



Welcome to Schindler

Key figures as of September 30, 2017

October 24, 2017



Highlights January – September 2017

Increase in revenue and profit

- Orders received increased across all regions by 5.4% in local currencies
 - Largest growth in Europe followed by Asia-Pacific and the Americas
 - Growth in China supported by large infrastructure projects
- Accelerated revenue growth in the third quarter (6.3% in local currencies); in the first nine months, revenue rose by 4.1% in local currencies
- EBIT margin increase to 11.7% (12.0% before restructuring costs)
- Net profit significantly up by 10.6% to CHF 648 million
- Cash flow from operating activities below last year due to an increase in net working capital in the third quarter
- Execution of strategic initiatives on track

Key figures as of September 30, 2017

3rd quarter: July – September

In CHF million	2017	2016	Δ%	Δ% in LC
Orders received	2 737	2 592	5.6	4.8
Revenue	2 590	2 409	7.5	6.3
Operating profit (EBIT)	302	277	9.0	6.5
in %	11.7 ¹⁾	11.5 ²⁾		
Net income from financing and investing activities	1	7		
Profit before taxes	303	284	6.7	
Income taxes	74	70		
Net profit	229	214	7.0	
Cash flow from operating activities	103	232	-55.6	
Investments in property, plant, and equipment	54	44	22.7	
	30.9.2017	30.6.2017		
Order backlog	10 766	10 340	4.1	1.6
Number of employees	60 232	59 055	2.0	

1) Before restructuring costs (CHF 8 million) 12.0%

2) Before restructuring costs (CHF 5 million) 11.7%

Key figures as of September 30, 2017

January – September

In CHF million	2017	2016	Δ%	Δ% in LC
Orders received	8 083	7 675	5.3	5.4
Revenue	7 359	7 054	4.3	4.1
Operating profit (EBIT)	860	781	10.1	8.8
in %	11.7 ¹⁾	11.1 ²⁾		
Net income from financing and investing activities	-15	-10		
Profit before taxes	845	771	9.6	
Income taxes	197	185		
Net profit	648	586	10.6	
Cash flow from operating activities	544	659	-17.5	
Investments in property, plant, and equipment	141	113	24.8	
	30.9.2017	31.12.2016		
Order backlog	10 766	10 004	7.6	8.2
Number of employees	60 232	58 271	3.4	

¹⁾ Before restructuring costs (CHF 20 million) 12.0%

²⁾ Before restructuring costs (CHF 18 million) 11.3%

Asia-Pacific

Continued growth

Mixed market development continued

- China: new installations market stabilized, pricing remained under continuous pressure
- India: demonetization and newly implemented Goods and Services Tax (GST) impacting market sentiment and lowering short-term growth expectations
- Southeast Asia: continued growth, particularly in residential and infrastructure segments
- Growing service markets due to conversion of new installations

Schindler performance

- China: new product platform and public transport projects supporting growth in orders received; strong growth in service
- India: no recovery in new installations; strong growth in service
- Southeast Asia: prosperous markets drive orders received, enhanced by competitive products
- Solid inflow of large orders in the infrastructure segment

Americas

US market remains solid

Diverging market developments

- North America: ongoing growth in the US new installations, modernization, and service markets across all segments
- Latin America: region under pressure overall; continued weakness of real estate market in Brazil

Schindler performance

- North America: good growth in new installations and service; new products and large projects continued to drive orders received
- Latin America: solid existing installations business supported overall good performance

Europe

Strong markets

Overall positive development

- Northern Europe: continued good growth
- Southern Europe: accelerated recovery in major markets

Schindler performance

- Momentum remains strong across the region
- Ongoing growth in all product lines
- Improved portfolio density thanks to a number of smaller acquisitions

Outlook 2017

Status as of October 24, 2017

Business environment

- Long-term growth drivers remain intact
- Economic conditions continue to be influenced by political and macroeconomic uncertainty
- Global new installations market expected to be flat



Schindler guidance (unchanged)

- Focus on profitable growth unchanged
- Revenue expected to increase by 3% to 5% in local currencies
- Net profit of between CHF 840 million to CHF 880 million

Financial Calendar

2018

Publication of Full Year Results 2017	February 16
Ordinary General Meeting Schindler Holding Ltd.	March 20
First trading date ex-dividend	March 22
Date of Schindler Holding Ltd. dividend payment	March 26

Contact:

Marco Knuchel, Head Investor Relations; Phone +41 41 445 30 61, investor.relations@schindler.com

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Additional Slides

IFRS 15 – Revenue recognition

Changes and impacts

Until end of 2017

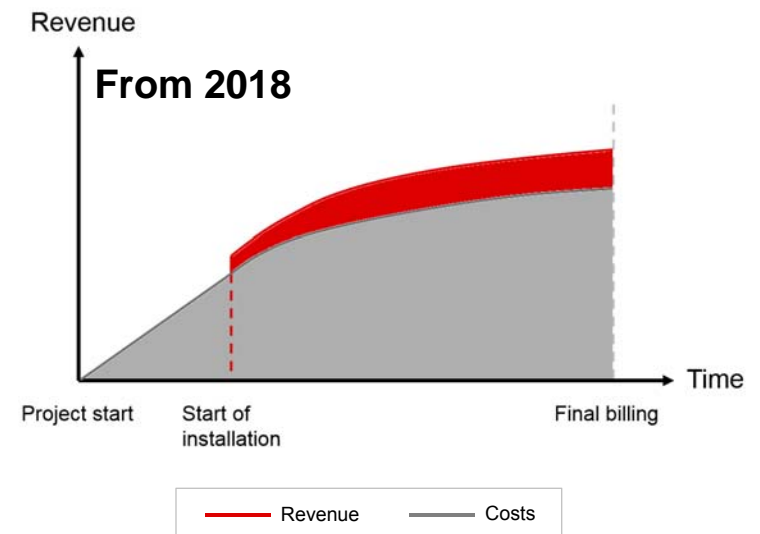
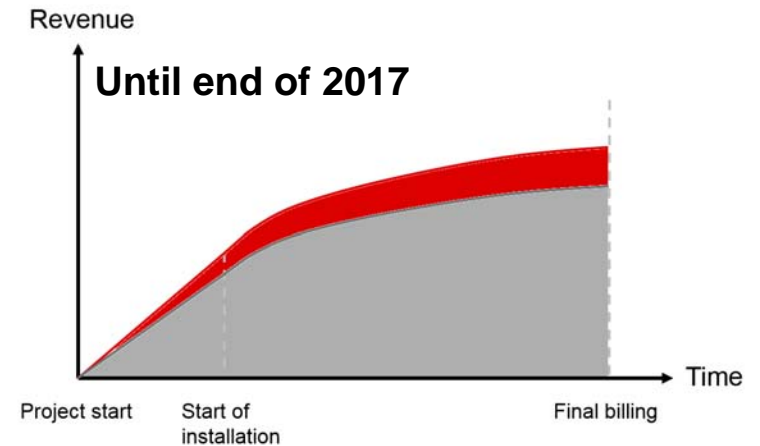
- Gradual revenue recognition over duration of new installations and modernization projects (percentage-of-completion, starting with first costs allocated to project)
- Accumulated costs and estimated margins reported as work in progress

Starting from 2018

- Gradual revenue recognition over time only starting with start of installation (transfer of control)
- Before start of installation: all costs incurred reported as inventory for customer contracts
- After start of installation: accumulated costs and estimated margins reported as work in progress
- Change will result in slightly deferred revenue recognition for new installations and modernization projects
- No significant change for other revenue streams

Conclusion

- Limited impact of IFRS 15 on total yearly revenue expected
- Quarterly seasonality could be affected



IFRS 15 – Revenue recognition

Restatement as of January 1, 2018

Approach

- Transition from old accounting standard to IFRS 15 recognized in equity as of January 1, 2018
- No restatement of comparative figures 2017 reported in 2018 (modified retrospective approach)

Financial impacts

- Negative equity impact <5% (e.g. lower net contract assets: lower work in progress driven by slightly delayed revenue recognition)
- Lower net working capital <10% (e.g. lower net contract assets: lower work in progress driven by slightly delayed revenue recognition)
- No impact on cash flow

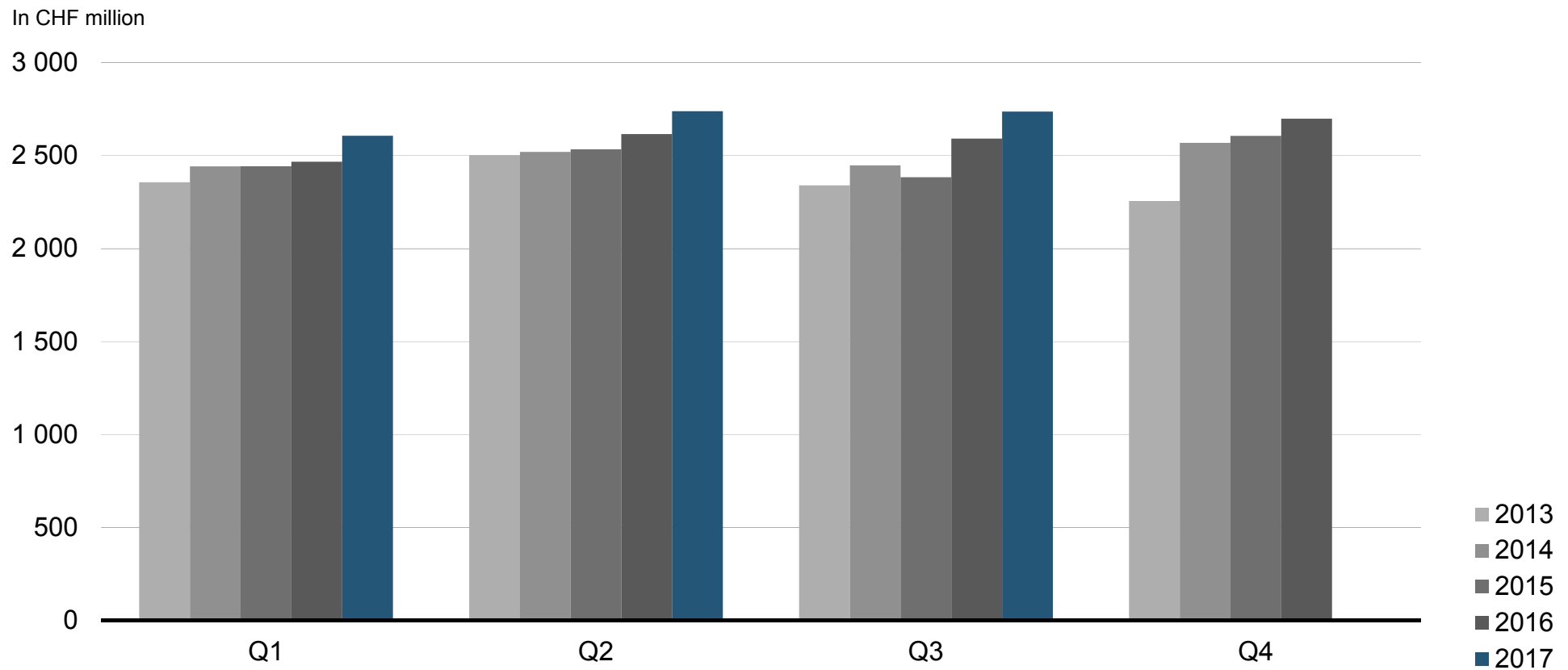
Balance sheet

In CHF million	30.9.2017	in %	31.12.2016	in %	30.9.2016	in %
Cash and cash equivalents	1 590	18.8	1 988	23.9	2 201	25.7
Other current assets	3 723	44.1	3 432	41.4	3 522	41.1
Total current assets	5 313	62.9	5 420	65.3	5 723	66.8
Non-current assets	3 129	37.1	2 883	34.7	2 843	33.2
Total assets	8 442	100.0	8 303	100.0	8 566	100.0
Current liabilities	4 406	52.2	4 290	51.7	4 744	55.4
Non-current liabilities	1 094	13.0	1 166	14.0	1 233	14.4
Total liabilities	5 500	65.2	5 456	65.7	5 977	69.8
Equity	2 942	34.8	2 847	34.3	2 589	30.2
Total liabilities and equity	8 442	100.0	8 303	100.0	8 566	100.0
Net working capital	-460		-776		-783	
Net liquidity	1 979		2 455		2 245	

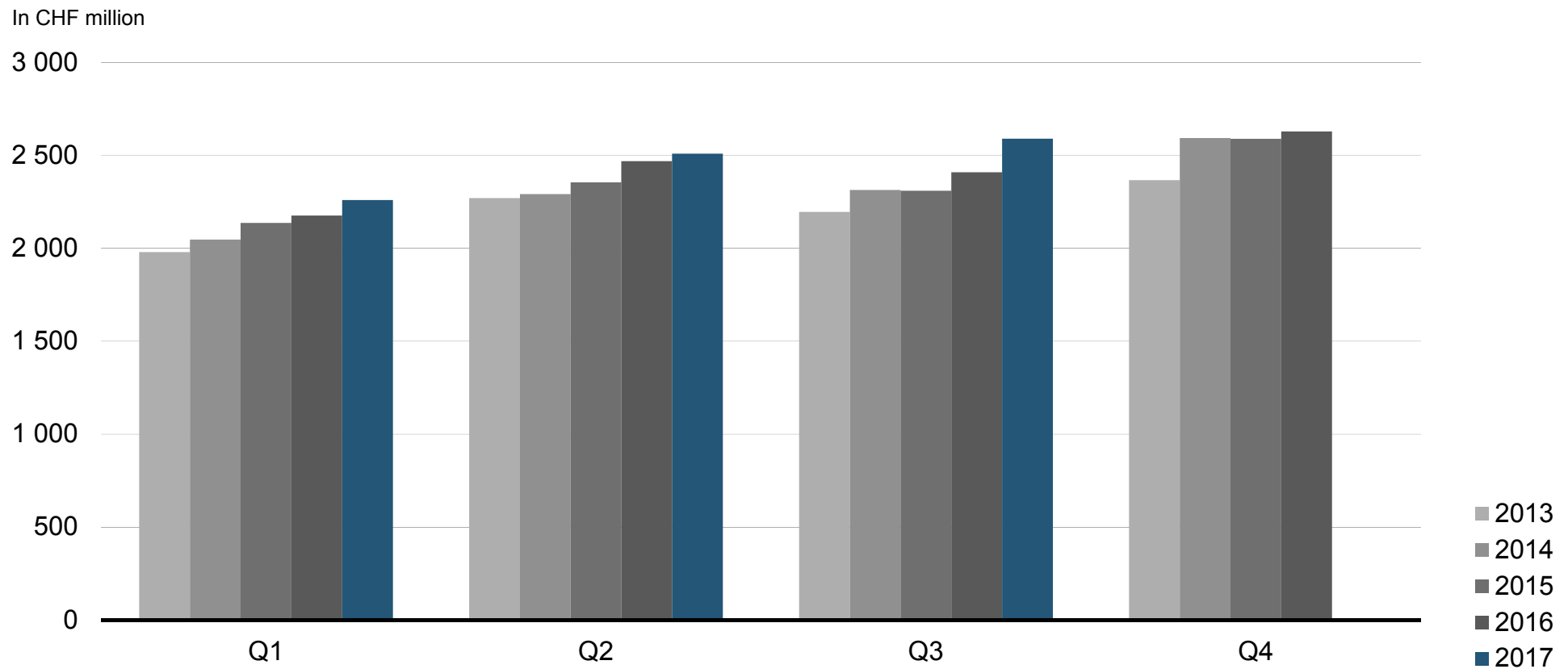
Quarterly overview 2017/2016

In CHF million	2017			2016			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Orders received	2 737	2 739	2 607	2 699	2 592	2 616	2 467
Revenue	2 590	2 509	2 260	2 629	2 409	2 469	2 176
Operating profit (EBIT)	302	298	260	352	277	269	235
in %	11.7	11.9	11.5	13.4	11.5	10.9	10.8
Financing activities	3	23	-32	-24	-17	-23	-3
Investing activities (associates)	-2	-7	-	-2	24	1	8
Profit before taxes	303	314	228	326	284	247	240
Income taxes	74	74	49	89	70	57	58
Net profit	229	240	179	237	214	190	182
in %	8.8	9.6	7.9	9.0	8.9	7.7	8.4
Cash flow from operating activities	103	85	356	270	232	94	333
Investments in property, plant, and equipment	54	54	33	76	44	36	33

Quarterly development of orders received 2013 – 2017



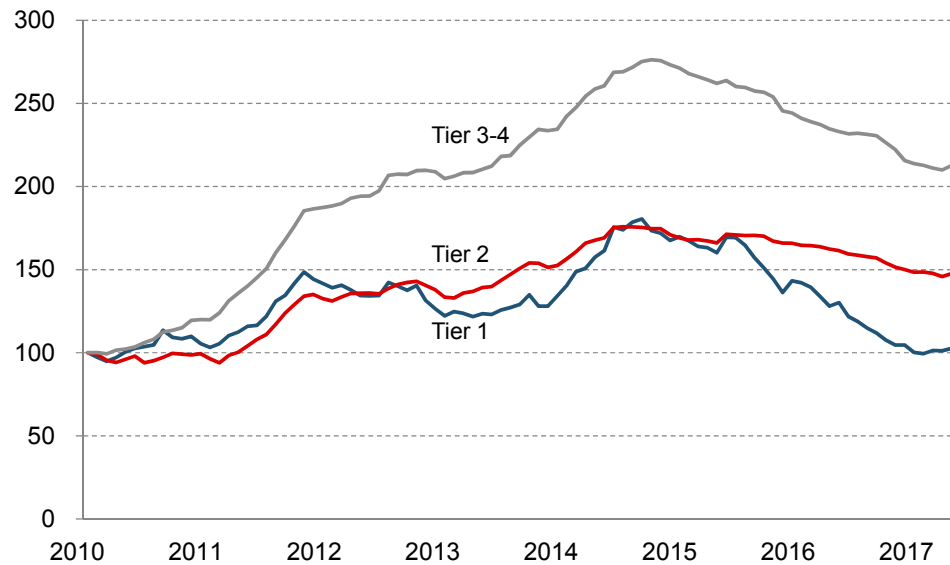
Quarterly development of revenue 2013 – 2017



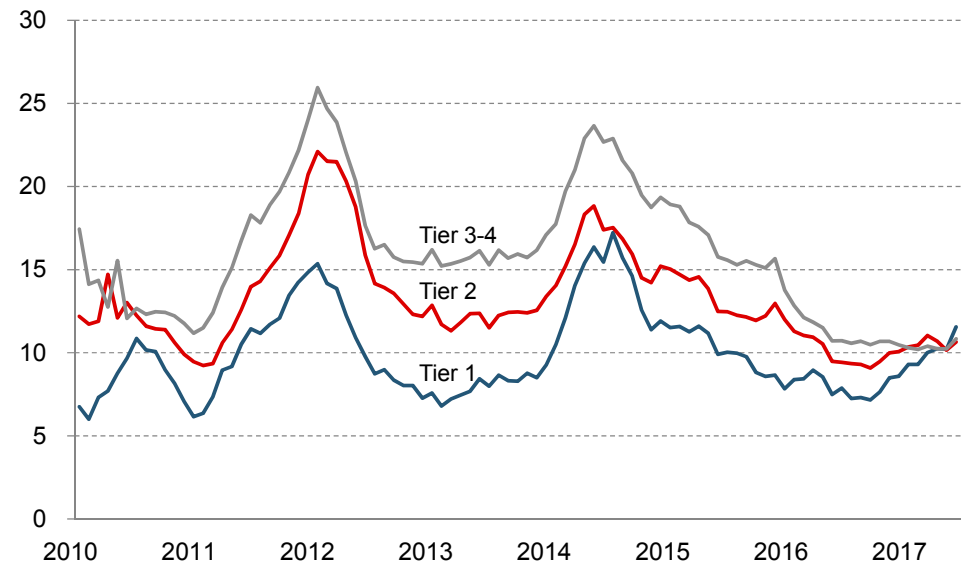
China inventories

Inventory levels up slightly in September due to slower sales

Housing inventory, by city tier (2010 = 100)



Housing inventory, by city tier (months of sales)



Source: Yiju, October 2017, based on data in square meters for 80 cities until September 2017