

Gate to the East, Suzhou, China, commercial and residential building  
20 Schindler 7000 elevators



# Welcome to Schindler

## Selected key figures

September 30, 2013

October 15, 2013



# Summary January - September 2013

## Strong growth in challenging environment

### **Growth**

- Orders received (incl. maintenance) increased by 7.0% (+8.3 % in local currencies)
- Revenue grew by 6.2% (+7.5% in local currencies)
- Order backlog at record level of CHF 8 113 million (+14.5% versus year-end 2012)

### **Profitability**

- EBIT reached CHF 682 million, 5.7% below previous year (–4.1% in local currencies)
- Net profit of CHF 523 million before Hyundai impairment at prior year level
- Strong operating cash flow of CHF 613 million (+17.4%)

# Key figures as of September 30, 2013

## January – September

In CHF million	2013 Jan.–Sept.	2012 Jan.–Sept	Δ in %	Δ% in LC
Orders received	7 200	6 726	+7.0	+8.3
Revenue	6 446	6 068	+6.2	+7.5
Operating profit (EBIT)	682	723	-5.7	-4.1
in %	10.6	11.9		
Net income from financing and investing activities	20	-7		
Hyundai impairment	-155	-		
Profit before taxes	547	716	-23.6	
Income taxes	179	194		
Net profit	368	522	-29.5	
Net profit before Hyundai impairment	523	522	+0.2	
Cash flow from operating activities	613	522	+17.4	
	<b>30.09.2013</b>	31.12.2012		
Order backlog	8 113	7 083	+14.5	+17.6
Headcount at end of period	47 366	45 246	+4.7	

# Summary July - September 2013

## Strong growth but profit development below expectation

### **Growth**

- Orders received (incl. maintenance) increased by 6.9% or 11.1 % in local currencies
- Revenue grew by 4.7% or 8.6% in local currencies
- Strong growth of NI revenue in China and India

### **Profitability**

- EBIT reached CHF 212 million; 18.1% below prior year (-14.7% in local currencies)
- High investment to support growth and execute transformation projects
- Delays in cost reduction and efficiency initiatives (NI and EI)
- Currency headwinds (USD, BRL, INR, AUD)

# Key figures as of September 30, 2013

## July – September

In CHF million	Q3/2013	Q3/2012	Δ in %	Δ% in LC
Orders received	2 340	2 189	+6.9	+11.1
Revenue	2 196	2 097	+4.7	+8.6
Operating profit (EBIT)	212	259	-18.1	-14.7
in %	9.7	12.4		
Net income from financing and investing activities	1	-10		
Profit before taxes	213	249	-14.5	
Income taxes	51	66		
Net profit	162	183	-11.5	
Cash flow from operating activities	135	144	-6.3	
	<b>30.09.2013</b>	<b>30.06.2013</b>		
Order backlog	8 113	8 061	+0.6	+3.9
Headcount at end of period	47 366	46 109	+2.7	

# Asia/Pacific and the Middle East

## Development as of September 2013

### **Continued strong growth in emerging markets**

- Large Chinese NI market continues to grow above 10%
- Robust growth in Indian and Southeast Asian NI markets
- Good level of growth in Gulf area lead by Saudi Arabia

### **Schindler achieved above market growth**

- Clearly above NI market growth in China and India
- Investment in new Schindler campus in China and India progressing as planned
- Above NI market growth in Gulf area

# China: Growth agenda and investments progressing well

## Initiatives

**Competitive product portfolio**

**Geographic expansion**

**Sales excellence**

**Capacity build-up**

**Extend market coverage**

## Status Q3/2013

- Schindler 3600 for residential segment gaining momentum
- Introduction of Schindler 5500 under way
- Branch and service network extension being accelerated
- Investment in sales force and market coverage to capture growth
- Key account management strengthened
- Build-up of AP/China footprint; production, R&D, corporate purchasing and functions proceeding well
- Joint-venture - XJ Schindler generating strong growth

# Americas

## Development as of September 2013

### **Growth in Americas**

- Positive trend of North American construction sector continues
- Stable construction activity in Latin America
- Brazilian NI market cooling down

### **Schindler maintained its good market position**

- Increase in NI order intake driven by North America
- Construction of new elevator plant in Pennsylvania completed; production in ramp-up phase



# Europe

## Development as of September 2013

### **Difficult market conditions**

- Slight decline in overall NI market in Europe
- Activity in central and northern Europe remained at high level
- In southern and eastern Europe NI markets continued to decline
- Price pressure intense in all segments

### **Schindler's performance impacted by demanding environment**

- Overall European NI order intake at good level
- Order intake in modernization business declined, particularly in southern Europe
- New elevator plant in Slovakia starting production

# Market outlook 2013

Status as of October 15, 2013

## **A three speed world**

- Continued strong growth in emerging markets, particularly in China, India and Gulf Area
- Recovery in North America continues
- European environment remains challenging

## **Schindler – focus on growth and expanding footprint in emerging markets**

- Sales ramp-up of new elevator products remain top priority
- Investments and cost for new plants, expansion of R&D and market capabilities to capture growth opportunities remain high
- Efforts on efficiency and cost competitiveness to be intensified

# Outlook 2013

Status as of October 15, 2013

## Revised guidance for FY 2013

Revenue growth: approximately +7% in local currencies

Net profit: CHF 500 million to CHF 550 million  
(after Hyundai impairment of CHF 155 million in 1H/2013)

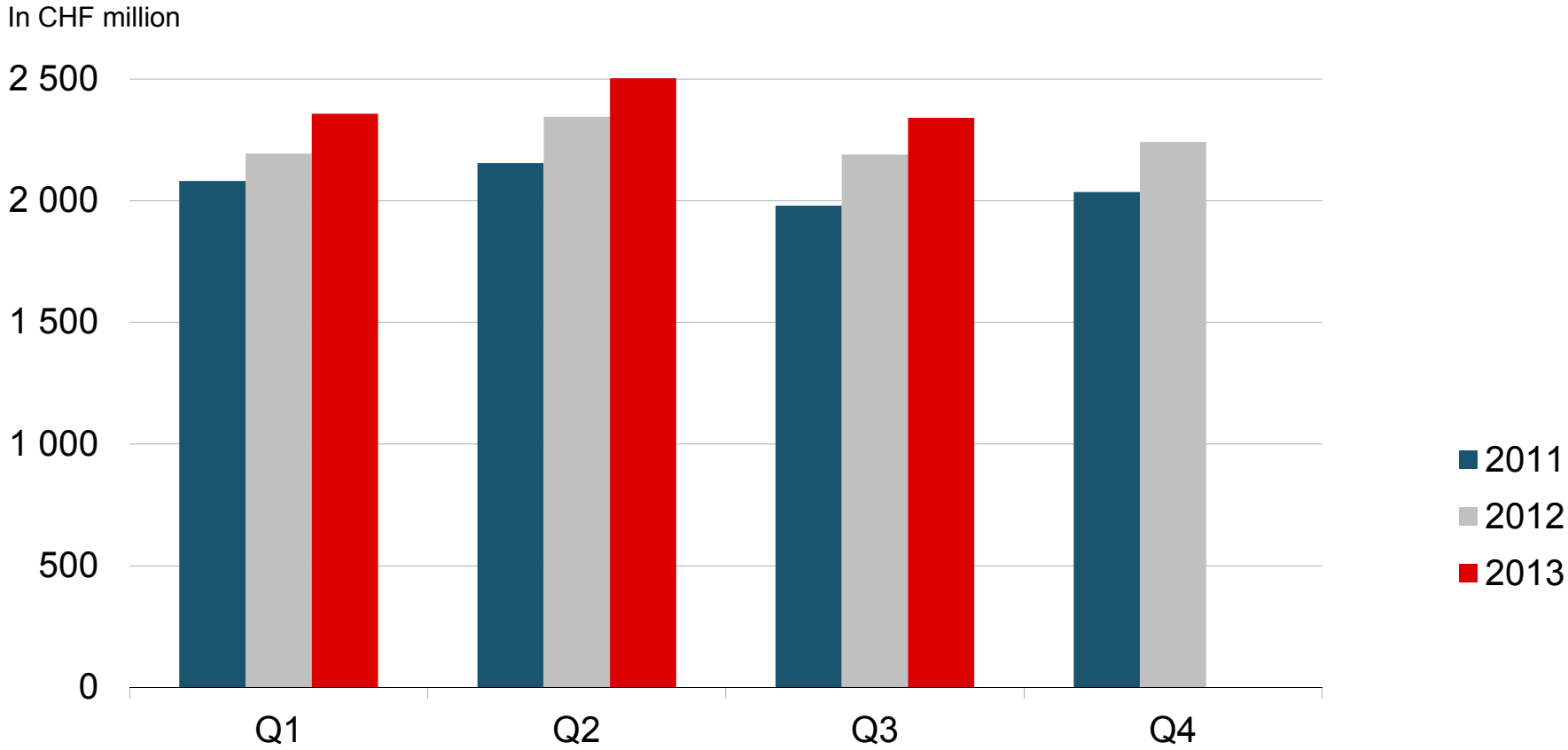
# Additional charts

# Quarterly overview

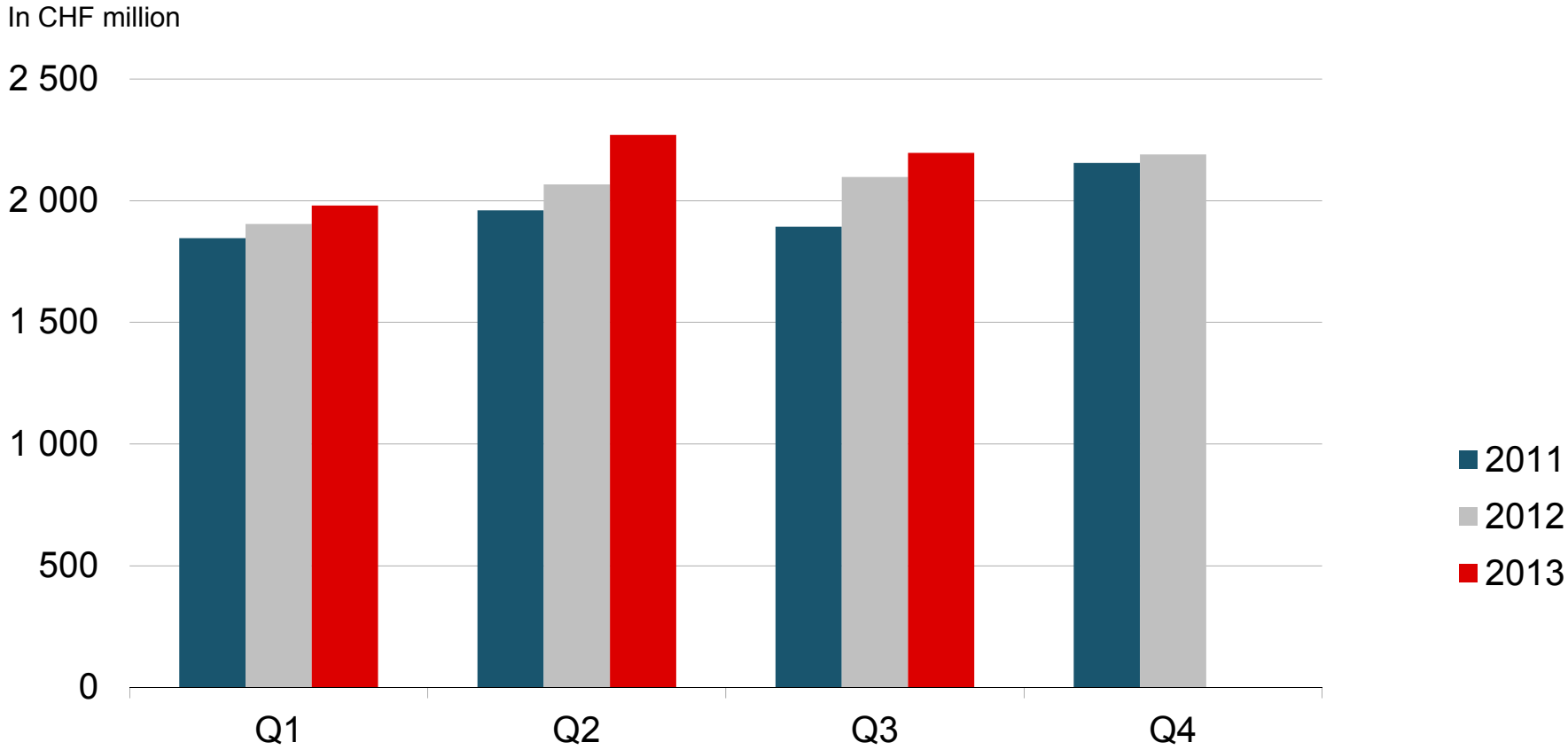
## Q1/2012 to Q3/2013

In CHF million	2013			2012			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Orders received	<b>2 340</b>	2 503	2 357	2 241	2 189	2 344	2 193
Revenue	<b>2 196</b>	2 270	1 980	2 190	2 097	2 067	1 904
Operating profit (EBIT)	<b>212</b>	253	217	267	259	250	214
in %	<b>9.7</b>	11.1	11.0	12.2	12.4	12.1	11.2
Financing activities	<b>-7</b>	3	-7	-2	-12	-2	-6
Hyundai impairment	-	-155	-	-	-	-	-
Investing activities (associates)	<b>8</b>	8	15	2	2	2	9
Income taxes	<b>51</b>	69	59	59	66	67	61
Net profit	<b>162</b>	40	166	208	183	183	156
in %	<b>7.4</b>	1.8	8.4	9.5	8.7	8.9	8.2
Net profit before Hyundai impairment		195					

# Quarterly development of orders received: 2011 – 2013



# Quarterly development of revenue: 2011 – 2013



# Balance sheet

In CHF million	30.09.2013	in %	31.12.2012	in %
Cash and cash equivalents	2 647	31.3	2 178	27.9
Other current assets	3 425	40.5	2 992	38.2
Total current assets	6 072	71.8	5 170	66.1
Non-current assets	2 381	28.2	2 652	33.9
<b>Total assets</b>	<b>8 453</b>	<b>100.0</b>	<b>7 822</b>	<b>100.0</b>
Current liabilities	4 009	47.4	3 328	42.5
Non-current liabilities	1 588	18.8	1 681	21.5
Total liabilities	5 597	66.2	5 009	64.0
Equity	2 856	33.8	2 813	36.0
<b>Total liabilities and equity</b>	<b>8 453</b>	<b>100.0</b>	<b>7 822</b>	<b>100.0</b>



# Thank you.

<b>Financial calendar</b>	<b>2014</b>
Annual results media conference & publication of Annual Report	February 14
Ordinary General Meeting Schindler Holding Ltd.	March 17
Publication of selected key figures as of March 31	April 22
Publication of Interim Report as of June 30	August 13
Publication of selected key figures as of September 30	October 21

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