Media release

dormakaba completes acquisition of Mechanical Security businesses from Stanley Black & Decker – new top-three player in the North American market

Rümlang, 23 February 2017 - dormakaba has completed the acquisition of certain Mechanical Security businesses from Stanley Black & Decker and has closed the transaction effective 22 February 2017, following satisfaction of customary closing conditions including the receipt of all necessary regulatory approvals. The transaction was first announced on 21 December 2016.

With this acquisition, dormakaba gains substantial scale in line with its stated strategy, evolving from a distant four to a strong number three player in the attractive North American market that can offer the full portfolio of door hardware and access control solutions to customers. In addition, the acquisition considerably enhances dormakaba's prospects for further profitable growth, mainly through:

- A large installed base with currently hundreds of thousands of end-user sites across North America, providing dormakaba with an attractive and stable repeat business and opportunities for future upgrades;
- Strengthened market position with the addition of well-recognized industry brands including "BEST" and "PHI";
- Improved position in growing verticals such as education and healthcare, complementing dormakaba's strong position in hospitality, multi-housing and government;
- Established specification writing capabilities, allowing dormakaba to compete in additional construction bids;
- Enhanced product breadth with a broad range of mechanical security solutions as well as wireless and cloud-based electronic locks.

As previously announced, the transaction encompasses Stanley Commercial Hardware based mainly across North America and a production facility in Taiwan, as well as GMT in China. Full operational integration is expected to take up to three years. The dormakaba post-merger integration process in North America and in Asia is well advanced, thereby allowing for a successful integration of this important strategic acquisition.

With the closing of the transaction, Philip Bradney will join dormakaba and will take over managing responsibility for the acquired businesses in North America (his CV is available on www.dormakaba.com).

Philip Bradney has decades-long experience in the industry. For over twenty years he held senior management positions at BEST Access Systems and then Stanley, guiding the company's integration into Stanley Black & Decker until 2009. COO Access Solutions Americas Michael Kincaid: "We are pleased that Philip Bradney is joining our Americas team and are convinced that his extensive industry knowledge and integration experience will be a valuable asset for grasping the opportunities presented by this acquisition."

The transaction is expected to be neutral to EBITDA margin of dormakaba Group from closing and accretive from full year 2019/2020 onwards, and immediately accretive to earnings per share. The acquisition implies a pre-synergies EV/EBITDA multiple of 13.8x on a 2016E basis (9x multiple post expected revenue and cost synergies to be achieved within four years, and tax benefits). The acquisition is fully debt financed by an increase in the existing syndicated bank credit facility.

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dormakaba Group is one of the top three companies in the global market for access and security solutions. With strong brands such as Dorma and Kaba in our portfolio, we are a single source for products, solutions, and services related to doors and secure access to buildings and rooms. dormakaba is being represented globally in over 130 countries by its own activities and numerous cooperation partners. dormakaba Group is listed at the SIX Swiss Exchange, is headquartered in Rümlang (Zurich / Switzerland) and generated in financial year 2015/2016 with nearly 16,000 employees a turnover of over CHF 2.3 billion.

SIX Swiss Exchange: DOKA (formerly: KABN / KABNE)
Further information at www.dormakaba.com

- Attracting and retaining skilled employees
- Political risks in countries where the company operates
- Changes to the relevant legislation
- Realization of synergies
- Other factors named in this communication

If one or more of these risks, uncertainties or other factors should actually occur, or if one of the underlying assumptions or expectations proves incorrect, the consequences could be materially different from the assumed ones. In view of these risks, uncertainties and other factors, readers are cautioned not to place undue reliance on such forward-looking statements. The Company accepts no obligation to continue to report or update such forward-looking statements or adjust them to future events or developments. The Company emphasizes that past results and performances cannot lead to conclusions about future results and performances. It should also be noted that interim results are not necessarily indicative of year-end results. Persons who are unsure about investing should consult an independent financial advisor.

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