

Selected key figures as of September 30, 2014

Media release
October 21, 2014

Schindler seizes opportunities for growth

In the first nine months of 2014, Schindler generated a 6.7% increase in orders received and a 7.1% increase in revenue in local currencies. In Swiss francs, the growth in orders received was 2.9% and the growth in revenue was 3.2%, reflecting negative foreign exchange impacts.

Operating profit (EBIT) rose by CHF 218 million compared to the first nine months of 2013 to CHF 900 million, corresponding to an EBIT margin of 13.5%. Adjusted for exceptional items, operating profit was CHF 673 million and the EBIT margin was 10.1% (same period of the previous year: 10.6%).

Net profit totaled CHF 703 million, significantly exceeding the result for the first nine months of 2013. Before exceptional items, net profit amounted to CHF 523 million and was unchanged compared to the same period of the previous year.

“Our new majority shareholding in XJ-Schindler (Xuchang) Elevator Co. Ltd., the strong sales of the Schindler 3600 and Schindler 5500 elevator lines, and the construction of new production facilities in China and India, demonstrate that we are consistently implementing our growth strategy,” stated CEO Silvio Napoli. XJ-Schindler has been consolidated since August 18, 2014.

Orders received and order backlog

Orders received increased significantly, with growth of 6.7% in local currencies. As a result of negative foreign exchange impacts, however, an improvement of only 2.9% to CHF 7 410 million was recorded in Swiss francs (same period of the previous year: CHF 7 200 million). The Asia/Pacific region achieved the strongest growth, led by China, India, and South-East Asia. Schindler far exceeded the market growth in each of these countries. In China, sales of the Schindler 3600 elevator line increased strongly and the new escalator plant in Jiading has already reached a good level of capacity utilization thanks to the large order volume. In addition, Schindler achieved its objective of swiftly completing the closure of its existing production site in the center of Shanghai and of continuing to employ the vast majority of staff from that plant at its new production facility. The recovery in North America resulted in good growth in orders received in the North, Central, and South America region. Europe also contributed to growth although Southern Europe experienced a decrease in orders received. The Schindler 5500 global elevator line, which is suited to a wide variety of uses in the commercial segment, was one of the main drivers of Schindler’s success in Europe.

In the third quarter of 2014, orders received exceeded the prior’s year strong third quarter, growing 5.3% year-on-year in local currencies or 4.6% in Swiss francs.

The order backlog rose to CHF 9 429 million, representing an increase of 22.1% compared to the end of 2013 (+18.4% in local currencies).

Revenue

Revenue totaled CHF 6 653 million, corresponding to growth of 3.2% for the first nine months of 2014 (+7.1% in local currencies). In the third quarter, revenue increased by 5.4% (+6.3% in local currencies). In both the first nine months and the third quarter of 2014, the strongest growth was achieved by the Asia/Pacific region, followed by the North, Central, and South America region, while Europe generated a slight increase in revenue.

Operating profit

Operating profit (EBIT) rose by CHF 218 million to CHF 900 million, corresponding to an EBIT margin of 13.5%. This includes positive exceptional items of CHF 227 million (Mall of Switzerland development project and the revaluation of XJ-Schindler). Adjusted for these exceptional items, operating profit totaled CHF 673 million, a decrease of 1.3% compared to the result for the first nine months of the previous year (CHF 682 million). In local currencies, an increase of 3.5% was recorded. The adjusted EBIT margin was 10.1% (same period of the previous year: 10.6%). Weak currencies had a negative impact in the amount of CHF 33 million. Delays in the implementation of cost reduction and efficiency measures, significant pricing pressure, and one-off project costs for Schindler's strategic expansion in growth markets also had a negative impact on operating profit.

In the third quarter of 2014, operating profit totaled CHF 376 million (same period of the previous year: CHF 212 million), corresponding to an EBIT margin of 16.2%. Adjusted for exceptional items, operating profit was CHF 231 million, exceeding the result for the same period of the previous year by 9.0% (+10.4% in local currencies). The adjusted EBIT margin was 10.0% (same period of the previous year: 9.7%).

Net income from financing and investing activities

Net income from financing and investing activities was CHF 25 million (same period of the previous year: CHF 20 million). This positive result was largely attributable to the improvement in income from associates. A further impairment of CHF 40 million relating to the participation in Hyundai Elevator Co. Ltd. had to be recognized in the second quarter of 2014 (same period of the previous year: CHF 155 million).

Net profit and cash flow from operating activities

Net profit totaled CHF 703 million, significantly exceeding the result for the first nine months of 2013. Before exceptional items, net profit amounted to CHF 523 million and was unchanged compared to the same period of the previous year.

Cash flow from operating activities reached CHF 606 million (same period of the previous year: CHF 613 million).

Outlook for 2014

Excluding any unforeseeable events, Schindler expects that revenue will grow by 6% to 8% in local currencies and that net profit will total CHF 815 million to CHF 865 million for the full year 2014. Excluding the previously mentioned exceptional items¹, this corresponds to an adjusted net profit of CHF 635 million to CHF 685 million.

¹ Revaluation of XJ-Schindler: CHF 145 million, Mall of Switzerland: CHF 75 million, Hyundai impairment: CHF -40 million

Selected key figures: see pages 4 – 6

Schindler Management Ltd.
Corporate Communications



For further information please contact:

Dr. Barbara Schmidhauser, Chief Communications Officer
Tel. +41 41 445 30 60, Fax +41 41 445 31 44, barbara.schmidhauser@ch.schindler.com

Barbara Zäch, Head Investor Relations
Tel. +41 41 445 30 61, Fax +41 41 445 31 44, barbara.zaech@ch.schindler.com

www.schindler.com

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

<http://www.schindler.com/com/internet/en/investor-relations/conference-call-details.html>

Selected key figures

January to September

In CHF million	2014	2013	Δ %	Δ % local currencies
Orders received	7 410	7 200	+2.9	+6.7
Revenue	6 653	6 446	+3.2	+7.1
Operating profit (EBIT)	900	682	+32.0	+36.8
in %	13.5	10.6		
Net income from financing and investing activities	25	20		
Hyundai impairment	-40	-155		
Profit before taxes	885	547		
Income taxes	182	179		
Net profit	703	368		
Before exceptional items				
Operating profit (EBIT)	673	682	-1.3	+3.5
in %	10.1	10.6		
Net profit	523	523	-	
Cash flow from operating activities	606	613	-1.1	
Investments in property, plant, and equipment	142	138	+2.9	
	30.09.2014	31.12.2013		
Order backlog	9 429	7 722	+22.1	+18.4
Headcount at end of period	53 617	48 169	+11.3	

Selected key figures

July to September

In CHF million	2014	2013	Δ %	Δ % local currencies
Orders received	2 448	2 340	+4.6	+5.3
Revenue	2 314	2 196	+5.4	+6.3
Operating profit (EBIT)	376	212	+77.4	+78.8
in %	16.2	9.7		
Net income from financing and investing activities	19	1		
Profit before taxes	395	213		
Income taxes	63	51		
Net profit	332	162		
Before exceptional items				
Operating profit (EBIT)	231	212	+9.0	+10.4
in %	10.0	9.7		
Net profit	187	162	+15.4	
Cash flow from operating activities	205	135	+51.9	
Investments in property, plant, and equipment	39	49	-20.4	
	30.09.2014	30.06.2014		
Order backlog	9 429	8 627	+9.3	+6.2
Headcount at end of period	53 617	49 751	+7.8	

Balance sheet

In CHF million	30.09.2014	%	31.12.2013	%
Cash and cash equivalents	2 622	28.8	2 228	28.5
Other current assets	3 841	42.3	3 260	41.9
Total current assets	6 463	71.1	5 488	70.4
Non-current assets	2 622	28.9	2 309	29.6
Total assets	9 085	100.0	7 797	100.0
Current liabilities	4 770	52.5	3 974	51.0
Non-current liabilities	1 459	16.1	1 298	16.6
Total liabilities	6 229	68.6	5 272	67.6
Equity	2 856	31.4	2 525	32.4
Total liabilities and equity	9 085	100.0	7 797	100.0

Additional information

Information on shares and participation certificates

In CHF	2014	2013	Δ %
Earnings per share and participation certificate: Jan.-Sept.	6.10	2.99	+104.0
Earnings per share and participation certificate: July-Sept.	2.90	1.33	+118.0
Gross dividend per share and participation certificate	2.20	2.20	–
Dividend in CHF million	245	254	–3.5

Exchange rates

			2014		2013		
			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	1.21	1.22	1.23	1.22	1.23
USA	USD	1	0.95	0.90	0.89	0.91	0.93
Brazil	BRL	100	38.82	39.28	37.72	40.09	44.03
China	CNY	100	15.49	14.62	14.72	14.78	15.09