Schindler
Annual Results Presentation 2014

Lucerne, February 13, 2015
Highlights 2014
Growth agenda delivered: Solid growth and increased profits

**Financials**
- Accelerated growth in orders and revenue
- High net profits and strong cash flow
- Strong Q4:
  - Orders and revenue at unprecedented levels
  - EBIT margin at 11% before restructuring cost / impairment
- Negative FX impact on revenue (CHF –206 million) and EBIT (CHF –30 million)

**Products & markets**
- New factories completed on time and fully operational
- New products: Schindler 3600, myPORT
- Growth markets:
  - Strong growth in China and India
  - XJ-Schindler consolidation

**Structure**
- New organizational set-up: Positioning for 2015 and beyond
Growth agenda at work
Major shift of orders and revenue to Asia-Pacific

Order backlog
- 2005: 41% Asia-Pacific (AP), 36% Americas (AM), 24% Europe (EU)
- 2010: 36% AP, 32% AM, 20% EU
- 2014: 30% AP, 26% AM, 24% EU

Revenue
- 2005: 56% AP, 29% AM, 15% EU
- 2010: 52% AP, 29% AM, 19% EU
- 2014: 43% AP, 28% AM, 29% EU
Global New Installations market with ~6% growth in 2014
Plus 46 000 units: Lion’s share from China

- China: +28k units
- Asia Pacific (ex. China): +14k units
- Europe: +4k units
- Americas: stable
- Total: +46k units
“Second Planet” Hubs: Platform for growth

- Elevator factory (November 2014)
- R&D Center and Test Tower (Q2 2015)

- Escalator factory (May 2014)
- Elevator factory and Test Tower (Q4 2015)

**Pune, India**

**Shanghai, China**

**Next step**
- Escalator factory

**Next steps**
- R&D Center
- Schindler City
## Q4 2014: Key figures

Improving performance

<table>
<thead>
<tr>
<th></th>
<th>Q4/2014</th>
<th>Q4/2013</th>
<th>Δ%</th>
<th>Δ% in LC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>2,569</td>
<td>2,256</td>
<td>+13.9%</td>
<td>+11.1%</td>
</tr>
<tr>
<td>Revenue</td>
<td>2,593</td>
<td>2,367</td>
<td>+9.5%</td>
<td>+7.6%</td>
</tr>
<tr>
<td>Operating profit (EBIT) before impairment</td>
<td>259&lt;sup&gt;1&lt;/sup&gt;</td>
<td>214</td>
<td>+21.0%</td>
<td>+19.6%</td>
</tr>
<tr>
<td>in %</td>
<td>10.0</td>
<td>9.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit (EBIT) reported</td>
<td>238</td>
<td>214</td>
<td>+11.2%</td>
<td>+9.8%</td>
</tr>
<tr>
<td>in %</td>
<td>9.2&lt;sup&gt;2&lt;/sup&gt;</td>
<td>9.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income from financing and investing activities</td>
<td>26</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hyundai impairment</td>
<td>–</td>
<td>–64</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income taxes</td>
<td>65</td>
<td>58</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net profit</td>
<td>199</td>
<td>95</td>
<td>+109.5%</td>
<td></td>
</tr>
<tr>
<td>Net profit before exceptional items</td>
<td>217&lt;sup&gt;3&lt;/sup&gt;</td>
<td>159</td>
<td>+36.5%</td>
<td></td>
</tr>
</tbody>
</table>

<sup>1</sup> Before taxes: Impairment of intangible assets: CHF –21 million

<sup>2</sup> EBIT margin at 11.0% before impairment of intangible assets and restructuring cost

<sup>3</sup> After taxes: Impairment of intangible assets: CHF –18 million
Full year 2014: Key figures
Solid growth and increased profit

<table>
<thead>
<tr>
<th>In CHF million</th>
<th>2014</th>
<th>2013</th>
<th>Δ%</th>
<th>Δ% in LC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>9,979</td>
<td>9,456</td>
<td>+5.5</td>
<td>+7.8</td>
</tr>
<tr>
<td>Revenue</td>
<td>9,246</td>
<td>8,813</td>
<td>+4.9</td>
<td>+7.3</td>
</tr>
<tr>
<td>Operating profit (EBIT) before one-offs</td>
<td>932&lt;sup&gt;1&lt;/sup&gt;</td>
<td>896</td>
<td>+4.0</td>
<td>+7.4</td>
</tr>
<tr>
<td>in %</td>
<td>10.1</td>
<td>10.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit (EBIT) reported</td>
<td>1,138</td>
<td>896</td>
<td>+27.0</td>
<td>+30.4</td>
</tr>
<tr>
<td>in %</td>
<td>12.3</td>
<td>10.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income from financing and investing activities</td>
<td>51</td>
<td>23</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hyundai impairment</td>
<td>–40</td>
<td>–219</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income taxes</td>
<td>247</td>
<td>237</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net profit</td>
<td>902</td>
<td>463</td>
<td>+94.8</td>
<td></td>
</tr>
<tr>
<td>Net profit before exceptional items</td>
<td>740&lt;sup&gt;2&lt;/sup&gt;</td>
<td>682</td>
<td>+8.5</td>
<td></td>
</tr>
</tbody>
</table>

<sup>1</sup> Before taxes: Mall of Switzerland: CHF 82 million, XJ-Schindler revaluation: CHF 145 million, intangible assets impairment: CHF –21 million
<sup>2</sup> After taxes: Mall of Switzerland: CHF 75 million, XJ-Schindler revaluation: CHF 145 million, intangible assets impairment: CHF –18 million, Hyundai impairment: CHF –40 million

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Full year 2014: Key figures

Double-digit growth in order backlog

<table>
<thead>
<tr>
<th>In CHF million</th>
<th>2014</th>
<th>2013</th>
<th>Δ%</th>
<th>Δ% in LC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operating activities</td>
<td>902</td>
<td>808</td>
<td>+11.6</td>
<td></td>
</tr>
<tr>
<td>Investments in property, plant, and equipment</td>
<td>183</td>
<td>252</td>
<td>−27.4</td>
<td></td>
</tr>
<tr>
<td>Order backlog</td>
<td>9 263</td>
<td>7 722</td>
<td>+20.0</td>
<td>+15.4</td>
</tr>
<tr>
<td>Number of employees</td>
<td>54 209</td>
<td>48 169</td>
<td>+12.5</td>
<td></td>
</tr>
</tbody>
</table>
Action Plan 2015
Fast Forward

Objectives
- Strategy execution: Growth above market
- Growth in Operating Revenue and EBIT
- Focus on margins

Operational Excellence
- Customer centricity
- Quality
- Simplification
- Efficiency
- Pricing

Growth Markets
- China
- India
- Southeast Asia

Global Delivery
- Cost competitiveness
- New supply chain
- NI/EI Business Management
- New products
- Digitization

Foster High-Performance Culture
E&E industry keeps the growth momentum

**Market trends**

- **Europe**
  - Uncertainty undermining growth
- **Americas**
  - USA recovery drives regional growth
- **Asia-Pacific**
  - China
  - India & Southeast Asia

**New Installations E&E market (units)**

- **2014A**
  - AP: 642
  - AM: 138
  - EU: 48

- **2015E**
  - AP: ~685
  - AM: ~140
  - EU: ~50

- +47k units
  - ROW: +4k

**Comparison with**

- **Global GDP growth 2015**
  - +3.5%

- **Global cement sales 2015**
  - +2.8%

- **Global auto sales 2015**
  - +4.0%

**Source:** IMF, Morgan Stanley, Scotiabank, Schindler estimates, 2015
China output growing despite deceleration
Sub-10% growth on a massive base is the “new normal”

China nominal GDP and real GDP growth

China E&E market volume and YoY growth

Source: IMF, Schindler estimates, 2015
Accelerating urbanization the growth engine for the E&E industry

Global urbanization and wealth
Countries by GDP per capita and urbanization ratio

- Strong correlation between urbanization and economic growth
- China followed by India, Indonesia and other growth markets
- With Asia’s urbanization ratio still below 50%, plenty of room for future growth

Source: The Economist Intelligence Unit, United Nations Population Division, 2014
Schindler captures digital opportunities
Internet of Things meets the elevator industry

Customers
New Customer Portal → Customer Loyalty

Products
Smart Products + Remote Monitoring = Predictive Maintenance

People
18’000+ Field Staff digitized supporting day-to-day business

Processes
Driving Service Efficiency through proprietary Apps

Enabled through Schindler’s Global Business Process Platform
myPORT – innovative smartphone-based technology
Mobility, security and seamless access

- 4-step “e-Banking” security
- Visitor access via smartphone
- Addressing special mobility needs
Swiss franc against the euro

Jan. 15, 2015
07.00 GMT
CHF 1.20

Jan. 15, 2015
17.30 GMT
CHF 1.04
Schindler generates >90% of revenues outside Switzerland
Limited transaction risk but large translation impact

Transaction exposure
- Good match of revenue and cost in functional currencies in operating companies
- 100% hedging policy for transaction exposure

Translation exposure
- Swiss franc is the reporting currency for Group accounts
- Negative translation impact on revenue 2015 estimated at ~10% or ~ CHF 1.0 bn (based on EUR/CHF 1.03 and USD/CHF 0.90)
- Exposure from Corporate functions in Switzerland leads to higher impact on EBIT
Strong Swiss franc impact
Top line loss of CHF 2.4 bn over the last seven years

Translation impact of exchange rates

<table>
<thead>
<tr>
<th>In CHF million</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>-549</td>
<td>-324</td>
<td>-291</td>
<td>-900</td>
<td>14</td>
<td>-137</td>
<td>-206</td>
<td>-2393</td>
</tr>
<tr>
<td>EBIT</td>
<td>-56</td>
<td>-43</td>
<td>-35</td>
<td>-110</td>
<td>-16</td>
<td>-19</td>
<td>-30</td>
<td>-309</td>
</tr>
</tbody>
</table>

FX impact on revenue

FX impact on EBIT
Outlook 2015

- Macroeconomic uncertainties
- Market growth opportunities
- Growth strategy reinforcement
- Fast Forward deployment
- Revenue expected to increase by 7-9% in local currencies
- Negative translation impact of ~10% on revenue
- Net profit 2015 forecast to be issued with publication of half-year results
Thank you.

**Financial calendar 2015**

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary General Meeting Schindler Holding Ltd.</td>
<td>March 20</td>
</tr>
<tr>
<td>Selected key figures as of March 31, 2015</td>
<td>April 28</td>
</tr>
<tr>
<td>Interim Report as of June 30, 2015</td>
<td>August 14</td>
</tr>
<tr>
<td>Selected key figures as of September 30, 2015</td>
<td>October 23</td>
</tr>
</tbody>
</table>

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