



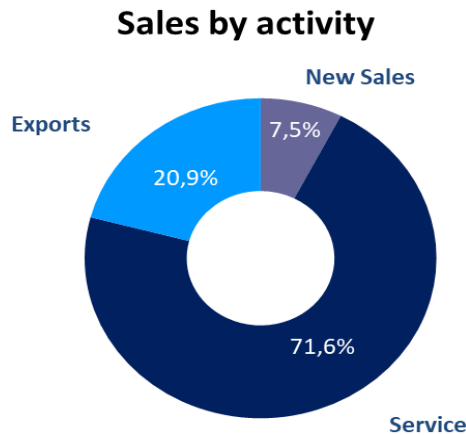
ZARDOYA OTIS, S.A.

REPORT FOR THE FIRST QUARTER 2019

FISCAL YEAR: DECEMBER 1, 2018 – NOVEMBER 30, 2019

1. BUSINESS EVOLUTION

SALES:

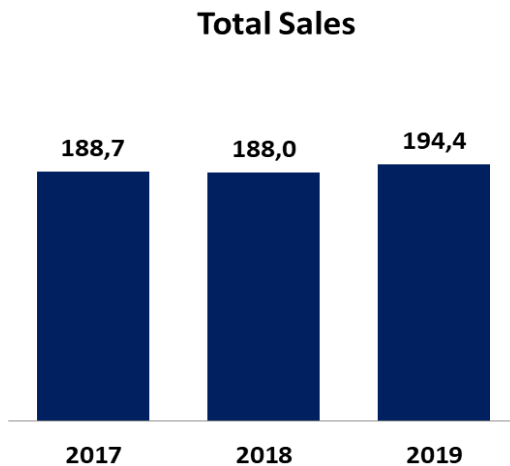


Total consolidated sales for the first quarter of 2019 were 194.4 million euros, in comparison with the 188.0 million euros of the first quarter of 2018, representing a significant increase of 3.4%.

New Installations

New sales in the first quarter of 2019 had a value of 14.7 million euros, 10.1% higher than the figure for the first quarter of 2018.

At the end of the first quarter of 2019, new installations sales accounted for 7.5% of total sales (7.1% in the first quarter of 2018).



(Millions of euros – Information Q1)

Service

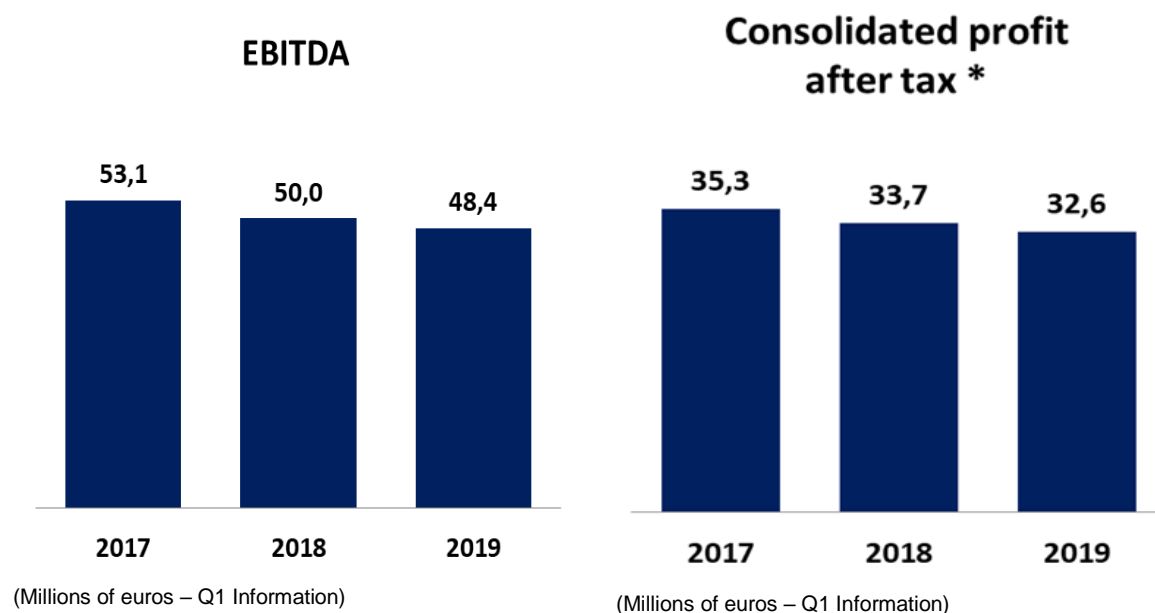
Consolidated service sales totalled 139.2 million euros (136.6 million euros in the first quarter of 2018), showing a 1.9% increase on the figure obtained in the first quarter of 2018. Our service revenue has shown continuous growth since the first quarter of 2018.

The service activity accounted for 71.6% of the Group's total billing in the first quarter of 2019 (70.1% in the first quarter of 2018).

Exports: Net consolidated export sales were 40.6 million euros (38.1 million euros in the first quarter of 2018), 6.6% up on the figure for the first quarter of 2018. In some of the countries to which we export, the rates of work completion and contracting remain lower than our forecasts.

Exports represented 20.9% of consolidated Group sales in the first quarter of 2019 (20.3% in the first quarter of 2018).

INFORMATION ON RESULTS:



EBITDA (operating profit plus amortization and depreciation) for the first quarter of 2019 was 48.4 million euros, which was 3.3% lower than 2018 figure.

The consolidated profit before tax for the first quarter of 2018 was 43.3 million euros, 4.1% down on the figure for the same period of 2018.

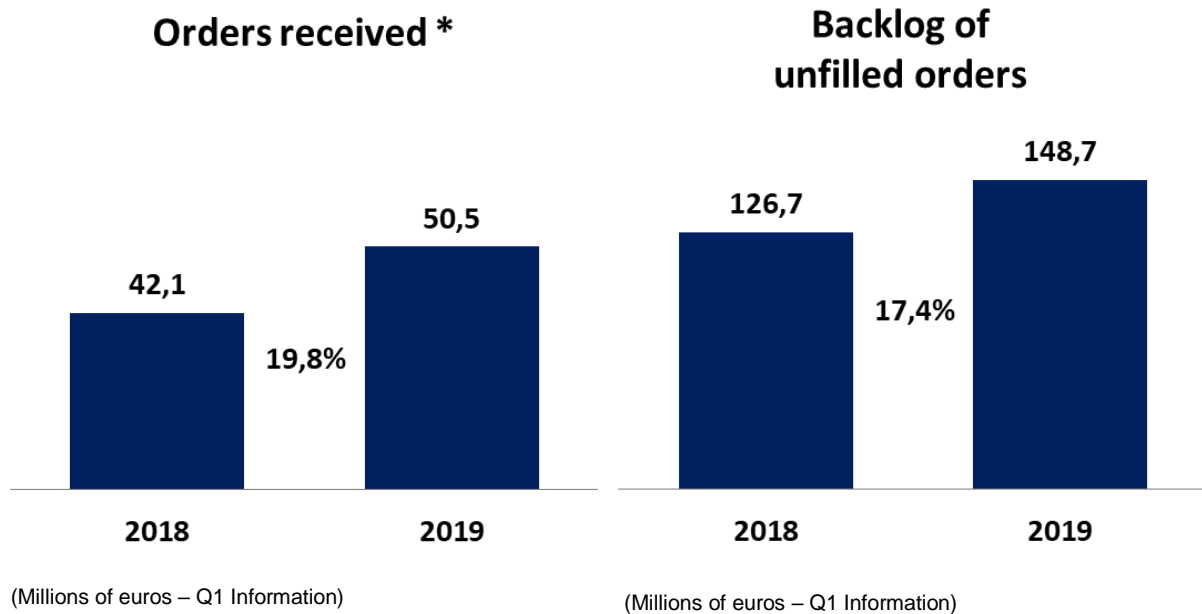
Profit after tax was 32.6 million euros, a decrease of 3.0% on the 33.7 million euros obtained in the first quarter of 2018.

We are continuing with our digitalization process, which had an unfavourable impact on the figures for the first quarter of 2019.

To meet the demand of our new installations market, we developed our assembly area in 2018, which meant investment in recruiting and training our human capital, affecting our first quarter results in comparison with the same period of 2018. The training of our assembly team is a fundamental priority for Zardoya Otis, in order to attain the required standards of quality and safety in our installations.

* Consolidated profit before tax on the continuing activities in the period attributable to Company shareholders in the first quarter of each reporting period.

2. OTHER KEY FIGURES:



Orders received and backlog of unfilled orders

Orders received for Installations in the first quarter, including both new and existing buildings, were 50.5 million euros, representing an increase on 19.8% on the same period of 2018.

The backlog of unfilled orders in the first quarter of 2019 was 148.7 million euros, an increase of 17.4% on the same period of 2018.

Units under maintenance

We ended the first quarter of 2019 with 290,335 units under maintenance, which represented growth of 1.5% in comparison with the units under maintenance at the end of the first quarter of 2018.

* Includes New Sales and Modernization figures.

3. TREASURY STOCK

As of February 28, 2019, Zardoya Otis, S.A. did not hold any treasury shares.

4. FINANCIAL RISK MANAGEMENT – 2018 REPORTING PERIOD

The Group' activities are exposed to a variety of financial risks: market risk (including foreign exchange risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's global risk management program is focused on the uncertainty of the financial markets and tries to minimize any potential adverse effects on the Group's financial profitability.

Risk management is controlled by Group Management in accordance with the supplementary information that accompanied the annual corporate governance report as of November 30, 2018. Management assesses and hedges financial risks in close collaboration with the operating units of the rest of the Group, in order to:

- Ensure that the most important risks are identified, assessed and managed,
- Ensure an appropriate operating segregation of risk management functions,
- Ensure that the risk exposure level accepted by the Group in its operations is in line with its risk profile.

5. SIGNIFICANT EVENTS IN THE FIRST QUARTER OF 2017 AND EVENTS SINCE THE END OF THE PERIOD

On December 27, 2018, Zardoya Otis, S.A. acquired 100% of the shares of the company Otis-Lliset SLU for a value of EThs 4 280. The company is engaged in elevator maintenance and repairs in Andorra.

On December 11, Zardoya Otis, S.A. declared the fourth dividend in the calendar year –the third charged to the profit for the period– for a gross amount of 0.08 euros per share, resulting in a total gross dividend of EThs 37 637. This dividend was paid out on January 10, 2019.

6. EXHIBIT – KEY FIGURES:

At the end of the first quarter of 2019 (December 1, 2018 – February 28, 2018), the total consolidated figures and the comparison thereof with those for the same period of 2018 were as follows:

Key Data, 1st Quarter 2019			
<i>Consolidated figures in millions of euros</i>			
Results	2019	2018	% variance 19/18
Profit before tax	48,4	50,0	(3,3)
Profit before tax	43,3	45,2	(4,1)
Profit after tax	32,6	33,7	(3,0)

Sales	2019	2018	% variance 19/18
New Installations	14,7	13,3	10,1
Service	139,2	136,6	1,9
Exports	40,6	38,1	6,6
Total	194,4	188,0	3,4

Orders received and backlog	2019	2018	% variance 19/18
Orders received	50,5	42,1	19,8
Backlog	148,7	126,7	17,4

Units under maintenance	2019	2018	% variance 19/18
Units under maintenance	290.335	285.981,0	1,5

(*) Includes New Installations and Modernizations

