

Key figures as of September 30, 2020

Press release
October 23, 2020

Schindler with lower revenue and profit for first nine months of 2020, mixed recovery in Q3 2020

- **Order intake –10.5%, revenue –6.6%, operating profit (EBIT) adjusted –11.2%, net profit –19.4% year-on-year for first nine months 2020**
- **Cash flow from operating activities increased to CHF 955 million**

For the first nine months of 2020, Schindler reports a revenue drop of 6.6% to CHF 7 713 million, equivalent to a decrease of 0.7% in local currencies. Order intake in the first nine months of 2020 decreased by 10.5% to CHF 8 067 million (–4.7% in local currencies).

During the third quarter of 2020, the challenging environment continued to negatively affect construction industries worldwide. Based on partial recovery in new installation and modernization activities in some countries, Schindler recorded revenue growth in local currencies.

“We continue to navigate these challenging times with a clear focus on the things we can influence: To deliver for our customers. At the same time, we remain cautious and vigilant on how best to adjust to the current dynamic global situation as more and more countries are now facing a second wave of the pandemic,” says Thomas Oetterli, Schindler’s CEO.

Order intake and order backlog

The markets in Asia-Pacific and the Americas continued to be the worst affected by the global downturn, whilst China’s economy showed a V-shaped recovery. So far, European markets have shown more resilience.

In the first nine months of 2020, order intake dropped by 10.5% to CHF 8 067 million (previous year: CHF 9 009 million), corresponding to a decrease of 4.7% in local currencies.

In the third quarter of 2020, order intake contracted by 7.1% to CHF 2 712 million (previous year: CHF 2 919 million), which is equivalent to a decrease of 0.7% in local currencies.

As of September 30, 2020, order backlog was CHF 8 948 million (September 30, 2019: CHF 9 280 million). This corresponds to a decrease of 3.6% (+2.6% in local currencies).

Revenue

Revenue contracted by 6.6% to CHF 7 713 million in the first nine months of 2020 (previous year: CHF 8 255 million), corresponding to a decrease of 0.7% in local currencies. M&A activities contributed about 1 percentage point to growth. Revenue dropped in the Americas; Europe managed to attain 2019 levels, while Asia-Pacific generated growth driven by a strong performance of the Chinese operation.

In the third quarter of 2020, revenue decreased by 2.5% to CHF 2 754 million (previous year: CHF 2 824 million), which is equivalent to an increase of 4.0% in local currencies.

Operating profit (EBIT)

In the first nine months of 2020, EBIT dropped by 20.5% to CHF 734 million (previous year: CHF 923 million), corresponding to a decrease of 13.4% in local currencies. EBIT margin reached 9.5% (previous year: 11.2%).

The result includes restructuring costs of CHF 96 million (previous year: CHF 13 million), for the factory closure in Spain and the global cost optimization program.

EBIT adjusted reached CHF 844 million with a margin of 10.9% (previous year: CHF 950 million, 11.5%).

In the third quarter of 2020, operating profit decreased by 4.3% to CHF 313 million (previous year: CHF 327 million), which is equivalent to a growth of 3.4% in local currencies. EBIT margin was 11.4% (previous year: CHF 11.6%). The adjusted EBIT margin reached 12.2% (previous year: 11.8%).

Net profit and cash flow from operating activities

Net profit totaled CHF 548 million (previous year: CHF 680 million) for the first nine months of 2020. Cash flow from operating activities was CHF 955 million (previous year: CHF 656 million; adjusted for one-off impacts: CHF 813 million).

Outlook for 2020

The COVID-19 pandemic continues to affect the global economy, including Elevator & Escalator markets. For the full year 2020 and barring further unexpected events, the company's revenue is expected to reach levels between 0% and –3% in local currencies versus the previous year. Based on potentially increased activities in some key markets and restructuring costs of up to CHF 130 million, full-year 2020 net profit is expected to reach between CHF 720 and CHF 760 million.

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Dial-in details for today's conference call at 10:00 CET are available at:
www.schindler.com/com/internet/en/investor-relations/conference-call-details.html

Key figures
January to September

| In CHF million | 2020 | 2019 | Δ % | Δ % local currencies |
|---|------------------------|------------------|-------|----------------------|
| Order intake | 8 067 | 9 009 | -10.5 | -4.7 |
| Revenue | 7 713 | 8 255 | -6.6 | -0.7 |
| Operating profit (EBIT) | 734 | 923 | -20.5 | -13.4 |
| in % | 9.5 | 11.2 | | |
| Operating profit (EBIT), adjusted | 844¹ | 950 ² | -11.2 | -3.7 |
| in % | 10.9 | 11.5 | | |
| Financing and investing activities | -18 | -39 | | |
| Profit before taxes | 716 | 884 | -19.0 | |
| Income taxes | 168 | 204 | | |
| Net profit | 548 | 680 | -19.4 | |
| Earnings per share and participation certificate in CHF | 4.76 | 5.92 | -19.6 | |
| Cash flow from operating activities | 955 | 656 ³ | 45.6 | |
| Investments in property, plant, and equipment | 99 | 162 | -38.9 | |
| | 30.9.2020 | 31.12.2019 | | |
| Order backlog | 8 948 | 9 042 | -1.0 | 3.9 |
| Number of employees | 67 057 | 66 306 | 1.1 | |

¹ Adjusted for restructuring costs (CHF 96 million) and expenses for BuildingMinds (CHF 14 million)

² Adjusted for restructuring costs (CHF 13 million) and expenses for BuildingMinds (CHF 14 million)

³ Before settlement of pension obligations (CHF -157 million) CHF 813 million

3rd quarter: July to September

| In CHF million | 2020 | 2019 | Δ % | Δ % local currencies |
|---|------------------------|------------------|-------|----------------------|
| Order intake | 2 712 | 2 919 | -7.1 | -0.7 |
| Revenue | 2 754 | 2 824 | -2.5 | 4.0 |
| Operating profit (EBIT) | 313 | 327 | -4.3 | 3.4 |
| in % | 11.4 | 11.6 | | |
| Operating profit (EBIT), adjusted | 337¹ | 334 ² | 0.9 | 9.0 |
| in % | 12.2 | 11.8 | | |
| Financing and investing activities | -7 | -7 | | |
| Profit before taxes | 306 | 320 | -4.4 | |
| Income taxes | 71 | 76 | | |
| Net profit | 235 | 244 | -3.7 | |
| Earnings per share and participation certificate in CHF | 2.03 | 2.13 | -4.7 | |
| Cash flow from operating activities | 319 | 308 | 3.6 | |
| Investments in property, plant, and equipment | 33 | 45 | -26.7 | |
| | 30.9.2020 | 30.9.2019 | | |
| Order backlog | 8 948 | 9 280 | -3.6 | 2.6 |
| Number of employees | 67 057 | 66 027 | 1.6 | |

¹ Adjusted for restructuring costs (CHF 19 million) and expenses for BuildingMinds (CHF 5 million)

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

Balance sheet

| In CHF million | 30.9.2020 | % | 31.12.2019 | % | 30.9.2019 | % |
|-------------------------------------|---------------|--------------|------------|-------|-----------|-------|
| Cash and cash equivalents | 2 208 | 20.7 | 2 370 | 22.4 | 2 180 | 21.2 |
| Other current assets | 4 929 | 46.1 | 4 587 | 43.2 | 4 360 | 42.3 |
| Total current assets | 7 137 | 66.8 | 6 957 | 65.6 | 6 540 | 63.5 |
| Non-current assets | 3 541 | 33.2 | 3 641 | 34.4 | 3 755 | 36.5 |
| Total assets | 10 678 | 100.0 | 10 598 | 100.0 | 10 295 | 100.0 |
| Current liabilities | 5 302 | 49.7 | 5 184 | 48.9 | 5 045 | 49.0 |
| Non-current liabilities | 1 592 | 14.9 | 1 531 | 14.5 | 1 391 | 13.5 |
| Total liabilities | 6 894 | 64.6 | 6 715 | 63.4 | 6 436 | 62.5 |
| Equity | 3 784 | 35.4 | 3 883 | 36.6 | 3 859 | 37.5 |
| Total liabilities and equity | 10 678 | 100.0 | 10 598 | 100.0 | 10 295 | 100.0 |

Exchange rates

| | | | 2020 | | 2019 | |
|----------|-----|-----|------------------------------|------------------------------|-----------------------------|------------------------------|
| | | | Closing rate September 30 | Average rate September 30 | Closing rate December 31 | Average rate September 30 |
| Eurozone | EUR | 1 | 1.08 | 1.07 | 1.08 | 1.12 |
| USA | USD | 1 | 0.92 | 0.95 | 0.97 | 0.99 |
| Brazil | BRL | 100 | 16.33 | 19.08 | 24.03 | 25.53 |
| China | CNY | 100 | 13.54 | 13.58 | 13.88 | 14.49 |
| India | INR | 100 | 1.25 | 1.29 | 1.35 | 1.42 |

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 – Results

(www.schindler.com/com/internet/en/investor-relations/reports/definition-on-non-gaap-items.html).