



**Hanyu Finance Business Center, Jinan, China**

Top multi-function building complex for office and business service in the Central Business District of Shandong Province. 16 buildings of the complex feature 172 Schindler installations, thereof 45 Schindler 7000 and 127 Schindler 5400 elevators.

**Welcome to Schindler**

Interim Results as of June 30, 2015

Publication and Conference Call on August 14, 2015



**Schindler**

## Highlights: January – June 2015

### Sustained growth and improved profitability

#### **Markets**

- Slowdown in China, sustained growth in rest of Asia-Pacific and India
- Growth in the US, decline in South America
- Europe flat with improvements in certain markets

#### **Schindler's growth strategy on track**

- Resilient order intake and robust backlog increase
- Strong revenue growth
- Significant improvement in operating profit and EBIT margin supported by Fast Forward program
- Noteworthy negative currency impacts
- Increased net profit
- Solid cash flow

# Key figures as of June 30, 2015

## Q2: April – June

In CHF million	2015	2014	Δ%	Δ% in LC
Orders received	<b>2 534</b>	2 520	+0.6	+5.2
Revenue	<b>2 355</b>	2 292	+2.7	+7.9
Operating profit (EBIT) comparable	<b>254</b>	237	+7.2	+15.6
in %	<b>10.8</b>	10.3		
Net profit comparable	<b>190</b>	176	+8.0	
<b>Including exceptional items 2014</b>				
Operating profit (EBIT) reported	<b>254</b>	319 <sup>1</sup>	–20.4	–14.1
in %	<b>10.8</b>	13.9 <sup>1</sup>		
Net income from financing and investing activities	<b>0</b>	0		
Hyundai impairment	<b>–</b>	–40		
Income taxes	<b>64</b>	68		
Net profit reported	<b>190</b>	211 <sup>2</sup>	–10.0	

<sup>1</sup> Mall of Switzerland: CHF 82 million

<sup>2</sup> Mall of Switzerland: CHF 75 million, and Hyundai impairment: CHF –40 million

# Key figures as of June 30, 2015

## Q2: April – June

In CHF million	2015	2014	Δ%	Δ% in LC
Cash flow from operating activities	141	46	+206.5	
Investments in property, plant, and equipment	42	64	-34.4	
	<b>30.06.2015</b>	31.03.2015		
Order backlog	9 191	9 163	+0.3	+3.2
Number of employees	55 234	54 668	+1.0	

# Key figures as of June 30, 2015

## 1H: January to June

In CHF million	2015	2014	Δ%	Δ% in LC
Orders received	4 977	4 962	+0.3	+3.7
Revenue	4 492	4 339	+3.5	+7.4
Operating profit (EBIT) comparable	476	442	+7.7	+14.7
in %	10.6	10.2		
Net profit comparable	358	336	+6.5	
<b>Including exceptional items 2014</b>				
Operating profit (EBIT) reported	476	524 <sup>1</sup>	-9.2	-3.2
in %	10.6	12.1 <sup>1</sup>		
Net income from financing and investing activities	0	6		
Hyundai impairment	-	-40		
Income taxes	118	119		
Net profit reported	358	371 <sup>2</sup>	-3.5	

<sup>1</sup> Mall of Switzerland: CHF 82 million

<sup>2</sup> Mall of Switzerland: CHF 75 million, and Hyundai impairment: CHF -40 million

## Key figures as of June 30, 2015

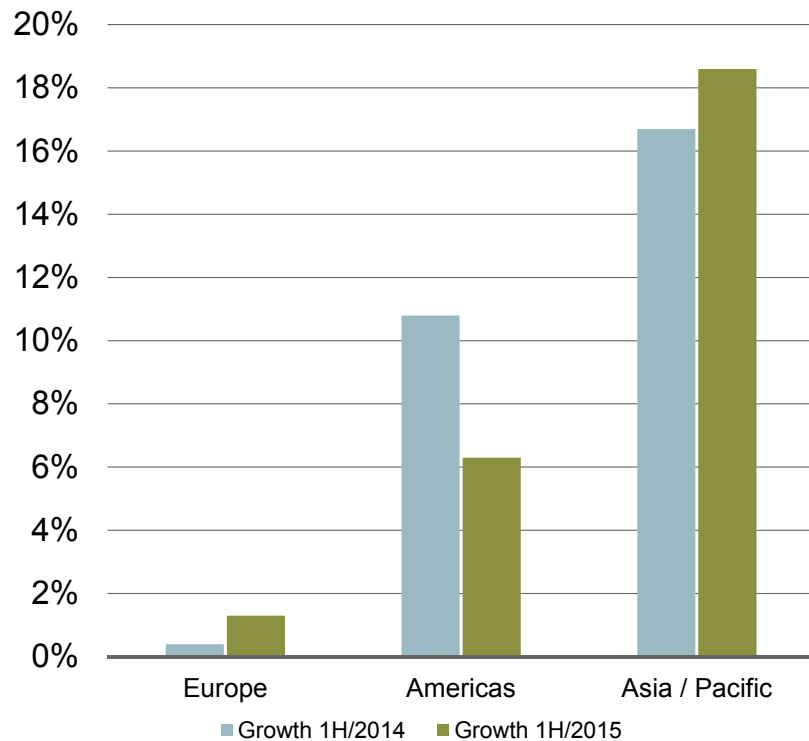
### 1H: January to June

In CHF million	2015	2014	Δ%	Δ% in LC
Cash flow from operating activities	472	401	17.7	
Investments in property, plant, and equipment	77	103	-25.2	
	<b>30.06.2015</b>	31.12.2014		
Order backlog	9 191	9 263	-0.8	+8.5
Number of employees	55 234	54 209	+1.9	

# Order backlog and revenue by region

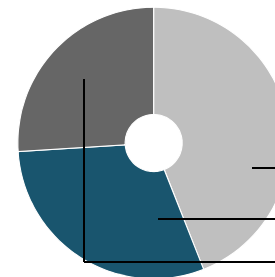
Record order backlog provides solid base for future growth

Revenue growth by region (in LC)



Order backlog

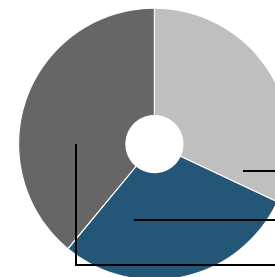
**1H/2015: CHF 9 191 million (+12.5% in LC)**  
1H/2014: CHF 8 627 million



	1H/2015	1H/2014
Asia/Pacific	44%	39%
Americas	30%	30%
Europe	26%	31%

Revenue

**1H/2015: CHF 4 492 million (+7.4% in LC)**  
1H/2014: CHF 4 339 million



	1H/2015	1H/2014
Asia/Pacific	32%	27%
Americas	29%	29%
Europe	39%	44%

# Asia-Pacific: Development in 1H/2015

## **Mixed market development**

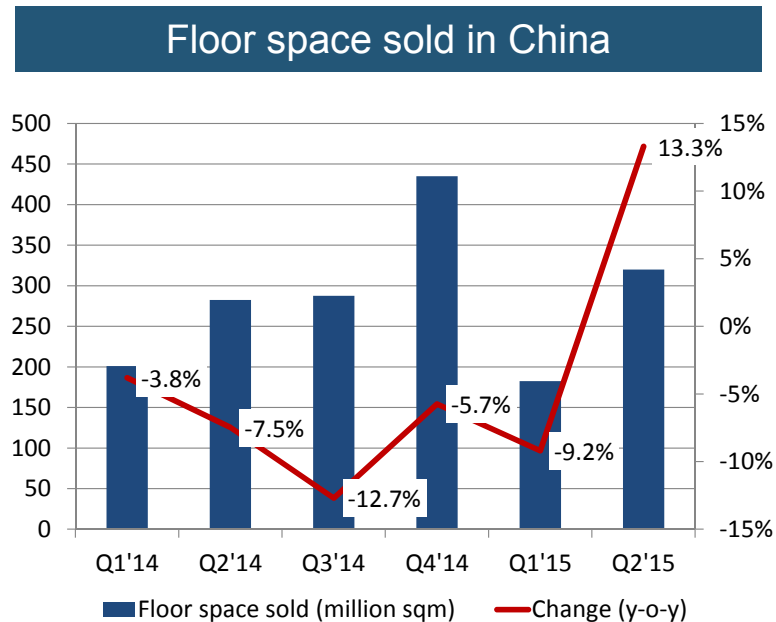
- China: flat
- India: good growth
- Southeast Asia: remained strong

## **Acceleration of order intake in Q2**

- In China double-digit unit growth despite lower number of large projects
- Southeast Asia and India with good growth contribution



# China: Opportunities persist in spite of flat market



Source: National Bureau of Statistics of China, 15 July 2015

## Excess supply gradually absorbed

- Strong pick-up in “floor space sold” in Q2; June up 16%
- “Sales prices of residential buildings” in tier 1 cities increased by 3% in Q2 versus Q1 and stabilized in tier 2 and 3 cities
- “Floor space started” turned positive (Beijing: +11%, Shanghai: +22%) in tier 1 cities in Q2, other cities and provinces with clearly less activity

## Good progress despite market uncertainty

- Strong growth in orders received in both volume and value terms
- Successful penetration into key account areas
- Tender activity in high-rise segment well above 2014 levels
- Unchanged pricing pressure in new installations
- Order down-payments delayed

## Americas: Development in 1H/2015

### **North and South American markets decoupled**

- North America: continued growth
- South America: further contraction

### **Order intake growth in North America offsets weakening in South America**

- North America: solid growth, especially in infrastructure segments
- South America: market position defended despite market pressure

# Europe: Development in 1H/2015

## **Persistent uncertainties**

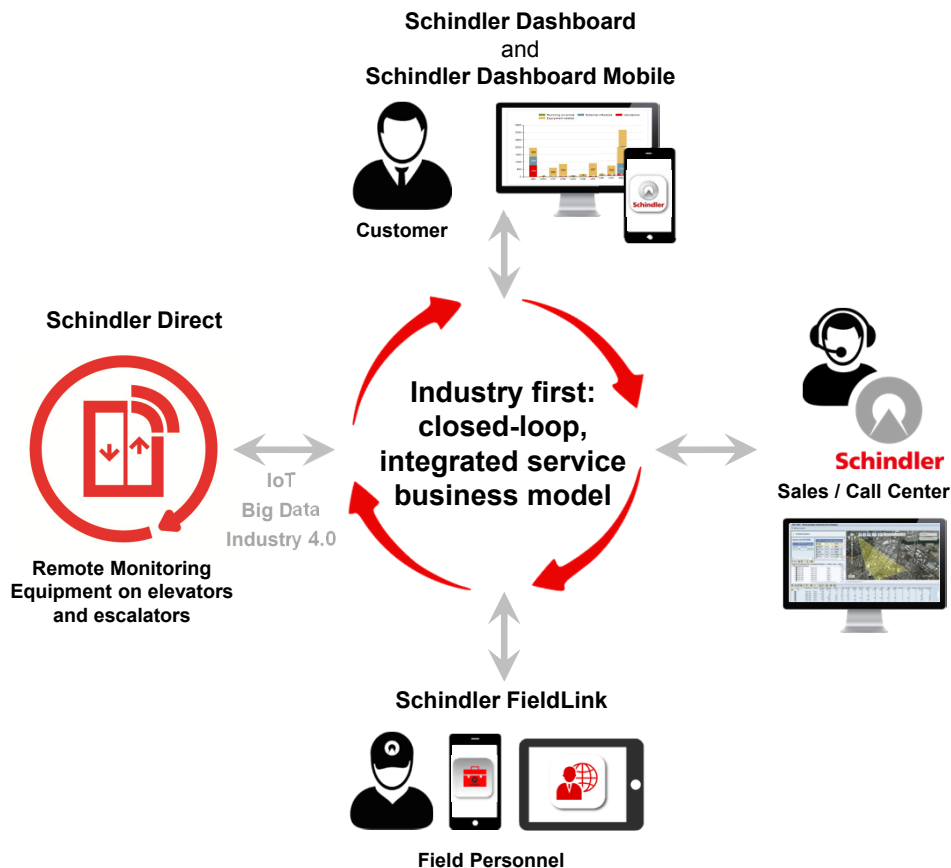
- New installation market contraction driven by recession in Russia
- Southern Europe: first signs of market bottoming out
- Service market under continued price pressure both in Northern and Southern Europe

## **Schindler holding ground**

- Stable order intake
- Lower number of large projects awarded
- Digitization to establish premium service provider position

# Digitization: award-winning solutions for customers and field personnel

## Differentiation in competitive pricing environment



Massachusetts  
Institute of  
Technology

**MIT Sloan CIO Leadership  
Award 2015**

*“Thanks to an exceptional digital vision and its sustained digital business transformation, Schindler is a front runner in its industry.”*



**Digital Business Innovation  
Award 2015**

*“Digitization is now firmly established as an integral part of Schindler’s DNA. Digital Business has reached day-to-day business.”*

## Outlook 2015

Status as of August 14, 2015

### **Global new installation market estimated to grow at max. 3% in 2015**

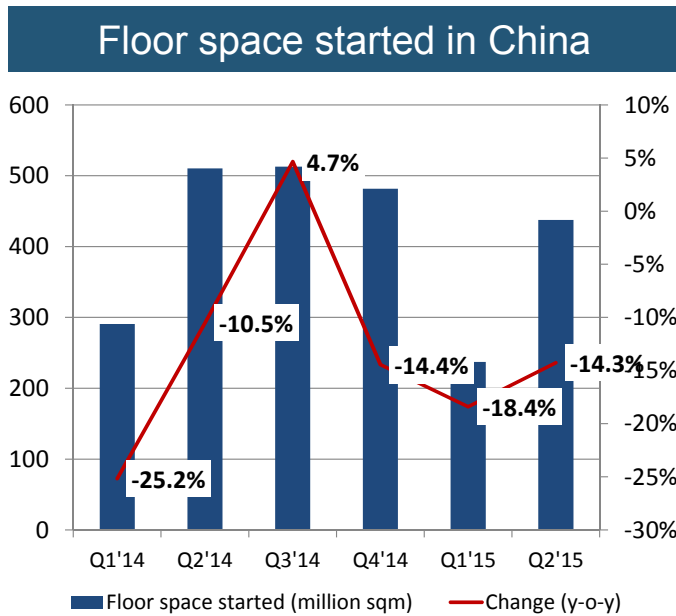
- Chinese market expected to show minimal growth
- Other Asia-Pacific markets and India likely to continue with good growth
- US market with sustained growth
- Contraction of South American markets expected to persist
- Other than Russia, European markets flat or with moderate growth

### **Financials**

- Revenue expected to increase by 6% to 8% in local currencies
- Net profit 2015 in the range of CHF 700 million to CHF 750 million

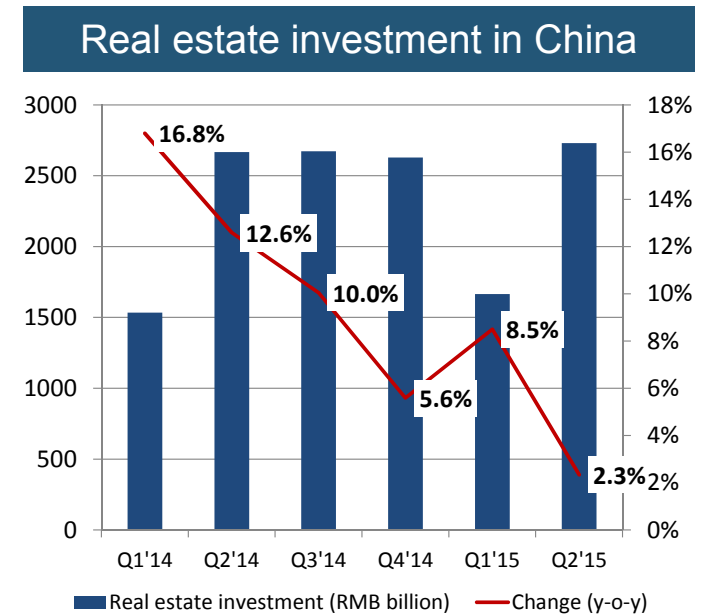
# Additional Charts

# China: Mixed data on China property market in H1 2015



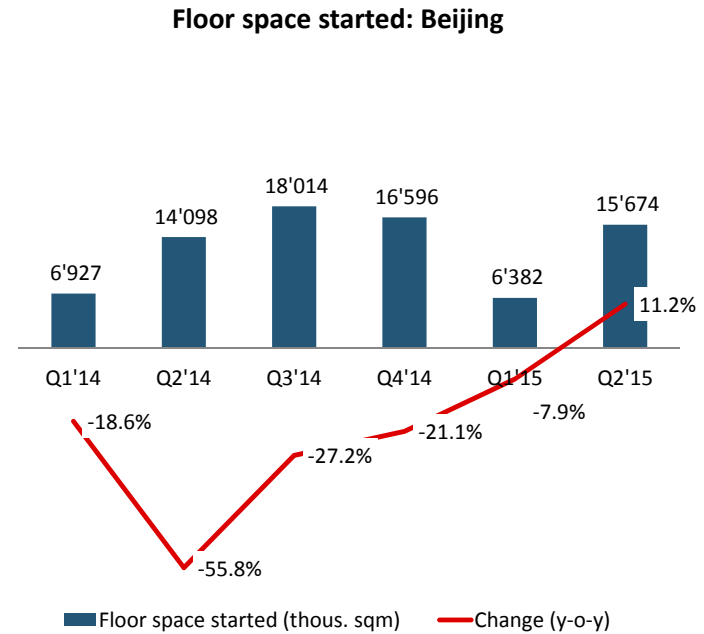
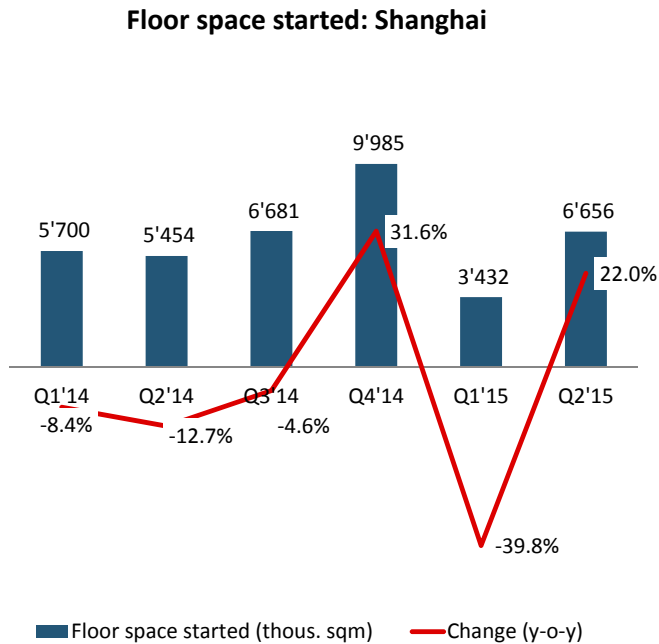
### Change H1 2015 vs H1 2014

	Floor space started	Real estate investment
Total	-15.8%	+4.6%
Residential	-17.3%	+2.8%
Office	-13.2%	+14.4%
Commercial	-7.1%	+8.6%



Source: National Bureau of Statistics of China, 2015

# China: Trend reversal in “floor space started” in Shanghai and Beijing

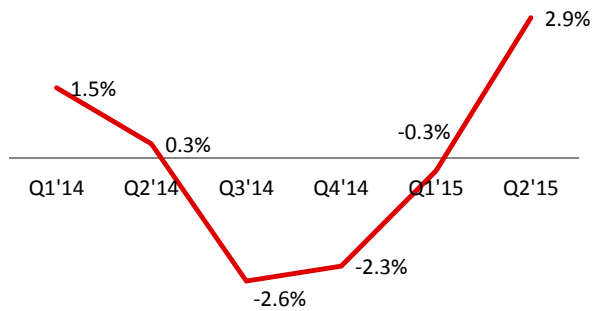


Source: National Bureau of Statistics of China, July 2015

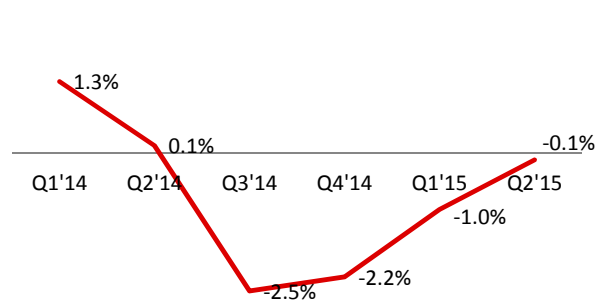


# China: Prices in tier 1 cities increased in Q2 vs Q1 and stabilized in tier 2 and 3 cities

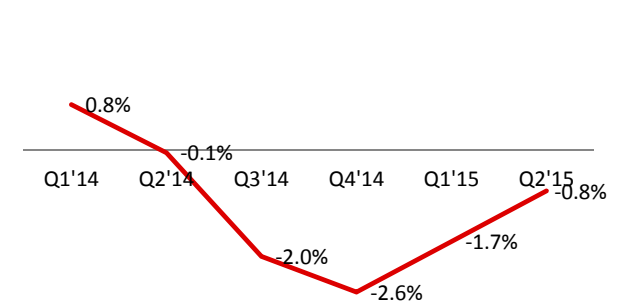
Change in sales prices of residential buildings in Tier 1 cities (q-o-q)



Change in sales prices of residential buildings in Tier 2 cities (q-o-q)



Change in sales prices of residential buildings in Tier 3 & 4 cities (q-o-q)



Source: Schindler analysis based on data from National Bureau of Statistics of China, July 2015

# Balance sheet

In CHF million	30.06.2015	in %	31.12.2014 <sup>1</sup>	in %
Cash and cash equivalents	2 201	26.1	2 722	30.5
Other current assets	3 601	42.7	3 401	38.1
<b>Total current assets</b>	<b>5 802</b>	<b>68.8</b>	6 123	68.6
Non-current assets	2 633	31.2	2 802	31.4
<b>Total assets</b>	<b>8 435</b>	<b>100.0</b>	8 925	100.0
<hr/>				
Current liabilities	4 312	51.1	4 326	48.5
Non-current liabilities	1 541	18.3	1 628	18.2
<b>Total liabilities</b>	<b>5 853</b>	<b>69.4</b>	5 954	66.7
Equity	2 582	30.6	2 971	33.3
<b>Total liabilities and equity</b>	<b>8 435</b>	<b>100.0</b>	8 925	100.0
<b>Net working capital</b>	<b>-749</b>		-706	
<b>Net liquidity</b>	<b>2 116</b>		2 375	

<sup>1</sup> Restated for IAS 19: CHF 25 million employee benefits

## Quarterly overview 2015/2014

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

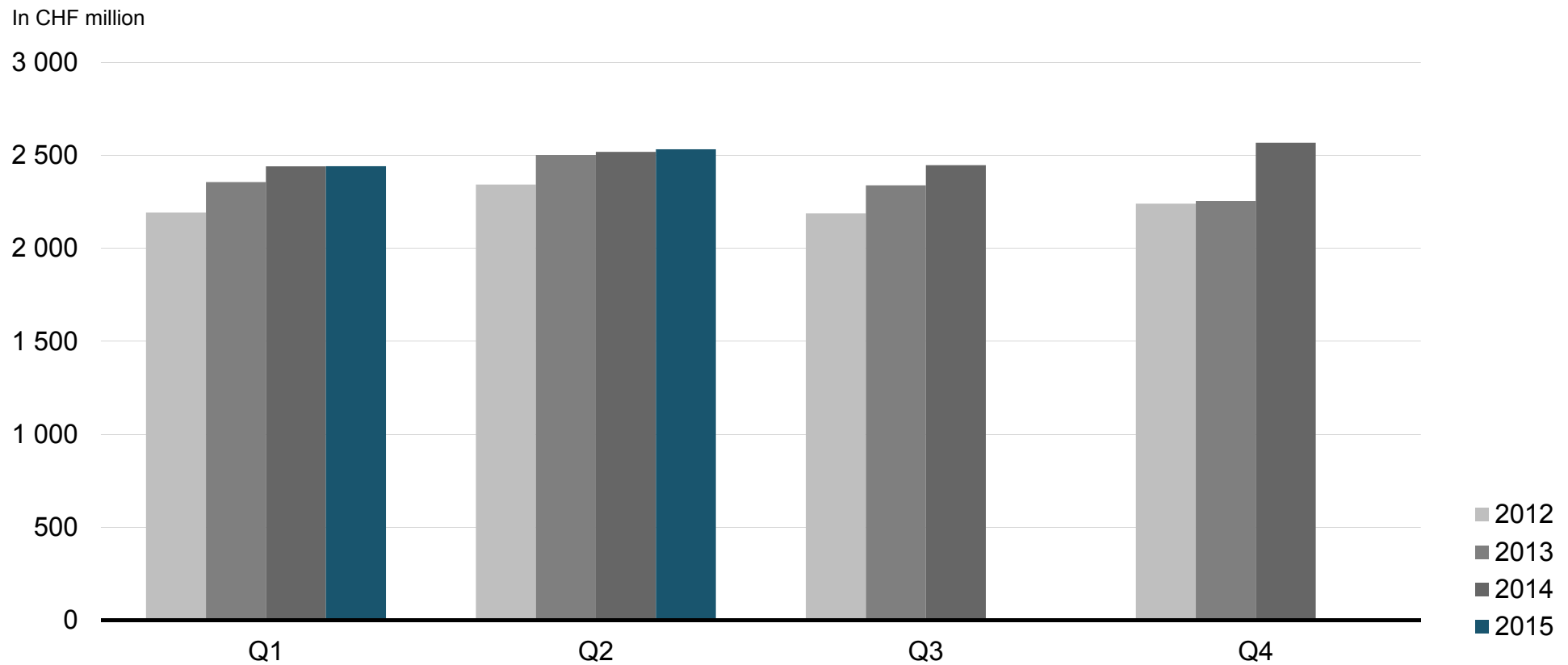
<sup>1</sup> Impairment of intangible assets

<sup>2</sup> Revaluation of XJ-Schindler

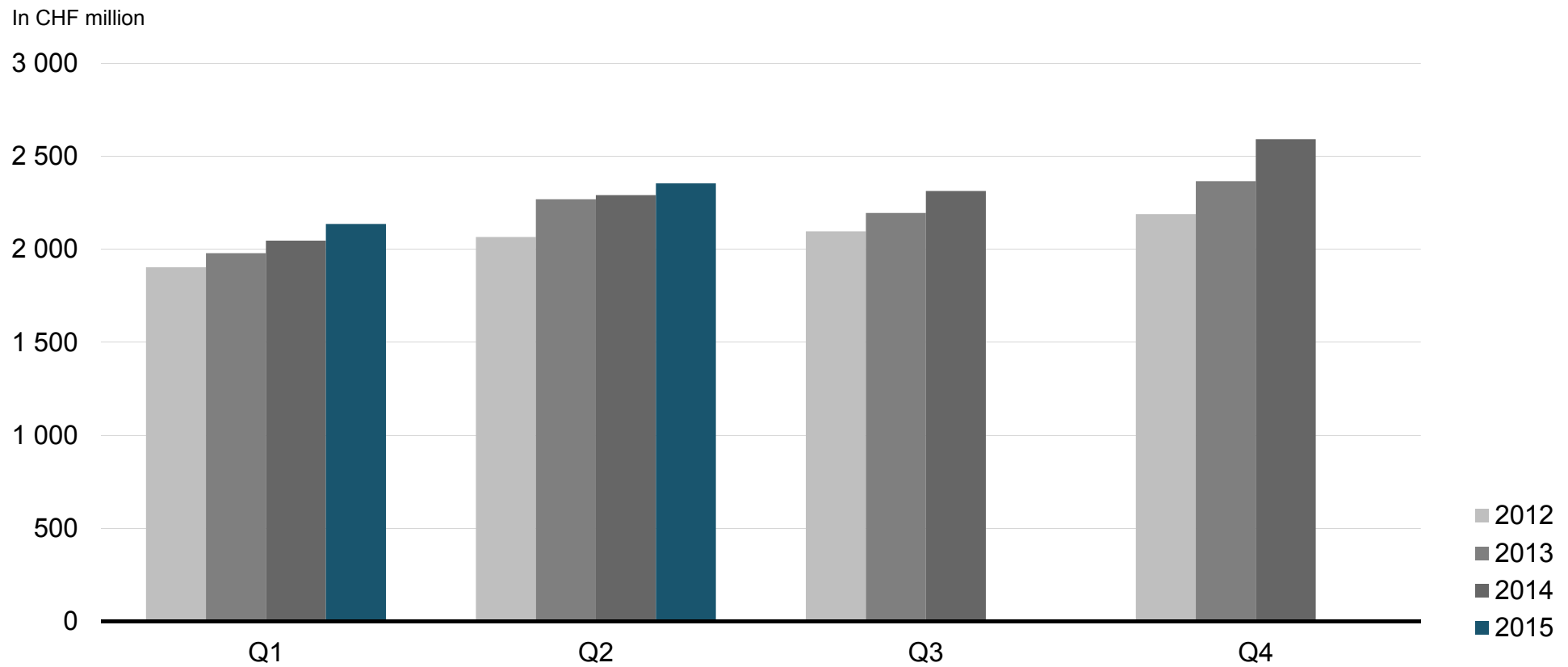
<sup>3</sup> Mall of Switzerland

<sup>4</sup> Mall of Switzerland and Hyundai impairment

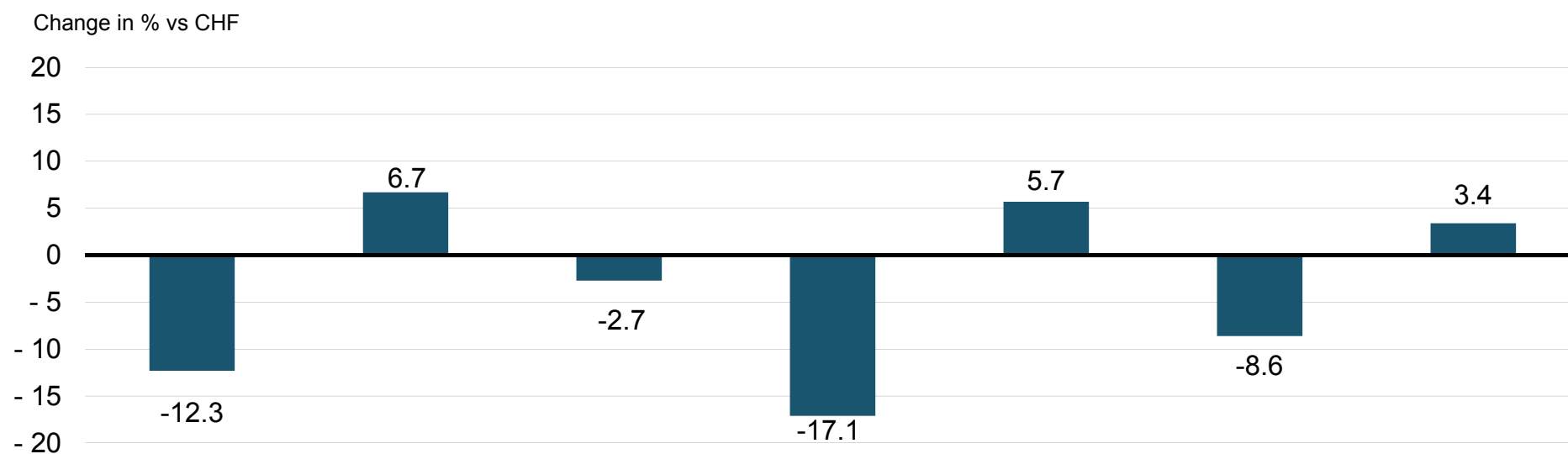
## Quarterly development of orders received: 2012 – 2015



## Quarterly development of revenue: 2012 – 2015



## Exchange rate development 1H/2014 – 1H/2015



Average rate	EUR	USD	GBP	BRL	CNY	AUD	INR
<b>H1/2015</b>	<b>1.07</b>	<b>0.95</b>	<b>1.45</b>	<b>32.31</b>	<b>15.27</b>	<b>0.74</b>	<b>1.51</b>
H1/2014	1.22	0.89	1.49	38.97	14.45	0.81	1.46

## Share buyback program – 2<sup>nd</sup> trading line as of June 30, 2015

	Registered shares	Participation certificates
Number of securities purchased in 2013	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	392 900	1 291 262
Number of securities cancelled in 2015	-118 550	-382 222
Number of securities held as of June 30, 2015 <sup>1</sup>	348 350	1 158 240

<sup>1</sup> Proposed for cancellation in 2016; subject to approval by the AGM 2016

# Thank you.

## Financial calendar

---

Selected key figures as of September 30, 2015

October 23, 2015

---

Full-year results 2015

February 12, 2016

---

## Your contact:

Barbara Zäch, Head Investor Relations; Tel. +41 41 445 30 61, [investor.relations@schindler.com](mailto:investor.relations@schindler.com)

The information in the presentation was factually accurate on the date of publication. It remains on our website for historical information purposes only. Schindler assumes no responsibility to update the information to reflect subsequent developments. Readers should not rely upon the information in this presentation as current or accurate after its publication date.

Copyright © Schindler. All rights reserved

Schindler owns and retains all copyrights and other intellectual property rights in this presentation. It may not be reproduced, modified or copied nor used for any commercial purposes (e.g. manufacturing), nor communicated to any third parties without our written consent.

Schindler undertakes all reasonable efforts to ensure that the information in this presentation is accurate, complete and derives from reliable sources. Schindler however, does not represent nor warrant (either expressly or implicitly) accuracy, reliability, timeliness or completeness of such information. Therefore, Schindler is not liable for any errors, consequence of acts or omissions based on the entirety or part of the information available in this presentation.

