

Key figures as of September 30, 2019

Press release
October 24, 2019

Growth momentum

Schindler was able to maintain growth momentum in order intake and revenue despite currency headwinds. Order intake increased by 4.1% to CHF 9 009 million and revenue grew by 4.0% to CHF 8 255 million. Operating profit totaled CHF 923 million. Net profit reached CHF 680 million.

Order intake and order backlog

In the first nine months of 2019, order intake rose by 4.1% to CHF 9 009 million (first nine months of 2018: CHF 8 653 million), corresponding to a growth of 5.9% in local currencies. This includes major infrastructure and commercial building projects in North America and Asia-Pacific. All product lines and regions generated growth. The Asia-Pacific region – supported by positive business development in China – grew the strongest, followed by the Americas and EMEA regions.

In the third quarter of 2019, order intake rose by 4.8% to CHF 2 919 million (third quarter of 2018: CHF 2 784 million), which is equivalent to an increase of 6.1% in local currencies.

As of September 30, 2019, order backlog was CHF 9 280 million (September 30, 2018: CHF 8 589 million). This corresponds to an increase of 8.0% (+8.6% in local currencies).

Revenue

Revenue grew by 4.0% to CHF 8 255 million in the first nine months of 2019 (first nine months of 2018: CHF 7 939 million), corresponding to an increase of 5.8% in local currencies. The Americas region was the strongest driver of revenue growth, followed by the Asia-Pacific and EMEA regions.

In the third quarter of 2019, revenue rose by 5.2% to CHF 2 824 million (third quarter of 2018: CHF 2 684 million), which is equivalent to an increase of 6.6% in local currencies.

Operating profit (EBIT)

Operating profit totaled CHF 923 million in the first nine months of 2019 (first nine months of 2018: CHF 926 million), corresponding to a decline of 0.3% (+1.6% in local currencies). Price adjustments and efficiency gains could not fully offset wage inflation, higher material costs, and planned higher spend on strategic investments. As a result, EBIT margin reached 11.2% (first nine months of 2018: 11.7%). Before restructuring costs of CHF 13 million (first nine months of 2018: CHF 15 million) and expenses for BuildingMinds of CHF 14 million, EBIT margin was 11.5% (first nine months of 2018: 11.9%).



Schindler

Schindler Management Ltd.

Corporate Communications

In the third quarter of 2019, operating profit rose by 4.5% to CHF 327 million (third quarter of 2018: CHF 313 million), which is equivalent to a growth of 6.1% in local currencies. EBIT margin was 11.6% (third quarter of 2018: CHF 11.7%).

Net profit and cash flow from operating activities

In the first nine months of 2019, net profit reached CHF 680 million against CHF 746 million in the previous year, which included a one-time tax refund of CHF 55 million.

Cash flow from operating activities totaled CHF 656 million (first nine months of 2018: CHF 716 million). Adjusted for the settlement of pension obligations and the introduction of the new accounting standard IFRS 16, it reached CHF 725 million.

Outlook for 2019

For the remainder of the year, in spite of market uncertainty, Schindler expects to maintain growth momentum.

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 for the full year 2019.

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Dial-in details to today's conference call at 10.00 CET:
www.schindler.com/com/internet/en/investor-relations/conference-call-details.html

Key figures
January to September

In CHF million	2019	2018	Δ %	Δ % local currencies
Order intake	9 009	8 653	4.1	5.9
Revenue	8 255	7 939	4.0	5.8
Operating profit (EBIT)	923	926	-0.3	1.6
in %	11.2	11.7		
Operating profit (EBIT), adjusted	950¹	941 ²	1.0	2.9
in %	11.5	11.9		
Financing and investing activities	-39	-3 ⁴		
Profit before taxes	884	923	-4.2	
Income taxes	204	177 ⁴		
Net profit	680	746 ⁴	-8.8	
Net profit before tax refund	680	691	-1.6	
Earnings per share and participation certificate in CHF	5.92	6.55	-9.6	
Cash flow from operating activities	656³	716	-8.4	
Investments in property, plant, and equipment	162	168	-3.6	
	30.9.2019	31.12.2018		
Order backlog	9 280	8 618	7.7	9.0
Number of employees	66 027	64 486	2.4	

¹ Adjusted for restructuring costs (CHF 13 million) and expenses for BuildingMinds (CHF 14 million)

² Adjusted for restructuring costs (CHF 15 million)

³ Before settlement of pension obligations (CHF -157 million) and IFRS 16 – Leases (CHF 88 million) CHF 725 million

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

3rd quarter: July to September

In CHF million	2019	2018	Δ %	Δ % local currencies
Order intake	2 919	2 784	4.8	6.1
Revenue	2 824	2 684	5.2	6.6
Operating profit (EBIT)	327	313	4.5	6.1
in %	11.6	11.7		
Operating profit (EBIT), adjusted	334¹	319 ²	4.7	6.3
in %	11.8	11.9		
Financing and investing activities	-7	-14		
Profit before taxes	320	299	7.0	
Income taxes	76	69		
Net profit	244	230	6.1	
Earnings per share and participation certificate in CHF	2.13	2.01	6.0	
Cash flow from operating activities	308³	282	9.2	
Investments in property, plant, and equipment	45	57	-21.1	
	30.9.2019	30.9.2018		
Order backlog	9 280	8 589	8.0	8.6
Number of employees	66 027	63 961	3.2	

¹ Adjusted for restructuring costs (CHF 2 million) and expenses for BuildingMinds (CHF 5 million)

² Adjusted for restructuring costs (CHF 6 million)

³ Before IFRS 16 – Leases CHF 281 million

Balance sheet

In CHF million	30.9.2019 ¹	%	31.12.2018	%	30.9.2018	%
Cash and cash equivalents	2 180	21.2	2 248	22.5	1 976	20.3
Other current assets	4 360	42.3	4 252	42.7	4 220	43.5
Total current assets	6 540	63.5	6 500	65.2	6 196	63.8
Non-current assets	3 755	36.5	3 476	34.8	3 517	36.2
Total assets	10 295	100.0	9 976	100.0	9 713	100.0
Current liabilities	5 045	49.0	4 807	48.2	4 727	48.7
Non-current liabilities	1 391	13.5	1 426	14.3	1 467	15.1
Total liabilities	6 436	62.5	6 233	62.5	6 194	63.8
Equity	3 859	37.5	3 743	37.5	3 519	36.2
Total liabilities and equity	10 295	100.0	9 976	100.0	9 713	100.0

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

Exchange rates

			2019		2018		
			Closing rate as of September 30	Average rate for Jan.–Sept.	Closing rate as of December 31	Closing rate as of September 30	Average rate for Jan.–Sept.
Eurozone	EUR	1	1.09	1.12	1.13	1.13	1.16
USA	USD	1	1.00	0.99	0.99	0.98	0.97
Brazil	BRL	100	23.94	25.53	25.40	24.35	27.16
China	CNY	100	13.95	14.49	14.33	14.19	14.88
India	INR	100	1.41	1.42	1.41	1.35	1.45

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).