

Full year results presentation 2018

February 14, 2019



Schindler

Agenda

Market development

Strategy and execution

Results 2018

Outlook 2019

Megatrends remain intact

Constantly raising long-term E&E demand

Urbanization and demographic change

Urban population
is 4.2 bn today and constantly increasing.

By 2030, population in cities will exceed

5.1 bn
inhabitants.

Growing middle class
will foster the need for more living space worldwide as it is set to increase by

>60%
by 2030.

Persons aged 60+
will increasingly prompt the need for smart solutions to facilitate safe mobility as their population will soon exceed

1.4 bn
globally.

Ongoing demand for latest technology

Ageing EI base
creating a huge demand for modernization as the average installation age in developed countries is

20
years.

Digitization and IoT
Mass connectivity is coming everywhere. The number of things connected to the internet will rapidly grow to more than

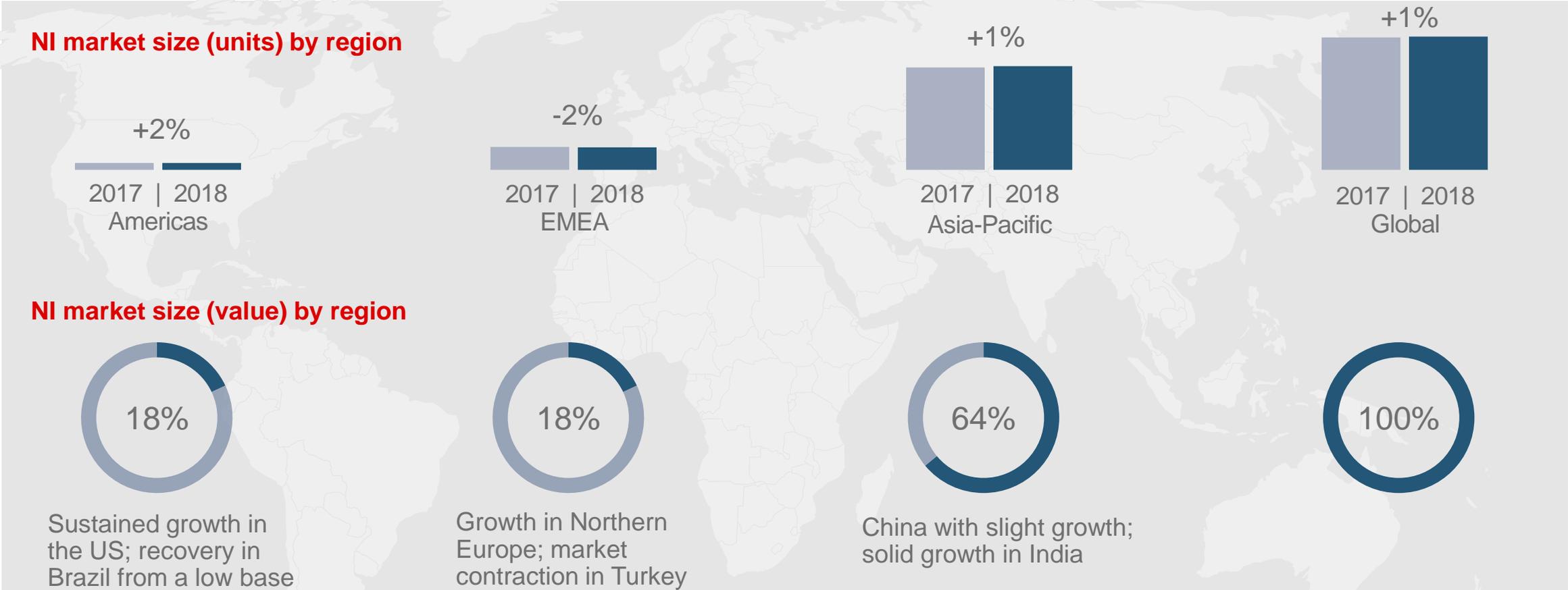
500 bn
by 2030.

Energy efficiency
Energy efficient solutions are increasingly needed as buildings are responsible for

40%
of global energy consumption.

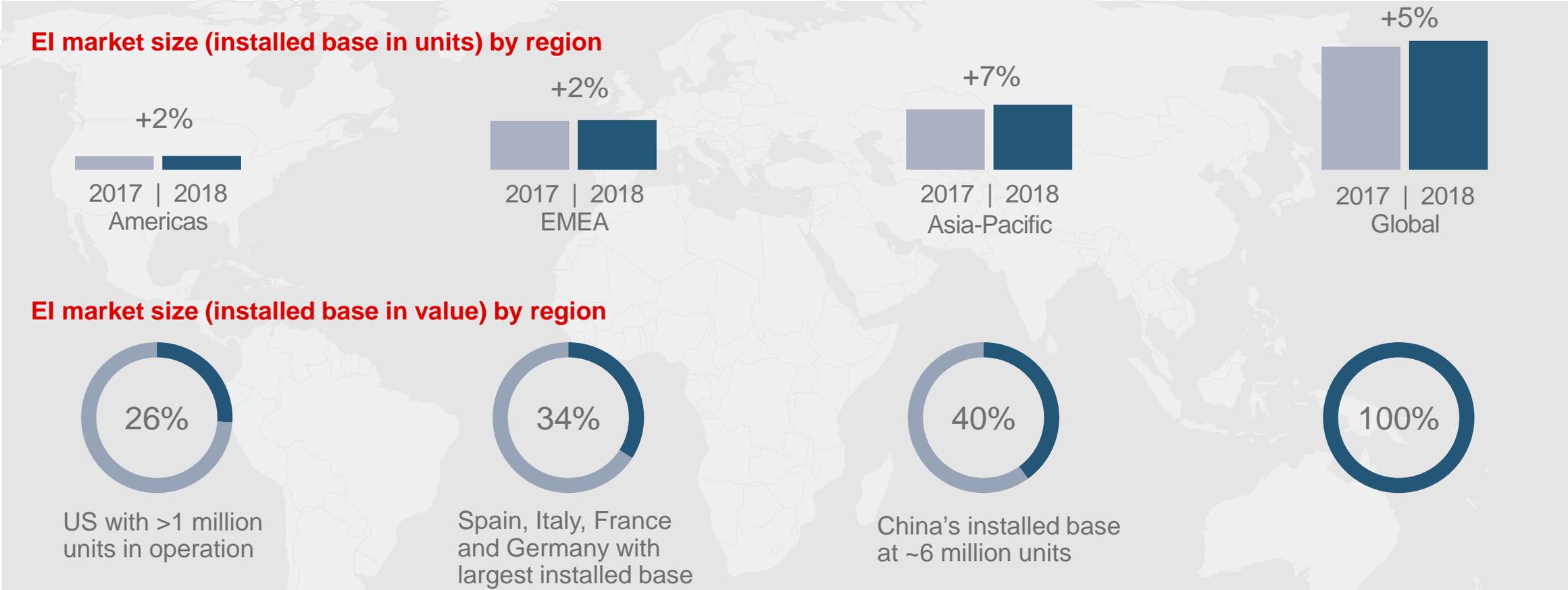
Global new installations market continued to grow

China slightly up

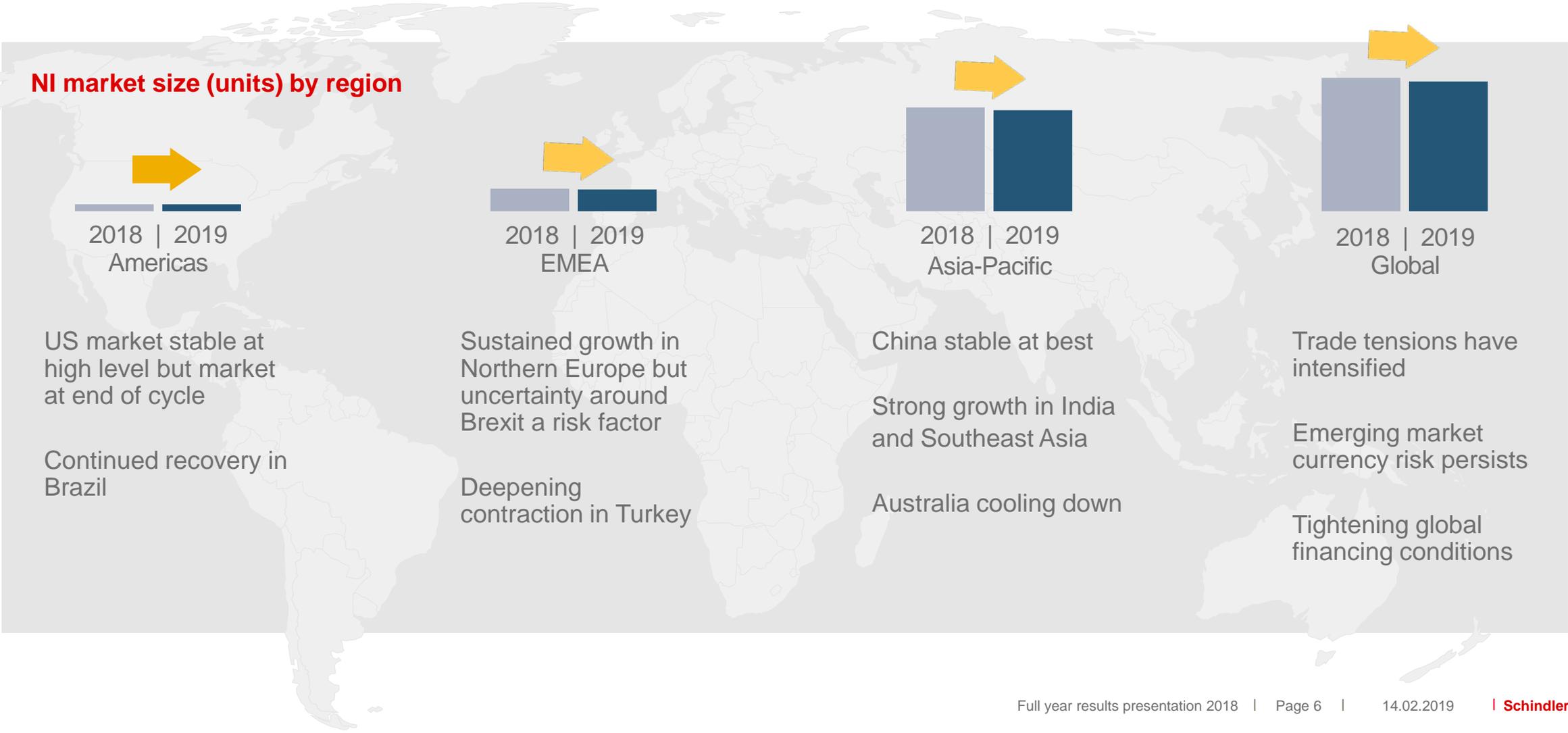


Global existing installations market significantly increased

Particularly in emerging markets



Outlook 2019: Several headwinds hindering market growth



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Three strategic targets drive our engagement in all areas

Creating an unrivaled user experience



Grow faster than the market

Improve profitability

Foster a winning team

We elevate...

Growth – our top priority



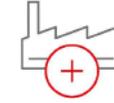
Customer Excellence Program

- Net Promoter Score (NPS) further progressed
- Around 130 000 customer surveys conducted in 2018 to assess customer satisfaction
- Strong focus placed on resolving challenging customer queries



Expansion in strategic markets

- China Harmonized Platform in full swing
- Local presence in India with enlarged manufacturing footprint
- US market position improved with Schindler 3300, Schindler 5500, and strong performance in public transport projects



Selective M&A

- Acquisition of >25 service companies
- Participation in Volkslift Elevator (China) Co. Ltd. increased to 49%

We elevate...

Growth – driven by infrastructure and global key accounts

Commercial and residential

One Crown Place, office and residential building, London, UK



Public and infrastructure

Beijing Daxing International Airport, Beijing, China



New Munch Museum, Oslo, Norway



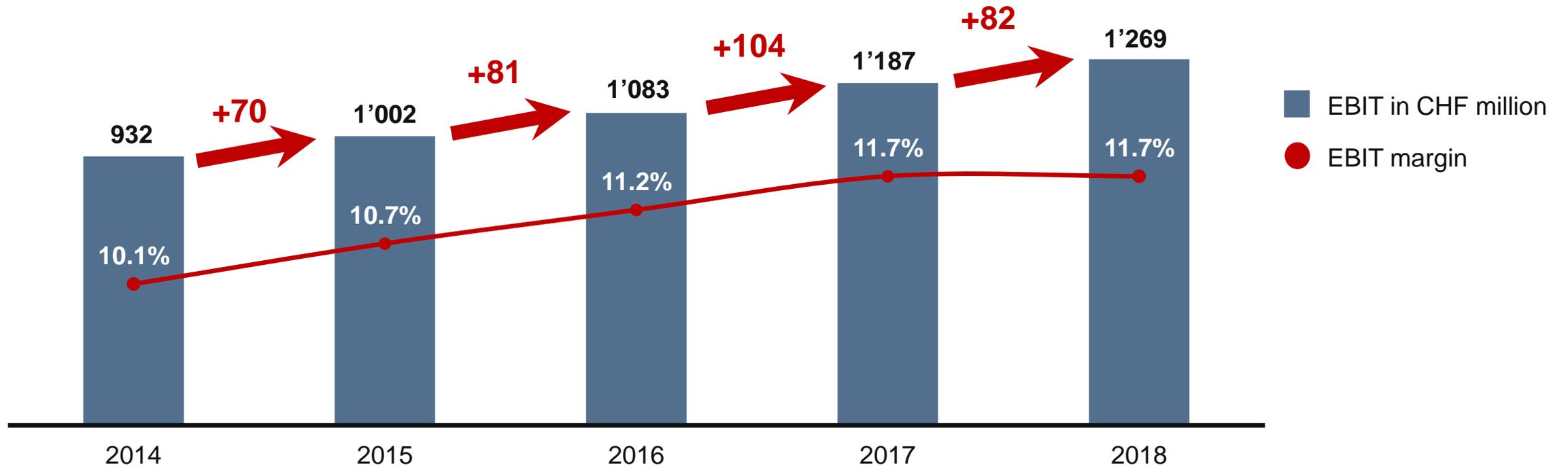
Landmark buildings

One Manhattan West, office building, New York, USA



We elevate...

Profitability – continuously improved EBIT



EBIT before exceptional items, 2014: XJ-Schindler (Xuchang) Elevator Co. Ltd. revaluation gain: CHF 145 million, gain on sale of Mall of Switzerland development project: CHF 82 million, impairment of intangible assets: CHF 21 million; 2016: Gain on sale of operations in Japan: CHF 50 million

We elevate...

People – a leading employer in the urban mobility industry



Employee engagement survey

- 97% response rate
- Visible performance-driven culture
- Above industry benchmarks in all categories
- Highest progress on leadership behaviors



Talent management

- Succession planning
- Vocational education
- Training and certification on all levels
- Promote diversity and inclusion
- Schindler Career Development Program for young talents



Quality champions program

- Quality leadership along the total Schindler value chain
- Guiding principles:
 - Frontloading
 - CollaborAction
 - Continuous improvement

We elevate...

Innovation – process optimization and increased safety



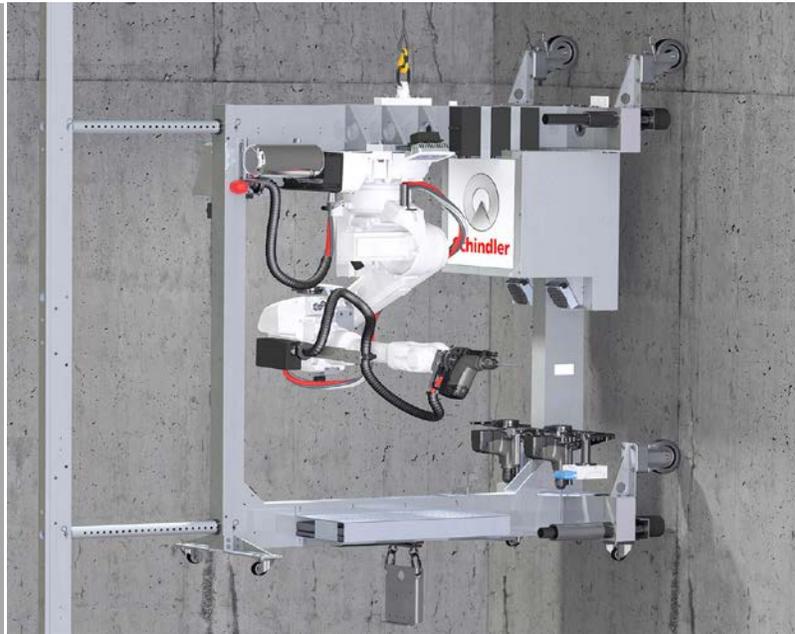
Schindler CLIMB Lift

Innovative installation meets efficient operation



Breakthrough robotic system for elevators

First mover in the construction industry with R.I.S.E (Robotic Installation System for Elevators)



Building Information Management (BIM)

Full digital integration of elevators and escalators in digital building models and planning tools



We elevate...

Innovation – Schindler R.I.S.E (video)



We elevate...

Digitization – enhanced smart urban mobility



6

Schindler Ahead
products launched

**We connect
passengers
every day**



47

countries rolled out
with connected Cubes



>20

customer
launch events

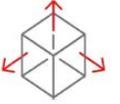


>1000

sales people
trained

We elevate...

Modularity – making things simple!



Seamless product offering

Product offering tailored to market needs and increasing customer value through a seamless portfolio

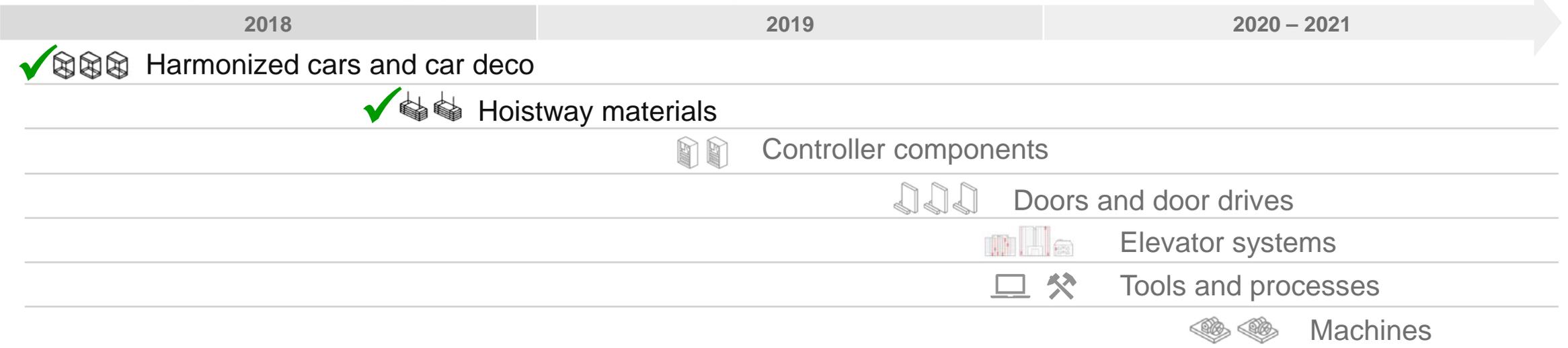
Reduce complexity

Less component variants, less effort for design changes, and enhanced quality

Competitiveness

New strategic sales approach and higher cost savings for increased profitability

On track to cut product complexity by half: first modular components introduced worldwide in 2018



We elevate...

Sustainability – six focus areas and ambitious targets

We elevate people

We elevate our world



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Global markets in 2018

Key developments

Global demand for new installations generated slight growth (in units)

- China: slightly up but remained highly competitive
- India: returned to solid growth
- Europe: continued positive trend (with the exception of Turkey)
- USA: healthy market continued on a high level

Service and modernization with continued strong growth

- Growing installed base in emerging markets backed by high conversion rates
- Increasing modernization opportunities driven by ageing urban portfolio

Highlights January – December 2018

Global position strengthened

- Growth across all regions and product lines
- High proportion of major projects supported by global key account management
- Accelerated innovation and strategic investments strengthen global position
- Raw material costs and wage inflation, as well as price pressure hinder margin expansion

Further improvement in results

- Order intake increased by 6.2% (+6.6% in local currencies)
- Revenue grew by 6.9% (+7.3% in local currencies)
- EBIT margin in line with previous year at 11.7%
- Net profit up by 14.0% (before tax refund +7.2%)

Asia-Pacific: China

Slight growth in new installations

Slowdown in economic growth

- Increased uncertainties as a result of the trade dispute with the USA
- Construction sector still impacted by preventative measures against real estate speculation
- Growth primarily in the residential segment; commercial sector with declining volumes
- Market remained highly competitive, particularly in major projects

Schindler performance

- Above-market growth in a challenging new installations market
- Strong growth in service and modernization
- Local production infrastructure completed with opening of new escalator step plant

Asia-Pacific: other markets

Strong growth in India, Southeast Asia with differing trends

Overall positive market development

- Construction sector benefited from urbanization, and investments in infrastructure and social housing
- India: positive macroeconomic environment supported by policies and reforms
- Southeast Asia: overall growth, but downward trend in commercial sector continued

Schindler performance

- Good growth in new installations business, particularly in India
- Accelerated service and modernization businesses
- New escalator plant in Pune started production

Americas

Growth across the region

Improving conditions in Latin America

- North America: sustained growth supported by the residential segment and infrastructure
- Latin America: overall positive demand; Brazil with first signs of recovery

Schindler performance

- North America: strengthened market position and increased order intake
- Latin America: overall good growth, also in Brazil
- Strong performance of existing installations business across the region

EMEA

Positive trend continued throughout Europe

Growth in the North and in the South

- Northern Europe: solid markets, particularly in the residential segment; challenges in project execution in some countries
- Southern Europe: robust growth driven by the residential segment; sharp decline in Turkey

Schindler performance

- Strong new installations business
- Solid contribution of installed base, supported by several acquisitions

Key figures as of December 31, 2018

October – December

In CHF million	Q4 2018	Q4 2017	Δ%	Δ% in LC
Order intake	3 016	2 906	3.8	6.0
Revenue	2 940	2 820	4.3	6.5
Operating profit (EBIT)	343	327	4.9	8.0
in %	11.7 ¹⁾	11.6 ²⁾		
Financing and investing activities	-14 ³⁾	-6		
Profit before taxes	329	321	2.5	
Income taxes	67 ³⁾	85		
Net profit	262	236	11.0	
Net profit before tax refund	257	236	8.9	
Earnings per share (in CHF)	2.24	2.02	10.9	
Cash flow from operating activities	289	266	8.6	

1) Before restructuring costs (CHF 11 million) 12.0%

2) Before restructuring costs (CHF 15 million) 12.1%

3) One-time tax refund of CHF 5 million (income taxes CHF 3 million, net interest income CHF 2 million)

Key figures as of December 31, 2018

January – December

In CHF million	2018	2017	Δ%	Δ% in LC
Order intake	11 669	10 989	6.2	6.6
Revenue	10 879	10 179	6.9	7.3
Operating profit (EBIT)	1 269	1 187	6.9	7.5
in %	11.7 ¹⁾	11.7 ²⁾		
Financing and investing activities	-17 ³⁾	-21		
Profit before taxes	1 252	1 166	7.4	
Income taxes	244 ³⁾	282		
Net profit	1 008	884	14.0	
Net profit before tax refund	948	884	7.2	
Earnings per share (in CHF)	8.79	7.70	14.2	
Cash flow from operating activities	1 005	810	24.1	

1) Before restructuring costs (CHF 26 million) 11.9%

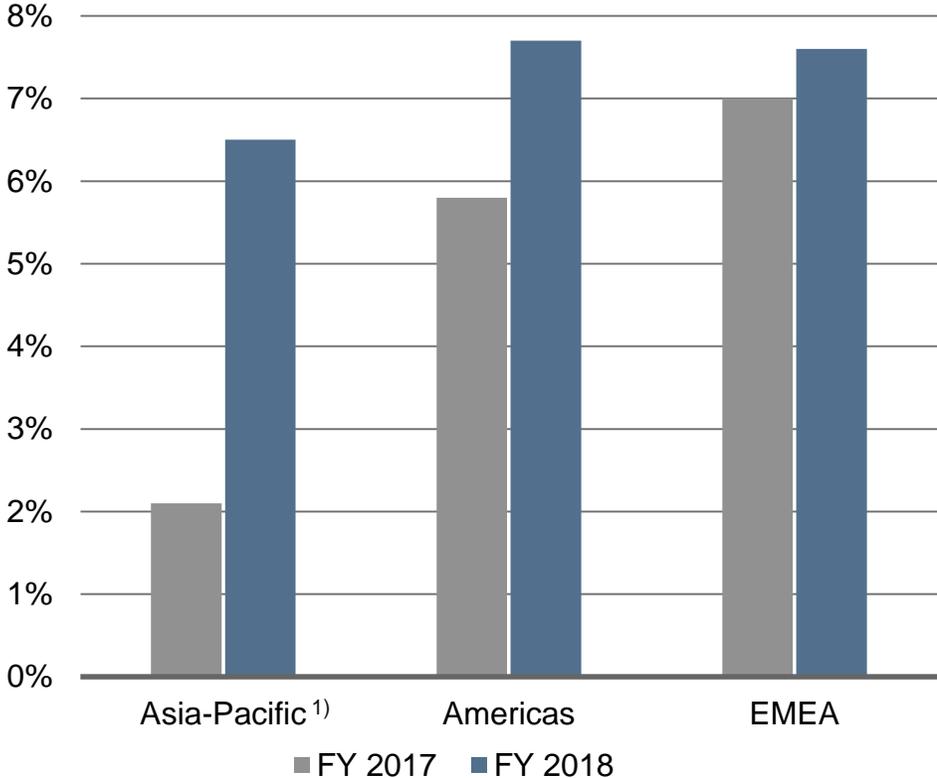
2) Before restructuring costs (CHF 35 million) 12.0%

3) One-time tax refund of CHF 60 million (income taxes CHF 33 million, net interest income CHF 27 million)

Order backlog and revenue by region

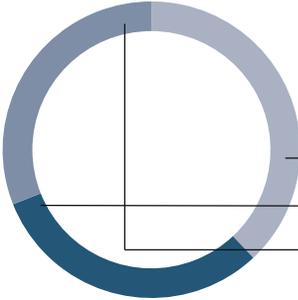
Robust order backlog provides solid base for future growth

Revenue growth by region (in LC)



Order backlog

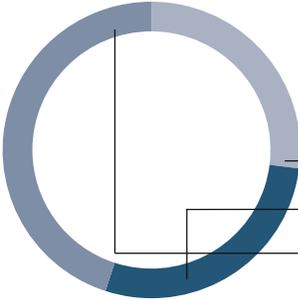
2018: CHF 8 618 million (+9.7% in LC)
 2017: CHF 8 106 million



	2018	2017
Asia-Pacific	38%	39%
Americas	31%	30%
EMEA	31%	31%

Revenue

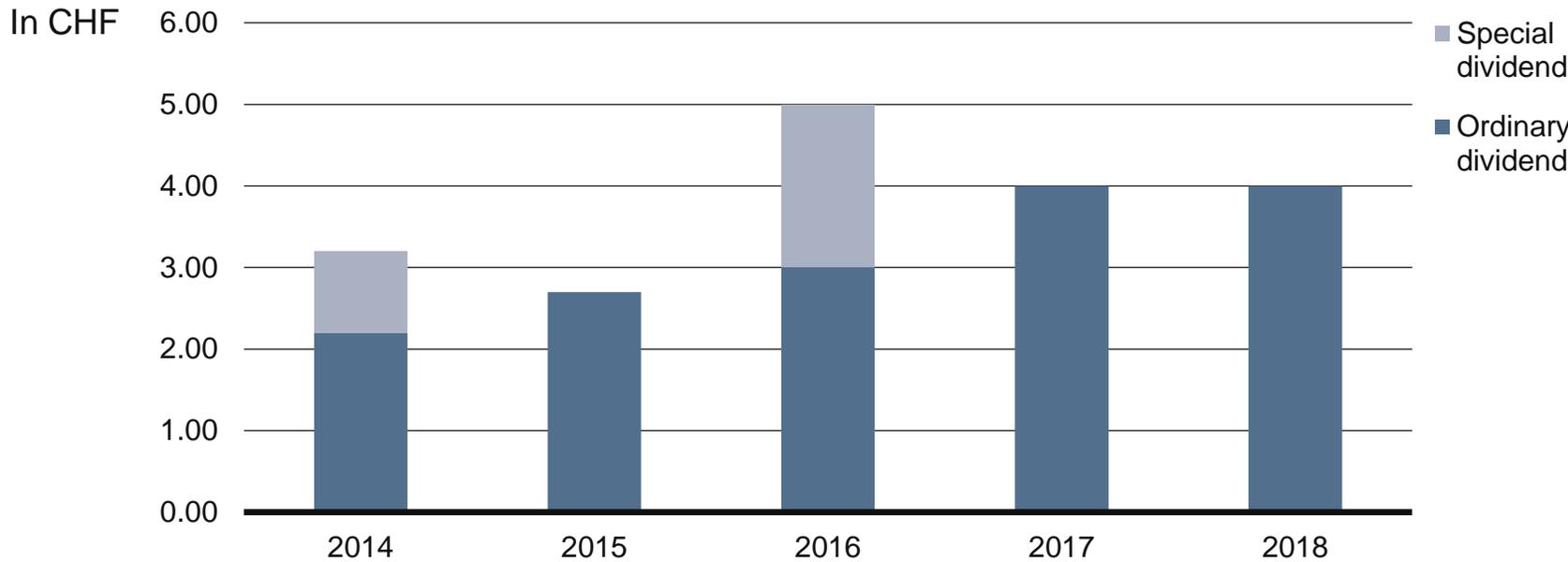
2018: CHF 10 879 million (+7.3% in LC)
 2017: CHF 10 179 million



	2018	2017
Asia-Pacific	27%	27%
Americas	28%	29%
EMEA	45%	44%

1) Adjusted for deconsolidation impact of Schindler Japan in 2016

Dividend proposal of CHF 4.00



Pay-out ratio in % ¹⁾	2014	2015	2016	2017	2018
	41.4	41.9	70.0	52.0	45.5

1) Pay-out ratio in % of earnings per registered share/participation certificate.

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IFRS 16 – Leases

Changes and impacts

Until end of 2018: Cost for most of the lease contracts have been expensed in other operating expenses

Starting from 2019: Lease contracts will be recognized in the balance sheet as a right-of-use asset and related lease liability

Transition: Schindler applies the modified retrospective approach, no restatement of prior-year figures

Balance sheet

- Increase of assets by approximately CHF 400 million
- Increase of lease liabilities by approximately CHF 400 million

Income statement

- Increase of operating profit by CHF 5 to 10 million
- Increase of financial expenses by CHF 5 to 10 million
- Insignificant impact on net profit

Cash flow statement

- Increase of cash flow from operating activities by CHF 100 million
- Decrease of cash flow from financing activities by CHF 100 million

Outlook 2019

Status as of February 14, 2019

Business environment

- Long-term growth drivers remain intact
- Some key elevator and escalator markets expected to slow down in 2019

Schindler guidance for FY 2019

- Focus on profitable growth unchanged
- Revenue growth of between 4% to 6% in local currencies
- Net profit guidance for 2019 will be provided with the publication of the half-year results

Financial calendar

	2019	2020
Full year results media conference	February 14	February
Closing date of shareholders' register	March 20	
Ordinary General Meeting Schindler Holding Ltd.	March 26	March 19
First trading date ex-dividend	March 28 ¹⁾	
Date of Schindler Holding Ltd. dividend payment	April 1 ¹⁾	
Publication of selected key figures as of March 31	April 26	April
Publication of Interim Report as of June 30	August 14	July
Publication of selected key figures as of September 30	October 24	October

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Schindler

1) Subject to approval of a dividend payment by the General Meeting of Schindler Holding Ltd.

Additional charts

Balance sheet

In CHF million	31.12.2018 ¹⁾	in %	31.12.2017	in %
Cash and cash equivalents	2 248	22.5	1 709	19.8
Other current assets	4 252	42.7	3 771	43.7
Total current assets	6 500	65.2	5 480	63.5
Non-current assets	3 476	34.8	3 146	36.5
Total assets	9 976	100.0	8 626	100.0
Current liabilities	4 744	47.6	4 379	50.8
Non-current liabilities	1 489	14.9	979	11.3
Total liabilities	6 233	62.5	5 358	62.1
Equity	3 743	37.5	3 268	37.9
Total liabilities and equity	9 976	100.0	8 626	100.0
Net working capital	-455		-467	
Net liquidity	2 231		2 147	

1) Prepared in accordance with IFRS 15 – Revenue from Contracts with Customers and IFRS 9 – Financial Instruments as of January 1, 2018. Previous-year figures have not been restated.

Quarterly overview 2018/2017

In CHF million	2018 ¹⁾				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order intake	3 016	2 784	3 047	2 822	2 906	2 737	2 739	2 607
Revenue	2 940	2 684	2 782	2 473	2 820	2 590	2 509	2 260
Operating profit (EBIT)	343	313	332	281	327	302	298	260
in %	11.7	11.7	11.9	11.4	11.6	11.7	11.9	11.5
Financing activities	-3	-16	24	-9	-9	3	23	-32
Investing activities (associates)	-11	2	-4	-	3	-2	-7	-
Profit before taxes	329	299	352	272	321	303	314	228
Income taxes	67	69	44	64	85	74	74	49
Net profit	262	230	308	208	236	229	240	179
in %	8.9	8.6	11.1	8.4	8.4	8.8	9.6	7.9
Cash flow from operating activities	289	282	104	330	266	103	85	356
Investments in property, plant, and equipment	77	57	65	46	86	54	54	33

1) Prepared in accordance with IFRS 15 – Revenue from Contracts with Customers and IFRS 9 – Financial Instruments as of January 1, 2018. Previous-year figures have not been restated.