



## Welcome to Schindler

Selected key figures  
as of September 30, 2016



**Schindler campus in Jiading, Shanghai, China**  
Schindler Asian-Pacific headquarters, R&D and training centers, 200-meter test tower

October 25, 2016



# Highlights January – September 2016

## Progress in a challenging market environment

### **Operational progress**

- Orders received increased by 3.9% in local currencies
- Revenue up by 3.6% in local currencies
- EBIT reached CHF 781 million, up by 8.1% in local currencies
- EBIT margin increased to 11.1% and to 11.3% before restructuring costs
- Net profit increased by 6.0% and reached CHF 586 million

### **Strategic progress**

- New strategic partnerships with GE Digital and Huawei Technologies to power digital urban mobility
- Participation in ALSO Holding AG fell below 10%
- Japan business sold at beginning of October

# Key figures as of September 30, 2016

## July – September

In CHF million	2016	2015	Δ%	Δ% in LC
Orders received	2 592	2 384	+8.7	+7.3
Revenue	2 409	2 310	+4.3	+3.0
Operating profit (EBIT)	277	249	+11.2	+9.2
in %	11.5 <sup>1)</sup>	10.8		
Net income from financing and investing activities	7	10		
Profit before taxes	284	259	+9.7	
Income taxes	70	64		
Net profit	214	195	+9.7	
Cash flow from operating activities	232	227	+2.2	
Investments in property, plant, and equipment	44	51	-13.7	
	<b>30.9.2016</b>	30.6.2016		
Order backlog	10 118	9 910	+2.1	+2.5
Number of employees	58 313	57 425	+1.5	

<sup>1)</sup> Before restructuring costs 11.7%

# Key figures as of September 30, 2016

## January – September

In CHF million	2016	2015	Δ%	Δ% in LC
Orders received	7 675	7 361	+4.3	+3.9
Revenue	7 054	6 802	+3.7	+3.6
Operating profit (EBIT)	781	725	+7.7	+8.1
in %	11.1 <sup>1)</sup>	10.7		
Net income from financing and investing activities	-10	10		
Profit before taxes	771	735	+4.9	
Income taxes	185	182		
Net profit	586	553	+6.0	
Cash flow from operating activities	659	699	-5.7	
Investments in property, plant, and equipment	113	128	-11.7	
	<b>30.9.2016</b>	<b>31.12.2015</b>		
Order backlog	10 118	9 364	+8.1	+9.7
Number of employees	58 313	56 762	+2.7	

<sup>1)</sup> Before restructuring costs 11.3%

# Market update Asia-Pacific

## January – September

### **Mixed market development**

- China: demand for new installations still declining with intensifying pricing pressure, mainly driven by lower tier cities; good growth in service business
- Rest of Asia-Pacific: sustained growth

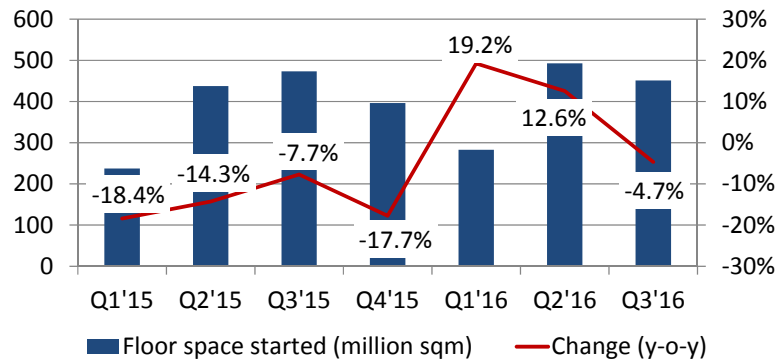
### **Growing order intake outside China**

- China: pleasing growth in new installation units, lower number of large projects reported, good acceptance of new China product platform
- Rest of Asia-Pacific: good order growth

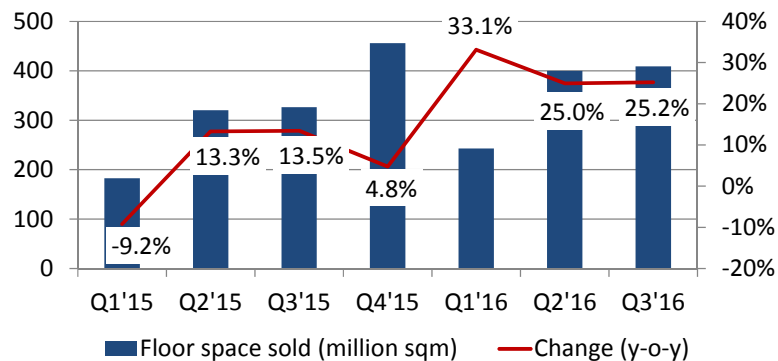
# China construction data

## Property sales remained robust in Q3

### Floor space started in China



### Floor space sold in China



### Opportunities

- High-paced urbanization and strong infrastructure investment continue
- Floor space sold grew 34% in September and 25% in the quarter
- Home prices increased by more than 13% in Q3 year on year
- Increasing pace of real estate investment growth
- Commercial property vacancy rates in Tier 1 cities remain healthy

### Risks

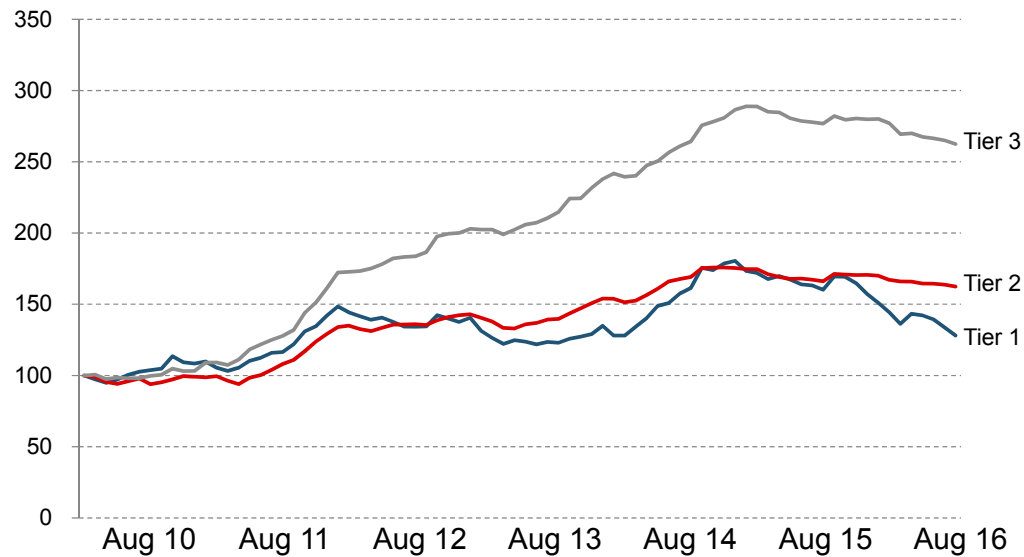
- Measures introduced in 20+ cities to dampen demand and cool overheating property market
- Land area purchased by developers still slightly decreasing
- Housing inventories in many smaller cities still relatively high
- Delays in order down-payments
- Continued intense pricing pressure

Source: National Bureau of Statistics of China, October 2016

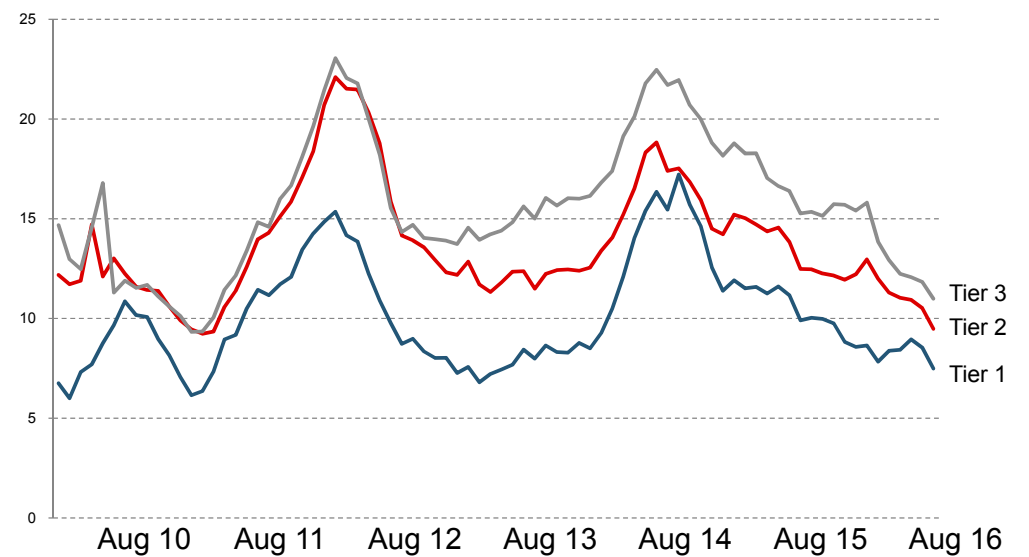
# China housing inventories back at more healthy levels in major cities

## Inventory absorption rate rapidly improving due to rising sales

Housing inventory, by city tier (2010=100)



Housing inventory, by city tier (months of sales\*)



Source: Yiju, 2016

Based on data for 63 cities until August 2016

\* Housing inventory divided by six-month average sales volume

# Market update Americas

## January – September

### **Diverging market trends**

- North America: continued growth in the US new installations and modernization markets
- Latin America: recession in Brazil shows signs of bottoming out, other Latin American countries are growing

### **Order intake up**

- North America: sustained growth in new installations and existing installations business, Schindler selected to upgrade and service Atlanta's urban public transportation system (MARTA); expansion of Schindler 3x00 with cost-effective solution for low-rise market
- Latin America: new installations slightly growing, good growth in existing installations business



# Market update Europe

## January – September

### **Opportunities in various markets**

- Northern Europe: moderate growth, particularly in Germany
- Southern Europe: markets continue to recover

### **Business continues to expand**

- Northern Europe: sustained increase in order intake
- Southern Europe: return to growing new installations business after several years of declining numbers of units sold

# Strategic Ecosystem with GE and Huawei

## Partnerships with industry leaders in the Internet of Things (IoT)



- Predix Cloud for IoT, predictive analytics & machine learning
- Enhance Schindler's capabilities to monitor, analyze and leverage data generated from its connected elevators, escalators and PORT Technology



- Joint development of smart IoT-components for a seamless connectivity of elevators and escalators
- Significantly reduced time-to-market for new digital offerings

## Outlook 2016

Status as of October 25, 2016

- Global new installations market still expected to slightly decline
- Growth strategy and focus on margins unchanged
- Revenue expected to increase by 3% to 5% in local currencies
- Net profit guidance increased due to one-off effects (revaluation of ALSO, sale of Japan business): net profit now expected in the range of CHF 780 million to CHF 830 million

# Financial Calendar

Annual results 2016	February 15, 2017
Ordinary General Meeting Schindler Holding Ltd.	March 16, 2017
First trading date ex-dividend	March 20, 2017
Date of Schindler Holding Ltd. dividend payment	March 22, 2017

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# Additional Charts

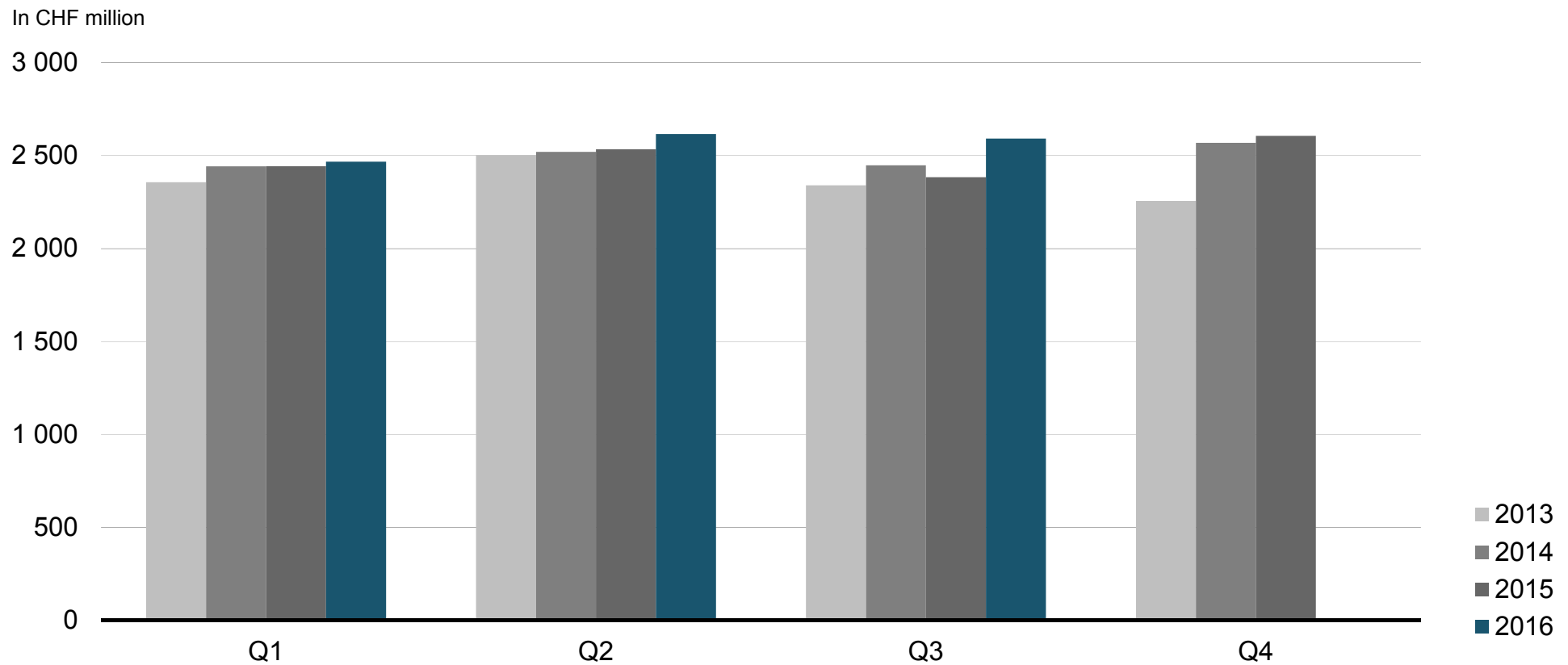
# Balance sheet

In CHF million	30.9.2016	in %	31.12.2015	in %
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
<b>Total current assets</b>	<b>5 723</b>	<b>66.8</b>	<b>5 475</b>	<b>66.3</b>
Non-current assets	2 843	33.2	2 784	33.7
<b>Total assets</b>	<b>8 566</b>	<b>100.0</b>	<b>8 259</b>	<b>100.0</b>
<b>Current liabilities</b>	<b>4 725</b>	<b>55.2</b>	<b>4 685</b>	<b>56.7</b>
Liabilities held for sale	19	0.2	–	–
Non-current liabilities	1 233	14.4	1 217	14.8
<b>Total liabilities</b>	<b>5 977</b>	<b>69.8</b>	<b>5 902</b>	<b>71.5</b>
Equity	2 589	30.2	2 357	28.5
<b>Total liabilities and equity</b>	<b>8 566</b>	<b>100.0</b>	<b>8 259</b>	<b>100.0</b>
<b>Net working capital</b>	<b>–783</b>		<b>–791</b>	
<b>Net liquidity</b>	<b>2 245</b>		<b>1 935</b>	

## Quarterly overview 2016/2015

In CHF million	2016			2015			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Orders received	<b>2 592</b>	2 616	2 467	2 606	2 384	2 534	2 443
Revenue	<b>2 409</b>	2 469	2 176	2 589	2 310	2 355	2 137
Operating profit (EBIT)	<b>277</b>	269	235	277	249	254	222
in %	<b>11.5</b>	10.9	10.8	10.7	10.8	10.8	10.4
Financing activities	<b>-17</b>	-23	-3	-29	9	-	-9
Investing activities (associates)	<b>24</b>	1	8	-1	1	-	9
Profit before taxes	<b>284</b>	247	240	247	259	254	222
Income taxes	<b>70</b>	57	58	53	64	64	54
Net profit	<b>214</b>	190	182	194	195	190	168
in %	<b>8.9</b>	7.7	8.4	7.5	8.4	8.1	7.9
Cash flow from operating activities	<b>232</b>	94	333	377	227	141	331
Investments in property, plant, and equipment	<b>44</b>	36	33	55	51	42	35

# Quarterly development of orders received 2013 – 2016





# Quarterly development of revenue 2013 – 2016

