BEYOND SECURITY KABA

> Press release

RÜMLANG 12 MARCH 2014 – HALF-YEAR RESULTS TO 31 DECEMBER 2013

Kaba posts growth and keeps investing

- > Sales up 3.3% to CHF 480.9 million
- > Pleasing organic growth in local currency at Group level (4.3%) and at all three divisions: ADS EMEA/AP 4.9%, ADS Americas 5.6%, Key Systems 3.3%
- > Lower EBITDA margin of 15.5% because of announced increase in investment activity and additional infrastructure project costs
- > Guidance for 2013/2014 financial year confirmed

Kaba, the globally active security group, reported growth of 3.3% for the first half of the 2013/2014 financial year, generating sales of CHF 480.9 million (prior year: CHF 465.7 million). The slightly stronger Swiss franc had a negative effect on results (CHF -8.4 million, or -1.8%). In local currency, the Group grew by 4.3%, compared with -3.7% in the previous year.

Additional investment reduces profitability
Kaba Group achieved EBITDA of CHF 74.7 million during the period under review (prior year: CHF 77.0 million*), giving an EBITDA margin of 15.5% (prior year: 16.5%*), which is within the target range for the current financial year. The decline in profitability is largely due to the announced additional investment in innovation and in the development of markets in Asia and Eastern Europe, as well as to additional costs from an ERP project in Europe. Changes in the product mix also had a negative impact on the relative EBITDA margin. Kaba Group will continue making the planned investments as the company prioritizes sustainable corporate development over a short-term increase in profitability.

With an average headcount of 7,486 (prior year: 7,385), Kaba Group achieved a net profit of CHF 40.1 million (prior year: CHF 41.7 million).

Divisional performances

ADS EMEA/AP
The ADS EMEA/AP division recorded pleasing organic growth, but only partially fulfilled expectations in terms of profitability; in general the AP business did not perform convincingly. Consolidated sales improved overall to CHF 287.7 million (prior year: CHF 275.9 million). In local currency, sales went up by 4.9% (CHF 13.4 million, converted).

EBITDA reached CHF 41.0 million (prior year: CHF 43.9 million), giving an EBITDA margin of 14.2% (prior year: 15.9%). This decline in profitability is largely due to the announced investment in developing markets and innovation, as well as to additional costs from infrastructure investments (ERP Europe).

ADS Americas
The ADS Americas division reported strong results. Overall, the division increased its consolidated sales to CHF 113.0 million (prior year: CHF 110.3 million). In local currency, sales went up by 5.6% (CHF 6.0 million, converted).

EBITDA went up significantly to CHF 34.5 million (prior year: CHF 31.5 million), giving a strong EBITDA margin of 30.5% (prior year: 28.6%).

Key Systems
The Key Systems division posted very good results for the period under review. Consolidated sales improved overall to CHF 92.1 million (prior year: CHF 89.0 million). In local currency, sales went up by 3.3% (CHF 2.9 million, converted).

EBITDA slipped back slightly to CHF 13.8 million (prior year: CHF 13.9 million*), giving an EBITDA margin of 15.0% (prior year: 15.6%*). Since items affecting comparability are no longer shown separately in the income statement, the prior year's sum of CHF 1.8 million was included in EBITDA. Adjusting for this effect, EBITDA in the prior year would have been CHF 12.1 million and the EBITDA margin 13.6%.

Balance sheet
Kaba's finances remain very solid. Total assets came to CHF 915.0 million as at 31 December 2013 (31 December 2012: CHF 934.2 million*). Kaba Group reported a net liquidity of CHF 6.8 million (prior year: CHF 10.4 million). The equity ratio of 61.0% (31. December 2012: 55.5%*) remains well above the target range of 30.0% to 40.0%.

Outlook
Kaba is confirming its goals for the current financial year 2013/2014: organic growth of 1.5% to 2.5%, with an EBITDA margin of 15.5% to 16.5%.

* Starting from the half-year under review, items affecting comparability are no longer shown separately in the income statement. Further, the preparation of the income statement was switched from the "expense by nature" to the "expense by function" method. Figures for the previous financial period have been restated accordingly.

Kaba's half-year financial statements 2013/2014 are accessible at www.kaba.com/publications.

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KABA GROUP KEY FIGURES

in CHF million	HY1 2013/2014	FY 2012/2013 (restated)*	HY1 2012/2013 (restated)*
Consolidated net sales	480.9	964.3	465.7
Operating profit before depreciation (EBITDA)	74.7	152.9	77.0
as % of sales	15.5	15.9	16.5
Operating profit (EBIT)	59.1	121.5	61.5
as % of sales	12.3	12.4	13.2
Net profit	40.1	85.3	41.7
as % of sales	8.3	8.8	8.9
Earnings per share in CHF	10.5	22.5	11.0

	HY1 at 31.12.2013	FY at 30.6.2013 (restated)*	HY1 per 31.12.2012 (restated)*
Market capitalization	1646.3	1346.6	1474.0
Total assets	915.0	964.2	934.2
Net working capital	158.1	153.9	154.6
Net debt	- 6.8	- 56.1	- 10.4
Equity	557.6	583.8	518.6
as % of total assets	61.0	60.5	55.5
Number of employees (average)	7486	7398	7385

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ABOUT KABA

Kaba – Beyond security
With its innovative products, systems and services, globally active technology group Kaba is a leading provider of high quality access management solutions, keys, cylinders, physical access systems, enterprise data and time recording, and hotel access systems. The group is also a global market leader for high security locks, key blanks, transponder keys and key manufacturing machines. The stock exchange-listed group has sales of around one billion Swiss francs and employs around 7,500 people in more than 60 countries. For more than 150 years Kaba has set trends in security and beyond – in terms of functionality, convenience and design, and always with a focus on optimum value to customers.

SIX Swiss Exchange: KABN
For more information please visit www.kaba.com

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- Attracting and retaining skilled employees
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