

Key figures as of March 31, 2019

Press release
April 26, 2019

Solid growth

Schindler began the year by delivering solid growth. In the first quarter of 2019, order intake rose by 5.2% to CHF 2 968 million (+6.4% in local currencies) and Schindler was thereby able to strengthen its market position. Revenue increased by 4.4% to CHF 2 582 million (+5.8% in local currencies) in spite of the high comparable base of the prior year and foreign exchange headwinds. Operating profit (EBIT) totaled CHF 274 million (first quarter of 2018: CHF 281 million) corresponding to an EBIT margin of 10.6% (first quarter of 2018: 11.4%). Higher material costs, wage inflation, and the planned increase in expenditure on strategic projects affected the result. Net profit amounted to CHF 197 million (first quarter of 2018: CHF 208 million) and cash flow from operating activities reached CHF 263 million, equivalent to CHF 391 million before one-off impacts (first quarter of 2018: CHF 330 million).

Order intake and order backlog

In the first quarter of 2019, order intake rose by 5.2% to CHF 2 968 million (first quarter of 2018: CHF 2 822 million), corresponding to an increase of 6.4% in local currencies.

All product lines and regions achieved growth, supported by a further increase in the order volume for major projects, especially in the public transport segment. The Asia-Pacific region generated the highest growth, mainly driven by China, followed by the Americas and EMEA (Europe, Middle East, Africa).

As of March 31, 2019, the order backlog rose by 7.6% to CHF 9 128 million (previous year: CHF 8 481 million), which is equivalent to a growth of 9.0% in local currencies.

Revenue

Revenue rose by 4.4% to CHF 2 582 million (first quarter of 2018: CHF 2 473 million), corresponding to an increase of 5.8% in local currencies (negative translation impact of CHF 35 million). The largest contribution to growth was generated by the Asia-Pacific region, followed by the Americas and EMEA.

Operating profit

Operating profit (EBIT) reached CHF 274 million (first quarter of 2018: CHF 281 million), equivalent to a decrease of 1.1% in local currencies.

Higher material costs, wage inflation, foreign currency impacts, and the planned increase in expenditure on strategic projects – such as modularization and business digitization – affected the development of earnings. As anticipated, these higher expenses were only partially offset by cost savings in the first quarter.

The EBIT margin was 10.6% (first quarter of 2018: 11.4%). Before restructuring costs of CHF 4 million (first quarter of 2018: CHF 4 million) and expenses for the start-up company BuildingMinds of CHF 4 million, the EBIT margin was 10.9% (first quarter of 2018: 11.5%).

Net profit and cash flow from operating activities

Net profit totaled CHF 197 million (first quarter of 2018: CHF 208 million). Cash flow from operating activities reached CHF 263 million. Adjusted for one-off impacts (settlement of pension obligations and introduction of the new accounting standard IFRS 16), it amounted to CHF 391 million (first quarter of 2018: CHF 330 million). The increase compared to the previous year is primarily attributable to net working capital optimization.

Outlook for 2019

For 2019, excluding any unforeseeable events, Schindler expects to continue growing faster than the market, with revenue increasing between 4% and 6% in local currencies. As in previous years, the annual forecast for net profit will be provided with the publication of the half-year results.

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Dial-in details for today's conference call at 10:00 CET are available at:
www.schindler.com/com/internet/en/investor-relations/conference-call-details.html

Key figures
1st quarter: January to March

In CHF million	2019	2018	Δ %	Δ % local currencies
Order intake	2 968	2 822	5.2	6.4
Revenue	2 582	2 473	4.4	5.8
Operating profit (EBIT)	274	281	-2.5	-1.1
in %	10.6¹	11.4 ²		
Financing and investing activities	-15	-9		
Profit before taxes	259	272	-4.8	
Income taxes	62	64		
Net profit	197	208	-5.3	
Earnings per share and participation certificate in CHF	1.71	1.82	-6.0	
Cash flow from operating activities	263³	330	-20.3	
Investments in property, plant, and equipment	49	46	6.5	
As of March 31				
Order backlog	9 128	8 481	7.6	9.0
Number of employees	64 984	61 798	5.2	

¹ Before restructuring costs (CHF 4 million) and expenses for BuildingMinds (CHF 4 million) 10.9%

² Before restructuring costs (CHF 4 million) 11.5%

³ Before one-off impacts CHF 391 million (settlement of pension obligations CHF -157 million, IFRS 16 - Leases CHF 29 million)

Balance sheet

In CHF million	31.3.2019 ¹	%	31.12.2018	%	31.3.2018	%
Cash and cash equivalents	2 345	21.9	2 248	22.5	1 516	16.8
Other current assets	4 509	42.2	4 252	42.7	4 148	46.0
Total current assets	6 854	64.1	6 500	65.2	5 664	62.8
Non-current assets	3 839	35.9	3 476	34.8	3 348	37.2
Total assets	10 693	100.0	9 976	100.0	9 012	100.0
Current liabilities	5 197	48.6	4 744	47.6	5 036	55.9
Non-current liabilities	1 605	15.0	1 489	14.9	997	11.0
Total liabilities	6 802	63.6	6 233	62.5	6 033	66.9
Equity	3 891	36.4	3 743	37.5	2 979	33.1
Total liabilities and equity	10 693	100.0	9 976	100.0	9 012	100.0

¹ First-time application of IFRS 16 - Leases

Exchange rates

			2019		2018		
			Closing rate as of March 31	Average rate 1st quarter	Closing rate as of December 31	Closing rate as of March 31	Average rate 1st quarter
Eurozone	EUR	1	1.12	1.13	1.13	1.18	1.17
USA	USD	1	1.00	0.99	0.99	0.96	0.95
Brazil	BRL	100	25.59	26.18	25.40	28.78	29.18
China	CNY	100	14.84	14.72	14.33	15.22	14.99
India	INR	100	1.44	1.41	1.41	1.46	1.48