

Facts and figures.

Interim Report as of June 30, 2023

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Schindler

Key figures as of June 30, 2023

1st half: January to June

In CHF million	2023	2022	Δ %	Δ % local currencies
Order intake	5 938	6 227	-4.6	0.8
Revenue	5 722	5 345	7.1	12.6
Operating profit (EBIT)	602	403	49.4	58.1
in %	10.5	7.5		
Operating profit (EBIT), adjusted	606¹	466 ²	30.0	37.8
in %	10.6	8.7		
Financing and investing activities	-6	-19		
Profit before taxes	596	384	55.2	
Income taxes	133	88		
Net profit	463	296	56.4	
Earnings per share and participation certificate in CHF	3.99	2.54	57.1	
Cash flow from operating activities	521	299	74.2	
Investments in property, plant, and equipment	42	58	-27.6	
	30.06.2023	31.12.2022		
Order backlog	9 491	9 551	-0.6	2.1
Number of employees	69 737	69 998	-0.4	

¹ Adjusted for Top Speed 23 costs (CHF 19 million), restructuring costs (CHF 7 million), real estate gains (CHF -32 million), and expenses for BuildingMinds (CHF 10 million)

² Adjusted for Top Speed 23 costs (CHF 31 million), restructuring costs (CHF 20 million), and expenses for BuildingMinds (CHF 12 million)

2nd quarter: April to June

In CHF million	2023	2022	Δ %	Δ % local currencies
Order intake	3 049	3 063	-0.5	6.7
Revenue	2 926	2 713	7.9	15.2
Operating profit (EBIT)	320	192	66.7	78.1
in %	10.9	7.1		
Operating profit (EBIT), adjusted	334¹	230 ²	45.2	55.2
in %	11.4	8.5		
Financing and investing activities	2	4		
Profit before taxes	322	196	64.3	
Income taxes	71	44		
Net profit	251	152	65.1	
Earnings per share and participation certificate in CHF	2.15	1.30	65.4	
Cash flow from operating activities	240	13	-	
Investments in property, plant, and equipment	23	34	-32.4	
	30.06.2023	30.06.2022		
Order backlog	9 491	10 257	-7.5	-0.9
Number of employees	69 737	69 429	0.4	

¹ Adjusted for Top Speed 23 costs (CHF 10 million), restructuring costs (CHF 5 million), real estate gains (CHF -6 million), and expenses for BuildingMinds (CHF 5 million)

² Adjusted for Top Speed 23 costs (CHF 15 million), restructuring costs (CHF 17 million), and expenses for BuildingMinds (CHF 6 million)

Gaining momentum

In the first six months of 2023, revenue rose by 7.1% to CHF 5 722 million, while order intake decreased by 4.6% to CHF 5 938 million. Operating profit reached CHF 602 million, corresponding to an EBIT margin of 10.5%. Net profit increased to CHF 463 million, and cash flow from operating activities improved by 74% to CHF 521 million.

“Against weakening global markets and increasing foreign exchange pressure, we remained focused on delivering for our customers,” said Silvio Napoli, Schindler’s Chairman and CEO. “We’re encouraged to see how our efficiency-enhancing measures are starting to pay off. We’re committed to building on this momentum to continue driving sustainable performance and profitable growth.”

Order intake and order backlog

Order intake reached CHF 5 938 million in the first half of 2023 (previous year: CHF 6 227 million), corresponding to a year-on-year reduction of 4.6%, or an increase of 0.8% in local currencies. The EMEA and Americas regions recorded low single-digit growth, while Asia-Pacific was still impacted by the declining New Installations market in China. Service continued to grow across all regions.

In the second quarter of 2023, order intake amounted to CHF 3 049 million (second quarter of 2022: CHF 3 063 million), corresponding to a decline of 0.5%, or an increase of 6.7% in local currencies.

As of June 30, 2023, order backlog was consumed by 7.5% to CHF 9 491 million (previous year: CHF 10 257 million). In local currencies, the order backlog decreased by 0.9%.

Revenue

In the first half of 2023, revenue increased by 7.1% to CHF 5 722 million (previous year: CHF 5 345 million), equivalent to 12.6% in local currencies. All regions and product lines recorded growth driven by strong backlog execution. The revenue growth was particularly strong in China, which had been negatively impacted by COVID-related lockdowns in the first semester 2022. Foreign exchange development had a strong negative impact of CHF 299 million.

In the second quarter of 2023, revenue increased by 7.9% to CHF 2 926 million (previous year: CHF 2 713 million), corresponding to 15.2% in local currencies.

Operating profit (EBIT)

In the first half of 2023, operating profit rose to CHF 602 million (previous year: CHF 403 million), despite the foreign exchange impact of CHF 35 million. The EBIT margin reached 10.5% (previous year: 7.5%). This strong profitability uptake was driven by operational efficiency gains and supply chain stabilization, combined with continued pricing efforts and with the base effect of last year's COVID-related lockdowns in China.

EBIT adjusted reached CHF 606 million with a margin of 10.6% (previous year: CHF 466 million; 8.7%).

In the second quarter of 2023, operating profit amounted to CHF 320 million (previous year: CHF 192 million). The EBIT margin was 10.9% (previous year: 7.1%). The adjusted EBIT margin reached 11.4% (previous year: 8.5%).

Net profit and cash flow from operating activities

Net profit totaled CHF 463 million (previous year: CHF 296 million) in the first half of 2023. Cash flow from operating activities reached CHF 521 million (previous year: CHF 299 million), corresponding to an increase of 74%, mainly driven by higher profits and lower net working capital requirements.

Outlook for 2023

Market uncertainty, labor cost inflation and scarcity, combined with intensifying foreign exchange pressures, continue to shape a challenging environment.

Schindler remains focused on its strategic priorities to drive customer value, quality, and efficiency and to further improve performance. For 2023, barring unexpected events, Schindler expects revenue growth between 5% and 8% in local currencies, and a net profit between CHF 860 million and CHF 900 million.

Consolidated interim financial statements

Consolidated income statement

In CHF million	2023		2022	
	01.01.–30.06.	%	01.01.–30.06.	%
Revenue	5 722	100.0	5 345	100.0
Cost of materials	1 691	29.6	1 493	27.9
Personnel expenses	2 156	37.7	2 151	40.3
Other operating expenses	1 105	19.3	1 128	21.1
Depreciation, amortization, and impairment	168	2.9	170	3.2
Total operating expenses	5 120	89.5	4 942	92.5
Operating profit	602	10.5	403	7.5
Financial income	30	0.5	25	0.5
Financial expenses	38	0.7	36	0.7
Result from associates	2	0.0	–8	–0.1
Profit before taxes	596	10.4	384	7.2
Income taxes	133	2.3	88	1.7
Net profit	463	8.1	296	5.5
Net profit attributable to				
Shareholders of Schindler Holding Ltd.	429		273	
Non-controlling interests	34		23	
Earnings per share in CHF				
Basic	3.99		2.54	
Diluted	3.99		2.53	

Consolidated statement of comprehensive income

In CHF million	2023	2022
	01.01.–30.06.	01.01.–30.06.
Net profit	463	296
Other comprehensive income – may be reclassified to the income statement in future		
Exchange differences	–66	4
Cash flow hedges	–1	–13
Debt instruments at fair value through OCI	–	–1
Income taxes	–	4
Total – may be reclassified to the income statement in future	–67	–6
Other comprehensive income – not to be reclassified to the income statement in future		
Equity instruments at fair value through other comprehensive income (FVOCI)	42	–79
Remeasurements of employee benefits	–7	6
Income taxes	–2	2
Total – not to be reclassified to the income statement in future	33	–71
Total other comprehensive income (OCI)	–34	–77
Comprehensive income	429	219
Comprehensive income attributable to		
Shareholders of Schindler Holding Ltd.	398	197
Non-controlling interests	31	22

Consolidated balance sheet

In CHF million	30.06.2023	%	31.12.2022	%
Current assets				
Cash and cash equivalents	2 257	19.9	2 153	18.2
Current financial assets	778	6.9	1 287	10.9
Accounts receivable	2 103	18.5	2 130	18.1
Income tax receivable	92	0.8	95	0.8
Contract assets	991	8.7	921	7.8
Inventories	1 370	12.1	1 418	12.0
Prepaid expenses	160	1.4	105	0.9
Total current assets	7 751	68.3	8 109	68.7
Non-current assets				
Property, plant, and equipment	919	8.1	962	8.2
Right-of-use assets	440	3.9	441	3.7
Intangible assets	1 447	12.7	1 457	12.3
Associates	22	0.2	25	0.2
Non-current financial assets	455	4.0	487	4.1
Deferred taxes	298	2.6	305	2.6
Employee benefits	22	0.2	22	0.2
Total non-current assets	3 603	31.7	3 699	31.3
Total assets	11 354	100.0	11 808	100.0
Liabilities				
Current liabilities				
Accounts payable	1 218	10.7	1 251	10.6
Financial debts	59	0.5	457	3.9
Lease liabilities	119	1.0	114	1.0
Income tax payable	167	1.5	159	1.3
Contract liabilities	2 905	25.6	2 805	23.8
Accrued expenses	1 122	9.9	1 197	10.1
Provisions	233	2.1	269	2.3
Total current liabilities	5 823	51.3	6 252	53.0
Non-current liabilities				
Financial debts	173	1.5	167	1.4
Lease liabilities	307	2.7	306	2.6
Provisions	275	2.4	276	2.3
Deferred taxes	152	1.3	143	1.2
Employee benefits	218	2.0	219	1.9
Total non-current liabilities	1 125	9.9	1 111	9.4
Total liabilities	6 948	61.2	7 363	62.4
Equity				
Shareholders of Schindler Holding Ltd.	4 308	37.9	4 331	36.6
Non-controlling interests	98	0.9	114	1.0
Total equity	4 406	38.8	4 445	37.6
Total liabilities and equity	11 354	100.0	11 808	100.0

Consolidated statement of changes in equity

In CHF million	Share and participation capital	Share premium	Treasury shares	Exchange differences	Other reserves	Retained earnings	Total	Non-controlling interests	Total Group
January 1, 2023	11	311	-54	-1 117	-3	5 183	4 331	114	4 445
Net profit						429	429	34	463
Other comprehensive income (OCI)				-63	-1	33	-31	-3	-34
Comprehensive income				-63	-1	462	398	31	429
Dividends						-430	-430	-47	-477
Change in treasury shares			19			-19	-	-	-
Share-based payments						9	9	-	9
June 30, 2023	11	311	-35	-1 180	-4	5 205	4 308	98	4 406
January 1, 2022	11	311	-29	-1 023	5	5 028	4 303	127	4 430
Net profit						273	273	23	296
Other comprehensive income (OCI)				3	-8	-71	-76	-1	-77
Comprehensive income				3	-8	202	197	22	219
Dividends						-431	-431	-32	-463
Change in treasury shares			23			-21	2	-	2
Share-based payments						11	11	-	11
Change in non-controlling interests						-	-	1	1
Change in liabilities towards non-controlling interests						-10	-10	-	-10
June 30, 2022	11	311	-6	-1 020	-3	4 779	4 072	118	4 190

Consolidated cash flow statement

In CHF million	2023 01.01.–30.06.	2022 01.01.–30.06.
Operating profit	602	403
Depreciation, amortization, and impairment	168	170
Other non-cash items	43	109
Other cash items	-93	-76
Dividends received	7	7
Interest received	21	11
Interest paid	-11	-10
Other financial result	-19	-8
Income taxes paid, net	-117	-144
Change in net working capital	-80	-163
Cash flow from operating activities	521	299
Additions		
Property, plant, and equipment	-42	-58
Intangible assets	-3	-3
Current and non-current financial assets	-727	-795
Disposals		
Property, plant, and equipment	39	4
Current and non-current financial assets	1 331	715
Business combinations	-34	-91
Cash flow from investing activities	564	-228
Proceeds from increase in current and non-current financial debts	3	15
Repayments of current and non-current financial debts	-402	-10
Lease payments	-72	-68
Proceeds from disposals to non-controlling interests	-	1
Disposal of treasury shares	-	2
Dividends paid to the shareholders of Schindler Holding Ltd.	-430	-431
Dividends paid to non-controlling interests	-43	-27
Cash flow from financing activities	-944	-518
Exchange differences	-37	14
Change in cash and cash equivalents	104	-433
Cash and cash equivalents as of January 1	2 153	2 841
Cash and cash equivalents as of June 30	2 257	2 408

Notes to the consolidated interim financial statements

These are the consolidated interim financial statements as of June 30, 2023, of the Schindler Group (“Schindler” or “the Group”), which comprises Schindler Holding Ltd. and its subsidiaries. Schindler is one of the world’s leading suppliers of elevators, escalators, and moving walks and offers mobility solutions across the entire life cycle of a unit – from planning and installation to maintenance and modernization. Schindler operates in more than 100 countries around the globe. The registered shares and participation certificates of Schindler Holding Ltd. are traded on the SIX Swiss Exchange.

The consolidated interim financial statements were approved for publication by the Board of Directors of Schindler Holding Ltd. on July 20, 2023. The consolidated interim financial statements are not audited.

1 General information

1.1 Basis of preparation

The consolidated interim financial statements as of June 30, 2023, are based on the International Financial Reporting Standards (IFRS) as issued by the IASB and have been prepared in condensed form in accordance with IAS 34 – Interim Financial Reporting. The same accounting principles have been applied as for the consolidated financial statements 2022 and should therefore be read in conjunction with the consolidated financial statements for the year ended December 31, 2022.

Amendments in IFRS, effective as of January 1, 2023, did not have a material impact on the consolidated interim financial statements. The Group has not early adopted any standard, interpretations or amendment that has been issued but is not yet effective.

The consolidated interim financial statements contain certain assumptions and estimates that influence the figures presented in this report. They are based on analyses and judgments that are continuously reviewed and adjusted if necessary. The actual results may differ from these assumptions and estimates. All significant assumptions and estimates remain unchanged compared to the consolidated financial statements as of December 31, 2022.

1.2 Scope of consolidation

The consolidated interim financial statements are based on the interim financial statements of the individual Group companies controlled directly or indirectly by Schindler Holding Ltd.

In the first half of 2023 and 2022, the Group acquired the business activities or the shares of various smaller companies that sell, install, modernize, and maintain elevators and escalators. Viewed individually, the impact of the business combinations on the Group’s revenue and its operating profit for the first half of 2023 was not material and is not expected to be material for the full year 2023.

1.3 Exchange rates

The exchange rates for the most significant foreign currencies are as follows:

			2023		2022	
			Closing rate June 30	Average rate June 30	Closing rate December 31	Average rate June 30
Eurozone	EUR	1	0.98	0.99	0.98	1.03
USA	USD	1	0.90	0.91	0.92	0.94
Brazil	BRL	100	18.51	17.98	17.46	18.43
China	CNY	100	12.39	13.13	13.28	14.51
India	INR	100	1.10	1.11	1.12	1.23

2 Revenue

Revenue from customer contracts is recognized over time for new installations and modernizations, as well as for maintenance. Revenue for repairs is recognized at a point in time.

New installations and modernizations

New installations provide mobility solutions with elevators, escalators, and moving walks for all applications and needs, whereas modernizations offer solutions for existing installations. For both, control is transferred continuously to the customer from the start of the installation of the unit, as the work performed by the Group enhances an asset controlled by the customer.

Revenue is recognized over time based on the cost-to-cost method under which the accumulated costs to date are expressed as a percentage of the expected costs. Anticipated losses are recognized as onerous contract provisions.

A performance obligation typically represents the installation or modernization of elevators, escalators, or moving walks.

Maintenance

Maintenance services are rendered for the full range of existing installations. Control transfers to the customer equally over the contract period based on the time elapsed. Maintenance revenue is recognized over the contract period as the service is provided, according to the agreed contractual terms and conditions.

Repairs

Repairs include a wide range of repair services for existing installations. For repairs, the customer benefits from the service and obtains control once the repair is completed. Revenue for repairs is recognized at the point of customer acceptance.

The Group recognized revenues from customer contracts in the respective regions in which it operates as follows:

In CHF million	January to June 2023				January to June 2022			
	Revenue recognized over time	Revenue recognized at a point in time	Other operating revenue	Total	Revenue recognized over time	Revenue recognized at a point in time	Other operating revenue	Total
EMEA	2 028	527	13	2 568	1 914	486	11	2 411
Americas	1 309	330	–	1 639	1 253	290	–	1 543
Asia-Pacific	1 372	138	5	1 515	1 268	119	4	1 391
Total revenue	4 709	995	18	5 722	4 435	895	15	5 345

3 Segment reporting

Internal financial reporting is submitted to the Supervisory and Strategy Committee acting as the Chief Operating Decision Maker. These financial reports form the basis for the evaluation of the segment's performance.

The same accounting policies are used for both the internal financial reporting and the consolidated interim financial statements.

The Elevators & Escalators segment is managed as one global unit and comprises an integrated business that specializes in the production and installation of elevators and escalators, as well as the modernization, maintenance, and repair of existing installations.

Finance comprises the expenses of Schindler Holding Ltd. and the business activities of BuildingMinds.

In CHF million	January to June 2023			January to June 2022		
	Elevators & Escalators	Finance	Group	Elevators & Escalators	Finance	Group
Revenue	5 721	1	5 722	5 345	–	5 345
Operating profit	628	–26	602	430	–27	403
Depreciation and amortization	168	–	168	169	1	170
Additions to PPE and intangible assets	45	–	45	61	–	61
Result from associates	2	–	2	–8	–	–8

In CHF million	30.06.2023			31.12.2022		
	Elevators & Escalators	Finance	Group	Elevators & Escalators	Finance	Group
Assets	8 806	2 548	11 354	8 903	2 905	11 808
thereof associates	22	–	22	25	–	25
Liabilities	6 877	71	6 948	6 887	476	7 363

4 Dividends

On March 28, 2023, the Annual General Meeting of Schindler Holding Ltd. approved an ordinary dividend of CHF 4.00 per registered share and participation certificate (previous year: ordinary dividend of CHF 4.00). Subsequently, dividends in the amount of CHF 430 million were paid out on April 3, 2023.

5 Financial debts

On June 5, 2023, the 5-year bond tranche 2018–2023 with a coupon of 0.25% amounting to CHF 400 million reached its maturity and was repaid. As of December 31, 2022, the carrying amount of the bond repaid was CHF 400 million and the level 1 fair value amounted to CHF 398 million.

6 Fair values of financial instruments

Financial instruments measured at fair value are assigned to one of the following three hierarchy levels according to the input data available to measure them:

Level 1: Fair values are determined by using quoted prices in active markets. The fair values of listed equity instruments and bonds are determined using level 1 fair values.

Level 2: Fair values are determined by using quoted prices in inactive markets or by using the discounted cash flow method based on observable market data. The fair values of derivatives are determined using level 2 fair values.

Level 3: Fair values are determined by using external valuations or according to the discounted cash flow method based on unobservable data. The fair values of private equity instruments are determined using level 3 fair values.

The fair values of the financial instruments measured at fair value and the hierarchy level for their measurement are as follows:

In CHF million	30.06.2023		31.12.2022	
	Fair value	Level	Fair value	Level
Financial assets				
Current financial assets	50	1	49	1
Derivatives	21	2	20	2
Non-current financial assets	56	1	56	1
Financial instruments at FVPL	127		125	
Non-current financial assets	4	1	4	1
Debt instruments at FVOCI with recycling	4		4	
Non-current financial assets	268	1	228	1
Non-current financial assets	7	3	8	3
Equity instruments at FVOCI without recycling	275		236	
Financial liabilities				
Derivatives	20	2	19	2
Financial instruments at FVPL	20		19	

The carrying amounts of financial instruments measured at amortized cost are reasonable approximations of their fair values. For information on the fair value of the bond issued by the Group as of December 31, 2022, refer to note 5.

As of June 30, 2023, CHF 169 million of non-current equity instruments are represented by the level 1 fair value of the investment in Hyundai Elevator Co. Ltd. (December 31, 2022: CHF 131 million). Schindler's interest in this investment increased from 15.5% to 15.8% in the first half of 2023, mainly due to a reduction of Hyundai's number of shares issued.

There were no transfers between the different hierarchy levels during the reporting period, nor in the previous year.

The reconciliation of the level 3 fair values of non-current financial assets is as follows:

In CHF million	2023	2022
January 1	8	7
Fair value changes recognized in OCI	-1	1
June 30	7	8

7 Contingent liabilities

Contingent liabilities are described in the notes to the consolidated financial statements 2022. As of June 30, 2023, the total capital amount claimed jointly and severally from all the defendants involved in the competition law proceedings – in which Group companies are involved as defendants – is EUR 57 million. The Group companies in question consider the claims to be without merit.

Other information

Non-GAAP measures

The key figures comprise certain non-GAAP measures, which are not defined by International Financial Reporting Standards (IFRS). The definition of these non-GAAP measures is available on the Group's website (group.schindler.com).

Financial calendar

Publication of key figures as of September 30	October 19, 2023
Annual results media conference	February 2024
Ordinary General Meeting of Schindler Holding Ltd.	March 19, 2024

The Group's Interim Report 2023 is published in English and German. The German version is binding.

General information about the Group as well as its annual reports, press releases, and the current share price, is available at: group.schindler.com.

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