

## **Annual Results 2015**

Press release  
February 12, 2016

### Successful execution of growth strategy

**As a result of the disciplined implementation of its strategy, Schindler succeeded in materially strengthening its position across the world's largest markets in the reporting year. It delivered marked increases in orders received, revenue, EBIT margin and cash flow. Orders received improved by 4.6% in local currencies and revenue by 6.7%. However, the figures in Swiss francs were substantially affected by negative foreign exchange impacts. In Swiss francs, orders received declined by 0.1% to CHF 9 967 million, and revenue grew by 1.6% to CHF 9 391 million. Operating profit (EBIT)<sup>1</sup> and net profit<sup>2</sup> for the previous year were strongly impacted by exceptional items. On a comparable basis, EBIT rose by CHF 70 million to CHF 1 002 million, corresponding to an improvement of 7.5% (+16.8% in local currencies) and an EBIT margin of 10.7%. Before restructuring cost EBIT margin reached 11.0% in the reporting year. Net profit rose slightly to CHF 747 million and cash flow reached CHF 1 076 million.**

#### **Strong orders received and order backlog**

In the reporting year, Schindler sold two-thirds of all new installations orders in Asia for the first time – aligning order intake structure with the global market. Orders received totaled CHF 9 967 million, corresponding to an increase of 4.6% in local currencies. Despite negative foreign exchange impacts, the figure in Swiss francs was within 0.1% of the previous year. Conditions in some markets were very challenging. Driven by the Chinese new installations market, which experienced its first decline in more than 20 years, the global market declined by around 3%. Despite this contraction, Schindler generated a significant increase in orders received, led by the Asia-Pacific region. Growth was also achieved in North America and Europe while a slight decrease in orders was recorded in South America due to the economic downturn in the region.

In the fourth quarter of 2015, orders received totaled CHF 2 606 million – the highest quarterly result in the company's history. Compared to the same period of the previous year, this figure corresponds to an increase of 1.4% in Swiss francs and 6.6% in local currencies.

The order backlog rose to CHF 9 364 million in the reporting year, corresponding to an increase of 1.1% (+7.9% in local currencies) compared to the previous year.

<sup>1</sup> Before taxes: Mall of Switzerland: CHF 82 million; revaluation of XJ-Schindler: CHF 145 million; impairment of intangible assets: CHF 21 million

<sup>2</sup> After taxes: Mall of Switzerland: CHF 75 million; revaluation of XJ-Schindler: CHF 145 million; impairment of intangible assets: CHF 18 million, Hyundai impairment: CHF 40 million

### **Good growth in revenue**

Revenue rose by 1.6% to CHF 9 391 million in the reporting year (+6.7% in local currencies). Negative foreign exchange impacts totaled CHF 472 million. Schindler achieved its strongest revenue growth in the Asia-Pacific region – particularly in China. In the Americas region, the USA emerged as the leader in terms of revenue growth. Slight growth was reported for Europe as a whole.

In the fourth quarter of 2015, revenue reached CHF 2 589 million – the highest quarterly level in the reporting year. In Swiss francs, revenue decreased by -0.2% compared to the same period of the previous year. In local currencies, revenue grew by 5.1%.

### **Operating profit reaches CHF 1 billion, strengthened margin**

On a comparable basis, operating profit (EBIT) improved by 7.5% in the reporting year (+16.8% in local currencies) to reach CHF 1 002 million. The EBIT margin improved from 10.1% to 10.7%. The strong Swiss franc had a negative impact on operating profit in the amount of CHF 87 million and a negative impact of 40 basis points on the EBIT margin. Key success factors were: increasing economies of scale, cost optimizations, pricing measures and efficiency gains.

In the fourth quarter of 2015, Schindler generated an operating profit of CHF 277 million, corresponding to an EBIT margin of 10.7%. Operating profit increased by 6.9% (+17.0% in local currencies) versus the comparable result for the same period of the previous year. Before restructuring costs of CHF 19 million, the EBIT margin for the quarter was 11.4%.

### **Strong net profit and cash flow over CHF 1 billion**

Adjusted for the above-mentioned exceptional items in the previous year, net profit for 2015 slightly exceeded the previous year and stands at CHF 747 million.

Cash flow from operating activities reached CHF 1 076 million. This increase of 19.3% was mainly achieved thanks to operational performance as well as further net working capital optimization.

### **Personnel changes**

As previously announced in the media release of January 15, 2016 regarding the succession of Alfred N. Schindler, Chairman, Thomas Oetterli will take over the position of CEO as of April 1, 2016.

Further to the above, the following changes will take place within the Group Executive Committee as of April 1, 2016:

Andre Inserra, CEO of Atlas Schindler, Brazil, will be appointed as Head of Americas and become a member of the Group Executive Committee. Daryoush Ziai, Head China Field Operations, succeeds Thomas Oetterli as Head China and will also be appointed to the Group Executive Committee. Additional appointments at Group Executive Committee level are: Michael Nilles, Chief Digital Officer and Christian Schulz, Head Service Business.

As a consequence, the Group Executive Committee will as of April 1, 2016 be composed as follows: Thomas Oetterli (CEO), Erich Ammann, Karl-Heinz Bauer, David Clymo, Paolo Compagna, Carlos Gueembe, Albert Haffert, Andre Inserra, Michael Nilles, Miguel A. Rodriguez, Oswald Schmid, Christian Schulz und Daryoush Ziai.

**Schindler Holding Ltd: Dividend**

Schindler Holding Ltd. closed the financial year 2015 with a net profit of CHF 490 million (previous year: CHF 761 million). The payment of an ordinary dividend of CHF 2.70 per registered share and participation certificate will be proposed to the General Meeting of March 22, 2016 (previous year: ordinary dividend of CHF 2.20 and an additional dividend of CHF 1.00 per registered share and participation certificate).

**Outlook 2016**

Schindler expects to see a slight decline in the global elevator and escalator market in 2016 due primarily to the weakening of the Chinese market. Pricing and currency pressures are expected to persist in many markets. However, the long-term drivers of growth remain intact: advancing urbanization, expanding middle classes, population aging and use of energy-efficient products. As a result, the elevator density per person will continue to increase, stimulating the elevator and escalator business.

The Group will pursue its growth strategy and its measures to improve profitability. Schindler expects to generate an increase in revenue of around 3% to 7% in local currencies for 2016. As in the past, Schindler will issue its net profit 2016 forecast in combination with its half-year results publication.

Attachment: further key figures

The full Annual Report is available online from 06.30 CET at:  
<http://www.schindler.com/com/internet/en/investor-relations/reports.html>

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**Information on how to dial in to today's annual results presentation at 10.00 CET is available at [www.schindler.com](http://www.schindler.com) under Investor Relations/Conference Calls.**

**Key figures as of December 31, 2015**  
**January to December**

In CHF million	2015	2014	Δ %	Δ % local currencies
Orders received	<b>9 967</b>	9 979	-0.1	+4.6
Revenue	<b>9 391</b>	9 246	+1.6	+6.7
Operating profit (EBIT), comparable	<b>1 002</b>	932	+7.5	+16.8
in %	<b>10.7</b>	10.1		
Net profit, comparable	<b>747</b>	740	+0.9	
<b>Including exceptional items 2014</b>				
Operating profit (EBIT)	<b>1 002</b>	1 138 <sup>1</sup>	-12.0	-4.3
in %	<b>10.7</b>	12.3		
Net income from financing and investing activities	<b>-20</b>	11 <sup>2</sup>		
Profit before taxes	<b>982</b>	1 149	-14.5	
Income taxes	<b>235</b>	247		
Net profit	<b>747</b>	902 <sup>1,2</sup>	-17.2	
Cash flow from operating activities	<b>1 076</b>	902	+19.3	
Investments in property, plant, and equipment	<b>183</b>	183	-	
<b>As of December 31</b>				
Order backlog	<b>9 364</b>	9 263	+1.1	+7.9
Number of employees	<b>56 762</b>	54 209	+4.7	

<sup>1</sup> XJ-Schindler (Xuchang) Elevator Co. Ltd. revaluation gain: CHF 145 million, gain on sale of Mall of Switzerland development project: CHF 82 million (CHF 75 million after taxes), impairment of intangible assets: CHF 21 million (CHF 18 million after taxes)

<sup>2</sup> Hyundai Elevator Co. Ltd. impairment: CHF 40 million

**4th quarter: October to December**

In CHF million	<b>2015 4th quarter</b>	2014 4th quarter	Δ %	Δ % local currencies
Orders received	<b>2 606</b>	2 569	+1.4	+6.6
Revenue	<b>2 589</b>	2 593	-0.2	+5.1
Operating profit (EBIT), comparable	<b>277</b>	259	+6.9	+17.0
in %	<b>10.7</b>	10.0		
Net profit, comparable	<b>194</b>	217	-10.6	
<b>Including exceptional items 2014</b>				
Operating profit (EBIT)	<b>277</b>	238 <sup>1</sup>	+16.4	+27.3
in %	<b>10.7</b>	9.2		
Net income from financing and investing activities	<b>-30</b>	26		
Profit before taxes	<b>247</b>	264	-6.4	
Income taxes	<b>53</b>	65		
Net profit	<b>194</b>	199 <sup>1</sup>	-2.5	
Cash flow from operating activities	<b>377</b>	296	+27.4	
Investments in property, plant, and equipment	<b>55</b>	41	+34.1	
	<b>31.12.2015</b>	30.09.2015		
Order backlog	<b>9 364</b>	9 519	-1.6	-3.0
Number of employees	<b>56 762</b>	56 347	+0.7	

<sup>1</sup> Impairment of intangible assets CHF 21 million (CHF 18 million after taxes)