

## **Selected key figures as of September 30, 2016**

Press release  
October 25, 2016

### Progress in a challenging market environment

**In the reporting period Schindler increased orders received, revenue and net profit despite increasingly challenging markets. Orders received rose by 4.3% to CHF 7 675 million (+3.9% in local currencies). Revenue was up by 3.7% to CHF 7 054 million (+3.6% in local currencies), while operating profit (EBIT) increased by 7.7% to CHF 781 million (+8.1% in local currencies) and the EBIT margin improved to 11.1% (first nine months of 2015: 10.7%). There was a 6.0% rise in net profit to CHF 586 million.**

#### **Order backlog exceeds CHF 10 billion**

For the first nine months of 2016, orders received increased by 4.3% to CHF 7 675 million (first nine months of 2015: CHF 7 361 million), corresponding to a growth of 3.9% in local currencies.

The Americas region generated the largest increase in orders received despite the continued recession in Brazil. The region's positive performance was supported by the healthy shape of the US market. Particularly worthy of mention is a major order for Atlanta's rapid transit system from the Metropolitan Atlanta Rapid Transit Authority (MARTA). Within the Europe region, growth in Northern European countries continued. In Southern Europe, the new installations business continued to recover. Growth in the Asia-Pacific region remains impacted by the weakening of the new installations business in China, where there was a further deterioration in market conditions. In contrast, other countries in the region reported pleasing increases in their new installations business.

In the third quarter of 2016, orders received rose by 8.7% to CHF 2 592 million (third quarter of 2015: CHF 2 384 million), equivalent to a growth of 7.3% in local currencies.

The order backlog reached a new record level of CHF 10 118 million as of September 30, 2016. This represents an increase of 8.1% from the order backlog of CHF 9 364 million as of December 31, 2015, and corresponds to a growth of 9.7% in local currencies.

### **Revenue growth**

For the first nine months of 2016, revenue rose by 3.7% to CHF 7 054 million (first nine months of 2015: CHF 6 802 million), equivalent to an increase of 3.6% in local currencies. The Europe region made the largest contribution to growth, followed by the Americas and Asia-Pacific regions.

In the third quarter of 2016, Schindler generated a 4.3% increase in revenue to CHF 2 409 million (third quarter of 2015: CHF 2 310 million), corresponding to a growth of 3.0% in local currencies.

### **Further improvement in operating profit and EBIT margin**

Operating profit rose to CHF 781 million in the first nine months of 2016 (first nine months of 2015: CHF 725 million), an improvement of 7.7% in Swiss francs and 8.1% in local currencies. Restructuring costs had a negative impact on operating profit of CHF 18 million in the first nine months of the year.

In the third quarter of 2016, operating profit increased to CHF 277 million (third quarter of 2015: CHF 249 million). This is equivalent to a growth of 11.2% in Swiss francs and 9.2% in local currencies.

The EBIT margin expanded to 11.1% in the first nine months of 2016 (first nine months of 2015: 10.7%). Before restructuring costs, the EBIT margin was 11.3%. In the third quarter of 2016, the EBIT margin was 11.5% (third quarter of 2015: 10.8%) and, before restructuring costs, 11.7%. The increase in margin was primarily attributable to efficiency and cost optimization.

### **Net profit and cash flow**

As a result of Schindler's participation in ALSO Holding AG falling below the 10% threshold, it is now classified as a financial asset "available-for-sale" and valued at market value. This resulted in a one-time revaluation gain in the amount of CHF 26 million that was recorded in the third quarter of 2016 under net income from financing and investing activities.

Net profit totaled CHF 586 million (first nine months of 2015: CHF 553 million), representing an increase of 6.0%.

Cash flow from operating activities decreased by 5.7% to CHF 659 million (first nine months of 2015: CHF 699 million), as net working capital improved only marginally compared to the first nine months of 2015.

### **Setting the strategic course**

With the conclusion of its strategic partnerships with GE Digital and Huawei Technologies, Schindler has made important moves in the areas of digitization and "Internet of Elevators and Escalators" (IoEE) in order to use the full potential of the Industrial Internet for digital innovations in elevators, escalators and smart buildings.

Schindler's participation in ALSO Holding AG (ALSO) fell below 10% in the reporting period as a result of the large number of exchangeable bonds that were exchanged. This brings Schindler closer to its objective of reducing its participation in ALSO to zero and of focusing exclusively on its core business.

In addition, the sale of the Japanese business was completed in early October.

**Outlook 2016**

Schindler continues to expect that the global elevator and escalator market will experience a slight decline in 2016 due primarily to weakening markets in China and Latin America.

For the full year 2016 – excluding any unforeseeable events – Schindler continues to expect revenue growth of 3% to 5% in local currencies. As a result of one-off effects (revaluation of the participation in ALSO and sale of operations in Japan), Schindler now expects a net profit of CHF 780 million to CHF 830 million.

The 2016 financial results will be published on February 15, 2017.

**For further information:**

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## Selected key figures

### January to September

In CHF million	2016	2015	Δ %	Δ % local currencies
Orders received	<b>7 675</b>	7 361	+4.3	+3.9
Revenue	<b>7 054</b>	6 802	+3.7	+3.6
Operating profit (EBIT)	<b>781</b>	725	+7.7	+8.1
in %	<b>11.1</b>	10.7		
Net income from financing and investing activities	<b>-10</b>	10		
Profit before taxes	<b>771</b>	735	+4.9	
Income taxes	<b>185</b>	182		
Net profit	<b>586</b>	553	+6.0	
Cash flow from operating activities	<b>659</b>	699	-5.7	
Investments in property, plant, and equipment	<b>113</b>	128	-11.7	
	<b>30.9.2016</b>	31.12.2015		
Order backlog	<b>10 118</b>	9 364	+8.1	+9.7
Number of employees	<b>58 313</b>	56 762	+2.7	

### 3rd quarter: July to September

In CHF million	2016	2015	Δ %	Δ % local currencies
Orders received	<b>2 592</b>	2 384	+8.7	+7.3
Revenue	<b>2 409</b>	2 310	+4.3	+3.0
Operating profit (EBIT)	<b>277</b>	249	+11.2	+9.2
in %	<b>11.5</b>	10.8		
Net income from financing and investing activities	<b>7</b>	10		
Profit before taxes	<b>284</b>	259	+9.7	
Income taxes	<b>70</b>	64		
Net profit	<b>214</b>	195	+9.7	
Cash flow from operating activities	<b>232</b>	227	+2.2	
Investments in property, plant, and equipment	<b>44</b>	51	-13.7	
	<b>30.9.2016</b>	30.6.2016		
Order backlog	<b>10 118</b>	9 910	+2.1	+2.5
Number of employees	<b>58 313</b>	57 425	+1.5	

### Balance sheet

In CHF million	30.9.2016	%	31.12.2015	%
Cash and cash equivalents	2 201	25.7	1 975	23.9
Other current assets	3 456	40.3	3 494	42.3
Assets held for sale	66	0.8	6	0.1
Total current assets	5 723	66.8	5 475	66.3
Non-current assets	2 843	33.2	2 784	33.7
<b>Total assets</b>	<b>8 566</b>	<b>100.0</b>	8 259	100.0
Current liabilities	4 725	55.2	4 685	56.7
Liabilities held for sale	19	0.2	–	–
Total current liabilities	4 744	55.4	4 685	56.7
Non-current liabilities	1 233	14.4	1 217	14.8
Total liabilities	5 977	69.8	5 902	71.5
Equity	2 589	30.2	2 357	28.5
<b>Total liabilities and equity</b>	<b>8 566</b>	<b>100.0</b>	8 259	100.0

### Information on shares and participation certificates

In CHF	2016	2015	Δ %
Earnings per share and participation certificate: Jan.–Sept.	5.09	4.67	+9.0
Earnings per share and participation certificate: July–Sept.	1.86	1.68	+10.7
Ordinary dividend per share and participation certificate	2.70	2.20	+22.7
Additional dividend per share and participation certificate	–	1.00	–
Dividend in CHF million	289	355	–18.6

### Exchange rates

			2016		2015		
			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	1.09	1.09	1.09	1.07
USA	USD	1	0.97	0.99	1.00	0.97	0.95
Brazil	BRL	100	29.96	27.80	25.16	23.88	30.57
China	CNY	100	14.58	14.96	15.30	15.30	15.29