

Ad hoc announcement pursuant to Art. 53 LR

Key figures as of September 30, 2022

Press release
October 20, 2022

Initial recovery in revenue and profitability, order intake under pressure

- **Measures implemented starting to pay off**
- **Revenue rebound in third quarter**
- **Profitability starting to recover**
- **Order intake under pressure**
- **Complex mix of challenges continues to be addressed**
- **Outlook confirmed**

In the third quarter of 2022, revenue increased by 5.6% to CHF 2 965 million. EBIT improved throughout the quarter and reached CHF 252 million. Order intake continued to be under pressure due to the declining Chinese market combined with the focus on margins to offset inflation. In the first nine months of 2022, order intake decreased by 0.8% to CHF 8 967 million and revenue increased by 0.3% to CHF 8 310 million, while operating profit dropped to CHF 655 million, corresponding to an EBIT margin of 7.9% (EBIT adjusted 8.9%). Net profit amounted to CHF 481 million, and cash flow from operating activities reached CHF 376 million.

“We are encouraged by the top- and bottom-line results in the third quarter,” said Silvio Napoli, Schindler’s Chairman and CEO. “The stabilizing measures put in place are starting to pay off. Nonetheless, resolving our legacy issues and adjusting to the fast-evolving market conditions will need more time. Overall, we are confident in our trajectory.”

Order intake and order backlog

Order intake decreased by 0.8% to CHF 8 967 million in the first nine months of 2022 (previous year: CHF 9 038 million), corresponding to an increase of 0.7% in local currencies. The Americas and EMEA regions grew, while the significant contraction of the Chinese New Installations market weighed negatively on Asia-Pacific. Overall, New Installations declined, while the Maintenance, Modernization, and Repairs businesses continued to grow.

In the third quarter of 2022, order intake dropped by 8.5% to CHF 2 740 million (previous year: CHF 2 995 million), 5.9% in local currencies.

As of September 30, 2022, order backlog increased by 1.2% to CHF 9 929 million (previous year: CHF 9 810 million). In local currencies, the order backlog rose by 4.4%.

Revenue

In the first nine months of 2022, revenue reached CHF 8 310 million (previous year: CHF 8 282 million), for an increase of 0.3% (1.7% in local currencies). The Americas and EMEA regions recorded growth, while Asia-Pacific was impacted by the situation in China.

In the third quarter of 2022, revenue rose by 5.6% to CHF 2 965 million (previous year: CHF 2 807 million), corresponding to an increase of 7.9% in local currencies. All regions and product lines contributed to growth.

Operating profit (EBIT)

Operating profit dropped in the first nine months of 2022 to CHF 655 million (previous year: CHF 913 million). The EBIT margin reached 7.9% (previous year: 11.0%).

EBIT adjusted reached CHF 738 million with a margin of 8.9% (previous year: CHF 946 million; 11.4%).

In the third quarter of 2022, operating profit amounted to CHF 252 million (previous year: CHF 306 million). The EBIT margin was 8.5% (previous year: 10.9%). The adjusted EBIT margin reached 9.2% (previous year: 11.0%).

Net profit and cash flow from operating activities

Net profit totaled CHF 481 million (previous year: CHF 689 million) for the first nine months of 2022.

Cash flow from operating activities reached CHF 376 million (previous year: CHF 958 million), resulting from lower operating profit and increased net working capital requirements.

Exit from Russia

Schindler completed the sale of its operations in Russia to local senior management and exited the market. The business now operates under the name TRP Group.

Outlook for 2022

Schindler expects the markets to further slow down globally. Assuming no further lockdowns and other unexpected events, Schindler foresees revenue growth between 0% and +2% in local currencies and confirms its net profit guidance of between CHF 620 million and CHF 660 million for the full year 2022.

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

Key figures
January to September

In CHF million	2022	2021	Δ %	Δ % local currencies
Order intake	8 967	9 038	-0.8	0.7
Revenue	8 310	8 282	0.3	1.7
Operating profit (EBIT)	655	913	-28.3	-26.5
in %	7.9	11.0		
Operating profit (EBIT), adjusted	738¹	946 ²	-22.0	-20.2
in %	8.9	11.4		
Financing and investing activities	-30	-31		
Profit before taxes	625	882	-29.1	
Income taxes	144	193		
Net profit	481	689	-30.2	
Earnings per share and participation certificate in CHF	4.13	6.06	-31.8	
Cash flow from operating activities	376	958	-60.8	
Investments in property, plant, and equipment	80	82	-2.4	
	30.09.2022	31.12.2021		
Order backlog	9 929	9 565	3.8	4.4
Number of employees	69 951	69 015	1.4	

¹ Adjusted for Top Speed 23 costs (CHF 43 million), restructuring costs (CHF 23 million), and expenses for BuildingMinds (CHF 17 million)

² Adjusted for Top Speed 23 costs (CHF 16 million), restructuring costs (CHF 20 million), real estate gains (CHF -21 million), and expenses for BuildingMinds (CHF 18 million)

3rd quarter: July to September

In CHF million	2022	2021	Δ %	Δ % local currencies
Order intake	2 740	2 995	-8.5	-5.9
Revenue	2 965	2 807	5.6	7.9
Operating profit (EBIT)	252	306	-17.6	-15.0
in %	8.5	10.9		
Operating profit (EBIT), adjusted	272¹	308 ²	-11.7	-8.8
in %	9.2	11.0		
Financing and investing activities	-11	-7		
Profit before taxes	241	299	-19.4	
Income taxes	56	65		
Net profit	185	234	-20.9	
Earnings per share and participation certificate in CHF	1.59	2.06	-22.8	
Cash flow from operating activities	77	237	-67.5	
Investments in property, plant, and equipment	22	25	-12.0	
	30.09.2022	30.09.2021		
Order backlog	9 929	9 810	1.2	4.4
Number of employees	69 951	68 252	2.5	

¹ Adjusted for Top Speed 23 costs (CHF 12 million), restructuring costs (CHF 3 million), and expenses for BuildingMinds (CHF 5 million)

² Adjusted for Top Speed 23 costs (CHF 12 million), restructuring costs (CHF 5 million), real estate gains (CHF -21 million), and expenses for BuildingMinds (CHF 6 million)

Balance sheet

In CHF million	30.09.2022	%	31.12.2021	%	30.09.2021	%
Cash and cash equivalents	2 095	17.9	2 841	23.7	2 674	22.9
Other current assets	5 948	50.8	5 436	45.4	5 226	44.8
Total current assets	8 043	68.7	8 277	69.1	7 900	67.7
Non-current assets	3 663	31.3	3 697	30.9	3 767	32.3
Total assets	11 706	100.0	11 974	100.0	11 667	100.0
Current liabilities	6 250	53.4	5 955	49.7	5 733	49.2
Non-current liabilities	1 185	10.1	1 589	13.3	1 437	12.3
Total liabilities	7 435	63.5	7 544	63.0	7 170	61.5
Equity	4 271	36.5	4 430	37.0	4 497	38.5
Total liabilities and equity	11 706	100.0	11 974	100.0	11 667	100.0

Exchange rates

			2022		2021	
			Closing rate September 30	Average rate September 30	Closing rate December 31	Average rate September 30
Eurozone	EUR	1	0.96	1.01	1.03	1.09
USA	USD	1	0.98	0.95	0.91	0.91
Brazil	BRL	100	18.07	18.45	16.37	17.16
China	CNY	100	13.72	14.35	14.36	14.08
India	INR	100	1.20	1.23	1.23	1.24

Non-GAAP measures

The key figures comprise certain non-GAAP measures that are not defined by International Financial Reporting Standards (IFRS). The Group's definitions of these non-GAAP items are available at: group.schindler.com – Investors – Results – Non-GAAP definitions (group.schindler.com/en/investor-relations/results/definition-on-non-gaap-items.html).