Media release

In these consolidated full-year financial statements, we provide two different sets of figures for the previous year period 2015/16 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 ten months) in line with Swiss GAAP FER. The published previous year figures (2015/16) relate to the business activities of the former Kaba Group for the entire period, while the former Dorma Group was only included for ten months ("as reported"). However, to increase interpretability, in addition separate pro forma figures for the previous year period 2015/16 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.

2016/2017 financial year: very good results – sales and profitability increased, higher dividend proposed

- Sales increased by 9.4% to CHF 2,520.1 million, organic sales growth of 4.3%
- Post-merger integration process on track
- EBITDA margin improved from 14.4% to 15.4%
- Net profit increased to CHF 224.6 million due to higher profitability and positive tax effects of acquisitions and post-merger integration
- Strategically important acquisitions made in North America
- Dividend of CHF 14.00 per registered share proposed for 2016/17 financial year, up from previous year's CHF 12.00
- Outlook for financial year 2017/18: organic sales growth of 150 to 200 basis points above the GDP growth for the company's relevant markets (which is currently expected to be at 2.5%); EBITDA margin slightly higher than in 2016/17

Rümlang, 12 September 2017 – dormakaba reports very good results for the 2016/17 financial year. The Group's consolidated sales rose by 9.4% to CHF 2,520.1 million, compared with CHF 2,302.6 million in the previous year. Organic sales growth came to 4.3%. All segments contributed to this organic growth, with the largest shares coming from Access Solutions (AS) AMER, AS APAC and Key Systems. The strategically important acquisitions made in North America during the year as well as all other portfolio adjustments contributed 5.4% to sales growth. Currency effects had a small impact on sales, amounting to -0.2%.

Profitability and net profit

dormakaba made further progress on the integration process during the year under review; the related synergies and cost savings had a positive effect on profitability. In addition to the acquisitions made during the financial year, the very good year-on-year performance of AS AMER and AS APAC also contributed to a CHF 54.6 million overall rise in EBITDA to CHF 387.3 million. The EBITDA margin went up to 15.4%, compared with 14.4% in the previous year.
The ordinary result for 2016/17 was CHF 295.2 million compared with CHF 262.0 million in the previous year. In financial year 2015/16, profit before taxes included an extraordinary result of CHF -89.4 million for the one-time integration costs associated with the merger to form dormakaba. Due to the use of tax loss carry forwards associated with post-merger integration projects, as well as positive acquisition-related tax effects in the USA,

the tax rate for the year under review was much lower, at 23.9%, compared with 32.1% in the previous year. dormakaba's net profit for 2016/17 was CHF 224.6 million, up from CHF 117.2 million in 2015/16. Net profit after minorities came to CHF 116.4 million, compared with CHF 60.4 million in the previous year.

Cash flow and balance sheet

The two acquisitions – Mesker (Mesker Openings Group; completed on 12 December 2016) and Best Access Solutions (Mechanical Security Businesses of Stanley Black & Decker; completed on 22 February 2017) – also had a significant effect on cash flow and the balance sheet. Cash flow from operating activities rose to CHF 354.7 million during the year under review. Owing to the acquisitions, free cash flow came to CHF -699.2 million.

As at 30 June 2017, dormakaba had total assets of CHF 1,909.0 million (30 June 2016: CHF 1,579.3 million) and net debt of CHF 627.6 million (30 June 2016: net liquidity of CHF 159.1 million). In accordance with Swiss GAAP FER 30, the CHF 659.3 million of goodwill from acquisitions made in the 2016/17 financial year was offset against equity without affecting earnings. This led to a reduction in equity to CHF 183.1 million as at the balance sheet date, down from CHF 680.5 million in the previous year.

Segment performances

Access Solutions AMER (North and South America)

AS AMER achieved organic sales growth of 9.1% and increased its sales to CHF 685.0 million. The segment's EBITDA margin improved to 21.0% compared to 20.7% in the previous year.

Access Solutions APAC (Asia Pacific)

AS APAC grew organically by 7.7% and increased its sales to CHF 435.1 million. Its EBITDA margin improved to 12.4% compared to 9.3% in the previous year.

Access Solutions DACH (Germany, Austria and Switzerland)

AS DACH reported organic sales growth of 2.9%, generating sales of CHF 801.0 million. The segment's EBITDA margin went up to 18.7% compared to 18.1% in the previous year.

Access Solutions EMEA (Europe, Middle East and Africa)

AS EMEA grew organically by 1.5% and the segment's sales increased to CHF 732.9 million. Its EBITDA margin of 6.7% improved compared to 6.4% in the previous year.

Key Systems

Key Systems posted organic sales growth of 4.5% for the year under review and achieved sales totalling CHF 217.2 million. The segment's EBITDA margin improved to 17.3% compared to 16.9% in the previous year.

Movable Walls

Movable Walls grew organically by 0.2% and generated sales of CHF 114.6 million. Mainly as a result of restructuring measures initiated in Germany in the year under review, its EBITDA margin fell from 11.2% in the previous year to 8.6%.

Integration process remains on schedule

dormakaba continued to press ahead with its integration process in the financial year 2016/17. The main priority was the implementation of clearly defined integration projects, such as the consolidation of legal entities in individual countries, further investments in a joint global IT infrastructure, and the establishment of the new dormakaba umbrella brand. In Germany, an agreement was reached that allows the necessary restructuring measures to be carried out. The integration process is now entering its final relevant phase and dormakaba expects the integration to be largely completed as scheduled by the end of the financial year 2017/18.

Market position strengthened by strategic acquisitions
dormakaba significantly strengthened its market position in North America through transformational acquisitions during the year under review. With the acquisition of Mesker and of Best Access Solutions, dormakaba became one of the top three providers of door hardware and access control solutions in the attractive North American market.

Outlook
In financial year 2017/18, dormakaba makes its post-merger integration as well as the integration of its acquired businesses top priority.
The company believes that the global macroeconomic and geopolitical environment remains volatile and therefore challenging. Based on this assumption, in 2017/18 dormakaba expects to achieve organic growth of 150 to 200 basis points above the GDP growth for the company's relevant markets (which is currently expected to be at 2.5%). Despite additional integration-related costs, especially for IT, and despite the integration costs associated with the recent acquisitions, dormakaba expects a slightly higher EBITDA margin compared with 2016/17.
dormakaba is confirming its mid-term targets: based on the completed merger, the ongoing integration and the Group's operating performance, dormakaba aims to achieve an EBITDA margin of 18% for the first time in the financial year 2018/19, while organic sales growth should be at least 200 basis points above the GDP growth for dormakaba's relevant markets.

Proposals to the Annual General Meeting of 17 October 2017
Dividend proposal
Based on the very good results, the Board of Directors is proposing to the Annual General Meeting a dividend payment of CHF 14.00 per registered share for the financial year 2016/17. This is CHF 2.00 per registered share higher than in the previous year. The proposed dividend pay-out is in line with the Board of Director's envisaged pay-out ratio of at least 50% of consolidated net profit after minority interests.

Elections
All ten members of the Board of Directors will present themselves for re-election at the Annual General Meeting. 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.

dormakaba Group key figures

in CHF million	FY ended 30.06.2017	in %	FY ended 30.06.2016[1)]	in %
Net sales	2,520.1	100.0	2,302.6	100.0
Organic growth in %	4.3		2.3	
Operating profit before depreciation and amortization (EBITDA)	387.3	15.4	332.7	14.4
Operating profit (EBIT)	327.0	13.0	278.2	12.1
Ordinary result	295.2	11.7	262.0	11.4
Extraordinary result	0.0	0.0	-89.4	-3.9
Net profit	224.6	8.9	117.2	5.1
- Net profit attributable to minority interests	108.2		56.8	
- Net profit attributable to the owners of the parent	116.4		60.4	
Dividend per share (in CHF)	14.00[2)]		12.00	
Balance sheet / Market capitalization	**as at 30.06.2017**		**as at 30.06.2016**	
Total assets	1,909.0		1,579.3	
Net debt	627.6		-159.1	
Market capitalization	3,479.9		2,848.0	

1) Pro forma: former Dorma Group and former Kaba Group both 12 months (adjusted)
2) In 2016/17: proposal to the Annual General Meeting in the form of a distribution of capital reserves

dormakaba Holding AG's full Annual Report 2016/17 and the presentation to analysts can be found at: go.dormakaba.com/publications

Further information for: **Investors and analysts**
Siegfried Schwirzer
Head of IR
T: +451 44 818 90 28
siegfried.schwirzer@dormakaba.com

Media
Germaine Müller
Press Officer
T: +41 44 818 92 01
germaine.mueller@dormakaba.com

dormakaba Group
dormakaba makes access in life smart and secure. As one of the top three companies in the industry, dormakaba is the trusted partner for products, solutions and services for access to buildings and rooms from a single source. With strong brands such as Dorma, Kaba and Best in its portfolio, the company and its numerous cooperation partners are represented in over 130 countries worldwide.

dormakaba is listed at the SIX Swiss exchange, is headquartered in Rümlang (Zurich/Switzerland) and generated a turnover of over CHF 2.5 billion with more than 16,000 employees in financial year 2016/17.

SIX Swiss Exchange: DOKA
Further information at www.dormakaba.com