

Facts and figures.

Interim Report as of June 30, 2019

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Schindler

Key figures as of June 30, 2019

1st half: January to June

In CHF million	2019	2018	Δ %	Δ % local currencies
Order intake	6 090	5 869	3.8	5.8
Revenue	5 431	5 255	3.3	5.4
Operating profit (EBIT)	596	613	-2.8	-0.7
in %	11.0	11.7		
Operating profit (EBIT), adjusted	616¹	622 ²	-1.0	1.1
in %	11.3	11.8		
Financing and investing activities	-32	11 ⁴		
Profit before taxes	564	624	-9.6	
Income taxes	128	108 ⁴		
Net profit	436	516 ⁴	-15.5	
Net profit before tax refund	436	461	-5.4	
Earnings per share and participation certificate in CHF	3.79	4.54	-16.5	
Cash flow from operating activities	348³	434	-19.8	
Investments in property, plant, and equipment	117	111	5.4	
	30.6.2019	31.12.2018		
Order backlog	9 217	8 618	7.0	8.0
Number of employees	65 269	64 486	1.2	

¹ Adjusted for restructuring costs (CHF 11 million) and expenses for BuildingMinds (CHF 9 million)

² Adjusted for restructuring costs (CHF 9 million)

³ Before settlement of pension obligations (CHF -157 million), and IFRS 16 – Leases (CHF 61 million) CHF 444 million

⁴ One-time tax refund of CHF 55 million (income taxes CHF 30 million, net interest income CHF 25 million)

2nd quarter: April to June

In CHF million	2019	2018	Δ %	Δ % local currencies
Order intake	3 122	3 047	2.5	5.1
Revenue	2 849	2 782	2.4	5.0
Operating profit (EBIT)	322	332	-3.0	-0.3
in %	11.3	11.9		
Operating profit (EBIT), adjusted	334¹	337 ²	-0.9	1.8
in %	11.7	12.1		
Financing and investing activities	-17	20 ⁴		
Profit before taxes	305	352	-13.4	
Income taxes	66	44 ⁴		
Net profit	239	308 ⁴	-22.4	
Net profit before tax refund	239	253	-5.5	
Earnings per share and participation certificate in CHF	2.08	2.72	-23.5	
Cash flow from operating activities	85³	104	-18.3	
Investments in property, plant, and equipment	68	65	4.6	
	30.6.2019	30.6.2018		
Order backlog	9 217	8 708	5.8	9.3
Number of employees	65 269	62 707	4.1	

¹ Adjusted for restructuring costs (CHF 7 million) and expenses for BuildingMinds (CHF 5 million)

² Adjusted for restructuring costs (CHF 5 million)

³ Before IFRS 16 – Leases CHF 53 million

⁴ One-time tax refund of CHF 55 million (income taxes CHF 30 million, net interest income CHF 25 million)

Growth and strategic investments

In an overall highly competitive market environment, Schindler succeeded in maintaining growth momentum during the first half of 2019. Order intake and revenue continued to increase despite the previous year's high comparable basis and foreign exchange headwinds. Order intake rose by 3.8% to CHF 6 090 million (+5.8% in local currencies) and revenue grew by 3.3% to CHF 5 431 million (+5.4% in local currencies). Operating profit reached CHF 596 million (first half of 2018: CHF 613 million) and was impacted by wage inflation, higher material costs, foreign exchange, as well as the planned acceleration in strategic projects expenditure. The EBIT margin was 11.0% (first half of 2018: 11.7%). Net profit totaled CHF 436 million (first half of 2018: CHF 516 million, before tax refund CHF 461 million).

Strategic projects such as the modularization of the product portfolio, the development of digital customer solutions enabled by 'Schindler Ahead,' as well as the digitization of business processes are progressing as planned. At the same time, BuildingMinds set up its core team and is actively developing first client solutions.

Order intake and order backlog

In the first half of 2019, the order intake rose by 3.8% to CHF 6 090 million (first half of 2018: CHF 5 869 million), corresponding to an increase of 5.8% in local currencies. All product lines and regions achieved growth. Developments in major projects were noteworthy, especially in the public-transport segment in North America and China. The Asia-Pacific region achieved the highest growth, followed by the Americas and EMEA regions. In the Chinese new installations market, Schindler generated significant growth in value and delivered a substantial increase in volumes compared to the previous year.

In the second quarter of 2019, the order intake rose by 2.5% to CHF 3 122 million (second quarter of 2018: CHF 3 047 million), corresponding to a growth rate of 5.1% in local currencies.

As of June 30, 2019, the order backlog totaled CHF 9 217 million (June 30, 2018: CHF 8 708 million), an increase of 5.8% (+9.3% in local currencies).

Revenue

Revenue grew by 3.3% to CHF 5 431 million in the first half of 2019 (first half of 2018: CHF 5 255 million), which is equivalent to an increase of 5.4% in local currencies. The Asia-Pacific region generated the strongest increase, followed by the Americas and EMEA regions.

In the second quarter of 2019, revenue improved by 2.4% to CHF 2 849 million (second quarter of 2018: CHF 2 782 million), corresponding to a growth rate of 5.0% in local currencies.

Operating profit (EBIT)

Operating profit totaled CHF 596 million in the first half of 2019 (first half of 2018: CHF 613 million), or 2.8% less than in the previous year (–0.7% in local currencies). As expected, price adjustments, economies of scale, and efficiency gains did not fully offset the aggregate impact of foreign exchange, wage inflation, higher material costs, and the planned spending acceleration on strategic projects. Consequently, the EBIT margin was 11.0% (first half of 2018: 11.7%). Before restructuring costs of CHF 11 million (first half of 2018: CHF 9 million) and expenses for BuildingMinds of CHF 9 million, the EBIT margin reached 11.3% (first half of 2018: 11.8%).

In the second quarter of 2019, operating profit amounted to CHF 322 million (second quarter of 2018: CHF 332 million), or 3.0% less compared to the previous year (–0.3% in local currencies). The EBIT margin was 11.3% (second quarter of 2018: 11.9%). Before restructuring costs of CHF 7 million (second quarter of 2018: CHF 5 million) and expenses for BuildingMinds of CHF 5 million, the EBIT margin reached 11.7% (second quarter of 2018: 12.1%).

Net profit and cash flow from operating activities

Net profit totaled CHF 436 million in the first half of 2019 compared to CHF 516 million in the previous year, which included a one-time tax refund of CHF 55 million that was recognized in the second quarter of 2018.

Cash flow from operating activities totaled CHF 348 million (first half of 2018: CHF 434 million). Adjusted for the settlement of pension obligations and the introduction of the new accounting standard IFRS 16, it amounted to CHF 444 million.

Outlook for 2019

The markets may slightly weaken over the remainder of the year, but Schindler expects to achieve continued growth while delivering on the strategic projects identified to prepare for the future.

For the full year 2019 – excluding any unforeseeable events – Schindler expects revenue growth of between 4% and 6% in local currencies and net profit of between CHF 900 million and CHF 940 million.

Consolidated interim financial statements

Consolidated income statement

In CHF million	Jan.–June 2019 ¹	%	Jan.–June 2018	%
Revenue	5 431	100.0	5 255	100.0
Cost of materials	1 504	27.7	1 504	28.6
Personnel expenses	2 121	39.0	1 995	38.0
Other operating expenses	1 057	19.5	1 060	20.1
Depreciation, amortization, and impairment	153	2.8	83	1.6
Total operating expenses	4 835	89.0	4 642	88.3
Operating profit	596	11.0	613	11.7
Financial income	16	0.3	39	0.7
Financial expenses	47	0.9	24	0.4
Result from associates	–1	0.0	–4	–0.1
Profit before taxes	564	10.4	624	11.9
Income taxes	128	2.4	108	2.1
Net profit	436	8.0	516	9.8
Net profit attributable to				
Shareholders of Schindler Holding Ltd.	407		487	
Non-controlling interests	29		29	
Earnings per share and participation certificate in CHF				
Basic	3.79		4.54	
Diluted	3.78		4.53	

¹The Group implemented IFRS 16 – Leases and IFRIC 23 – Uncertainty over Income Tax Treatments. Prior-year figures were not restated. See note 3 for further information.

Consolidated statement of comprehensive income

In CHF million	Jan.–June 2019	Jan.–June 2018
Net profit	436	516
Other comprehensive income – may be reclassified to the income statement in future		
Exchange differences	–14	–35
Cash flow hedges	–2	–2
Debt instruments at fair value through other comprehensive income	–	–
Taxes	–	–1
Total – may be reclassified to the income statement in future	–16	–38
Other comprehensive income – not to be reclassified to the income statement in future		
Equity instruments at fair value through other comprehensive income	–73	124
Remeasurements of employee benefits	33	6
Taxes	3	–11
Total – not to be reclassified to the income statement in future	–37	119
Total other comprehensive income	–53	81
Comprehensive income	383	597
Comprehensive income attributable to		
Shareholders of Schindler Holding Ltd.	354	570
Non-controlling interests	29	27

Consolidated balance sheet

In CHF million	30.6.2019 ¹	%	31.12.2018 ²	%
Current assets				
Cash and cash equivalents	2 036	19.8	2 248	22.5
Current financial assets	181	1.8	224	2.3
Accounts receivable	2 082	20.3	2 143	21.5
Income tax receivable	119	1.1	114	1.1
Contract assets	830	8.1	624	6.3
Inventories	1 100	10.7	1 049	10.5
Prepaid expenses	138	1.3	91	0.9
Assets held for sale	7	0.1	7	0.1
Total current assets	6 493	63.2	6 500	65.2
Non-current assets				
Property, plant, and equipment	1 119	10.9	1 086	10.9
Right-of-use assets	440	4.3		
Intangible assets	1 179	11.5	1 191	11.9
Associates	128	1.2	118	1.2
Non-current financial assets	643	6.3	797	8.0
Deferred taxes	269	2.6	282	2.8
Employee benefits	4	0.0	2	–
Total non-current assets	3 782	36.8	3 476	34.8
Total assets	10 275	100.0	9 976	100.0
Liabilities				
Current liabilities				
Accounts payable	972	9.5	976	9.8
Financial debts	214	2.1	105	1.1
Lease liabilities	107	1.0		
Income tax payable	174	1.7	181	1.8
Contract liabilities	2 451	23.8	2 186	21.9
Accrued expenses	1 152	11.2	1 196	12.0
Provisions	153	1.5	163	1.6
Total current liabilities	5 223	50.8	4 807	48.2
Non-current liabilities				
Financial debts	423	4.1	531	5.3
Lease liabilities	309	3.0		
Provisions	261	2.6	279	2.8
Deferred taxes	122	1.2	131	1.3
Employee benefits	280	2.7	485	4.9
Total non-current liabilities	1 395	13.6	1 426	14.3
Total liabilities	6 618	64.4	6 233	62.5
Shareholders of Schindler Holding Ltd.	3 561	34.7	3 640	36.5
Non-controlling interests	96	0.9	103	1.0
Total equity	3 657	35.6	3 743	37.5
Total liabilities and equity	10 275	100.0	9 976	100.0

¹ The Group implemented IFRS 16 – Leases and IFRIC 23 – Uncertainty over Income Tax Treatments. Prior-year figures were not restated. See note 3 for further information.

² See note 4 for information on the change in presentation.

Consolidated statement of changes in equity

In CHF million	Share and participation capital	Share premium	Treasury shares	Exchange differences	Other reserves	Retained earnings	Total	Non-controlling interests	Total Group
December 31, 2018	11	311	-85	-836	-	4 239	3 640	103	3 743
Effect adoption of IFRS 16 and IFRIC 23						-12	-12	-	-12
January 1, 2019, restated	11	311	-85	-836	-	4 227	3 628	103	3 731
Net profit						407	407	29	436
Other comprehensive income				-14	-2	-37	-53	-	-53
Comprehensive income				-14	-2	370	354	29	383
Dividends						-429	-429	-36	-465
Change in treasury shares			18			-30	-12	-	-12
Share-based payments						20	20	-	20
June 30, 2019	11	311	-67	-850	-2	4 158	3 561	96	3 657
January 1, 2018	11	311	-107	-756	-	3 563	3 022	103	3 125
Net profit						487	487	29	516
Other comprehensive income				-35	-1	119	83	-2	81
Comprehensive income				-35	-1	606	570	27	597
Dividends						-428	-428	-43	-471
Change in treasury shares			38			-30	8	-	8
Share-based payments						18	18	-	18
June 30, 2018	11	311	-69	-791	-1	3 729	3 190	87	3 277

Consolidated cash flow statement

In CHF million	Jan.–June 2019 ¹	Jan.–June 2018
Profit before taxes	564	624
Financial result	31	–15
Result from associates	1	4
Operating profit	596	613
Depreciation, amortization, and impairment	153	83
Other non-cash items	–7	7
Pension settlement	–157	
Dividends received	5	5
Interest received	10	9
Interest paid	–10	–3
Other financial result	–23	–10
Income taxes paid	–139	–113
Change in net working capital	–80	–157
Cash flow from operating activities	348	434
Additions		
Property, plant, and equipment	–117	–111
Intangible assets	–26	–16
Associates	–5	–17
Current and non-current financial assets	–113	–136
Disposals		
Property, plant, and equipment	4	6
Current and non-current financial assets	236	116
Business combinations	–26	–34
Cash flow from investing activities	–47	–192
Proceeds from increase in current and non-current financial debts	77	588
Repayments of current and non-current financial debts	–70	–84
Payment of lease liabilities	–63	
Purchase of treasury shares	–16	–
Disposal of treasury shares	4	8
Dividends paid to the shareholders of Schindler Holding Ltd.	–429	–428
Dividends paid to non-controlling interests	–19	–43
Cash flow from financing activities	–516	41
Exchange differences	3	–
Change in cash and cash equivalents	–212	283
Cash and cash equivalents as at January 1	2 248	1 709
Cash and cash equivalents as at June 30	2 036	1 992

¹The Group implemented IFRS 16 – Leases. Prior-year figures were not restated. See note 3 for further information.

Notes to the consolidated interim financial statements

1 Business activities

The Schindler Group (referred to hereinafter as 'the Group') is one of the world's leading suppliers of elevators, escalators, and moving walks. The Group is active in the areas of production, installation, maintenance, and modernization in the most important markets around the globe.

The registered shares and participation certificates of Schindler Holding Ltd. are traded on the SIX Swiss Exchange.

2 Basis of preparation

The consolidated interim financial statements as of June 30, 2019, are based on International Financial Reporting Standards (IFRS) and have been prepared in condensed form in accordance with IAS 34 – Interim Financial Reporting. The consolidated interim financial statements are unaudited.

The consolidated interim financial statements contain certain assumptions and estimates that influence the figures presented in this report. The actual results may differ from these estimates. All significant assumptions and estimates remain unchanged compared to the Group consolidated financial statements as of December 31, 2018.

The same accounting principles have been applied as for the Group financial statements for the year ended December 31, 2018, with the exception of the new or amended accounting standards and interpretations that are effective as of January 1, 2019, and the change in presentation described in note 4.

The consolidated interim financial statements as of June 30, 2019, were approved and released for publication by the Board of Directors of Schindler Holding Ltd. on August 13, 2019.

3 Changes in IFRS

The accounting standard IFRS 16 – Leases and the interpretation IFRIC 23 – Uncertainty over Income Tax Treatments, which became effective as of January 1, 2019, were applied by the Group for the first time. The impact of the initial application of the new standard and the interpretation was recognized directly in retained earnings as of January 1, 2019. Comparative figures were not restated and continue to be presented in accordance with the previous accounting policies.

The nature of these first-time applications and their impact on the Group's consolidated financial statements are outlined below.

Several other amendments were applied for the first time as of January 1, 2019, but did not have an impact on the Group's accounting policies or on the consolidated balance sheet, consolidated statement of comprehensive income, and consolidated cash flow statement.

The following table summarizes the restatement impacts and reclassifications.

In CHF million	31.12.2018 ¹	IFRS 16 restatement	IFRIC 23 restatement	1.1.2019 restated
Current assets				
Cash and cash equivalents	2 248			2 248
Current financial assets	224			224
Accounts receivable	2 143			2 143
Income tax receivable	114			114
Contract assets	624			624
Inventories	1 049			1 049
Prepaid expenses	91	-1		90
Assets held for sale	7			7
Total current assets	6 500	-1		6 499
Non-current assets				
Property, plant, and equipment	1 086	-7		1 079
Right-of-use assets		439		439
Intangible assets	1 191	-31		1 160
Associates	118			118
Non-current financial assets	797			797
Deferred taxes	282	1		283
Employee benefits	2			2
Total non-current assets	3 476	402		3 878
Total assets	9 976	401		10 377
Liabilities				
Current liabilities				
Accounts payable	976			976
Financial debts	105	-3		102
Lease liabilities		105		105
Income tax payable	181		4	185
Contract liabilities	2 186			2 186
Accrued expenses	1 196			1 196
Provisions	163			163
Total current liabilities	4 807	102	4	4 913
Non-current liabilities				
Financial debts	531	-4		527
Lease liabilities		311		311
Provisions	279			279
Deferred taxes	131			131
Employee benefits	485			485
Total non-current liabilities	1 426	307		1 733
Total liabilities	6 233	409	4	6 646
Shareholders of Schindler Holding Ltd.	3 640	-8	-4	3 628
Non-controlling interests	103	-		103
Total equity	3 743	-8	-4	3 731
Total liabilities and equity	9 976	401		10 377

¹ See note 4 for information on the change in presentation.

3.1 IFRS 16 – Leases

The Group applied the new standard using the modified retrospective approach. Consequently, the cumulative impact of the adoption was recognized in retained earnings as of January 1, 2019, and comparative figures were not restated.

The major impact of IFRS 16 for the Group relates to lease contracts previously classified as operating leases. Under previous accounting policies, lease payments for operating leases were recognized as other operating expenses. IFRS 16 requires lease contracts to be recognized in the balance sheet with a lease liability and a corresponding right-of-use asset. Lease liabilities are measured at the present value of the future lease payments, discounted using an incremental borrowing rate. The lease liabilities are subsequently measured at amortized cost using the effective interest method. Right-of-use assets are measured at an amount equal to the lease liability, and are then depreciated on a straight-line basis over the lease term.

Lease contracts previously accounted for as finance leases were reclassified from property, plant, and equipment to right-of-use assets, and finance lease liabilities were reclassified from financial debts to lease liabilities. Furthermore, long-term rights to use land were reclassified from intangible assets to right-of-use assets.

The Group applied the practical expedient in order to not apply the new lease accounting requirements for lease contracts for buildings and land where the lease term ends within 12 months of the first-time application of IFRS 16. Such lease contracts are considered as short-term leases and the lease payments for these contracts are recognized as other operating expenses.

Lease accounting is not applied for short-term leases with a non-cancellable lease term not exceeding 12 months, or for lease contracts where the underlying asset is of low value. The lease payments for such lease contracts are recognized in the income statement as other operating expenses in the period in which they are incurred.

With the first-time application of IFRS 16, the Group recognized additional lease liabilities of CHF 409 million and right-of-use assets of CHF 401 million. All right-of-use assets are measured at an amount equal to the lease liability at transition, with the exception of certain lease contracts for buildings and land where the Group measured the right-of-use asset at the carrying amount as if IFRS 16 had been applied since the commencement date of these lease contracts. This measurement resulted in a negative equity impact of CHF 8 million after deferred taxes.

For the first-time application of IFRS 16, the weighted average incremental borrowing rate was 2.6%.

The following table provides a reconciliation from the non-cancellable lease payments disclosed in note 29.3 of the Group consolidated financial statements 2018 to the lease liabilities recognized through the restatement as of January 1, 2019:

In CHF million

Non-cancellable lease payments as of December 31, 2018	396
Lease payments for short-term leases	-17
Lease payments for assets of low value	-7
Reassessment of extension options	63
Lease liabilities as of January 1, 2019 – undiscounted	435
Effect of discounting	-26
Lease liabilities as of January 1, 2019 – discounted	409
Reclassification finance lease liabilities	7
Total lease liabilities as of January 1, 2019	416

The implementation of IFRS 16 led to a decrease in operating expenses of CHF 5 million and an increase in financial expenses of CHF 5 million in the first half of 2019. The impact on the consolidated statement of comprehensive income was not material.

Furthermore, cash flow from operating activities increased by CHF 61 million and cash flow from financing activities decreased by CHF 61 million in the first half of 2019. Operating lease payments were replaced by the payment of the principal portion of lease liabilities, which is now reported as a cash outflow from financing activities. Interest paid on lease liabilities is presented as part of interest paid within cash flow from operating activities.

3.2 IFRIC 23 – Uncertainty over Income Tax Treatments

IFRIC 23 clarifies how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. If the acceptance of a tax treatment by the tax authorities is not considered probable, the Group is required to reflect that uncertainty using an expected value or the single most likely amount.

The Group has reviewed its income tax positions and recognized additional income tax payable of CHF 4 million, resulting in a negative equity impact.

4 Change in presentation

Uncertain tax positions are no longer reported in the line item non-current provisions. With effect from January 1, 2019, uncertain tax positions are recognized in the line item income tax payable. This change was made to improve the presentation of the consolidated balance sheet and did not have any impact on the consolidated statement of comprehensive income. The line items reported in the Group consolidated financial statements 2018 were adjusted as follows:

In CHF million	Reported	Change in presentation	Adjusted
Income tax payable	118	63	181
Non-current provisions	342	-63	279

5 Scope of consolidation

There were no material changes to the scope of consolidation as of June 30, 2019, compared to December 31, 2018.

6 Translation of foreign currencies

			2019		2018		
			Closing rate as of June 30	Average rate for Jan.-June	Closing rate as of December 31	Closing rate as of June 30	Average rate for Jan.-June
Eurozone	EUR	1	1.11	1.13	1.13	1.16	1.17
USA	USD	1	0.98	1.00	0.99	0.99	0.97
Brazil	BRL	100	25.51	25.90	25.40	25.74	28.23
China	CNY	100	14.20	14.68	14.33	15.00	15.14
India	INR	100	1.41	1.42	1.41	1.45	1.47

7 Revenue

In CHF million	Jan.-June 2019	Jan.-June 2018
Revenue from contracts with customers	5 413	5 238
Other operating revenue	18	17
Total revenue	5 431	5 255

Revenue from contracts with customers is disaggregated based on the timing of the transfer of goods and services to customers for the regions in which the Group operates.

January to June 2019					January to June 2018			
In CHF million	Revenue recognized over time	Revenue recognized at a point in time	Other operating revenue	Total	Revenue recognized over time	Revenue recognized at a point in time	Other operating revenue	Total
EMEA	1 924	474	16	2 414	1 936	462	13	2 411
Americas	1 293	299	-	1 592	1 208	284	-	1 492
Asia-Pacific	1 311	112	2	1 425	1 255	93	4	1 352
Total revenue	4 528	885	18	5 431	4 399	839	17	5 255

8 Segment reporting

The Elevators & Escalators segment comprises an integrated business that specializes in the production and installation of elevators and escalators, as well as the modernization, maintenance, and repair of existing installations. The segment is managed as a global unit.

The column Finance comprises the expenses of Schindler Holding Ltd. and BuildingMinds, as well as centrally managed financial assets and financial liabilities that have been entered into for Group investing and financing purposes.

Since internal and external reporting is based on the same accounting principles, there is no need to reconcile the management reporting figures to the financial reporting figures.

In CHF million	January to June 2019 ¹			January to June 2018		
	Group	Finance	Elevators & Escalators	Group	Finance	Elevators & Escalators
Revenue	5 431	–	5 431	5 255	–	5 255
Operating profit	596	–26	622	613	–17	630
Additions to property, plant, and equipment, and intangible assets	143	–	143	128	1	127
Total depreciation and amortization	153	–	153	83	–	83
Result from associates	–1	–	–1	–4	–	–4

In CHF million	30.6.2019 ¹			31.12.2018		
	Group	Finance	Elevators & Escalators	Group	Finance	Elevators & Escalators
Assets	10 275	2 087	8 188	9 976	2 484	7 492
Associates	128	–	128	118	–	118
Liabilities	6 618	581	6 037	6 233	576	5 657

¹ The Group implemented IFRS 16 – Leases. Prior-year figures were not restated. See note 3 for further information.

9 Finance result and income taxes

In the previous year, a settlement in an arbitration procedure with regard to the Group's tax position led to a tax refund, including interest. In the second quarter of 2018, a one-time positive impact of CHF 55 million (income taxes of CHF 30 million, net interest income of CHF 25 million) was recognized in consolidated comprehensive income.

10 Employee benefits

In the first quarter of 2019, the Group entered into a settlement transaction and transferred unfunded defined benefit obligations to a third party. The settlement led to a one-time cash outflow of CHF 157 million. Upon completion of the settlement, the corresponding defined benefit obligations were derecognized from the consolidated balance sheet.

11 Fair values

In CHF million	30.6.2019		31.12.2018	
	Fair value	Level	Fair value	Level
Financial assets				
Current financial assets	2	1	7	1
Derivatives	9	2	11	2
Non-current financial assets	48	1	48	1
At fair value through profit or loss	59		66	
Non-current financial assets	5	1	5	1
Debt instruments at FVOCI with recycling¹	5		5	
Non-current financial assets	325	1	443	1
Non-current financial assets	6	3	7	3
Equity instruments at FVOCI without recycling¹	331		450	
Financial liabilities				
Derivatives	13	2	13	2
At fair value through profit or loss	13		13	

¹ FVOCI: At fair value through other comprehensive income

Derivatives are reported within the positions prepaid expenses or accrued expenses.

As of June 30, 2019, the carrying amount of bonds issued is CHF 500 million (December 31, 2018: CHF 500 million), compared to a fair value of CHF 509 million (December 31, 2018: CHF 502 million). For all other financial assets and liabilities measured at amortized cost, the carrying amount is a reasonable approximation of their fair value.

There was no transfer between level 1 and level 2 of the fair value hierarchy and no transfer into or out of level 3 of the hierarchy during the reporting period (previous year: no transfer between the different levels).

The reconciliation of level 3 fair values is as follows:

In CHF million	2019	2018
Non-current financial assets		
January 1	7	9
Changes in value recognized in other comprehensive income	-1	-1
Disposals	-	-1
June 30	6	7

12 Dividends paid

In accordance with the decision of the General Meeting of Shareholders of Schindler Holding Ltd. on March 26, 2019, CHF 429 million in dividends were paid on April 1, 2019 (previous year: CHF 428 million). This corresponds to an ordinary dividend of CHF 4.00 per registered share and participation certificate for the financial year 2018 (previous year: ordinary dividend of CHF 4.00 per registered share and participation certificate).

13 Contingent liabilities

Contingent liabilities are described in the notes to the Group consolidated financial statements 2018. As of June 30, 2019, the total capital amount claimed jointly and severally from all the defendants involved in the proceedings – in which Group companies are involved as defendants – was EUR 138 million. The Group companies in question consider the claims to be without merit.

Other information

Non-GAAP measures

The key figures comprise certain non-GAAP measures, which are not defined by International Financial Reporting Standards (IFRS). The Group's definitions of these non-GAAP items are available at: [www.schindler.com – Investors – Latest results \(www.schindler.com/com/internet/en/investor-relations/reports/definition-on-non-gaap-items.html\)](http://www.schindler.com – Investors – Latest results (www.schindler.com/com/internet/en/investor-relations/reports/definition-on-non-gaap-items.html)).

Financial calendar

Publication of selected key figures as of September 30	October 24, 2019
Annual results media conference	February 14, 2020
Ordinary General Meeting of Schindler Holding Ltd.	March 19, 2020

The Group's Interim Report 2019 is published in English and German. The German version is binding.

General information about the Group as well as its annual reports, press releases, and details of its current share price are available at: www.schindler.com.

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