

Q1 2022 results

April 22, 2022

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Schindler

Unprecedented mix of challenges expanding

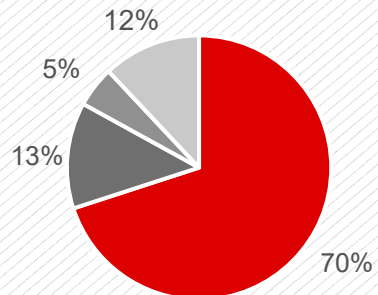
Ukraine war and China lockdowns exacerbate the situation

1. Dealing with foreign exchange burden
 - ▷ EUR/CHF –4.6% year-to-date
2. Regaining competitive new installation (NI) margins
 - ▷ FY 2022 material cost inflation: P&L impact from CHF 150m to CHF 200m
3. Resolving supply chain disruptions
 - ▷ Ukraine war and China lockdowns
4. Streamlining product portfolio complexity
 - ▷ Excessive options found in modularity platform backlog
5. Adjusting for China NI market contraction
 - ▷ Tier 2/3/4 housing inventory back to alert levels, units contraction from –5% to –15%

Update challenge #2: regaining competitive NI margins

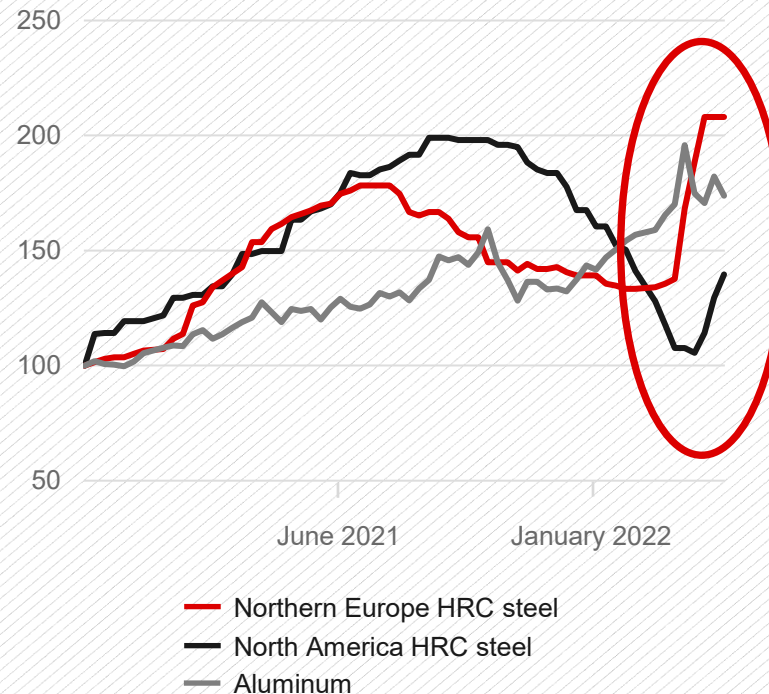
Steel and aluminum prices back to record levels

Schindler spend by material
(total ~CHF 1bn)



- Steel
- Electronic components
- Aluminum
- Others

Steel and aluminum prices (since January 1, 2021)



Key actions

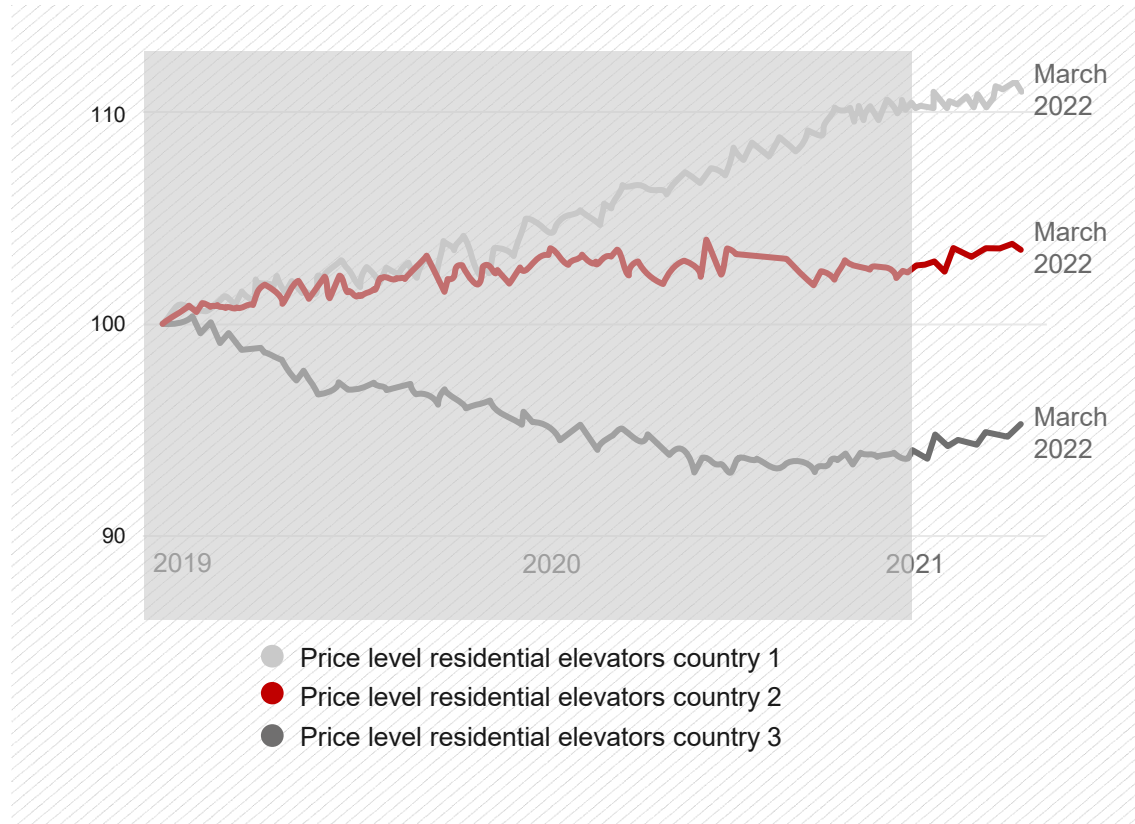
- Increase dual-sourcing
- Negotiations with key suppliers
- Lock-in higher volumes
- Hedging of bulk metals

HRC: Hot Rolled Coil, source: Bloomberg, indexed, base January 1, 2021

Update challenge #2: regain competitive NI margins

Price levels still unable to offset cost inflation impact

Price increases need time to materialize
(offer-to-bill lead times)



Key actions

- First series of price increases across all product lines and regions
- Inflation clause enforcement: open tenders + backlog
- Pricing-quality based incentive scheme for sales force

Update challenge #3 and #4: Supply chain/product complexity

Supply chain issues exacerbated by excessive options in modularity platform backlog

Key issue

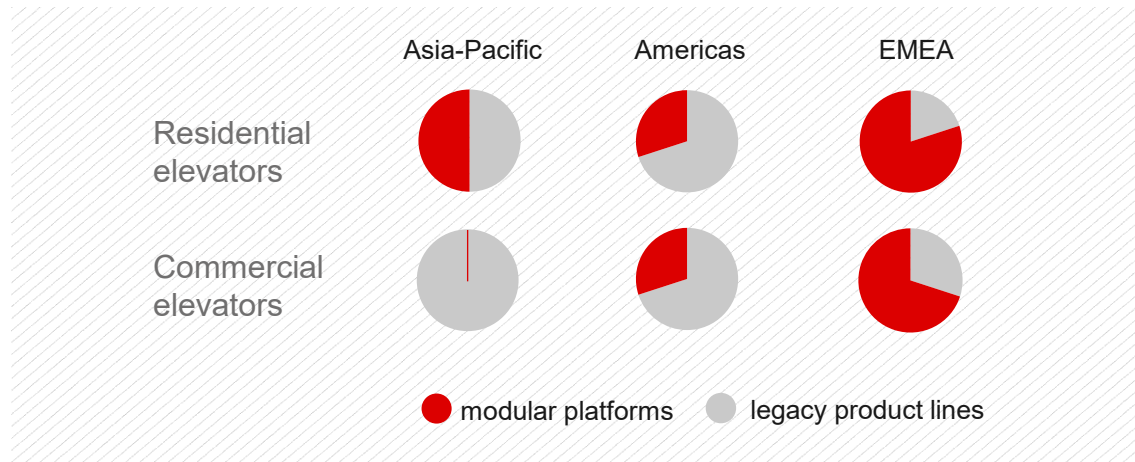
Factories stretched by legacy backlog vs. growing modular product deliveries

► Update since February 16, 2022:

Backlog analysis revealed excessive number of options offered on new modular platform creating:

- ripple-down effects across the whole value chain
- delivery delays to site

Status sales release of modular products (OIT)



OIT: Order intake

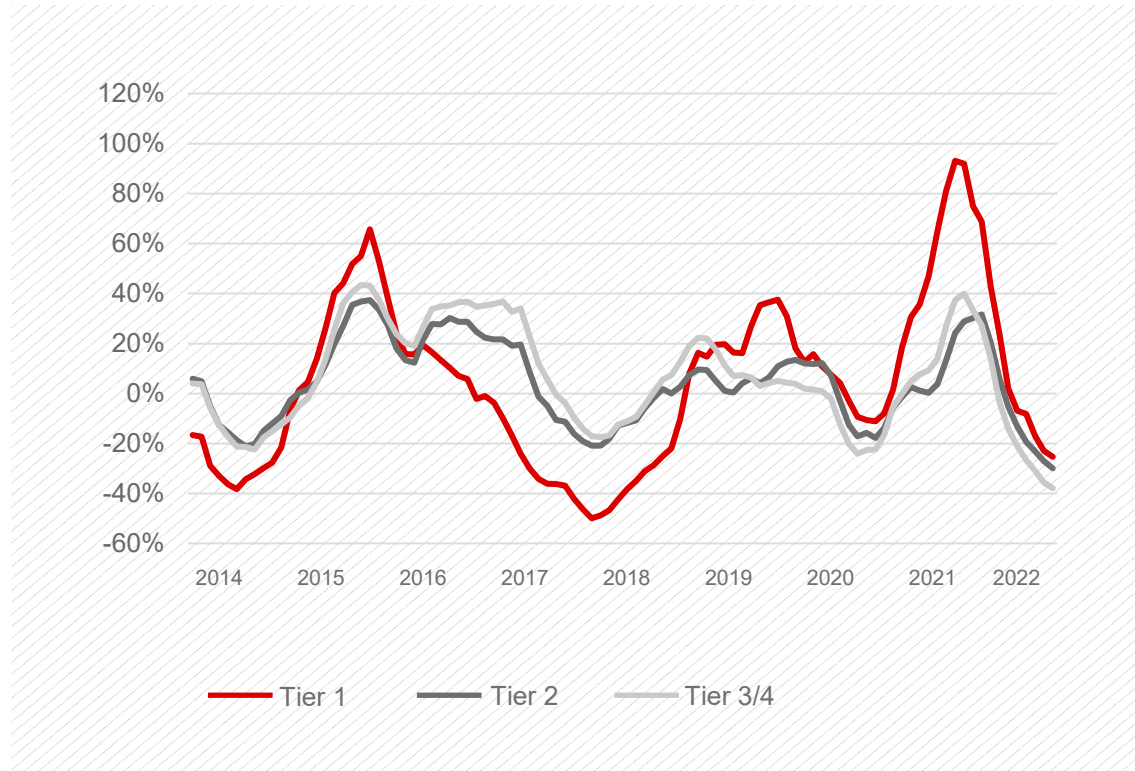
Key actions

- Executive task force deployed
- Outstanding backlog and tenders: customer renegotiation for optimized design and delivery time
- Drastic reduction of options offered
- Sales configurator adjusted

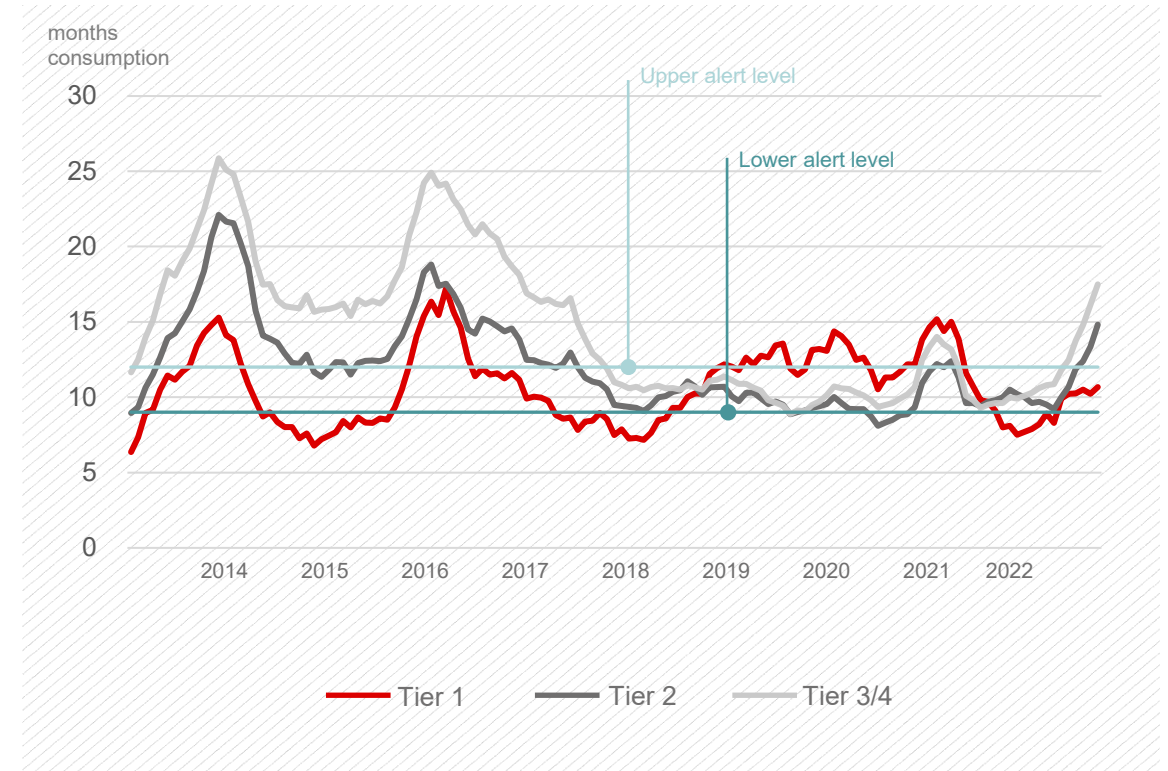
Update challenge #5: China NI market to further contract

Market units expected to decline by 15% or more

Floor space sold further declined across all city tiers¹⁾



Tier 2/3/4 cities housing inventory back to alert levels

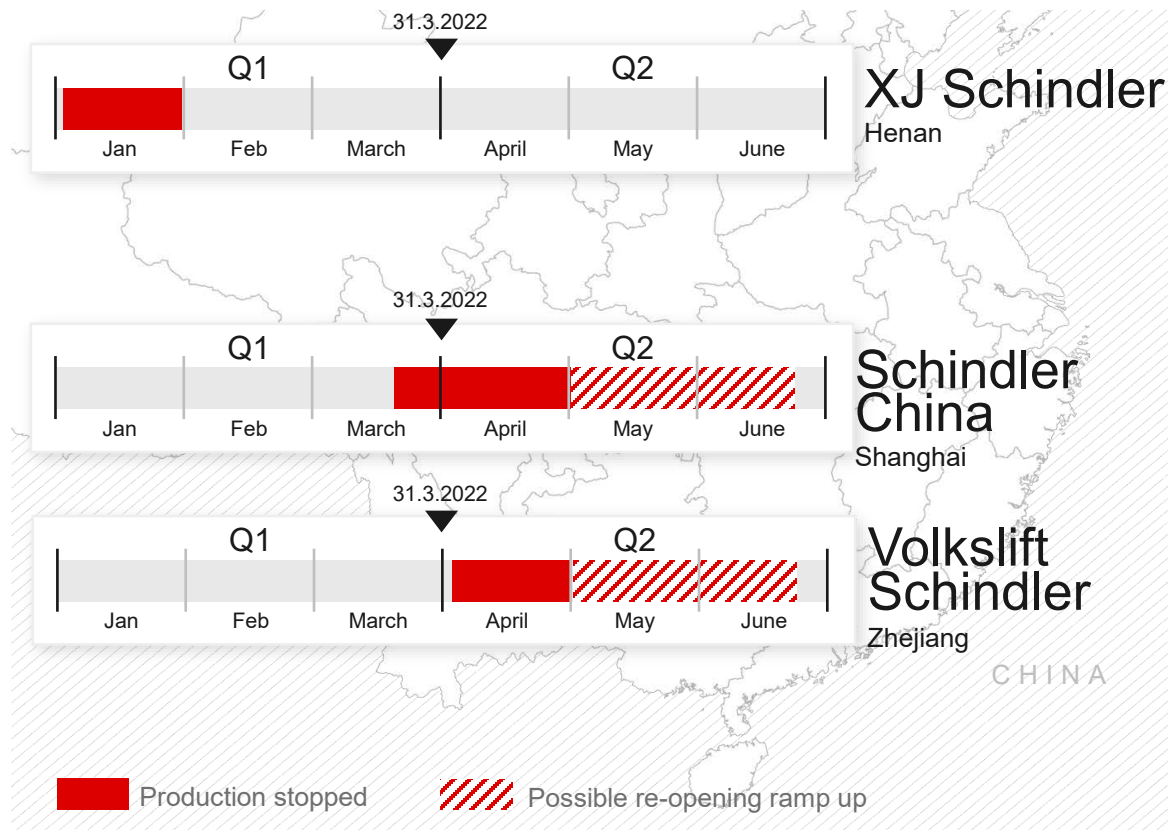


1) Six months average by city tier
2) Housing inventory by city tier (months of sales)

Update challenge #5: China NI market to further contract

Accelerated market contraction aggravated by lockdowns

Lockdown periods



Key actions

- Support to staff in lockdown
- Preparation of production for re-opening
- Extra fulfillment capacity in preparation for construction site restart

Order backlog + operational legacy + declining market = highly challenging situation

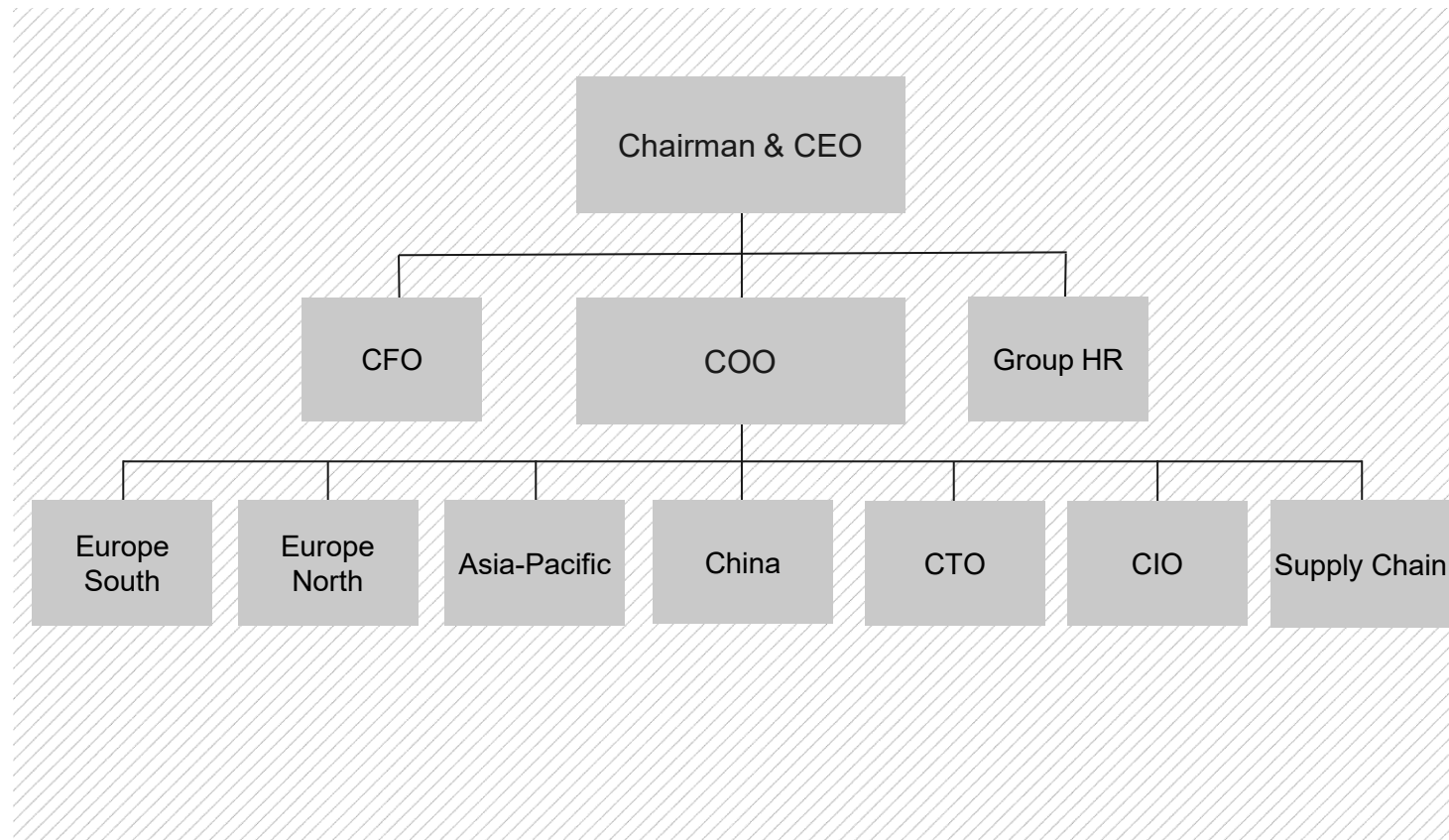
Sharpened focus to regain performance

- ▷ Further streamlining of senior leadership setup
- ▷ Revised incentive scheme – priority to NI/MOD profitability
- ▷ Price increases across all regions and product lines
- ▷ Accelerated measures to streamline product offering
- ▷ Clean-up backlog
- ▷ Supply chain turnaround
- ▷ Efficiency drive
 - Material
 - Labor
 - Structure and overhead

Further streamlined leadership setup to navigate challenges

Group Executive Committee reduced from 14 to 11 members

Group Executive Committee (as of May 1, 2022)



► Update since February 16, 2022:

- Operations removed from ExCo
- Region Americas removed from ExCo

Key Changes as of February 16, 202

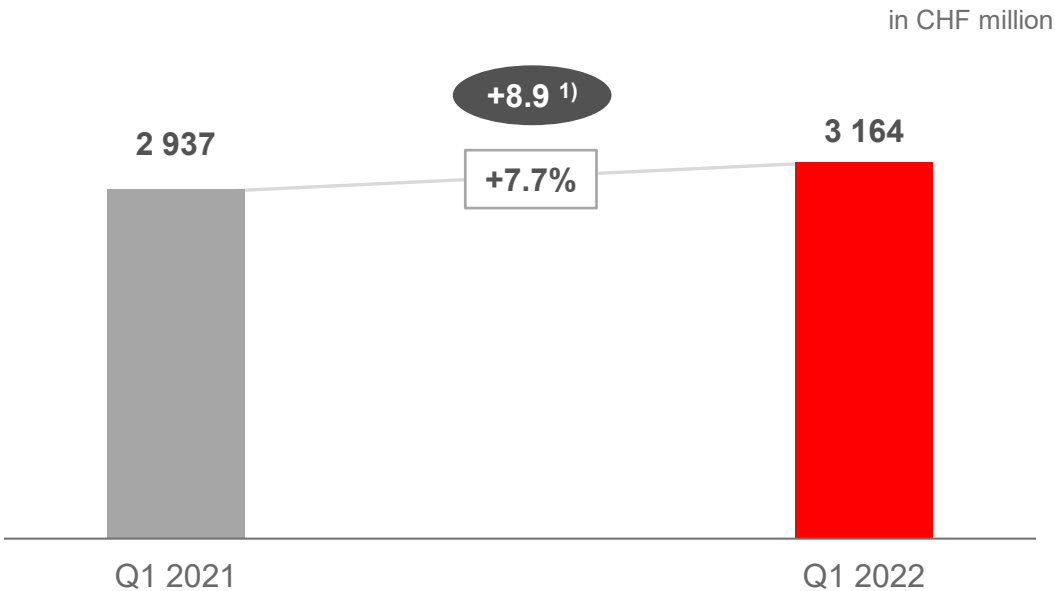
- Combined Chairman & CEO
- New COO role
- FQE removed from ExCo

Results in a nutshell

- Challenging start to the year
- Operating results heavily affected by aggravated supply chain issues, cost inflation, lockdowns and market contraction in China
- Growth in order intake and revenue
- Sharpened focus to offset inflation by increasing prices, streamlining the product offering and driving efficiency

Order intake development

Growth, but continued margin pressure



1) Growth in local currencies, in %

Order intake bridge

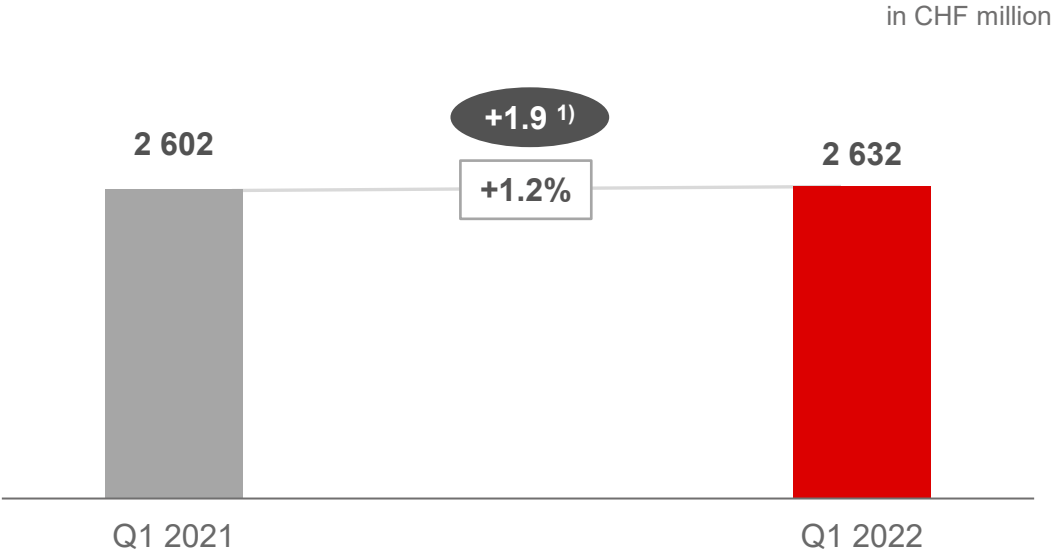


Growth in all regions – sharp contraction in the Chinese new installations business offset

○ 0 to <5% ○○ 5% to <10% ○○○ 10% to <20% ○○○○ ≥20% negative ○ | ○ positive

Revenue development

Overall growth, Asia-Pacific region declined due to the situation in China



1) Growth in local currencies, in %

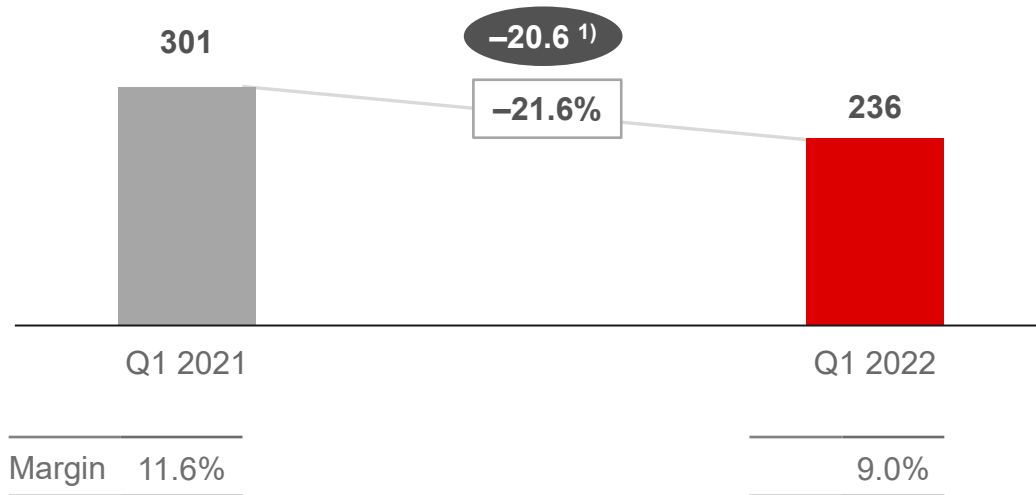
Revenue bridge



EBIT adj. development

Impacted by further material cost inflation, situation in China and supply chain disruptions

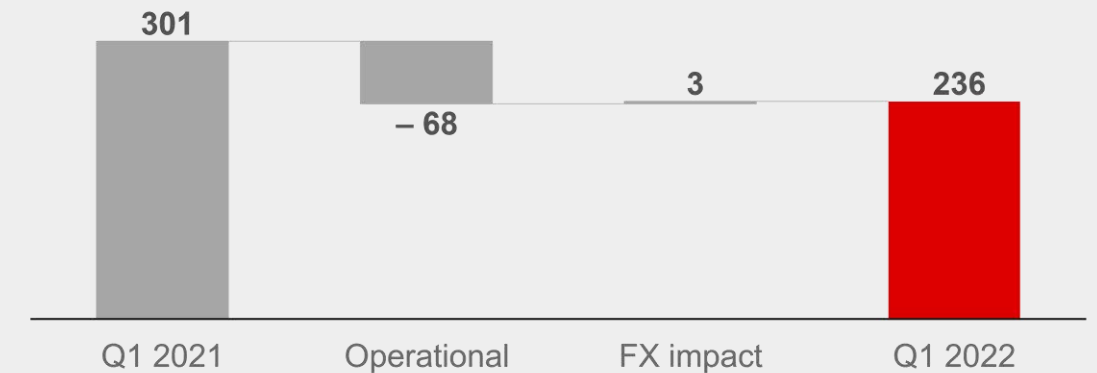
in CHF million



1) Growth in local currencies, in %

EBIT adjusted bridge

in CHF million

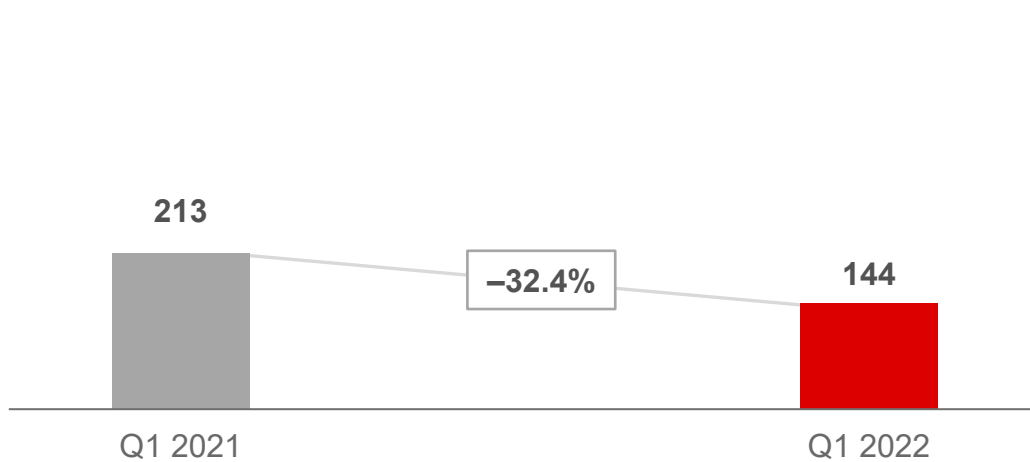


Net profit and cash flow

Lower margin, onset of Top Speed 23 costs and less NWC improvement

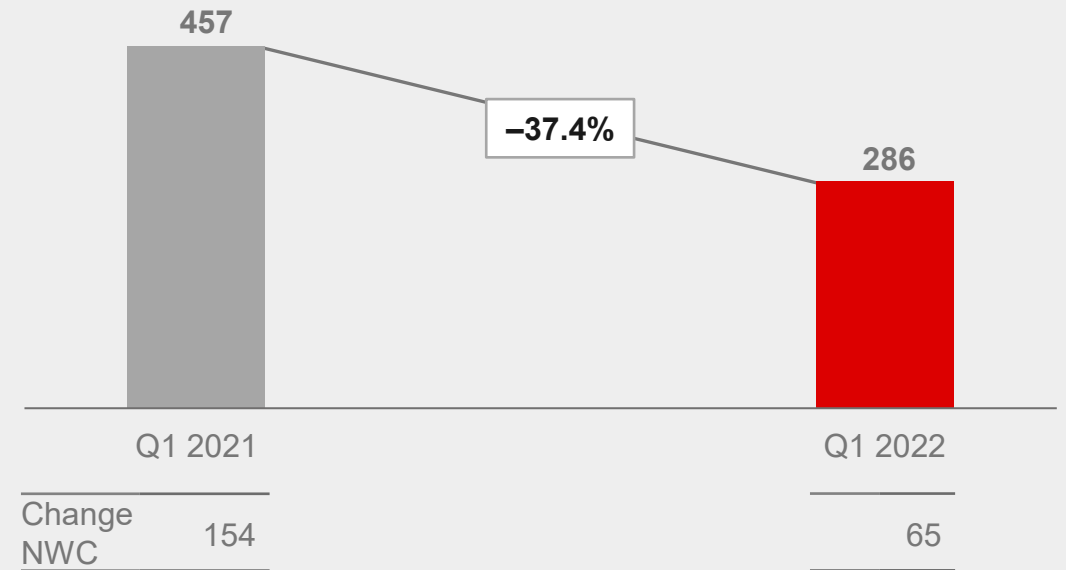
Net profit

in CHF million



Cash flow from operating activities

in CHF million



Outlook 2022



Outlook 2022

As of April 22, 2022

Business environment

- China market contracting, RoW mixed
- Construction site delays continue to hinder project execution
- Material cost inflation and supply chain disruptions to continue

Schindler outlook for 2022

- Order backlog, product complexity and operational legacy continue to affect margins
- Further price increases across all products and regions unlikely to offset cost pressure
- For the second quarter 2022, revenue growth and profitability are expected at similar levels as in Q1 2022
- Revenue growth for the full year 2022 between 1% to 6% in local currencies



Additional charts

Financial calendar 2022

	2022	2023
Full year results media conference		February
Closing date of shareholders' register		
Ordinary General Meeting Schindler Holding Ltd.		March 28
First trading date ex-dividend		
Date of Schindler Holding Ltd. dividend payment		
Publication of key figures as of March 31		April
Publication of Interim Report as of June 30	July 22	July
Publication of key figures as of September 30	October 20	October

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Key figures as of March 31, 2022

January to March

In CHF million	Q1 2022	Q1 2021	△ %	△% in LC
Order intake	3 164	2 937	7.7	8.9
Revenue	2 632	2 602	1.2	1.9
Operating profit (EBIT)	211	288	−26.7	−25.7
in %	8.0	11.1		
Operating profit (EBIT), adjusted	236 ¹⁾	301 ²⁾	−21.6	−20.6
in %	9.0	11.6		
Financing and investing activities	−23	−13		
Profit before taxes	188	275	−31.6	
Income taxes	44	62		
Net profit	144	213	−32.4	
Earnings per share and participation certificate in CHF	1.24	1.88	−34.0	
Cash flow from operating activities	286	457	−37.4	

¹⁾ Adjusted for Top Speed 23 costs (CHF 16 million), restructuring costs (CHF 3 million), and expenses for BuildingMinds (CHF 6 million)

²⁾ Adjusted for restructuring costs (CHF 8 million) and expenses for BuildingMinds (CHF 5 million)

Quarterly overview

Key figures

In CHF million	2022				2021
	Q1	Q4	Q3	Q2	Q1
Order intake	3 164	3 128	2 995	3 106	2 937
Revenue	2 632	2 954	2 807	2 873	2 602
Operating profit (EBIT)	211	253	306	319	288
in %	8.0	8.6	10.9	11.1	11.1
Operating profit (EBIT), adjusted	236	306	308	337	301
in %	9.0	10.4	11.0	11.7	11.6
Financing and investing activities	−23	−11	−7	−11	−13
Profit before taxes	188	242	299	308	275
Income taxes	44	50	65	66	62
Net profit	144	192	234	242	213
Cash flow from operating activities	286	356	237	264	457

Balance sheet

In CHF million	31.03.2022	in %	31.12.2021	in %	31.03.2021	in %
Cash and cash equivalents	2 648	22.2	2 841	23.7	2 557	22.7
Other current assets	5 356	45.0	5 436	45.4	5 045	44.7
Total current assets	8 004	67.2	8 277	69.1	7 602	67.4
Non-current assets	3 910	32.8	3 697	30.9	3 677	32.6
Total assets	11 914	100.0	11 974	100.0	11 279	100.0
Current liabilities	6 150	51.6	5 955	49.7	5 795	51.3
Non-current liabilities	1 598	13.4	1 589	13.3	1 564	13.9
Total liabilities	7 748	65.0	7 544	63.0	7 359	65.2
Equity	4 166	35.0	4 430	37.0	3 920	34.8
Total liabilities and equity	11 914	100.0	11 974	100.0	11 279	100.0
Net working capital	-1 143		-1 055		-1 178	
Net liquidity	2 761		3 027		2 656	