

## Welcome to Schindler

Interim Results  
as of June 30, 2016

August 16, 2016



# Highlights January – June 2016

## Pleasing growth and improved profitability

### **Challenging market environment**

- China's new installations market continued to decline
- Continued moderate market growth in rest of Asia-Pacific
- Sustained market growth in North America
- Latin America remained under pressure due to recession in Brazil
- Overall, moderate growth in Europe, stabilization in Southern Europe

### **Continued growth and improved performance**

- Orders received increased by 2.3% in local currencies
- Revenue up by 3.9% in local currencies
- EBIT reached CHF 504 million, up by 7.6% in local currencies
- EBIT margin increased to 10.9% and to 11.1% before restructuring costs
- Net profit increased by 3.9% and reached CHF 372 million

# Key figures as of June 30, 2016

## Q2: April – June

In CHF million	2016	2015	Δ%	Δ% in LC
Orders received	2 616	2 534	+3.2	+2.6
Revenue	2 469	2 355	+4.8	+4.4
Operating profit (EBIT)	269	254	+5.9	+5.9
in %	10.9 <sup>1)</sup>	10.8		
Net income from financing and investing activities	-22	-		
Profit before taxes	247	254	-2.8	
Income taxes	57	64		
Net profit	190	190	-	
Cash flow from operating activities	94	141	-33.3	
Investments in property, plant, and equipment	36	42	-14.3	
	<b>30.06.2016</b>	<b>31.03.2016</b>		
Order backlog	9 910	9 627	+2.9	+2.1
Number of employees	57 425	57 123	+0.5	

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

# Key figures as of June 30, 2016

## 1H: January – June

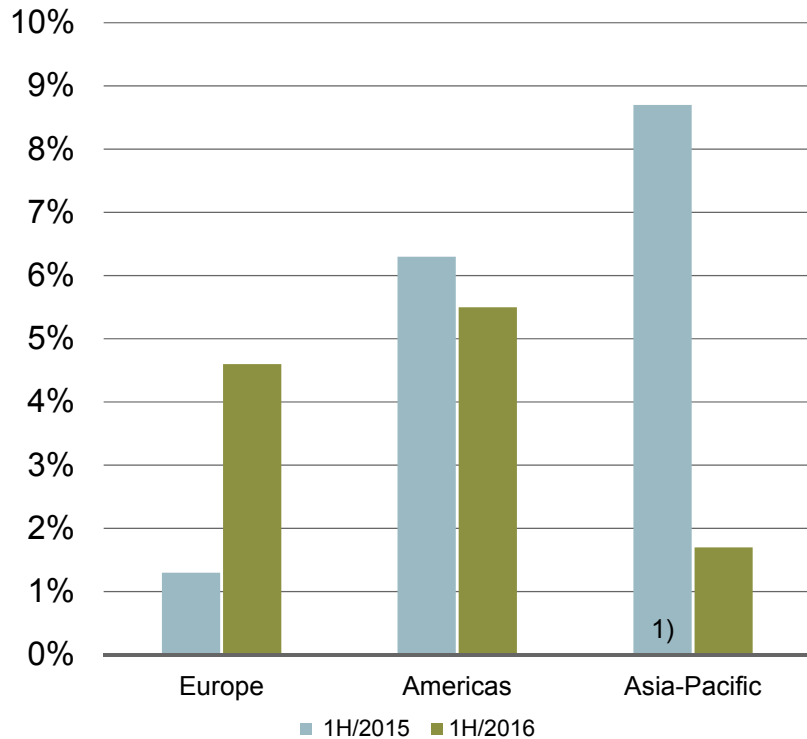
In CHF million	2016	2015	Δ%	Δ% in LC
Orders received	5 083	4 977	+2.1	+2.3
Revenue	4 645	4 492	+3.4	+3.9
Operating profit (EBIT)	504	476	+5.9	+7.6
in %	10.9 <sup>1)</sup>	10.6		
Net income from financing and investing activities	-17	-		
Profit before taxes	487	476	+2.3	
Income taxes	115	118		
Net profit	372	358	+3.9	
Cash flow from operating activities	427	472	-9.5	
Investments in property, plant, and equipment	69	77	-10.4	
	<b>30.06.2016</b>	<b>31.12.2015</b>		
Order backlog	9 910	9 364	+5.8	+7.0
Number of employees	57 425	56 762	+1.2	

<sup>1)</sup> Before restructuring costs 11.1%

# Order backlog and revenue by region

Record order backlog provides solid base for future growth

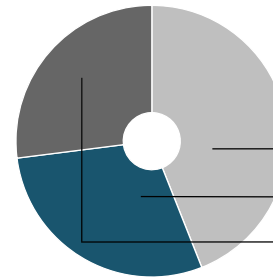
Revenue growth by region (in LC)



1) 1H/2015: adjusted for consolidation impact XJ Schindler

Order backlog

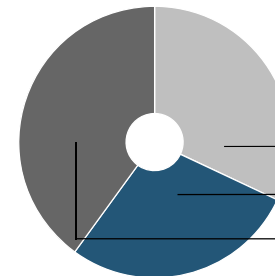
1H/2016: CHF 9 910 million (+7.0% in LC)  
1H/2015: CHF 9 191 million



	1H/2016	1H/2015
Asia-Pacific	44%	44%
Americas	29%	30%
Europe	27%	26%

Revenue

1H/2016: CHF 4 645 million (+3.9% in LC)  
1H/2015: CHF 4 492 million



	1H/2016	1H/2015
Asia-Pacific	32%	32%
Americas	28%	29%
Europe	40%	39%

# Asia-Pacific

## Development in 1H/2016

### **Mixed market development**

- China still declining as expected, mainly driven by lower tier cities
- Asia-Pacific excluding China shows moderate growth
- Increasing modernization opportunities driven by ageing installed base

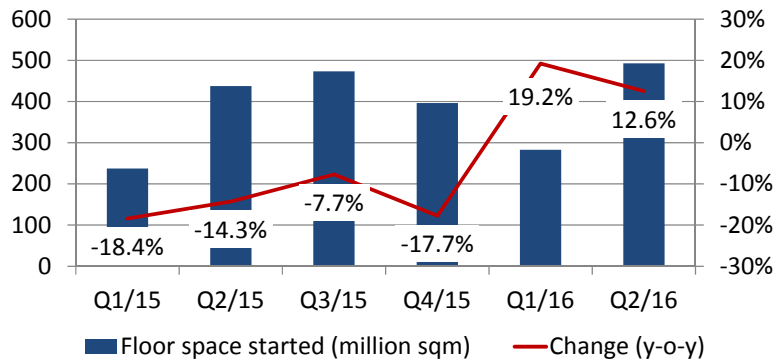
### **Continued growth in order intake**

- Unit growth in China driven by excellent acceptance of new products in all segments
- Strong growth in India and Australia
- Lower number of large projects reported
- Joint venture with Volkslift China will enhance market presence
- Overall strong growth in modernization and maintenance

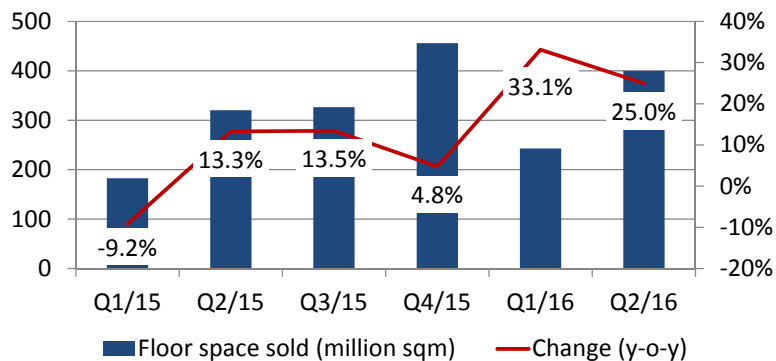
# China construction activity still growing in Q2 but at a slower pace

## Pricing trend in most cities in positive territory

### Floor space started in China



### Floor space sold in China



### Opportunities

- 13<sup>th</sup> five-year plan envisages continued high-paced urbanization and strong infrastructure investment
- Stimulus measures continue to prop up market
- Floor space started and floor space sold still with strong growth
- Property prices continue to increase
- Commercial property vacancy rates in Tier 1 cities remain low

### Risks

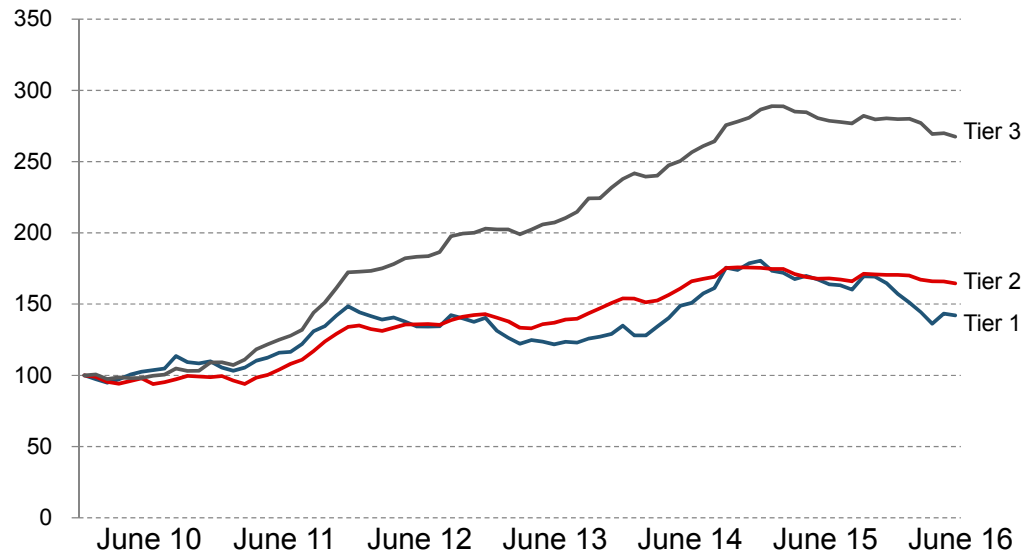
- Land area purchased by developers still slightly decreasing
- Housing inventories still high, but decreasing
- Delays in order down-payments
- Continued pricing pressure

Source: National Bureau of Statistics of China, July 2016

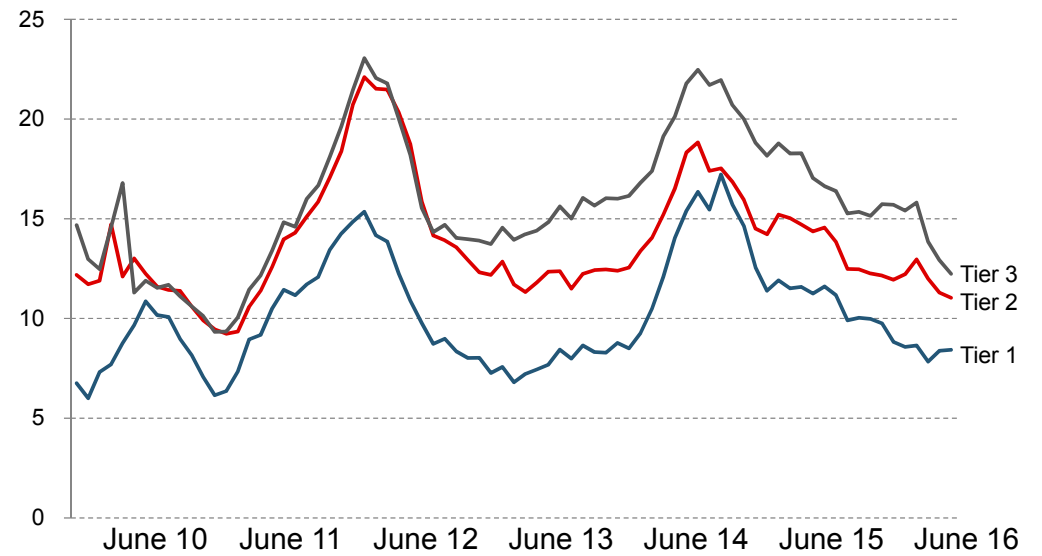
# China housing inventories remain high

## Inventory absorption rate improving

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 June 2016



# Americas

## Development in 1H/2016

### **Diverging market trends**

- Sustained growth in the US new installations market
- Brazil still in recession and affecting new construction negatively
- Other Latin American markets growing

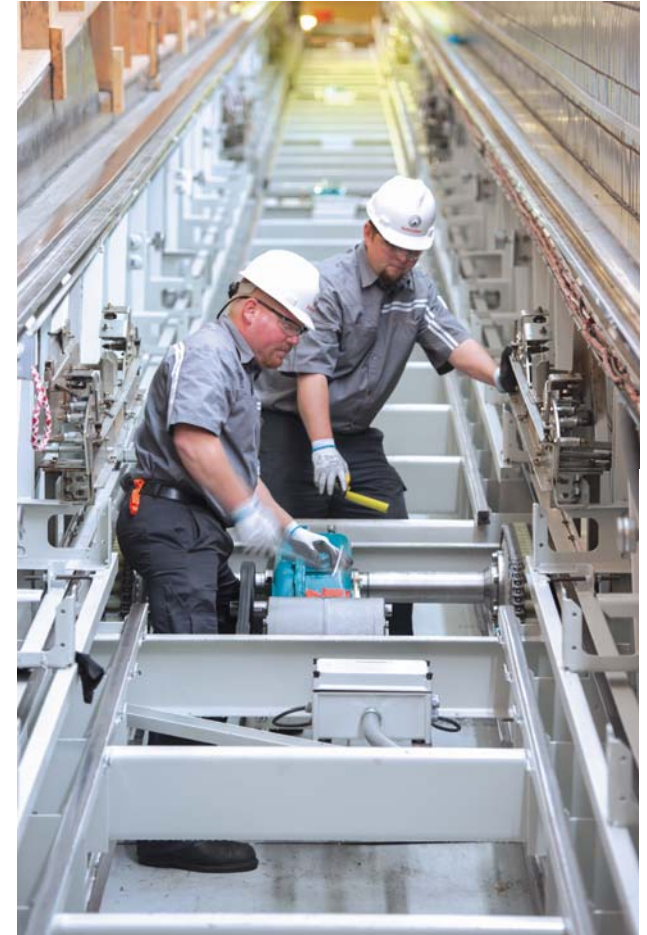
### **Overall growth in order intake**

- Good order growth in the US low rise traction segment thanks to excellent market acceptance of Schindler 3300
- Launch of Schindler 5500 in selected North American markets
- Service business showing good growth rates

## New major project won in the US

### Upgrading and servicing Atlanta's urban public transportation network

- Eighth largest rapid transit system in the US
  - 38 train stations
  - Providing service to more than 134 million riders annually
- Upgrading and servicing of 109 elevators and 116 escalators over the next ten years
- Contract scope features Schindler's InTruss technology which enables existing escalators to be upgraded with minimal downtime
- Once modernized, all elevators and escalators will be monitored on a 24/7 basis thanks to Schindler Direct technology
- To be reflected in orders received in third quarter 2016



# Europe

## Development in 1H/2016

### **Opportunities in various markets**

- Moderate growth in Northern Europe
- Southern European markets start to recover
- New installations markets adopting EN 81-20/50

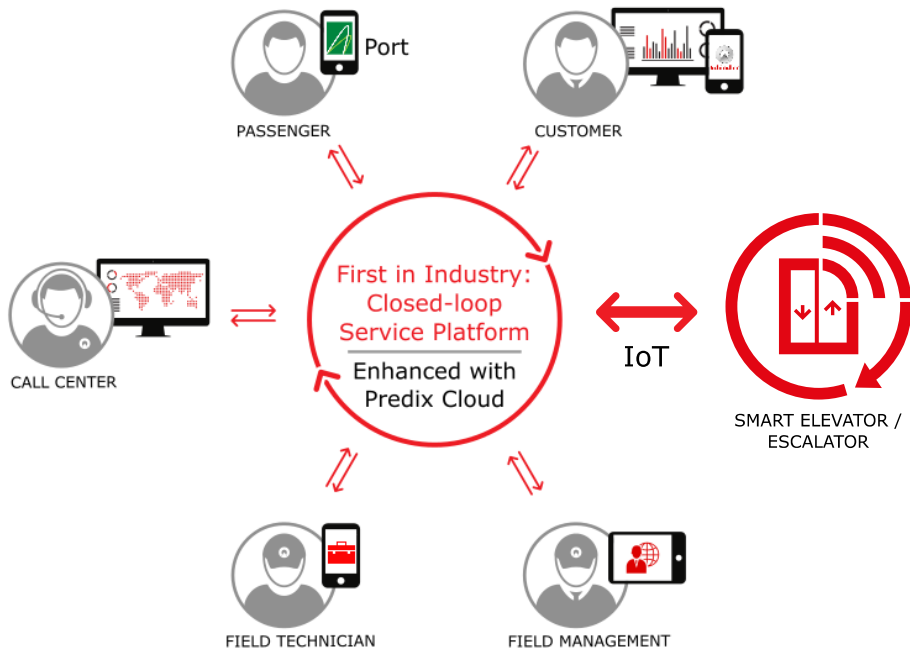
### **Strong growth in order intake**

- Good growth in Northern Europe, particularly in Germany
- Southern Europe growing from low levels
- Pricing opportunities driven by new regulations
- Acquisition of FB Group will further strengthen the position in Germany
- Good order growth in modernization

# Schindler & GE strategic partnership

## Premium digital solutions for urban mobility

Using the full potential of the industrial internet  
for digital innovations in elevators, escalators and smart buildings



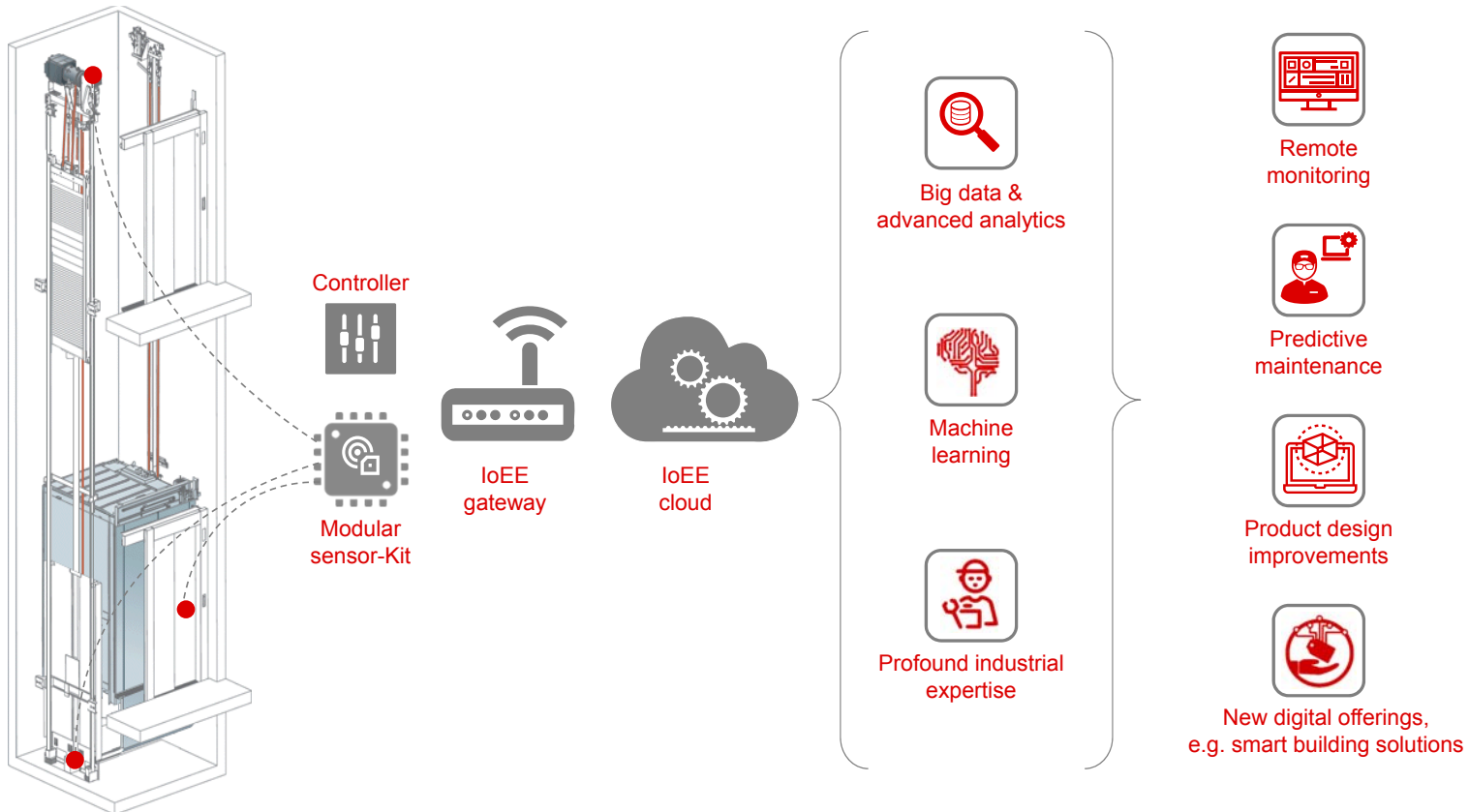
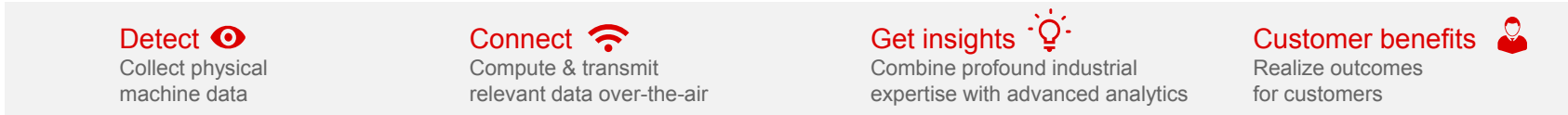
- First in E&E industry with digital platform for closed-loop service business model
- PORT Technology for advanced transit management and access control



- Predix Cloud for Internet of Things, predictive analytics & machine learning
- The premier digital industrial company with strong track record in generating business outcome from advanced data analytics

# Strategic Alliance GE / Internet of Things

## Schindler's new internet of elevators & escalators (IoEE) solution



## Outlook 2016

### Status as of August 16, 2016

- Macroeconomic and political uncertainties remain
- Global new installations market expected to slightly decline
- Growth strategy and focus on margins unchanged
- Revenue expected to increase by 3% to 5% in local currencies
- Net profit in the range of CHF 750 million to CHF 800 million

# Financial Calendar

Key figures as of September 30, 2016	October 25, 2016
Annual results 2016	February 15, 2017
Ordinary General Meeting Schindler Holding Ltd.	March 16, 2017

**Contact:**

Marco Knuchel, Head Investor Relations; Phone +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.



# Additional Charts



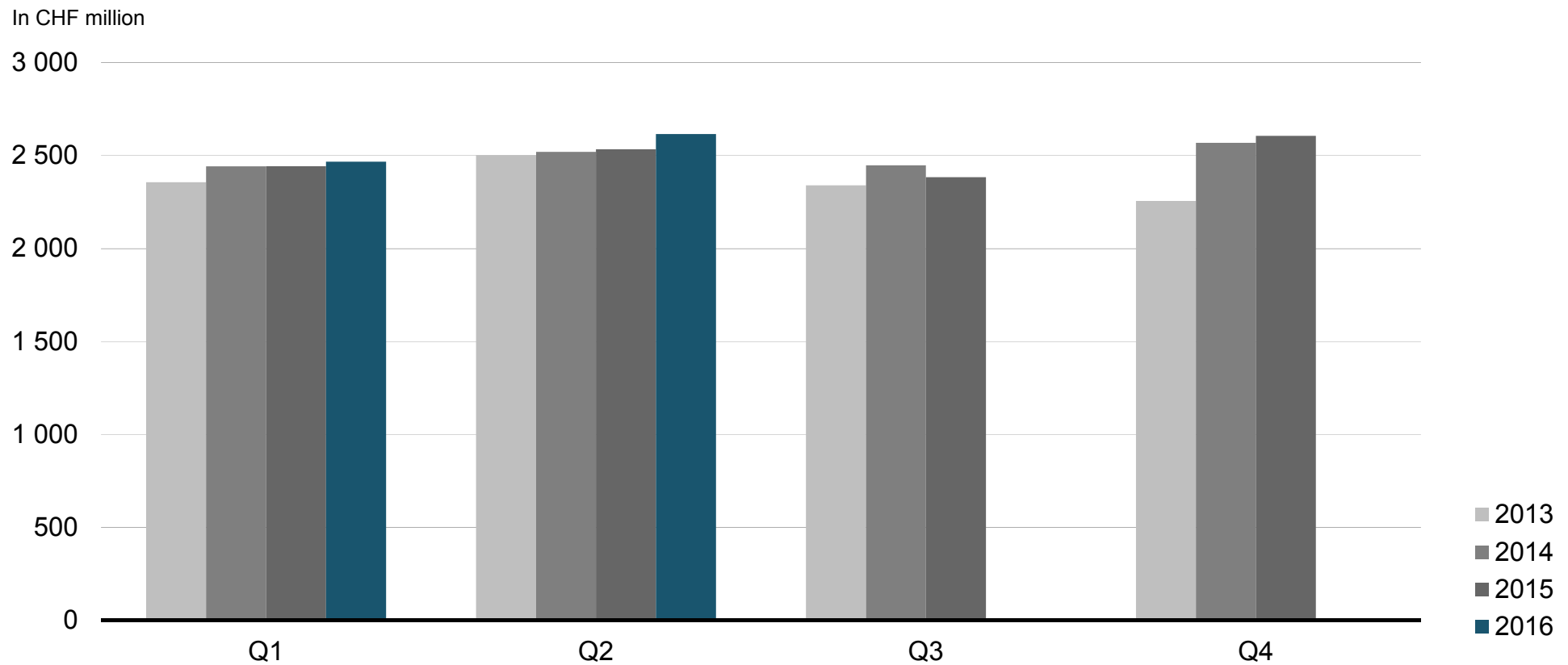
# Balance sheet

In CHF million	30.06.2016	in %	31.12.2015	in %
Cash and cash equivalents	2 205	26.3	1 975	23.9
Other current assets	3 350	39.9	3 500	42.4
Total current assets	5 555	66.2	5 475	66.3
Non-current assets	2 831	33.8	2 784	33.7
<b>Total assets</b>	<b>8 386</b>	<b>100.0</b>	<b>8 259</b>	<b>100.0</b>
Current liabilities	4 785	57.1	4 685	56.7
Non-current liabilities	1 260	15.0	1 217	14.8
Total liabilities	6 045	72.1	5 902	71.5
Equity	2 341	27.9	2 357	28.5
<b>Total liabilities and equity</b>	<b>8 386</b>	<b>100.0</b>	<b>8 259</b>	<b>100.0</b>
<b>Net working capital</b>	<b>-779</b>		<b>-791</b>	
<b>Net liquidity</b>	<b>1 984</b>		<b>1 935</b>	

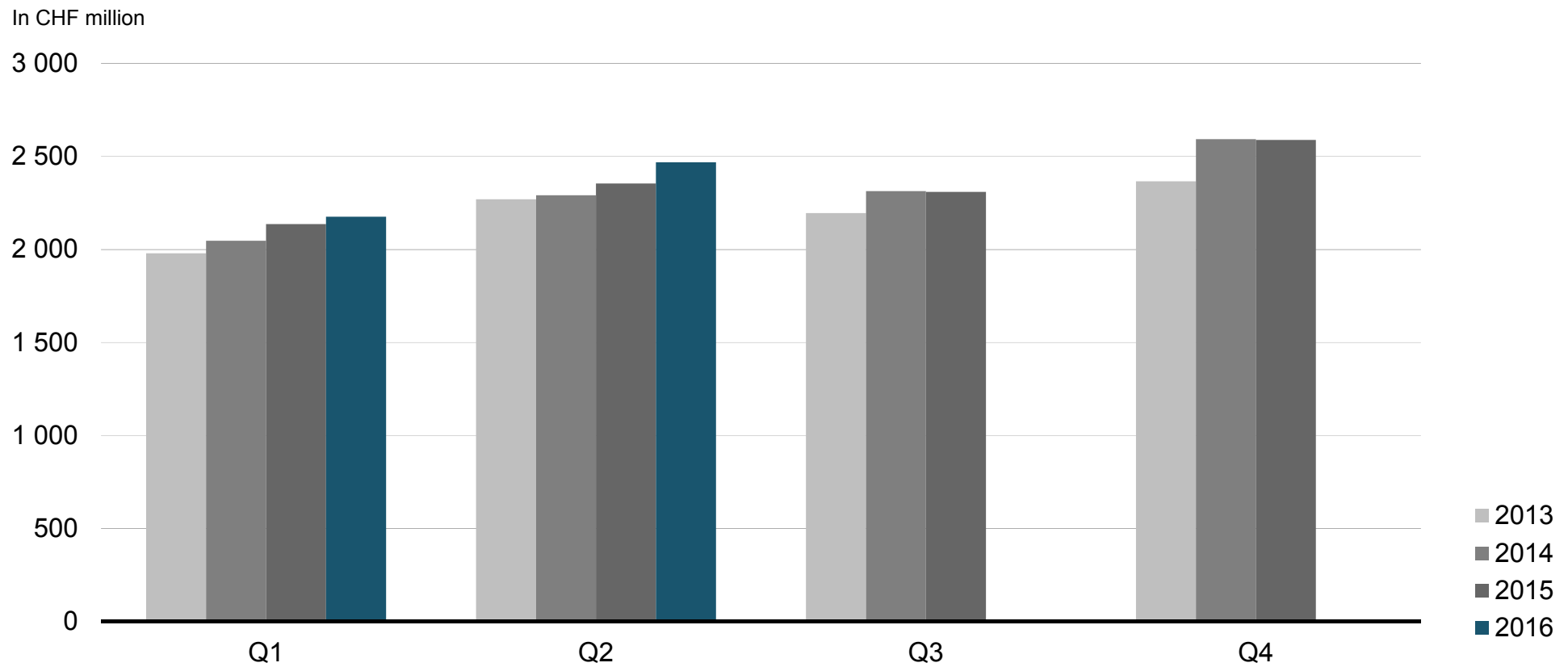
## Quarterly overview 2016/2015

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

# Quarterly development of orders received 2013 – 2016



# Quarterly development of revenue 2013 – 2016



## ALSO exchangeable bond

Schindler interest below 15% as of July 29, 2016

### Background

- 0.375% Bond 2013 – 2017 (maturity date June 5, 2017)
- Initial nominal value CHF 218 million
- Bond can be exchanged into ALSO shares
- Exchange price ALSO shares CHF 60.24

### Accounting

- ALSO treated as an associate (equity accounting)
- Bond valued at market value through financial result

	June 30, 2016	December 31, 2015
Nominal value bond	CHF 141 million	CHF 216 million
Market value bond	119%	114%
Carrying amount bond	CHF 168 million	CHF 246 million
Interest in ALSO	18.2%	27.9%