

Selected key figures as of September 30, 2015

Media release
October 23, 2015

Continued growth and improved profitability

In the reporting period Schindler recorded continued improvements in orders received, revenue and net profit. Orders received increased by 3.9% in local currencies but decreased in Swiss francs by 0.7% to CHF 7 361 million due to negative foreign exchange impacts.

Revenue in Swiss francs grew by 2.2% to CHF 6 802 million and by 7.3% in local currencies.

Operating profit and net profit were impacted by exceptional items in 2014. For the first nine months 2015, comparable operating profit (EBIT) totaled CHF 725 million which represents an increase of 7.7% in Swiss francs and of 16.8% in local currencies. The improvement in the third quarter 2015 was 7.8% in Swiss francs and 20.8% in local currencies. For the first nine months the EBIT margin reached 10.7% compared to 10.1% in the same period of the previous year. In the third quarter an EBIT margin of 10.8% was achieved (third quarter of 2014: 10.0%). In the first nine months the comparable net profit improved by 5.7% to CHF 553 million compared to the same period of the previous year.

Commenting on the results, CEO Silvio Napoli stated: "We continue to deliver on our commitment to generate both top and bottom line growth in local currencies. The fact that this was achieved despite headwinds in some markets confirms that the execution of our growth strategy is on track."

Growth in orders received

Orders received totaled CHF 7 361 million (same period of the previous year: CHF 7 410 million). In Swiss francs, orders received decreased marginally by 0.7%, reflecting negative foreign exchange impacts. In local currencies, an increase of 3.9% was achieved with the strongest contribution from Asia-Pacific, led by China, Australia and India. North America also generated good growth in orders received while the economic contraction in South America led to a slight decrease. In Europe, orders received reached the same level as in the first nine months of the previous year.

In the third quarter of 2015, orders received totaled CHF 2 384 million. Negative foreign exchange impacts led to a decline of 2.6% in Swiss francs while an increase of 4.3% was reported in local currencies. All regions contributed to this growth. In spite of the weakening of the Chinese new installations market, particularly in lower tier cities, the strongest increase was recorded in Asia-Pacific, followed by Americas.

In the reporting period the order backlog rose to CHF 9 519 million, representing an increase of 2.8% compared to the end of 2014 (+11.2% in local currencies).

Rise in revenue

For the first nine months of 2015 revenue totaled CHF 6 802 million, corresponding to growth of 2.2% in Swiss francs and 7.3% in local currencies. Negative foreign exchange impacts amounted to CHF 336 million. The strongest growth was achieved in Asia-Pacific – primarily China and India – followed by Americas and Europe. In the third quarter, revenue in Swiss francs decreased marginally by 0.2% to CHF 2 310 million while an increase of 7.0% was recorded in local currencies.

Improvement in operating profit and EBIT margin

Operating profit (EBIT) and net profit were impacted by several exceptional items in 2014. For more details please refer to selected key figures, pages 4 – 6.

In the first nine months of 2015, the operating profit (EBIT) reached CHF 725 million. This represents an improvement of 7.7% in Swiss francs and 16.8% in local currencies equivalent to an increase of CHF 113 million. Negative foreign exchange impacts amounted to CHF 61 million. The EBIT margin reached 10.7% compared to 10.1% in the same period of the previous year. The increase in margin was achieved despite negative foreign exchange impacts of 35 basis points and was driven by growing economies of scale combined with cost optimization, pricing measures and efficiency gains.

In the third quarter of 2015, the operating profit totaled CHF 249 million, reflecting an increase of 7.8% in Swiss francs and 20.8% in local currencies. This was achieved despite negative foreign exchange impacts of CHF 30 million. The EBIT margin improved to 10.8% (third quarter of 2014: 10.0%).

Increased net profit and cash flow from operating activities

Net profit totaled CHF 553 million and was 5.7% higher than the comparable figure of CHF 523 million for the first nine months of 2014.

Cash flow from operating activities reached CHF 699 million, an increase of 15.3%, reflecting the improvements in operational performance.

Outlook for 2015

Schindler expects the global elevator and escalator market not to achieve any growth this year. For the full year 2015, Schindler continues to expect that – excluding any unforeseeable events – revenue will grow by 6% to 8% in local currencies and that net profit will total CHF 700 million to CHF 750 million.

Selected key figures: see pages 4 – 6

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Information on how to dial in to today's English-language conference call at 10.00 CET:

www.schindler.com/com/internet/en/investor-relations/conference-call-details.html

Selected key figures

January to September

In CHF million	2015	2014	Δ %	Δ % local currencies
Orders received	7 361	7 410	-0.7	+3.9
Revenue	6 802	6 653	+2.2	+7.3
Operating profit (EBIT), comparable	725	673	+7.7	+16.8
in %	10.7	10.1		
Net profit, comparable	553	523	+5.7	
Including exceptional items 2014				
Operating profit (EBIT)	725	900 ¹	-19.4	-12.7
in %	10.7	13.5		
Net income from financing and investing activities	10	-15 ²		
Profit before taxes	735	885	-16.9	
Income taxes	182	182		
Net profit	553	703 ³	-21.3	
Cash flow from operating activities	699	606	+15.3	
Investments in property, plant, and equipment	128	142	-9.9	
	30.09.2015	31.12.2014		
Order backlog	9 519	9 263	+2.8	+11.2
Number of employees	56 347	54 209	+3.9	

¹ Revaluation XJ-Schindler (Xuchang) Elevator Co. Ltd.: CHF 145 million, gain on sale of Mall of Switzerland development project: CHF 82 million

² Hyundai Elevator Co. Ltd. impairment: CHF -40 million

³ Revaluation XJ-Schindler (Xuchang) Elevator Co. Ltd.: CHF 145 million, Mall of Switzerland: CHF 75 million, Hyundai Elevator Co. Ltd. impairment: CHF -40 million

Selected key figures

3rd quarter: July to September

In CHF million	2015	2014	Δ %	Δ % local currencies
Orders received	2 384	2 448	-2.6	+4.3
Revenue	2 310	2 314	-0.2	+7.0
Operating profit (EBIT), comparable	249	231	+7.8	+20.8
in %	10.8	10.0		
Net profit, comparable	195	187	+4.3	
Including exceptional items 2014				
Operating profit (EBIT)	249	376 ¹	-33.8	-25.8
in %	10.8	16.2		
Net income from financing and investing activities	10	19		
Profit before taxes	259	395	-34.4	
Income taxes	64	63		
Net profit	195	332 ¹	-41.3	
Cash flow from operating activities	227	205	+10.7	
Investments in property, plant, and equipment	51	39	+30.8	
	30.09.2015	30.06.2015		
Order backlog	9 519	9 191	+3.6	+2.4
Number of employees	56 347	55 234	+2.0	

¹ Revaluation XJ-Schindler (Xuchang) Elevator Co. Ltd.: CHF 145 million

Balance sheet

In CHF million	30.09.2015	%	31.12.2014 Restated ¹	%
Cash and cash equivalents	2 085	24.9	2 722	30.5
Other current assets	3 686	44.0	3 401	38.1
Total current assets	5 771	68.9	6 123	68.6
Non-current assets	2 603	31.1	2 802	31.4
Total assets	8 374	100.0	8 925	100.0
Current liabilities	4 363	52.1	4 326	48.5
Non-current liabilities	1 550	18.5	1 628	18.2
Total liabilities	5 913	70.6	5 954	66.7
Equity	2 461	29.4	2 971	33.3
Total liabilities and equity	8 374	100.0	8 925	100.0

¹ Restated for IAS19 employee benefits

Additional information

Information on shares and participation certificates

In CHF	2015	2014	Δ %
Earnings per share and participation certificate: Jan.–Sept.	4.67	6.10	-23.4
Earnings per share and participation certificate: July–Sept.	1.68	2.90	-42.1
Ordinary dividend per share and participation certificate	2.20	2.20	–
Additional dividend per share and participation certificate	1.00	–	–
Dividend in CHF million	355	245	+44.9

Exchange rates

			2015		2014		
			Closing rate as of September 30	Average rate Jan.–Sept.	Closing rate as of December 31	Closing rate as of September 30	Average rate Jan.–Sept.
Eurozone	EUR	1	1.09	1.07	1.20	1.21	1.22
USA	USD	1	0.97	0.95	0.99	0.95	0.90
Brazil	BRL	100	23.88	30.57	37.30	38.82	39.28
China	CNY	100	15.30	15.29	15.94	15.49	14.62