

Consolidated financial statements

Consolidated income statement

CHF million, except share amounts	Reporting half-year ended 31.12.2021		Reporting half-year ended 31.12.2020	
		%		%
Net sales	1,349.6	100.0	1,227.5	100.0
Cost of goods sold	-798.5	-59.2	-715.6	-58.3
Gross margin	551.1	40.8	511.9	41.7
Other operating income, net	7.6	0.6	10.7	0.8
Sales and marketing	-209.4	-15.5	-198.1	-16.1
General administration	-152.4	-11.3	-128.1	-10.4
Research and development	-54.5	-4.0	-52.2	-4.3
Operating profit (EBIT)	142.4	10.6	144.2	11.7
Result from associates	0.2	0.0	-0.1	0.0
Financial expenses	-12.6	-0.9	-14.9	-1.1
Financial income	0.6	0.0	0.6	0.0
Profit before taxes	130.6	9.7	129.8	10.6
Income taxes	-30.0	-2.2	-29.9	-2.5
Net profit	100.6	7.5	99.9	8.1
Net profit attributable to minority interests	48.2		47.6	
Net profit attributable to the owners of the parent	52.4		52.3	
Basic earnings per share in CHF	12.6		12.6	
Diluted earnings per share in CHF	12.5		12.5	
Adjusted EBITDA (Operating profit before depreciation and amortization)	193.5	14.3	179.3	14.6

Consolidated balance sheet

Assets

CHF million	Reporting half-year ended 31.12.2021		Financial year ended 30.06.2021		Reporting half-year ended 31.12.2020	
		%		%		%
Current assets						
Cash and cash equivalents	98.2	5.4	169.1	9.0	138.0	8.0
Trade receivables	429.7	23.5	424.5	22.7	375.2	21.8
Inventories	507.7	27.6	450.6	24.1	414.2	24.1
Current income tax assets	32.5	1.8	36.2	2.0	36.5	2.1
Other current assets	76.0	4.2	65.7	3.5	54.0	3.1
Total current assets	1,144.1	62.5	1,146.1	61.3	1,017.9	59.1
Non-current assets						
Property, plant, and equipment	417.1	22.8	435.9	23.2	428.8	25.0
Intangible assets	86.2	4.7	90.8	4.9	82.7	4.8
Investments in associates	5.6	0.3	5.4	0.3	5.2	0.3
Non-current financial assets	36.6	2.0	38.8	2.1	38.0	2.2
Deferred income tax assets	141.4	7.7	152.8	8.2	148.5	8.6
Total non-current assets	686.9	37.5	723.7	38.7	703.2	40.9
Total assets	1,831.0	100.0	1,869.8	100.0	1,721.1	100.0

Liabilities and equity

CHF million	Reporting half-year ended 31.12.2021		Financial year ended 30.06.2021		Reporting half-year ended 31.12.2020	
		%		%		%
Current liabilities						
Current borrowings	472.3	25.8	353.5	18.9	370.1	21.4
Trade payables	182.9	10.0	169.1	9.0	149.3	8.7
Current income tax liabilities	53.5	2.9	46.2	2.5	42.2	2.5
Accrued and other current liabilities	351.1	19.2	364.2	19.5	306.7	17.8
Provisions	24.7	1.3	26.7	1.4	30.3	1.8
Total current liabilities	1,084.5	59.2	959.7	51.3	898.6	52.2
Non-current liabilities						
Accrued pension costs and benefits	261.2	14.3	294.6	15.8	293.8	17.1
Deferred income tax liabilities	11.3	0.6	26.2	1.4	28.9	1.7
Non-current liabilities	334.2	18.3	324.4	17.3	324.2	18.8
Total non-current liabilities	606.7	33.2	645.2	34.5	646.9	37.6
Total liabilities	1,691.2	92.4	1,604.9	85.8	1,545.5	89.8
Equity						
Share capital	0.4	0.0	0.4	0.0	0.4	0.0
Additional paid-in capital	811.3	44.3	811.3	43.4	811.3	47.1
Retained earnings	1,318.2	72.0	1,318.7	70.5	1,269.1	73.7
Goodwill offset in equity	-1,945.3	-106.2	-1,890.6	-101.1	-1,884.0	-109.4
Treasury shares	-17.1	-0.9	-23.0	-1.2	-24.8	-1.4
Translation exchange differences	-23.2	-1.3	-9.3	-0.5	-11.9	-0.7
Total equity owners of the parent	144.3	7.9	207.5	11.1	160.1	9.3
Minority interests	-4.5	-0.3	57.4	3.1	15.5	0.9
Total equity	139.8	7.6	264.9	14.2	175.6	10.2
Total liabilities and equity	1,831.0	100.0	1,869.8	100.0	1,721.1	100.0

Consolidated cash flow statement

CHF million	Reporting half-year ended 31.12.2021	Reporting half-year ended 31.12.2020
Net profit	100.6	99.9
Depreciation and amortization	41.9	37.7
Income tax expenses	30.0	29.9
Interest expenses	9.3	9.7
Interest income	-0.5	-0.5
(Gain) Loss on disposal of fixed assets, net	-1.7	-0.1
Adjustment for non-cash items	-0.6	7.4
Change in trade receivables	-2.8	7.5
Change in inventories	-71.7	22.6
Change in other current assets	-10.1	9.6
Change in trade payables	12.7	21.2
Change in accrued pension cost	-0.6	2.4
Change in accrued and other current liabilities	-18.8	-13.7
Cash generated from operations	87.7	233.6
Income taxes paid	-27.0	-27.4
Interest paid	-11.9	-12.4
Interest received	0.5	0.5
Net cash from operating activities	49.3	194.3
Cash flows from investing activities		
Additions of property, plant, and equipment	-25.6	-21.3
Proceeds from sale of property, plant, and equipment	2.2	0.1
Additions of intangible assets	-10.6	-9.5
Change in non-current financial assets	0.5	-2.8
Acquisition of subsidiaries, net of cash acquired	-80.7	-5.7
Sale of subsidiaries, net of cash sold	11.0	0.2
Acquisition of associates and joint ventures	0.0	-2.0
Net cash used in investing activities	-103.2	-41.0
Free cash flow	-53.9	153.3
Cash flows from financing activities		
Repayment of bond	-340.0	0.0
Other proceeds from (repayment of) current borrowings, net	434.2	-129.9
Proceeds from (repayment of) non-current borrowings, net	3.9	-0.4
Change in other non-current liabilities	-0.6	-0.4
Dividends paid to company's shareholders	-52.2	-43.7
Dividends paid to minority shareholders	-44.8	-39.7
Net cash flows from financing activities	0.5	-214.1
Translation exchange differences	-17.5	42.0
Net increase (decrease) in cash and cash equivalents	-70.9	-18.8
Cash and cash equivalents at beginning of period	169.1	156.8
Cash and cash equivalents at end of period	98.2	138.0
Net increase (decrease) in cash and cash equivalents	-70.9	-18.8

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 31.12.2021	0.4	811.3	1,318.2	-1,945.3	-17.1	-23.2	-4.5	139.8
Net profit for the reporting period			52.4				48.2	100.6
Goodwill on acquisitions and divestments				-54.7			-49.5	-104.2
Currency translation adjustments						-13.9	-15.1	-29.0
Dividend paid			-52.2				-44.8	-97.0
Shares awarded (share-based compensation)			-0.7		5.9		-0.7	4.5
Balance at 01.07.2021	0.4	811.3	1,318.7	-1,890.6	-23.0	-9.3	57.4	264.9
Balance at 31.12.2020	0.4	811.3	1,269.1	-1,884.0	-24.8	-11.9	15.5	175.6
Net profit for the reporting period			52.3				47.6	99.9
Goodwill on acquisitions and divestments				-2.7			-2.5	-5.2
Currency translation adjustments						10.4	7.7	18.1
Dividend paid			-43.7				-39.7	-83.4
Shares awarded (share-based compensation)			-0.9		6.6		-0.8	4.9
Balance at 01.07.2020	0.4	811.3	1,261.4	-1,881.3	-31.4	-22.3	3.2	141.3

Notes to the consolidated financial statements

Basis of preparation

The consolidated financial statements of dormakaba Group ("dormakaba") include the operations of dormakaba Holding AG and all direct and indirect subsidiaries in which dormakaba controls more than 50% of votes or otherwise has the power to govern the financial and operating policies. Investments in associates where dormakaba exercises significant influence, but does not have control (normally with an interest between 20% and 50%), and in joint ventures are considered for using the equity method of accounting.

The unaudited consolidated half-year financial statements cover the period from 1 July 2021 until 31 December 2021 and are prepared in accordance with the rules of the Swiss GAAP FER 31 ("Complementary Recommendation for Listed Public Companies") relating to interim financial reporting (Generally Accepted Accounting Principles/ FER = Fachempfehlungen zur Rechnungslegung).

The consolidated half-year report should be read in conjunction with the consolidated financial statements compiled for the financial year ended 30 June 2021, as it represents an update of the last complete financial statements and therefore does not contain all information and disclosures required in year-end consolidated financial statements. The consolidated financial statements are prepared in accordance with Swiss GAAP FER and comply with the provisions of the listing rules of the SIX Swiss Stock Exchange as well as the Swiss company law.

The operational performance and the market development are described in the chapter "[Business performance](#)" and should be read in conjunction with this consolidated half-year report.

Income tax expense is recognized based upon the best estimate of the weighted average annual income tax rate expected for the full financial year. The preparation of the consolidated half-year financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, and disclosure of contingent liabilities at the date of the consolidated half-year financial statements. If in future such estimates and assumptions, which are based on management's best judgment at the date of the consolidated half-year financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the reporting period in which the circumstances change.

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

Segment reporting

	Reporting half-year ended 31.12.2021	Reporting half-year ended 31.12.2020	Reporting half-year ended 31.12.2021	Reporting half-year ended 31.12.2020	Reporting half-year ended 31.12.2021	Reporting half-year ended 31.12.2020
CHF million	Access Solutions AMER		Access Solutions APAC		Access Solutions DACH	
Net sales third parties	347.7	326.8	244.1	184.0	268.7	265.5
Intercompany sales	17.5	12.9	17.0	11.0	155.9	130.7
Total sales	365.2	339.7	261.1	195.0	424.6	396.2
Adjusted EBIT (Operating profit)	54.0	52.7	30.8	24.7	70.4	60.1
as % of sales	14.8%	15.5%	11.8%	12.7%	16.6%	15.2%
Adjusted depreciation and amortization	7.0	7.4	4.2	3.9	7.0	7.8
Adjusted EBITDA (Operating profit before depreciation and amortization)	61.0	60.1	35.0	28.6	77.4	67.9
as % of sales	16.7%	17.7%	13.4%	14.7%	18.2%	17.1%
Net working capital	211.1	150.0	110.7	95.2	122.4	120.1
Capital expenditure	9.3	7.2	2.8	3.3	5.2	5.3
	Access Solutions EMEA		Eliminations		Access Solutions TOTAL	
Net sales third parties	311.2	283.3	0.0	0.0	1,171.7	1,059.6
Intercompany sales	66.1	59.6	-252.5	-211.1	4.0	3.1
Total sales	377.3	342.9	-252.5	-211.1	1,175.7	1,062.7
Adjusted EBIT (Operating profit)	29.1	26.6	-2.6	0.1	181.7	164.2
as % of sales	7.7%	7.8%	1.0%	0.0%	15.5%	15.5%
Adjusted depreciation and amortization	5.4	5.9	0.0	0.0	23.6	25.0
Adjusted EBITDA (Operating profit before depreciation and amortization)	34.5	32.5	-2.6	0.1	205.3	189.2
as % of sales	9.1%	9.5%	1.0%	0.0%	17.5%	17.8%
Net working capital	181.4	156.9	-13.3	-10.9	612.3	511.3
Capital expenditure	6.1	5.9	0.0	0.0	23.4	21.7
			Key & Wall Solutions		Other	
Net sales third parties			167.8	162.0	10.1	5.9
Intercompany sales			6.5	7.1	2.6	2.5
Total sales			174.3	169.1	12.7	8.4
Adjusted EBIT (Operating profit)			18.0	21.9	1.5	-0.5
as % of sales			10.3%	13.0%	11.8%	-6.0%
Adjusted depreciation and amortization			4.3	4.7	0.3	0.2
Adjusted EBITDA (Operating profit before depreciation and amortization)			22.3	26.6	1.8	-0.3
as % of sales			12.8%	15.7%	14.2%	-3.6%
Net working capital			82.7	81.0	1.9	2.8
Capital expenditure			3.2	3.0	3.9	3.4
	Corporate		Eliminations		Group	
Net sales third parties	0.0	0.0	0.0	0.0	1,349.6	1,227.5
Intercompany sales	0.0	0.0	-13.1	-12.7	0.0	0.0
Total sales	0.0	0.0	-13.1	-12.7	1,349.6	1,227.5
Adjusted EBIT (Operating profit)	-46.4	-44.0	0.0	0.0	154.8	141.6
as % of sales	0.0%	0.0%	0.0%	0.0%	11.5%	11.5%
Adjusted depreciation and amortization	10.5	7.8	0.0	0.0	38.7	37.7
Adjusted EBITDA (Operating profit before depreciation and amortization)	-35.9	-36.2	0.0	0.0	193.5	179.3
as % of sales	0.0%	0.0%	0.0%	0.0%	14.3%	14.6%
Net working capital	-14.0	-12.9	2.1	0.3	685.0	582.5
Capital expenditure	5.7	2.7	0.0	0.0	36.2	30.8

Reconciliation of operational figures

CHF million	Reporting half-year ended 31.12.2021			Reporting half-year ended 31.12.2020		
	Adjusted	IAC ¹⁾	Unadjusted	Adjusted	IAC ¹⁾	Unadjusted
Operating profit before depreciation and amortization (EBITDA)	193.5	-9.2	184.3	179.3	2.6	181.9
Depreciation and amortization ²⁾	-38.7	-3.2	-41.9	-37.7	0.0	-37.7
Operating profit (EBIT)	154.8	-12.4	142.4	141.6	2.6	144.2

- 1) Content of items affecting comparability (IAC) is described in the chapter alternative performance measures (APM).
- 2) In 2021/22: depreciation and amortization include CHF 2.2 million goodwill recycling from the sale of the interior glass business (IGS) which is treated as IAC. Details are disclosed in the chapter business combinations and divestments.

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 in the first half-year 2021/22 and for the full financial year 2020/21 in comparison.

CHF million				Reporting half-year ended	Financial year ended
				31.12.2021	30.06.2021
	Fermatic	RELBDA	Others	Total	Total
Total consideration	27.1	62.3	12.2	101.6	20.5
Cash paid	26.7	52.2	7.2	86.1	19.9
Deferred payment	0.0	9.4	4.8	14.2	0.5
Acquisition-related costs	0.4	0.7	0.2	1.3	0.1
Identifiable assets and liabilities	-2.5	-5.2	2.9	-4.8	2.7
Cash and cash equivalents	2.6	2.5	2.1	7.2	1.4
Trade receivables	9.2	6.4	0.5	16.1	3.2
Inventories	2.2	6.3	0.7	9.2	0.9
Current income tax assets	0.0	0.0	0.4	0.4	0.0
Other current assets	1.7	1.4	0.3	3.4	0.8
Property, plant, and equipment	3.0	4.6	0.4	8.0	0.5
Intangible assets	0.0	0.3	0.0	0.3	0.0
Deferred income tax assets	0.3	0.9	0.0	1.2	0.2
Current borrowings	0.0	0.0	0.0	0.0	-0.4
Trade payables	-3.4	-4.5	-0.5	-8.4	-1.5
Current income tax liabilities	-0.1	-0.4	-0.4	-0.9	-0.3
Accrued and other current liabilities	-6.8	-3.0	-0.4	-10.2	-1.7
Provisions	-0.3	-0.2	0.0	-0.5	0.0
Non-current borrowings	-10.0	-18.2	0.0	-28.2	-0.4
Accrued pension costs and benefits	-0.4	-1.3	-0.2	-1.9	0.0
Deferred income tax liabilities	-0.5	0.0	0.0	-0.5	0.0
Goodwill	29.6	67.5	9.3	106.4	17.8

Fermatic Group

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

Australian Reliance Doors and Best Doors Australia Groups (RELBDA)

On 31 August 2021, dormakaba acquired the Australian Reliance Doors and Best Doors Australia Groups (RELBDA) based in eastern and southern Australia. The group of companies is a well-established provider in the Australian market with reputable brands for residential garage doors, automatic openers, industrial overhead doors as well as related services.

Others

In the first half-year 2021/22 dormakaba acquired in addition Rovato Techniek B.V. based in LK Tiel (NL), and Solus Security Systems Pvt Ltd based in Bangalore (IN).

After the balance sheet date, on 16 February 2022, dormakaba signed an agreement to acquire AtiQx Holding B.V. based in Utrecht/Dordrecht (NL). AtiQx provides comprehensive, customized solutions for electronic access control and workforce management in the Netherlands.

Divestments

The following table summarizes the considerations received as well as the net assets divested. The resulting net goodwill was recycled affecting net income.

CHF million	Reporting half-year ended 31.12.2021	Financial year ended 30.06.2021
	Total	Total
Total consideration	26.6	2.6
Cash consideration	30.8	2.6
Deferred expenses / payment	-1.8	0.0
Divestment-related costs	-2.4	0.0
Assets and liabilities divested	22.7	2.9
Cash and cash equivalents	17.4	1.5
Trade receivables	4.3	0.7
Inventories	8.5	1.3
Other current assets	0.9	0.0
Property, plant, and equipment	13.2	0.0
Intangible assets	0.1	0.0
Non-current financial assets	0.5	0.0
Deferred income tax assets	2.2	0.0
Trade payables	-2.9	-0.6
Accrued and other current liabilities	-1.7	0.0
Provisions	-0.1	0.0
Accrued pension costs and benefits	-19.7	0.0
Amortization on goodwill - recycling ¹⁾	2.2	0.0
Result from sale of subsidiaries ²⁾	1.7	-0.3

1) Goodwill is fully offset in equity at the date of acquisition and amortized over five years in the notes of the annual financial statements without affecting consolidated income. In order to determine the result from sale of subsidiary, goodwill allocated to the disposed business is recognized at its original cost in the income statement.

2) Included in other operating income, net

Interior glass business (IGS)

As per 31 October 2021, dormakaba divested its interior glass business (IGS). The purchaser is the Italian-based investment and financial group Aliante Equity Tre S.p.A. Aliante has built up an investment portfolio with other portfolio companies, with a global presence in the design and furniture market, that complement the IGS business and offer commercial synergies.

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 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	Reporting half-year ended 31.12.2021	Reporting half-year ended 31.12.2020
Items affecting comparability (IAC)	12.4	-2.6
Reorganization and restructuring expenses	14.0	4.1
(Gain) Loss on divestment of businesses	-1.7	0.0
Other exceptional items	0.1	-6.7

Reorganization and restructuring comprise expenses in relation to dormakaba's new strategy Shape4Growth, which will change the operating model of dormakaba, and consequently the organizational setup as well as the financial reporting. Strategic IT harmonization projects, which are closely related to the execution of Shape4Growth such as ERP harmonization and accelerated IT infrastructure optimization, including state-of-the-art business continuity management across applications and processes, are also included.

In the first half of financial year 2021/22 dormakaba divested its interior glass business (IGS). Details on the divestments are disclosed in chapter [business combinations and divestments](#).

Other exceptional items comprise revaluation gains or losses, significant gains on sale of property, plant, and equipment, as well as other significant items that cannot be viewed as inherent to the Group's underlying performance.

Capital expenditure

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

CHF million	Reporting half-year ended 31.12.2021	Reporting half-year ended 31.12.2020
Capital expenditure	36.2	30.8
Additions of property, plant, and equipment	25.6	21.3
Additions of intangible assets	10.6	9.5

Free cash flow and free cash flow before acquisitions/divestments

Free cash flow consists of cash flow from operating activities together with cash flow from investing activities. Free cash flow before acquisitions/divestments excludes the cash effective movements arising from acquisitions/divestments.

CHF million	Reporting half-year ended 31.12.2021	Reporting half-year ended 31.12.2020
Free cash flow before acquisitions/divestments	15.8	160.8
Acquisition of subsidiaries, net of cash acquired	-80.7	-5.7
Sale of subsidiaries, net of cash sold	11.0	0.2
Acquisition of associates and joint ventures	0.0	-2.0
Free cash flow	-53.9	153.3
Net cash from operating activities	49.3	194.3
Net cash used in investing activities	-103.2	-41.0

Net debt

Net debt describes the current borrowings and non-current liabilities minus cash and cash equivalents.

CHF million	Reporting half-year ended 31.12.2021	Reporting half-year ended 31.12.2020
Net debt	708.3	556.3
Current borrowings	472.3	370.1
Non-current liabilities	334.2	324.2
Cash and cash equivalents	-98.2	-138.0

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	Reporting half-year ended 31.12.2021	Reporting half-year ended 31.12.2020
Net working capital	685.0	582.5
Trade receivables	429.7	375.2
Inventories	507.7	414.2
Trade payables	-182.9	-149.3
Advances from customers	-44.0	-35.8
Deferred income	-25.5	-21.8

Operating cash flow margin

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

CHF million	Reporting half-year ended 31.12.2021	Reporting half-year ended 31.12.2020
Operating cash flow margin	3.7%	15.8%
Net sales	1,349.6	1,227.5
Net cash from operating activities	49.3	194.3

Organic sales growth

Organic growth in sales refers to the growth compared to the same period of the previous year adjusted for the impacts from currency translation as well as impacts from acquisition and divestment.

Return on capital employed (ROCE)

EBIT divided by capital employed (CE) results in ROCE. dormakaba bases the calculation on a 12 months rolling EBIT, adjusted for items affecting comparability (IAC). CE equals the sum of net working capital, property, plant, and equipment and intangible assets. For the calculation, the average of the last three published balance sheet information is considered (31 December 2021, 30 June 2021, and 31 December 2020). For the previous year comparison, the same principles were applied.

CHF million	Reporting half- year ended 31.12.2021	Reporting half- year ended 31.12.2020
ROCE (Return on capital employed)	25.8%	18.4%
Adjusted EBIT - rolling 12 months	296.9	216.7
Adjusted EBIT current half-year	154.8	141.6
Adjusted EBIT second half-year previous year	142.1	75.1
Average CE (Capital employed)	1,150.2	1,178.5
Average net working capital	636.4	653.9
Average property, plant, and equipment	427.3	447.2
Average intangible assets	86.5	77.4