Media Release

In the consolidated half-year financial statements, we provide two different sets of figures for the previous year period as a result of the business combination of former Dorma and former Kaba, which became effective on 1 September 2015. As a result, the former Dorma Group's entities were consolidated from 1 September 2015 (for four months) in line with Swiss GAAP FER. The published prior-year figures relate to the business activities of the former Kaba Group for the entire period, while the former Dorma Group was only included for four months ("as reported"). However, to increase interpretability, in addition separate pro forma figures for the previous year period are shown as if the Dorma Group would have been consolidated since 1 July 2015 already. Commentaries in the texts about the income statement refer to these pro forma figures.

First half of financial year 2016/2017: dormakaba increases sales and profitability

- **Integration process remains on track**
- **Sales increase by 3.4% to CHF 1,173.7 million, organic growth also 3.4%**
- **EBITDA margin improves from 14.6% to 14.9%**
- **Net profit up from CHF 67.1 million to CHF 95.8 million**
- **Confirmation of financial targets for full financial year 2016/2017: organic sales growth of around 3% and EBITDA margin at previous year's level (14.4%)**
- **Acquisitions make dormakaba a strong number three in the attractive North American market**

Rümlang, 8 March 2017 – The first half of the financial year 2016/2017 was successful for dormakaba. The Group was able to build on the good performance recorded for its first financial year as a combined business following the merger between Dorma and Kaba to form dormakaba on 1 September 2015. It generated overall consolidated sales of CHF 1,173.7 million during the period under review, which is 3.4% higher than the previous year's CHF 1,135.5 million. The Group's organic sales growth was also 3.4%.

Profitability and net profit

EBITDA improved by CHF 10.0 million, or 6%, to CHF 175.4 million, while the EBITDA margin rose to 14.9% compared to 14.6% in the previous year. This greater profitability is mainly due to the very good performance of the segments Access Solutions Americas, Access Solutions Asia-Pacific and Key Systems. dormakaba also made further progress with the post-merger integration process during the period under review. Synergies and cost savings were realized that more than offset additional integration-related costs.

The income tax rate was 29.5%, which is higher than the previous year figure (27.1%) owing to the larger profits generated in territories with higher tax rates, for example the USA. Net profit after tax came to CHF 95.8 million for the period under review, up from CHF 67.1 million in the previous year, though it should be noted that the previous year's result included one-time integration costs of CHF 34.8 million relating to the merger.

Cash flow and balance sheet
Cash flow from operating activities came to CHF 129.3 million in the period under review, while free cash flow was CHF -83.5 million. Cash flow from investment activities amounted to CHF -177.3 million, which alongside the normal investments in fixed assets included the acquisition during the reporting period of Mesker Openings Group.

As at 31 December 2016, dormakaba Group had total assets of CHF 1,592.4 million and net debt of CHF 22.6 million. In accordance with Swiss GAAP FER 30, the successful completion of the Mesker Openings Group acquisition on 12 December 2016 prompted an earnings-neutral goodwill charge directly against equity of CHF 113.5 million. This reduced equity to CHF 574.2 million as at the balance sheet date (as of 30 June 2016: CHF 680.5 million) and caused an acquisition-related decline in the equity ratio from 43.2% to 36.0%.

Segment performances
Access Solutions AMER (North and South America)
With organic growth of 6.6%, sales at the AS AMER segment went up to CHF 281.0 million. Thanks to the higher volume of business and synergy effects from the integration, the EBITDA margin went up from 20.1% in the previous year to 21.3%.

Access Solutions APAC (Asia Pacific)
AS APAC grew organically by a total of 7.3% and increased its sales to CHF 203.4 million. Its EBITDA margin improved to 11.5% from 9.2% in the previous year. The restructuring of Wah Yuet was largely completed, which contributed positively to the improved profitability.

Access Solutions DACH (Germany, Austria and Switzerland)
AS DACH grew organically by 3.2% overall, generating consolidated sales of CHF 401.4 million. The decrease in the EBITDA margin from 19.6% in the previous year to 18.4% is mainly due to integration-related IT costs and lower capacity utilization in certain production facilities.

Access Solutions EMEA (Europe, Middle East and Africa)
AS EMEA achieved overall sales of CHF 354.2 million and grew organically by 0.5%. The EBITDA margin was 6.8%, compared to 6.7% in the previous year.

Key Systems
The Key Systems segment achieved organic growth of 6.7% and increased its sales to CHF 105.6 million. EBITDA also went up and its EBITDA margin improved from 15.6% to 16.2%.

Movable Walls
The Movable Walls segment grew organically by 1.3% and achieved sales of CHF 58.2 million. Restructuring projects aimed at improving the productivity of the segment's EMEA business, as well as a lower volume of sales caused by project delays in the profitable North American market, led to a lower EBITDA. Consequently, the EBITDA margin decreased from 11.7% in the previous year to 8.8%.

Integration process remains on track
The Group has operated globally within the planned target structure and as ONE company under the dormakaba umbrella brand since the beginning of the current financial year 2016/2017. Growth initiatives and

efficiency measures will be central to the next phases of the integration process. dormakaba remains confident that the integration process will be largely completed by the end of the 2017/2018 financial year.

Market position strengthened by strategic acquisitions
Two strategic acquisitions in the USA were announced towards the end of 2016 that further enhance dormakaba's market position in North America and its global standing within the industry. The acquisition of Mesker Openings Group, a leader in the commercial door and hardware industry in the United States, was successfully completed in December 2016. The same month saw the announcement of the acquisition of certain Mechanical Security businesses from Stanley Black & Decker. This acquisition was completed in February 2017. With these two acquisitions, dormakaba has become one of the top 3 providers in the attractive North American market, and can now offer customers the full portfolio of door hardware and access control solutions from a single source.

Outlook – targets confirmed
dormakaba confirms its targets for the current financial year 2016/2017: organic growth of around 3% and an EBITDA margin at the previous year's level (14.4%). The Group expects additional integration-related costs, especially for IT and branding, to have more of an effect on operating profit in the second half of financial year 2016/2017. dormakaba is also confirming its medium-term targets: based on the completed merger, the ongoing integration and the Group's operational performance, dormakaba should achieve an EBITDA margin of 18% for the first time in the financial year 2018/2019, while organic growth should be 2% higher than adjusted GDP growth in its relevant markets.

dormakaba Group Key figures

Consolidated income statement

in CHF million	HY1 2016/2017	HY1 2015/2016[1] (pro forma)	HY1 2015/2016[2] (as reported)
Net sales	**1,173.7**	**1,135.5**	**947.6**
EBITDA	**175.4**	**165.4**	**144.6**
as % of sales	14.9	14.6	15.3
Ordinary result	**135.9**	**126.8**	**113.4**
Extraordinary result	0.0	– 34.8	– 34.7
Consolidated net profit	95.8	67.1	57.4

1 Former Dorma Group and former Kaba Group both 6 months
2 Former Dorma Group consolidated as of 1 September 2015 (4 months) and former Kaba Group (6 months)

You can find dormakaba Holding AG's full half-year report 2016/2017 (Interim Report - Financial Statements), as well as the Executive Report and analyst presentation at: www.dormakaba.com/publications

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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 a turnover of over CHF 2.3 billion with around 16,000 employees.

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

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- Competition with other companies
- The effects and risks of new technologies
- The company's ongoing capital requirements
- Financing costs
- Delays in the integration of acquisitions
- Changes in operating expenses
- Fluctuations in exchange rates and raw materials prices
- 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

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