



Styria Media Center, office building; Graz, Austria
New installation of 7 Schindler 5500 elevators

Welcome to Schindler

Annual Results Presentation 2015

Lucerne, February 12, 2016



Annual results presentation 2015

Agenda

- Results 2015
- Action plan and outlook 2016
- Q&A

Silvio Napoli and Erich Ammann

Thomas Oetterli

Silvio Napoli, Erich Ammann,
Thomas Oetterli

Highlights 2015

Growth strategy delivers despite headwinds

Schindler's position significantly strengthened in strategic markets

- China's new installation market declined for the first time in more than 20 years
- India, Southeast Asia and Australia growing
- Accelerating growth in North America; South America in recession
- Recovery in some European markets, overall moderate growth

Q4 2015: Progress in performance

- Very strong orders, revenue, EBIT and cash flow
- EBIT margin at 11.4% before restructuring charge

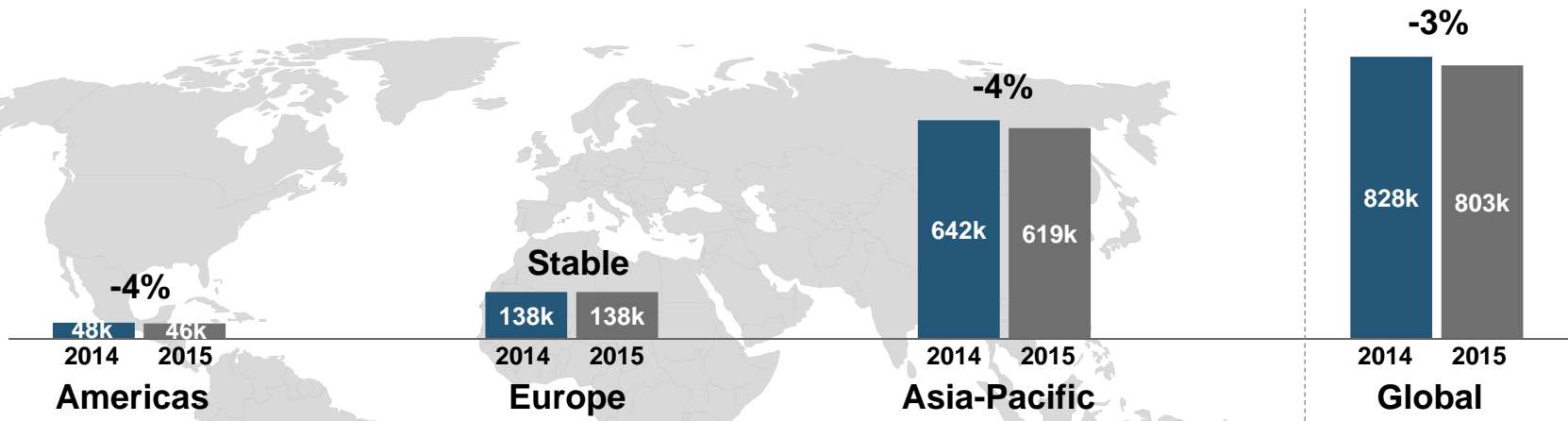
FY 2015: Strong growth and increased profitability

- FX impacts worsening
- EBIT above CHF 1 billion (+16.8% in local currencies)
- EBIT margin increased to 10.7%, 11.0% before restructuring charge
- Increased net profit; cash flow above CHF 1 billion

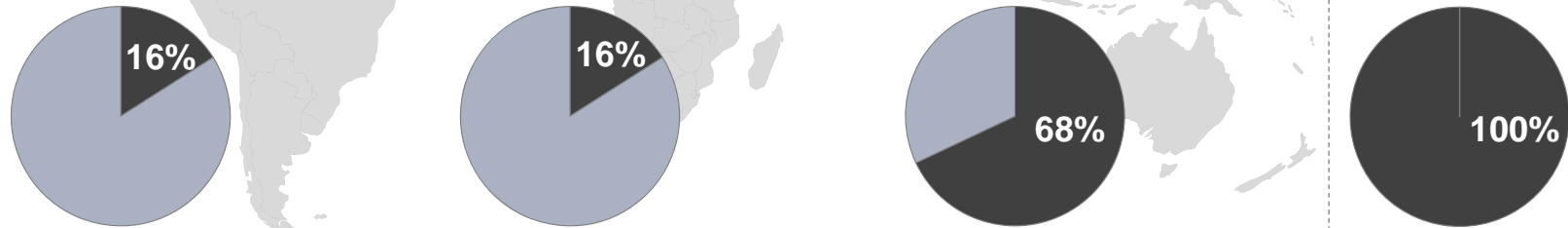
Slight decline in global new installations market

First contraction in China in more than 20 years

NI market size (units) and growth rate 2014-15



Regional share of global NI market (value) 2015



US growth insufficient to offset Latin America contraction

Traction solution gaining momentum

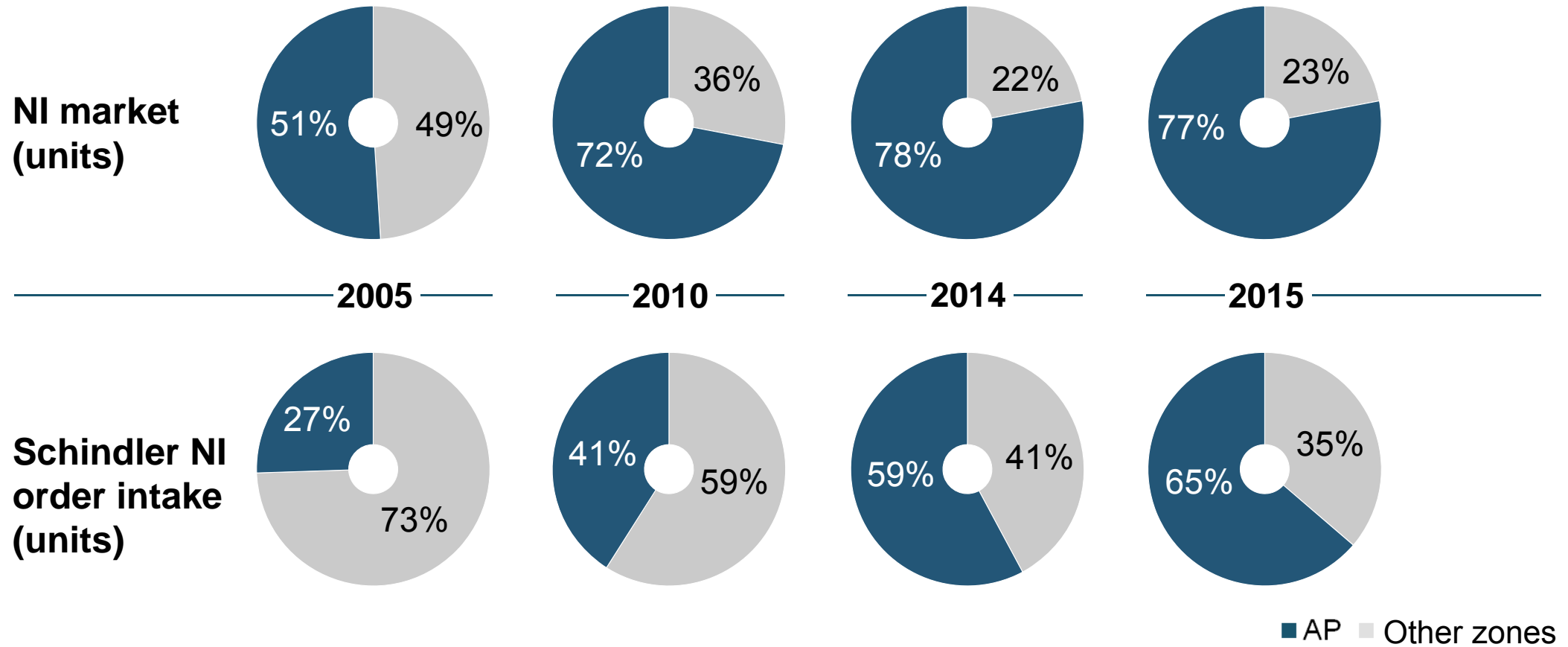
Europe relatively stable

China decline driven by the residential segment

India, Southeast Asia and Australia growing

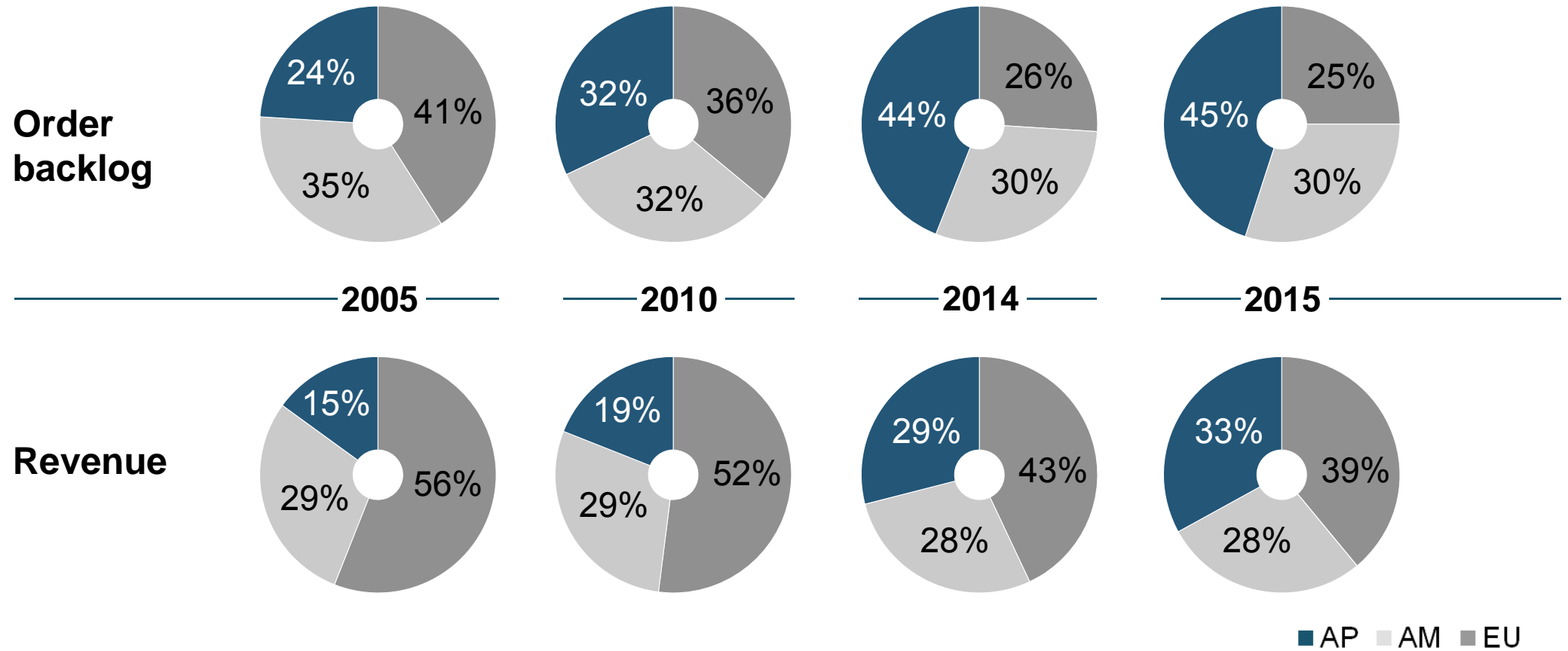
Order intake aligning more to global demand distribution

Improved position in growth markets



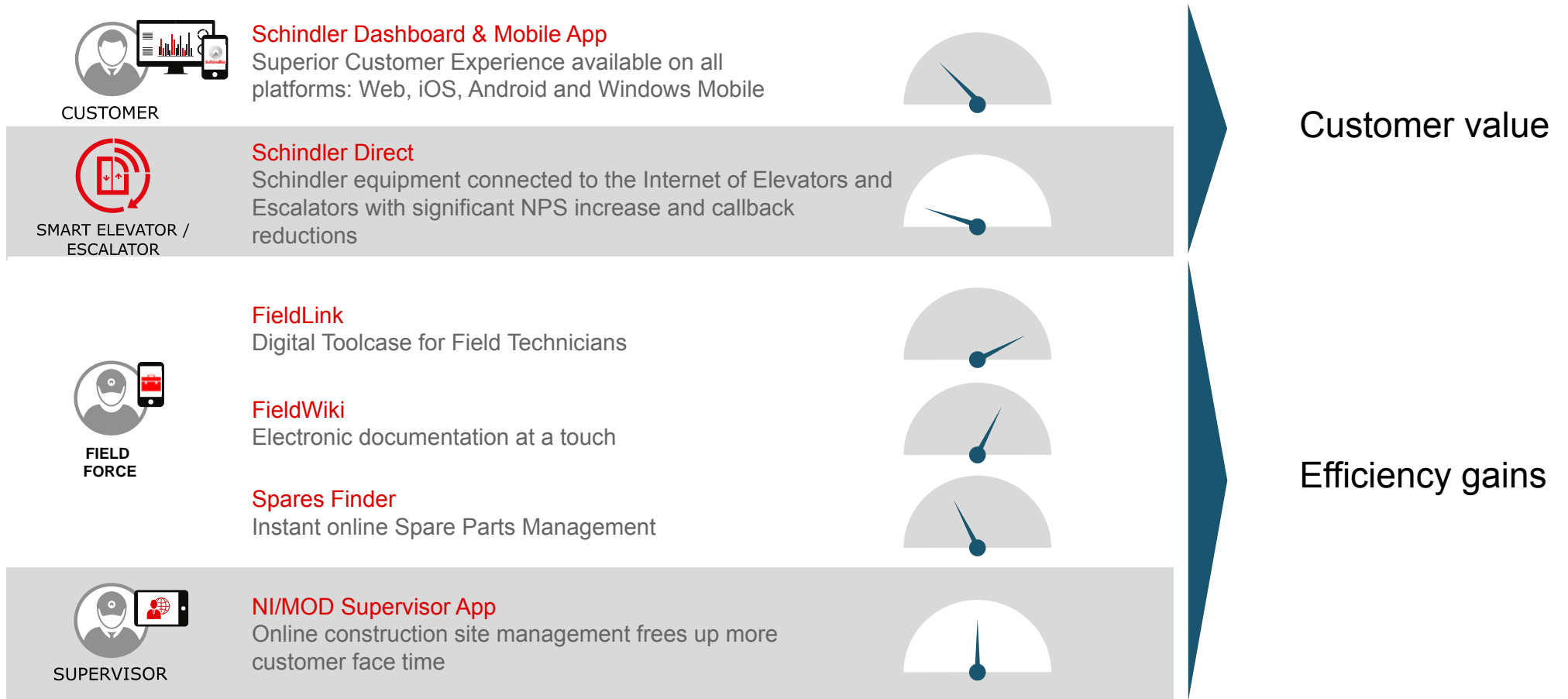
Growth strategy at work

Better balance across regions



Digitization

Enhancing customer experience through digital tools



Q4 2015: Key figures

Progress in performance

In CHF million	Q4/2015	Q4/2014	Δ%	Δ% in LC
Orders received	2 606	2 569	+1.4	+6.6
Revenue	2 589	2 593	-0.2	+5.1
Operating profit (EBIT), comparable	277	259	+6.9	+17.0
in %	10.7	10.0		
Net profit, comparable	194	217	-10.6	

Including exceptional items 2014

Operating profit (EBIT)	277	238 ¹	+16.4	+27.3
in %	10.7 ²	9.2 ²		
Net income from financing and investing activities	-30	26		
Income taxes	53	65		
Net profit	194	199 ³	-2.5	

¹ Impairment of intangible assets: CHF 21 million

² EBIT margin at 11.4% before restructuring cost (previous year: 11.0% before impairment of intangible assets and restructuring cost)

³ Impairment of intangible assets: CHF 18 million

Full year 2015: Key figures

Successful execution of strategic growth targets

In CHF million	2015	2014	Δ%	Δ% in LC
Orders received	9 967	9 979	-0.1	+4.6
Revenue	9 391	9 246	+1.6	+6.7
Operating profit (EBIT), comparable	1 002	932	+7.5	+16.8
in %	10.7	10.1		
Net profit, comparable	747	740	+0.9	

Including exceptional items 2014

Operating profit (EBIT)	1 002	1 138 ¹	-12.0	-4.3
in %	10.7 ²	12.3 ²		
Net income from financing and investing activities	-20	11 ³		
Income taxes	235	247		
Net profit	747	902 ⁴	-17.2	

¹ XJ-Schindler (Xuchang) Elevator Co. Ltd. revaluation gain: CHF 145 million, gain on sale of Mall of Switzerland project: CHF 82 million, impairment of intangible assets: CHF 21 million

² EBIT margin at 11.0% before restructuring cost (previous year: 10.5% before exceptional items and restructuring cost)

³ Hyundai Elevator Co. Ltd. impairment: CHF 40 million

⁴ XJ-Schindler (Xuchang) Elevator Co. Ltd. revaluation gain: CHF 145 million, gain on sale of Mall of Switzerland project: CHF 75 million, impairment of intangible assets: CHF 18 million, Hyundai Elevator Co. Ltd. impairment: CHF 40 million

Full year 2015: Key figures

Cash flow above CHF 1 billion, growth in order backlog

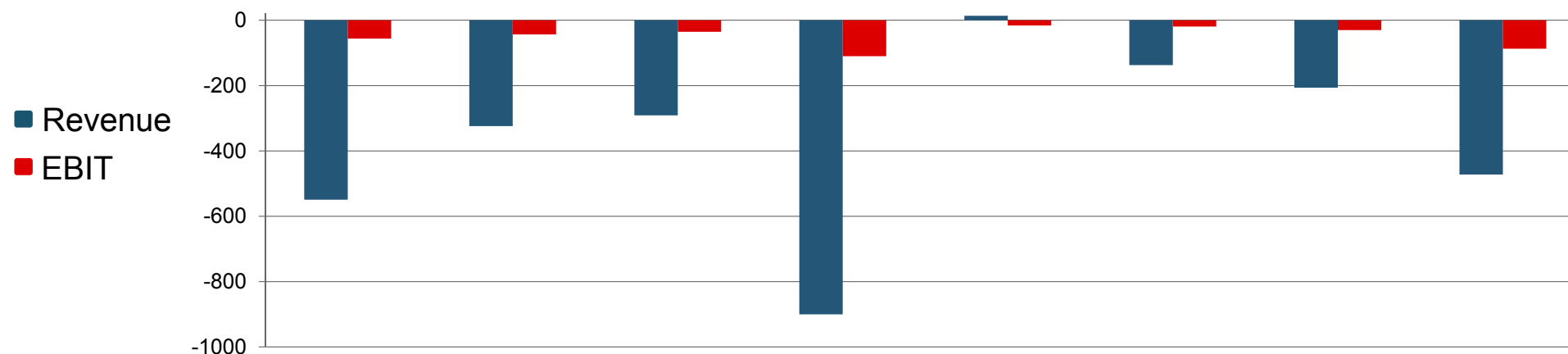
In CHF million	2015	2014	Δ%	Δ% in LC
Cash flow from operating activities	1 076	902	+19.3	
Investments in property, plant, and equipment	183	183	0.0	

	31.12.2015	31.12.2014		
Order backlog	9 364	9 263	+1.1	+7.9
Number of employees	56 762	54 209	+4.7	

Currency headwinds

Translation impact of exchange rates

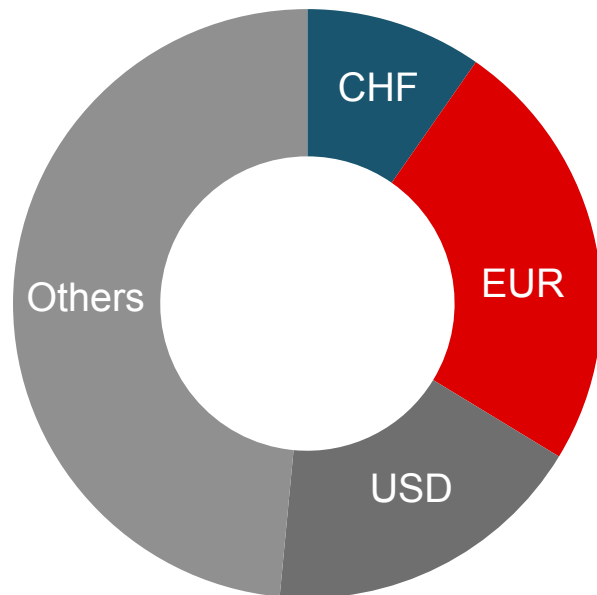
In CHF million	2008	2009	2010	2011	2012	2013	2014	2015	Total
Revenue	-549	-324	-291	-900	14	-137	-206	-472	-2 865
EBIT	-56	-43	-35	-110	-16	-19	-30	-87	-396



Schindler generates >90% of revenues outside Switzerland

Limited transaction risk but large translation risk

Revenue 2015 by functional currency



Transaction exposure

- Good match of revenue and cost in functional currencies in operating companies
- 100% hedging policy for transaction exposure

Translation exposure

- Swiss franc is the reporting currency for Group accounts
- Exposure from Corporate functions in Switzerland

Measures

- Mitigation of CHF cost exposure through sourcing of material and services in foreign currencies
- Continued alignment of competences and resources with markets

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Action Plan 2016

Marginal decrease of global new installations market

- Further decline in China
- Positive outlook for the U.S., India, and Southeast Asia

Fast Forward execution in full swing

- New Group Executive Committee to drive key initiatives
- Continued focus on strategic markets
- Product innovation and digitization opportunities
- Efficiency gains from global supply chain and modular products

Strategic intent unchanged

Fast Forward execution in full swing

- Objectives**
- Growth above market
 - Improvement in EBIT
 - Focus on margins

Operational Excellence

- Customer-centricity
- Quality
- Pricing
- Simplification
- Efficiency

Strategic Markets

New Installations	<ul style="list-style-type: none">– China– India, Southeast Asia– Turkey, Iran
Existing Installations	<ul style="list-style-type: none">– AP: conversions– EU, AM: portfolio yield– Global: modernization

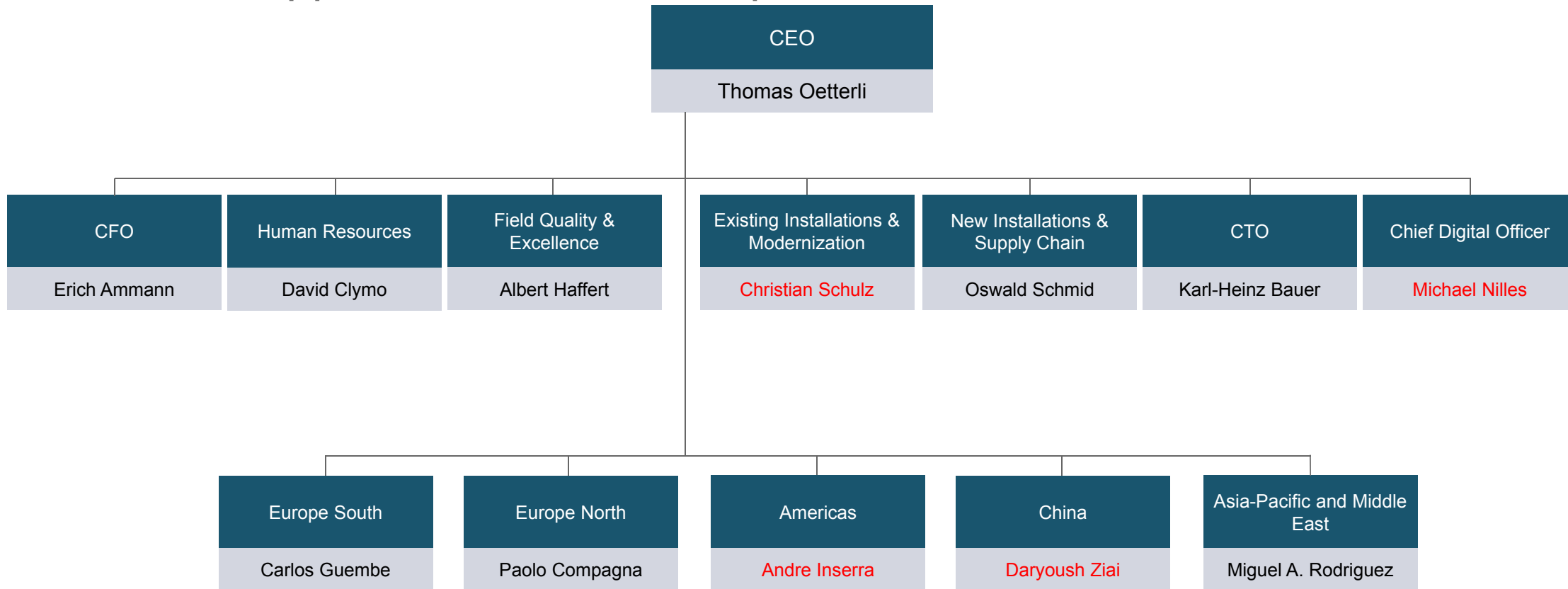
Global Delivery


- Cost competitiveness
- Global supply chain
- Modular products
- Functional/geographical accountability
- Innovation
- Digitization

Foster High-Performance Culture

Group Executive Committee as of April 1, 2016

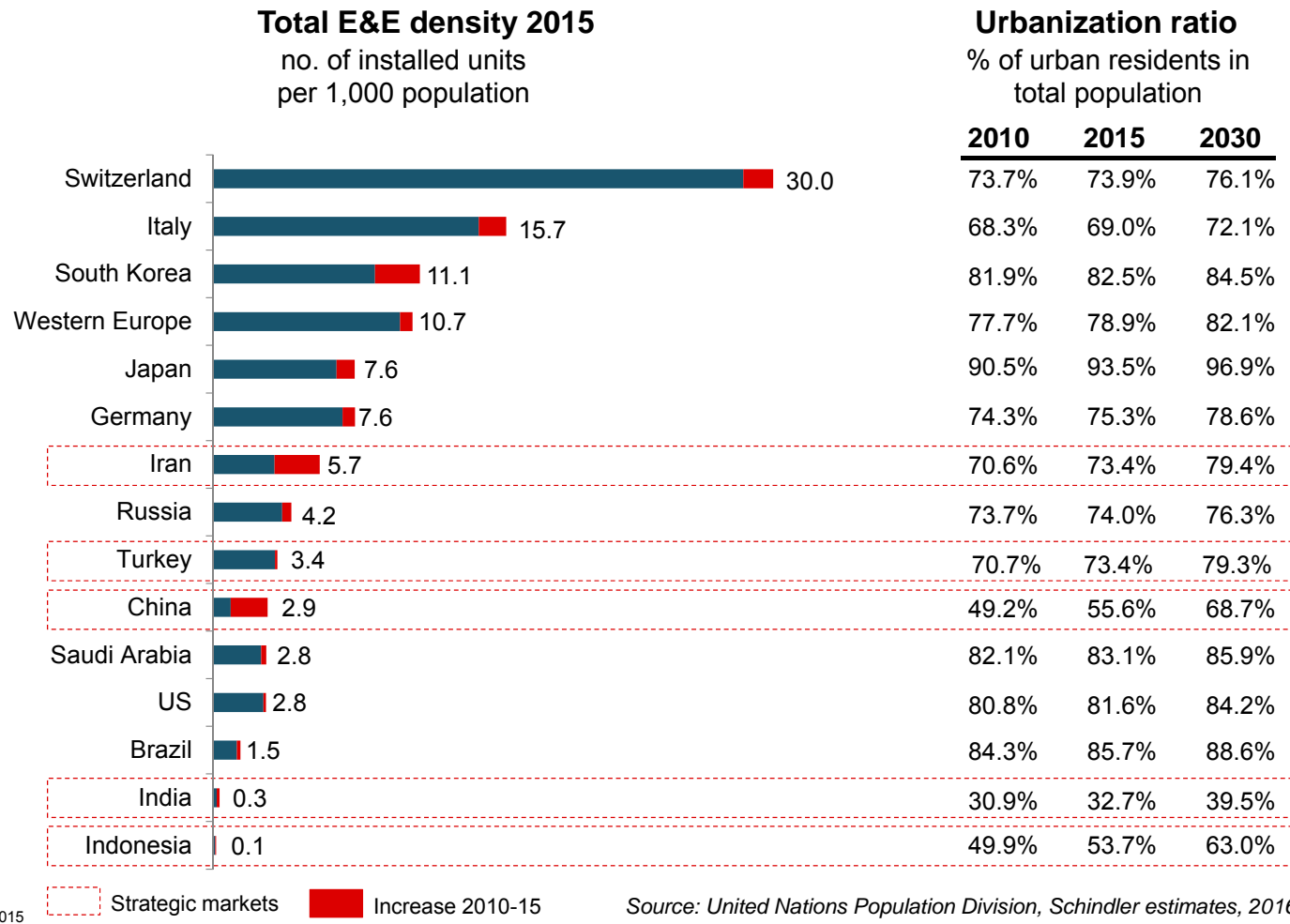
Four new appointments, two new positions



 new members

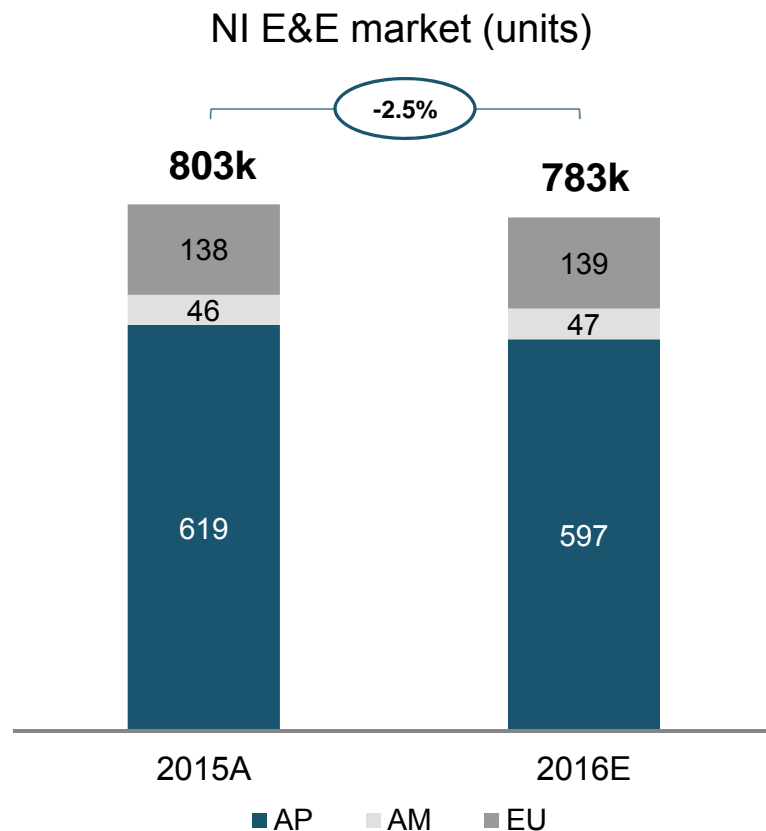
E&E market growth potential driven by verticalization of cities

By 2050, two out of three people globally will live in cities



Global New Installations market 2016

Marginal decrease driven by China



Market outlook 2016

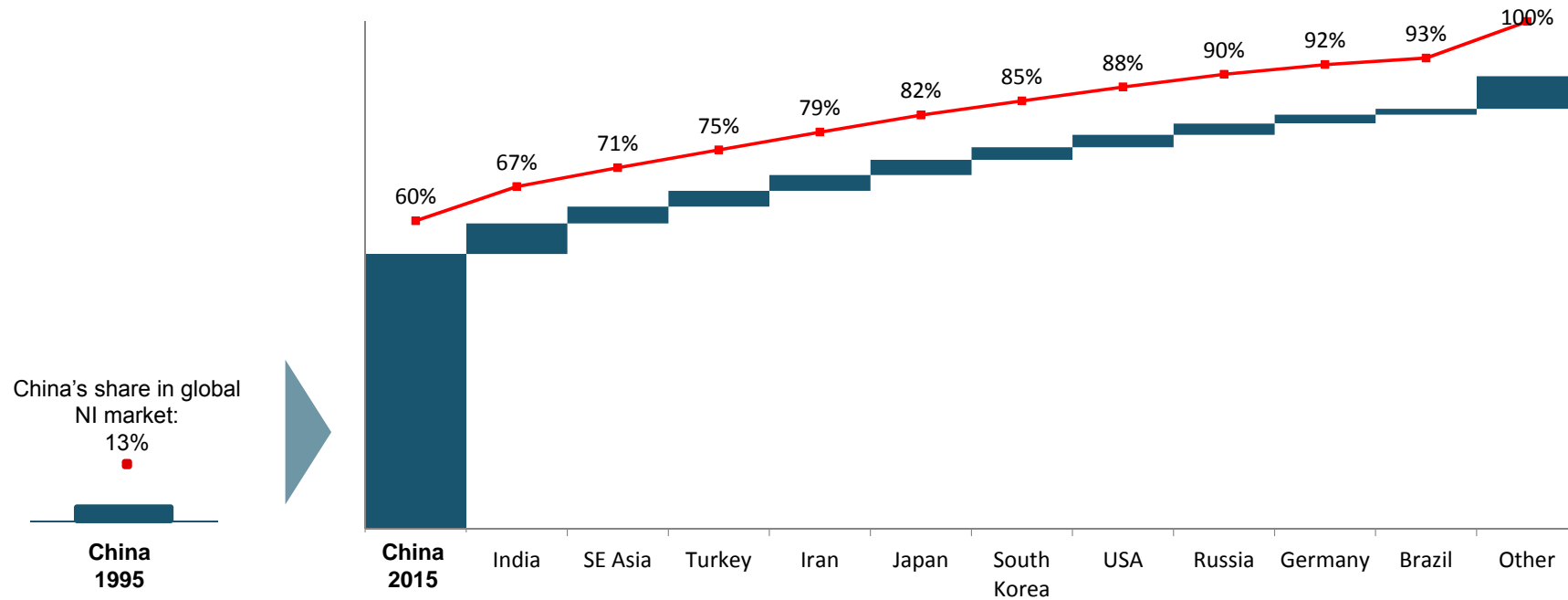
- Further decline in China
- India and Southeast Asia expanding
- Continued growth in the U.S.
- Moderate recovery in Europe

Mid- to long-term outlook

- Fast-paced urbanization
- Vertical growth of cities
- Growing Asian middle class
- Aging of population

China remains key focus

NI market 9x larger than any other despite recent downturn

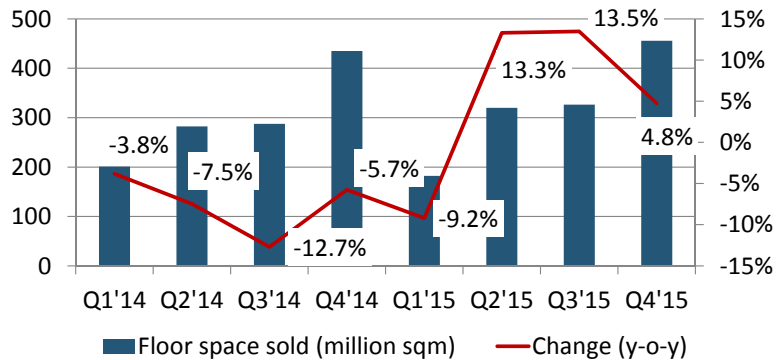


Source: Schindler estimates
NI: New Installations elevators and escalators sold (units)

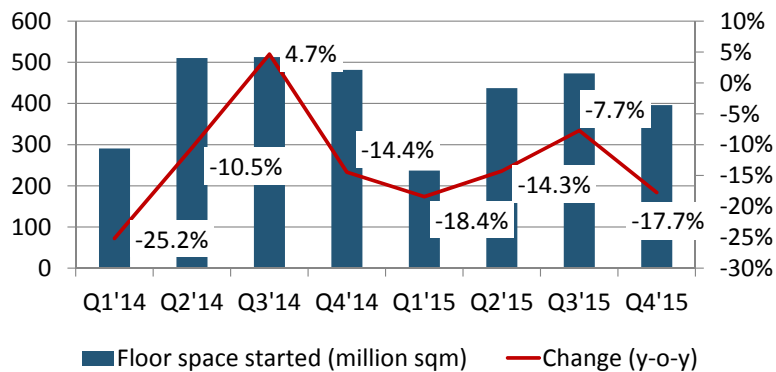
China: Second year of falling floor space started

Pricing trend in key cities in positive territory

Floor space sold in China



Floor space started in China



Opportunities

- Urbanization and infrastructure investment continue
- Several stimulus measures deployed to prop up market
- Pick-up in floor space sold
- Property prices in key cities increasing
- Commercial property vacancy rates in Tier-1 cities remain low
- Housing affordability has improved by ~20% vs 2009

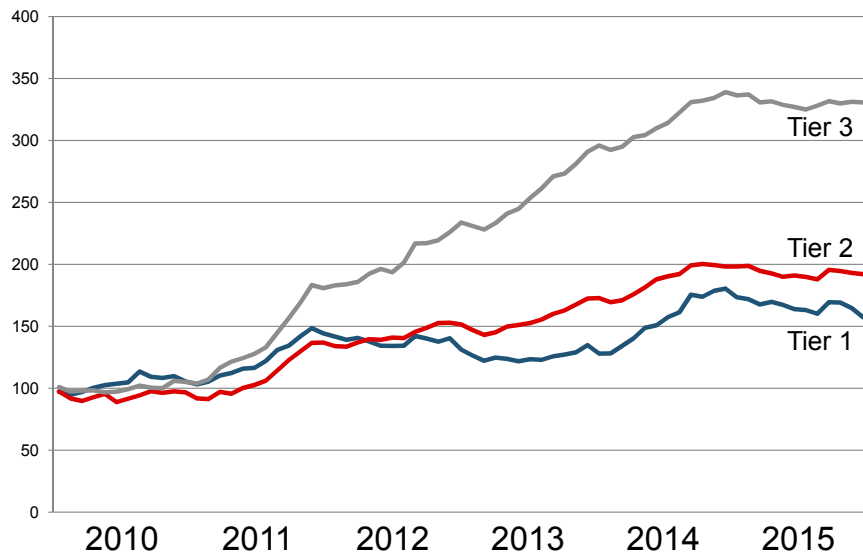
Risks

- Land area purchased by developers decreased by 32% in 2015
- Deteriorating trend in real estate investment
- Floor space started was down 14% in 2015
- Housing inventory overhang in lower-tier cities
- Delays in order down-payments
- Continued pricing pressure to be offset with cost reduction

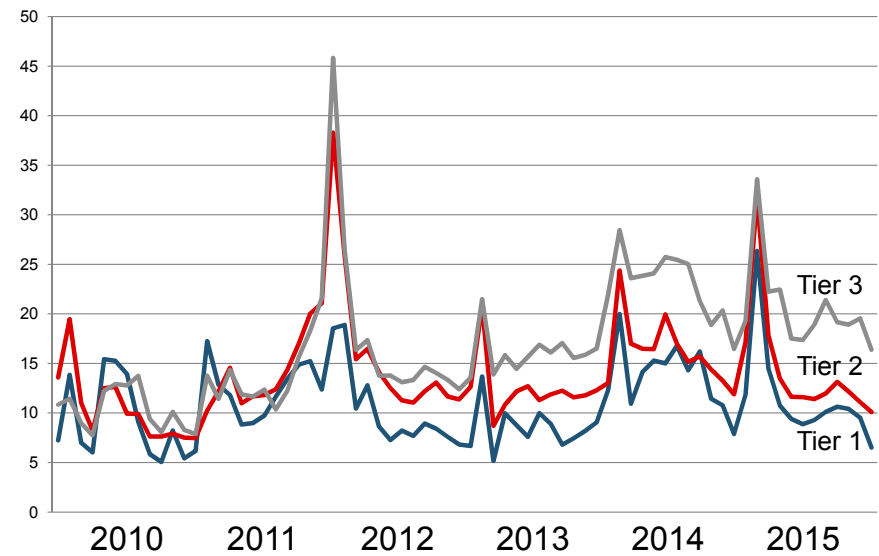
China: Inventories remain very high, especially in smaller cities

Slight improvement in Tier 1-2 cities

Housing inventory, by city tier (2010=100)



Housing inventory, by city tier (months of sales)



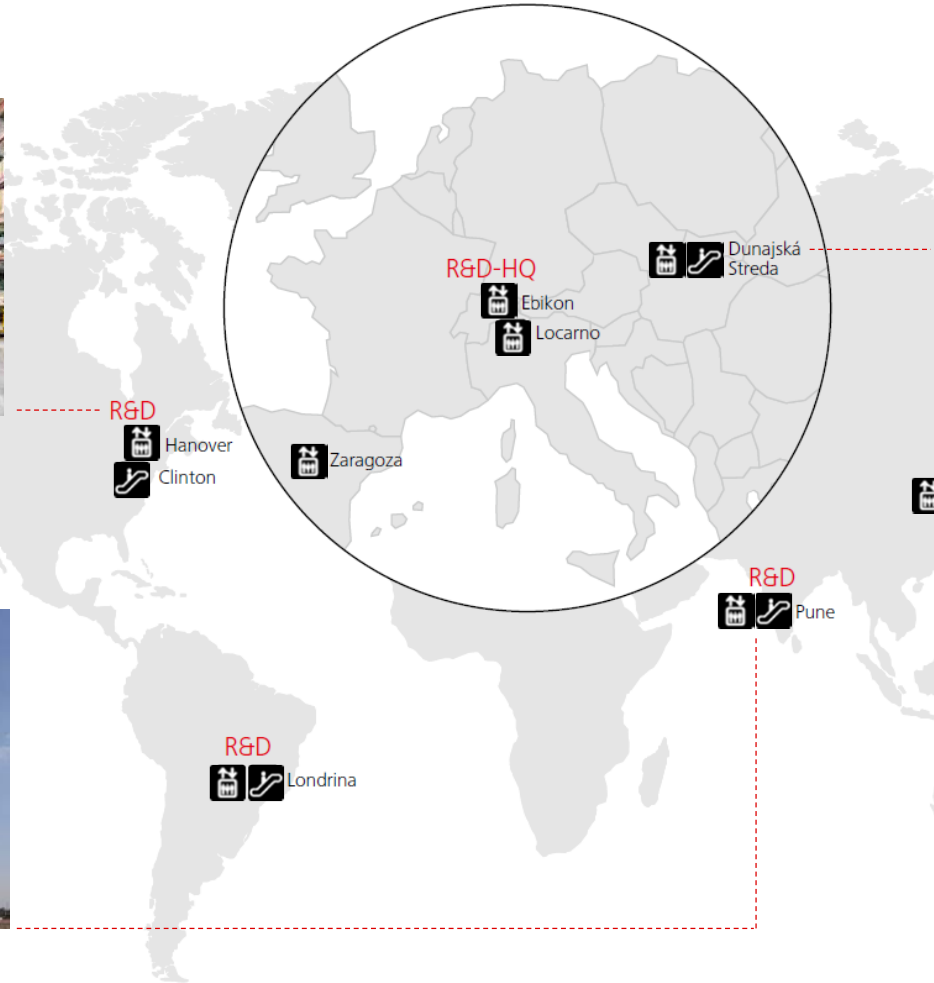
Source: Gavekal Dragonomics / Macrobond, 2016
Based on data for 35 cities

Global supply chain investments

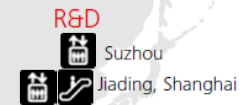
Integrated operations close to markets, enabling efficiency gains



Hanover, USA



Dunajská Streda, Slovakia



Shanghai, China



Pune, India

Modular products – reduced complexity

Seamless offering tailored to market needs



Innovation: Escalator modernization opportunity

Schindler InTruss to capture growth in infrastructure refurbishment

Market opportunity

\$4tn

In global infrastructure investment by 2017

+3%

Annual growth in core infrastructure investment

+5%

Annual growth in transport infrastructure investment

2014

2017

Innovation

Compact drive

Tracks connected to existing truss

Standard block

Benefits to Customer

- No recertification of building
- Minimal disruption from escalator replacement
- Short installation times
- Compatible with most competitor brands

Source: Bain Global Infrastructure Investment Report 2014, PwC Global Infrastructure Investment Market – Outlook to 2025

Outlook 2016

Status as of February 12, 2016

- Macroeconomic and political uncertainties
- Markets expected to slightly decline
- Growth strategy and focus on margins unchanged
- Fast Forward execution in full swing
- Revenue expected to increase by 3-7% in local currencies
- Net profit 2016 forecast to be issued with publication of half-year results

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Thank you.

Financial calendar

2016

Ordinary General Meeting Schindler Holding Ltd.	March 22
Selected key figures as of March 31, 2016	April 28
Interim Report as of June 30, 2016	August 16
Selected key figures as of September 30, 2016	October 25

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Additional slides

Quarterly overview 2015/2014

In CHF million	2015				2014			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Orders received	2 606	2 384	2 534	2 443	2 569	2 448	2 520	2 442
Revenue	2 589	2 310	2 355	2 137	2 593	2 314	2 292	2 047
Operating profit (EBIT), comparable	277	249	254	222	259	231	237	205
in %	10.7	10.8	10.8	10.4	10.0	10.0	10.3	10.0
Net profit, comparable	194	195	190	168	217	187	176	160
Including exceptional items 2014								
Operating profit (EBIT)	277	249	254	222	238 ¹	376 ²	319 ³	205
in %	10.7	10.8	10.8	10.4	9.2	16.2	13.9	10.0
Financing activities	-29	9	0	-9	25	4	-13	-11
Investing activities (associates)	-1	1	0	9	1	15	13	17
Hyundai impairment	-	-	-	-	-	-	-40	-
Income taxes	53	64	64	54	65	63	68	51
Net profit	194	195	190	168	199 ¹	332 ²	211 ⁴	160
in %	7.5	8.4	8.1	7.9	7.7	14.3	9.2	7.8

¹ Impairment of intangible assets: CHF 21 million (CHF 18 million after tax)

² Revaluation of XJ-Schindler: CHF 145 million

³ Mall of Switzerland: CHF 82 million

⁴ Mall of Switzerland: CHF 75 million, Hyundai impairment: CHF 40 million

Share buyback program – 2nd trading line as of December 31, 2015

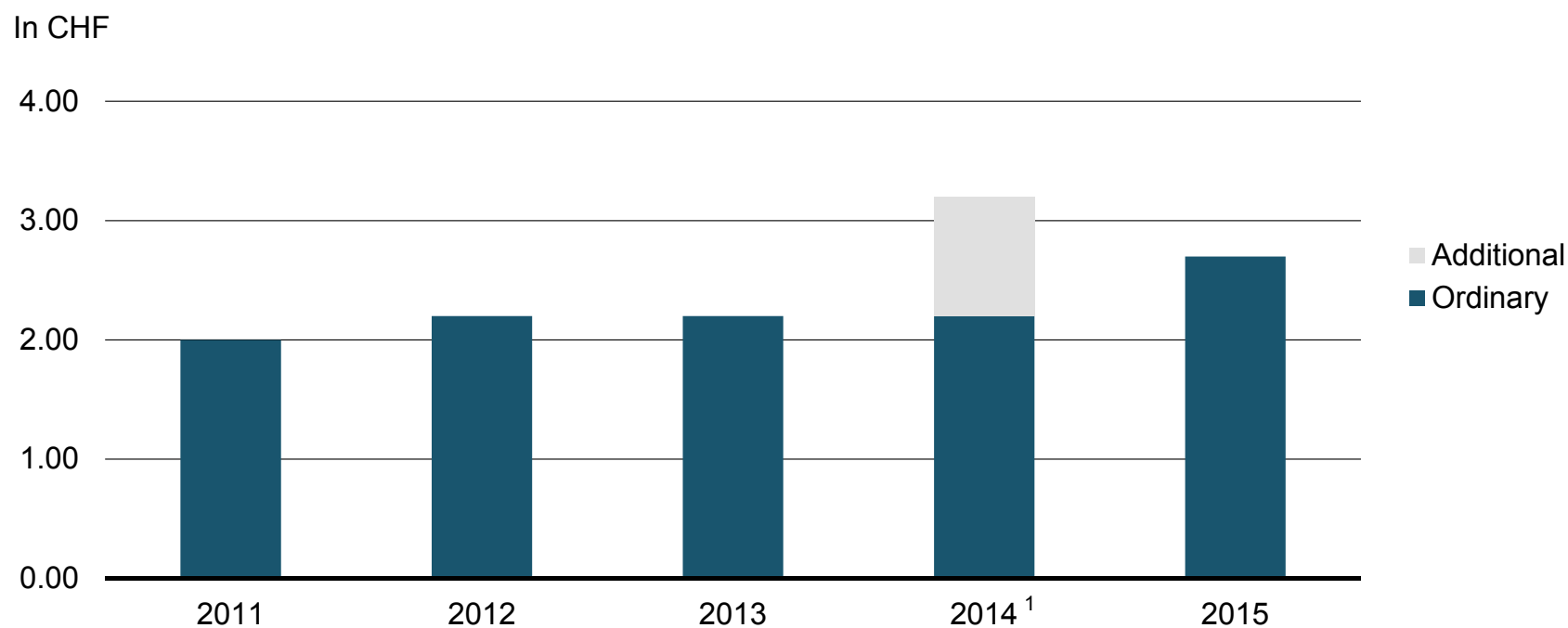
	Registered shares	Participation certificates
Number of securities purchased in 2013 ¹	2 618 693	1 258 576
Number of securities purchased in 2014	162 600	544 000
Number of securities cancelled in 2014	-2 707 293	-1 553 376
Number of securities purchased in 2015	1 028 900	3 652 502
Number of securities cancelled in 2015	-118 550	-382 222
Number of securities held as of December 31, 2015 ²	984 350	3 519 480

¹ Thereof purchased during the Fixed-Price Repurchase Offer: 2 406 693 registered shares, and 613 976 participation certificates

² Proposed for cancellation in 2016; subject to approval by the AGM 2016

Dividend proposal 2015 for registered share and PC

Ordinary dividend CHF 2.70



Pay-out ratio in % of net profit after minorities	2011	2012	2013	2014	2015
	41.8	37.1	59.6	41.9	44.0

¹ Ordinary dividend CHF 2.20, additional CHF 1.00