

Key figures as of March 31, 2021

Press release
April 30, 2021

Schindler reports Q1 growth, announces Top Speed 23 program, cautious market assessment

For the first quarter of 2021, order intake rose 8.0% to CHF 2 937 million and revenue increased 6.3% to CHF 2 602 million, while operating profit increased to CHF 288 million, corresponding to an EBIT margin of 11.1% (EBIT adjusted 11.6%) supported by favorable prior-year comparison, particularly related to the first quarter 2020 lockdown in China. Net profit amounted to CHF 213 million, and cash flow from operating activities improved from CHF 323 million to CHF 457 million. With these results, order intake, revenue and EBIT are broadly in line with the pre-pandemic performance of Q1 2019. In combination with the first quarter 2021 results, Schindler announces the Top Speed 23 program to accelerate digitization, boost product innovation and to address profitability gaps. The program will cost up to CHF 270 million and will run until 2023.

“Our Q1 results should be viewed in the context of the base effect created by the COVID-19 onset last year. We remain cautious, particularly as the environment continues to be challenging, due to the strong Swiss franc, increasing commodity prices, and pricing pressure,” says Thomas Oetterli, Schindler’s CEO. “At the same time, there is no better time to accelerate digital transformation and product development to strengthen our position in key markets and to address profitability gaps.”

Order intake and order backlog

Order intake rose by 8.0% to CHF 2 937 million in the first quarter of 2021 (previous year: CHF 2 720 million), corresponding to an increase of 10.6% in local currencies. All regions contributed to this growth.

As of March 31, 2021, order backlog increased by 5.8% to CHF 9 496 million (previous year: CHF 8 975 million). In local currencies, the order backlog rose by 3.3% and saw continued margin pressure.

Revenue

In the first quarter 2021, revenue amounted to CHF 2 602 million (previous year: CHF 2 447 million), which is equivalent to an increase of 6.3%. Revenue in local currencies rose 8.9%. M&A activities contributed 2.6 percentage points to growth. Revenue was stable in the Americas, while growing in the EMEA and Asia-Pacific regions, particularly supported by the new installations recovery in China.

Operating profit (EBIT)

Operating profit improved to CHF 288 million (previous year: CHF 166 million). The EBIT margin reached 11.1% (previous year: 6.8%, including restructuring cost of CHF 51 million for the factory closure in Spain plus other efficiency initiatives).

EBIT adjusted reached CHF 301 million with a margin of 11.6% (previous year: CHF 221 million, 9.0%) driven by operating leverage and supported by the effect of the cost optimization program combined with the impact of the modular product platform introduction.

Net profit and cash flow from operating activities

Net profit totaled CHF 213 million (previous year: CHF 125 million). Cash flow from operating activities increased to CHF 457 million (previous year: CHF 323 million).

Top Speed 23 program

Schindler launches the Top Speed 23 program that is designed to accelerate digital transformation, boost product innovation, and to address profitability gaps. The goal is to create an industry-leading customer experience, strengthen the company's position in key markets, and further integrating sustainability into our business model. The Top Speed 23 program will lead to incremental cost of up to CHF 270 million and will run until 2023.

Outlook for 2021

Looking ahead, the impact of the COVID-19 pandemic on construction and real estate markets, political tensions, increasing national debt, and obstacles to global trade, underpinned by historically low interest rates, will continue to affect the E&E business. In particular, Schindler expects persisting pricing pressure and increasing commodity price inflation.

For 2021, barring unexpected events, Schindler updates the outlook for revenue growth to levels between 4% and 7% in local currencies. The guidance for the 2021 net profit will be provided with the publication of half-year results.

For further information:

Nicole Wesch, Head Global Communications
Tel. +41 41 445 50 90, nicole.wesch@schindler.com

Marco Knuchel, Head Investor Relations
Tel. +41 41 445 30 61, marco.knuchel@schindler.com

www.schindler.com

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

Key figures
1st quarter: January to March

In CHF million	2021	2020	Δ %	Δ % local currencies
Order intake	2 937	2 720	8.0	10.6
Revenue	2 602	2 447	6.3	8.9
Operating profit (EBIT)	288	166	73.5	78.3
in %	11.1	6.8		
Operating profit (EBIT), adjusted	301 ¹	221 ²	36.2	39.8
in %	11.6	9.0		
Financing and investing activities	-13	-2		
Profit before taxes	275	164	67.7	
Income taxes	62	39		
Net profit	213	125	70.4	
Earnings per share and participation certificate in CHF	1.88	1.08	74.1	
Cash flow from operating activities	457	323	41.5	
Investments in property, plant, and equipment	30	31	-3.2	
	31.3.2021	31.3.2020		
Order backlog	9 496	8 975	5.8	3.3
Number of employees	66 704	66 324	0.6	

¹ Adjusted for restructuring costs (CHF 8 million) and expenses for BuildingMinds (CHF 5 million)

² Adjusted for restructuring costs (CHF 51 million) and expenses for BuildingMinds (CHF 4 million)

Balance sheet

In CHF million	31.3.2021	%	31.12.2020	%	31.3.2020	%
Cash and cash equivalents	2 557	22.7	2 483	22.8	2 247	21.9
Other current assets	5 045	44.7	4 892	45.0	4 453	43.5
Total current assets	7 602	67.4	7 375	67.8	6 700	65.4
Non-current assets	3 677	32.6	3 502	32.2	3 542	34.6
Total assets	11 279	100.0	10 877	100.0	10 242	100.0
Current liabilities	5 795	51.3	5 365	49.3	5 254	51.3
Non-current liabilities	1 564	13.9	1 506	13.9	1 695	16.5
Total liabilities	7 359	65.2	6 871	63.2	6 949	67.8
Equity	3 920	34.8	4 006	36.8	3 293	32.2
Total liabilities and equity	11 279	100.0	10 877	100.0	10 242	100.0

Exchange rates

			2021		2020	
			Closing rate March 31	Average rate March 31	Closing rate December 31	Average rate March 31
Eurozone	EUR	1	1.11	1.09	1.08	1.07
USA	USD	1	0.94	0.90	0.88	0.97
Brazil	BRL	100	16.44	16.51	16.95	21.71
China	CNY	100	14.40	13.92	13.46	13.82
India	INR	100	1.29	1.24	1.20	1.33

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).