

Press release

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Results for the 2015/2016 financial year

In the consolidated full-year financial statements for 2015/2016, the former Dorma Group's entities are consolidated from 1 September 2015 (for ten months) in line with Swiss GAAP FER. Unless otherwise stated, the published prior-year figures relate to the business activities of the former Kaba Group. To ensure the financial key figures reflect the dorma+kaba Group's market position and to increase the significance and the interpretability, separate pro forma figures are shown as if the Dorma Group would have been consolidated since 1 July 2015. Hence, besides the actual results also pro forma results on Group level for the reporting period and for the full 2014/2015 financial year are available. The pro forma results of the previous year were converted with the exchange rate of the full-year financial statements 2015/2016 in order to increase the comparability also in this respect. Commentaries in the texts about the income statement refer to these pro forma figures (with the figures reported under Swiss GAAP FER in brackets). The pro forma figures are shown in this press release and in the presentation on the annual results.

dorma+kaba increases sales and profitability – unchanged dividend of CHF 12 per share proposed

In the first full year of joint operations, dorma+kaba increased its consolidated sales on a pro forma basis and currency-adjusted by 2.6% to CHF 2,302.6 million. Its EBITDA margin improved on a pro forma basis from 13.5% to 14.4%. dorma+kaba has a strong balance sheet with a solid equity ratio of 43.2% and net liquidity of CHF 159.1 million; in the year under review it generated a high cash flow from operating activities of CHF 327.6 million. The integration process is progressing according to plan. During the year under review there were one-time merger-related integration costs of CHF 89.4 million; these are shown separately as an extraordinary result. The Board of Directors is proposing the distribution of an unchanged ordinary dividend of CHF 12.00 per share for the 2015/2016 financial year.

Rümlang 7 September 2016 – In 2015/2016, its first financial year as a merged company, dorma+kaba reached the operational goals and milestones it had set for the integration process.

The Group increased its consolidated sales by 2.6% to CHF 2,302.6 million currency-adjusted on a pro forma basis (reported: CHF 2,115.9 million). Organic growth came to 2.3%, which is at the upper end of the target range of 1.3% to 2.3%.

Profitability and net profit

dorma+kaba's operating profit for the 2015/2016 financial year was higher than in the previous year. On a comparable pro forma basis, EBITDA went up by 9.6% to CHF 332.7 million. The EBITDA margin increased by 90 basis points from 13.5% in the previous year to 14.4% (reported: EBITDA CHF 311.4 million, EBITDA margin 14.7%), which is within the target range for the 2015/2016 financial year of 14.1% to 15.1%. The increase in profitability compared with the previous year is mainly due to the positive business performance of the Access Solutions AMER segment in North America, as well as to the efficiency gains and initial cost savings from the merger. Pro forma EBIT for the year under review came to CHF 278.2 million, a rise of 10.4%. The EBIT margin increased from 11.1% in the prior year to 12.1% (reported: EBIT CHF 261.6 million, EBIT margin 12.3%).

dorma+kaba's ordinary result for the 2015/2016 financial year rose by 9.2% to CHF 262.0 million on a pro forma basis (reported: CHF 248.9 million) compared to CHF 239.9 million in the previous year. The extraordinary result of CHF -89.4 million (pro forma and reported) is entirely made up of integration costs incurred in connection with the merger to form dorma+kaba Group. Owing to these one-time integration costs, the pro-forma result after tax came to CHF 117.2 million (reported: CHF 104.7 million), compared to CHF 186.6 million in the previous year.

Strong balance sheet with solid net cash position and equity ratio

dorma+kaba Group has a very solid balance sheet structure. Its total assets as at 30 June 2016 amounted to CHF 1,579.3 million. The Group has net liquidity of CHF 159.1 million, and its equity ratio is 43.2%.

High operational cash flow

Cash flow from operating activities in financial year 2015/2016 came to CHF 327.6 million, and free cash flow to CHF 268.8 million. Cash flow from investment activities amounted to a net CHF 13.5 million, which includes capital expenditure of CHF 61.8 million. Cash flow from financing activities came to CHF -213.2 million. This is made up mainly of dividend payments totaling CHF 240.7 million, which includes the ordinary dividend paid by the former Kaba for financial year 2014/2015 (CHF 12.00 per share) and the former Kaba's special merger-related dividend.

Segment performances

Access Solutions AMER (North and South America)

This segment posted very good operating results for the 2015/2016 financial year. On a pro forma basis, Access Solutions AMER increased total sales by 5.4% organically and currency-adjusted on the previous year to CHF 514.9 million, and improved its EBITDA margin from 19.3% to 20.9%.

Access Solutions APAC (Asia Pacific)

As expected, the market environment for this segment remained challenging during the year under review, especially in China, though good results were achieved in Australia, South East Asia and some other Asian countries. On a pro forma basis, Access Solutions APAC as a whole recorded total sales of CHF 376.1 million (previous year CHF 377.8 million) and improved its EBITDA margin from the previous year's 8.7% to 9.6%.

Access Solutions DACH (Germany, Austria and Switzerland)

Performances across the DACH region were mixed. Growth was driven by good results in Germany. Sales growth in Austria was slightly better than in the previous year, while in Switzerland there was no growth. Overall the segment saw total sales go up by 1.6% organically and currency-adjusted to CHF 790.0 million on a pro forma basis, with an EBITDA margin unchanged on the previous year at 18.6%.

Access Solutions EMEA (Europe, Middle East and Africa)

Despite economic conditions varying across the relevant regions, the segment's operating results were within expectations. Access Solutions EMEA secured particularly good growth in Western Europe, with total sales up by 3.9% organically and currency-adjusted to CHF 736.5 million on a pro forma basis. The EBITDA margin came to 6.6% (previous year 6.9%).

Key Systems

Acquisition-adjusted, sales at the Key Systems segment were not quite as high as in the previous year, but they were within expectations, particularly since 2014/2015 sales were boosted by a one-off effect in the North

American automotive business. Key System generated total sales of CHF 208.5 million (previous year CHF 206.8 million) and posted an EBITDA margin of 17.1% (previous year 17.2%).

Movable Walls

The newly created Movable Walls segment recorded good results for its first financial year as a stand-alone unit. On a pro forma basis, total sales were 3.9% up organically and currency adjusted on the previous year at CHF 113.8 million, while the EBITDA margin improved from 9.0% to 11.5%.

Integration process on track

Implementation of the integration process is progressing according to plan and will continue as scheduled. Following the legal completion of the merger on 1 September 2015, dorma+kaba has, as planned, been operating as ONE company since 1 July 2016. In addition, the Group has been trading globally under the umbrella brand dormakaba since the start of the new 2016/2017 financial year. The key priorities in the next phase of integration are the implementation of defined integration projects, further growth and efficiency programs, and the continued development of a consistent corporate culture across dorma+kaba. The aim is to largely complete all of the integration process by the end of the 2017/2018 financial year.

Outlook

The strategic focus is on sustainable, profitable growth. Innovative new products and the strength of the combined portfolio should in future allow dorma+kaba to grow faster than the weighted GDP growth of the markets relevant to the company.

The Group expects to record organic growth of around 3% in the 2016/2017 financial year at constant exchange rates. It also aims to increase EBITDA on a comparable basis, thanks mainly to synergies from the merger and greater sales volumes. Most of these positive effects will be offset over the next year by further integration costs, e.g. for IT and branding. dorma+kaba assumes, therefore, that the EBITDA margin for financial year 2016/2017 will remain around the same level as in the previous year.

dorma+kaba is also confirming its mid-term targets. Based on the completed merger, the ongoing integration and the Group's operating performance, dorma+kaba expects to achieve an EBITDA margin of 18% in 2018/2019. Organic growth should then be 2 percentage points above the adjusted GDP growth of the markets relevant to dorma+kaba.

Proposals to the Annual General Meeting of 18 October 2016

Dividend

The Board of Directors is proposing to the Annual General Meeting to approve an unchanged dividend of CHF 12.00 per share for the 2015/2016 financial year. This corresponds to a pay-out ratio of around 50% of consolidated net profit after minority interests, if the one-time merger-related integration costs and associated tax effects are excluded.

Elections

All ten members of the Board of Directors will present themselves for re-election at the Annual General Meeting of dorma+kaba Holding AG on 18 October 2016. The Board of Directors is also proposing the re-election of Ulrich Graf as Chairman of the Board of Directors, and of Rolf Dörig, Hans Gummert and Hans Hess as Members of the Compensation Committee.

dorma+kaba Group Key figures

Consolidated income statement

in CHF million	FY 2015/2016 ¹ (pro forma)	FY 2014/2015 ² (pro forma)	FY 2015/2016 ³ (reported) Swiss GAAP FER
Consolidated net sales	2,302.6	2,244.7	2,115.9
EBITDA	332.7	303.6	311.4
as % of sales	14.4	13.5	14.7
EBIT	278.2	251.9	261.6
as % of sales	12.1	11.1	12.3
Ordinary result	262.0	239.9	248.9
as % of sales	11.4	10.6	11.7
Extraordinary result	-89.4	0.0	-89.4
Consolidated net profit	117.2	186.6	104.7
as % of sales	5.1	8.2	4.9

¹ Former Dorma Group and former Kaba Group – both 12 months

² Former Dorma Group and former Kaba Group – both 12 months at June 2016 exchange rates

³ Former Dorma Group consolidated since 1 September 2015 (10 months) and former Kaba Group (12 months)

Consolidated balance sheet

in CHF million	as at 30.06.2016	as at 30.06.2015 ¹
Total assets	1579.3	734.3
Cash and cash and cash equivalents	213.2	142.5
Total current assets	1069.7	532.3
Total non-current assets	509.6	202.0
Net liquidity	159.1	121.2
Total current liabilities	599.4	238.6
Total non-current liabilities	299.4	53.6
Equity	680.5	442.1
as % of total assets	43.2	60.2

¹ Former Kaba Group

Segment Key figures

in CHF million	AS AMER			AS APAC			AS DACH			AS EMEA		
	FY 15/16 ¹ (pro forma)	FY 14/15 ² (pro forma)	FY 15/16 ³ (reported)	FY 15/16 ¹ (pro forma)	FY 14/15 ² (pro forma)	FY 15/16 ³ (reported)	FY 15/16 ¹ (pro forma)	FY 14/15 ² (pro forma)	FY 15/16 ³ (reported)	FY 15/16 ¹ (pro forma)	FY 14/15 ² (pro forma)	FY 15/16 ³ (reported)
Total sales ⁴	514.9	488.0	478.0	376.1	377.8	338.1	790.0	777.5	712.4	736.5	708.7	677.7
EBITDA	107.5	94.3	105.3	36.2	33.0	30.9	146.7	144.3	129.8	48.4	48.7	48.9
in % sales	20.9	19.3	22.0	9.6	8.7	9.1	18.6	18.6	18.2	6.6	6.9	7.2
EBIT	101.3	88.4	99.7	32.0	27.0	27.0	130.9	129.3	116.4	32.6	34.9	33.7
in % sales	19.7	18.1	20.9	8.5	7.2	8.0	16.6	16.6	16.3	4.4	4.9	5.0

in CHF million	Access Solutions total ⁵			Key Systems ⁶			Movable Walls ⁷			Group (after eliminations)		
	FY 15/16 ¹ (pro forma)	FY 14/15 ² (pro forma)	FY 15/16 ³ (reported)	FY 15/16 ¹ (pro forma)	FY 14/15 ² (pro forma)	FY 15/16 (reported)	FY 15/16 ¹ (pro forma)	FY 14/15 ² (pro forma)	FY 15/16 (reported)	FY 15/16 ¹ (pro forma)	FY 14/15 ² (pro forma)	FY 15/16 ³ (reported)
Total sales ⁴	1985.4	1933.7	1815.2	208.5	206.8	208.5	113.8	109.5	95.6	2302.6	2244.7	2115.9
EBITDA	338.7	320.4	314.9	35.7	35.5	35.7	13.1	9.8	11.2	332.7	303.6	311.4
in % sales	17.1	16.6	17.3	17.1	17.2	17.1	11.5	9.0	11.7	14.4	13.5	14.7
EBIT	296.7	279.5	276.9	30.5	30.6	30.5	11.8	8.7	10.2	278.2	251.9	261.6
in % sales	14.9	14.5	15.3	14.6	14.8	14.6	10.4	7.9	10.6	12.1	11.1	12.3

¹ Former Dorma Group and former Kaba Group, both 12 months

² Former Dorma Group and former Kaba Group, both 12 months at June 2016 exchange rates

³ Former Dorma Group consolidated since 1 September 2015 (10 months) and former Kaba Group (12 months)

⁴ Incl. intercompany sales

⁵ Intercompany sales between Access Solutions segments eliminated – includes intercompany sales with other non-Access Solutions segments

⁶ Former Dorma Group was not active in the Key System Segment

⁷ Former Kaba Group was not active in the Movable Walls Segment

dorma+kaba Holding AG's full 2015/2016 annual report can be found at:
<https://www.dormakaba.com/publications>

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dorma+kaba 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. With around 16,000 employees and numerous cooperation partners, we are active in over 130 countries. dorma+kaba Group is headquartered in Rümlang (Zurich/Switzerland) and generates an annual turnover of over CHF 2 billion.

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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