

> Press release

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RÜMLANG 13 MARCH 2013 – HALF-YEAR RESULTS 2012/2013 AS AT 31 DECEMBER 2012

## Kaba holds its own in a challenging market environment

- > Sales of CHF 465.7 million on prior-year level
- > EBITDA margin 16.0%
- > Very solid balance sheet, high equity ratio
- > Market environment expected to remain demanding

In the first half of financial 2012/2013, the worldwide active Kaba Group held its own in a challenging market environment. Consolidated sales came to CHF 465.7 million, which is 0.2% higher than in the prior-year period (CHF 464.8 million). Sales at the Access + Data Systems (ADS) EMEA/AP division were below the year-back level, while at ADS Americas they were higher. At ADS EMEA/AP the main negative influence was the general economic downturn in Europe. Meanwhile ADS Americas felt the effects of spending cuts at US government agencies, particularly towards the end of calendar year 2012. By contrast, the Key Systems division posted good growth.

The company was confronted with negative exchange rate effects in the first half of the 2011/2012 financial year, but the weakening of the Swiss franc against the main currencies had a positive effect on sales (4.0%) and EBITDA (CHF 2.2 million) during the period under review.

### **Operating margins at 16.0%**

At Group level, profitability was lower than in the prior-year period, with operating profit (EBITDA) of CHF 74.6 million (prior year CHF 76.7 million). At 16.0% the EBITDA margin was slightly below the prior-year level (16.5%), but still within the 15.5% to 16.5% target range set for the full 2012/2013 financial year. Kaba Group achieved net profit of CHF 41.8 million (prior year CHF 43.8 million).

### **Divisional performances**

#### **ADS EMEA/AP**

During the first half of the 2012/2013 financial year ADS EMEA/AP was affected by the onset of an economic downturn in Western and Northern Europe, i.e. in the division's main European markets. The division achieved consolidated sales of CHF 275.9 million (prior year CHF 279.0 million). In local currency, sales declined by - 4.1%. Thanks to strict cost management, EBITDA improved to CHF 43.9 million (prior year CHF 43.4 million), giving a slightly higher EBITDA margin of 15.9% (prior year 15.6%).

#### **ADS Americas**

Over the course of the period under review, economic activity cooled unexpectedly in the markets relevant to ADS Americas. Most significantly, US government agencies reduced public contracts. In this challenging market environment, the division achieved consolidated sales of CHF 110.3 million (prior year CHF 108.5 million), which equals a - 5.3% reduction in local currency. EBITDA reached CHF 31.5 million in the first half of 2012/2013 (prior year CHF 33.3 million), giving an EBITDA margin of 28.6% (prior year 30.7%). The division immediately initiated measures to adjust its cost structure.

**Key Systems**

The Key Systems division posted pleasing results for the period under review. Sales were up in Asia and most European countries. The exceptions were Southern Europe and France. Consolidated sales rose 5.1% to CHF 89.0 million (prior year CHF 84.7 million). In local currency, sales went up 1.5%. In part thanks to efficiency and cost-saving measures introduced at the start of 2012, Key Systems significantly improved its operating margins. EBITDA increased to CHF 12.1 million in the first half of 2012/2013 (prior year CHF 9.0 million) and the EBITDA margin went up 3% to 13.6% (prior year 10.6%).

**Balance sheet**

On the balance sheet date, 31.12.2012, Kaba Group's net cash position was CHF 10.4 million (31.12.2011: net debt of CHF 68.7 million). With an equity ratio of 57.6% as at 31.12.2012 (31.12.2011: 53.8%), the company has clearly exceeded its target range of 30.0% to 40.0%. With this strong balance sheet, Kaba is well placed to master the challenges presented by the current demanding market environment.

**Outlook – medium-term objectives confirmed**

With uncertain economic prospects in Europe and the USA, the market environment remains demanding. Kaba is sticking to its goals for the full 2012/2013 financial year: sales growth of 1.0% to 2.0% in local currency, and an EBITDA margin of between 15.5% and 16.5%. From the current perspective, these are challenging targets.

Kaba is also sticking firmly to its strategic focus on innovation leadership in the ADS EMEA/AP and ADS Americas divisions, and on cost leadership in the Key Systems division, and despite the difficult market environment it is confident of reaching the medium-term objectives set for the Group as a whole. The aim is to achieve organic sales growth of between 5.0% and 6.0% in 2014/15, and to raise the EBITDA margin to 18.0%.

KABA GROUP KEY FIGURES

in CHF million	HY1 2012/2013	FY 2011/2012	HY1 2011/2012
Consolidated net sales	465.7	947.5	464.8
Operating profit before depreciation (EBITDA)	74.6	151.2	76.7
as % of sales	16.0	16.0	16.5
Operating profit (EBIT)	60.9	123.3	64.6
as % of sales	13.1	13.0	13.2
Consolidated net profit	41.8	88.3	43.8
as % of sales	9.0	23.4	9.4
Earnings per share in CHF	11.0	23.2	11.5

  

	HY1 as at 31.12.2012	FY as at 30.6.2012	HY1 as at 31.12.2011
Market capitalization	1474.0	1368.5	1247.8
Total assets	937.8	954.7	924.5
Net working capital	154.6	150.6	187.1
Net debt	- 10.4	- 11.7	68.7
Equity capital	539.8	553.1	497.4
as % of total assets	57.6	57.8	53.8
Number of employees (average)	7385	7540	7615

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ABOUT KABA

Kaba (SIX Swiss Exchange: KABN) is a globally active, publicly traded security corporation. Kaba specializes in integrated solutions for security, organization and convenience at building and information access points. Kaba is also the world market's number one provider of key blanks, key cutting and coding machines, transponder keys, and high security locks. It is a leading provider of electronic access systems, locks, master key systems, hotel locking systems and security doors. For more information please visit [www.kaba.com](http://www.kaba.com).

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