

# Full year 2020 results

February 17, 2021

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**Schindler**

# Agenda

1. Megatrends and markets
2. Focus and priorities
3. Innovation and technology
4. Sustainability
5. Results 2020
6. Outlook



# 1. Megatrends and markets





# Megatrends remain intact

Aging society

Growing middle class

More single households

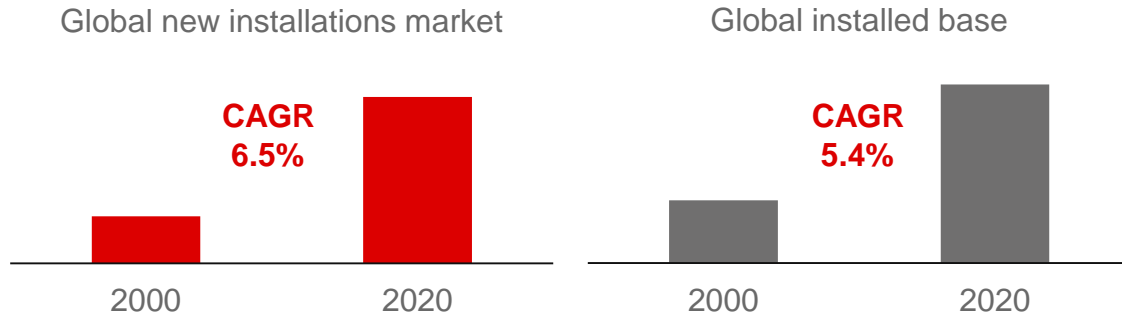
Smart buildings

Digitalization

## Urbanization

Sustainability

# E&E markets long-term 20 years of growth



- Long-term new installations growth driven by megatrends
- Resilient service business with growth, even in crisis situations
- Modernization opportunities going forward driven by aging installed base and sustainability

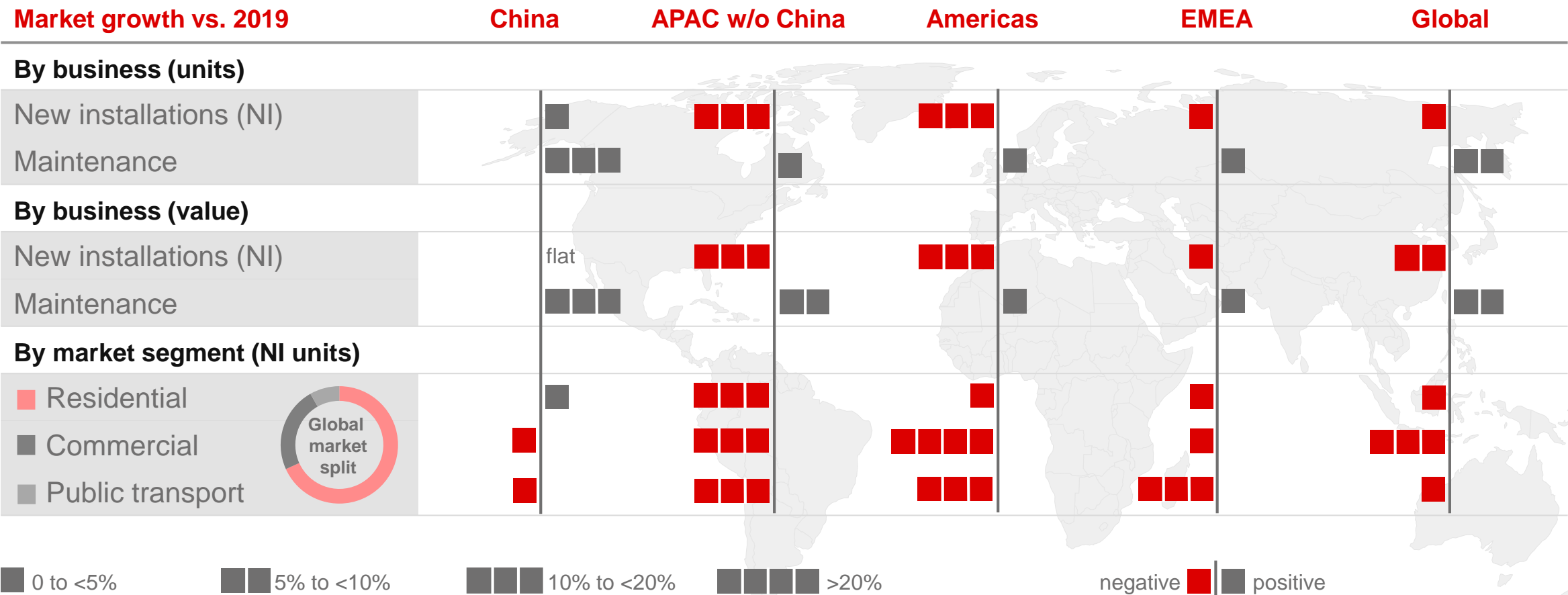
Source: Schindler estimates





# Global markets muted in 2020

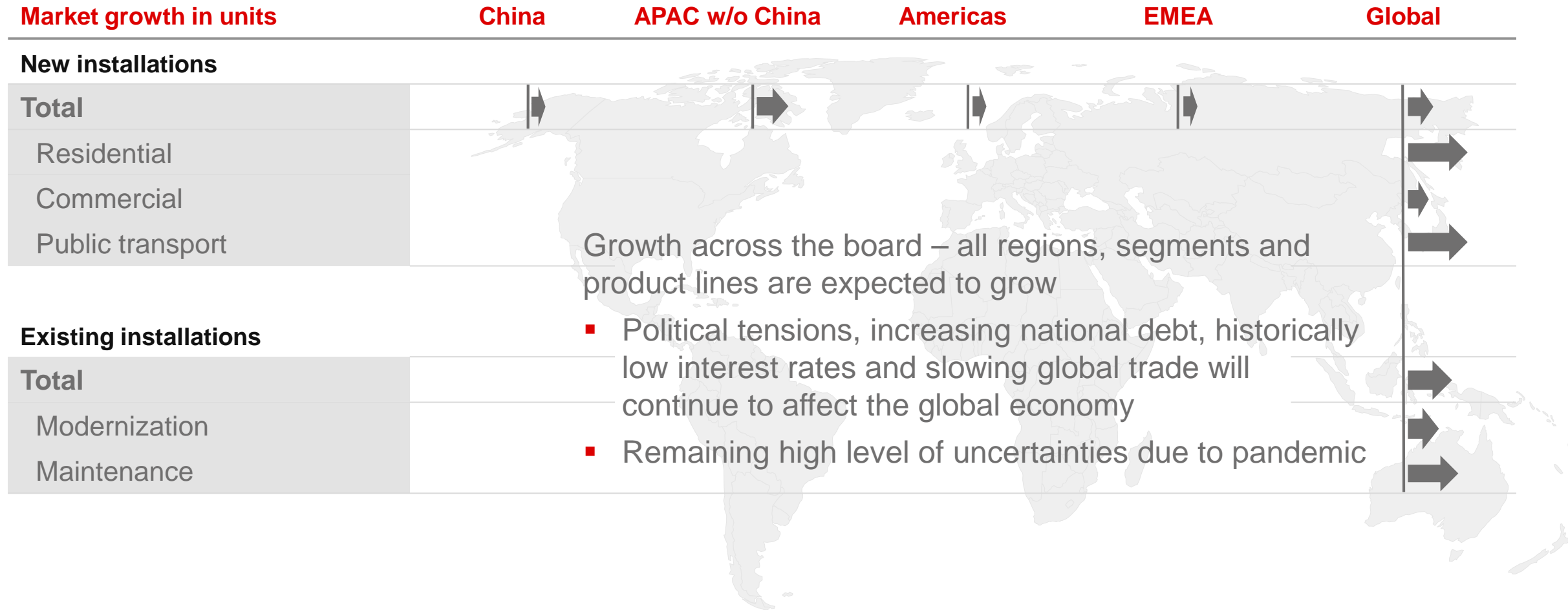
## China growing, other regions with varying degrees of decline



Source: Schindler estimates

# Market outlook 2021

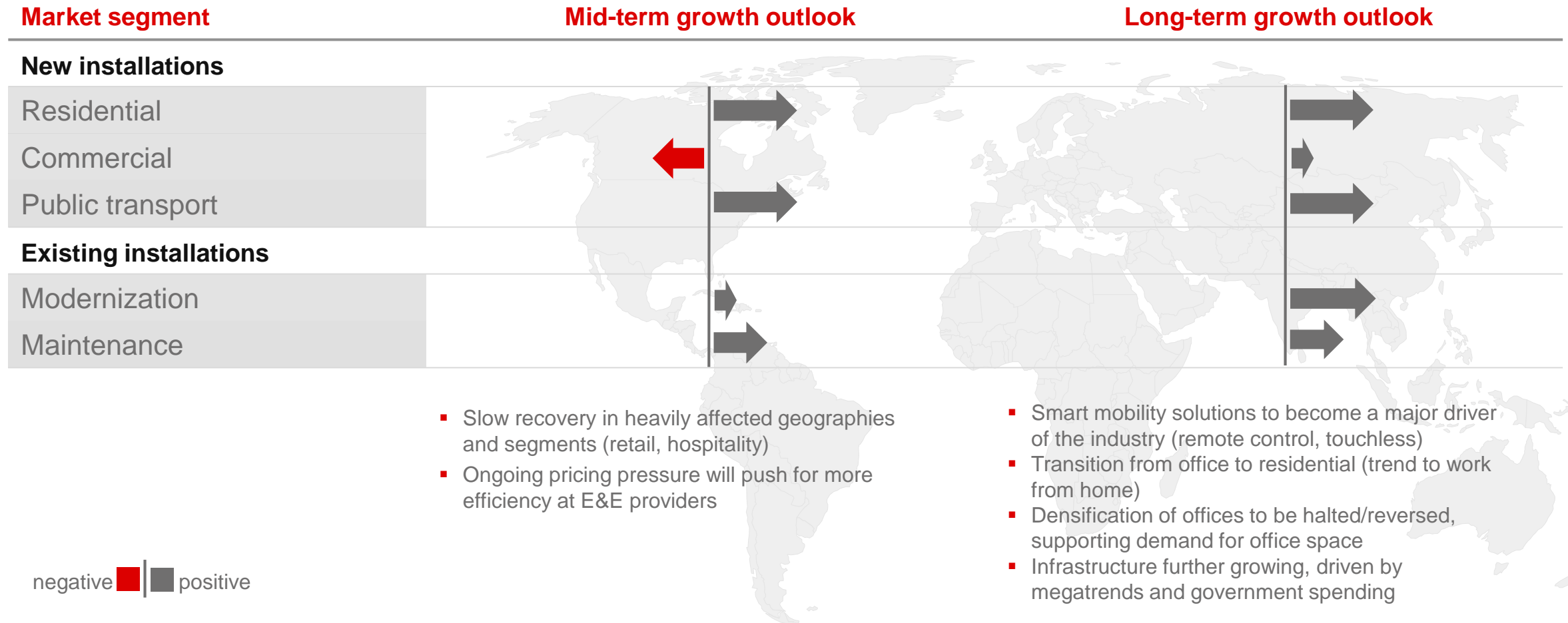
## Expected growth but uncertainties remain



Source: Schindler estimates

# Mid-/long-term market outlook: COVID-19 – a game changer?

## No fundamental change expected



Source: Schindler estimates



## 2. Focus and priorities

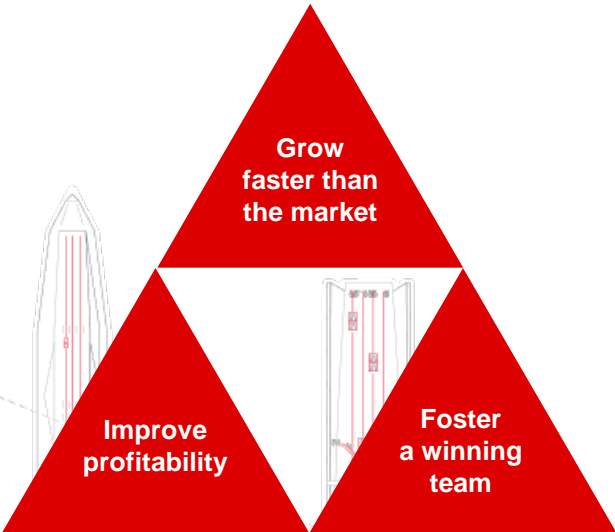


# The Schindler way



## Ambitions


Doing business sustainably





Industry leader by unique user experience




## Priorities

  
Customer excellence

  
Data driven innovation

  
High performance culture

  
Cost competitiveness



## Values

Customers

Employees

Safety

Quality

Integrity & trust



# Operational highlights in 2020

Protecting people and business, driving innovation and digitalization

## Safety and well-being of people priority No. 1



### Employees

- Leading employee engagement
- 1.5 million hours technical training
- Protection equipment
- Safety measures
- Schindler Employee Relief Fund
- Psychological and emotional support

### Users

- Eight CleanMobility solutions launched
- 200 million people moved every day with connected units

## Focus on customers, supply chain and liquidity



### Customers

- Business continuity secured
- Strengthened relationships with key accounts
- Investments in innovation and digital solutions



### Supply chain

- Delivery to customers at all times maintained
- Dual sourcing strategy
- Safety stock



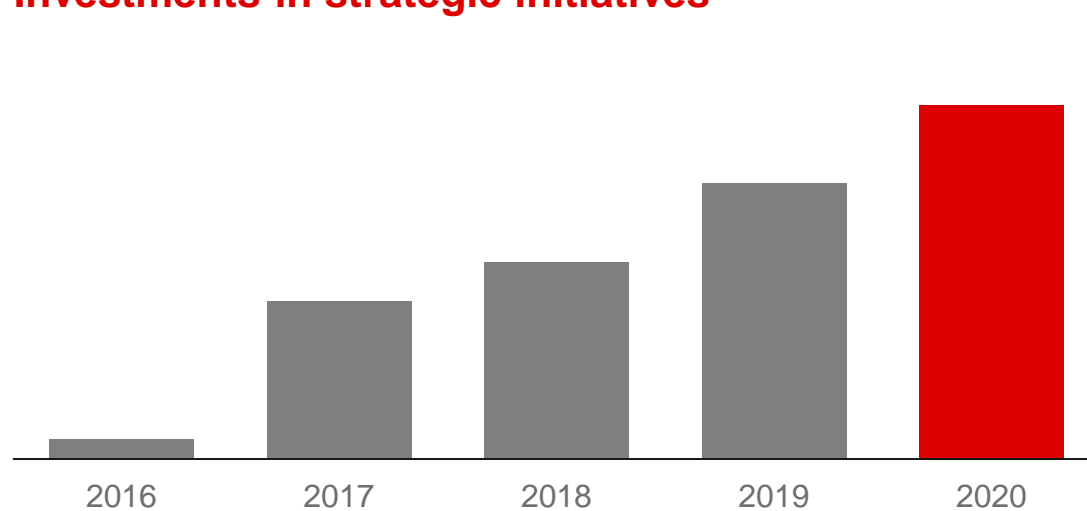
### Company health

- Cost competitiveness programs
- Strong cash flow management

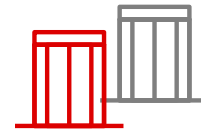
# Data driven innovation

## Accelerated investments in strategic initiatives

### Investments in strategic initiatives



- Schindler holds 1 200 patent families comprising about 20 000 patents and patent applications worldwide
- 150 patent applications filed in 2020 alone



#### Digital Twin

Creation of a Digital Twin for each product, enabling all information along the value chain to be accessed digitally in real time and worldwide resulting in reduced time to market and better equipment data quality.



#### Schindler Ahead

Smart Urban Mobility with the world's first fully digital closed-loop maintenance, emergency services and information system connecting elevators and escalators.



#### Product innovation

Continuous development of technical innovation for new mobility solutions, products and services.



#### Business Process Reengineering

Fundamentally rethinking and redesigning business processes for constant improvements in operational cost, quality, service and development time.



### 3. Innovation and technology



# Integrated solutions

## Powering digital transformation in buildings

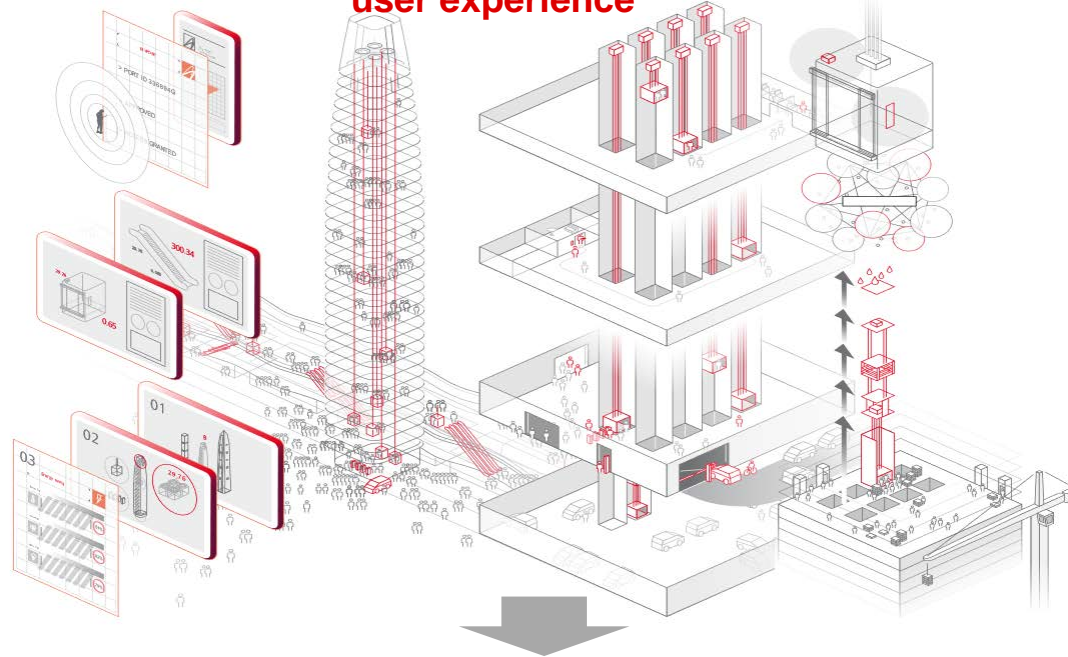
### Holistic building transit experience

- Schindler PORT
- Schindler myPORT
- Schindler myPORT Public

### Intelligent building technology and autonomous installation

- Schindler CLIMB Lift
- Schindler R.I.S.E
- BIM – Building Information Modeling

### New modular energy-efficient elevator solutions ready for a seamless and interactive user experience



Enabling customers to leverage the full potential of digitalization and make buildings more:

safe

efficient

sustainable

attractive

valuable

### Advanced adaptive maintenance, and remote services

- Schindler Ahead Digital Services

### Building integration toolbox and API platform

- Schindler coLab platform

### Unique user experience

- Linea 800 SmartTouch
- Schindler ElevateMe App
- Schindler Digital Media Services



# Adding the EXTRA to the ORDINARY

## The new smart, modular elevators



# Modular solutions for sustainable vertical mobility

## Digital customer journey for a unique user experience

Customers

Users





# Turning elevators into communication platforms

## Schindler Digital Media Services





## 4. Sustainability





# Driving sustainability

## Focusing on what matters

- Top Management commitment
- 30% reduction of energy-use with new modular product lines
- CleanMobility solutions
- Role model for new global ISO standard for elevator planning
- CDP rating improved from “B” to “A-”
- Sustainalytics score improved

*We continue to build on the foundation of sustainability laid over five generations.*

### Increased engagement in NGOs/initiatives:

Official supporter of



Supplier assessments via

**ecovadis**



Joined



The global disability inclusion movement



WE SUPPORT



**RAILSPONSIBLE**

Joined industry initiative to drive sustainable procurement

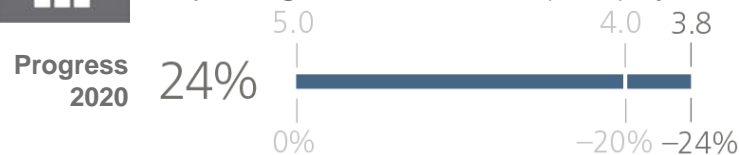
# Sustainability road map 2018–2022



8 DECENT WORK AND ECONOMIC GROWTH

## Enhance safety

Reduce the number of employee incidents and injuries.  
Improving Total Case Rate (TCR) by 20% compared to 2017.



5 GENDER EQUALITY

## Attract diverse talents

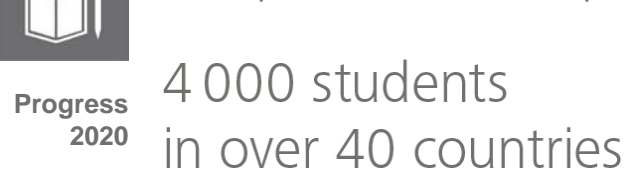
Increase the number of women in the succession planning for leadership roles to 25% and promote an inclusive work culture.



4 QUALITY EDUCATION

## Create value in communities

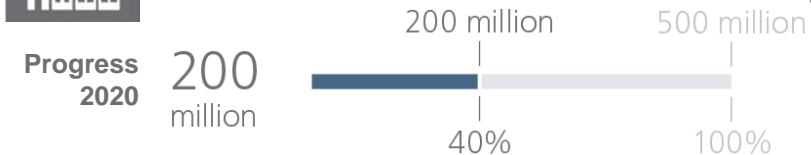
Develop vocational education programs to support communities.



11 SUSTAINABLE CITIES AND COMMUNITIES

## Pioneer smart urban mobility

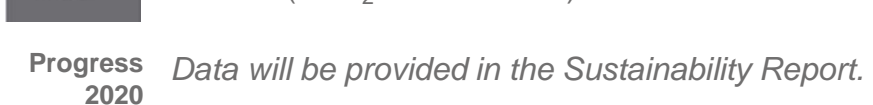
Increase the number of passengers using Schindler's digitally connected elevators and escalators to over half a billion people per day.



13 CLIMATE ACTION

## Lower vehicle fleet emissions

Reduce CO<sub>2</sub> intensity of our global vehicle fleet by 25% compared to 2017 (t CO<sub>2</sub>e/CHF million).



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

## Increase sustainability in the supply chain

Perform independent sustainability assessments for 75% of manufacturing purchases.





# 5. Results 2020





# Resilience and innovation in adversity

- Challenging environment negatively affected construction markets; improving situation in the second half of the year
- Business model proved resilient; cash flow up by 33% and increase in order backlog
- Swiss franc appreciation heavily weighed on results
- Schindler employees around the globe met challenges with resilience and solidarity
- Global roll-out of modular product range and CleanMobility solutions
- Significant progress in digital transformation and the sustainability agenda

# Key figures overview

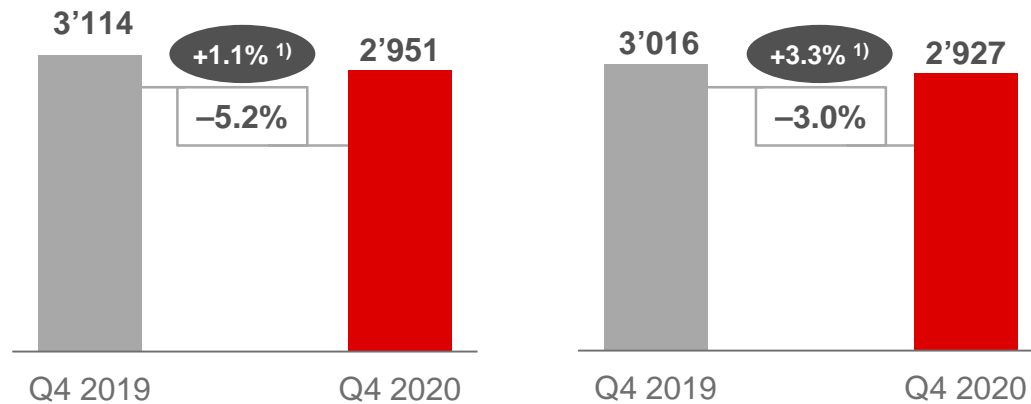
Mixed regional trends,  
strong adverse FX impacts

## Q4 2020

in CHF million

Order intake

Revenue

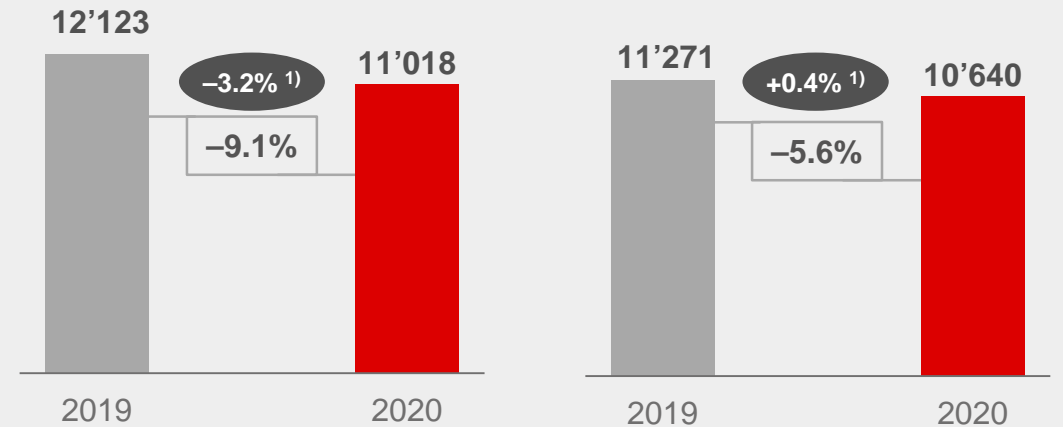


## FY 2020

in CHF million

Order intake

Revenue



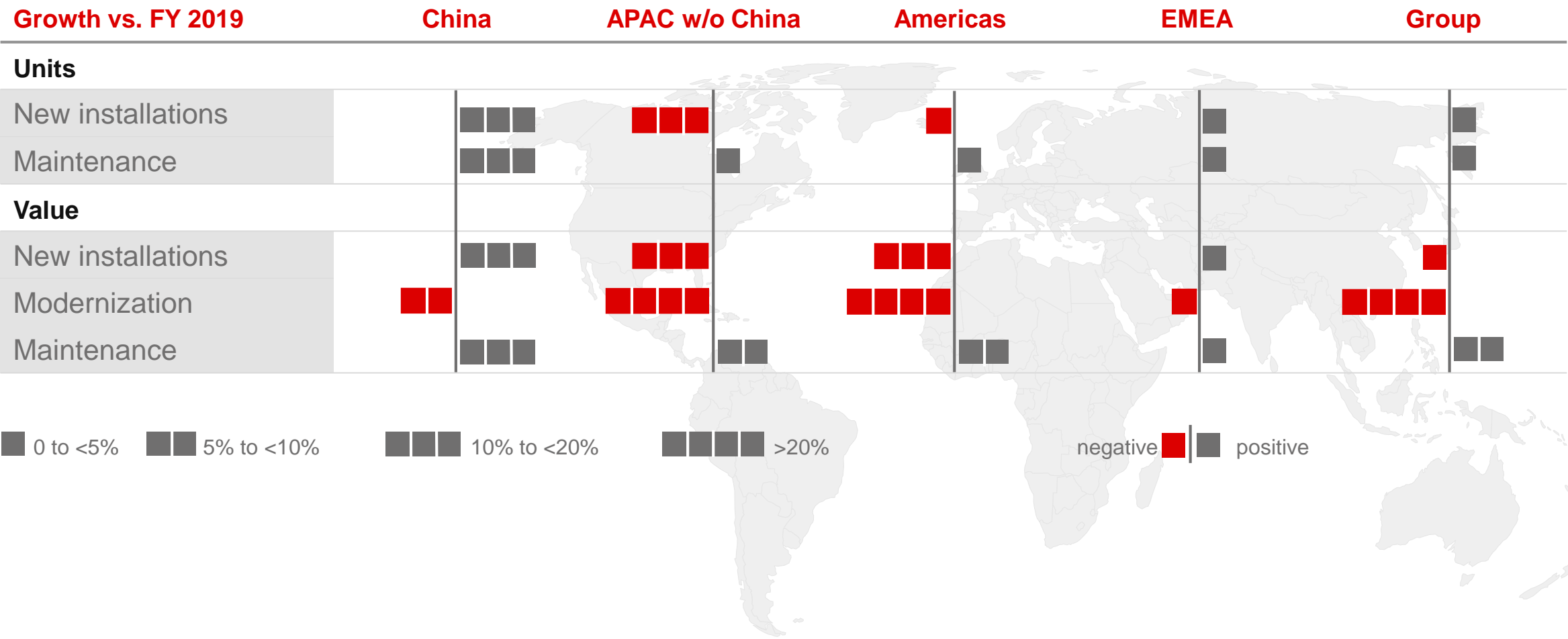
<sup>1)</sup> Growth in local currencies

<sup>1)</sup> Growth in local currencies



# Order intake growth by region and product line

China strong, EMEA growing, rest slowing

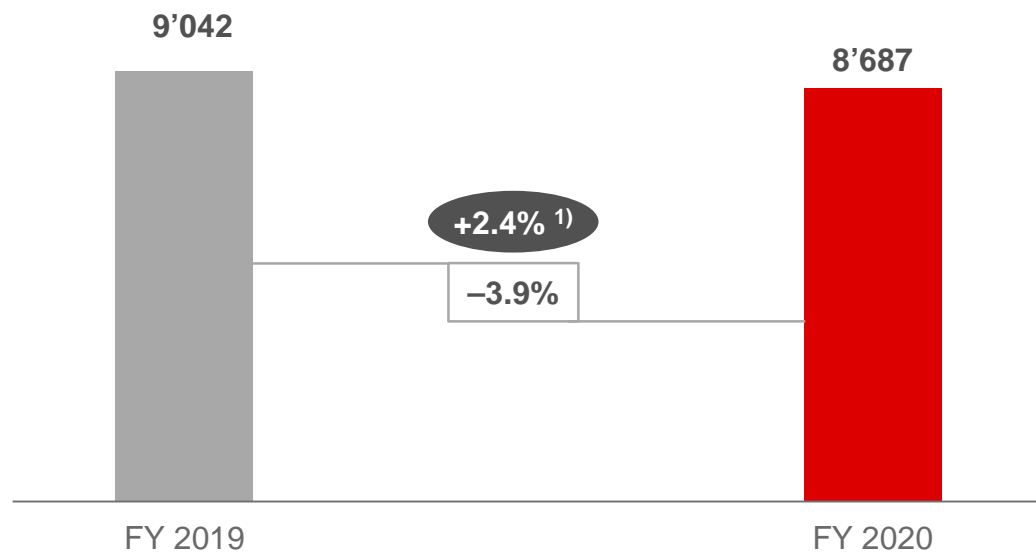


# Order backlog

## Up in local currencies

**FY 2020**

in CHF million

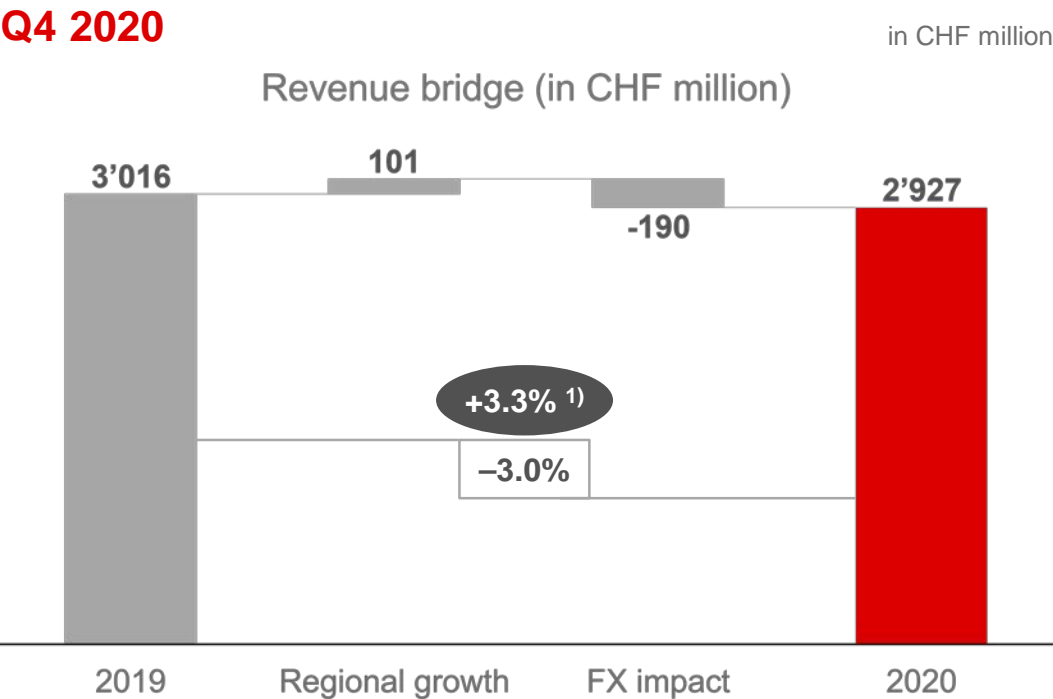


1) Growth in local currencies

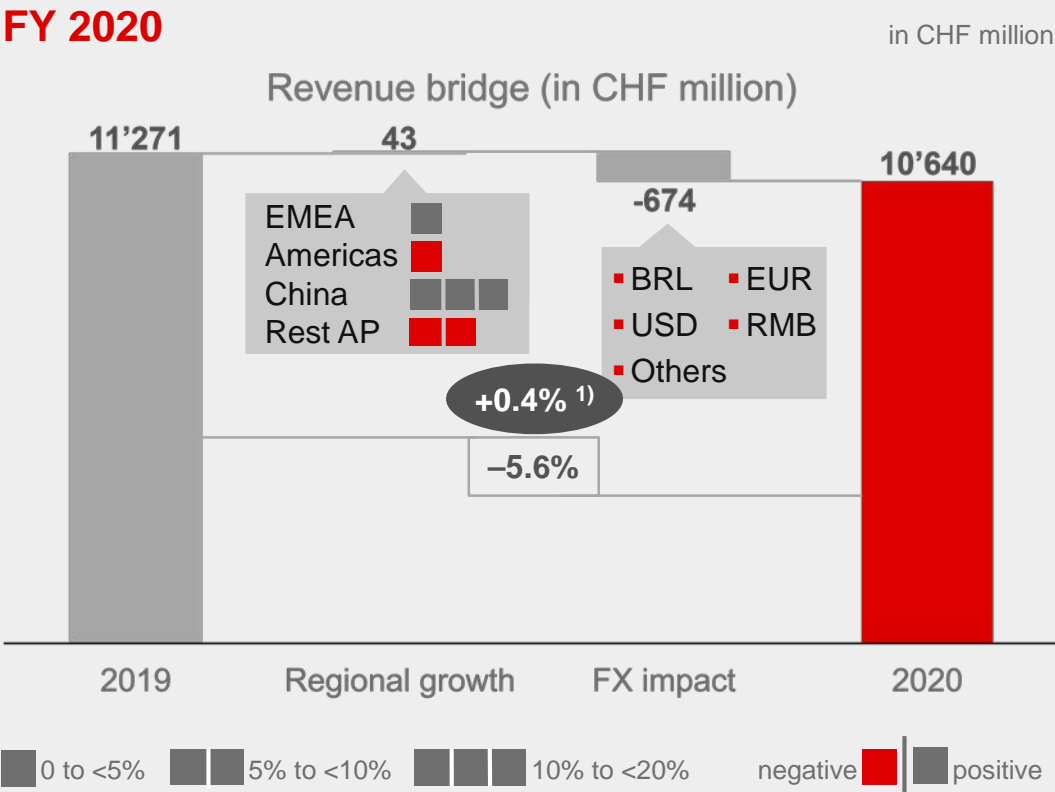


# Revenue development

## Growth across all regions in Q4



1) Growth in local currencies



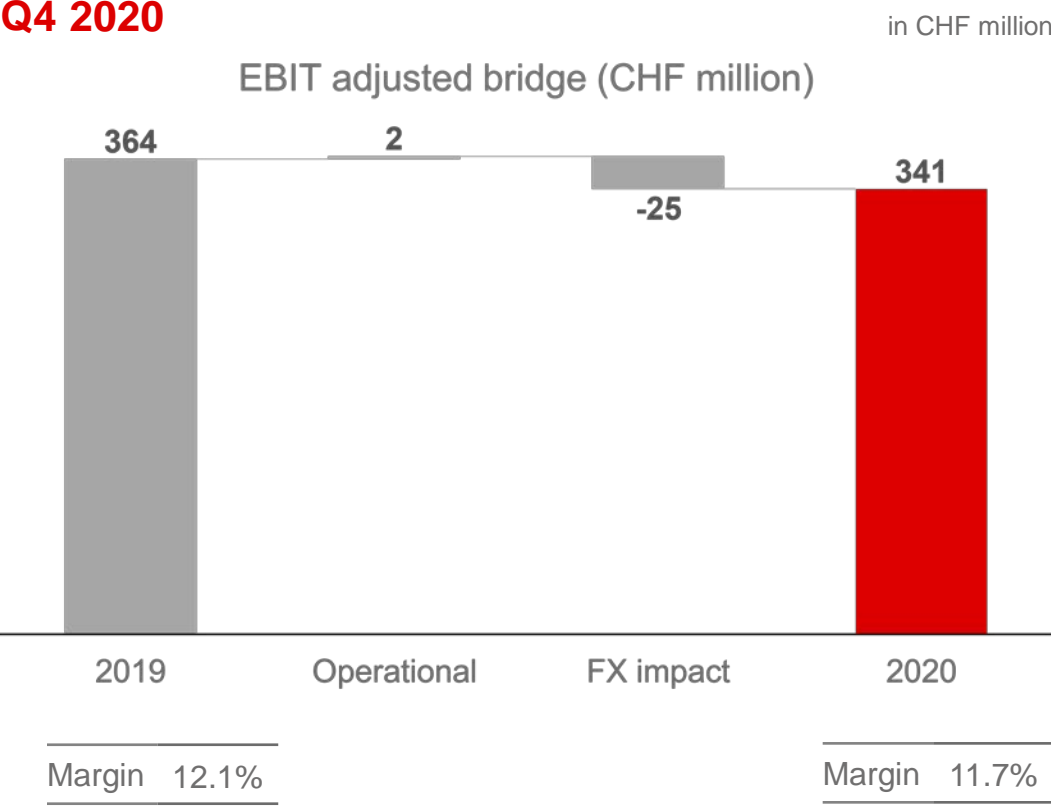
1) Growth in local currencies



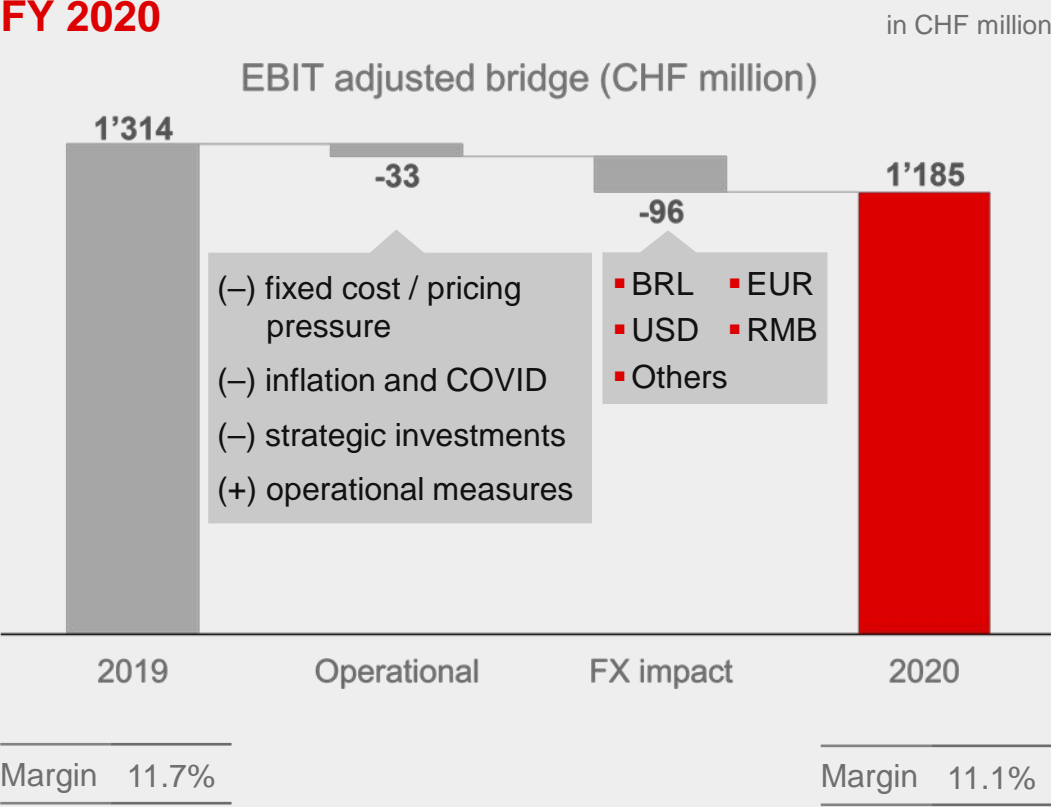
# Profit development

## Significant negative FX impact

Q4 2020



FY 2020

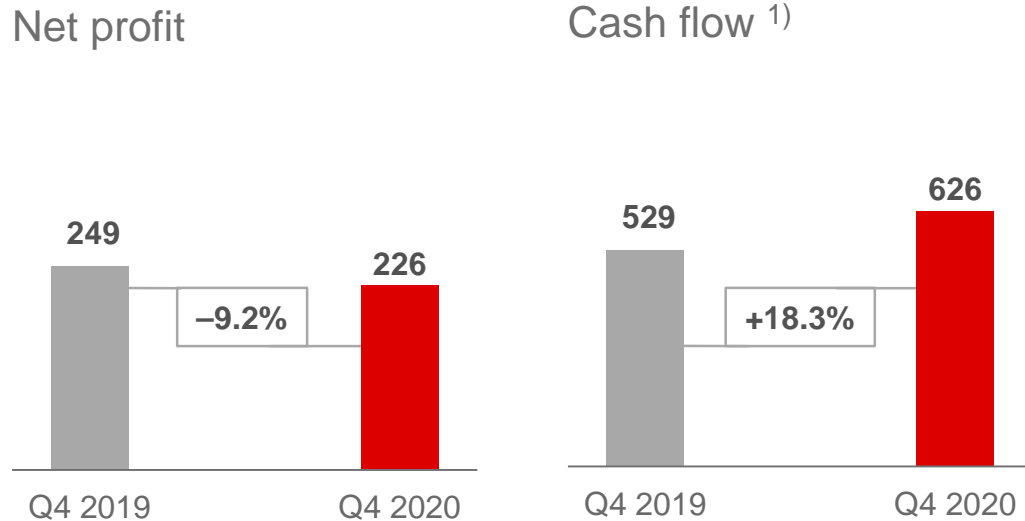


# Net profit and cash flow

## Strong cash flow driven by improved NWC

### Q4 2020

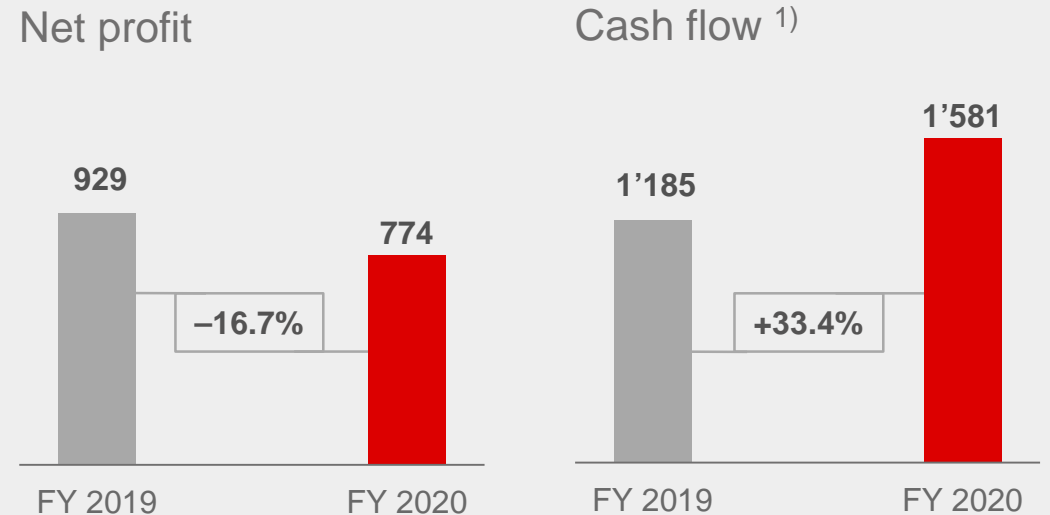
in CHF million



1) Cash flow from operating activities

### FY 2020

in CHF million



1) Cash flow from operating activities; before settlement of pension obligations (CHF -157 million)  
CHF 1 342 million

## 6. Outlook





# Outlook 2021

As of February 17, 2021

## Business environment

- High level of uncertainty regarding economic developments due to pandemic remains
- No full market recovery to 2019 levels in sight until 2022, at the very earliest
- Increased cost and pricing pressure
- Opportunities with new customer solutions and digitalization
- Maintenance business largely resilient but facing increasing pricing pressure
- Long-term growth drivers remain intact

## Schindler outlook for 2021

- Revenue growth of between 0% to 5% in local currencies, excluding any other unforeseeable events
- Negative FX translation effects continue to be a burden
- Focus on cost competitiveness
- Accelerated investments in strategic initiatives



# Financial calendar

	2021	2022
Full year results media conference	February 17	February
Closing date of shareholders' register	March 16	
Ordinary General Meeting Schindler Holding Ltd.	March 23	March 22
First trading date ex-dividend	March 25 <sup>1)</sup>	
Date of Schindler Holding Ltd. dividend payment	March 29 <sup>1)</sup>	
Publication of key figures as of March 31	April 23	April
Publication of Interim Report as of June 30	July 23	July
Publication of key figures as of September 30	October 21	October

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

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# Additional charts





# Key figures as of December 31, 2020

## October to December

In CHF million	Q4 2020	Q4 2019	Δ%	Δ% in LC
Order intake	2 951	3 114	−5.2	1.1
Revenue	2 927	3 016	−3.0	3.3
Operating profit (EBIT)	298	335	−11.0	−4.2
in %	10.2	11.1		
Operating profit (EBIT), adjusted	341 <sup>1)</sup>	364 <sup>2)</sup>	−6.3	0.5
in %	11.7	12.1		
Financing and investing activities	−21	−18		
Profit before taxes	277	317	−12.6	
Income taxes	51	68		
Net profit	226	249	−9.2	
Earnings per share and participation certificate in CHF	1.96	2.12	−7.5	
Cash flow from operating activities	626	529	18.3	

1) Adjusted for restructuring costs (CHF 39 million) and expenses for BuildingMinds (CHF 4 million)

2) Adjusted for restructuring costs (CHF 25 million) and expenses for BuildingMinds (CHF 4 million)

# Key figures as of December 31, 2020

## January to December

In CHF million	FY 2020	FY 2019	Δ%	Δ% in LC
Order intake	11 018	12 123	−9.1	−3.2
Revenue	10 640	11 271	−5.6	0.4
Operating profit (EBIT)	1 032	1 258	−18.0	−11.0
in %	9.7	11.2		
Operating profit (EBIT), adjusted	1 185 <sup>1)</sup>	1 314 <sup>2)</sup>	−9.8	−2.5
in %	11.1	11.7		
Financing and investing activities	−39	−57		
Profit before taxes	993	1 201	−17.3	
Income taxes	219	272		
Net profit	774	929	−16.7	
Earnings per share and participation certificate in CHF	6.72	8.04	−16.4	
Cash flow from operating activities	1 581	1 185 <sup>3)</sup>	33.4	

1) Adjusted for restructuring costs (CHF 135 million) and expenses for BuildingMinds (CHF 18 million)

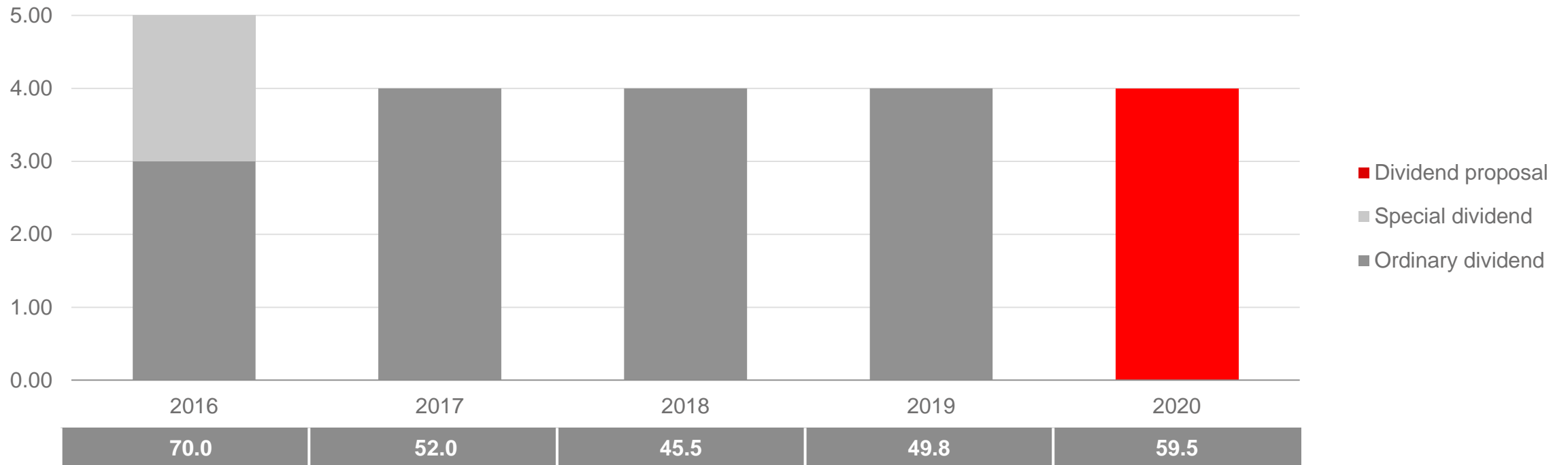
2) Adjusted for restructuring costs (CHF 38 million) and expenses for BuildingMinds (CHF 18 million)

3) Before settlement of pension obligations (CHF −157 million) CHF 1 342 million

# Dividend

## Proposal to the Annual General Meeting of CHF 4.00

Dividends Schindler Holding Ltd. in CHF



Payout ratio in % of earnings per registered share/participation certificate



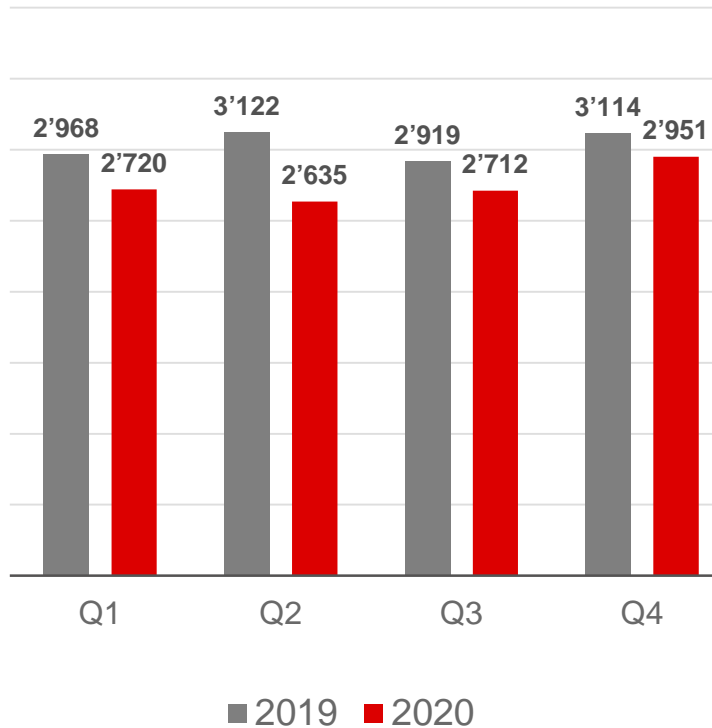
# Quarterly overview 2020/2019

In CHF million	2020				2019			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order intake	2 951	2 712	2 635	2 720	3 114	2 919	3 122	2 968
Revenue	2 927	2 754	2 512	2 447	3 016	2 824	2 849	2 582
Operating profit (EBIT)	298	313	255	166	335	327	322	274
in %	10.2	11.4	10.2	6.8	11.1	11.6	11.3	10.6
Operating profit (EBIT), adjusted	341	337	286	221	364	334	334	282
in %	11.7	12.2	11.4	9.0	12.1	11.8	11.7	10.9
Financing and investing activities	−21	−7	−9	−2	−18	−7	−17	−15
Profit before taxes	277	306	246	164	317	320	305	259
Income taxes	51	71	58	39	68	76	66	62
Net profit	226	235	188	125	249	244	239	197
Cash flow from operating activities	626	319	313	323	529	308	85	263

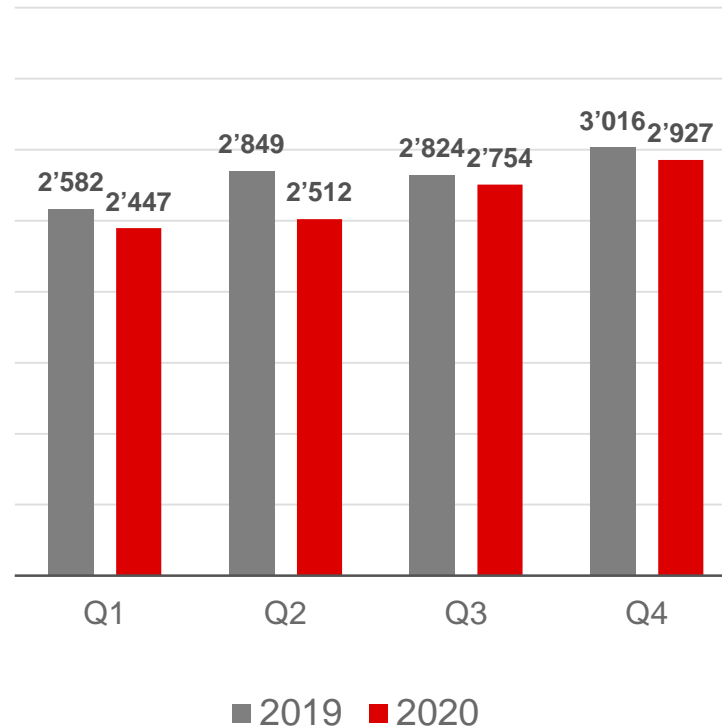
# Quarterly development

## Order intake, Revenue and EBIT adjusted

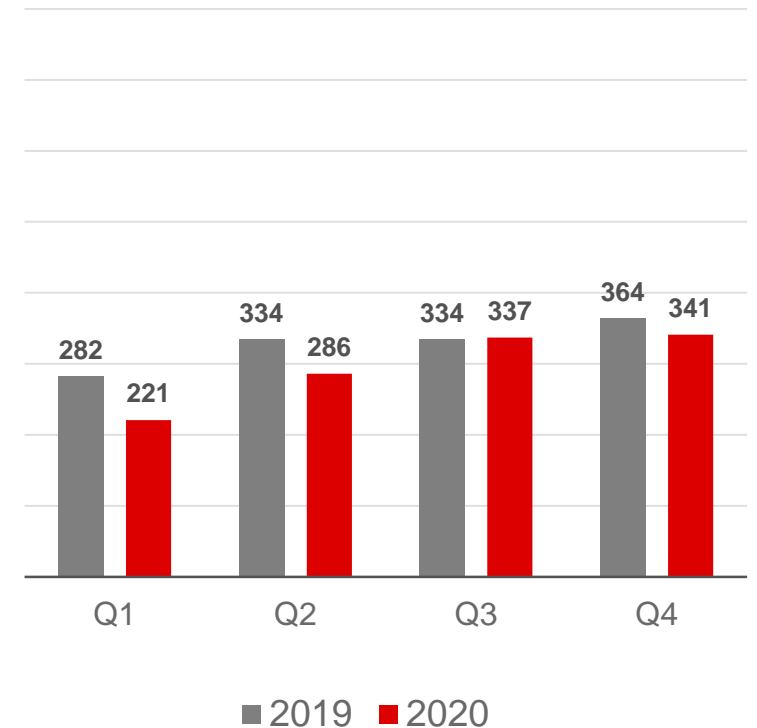
Order intake  
(CHF million)



Revenue  
(CHF million)



EBIT adjusted  
(CHF million)



# Balance sheet

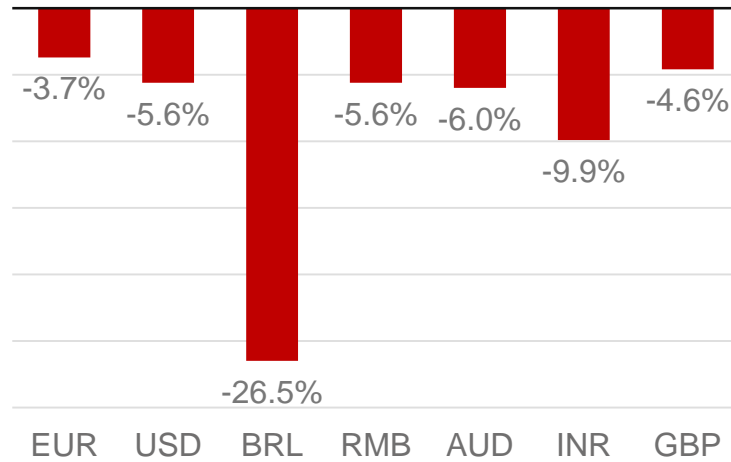
In CHF million	31.12.2020		31.12.2019	
		in %		in %
Cash and cash equivalents	2 483	22.8	2 370	22.4
Other current assets	4 892	45.0	4 587	43.2
<b>Total current assets</b>	<b>7 375</b>	<b>67.8</b>	<b>6 957</b>	<b>65.6</b>
Non-current assets	3 502	32.2	3 641	34.4
<b>Total assets</b>	<b>10 877</b>	<b>100.0</b>	<b>10 598</b>	<b>100.0</b>
Current liabilities	5 365	49.3	5 184	48.9
Non-current liabilities	1 506	13.9	1 531	14.5
<b>Total liabilities</b>	<b>6 871</b>	<b>63.2</b>	<b>6 715</b>	<b>63.4</b>
Equity	4 006	36.8	3 883	36.6
<b>Total liabilities and equity</b>	<b>10 877</b>	<b>100.0</b>	<b>10 598</b>	<b>100.0</b>
<b>Net working capital</b>	<b>−967</b>		<b>−600</b>	
<b>Net liquidity</b>	<b>2 669</b>		<b>2 046</b>	



# FX development

## Persisting negative translation impact

### Foreign currencies against CHF



### 10-year impact of FX on Revenue and EBIT

