

Ad hoc announcement pursuant to Art. 53 LR

Interim Report as of June 30, 2023

Press release
July 21, 2023

Gaining momentum

- **Order intake: recovery in Q2, with growth in all product lines and regions**
- **Revenue: strong backlog execution resulting in growth across all regions and product lines**
- **Operating profit and cash flow: sustained improvement with uptake in Q2**
- **New Installations markets: persisting uncertainty**
- **Foreign exchange headwinds intensifying**

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.

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

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	334 ¹	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)