.7	9.5	20.4	26.9	61.5
Disposals	–0.1	–5.3	–4.3	–0.8	–10.5
Reclassifications	0.7	9.8	3.8	–15.0	–0.7
Acquisition of businesses	0.0	0.0	0.1	0.0	0.1
Translation exchange differences	–11.4	–17.6	–8.9	–1.2	–39.1
30 June 2022	**332.7**	**365.7**	**186.6**	**22.4**	**907.4**
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	–12.7	–13.3	–7.3	–0.4	–33.7
Translation exchange differences	–7.2	–9.4	–8.7	–0.9	–26.2
1 July 2021	**343.9**	**361.7**	**187.7**	**24.6**	**917.9**
Estimated useful life (in years)	20-50 [1]	4-15	3-15		
Accumulated depreciation 30 June 2023	**122.6**	**251.3**	**146.7**	**0.0**	**520.6**
Additions	9.2	24.0	19.3	0.0	52.5
Disposals	–0.1	–4.9	–4.1	0.0	–9.1
Reclassifications	–0.5	0.1	0.4	0.0	0.0
Translation exchange differences	–2.9	–11.3	–6.1	0.0	–20.3
30 June 2022	**116.9**	**243.4**	**137.2**	**0.0**	**497.5**
Additions	9.1	25.4	20.6	0.0	55.1
Disposals	–1.0	–4.6	–4.4	0.0	–10.0
Reclassifications	0.7	0.5	–1.4	0.0	–0.2
Divestment of businesses	–1.5	–7.5	–5.4	0.0	–14.4
Translation exchange differences	–2.0	–6.7	–6.3	0.0	–15.0
1 July 2021	**111.6**	**236.3**	**134.1**	**0.0**	**482.0**

[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	Goodwill (restated) [1]	Software	Develop-ment	Other	Total intangible assets (restated) [1]
30 June 2023, net	**110.7**	**53.8**	**41.8**	**3.6**	**209.9**
30 June 2022, net	**170.3**	**48.9**	**31.6**	**7.3**	**258.1**
Cost 30 June 2023	**2,229.4**	**115.5**	**68.1**	**39.6**	**2,452.6**
Additions	0.0	18.6	15.8	2.6	37.0
Disposals	0.0	–0.3	–1.2	0.0	–1.5
Reclassifications	0.0	3.7	0.0	–3.0	0.7
Acquisition of businesses	8.1	0.0	0.0	0.0	8.1
Translation exchange differences	–97.9	–2.6	–1.2	–1.3	–103.0
30 June 2022	**2,319.2**	**96.1**	**54.7**	**41.3**	**2,511.3**
Additions	0.0	12.7	10.1	3.0	25.8
Disposals	0.0	–2.9	–0.5	–2.3	–5.7
Reclassifications	0.0	4.0	1.8	–5.4	0.4
Acquisition of businesses	118.0	0.2	0.0	0.1	118.3
Divestment of businesses	–50.8	0.0	0.0	0.0	–50.8
Translation exchange differences	14.9	–5.5	–0.7	–2.8	5.9
1 July 2021	**2,237.1**	**87.6**	**44.0**	**48.7**	**2,417.4**
Estimated useful life (in years)	5-20	2-5	2-5	2-5	
Accumulated amortization 30 June 2023	**2,118.7**	**61.7**	**26.3**	**36.0**	**2,242.7**
Additions	59.5	16.4	5.2	3.2	84.3
Disposals	0.0	–0.4	–1.2	–0.1	–1.7
Translation exchange differences	–89.7	–1.5	–0.8	–1.1	–93.1
30 June 2022	**2,148.9**	**47.2**	**23.1**	**34.0**	**2,253.2**
Additions	152.3	15.3	3.8	5.3	176.7
Disposals	0.0	–2.7	–0.5	–2.4	–5.6
Reclassifications	0.0	0.6	0.3	–0.7	0.2
Divestment of businesses	–50.8	0.8	0.0	–0.1	–50.1
Translation exchange differences	17.3	–2.3	–0.3	–2.3	12.4
1 July 2021	**2,030.1**	**35.5**	**19.8**	**34.2**	**2,119.6**

1 Details on the restatement are disclosed in chapter changes in accounting principles and restatement of previous period (5.1).

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Intangible assets are capitalized at cost, amortized using the straight-line method over their useful life.

Goodwill represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquired business, and the book value as at the acquisition date of any previous equity interest in the acquired business over the fair value of the Group's share of the net assets acquired, without separate capitalization of intangible assets that have not been recognized previously. If the purchase price contains elements that are dependent on future results, they are estimated at and recognized at the date of acquisition. In the event of any deviations when the definitive purchase price is settled, the goodwill is adjusted accordingly (see note business combinations and divestments (4.3)). The estimated useful life is determined on a case-by-case basis and may not exceed 20 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 intangibles consist mainly of licenses, patents and advance payments. The useful life of software, developments, and other intangible assets are determined on a case-by-case basis and range from 2 to 5 years.

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 or the net selling price 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 2023	**11.0**	**0.0**	**7.3**	**18.3**
Additions	8.0	0.0	3.9	11.9
Releases	–1.5	–1.5	–1.8	–4.8
Usage	–5.6	–4.0	–2.7	–12.3
Translation exchange differences	–0.4	0.0	–0.5	–0.9
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 1 July 2021	**13.3**	**4.2**	**9.2**	**26.7**

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	Economic part of the corporation Financial year ended 30.06.2023	Economic part of the corporation Financial year ended 30.06.2022	Translation differences	Change to previous year period or recognized in current result of the period, respectively	Contri-butions concerning the business period	Pension benefit expenses within personnel expenses Financial year ended 30.06.2023	Pension benefit expenses within personnel expenses Financial year ended 30.06.2022
Total	**254.5**	**254.1**	**−4.8**	**4.0**	**31.6**	**35.6**	**27.0**
Pension institutions with surplus					11.5	11.5	10.7
Pension institutions without surplus/deficit					15.4	15.4	13.6
Pension institutions without own assets	227.3	228.1	−4.8	4.0	4.7	8.7	2.7
Other long-term employee benefits	27.2	26.0					

CHF million	Financial year ended 30.06.2023	Financial year ended 30.06.2022
Pension benefit expenses within personnel expenses	**35.6**	**27.0**
Decrease/increase economic obligation from pension institutions without own assets	8.7	2.7
Contributions and changes employer contribution reserves	**26.9**	**24.3**
Contributions to pension institutions from Group entities	26.9	24.3

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. As per December 2022, the surplus of the pension plans amounts to CHF 34.1 million; 9% (December 2021: CHF 63.7 million; 17%). 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 30.06.2023	Financial year ended 30.06.2022
Other current assets		**68.3**	**68.5**
Prepaid expenses		20.6	22.6
Retentions		8.7	7.9
Sales, withholding and other recoverable taxes		35.7	33.2
Fair value of forward contracts	3.4	0.2	2.3
Other receivables and miscellaneous		3.1	2.5
Non-current financial assets		**43.9**	**45.0**
Loans		11.6	9.9
Pension-related assets		15.7	17.4
Long-term prepaid expenses		6.9	8.0
Long-term held securities		9.7	9.7

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 30.06.2023	Financial year ended 30.06.2022
Accrued and other current liabilities		**390.6**	**379.8**
Advances from customers		49.3	50.5
Deferred income		42.1	39.3
Sales, withholding and other tax payable		37.6	37.9
Payables to social security and pension fund		14.7	18.9
Accruals for salary payments, bonuses, vacation, overtime and other employee benefits		137.0	131.7
Accrued interest		9.7	2.4
Fair value of forward contracts	3.4	1.3	0.7
Other accruals and current non-interest-bearing liabilities		98.9	98.4

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.

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.

Due to the war in Ukraine and geopolitical tensions, the comprehensive crisis management measures initiated by the Group Executive Board in financial year 2019/20 were continued. Measures are focusing on the net working capital management, which also includes strict credit management and collection discipline on the trade receivables as well as restrictions on capital expenditures. The restrictive measures were weighed against generating sales with customers and the need for safety stock to ensure supply capability in the face of inflationary pressure on raw material prices and increased transport costs. Daily monitoring of the liquidity and as well as the financial debt status on Group level, including financial covenants and undrawn credit facilities, was also continued.

Borrowings and other financial liabilities

CHF million	Financial year ended 30.06.2023	Financial year ended 30.06.2022
Current borrowings	**119.1**	**481.4**
Short-term bank loans and overdrafts	110.0	473.4
Current portion of other non-current liabilities	9.1	8.0
Non-current liabilities	**599.9**	**331.2**
Bonds	594.5	320.2
Other non-interest bearing liabilities	0.0	4.7
Other interest-bearing liabilities	5.4	6.3

Credit facility

As of 30 June 2023, short-term bank loans and overdrafts amount to CHF 110.0 million (2021/22: CHF 473.4 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 reported EBITDA rolling 12 months). As of 30 June 2023 and throughout the 2022/23 financial year, dormakaba complied with the financial covenant.

In October 2022, a new bond in the amount of CHF 275 million was issued with an interest rate of 3.75% and a duration of 5 years. With the collected funds and own cash, the CHF 300 million credit facility “bridge to bond”, secured in June 2022, was fully repaid.

Net debt

Disclosed below are the corresponding key figures as at 30 June 2023 and 30 June 2022, respectively, including the maturities.

	Financial year ended 30.06.2023				Financial year ended 30.06.2022			
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	110.0			110.0	473.4			473.4
Bonds		594.5		594.5		320.2		320.2
Other liabilities	9.1	2.6	2.8	14.5	8.0	7.7	3.3	19.0
Cash and cash equivalents	–122.1			–122.1	–104.5			–104.5
Net debt	**–3.0**	**597.1**	**2.8**	**596.9**	**376.9**	**327.9**	**3.3**	**708.1**
Adjusted EBITDA				384.8				372.3
Net debt/Adjusted EBITDA (Leverage)				**1.6x**				**1.9x**

The interest expenses for 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 (1.5).

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

As per 14 October 2022, dormakaba Finance AG, a Group company of dormakaba Holding AG, issued a new Swiss domestic bond worth CHF 275 million at an interest rate of 3.75% and a maturity of 5 years (ISIN CH1206367497). The CHF 320 million issued by dormakaba Finance AG in October 2017 will mature in October 2025 (ISIN CH0384629892).

CHF million	Coupon % p.a.	Financial year ended 30.06.2023	Coupon % p.a.	Financial year ended 30.06.2022
Bonds (at fixed interest rates)		**594.5**		**320.2**
CHF 320 million bond 2017 – 2025 Payment date: 13 October 2017 Issue price: 100.46%	1.000	320.1	1.000	320.2
CHF 275 million bond 2022 – 2027 Payment date: 14 October 2022 Issue price: 100.00%	3.750	274.4	–	–

The interest expenses for the bonds amount to CHF 10.6 million in 2022/23 (2021/22: CHF 3.5 million). This is disclosed in the note on the financial result (1.5).

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 2023, 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 2023 amounted to CHF 42,438.40.

In accordance with the resolution of the Annual General Meeting (AGM) of 12 October 2021, the Board of Directors (BoD) is authorized to increase the share capital by no later than 12 October 2023 up to a maximum amount of CHF 42,000 by issuing a maximum of 420,000 fully paid-in registered shares with 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 2022/23 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 30.06.2023			Financial year ended 30.06.2022		
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	**13,577**	**672.58**	**9.1**	**21,624**	**740.99**	**16.0**
Purchases of treasury shares	2,600	369.85	1.0	4	675.00	0.0
Shares awarded (share-based compensation)	–10,647	737.59	–7.9	–9,639	726.24	–7.0
Treasury shares as at 1 July	21,624	740.99	16.0	31,259	736.45	23.0

In the 2022/23 financial year, a total of 10,647 shares (2021/22: 9,639 shares) were allocated. 6,862 shares (4,984 restricted and 1,878 performance shares) were vested as part of the long-term incentive stock award plans (2021/22: 7,552 shares made up of 4,307 restricted and 3,245 performance shares). In addition, 3,785 restricted shares (2021/22: 2,087 restricted shares) were allocated to the BoD members. Further information on the long-term incentive stock award plans is included in the Compensation Report.

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3.3 Earnings per share and dividends

Earnings per share

Number of shares, except where indicated	Financial year ended 30.06.2023	Financial year ended 30.06.2022 (restated)[1]
Net profit attributable to the owners of the parent in CHF million	45.7	19.3
For basic number of shares		
Number of shares outstanding at end of financial year	**4,186,449**	**4,178,402**
Own shares (acquired)/reissued	8,047	9,635
Number of shares outstanding at beginning of financial year	4,178,402	4,168,767
Weighted average number of shares outstanding (basic)	4,184,179	4,174,363
Basic earnings per share in CHF	**10.9**	**4.6**
For diluted number of shares		
Weighted average number of shares outstanding (basic)	4,184,179	4,174,363
Eligible shares under stock award plans	26,751	19,496
Weighted average number of shares outstanding (diluted)	4,210,930	4,193,859
Diluted earnings per share in CHF	**10.9**	**4.6**

[1] Details on the restatement are disclosed in chapter changes in accounting principles and restatement of previous period (5.1).

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 (5.4).

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.

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Dividends

CHF million, except where indicated	CHF per share [1]	Financial year ended 30.06.2023 [2,3]	CHF per share	Financial year ended 30.06.2022 [4,5]	CHF per share	Financial year ended 30.06.2021 [5]
Dividend for the financial year	**9.50**	**39.8**	**11.50**	**48.1**	**12.50**	**52.2**
Net profit attributable to the owners of the parent		76.9		95.4		100.8
Dividend payout ratio in %		51.7		50.4		51.7

1 In 2022/23: proposal to the AGM; distribution of an equal share from the reserves from capital contributions and from statutory retained earnings. Date of payment: 11 October 2023 (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 2023 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 impact of the goodwill amortization when determining the dividend, the net profit attributable to owners of the parent company has been adjusted by CHF 31.2 million (CHF 59.5 million goodwill amortization impact less minorities of 47.5%).
4 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%).
5 The net profit of previous years was not restated as the disclosed amount represents the basis for the decision of the BoD.

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 11 October 2023 according to the instructions received: CHF 9.50 (2021/22: CHF 11.50) 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 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 high interest rates, the geopolitical tensions, 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 measures is to ensure the safety of all employees, 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 daily monitoring of the liquidity as well as the financial debt status on Group level, including financial covenants and undrawn credit facilities. In addition, the solvency and credit spreads of all business banks are carefully assessed, bank balances were limited within a risk-budget and excess cash faster concentrated. The Ukraine Taskforce has implemented and enforced strict sanctions-controls as well as business adjustment for Russia. This ensures that operating risks are given due attention, are reported on accordingly, and the BoD has a comprehensive overview of the most important risks and measures taken.

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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 and limiting cash balances within a risk-budget or level of national deposit protection schemes.

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. 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

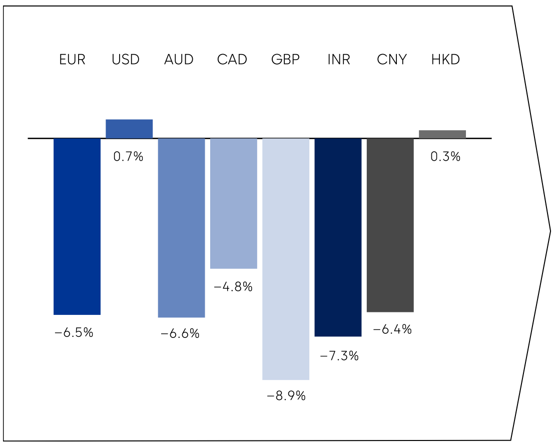
dormakaba Group does not actively manage the translation risk.

In the 2022/23 financial year, the Group's equity was negatively impacted in the amount of CHF 29.1 million by foreign currency translation (2021/22: CHF 39.7 million).

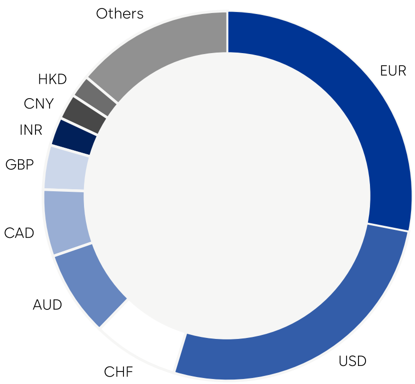
The key exchange rates based on net sales in foreign currencies are disclosed in the table below:

Currency rates (CHF), net sales (CHF million)	Net sales 30.06.2023	Exchange rate 30.06.2023	Average rate 2022/23	Net sales 30.06.2022	Exchange rate 30.06.2022	Average rate 2021/22
Total net sales	**2,848.8**			**2,756.9**		
EUR	799.9	0.978	0.982	785.1	0.997	1.050
USD	761.4	0.900	0.939	722.1	0.955	0.932
CHF	214.1	1.000	1.000	203.7	1.000	1.000
AUD	212.5	0.596	0.632	194.7	0.657	0.676
CAD	168.8	0.679	0.701	153.1	0.740	0.736
GBP	109.9	1.135	1.129	113.5	1.157	1.240
INR	74.9	0.011	0.012	70.8	0.012	0.012
CNY	62.0	0.124	0.135	68.8	0.143	0.144
HKD	53.2	0.115	0.120	68.0	0.122	0.119
Net sales in other currencies	392.1			377.1		

June 2022 – June 2023
Change of average FX-rate in relation to CHF



2022/23
Net sales exposure



In the 2022/23 financial year, dormakaba Group's sales growth was negatively impacted by foreign currency translations in the amount of CHF 109.2 million (2021/22: CHF 3.0 million negative impact) and its adjusted EBITDA negatively by CHF 14.6 million (2021/22: CHF 3.0 million positive 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 completely 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 using financial instruments.

dormakaba Group actively manages the transaction risk arising from third party and intercompany cross-currency exposures in foreign currencies.

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

CHF million	Financial year ended 30.06.2023	Financial year ended 30.06.2022
Contract value	**388.8**	**383.9**
Fair value – held-for-trading, net	**–1.1**	**1.6**
Assets from fair value of forward contracts	0.2	2.3
Liabilities from fair value of forward contracts	–1.3	–0.7

In the 2022/23 financial year, the net foreign exchange loss amounts to CHF 4.3 million (2021/22: loss amounts to CHF 6.0 million). While the hedges mitigate the foreign currency effect arising from intercompany loans, the interest expenses for forward contracts amounts to CHF 14.4 million (2021/22: CHF 5.4 million). The foreign exchange gains and losses as well as the interest expenses and income are disclosed in the note on the financial result (1.5).

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.

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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 37.1 million in 2022/23 and CHF 38.5 million in 2021/22) 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 30.06.2023	Financial year ended 30.06.2022
Future payment commitments for operating leases	**119.9**	**108.2**
Up to 1 year	32.8	32.2
2 to 5 years	65.5	60.5
Over 5 years	21.6	15.5

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 30.06.2023	Financial year ended 30.06.2022
Current endorsement liabilities	2.1	0.3
Investments committed to purchase from third parties:		
Property, plant, and equipment	8.8	8.0
Intangible assets	2.3	0.6

4.2 Equity accounted investments

CHF million	Financial year ended 30.06.2023	Financial year ended 30.06.2022 (restated)[1]
Investments in associates - 30 June	**0.9**	**0.3**
Increase of investments in associates	0.0	0.0
Share of profit (loss)	0.6	0.3
Translation exchange differences	0.0	0.0
Investments in associates - 1 July	**0.3**	**0.0**
Result from associates	**0.6**	**0.3**
Share of profit (loss)	0.6	0.3

1 Details on the restatement are disclosed in chapter changes in accounting principles and restatement of previous period (5.1).

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 less goodwill (which is capitalized and amortized within intangible assets), 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.

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 2022/23 and for the full financial year 2021/22 in comparison.

CHF million	Financial year ended 30.06.2023	Financial year ended 30.06.2022
	Total	Total
Total consideration	**8.9**	**114.4**
Cash paid	8.7	99.0
Deferred payment	0.0	14.0
Acquisition-related costs	0.2	1.4
Identifiable assets and liabilities	**0.8**	**–3.6**
Cash and cash equivalents	1.1	8.6
Trade receivables	0.7	18.5
Inventories	0.0	9.9
Current income tax assets	0.0	0.4
Other current assets	0.0	2.4
Property, plant, and equipment	0.1	8.2
Intangible assets	0.0	0.3
Deferred income tax assets	0.0	1.0
Current borrowings	0.0	–0.1
Trade payables	–0.3	–9.4
Current income tax liabilities	0.0	–1.0
Accrued and other current liabilities	–0.8	–12.0
Provisions	0.0	–0.7
Non-current borrowings	0.0	–28.3
Accrued pension costs and benefits	0.0	–2.1
Deferred income tax liabilities	0.0	0.7
Goodwill[1]	**8.1**	**118.0**

1 Capitalized within intangible assets and disclosed in note property, plant, and equipment/intangible assets (2.3).

Alldoorco

On 1 August 2022, dormakaba acquired Alldoorcoc based in Nijkerk (NL). 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.

Prior-year business combinations

In previous year, dormakaba acquired the Fermatic Group based near Paris (FR), Reliance Doors and Best Doors Australia Groups (RELBDA) based in eastern and southern Australia, 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

While there were no divestments in the current financial year, in the previous year dormakaba divested its Mesker hollow metal doors business and its interior glass systems business.

CHF million	Financial year ended 30.06.2023	Financial year ended 30.06.2022 (restated)[2]
	Total	**Total**
Total consideration	**0.0**	**32.2**
Cash consideration	0.0	31.0
Deferred expenses/payment	0.0	5.3
Divestment-related costs	0.0	–4.1
Assets and liabilities divested	**0.0**	**36.5**
Cash and cash equivalents	0.0	17.4
Trade receivables	0.0	4.3
Inventories	0.0	15.6
Other current assets	0.0	0.9
Property, plant, and equipment	0.0	19.3
Intangible assets	0.0	0.7
Non-current financial assets	0.0	0.5
Deferred income tax assets	0.0	2.2
Trade payables	0.0	–2.9
Accrued and other current liabilities	0.0	–1.7
Provisions	0.0	–0.1
Accrued pension costs and benefits	0.0	–19.7
Result from sale of subsidiaries[1]	**0.0**	**–4.3**

1 Included in other operating income and expenses.
2 Details on the restatement are disclosed in chapter changes in accounting principles and restatement of previous period (5.1).

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 24 August 2023 and will be presented for approval by the AGM on 5 October 2023.

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 with the exception of the goodwill accounting policy choice and internal IT cost allocation principles. Please refer to chapter changes in accounting principles and restatement of previous period.

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 less goodwill (which is capitalized and amortized within intangible assets), 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.

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.

Changes in accounting principles and restatement of previous period

In May 2022, Swiss GAAP FER released the revised standard "Consolidated financial statements" (FER 30) effective from 1 January 2024, permitting earlier application. The adoption and implication were assessed by the Board of Directors (BoD) and it decided to apply with the revised standard already starting in 2022/23 financial year. The Board also approved to change the standard's accounting policy choice regarding goodwill accounting to increase transparency and improve comparability regarding acquired businesses.

Goodwill was previously offset in equity at the date of the acquisition. As a result, amortizations and impairments of goodwill did not affect the income statement; they were disclosed in the notes to the consolidated financial statements, while only the sale or discontinuation of the respective business activities led to a recycling through the income statement.

Making use of the accounting policy choice provided in Swiss GAAP FER 30 - Consolidated financial statements - the BoD has decided that goodwill will be capitalized and amortized in the income statement to better reflect the economic reality. Since this is a change to the former accounting principles, the prior period has been restated accordingly and the previous disclosure of the effect of a theoretical capitalization of goodwill has been omitted.

As a result, the former goodwill offset with equity or capitalized within investments in associates are as per 1 July 2022 capitalized within intangible assets (2.3) and prior year financial statements are adjusted as if the new accounting principles had already been applied initially. Fully amortized goodwill at the time of conversion from IFRS to Swiss GAAP FER in financial year 2014/15 was presented as a net amount in the theoretical goodwill disclosure. To further increase transparency, this was grossed up as part of this restatement. The financial impact of this change in accounting policy choices within the requirements of Swiss GAAP FER is disclosed in the table below.

Additionally, dormakaba changed as of 1 July 2022 the principles for internal IT cost allocation in alignment with the corporate strategy Shape4Growth. While in the past the charges to the segments were based on consumed services within a catalogue, the new internal accounting policy reflects IT cost by user as a share of the total costs. The changed concept therefore increases the transparency of the segment performance and the functional costs, taking the full IT costs per employee into consideration. To reflect this change in the internal accounting policy, the functional costs in the consolidated income statement as well as the financial performance of the individual segments in the segment reporting were restated.

The following tables bridges the previous year's disclosed consolidated income statement and consolidated balance sheet showing the impact of the change in goodwill accounting policy choice and internal IT cost allocation principles.

CHF million	Financial year ended 30.06.2022 (restated)	IT expenses restatement	goodwill accounting restatement	Financial year ended 30.06.2022
Net sales	**2,756.9**	**0.0**	**0.0**	**2,756.9**
Cost of goods sold	–1,675.4	25.0	0.0	–1,650.4
Gross margin	**1,081.5**	**25.0**	**0.0**	**1,106.5**
Sales and marketing	–449.5	21.7	0.0	–427.8
General administration	–265.8	–52.3	0.0	–318.1
Research and development	–119.0	5.9	0.0	–113.1
Other operating income[1]	17.5	0.0	–2.2	15.3
Other operating expenses[1]	–161.7	–0.3	104.0	–58.0
Operating profit (EBIT)	**103.0**	**0.0**	**101.8**	**204.8**
Result from associates	0.3	0.0	0.0	0.3
Financial expenses	–29.5	0.0	–2.8	–32.3
Financial income	1.1	0.0	0.0	1.1
Profit before taxes	**74.9**	**0.0**	**99.0**	**173.9**
Income taxes	–36.1	0.0	–15.3	–51.4
Net profit	**38.8**	**0.0**	**83.7**	**122.5**
Net profit attributable to minority interests	19.5	0.0	39.8	59.3
Net profit attributable to the owners of the parent	19.3	0.0	43.9	63.2
Basic earnings per share in CHF	4.6	0.0	10.5	15.1
Diluted earnings per share in CHF	4.6	0.0	10.5	15.1
Adjusted EBITDA (Operating profit before depreciation and amortization)	**372.3**	**0.0**	**0.0**	**372.3**

1 Other operating income, net and result from sale of subsidiaries were allocated to other operating income and expenses.

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CHF million	Financial year ended 30.06.2022 (restated)	goodwill accounting restatement	Financial year ended 30.06.2022
Intangible assets	258.1	–170.2	87.9
Investments in associates	0.3	5.4	5.7
Shareholders' equity incl. minority interests	360.6	–164.7	195.9

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	1.6
Provisions	2.4
Testing goodwill and assets for impairment	2.3, 5.2
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.

5.2 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 30.06.2023	Financial year ended 30.06.2022 (restated)[1]
Items affecting comparability (IAC) - EBITDA	**59.0**	**30.3**
Reorganization and restructuring expenses	56.5	32.1
(Gain) Loss on divestment of businesses	0.0	−2.1
Other exceptional items	2.5	0.3
Items affecting comparability (IAC) - EBIT	**118.5**	**190.4**
Depreciation and amortization[2]	59.5	160.1
Items affecting comparability (IAC) - EBITDA	59.0	30.3

1 Details on the restatement are disclosed in chapter changes in accounting principles and restatement of previous period (5.1).
2 In 2022/23: CHF 59.5 million fully relates to amortization of goodwill (previous year: CHF 152.3 million).

Reorganization and restructuring comprise expenses in relation to dormakaba's new strategy Shape4Growth, which changes 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 financial year 2021/22, dormakaba divested its interior glass systems business (IGS) and its hollow metal doors business (Mesker). The divestments include depreciation and amortization of CHF 6.4 million which were also treated as IAC. Details on the divestments are disclosed in the note 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.

Amortization relates to amortized goodwill, which is treated as IAC to increase comparability with historical EBIT and with other financial statements that are applying accounting policies which do not result in goodwill amortization.

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Capital expenditure

Capital expenditure (Capex) consists of the additions in property, plant, and equipment and the additions of intangible assets excluding goodwill.

CHF million	Financial year ended 30.06.2023	Financial year ended 30.06.2022
Capital expenditure	**98.5**	**78.5**
Additions of property, plant, and equipment	61.5	52.7
Additions of intangible assets	37.0	25.8

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 30.06.2023	Financial year ended 30.06.2022
Free cash flow before acquisitions/divestments	**189.2**	**51.2**
Acquisition of subsidiaries, net of cash acquired	–12.3	–92.1
Sale of subsidiaries, net of cash sold	–0.3	9.3
Free cash flow	**176.6**	**–31.6**
Net cash from operating activities	288.4	127.3
Net cash used in investing activities	–111.8	–158.9

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 30.06.2023	Financial year ended 30.06.2022
Net working capital		**694.0**	**751.3**
Trade receivables	2.1	461.2	482.8
Inventories	2.2	487.7	537.0
Trade payables		–163.5	–178.7
Advances from customers		–49.3	–50.5
Deferred income		–42.1	–39.3

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 30.06.2023	Financial year ended 30.06.2022
Operating cash flow margin		**10.1%**	**4.6%**
Net sales	1.2	2,848.8	2,756.9
Net cash from operating activities		288.4	127.3

Organic sales growth

Organic growth in sales refers to the growth compared to the same period of the previous year. It is calculated by adjusting the current year's sales for acquisition impact and comparing it to the previous year's sales adjusted for currency translations and divestment impact.

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. The relative changes resulting from translation exchange differences and impacts from divestment are calculated based on the total sales for the previous period. The relative changes resulting from acquisition and organic sales growth are calculated based on the total sales for the previous year, adjusted for the effects of translation exchange differences and impacts from 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 excluding goodwill. For the calculation, the average of the last three published balance sheet information is considered (30 June 2023, 31 December 2022, and 30 June 2022). For the previous year comparison, the same principles were applied.

CHF million	Note	Financial year ended 30.06.2023	Financial year ended 30.06.2022
ROCE (Return on capital employed)		**25.1%**	**24.4%**
Adjusted EBIT		**307.5**	**293.4**
Average CE (Capital employed)		**1,222.7**	**1,201.9**
Average net working capital	5.2	729.1	692.6
Average property, plant, and equipment		401.4	421.0
Average intangible assets (excluding goodwill)		92.2	88.3

5.3 Events after the balance sheet date

On 3 July 2023 dormakaba announced to launch a transformation program. One-off costs of approximately CHF 225 million and a one-time additional CAPEX investment of around CHF 100 million (IT, Operations) will be incurred starting in 2023/24.

5.4 Legal structure of the dormakaba Group

As at 30 June 2023

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.
Alldoorco Bedrijfsdeuren B.V., Nijkerk/NL	EUR	117.1	100	dormakaba Nederland B.V.
Alldoorco Service & Onderhoud B.V., Nijkerk/NL	EUR	18.1	100	dormakaba Nederland B.V.
Aluminum 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	38.6	31	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	dormakaba Deutschland 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
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	dormakaba Deutschland 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	0.0	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 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., Antony/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	11,600.0	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	49	dormakaba International Holding GmbH
			51	dormakaba Middle East SPV Ltd.
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	1,798.0	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	470,000.0	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	12,600.7	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.
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 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.
Legic Identsystems AG, Wetzikon/CH	CHF	500.0	100	dormakaba Schweiz AG
dormakaba SAL GmbH, Velbert/DE	EUR	255.7	100	dormakaba Deutschland 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	100	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
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
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 2023, the company's market capitalization was CHF 1,682.95 million.

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

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 then ended, the consolidated balance sheet as at 30 June 2023, and the consolidated cash flow statement, 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 101 to 149) give a true and fair view of the consolidated financial position of the Group as at 30 June 2023 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 Standards on Auditing (SA-CH). 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 12 million

We concluded full scope audit work at 45 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 two reporting units in one country representing a further 3% of the Group's revenue. Reviews were performed for 35 reporting units in 22 countries addressing a further 11% of the Group’s revenue.

As key audit matters the following areas of focus have been identified:

Revenue recognition

Change in principles for goodwill accounting

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 12 million
Benchmark applied	Adjusted profit before tax
Rationale for the materiality benchmark applied	We chose adjusted 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 0.6 million 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.

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.

Key audit matters

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 2022/2023 amounted to CHF 2,848.8 million (2021/2022: CHF 2,756.9 million). Refer to note 1.2 "Net sales per geographical markets / business units". Net sales include 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	We obtained an understanding of the Group's policies, processes and methods regarding revenue recognition. During our audit, we analyzed 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: - We tested whether revenue is categorized and recognized in line with the dormakaba accounting policy.

service is provided. Distinctive components related to multi-element contracts are recognized separately. The risk for revenue being recognized 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 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.

Change in principals for goodwill accounting

Key audit matter	How our audit addressed the key audit matter
Refer to note 5.1 for the change in accounting principles and restatement of previous period. In the financial year 2022/23, the Board of Directors approved to change the standard's accounting policy choice regarding goodwill accounting in accordance with FER 30 (revised). Goodwill was previously offset in equity at the date of acquisition and recognized as an expense in the income statement when the related business has been disposed of. Making use of the accounting policy choice provided by FER 30 (revised), the Board of Directors has decided to capitalize goodwill and amortize it in the income statement over its useful life. Since this is a change to prior accounting principles, comparative information has been restated accordingly. The effect of this change in accounting policy is disclosed as a restatement in note 5.1. As of 30 June 2023, and the financial year then ended, the amortization of goodwill reported under the line-item other operating expense amounts to CHF 59.5 million, and the carrying value of goodwill as part of intangible assets is CHF 110.7 million. We considered the change in accounting principle as a key audit matter, as the impact of that restatement on the consolidated financial statements 2022/23 and 2021/22 is significant.	The following procedures have been performed: • We reviewed the new accounting policy and compared it to the requirements of FER 30 (revised). • In order to check the completeness of the adjustment, we have formed an expected value for the previous year, considering the changed accounting practice. A comparison to the previous year's figures after implementation has been made. • We have audited the restated figures by comparing the amounts to underlying client documentation. We further checked the accuracy of the restated amounts by testing them against the changed accounting principles. • We have reviewed disclosures to determine, if disclosures meet Swiss GAAP FER requirements. Based on the procedures performed we consider Management's approach for changing the accounting for goodwill as acceptable.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which 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 SA-CH 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.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website: http://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists which has been designed for the preparation of the 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

Stefan Räbsamen	Sandra Burgstaller
Licensed audit expert Auditor in charge	Licensed audit expert

Zürich, 24 August 2023