

Segment Access Solutions AMER

AS AMER achieved total sales of CHF 365.2 million in the first half of financial year 2021/22. Despite the challenging operating environment resulting from supply chain shortages, freight delays and periodic waves of Covid-19-related absenteeism, organic sales increased by 5.7% compared to the previous year. Growth was driven by a recovery in the US commercial construction market, and particularly in renovation and replacement. Sales in Latin America were also up on the previous year.

Growth was broad-based across Safe Locks, Door Hardware, Mechanical Key Systems, and Lodging Systems. Although the lodging business recovered from a low baseline, it is still substantially below pre-Covid levels. Order intake for the Entrance Systems business remains healthy and is supported by key project wins. One example is Alvarado's contract to provide a touchless access solution for ticket holders attending the Super Bowl in February 2022 (SoFi Stadium, Los Angeles).

Adjusted EBITDA increased to CHF 61.0 million (previous year CHF 60.1 million) with an adjusted EBITDA margin of 16.7% (previous year 17.7%). The margin was impacted by higher raw material and freight costs as well as labor cost inflation and a negative product mix, which more than offset higher volumes and sales price increases. The hollow metal door business (Mesker) continued to have a negative effect of 230 basis points (previous year 140 basis points) on the segment's adjusted EBITDA margin. Due to the unsatisfactory performance of this business, management announced plans on 15 November 2021 to divest Mesker and has started a structured divestment process.

For the second half of financial year 2021/22, AS AMER expects continued organic growth based on a healthy order backlog, stable order intake and a continuation of the gradual recovery in the US commercial market that was already evident in the first half of 2021/22. Growth will be supported by several contract wins, including secure Access Automation Solutions for distribution centers run by several significant eCommerce and bricks & mortar retailers in the US, a project at a National Aeronautics & Space Administration (NASA) facility in Texas, and an agreement to provide wireless server rack access devices for the data center of a leading social media platform. However, visibility continues to be limited due to the persistent scarcity of certain raw materials, especially electronic components, as well as to extraordinary freight delays and project delays resulting from labor shortages. Going forward, therefore, there will be a particular focus on continued sales price increases to offset for higher raw material, freight and labor costs. Several rounds of price increases have already been announced for the beginning of the second half of 2021/22.

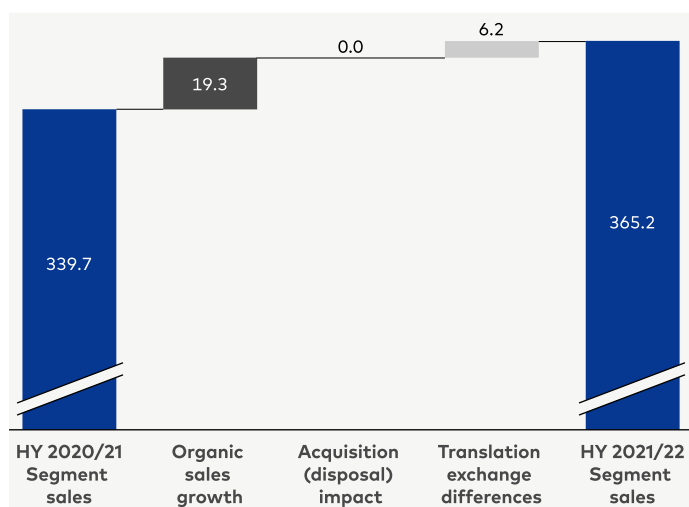
Future growth will be driven by innovative products and solutions. One promising project is the development of [self-screening security lanes](#) for US airports. dormakaba is working in collaboration with Vanderlande and Rohde & Schwarz to automate passenger flow through security checkpoints. The initiative is part of a US Department of Homeland Security program to improve efficiency while processing passengers through airport security.

On 15 November 2021 dormakaba announced its [new strategy](#) Shape4Growth, which for the segment includes a turnaround plan as well as an annual growth target of 4% to 6% and an improvement in the adjusted EBITDA margin by 400 to 500 basis points over the coming three years. In line with the Group-wide approach, AS AMER has initiated a transformation process in several workstreams, such as growth in global core products, vertical market solutions, commercial excellence, procurement and business system harmonization.

Key figures – segment AS AMER

CHF million, except where indicated	Reporting half-year ended 31.12.2021	%	Reporting half-year ended 31.12.2020	%	Change on previous year in %
Net sales third parties	347.7		326.8		6.4
Intercompany sales	17.5		12.9		
Total segment sales	365.2		339.7		7.5
Change in segment sales	25.5	7.5	-76.6	-18.4	
Of which translation exchange differences	6.2	1.8	-34.5	-8.3	
Of which acquisition (disposal) impact	0.0	0.0	2.8	0.7	
Of which organic sales growth	19.3	5.7	-44.9	-10.8	
Adjusted EBITDA (Operating profit before depreciation and amortization)	61.0	16.7	60.1	17.7	1.5
Average number of full-time equivalent employees	2,751		2,622		

Segment sales (CHF million) – AS AMER



Segment Access Solutions APAC

AS APAC achieved total sales of CHF 261.1 million in the first half of financial year 2021/22. Organic sales grew by 20.0% year-on-year. Growth was supported by projects such as Lodging's work on eleven hotels built for the Winter Olympics in China. Further impetus came from some catch-up demand compared to the previous year, when the industry was faced with even more Covid-19-related project delays. Business continued to be impacted by the pandemic, with regional lockdowns and delays in re-opening offices and borders.

All major regions contributed to growth. China, India, and Southeast Asia posted strong double-digit growth while the region Pacific, Japan & Korea saw modest growth. All Product Clusters contributed to this positive trend with double-digit growth rates. Continued good momentum came from Services, electronic products such as digital locks, and business with touchless access solutions in China. dormakaba is well-positioned here as one of the market leaders in the premium sector. Growth for commercial solutions in China overcompensated for some weakness in the residential market, which was impacted by cash flow issues at some real estate companies. There was also strong growth in India: the segment has strengthened its position in Electronic Access & Data in this market with the acquisition of Indian company [Solus Security Systems](#) on 15 July 2021. Solus supplies integrated solutions for access control, time and attendance, visitor management, vehicle access and security, as well as providing the services required for managing these solutions.

Adjusted EBITDA increased to CHF 35.0 million (previous year CHF 28.6 million), with an adjusted EBITDA margin of 13.4% (previous year 14.7%). The lower margin was caused by a negative product mix resulting from stronger sales in the lower margin OEM business for the US market (Wah Yuet) and by some low-gross-margin projects in India and Southeast Asia.

In the second half of financial year 2021/22, AS APAC will continue to increase sales prices to offset cost inflation. Barring new waves of Covid-19 and further deterioration of the supply chain, AS APAC expects an improved gross margin due to the lower impact of specific margin-dilutive projects and to price increases in 2021 supported by further increases in the first months of 2022. Organic growth will be bolstered by projects including work at several military bases in Japan, convention centers in India and hospitals in Greater China, as well as THE FACE Suites in Kuala Lumpur (Hotel & Residences). The segment expects good organic sales growth for financial year 2021/22, though with a lower growth rate in the second half of 2021/22 due to a high comparable base.

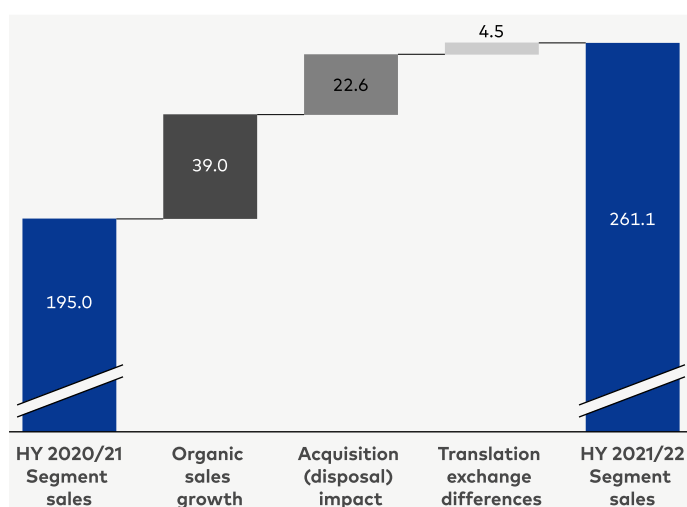
The segment has started to execute the [new strategy](#) Shape4Growth to accelerate profitable growth. This includes a focus on core verticals and core countries like India, China, and Australia. Growth in Australia will be supported by the recent acquisition of Australian Reliance Doors and Best Doors Australia Groups ([RELBDA](#)), which was completed on 31 August 2021. The segment has already realized initial synergies by selling RELBDA products combined with digital door lock technology from dormakaba. The second half of financial year 2021/22 will also see the segment start to supply the landmark One Sydney Harbour project with the [resivo](#) cloud-based access control system and complete door hardware, mechanical key and entrance systems packages.

On 12 January 2022 [Andy Jones](#) was appointed as new President of the segment, succeeding Jim-Heng Lee, who became CEO of dormakaba Group. Andy Jones joined dormakaba in 2007 and has held several leadership positions within the company, most recently as Senior Vice President Pacific, Japan & Korea.

Key figures – segment AS APAC

CHF million, except where indicated	Reporting half-year ended 31.12.2021	%	Reporting half-year ended 31.12.2020	%	Change on previous year in %
Net sales third parties	244.1		184.0		32.7
Intercompany sales	17.0		11.0		
Total segment sales	261.1		195.0		33.9
Change in segment sales	66.1	33.9	-35.5	-15.4	
Of which translation exchange differences	4.5	2.3	-11.8	-5.1	
Of which acquisition (disposal) impact	22.6	11.6	0.4	0.2	
Of which organic sales growth	39.0	20.0	-24.1	-10.5	
Adjusted EBITDA (Operating profit before depreciation and amortization)	35.0	13.4	28.6	14.7	22.4
Average number of full-time equivalent employees	3,269		3,099		

Segment sales (CHF million) – AS APAC



Segment Access Solutions DACH

AS DACH generated total sales of CHF 424.6 million in the first half of financial year 2021/22 compared to CHF 396.2 million in the same period of the previous year. Organic sales grew by 8.6% year-on-year despite shortages of materials such as electronic components.

Sales growth in the DACH countries in the first half of 2021/22 was driven in particular by good growth in Germany and Austria as well as by strong intercompany business. The Product Clusters Services and Entrance Systems achieved double-digit growth. Most other businesses contributed as well.

Adjusted EBITDA increased to CHF 77.4 million in the first half of 2021/22 (previous year CHF 67.9 million), while the adjusted EBITDA margin improved to 18.2% from the previous year's 17.1%. This positive development was driven by higher sales volumes, increased sales prices, and effective cost management. Improvements in operational efficiency, including at the production facilities in Buehl and Ennepetal (Germany) also contributed. All these effects offset higher raw material and freight costs.

AS DACH expects continued good organic growth for the second half of financial year 2021/22 based on a good order backlog. Further contributions are expected from new and innovative products such as the new self-boarding gate [Argus Air](#). This product combines dormakaba's latest design-oriented sensor barriers (Argus) with biometric control that enables touchless access. The solution has been successfully tested with Lufthansa at Frankfurt Airport (Germany) and has been installed at Vienna Airport (Austria) for the "Star Alliance Biometric Hub".

The segment has already benefited from first orders for [EntriWorX](#), an innovative solution that supports smart planning processes for buildings, simple installation of door solutions, and secure, smooth operation of these applications. AS DACH launched the solution in the German market at the end of April 2021 and has initiated a phased international market rollout for 2022.

The segment has started to execute the [new strategy](#) Shape4Growth to accelerate profitable growth with measures including the implementation of sales activation workstreams and the introduction of additional Specification writers. There will be a particular focus on continued sales price initiatives to compensate for higher raw material and freight costs. Several additional price increases have already been announced for the beginning of the second half of 2021/22, including a surcharge for electronic components.

The new strategy includes a focus on core verticals like the Public Sector, where the segment won in Austria the Campus Vienna with products across several Product Clusters.

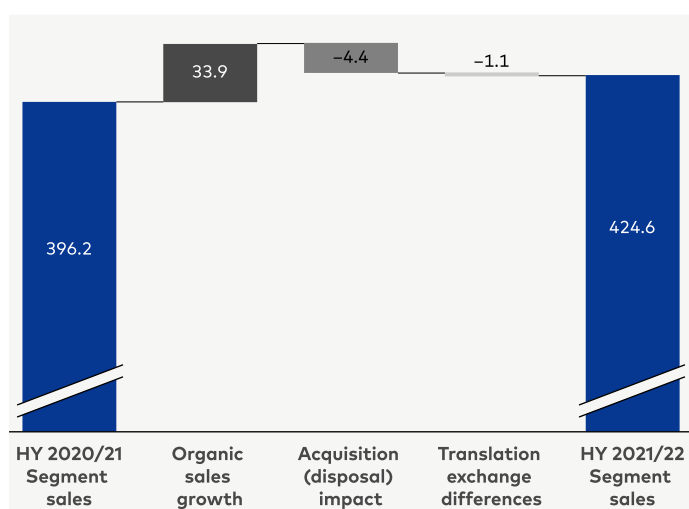
IT projects are being accelerated to enable state-of-the-art digital capabilities across the organization, and AS DACH has initiated its first measures, which include an IT roadmap for extended warehouse management (Wuppertal, Germany) and the standard template for the Services business based on ServiceMax.

On 31 October 2021 dormakaba divested its [interior glass business](#) (IGS) to Italian-based industrial and financial group Aliante Equity Tre S.p.A. The deal included the transfer of dormakaba's global interior glass solution products, the Dorma-Glas GmbH manufacturing site in Bad Salzuflen (Germany), and selected sales units in Europe. As part of the transaction 235 employees were taken on by the new owner.

Key figures – segment AS DACH

CHF million, except where indicated	Reporting half-year ended 31.12.2021	%	Reporting half-year ended 31.12.2020	%	Change on previous year in %
Net sales third parties	268.7		265.5		1.2
Intercompany sales	155.9		130.7		
Total segment sales	424.6		396.2		7.2
Change in segment sales	28.4	7.2	-19.4	-4.7	
Of which translation exchange differences	-1.1	-0.3	-7.5	-1.8	
Of which acquisition (disposal) impact	-4.4	-1.1	0.0	0.0	
Of which organic sales growth	33.9	8.6	-11.9	-2.9	
Adjusted EBITDA (Operating profit before depreciation and amortization)	77.4	18.2	67.9	17.1	14.0
Average number of full-time equivalent employees	3,274		3,341		

Segment sales (CHF million) – AS DACH



Segment Access Solutions EMEA

AS EMEA achieved total sales of CHF 377.3 million in the first half of financial year 2021/22. Organic sales grew by 6.7% compared to the previous year.

All regions showed good organic sales growth thanks to a solid business performance, especially in product sales. Region CEERT (Central Eastern Europe, Russia, and Turkey) continued to see strong growth, especially in Turkey, and was able to overcompensate for weaker retail demand in Russia. Order intake in the Middle East remained strong, with projects such as Qatar airport and a high order-to-sales conversion. In Scandinavia, organic growth and profitability were mostly driven by the turnaround completed in Norway following the divestment of the project installation business in August 2020. The UK and the Benelux region saw strong sales growth, especially in services and distribution. Growth was strong across all major Product Clusters, including Door Hardware, Safe Locks, Entrance Systems and Electronic Access & Data, as well as in the Services business.

Adjusted EBITDA increased by 6.2% to CHF 34.5 million compared to the previous year, supported by strong volume growth and price increases. The rise came despite supply chain constraints, labor shortages (especially for service technicians) and increases in raw material and freight costs. These factors caused a decline in the adjusted EBITDA margin of 0.4 percentage points to 9.1%.

For the second half of the financial year, AS EMEA expects continued good organic growth based on a strong order book and a solid project pipeline across major markets. However, visibility is limited by supply chain issues and labor availability, which could impact the business negatively.

The segment will continue to benefit from the development of new, innovative offerings such as [EntriWorX](#), a solution for "intelligent doors" that makes it easier for our customers to do business while raising productivity across all phases from planning to operation. Premarketing for this solution has started in several European countries, including France, the UK, and the Benelux region.

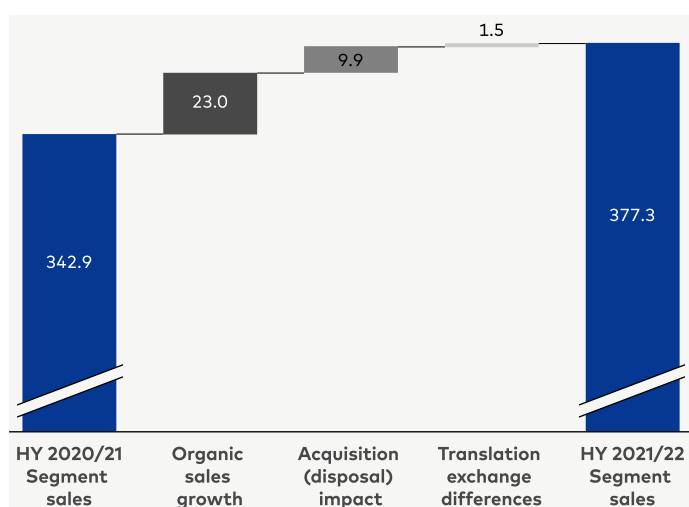
The segment has started to execute the [new strategy](#) Shape4Growth to accelerate profitable growth, with a clear focus on customer centricity, market expansion, sales excellence, and consolidation of smaller countries into regional structures. The sales excellence program focuses in particular on the rollout of customer relationship management across countries, pipeline management, and the coaching and upskilling of sales resources.

Growth will be supported by the acquisition of [Fermatic Group](#) (France), which was completed in October 2021. Initial cross-selling opportunities for Entrance Systems and Electronic Access & Data businesses have already been realized.

Key figures – segment AS EMEA

CHF million, except where indicated	Reporting half-year ended 31.12.2021	%	Reporting half-year ended 31.12.2020	%	Change on previous year in %
Net sales third parties	311.2		283.3		9.8
Intercompany sales	66.1		59.6		
Total segment sales	377.3		342.9		10.0
Change in segment sales	34.4	10.0	-31.6	-8.4	
Of which translation exchange differences	1.5	0.4	-18.2	-4.8	
Of which acquisition (disposal) impact	9.9	2.9	-2.3	-0.6	
Of which organic sales growth	23.0	6.7	-11.1	-3.0	
Adjusted EBITDA (Operating profit before depreciation and amortization)	34.5	9.1	32.5	9.5	6.2
Average number of full-time equivalent employees	3,430		3,364		

Segment sales (CHF million) – AS EMEA



Segment Key & Wall Solutions

Key & Wall Solutions generated total sales of CHF 174.3 million in the first half of financial year 2021/22. Organic sales grew by 2.6% year-on-year.

The segment consists of the two Business Units Key Systems and Movable Walls, which recorded very different financial performances for the reporting period.

Business Unit Key Systems posted 9.9% organic sales growth in the half-year under review due to good demand in all business lines, including Keys, Key Cutting Machines, and Automotive Solutions. The rise was accentuated by the low baseline from the previous year, when demand in major markets, including Italy, India, and Latin America, was negatively impacted by Covid-19 regulations that led to closed key shops and regional lockdowns in many countries across the Business Unit.

Organic sales for Business Unit Movable Walls were below the previous year (-6.7%). This is because the release of orders continues to be delayed, while some projects could not be finalized due to the limited availability of labor and materials across the construction market. However, the order backlog for Movable Walls is at a record level and order entry remains strong.

Adjusted EBITDA for Key & Wall Solutions was at CHF 22.3 million, down by 16.2% compared to the previous year. The adjusted EBITDA margin for the segment was 12.8% (previous year 15.7%).

Business Unit Key Systems was able to offset higher raw material and freight costs with higher sales prices, thus improving its adjusted EBITDA margin to 14.8% (previous year 14.5%).

The adjusted EBITDA margin at Business Unit Movable Walls was impacted by lower sales volumes as well as higher raw material and freight costs, pushing it down to 9.9% from the previous year's 17.3%. The project-driven business faces headwind due to contract durations and a more pronounced time gap between raw material price increases and higher sales prices. As a result, the business was negatively impacted in the first half of 2021/22 by the strong increase in raw material costs. Going forward, we expect an improvement thanks to higher sales prices for new projects. This will contribute to higher gross margins.

Assuming no further major disruptions related to Covid-19 and no further deterioration of the supply chain, Key & Wall Solutions expects moderate organic sales growth for the second half of 2021/22. Both Business Units will continue to work on raising sales prices to compensate for higher energy, raw material and freight costs as well as labor cost inflation. Additionally, the segment expects to benefit from the initiatives it is currently taking in procurement and sales excellence as part of the [new strategy](#) Shape4Growth.

Growth in the second half of 2021/22 will be driven by both a record order backlog in Movable Walls and good demand for Key Systems in major regions and markets.

Sales at Key Systems will also continue to be driven by innovative new products like the [Unocode F Series](#), a new platform of five models of high-end electronic key cutting machines that was launched successfully in the second half of 2020/21. For Movable Walls, growth potential is expected from new cost-effective automated movable walls as well as from the unique portfolio of horizontal and vertical movable walls, which offers competitive advantages.

Key figures – segment Key & Wall Solutions

CHF million, except where indicated	Reporting half-year ended 31.12.2021	%	Reporting half-year ended 31.12.2020	%	Change on previous year in %
Net sales third parties	167.8		162.0		3.6
Intercompany sales	6.5		7.1		
Total segment sales	174.3		169.1		3.1
Change in segment sales	5.2	3.1	-29.8	-15.0	
Of which translation exchange differences	0.9	0.5	-11.5	-5.8	
Of which acquisition (disposal) impact	0.0	0.0	0.0	0.0	
Of which organic sales growth	4.3	2.6	-18.3	-9.2	
Adjusted EBITDA (Operating profit before depreciation and amortization)	22.3	12.8	26.6	15.7	-16.2
Average number of full-time equivalent employees	1,923		2,024		

Segment sales (CHF million) – Key & Wall Solutions

