

Results as of September 30, 2023

October 19, 2023

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Agenda

1. Progress update
2. Market update
3. Financial results
4. Outlook 2023
5. Q&A

Silvio Napoli

Silvio Napoli

Carla De Geyseler

Carla De Geyseler

Silvio Napoli/Carla De Geyseler

On track to deliver

Improved profitability

Persistent year-on-year trend
over five quarters

Order intake and revenue growth against tough market environment

Growing service business

Increasing network density and
efficiency gains

Intensifying foreign exchange headwinds

Balanced global footprint

Year-on-year net profit, EPS and cash flow uptake

Balance sheet providing strength and flexibility

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Silvio Napoli

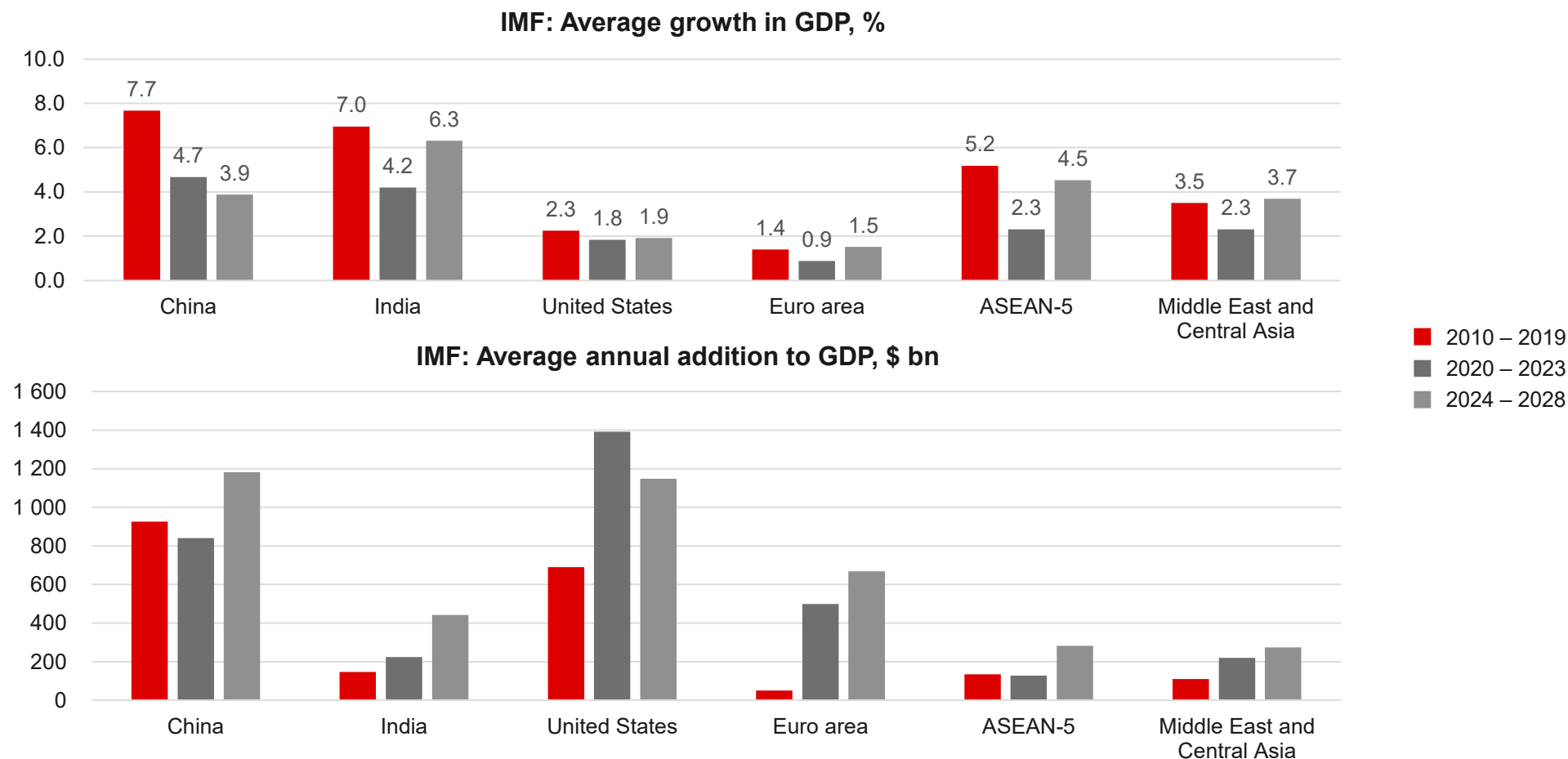
Silvio Napoli

Carla De Geyseler

Carla De Geyseler

Silvio Napoli/Carla De Geyseler

Global outlook: in spite of slowdown, China largest contributor to global economy growth in 2024 – 2028



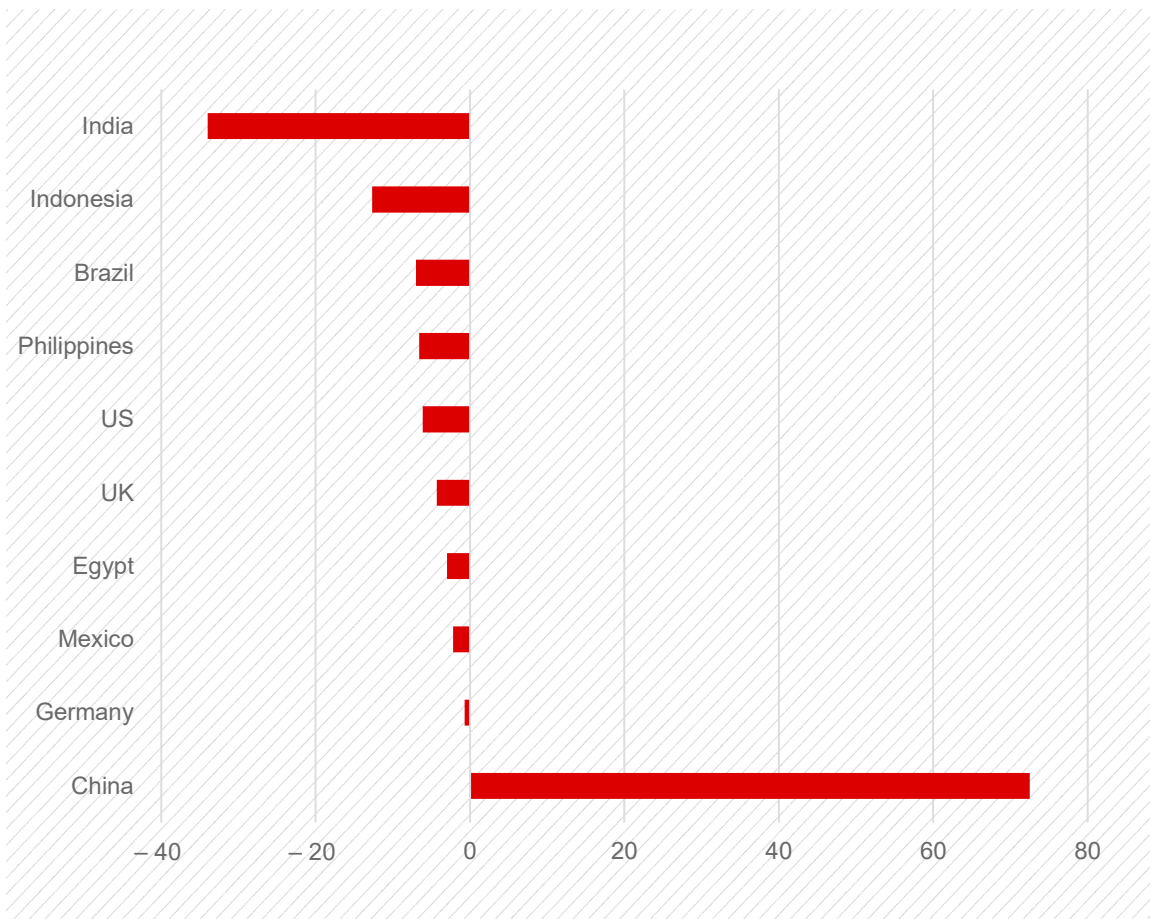
Source: IMF World Economic Outlook, [October 2023](#)



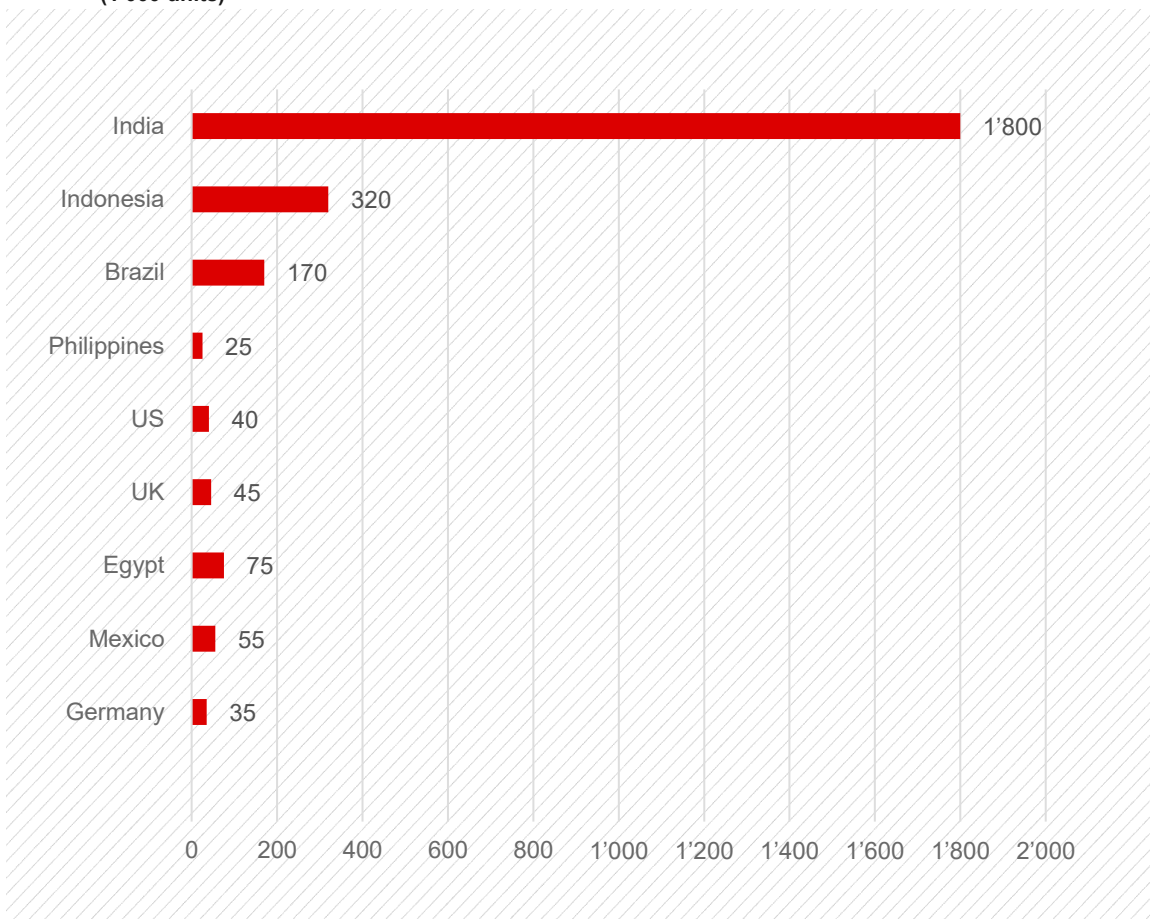
Global housing deficit to fuel future NI residential demand

China current housing oversupply offset by global shortage

Housing oversupply (+) / deficit (–) by country (million units, estimated)



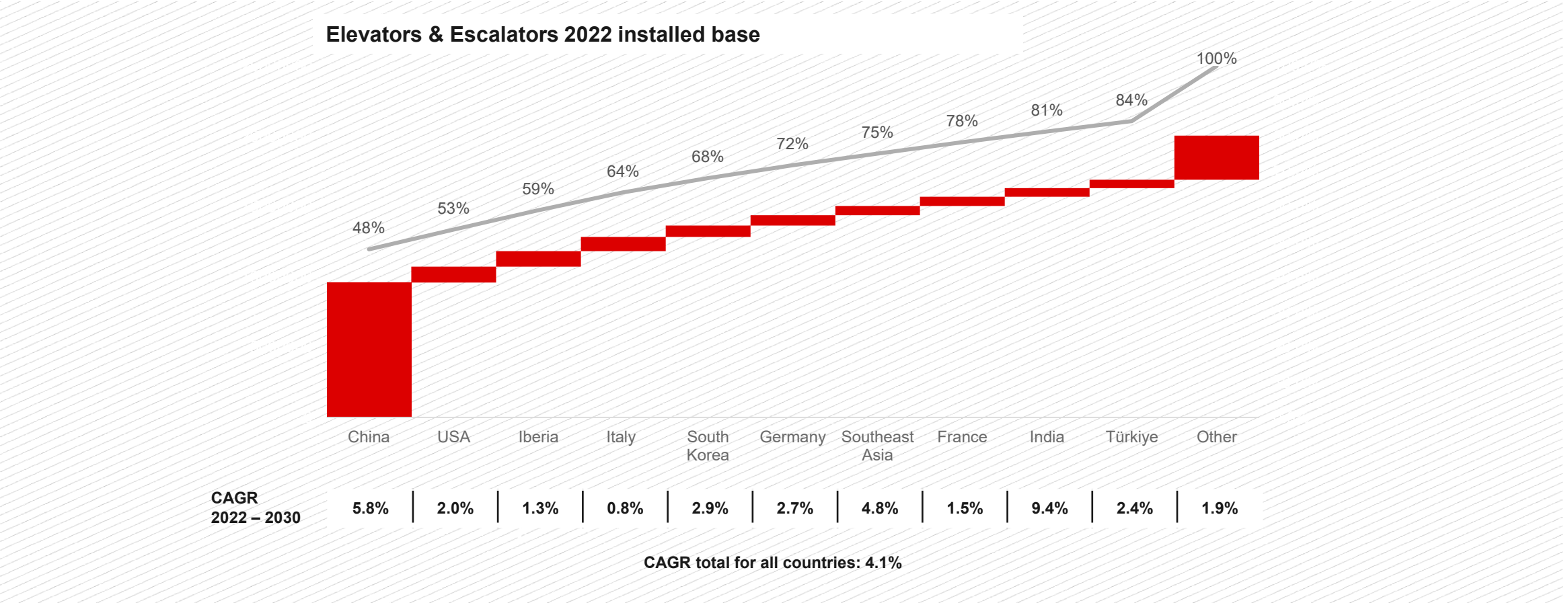
Housing deficit translated to potential E&E demand (1 000 units)



Source: Jones Lang LaSalle, MIT, UBS, National Association of Realtors, Global Property Guide, Center for Cities, SHDA, NAHP, RNCOS
Definitions of a housing deficit vary by country and are not comparable

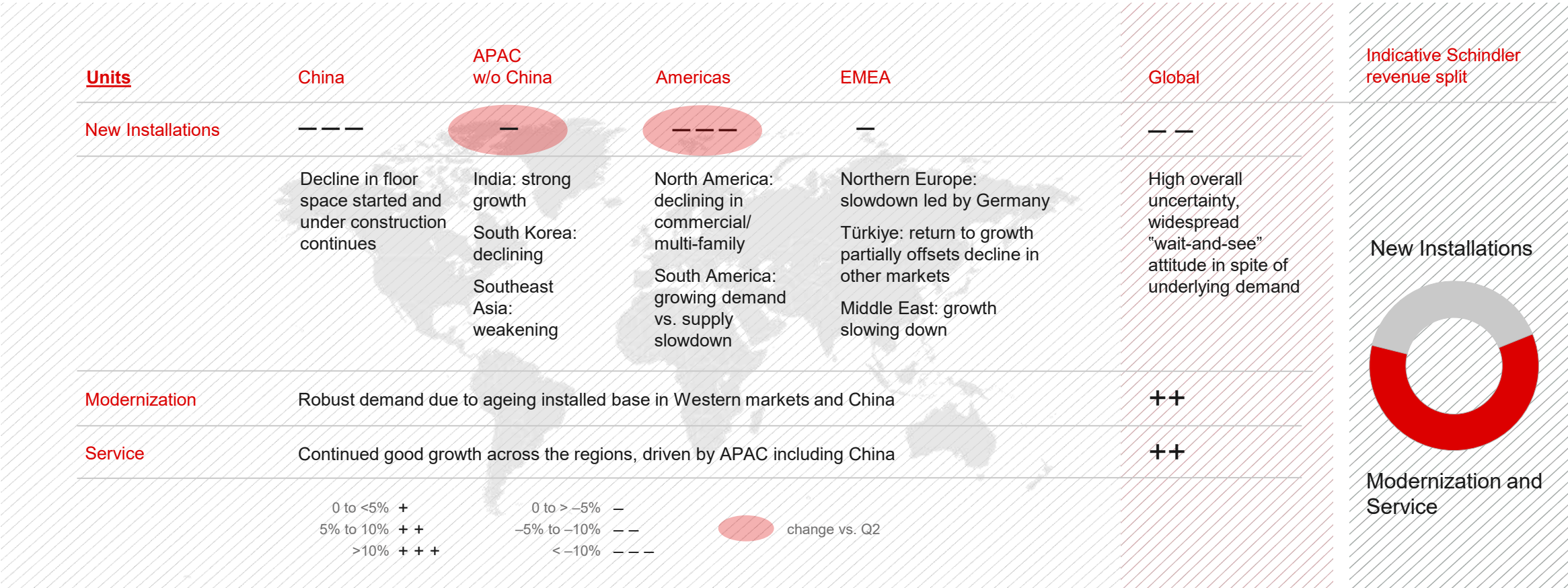


Global Service markets to outgrow NI



Market update 2023

NI market contracting, Service and Modernization remain strong



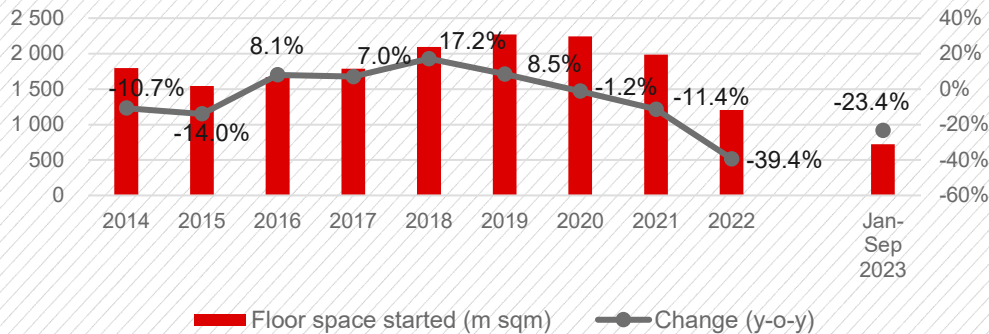
Source: Schindler estimates



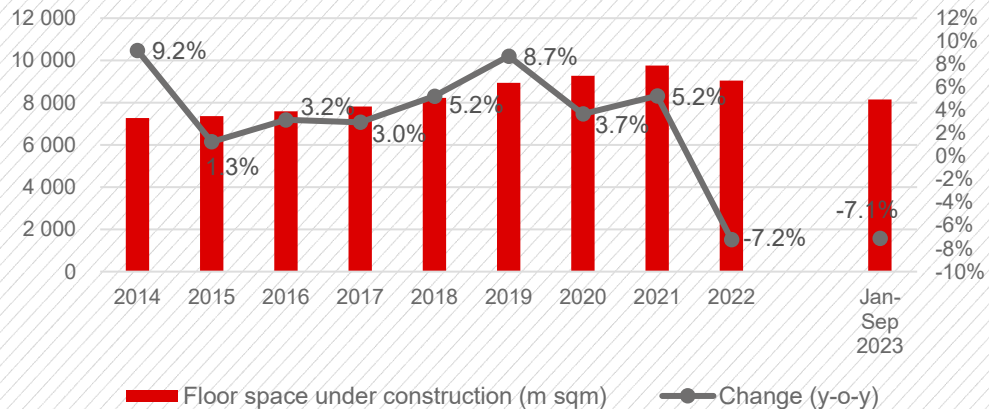
China NI: no return to growth in the short term

Construction industry KPIs still trending down, housing inventory increasing, developers with less funding

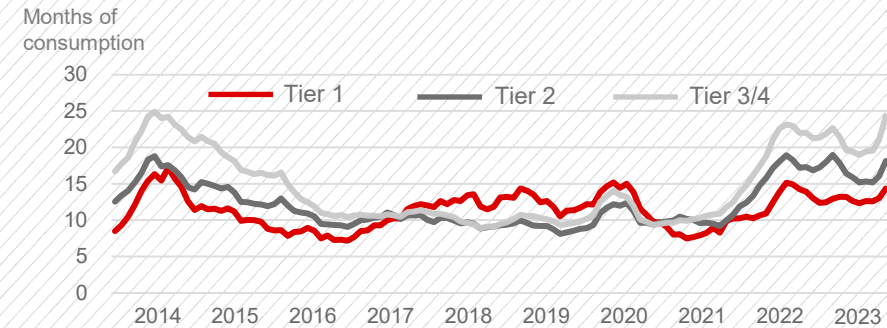
Floor space started declining for 4th consecutive year



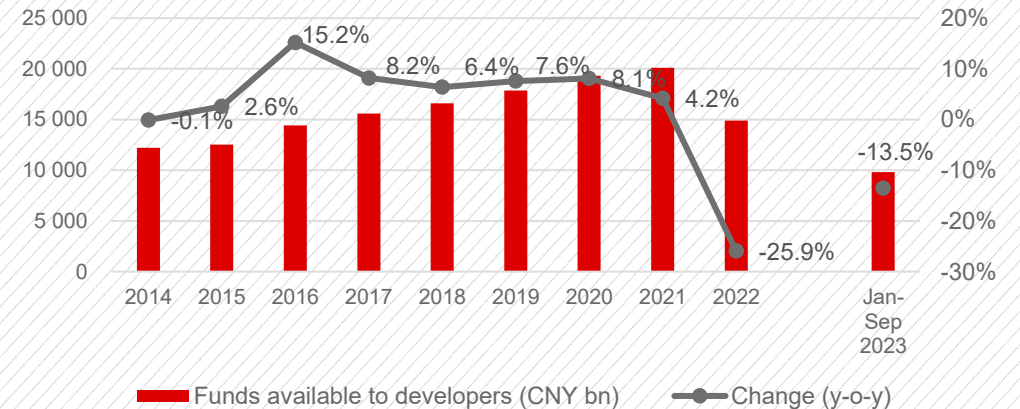
Floor space under construction down 7.1% YTD



Housing inventory in lower-tier cities picking up again¹⁾



Funds available to developers are decreasing²⁾ (CNY bn)



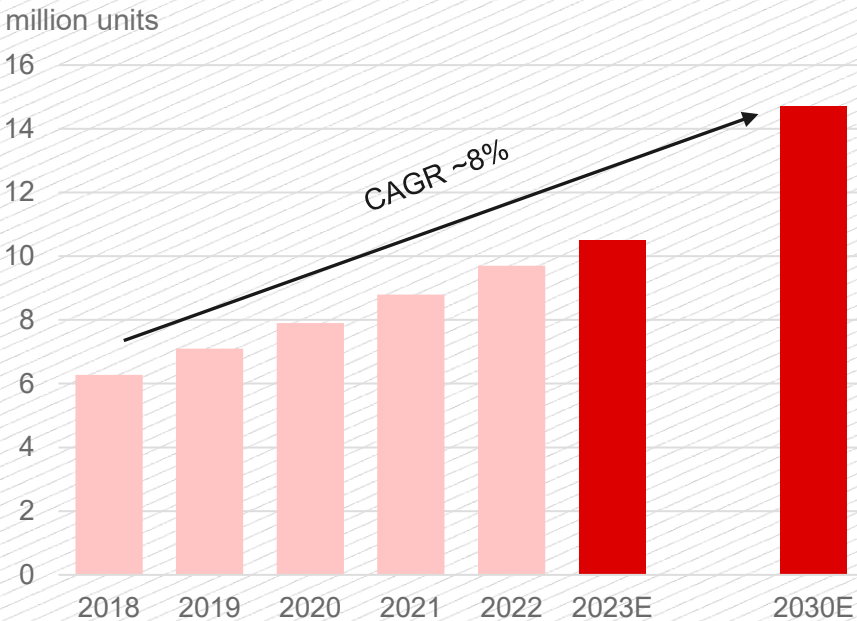
1) Housing inventory by city tier (months of sales; source: Yiju, September 2023)

2) Source: National Bureau of Statistics of China

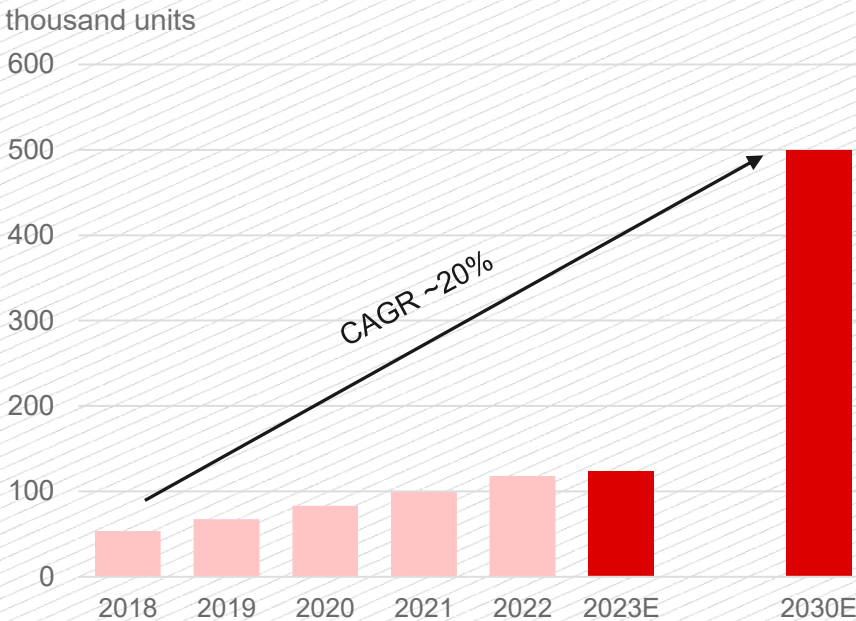
China: E&E transition to Service and Modernization

Growth in 2023 consistent with maturing market patterns

China E&E installed base at ~50% of global market



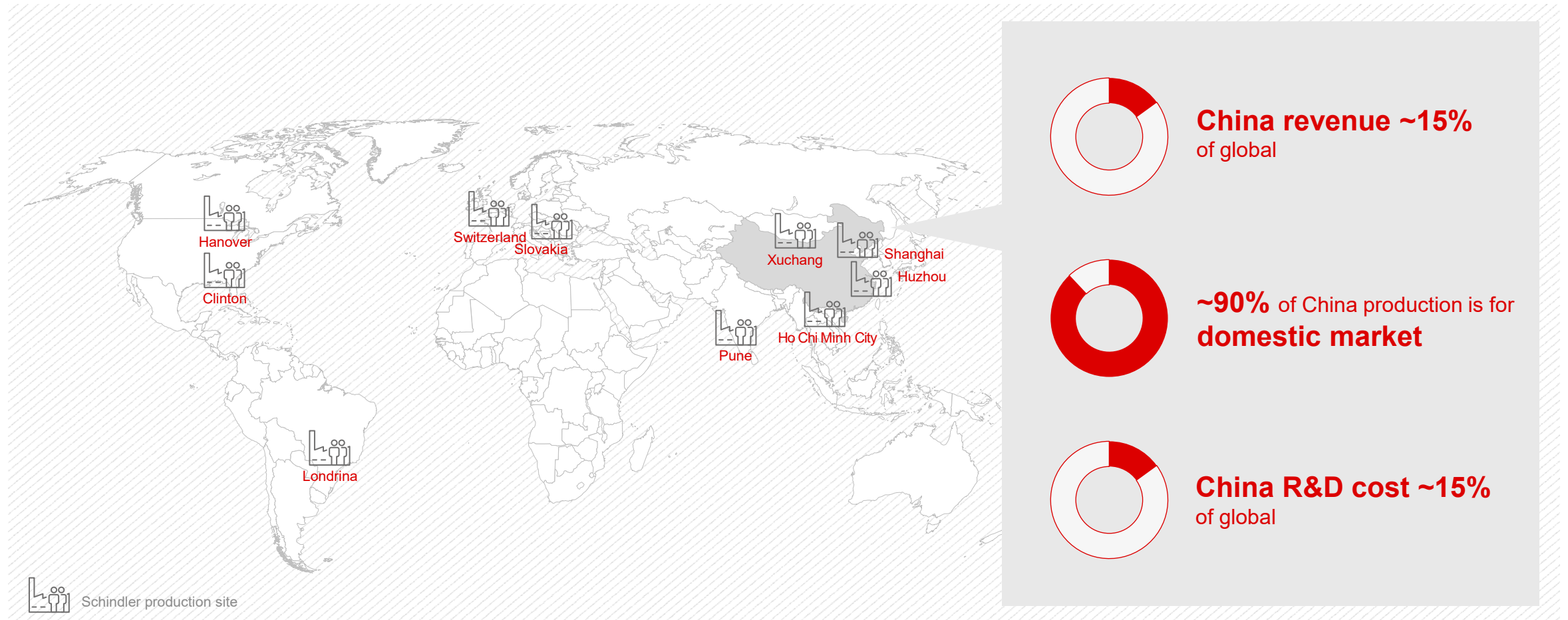
China to reach 50% of global modernization market by 2030



Up to 1.5 million units between 12 and 20 years of age

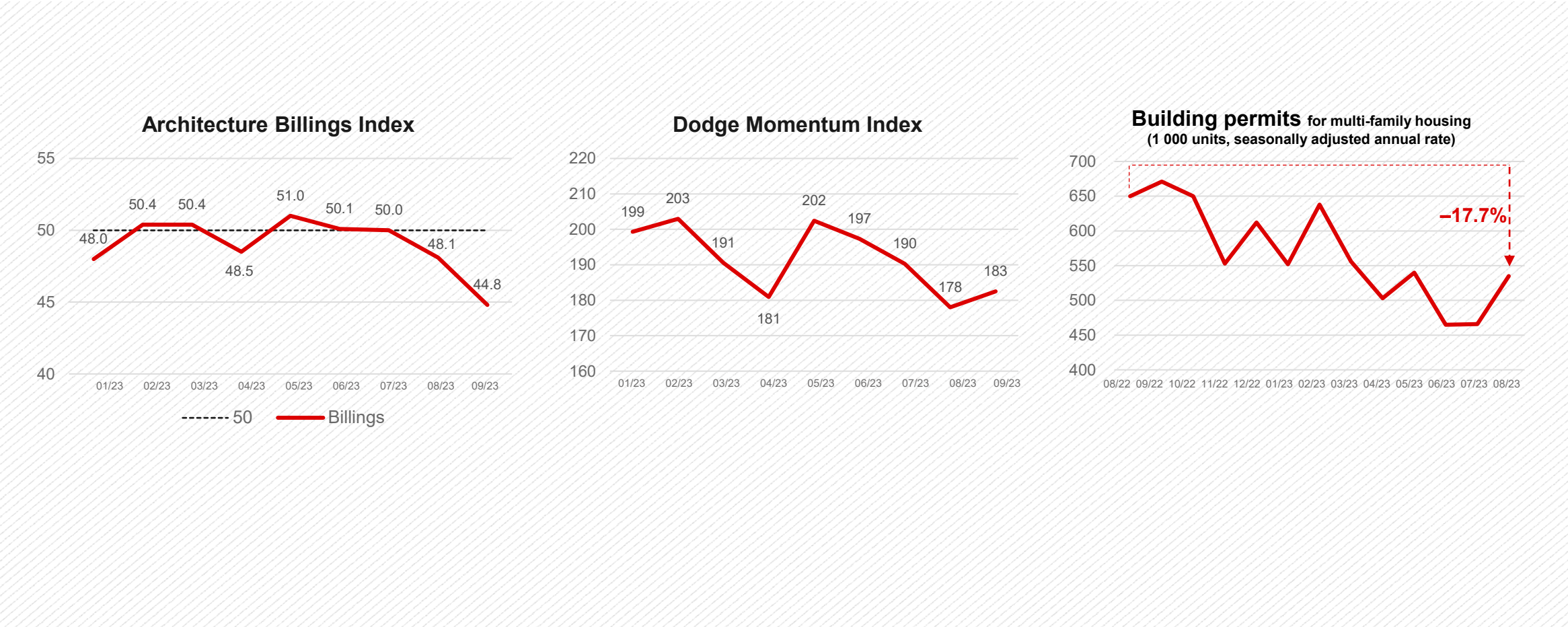
Balanced global footprint limits exposure to China downturn

Less than one sixth of global revenue generated in China



US: NI market weakening in spite of housing shortage

Recent softening across all major construction sector indicators

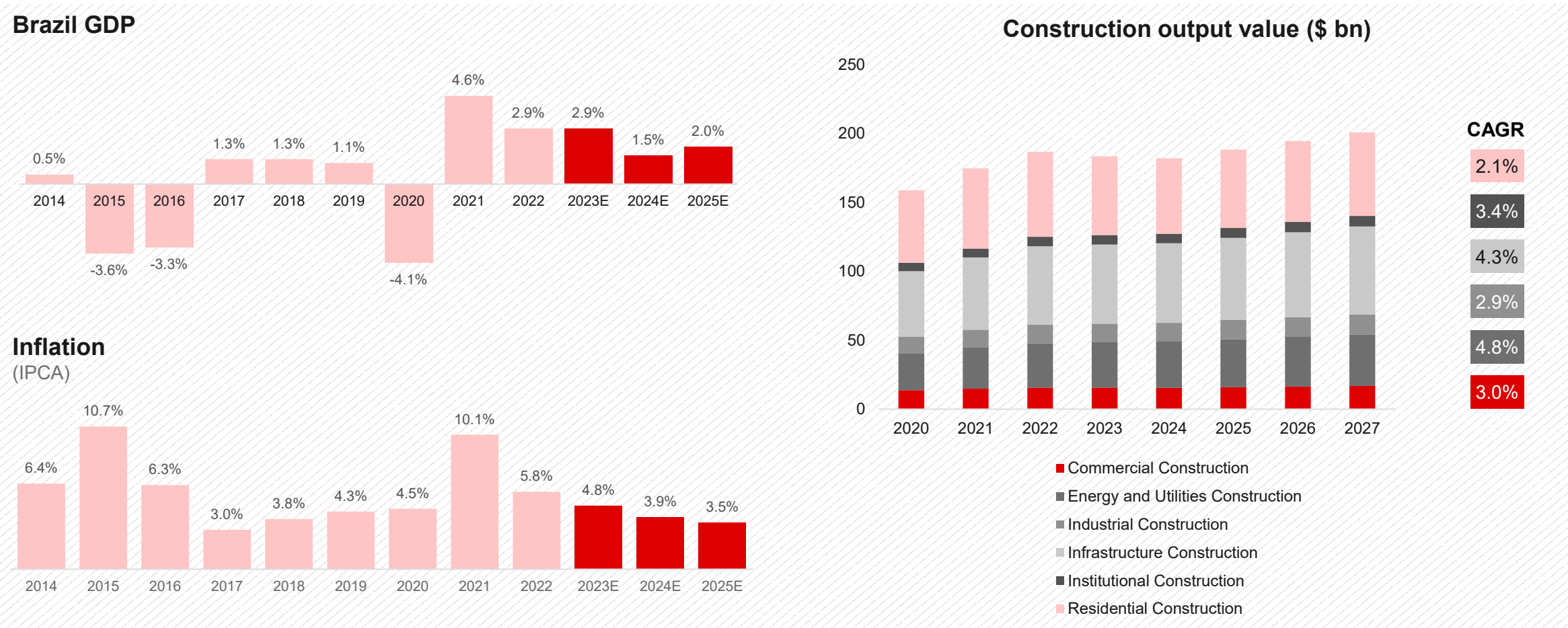


Source: American Institute of Architects, Dodge Construction Network, US Census Bureau



Brazil: positive NI market outlook

Housing deficit to drive future demand



Source: BACEN – Brazilian Central Bank and IBGE – Brazilian Bureau of Geography and Statistics; GlobalData, October 2023



India: biggest NI growth opportunity for years to come

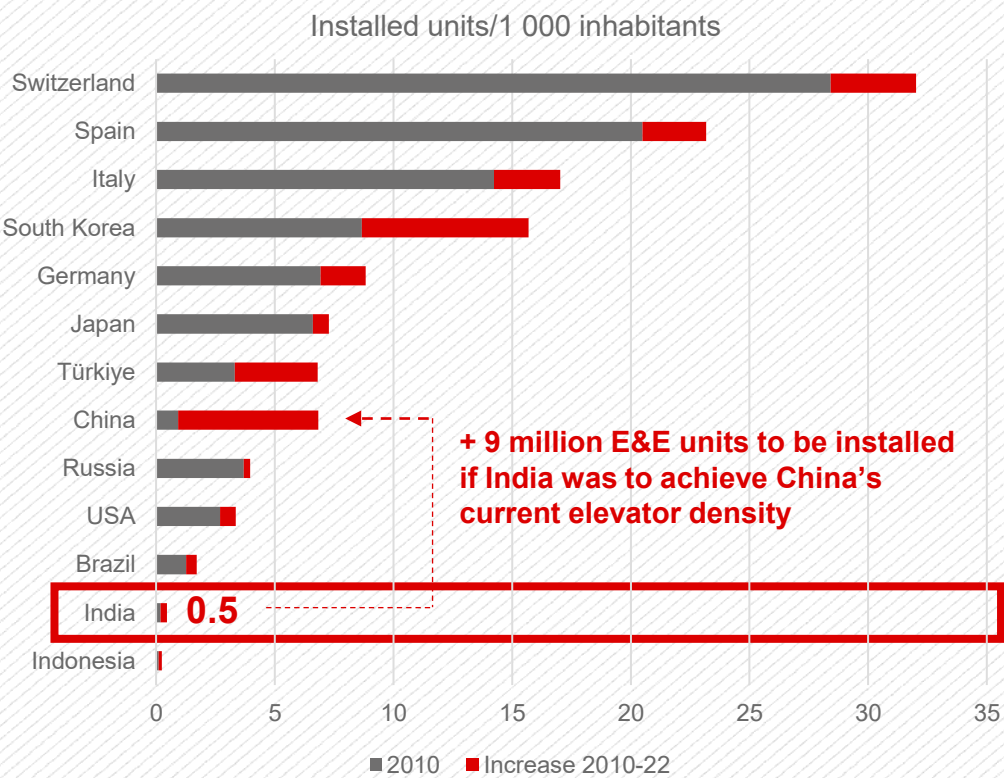
Urban population to grow by >160 million by 2035

Housing units launched/sold across India's 8 largest cities



Source: Knight Frank

Elevator density



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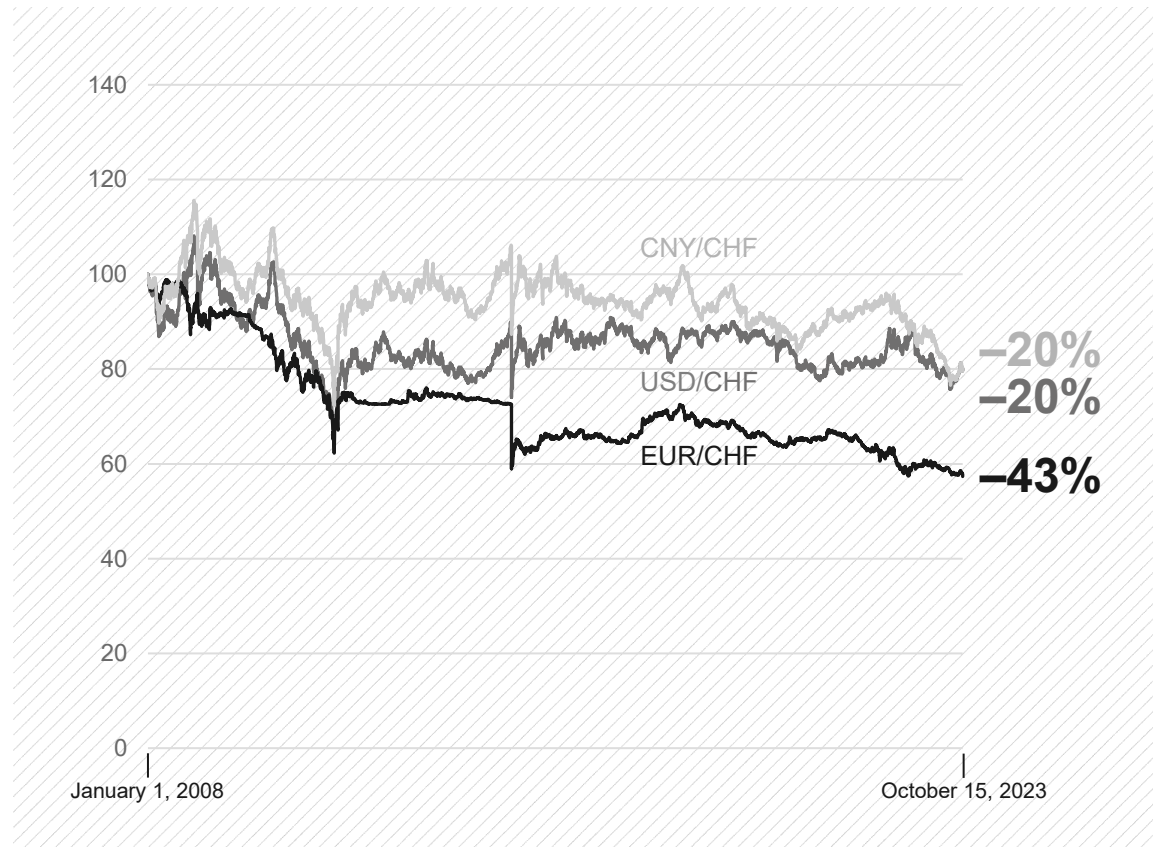
Carla De Geyseler

Silvio Napoli/Carla De Geyseler

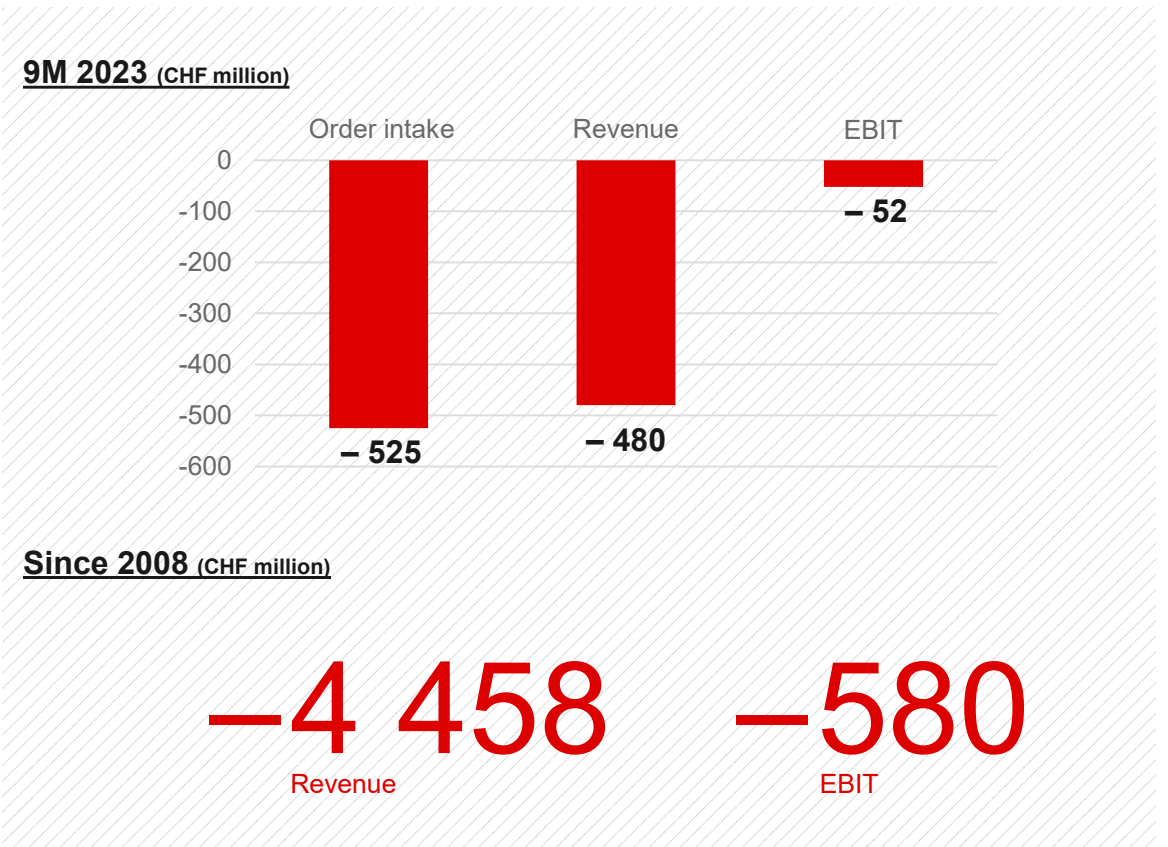
Foreign exchange headwinds

Swiss franc strengthened across all major currencies significantly impacting top and bottom line

CHF vs. major currencies



Impact on order intake, revenue and EBIT



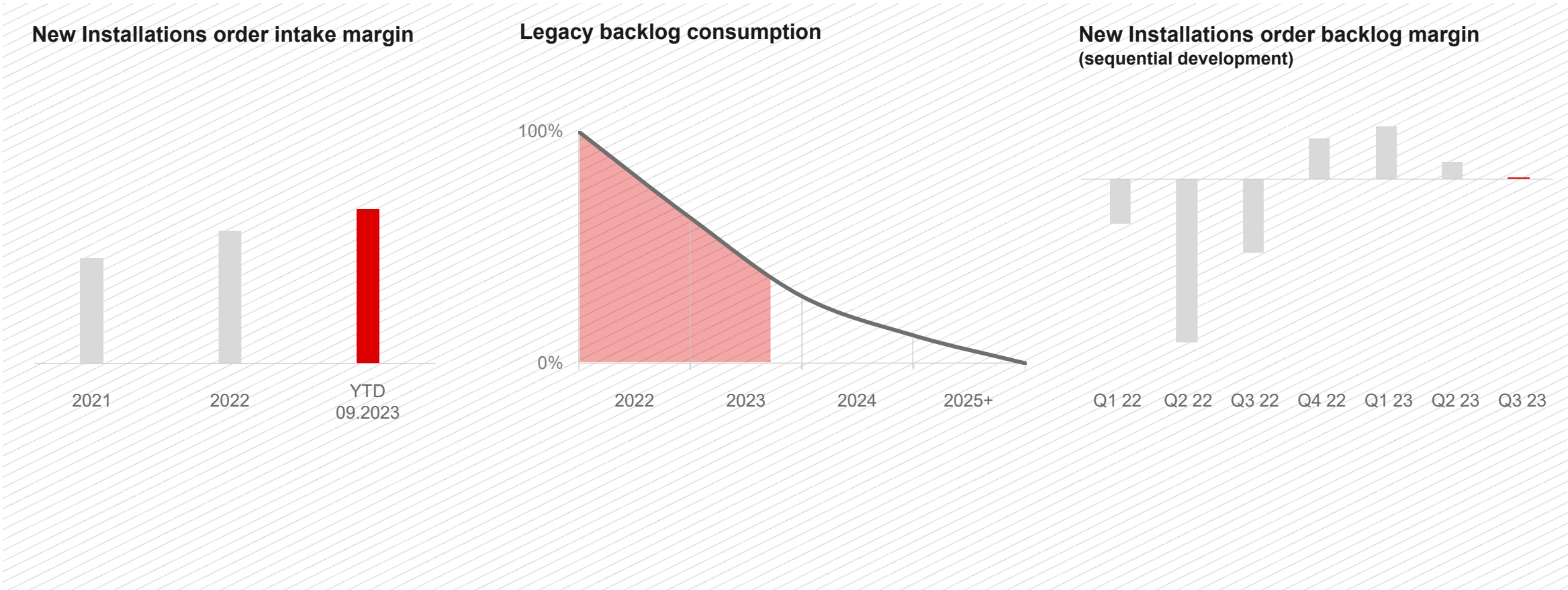
Focus on disciplined execution paying off

Pricing + Efficiency > Inflation



Order intake and backlog margins continue to grow

Legacy backlog consumption in line with plan



On track to deliver

Q3 2023 vs. Q3 2022

▲
Order intake
in LC

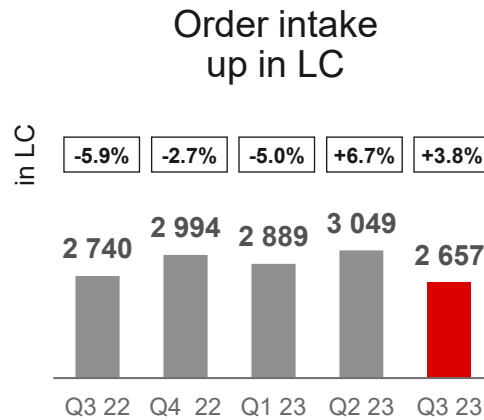
▲
Revenue
in LC

▲
EBIT adj.

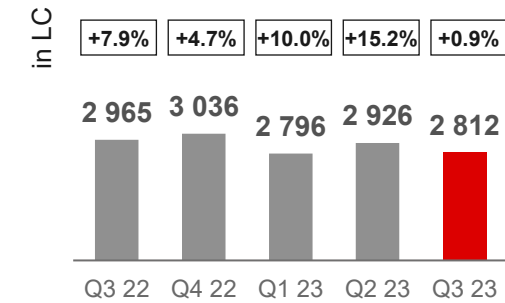
▲
EBIT

▲
Cash flow

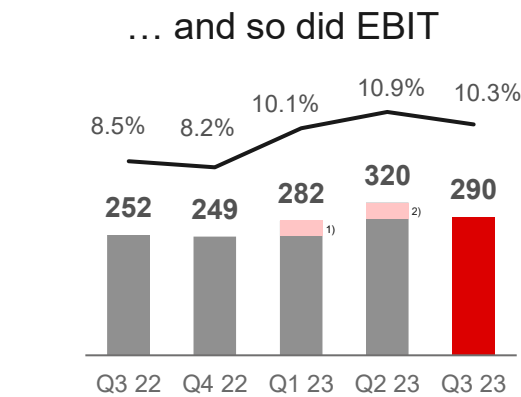
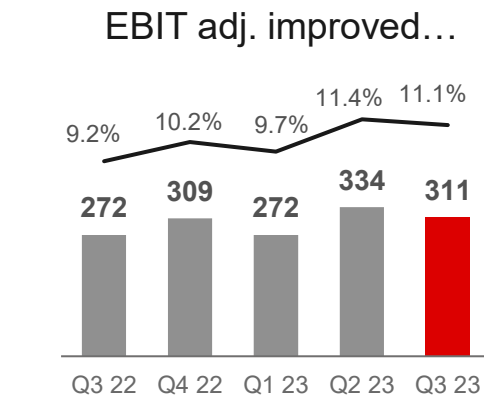
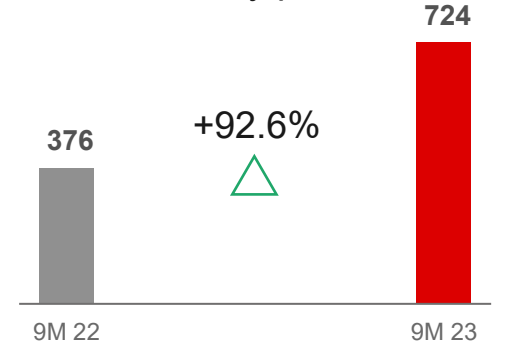
▲
Net profit



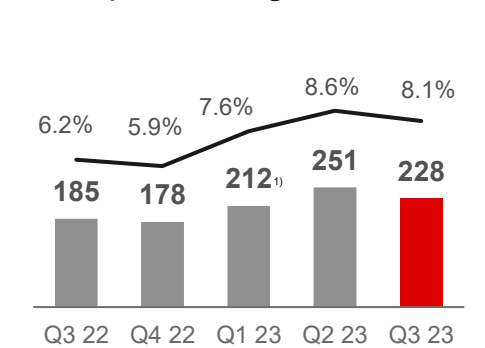
Revenue growth in LC resulting from strong order backlog execution



Operating cash flow increase driven by profit



Net profit margin of 8.1%



1) One-off real estate gain of CHF 26 million

2) One-off real estate gain of CHF 6 million

Key figures as of September 30, 2023

July to September

| In CHF million | Q3 2023 | Q3 2022 | △ % | △ % in LC |
|---|--------------------------|--------------------------|-------------|-------------|
| Order intake | 2 657 | 2 740 | −3.0 | 3.8 |
| Revenue | 2 812 | 2 965 | −5.2 | 0.9 |
| Operating profit (EBIT) | 290 | 252 | 15.1 | 21.8 |
| in % | 10.3 | 8.5 | | |
| Operating profit (EBIT), adjusted | 311 ¹⁾ | 272 ²⁾ | 14.3 | 21.0 |
| in % | 11.1 | 9.2 | | |
| Financing and investing activities | 3 | −11 | | |
| Profit before taxes | 293 | 241 | 21.6 | |
| Income taxes | 65 | 56 | | |
| Net profit | 228 | 185 | 23.2 | |
| | | | | |
| Earnings per share and participation certificate in CHF | 1.97 | 1.59 | 23.9 | |
| Cash flow from operating activities | 203 | 77 | 163.6 | |

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

²⁾ Adjusted for Top Speed 23 costs (CHF 12 million), restructuring costs (CHF 3 million), and expenses for BuildingMinds (CHF 5 million)

Key figures as of September 30, 2023

January to September

| In CHF million | 9M 2023 | 9M 2022 | △ % | △ % in LC |
|---|--------------------------|--------------------------|-------------|-------------|
| Order intake | 8 595 | 8 967 | −4.1 | 1.7 |
| Revenue | 8 534 | 8 310 | 2.7 | 8.5 |
| Operating profit (EBIT) | 892 | 655 | 36.2 | 44.1 |
| in % | 10.5 | 7.9 | | |
| Operating profit (EBIT), adjusted | 917 ¹⁾ | 738 ²⁾ | 24.3 | 31.6 |
| in % | 10.7 | 8.9 | | |
| Financing and investing activities | −3 | −30 | | |
| Profit before taxes | 889 | 625 | 42.2 | |
| Income taxes | 198 | 144 | | |
| Net profit | 691 | 481 | 43.7 | |
| | | | | |
| Earnings per share and participation certificate in CHF | 5.96 | 4.13 | 44.3 | |
| Cash flow from operating activities | 724 | 376 | 92.6 | |

¹⁾ Adjusted for Top Speed 23 costs (CHF 29 million), restructuring costs (CHF 13 million), real estate gains (CHF −32 million), and expenses for BuildingMinds (CHF 15 million)

²⁾ Adjusted for Top Speed 23 costs (CHF 43 million), restructuring costs (CHF 23 million), and expenses for BuildingMinds (CHF 17 million)

Balance sheet

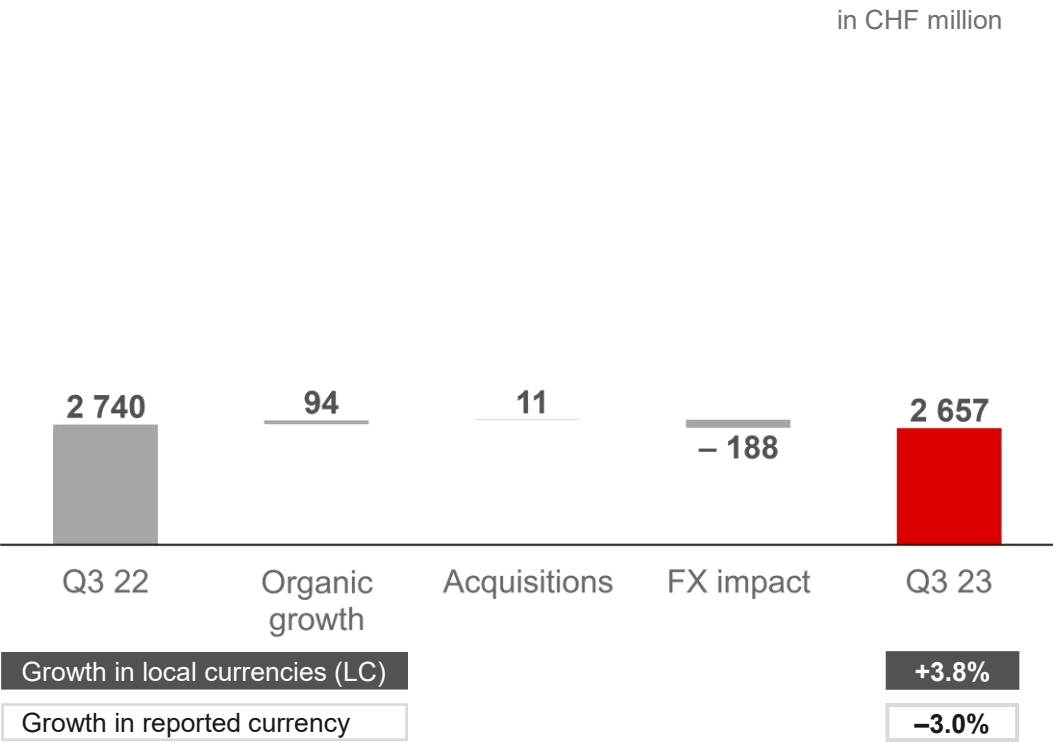
Solid equity ratio and cash position provide strength and flexibility

| In CHF million | 30.09.2023 | in % | 31.12.2022 | in % | 30.09.2022 | in % |
|-------------------------------------|---------------|--------------|---------------|--------------|---------------|--------------|
| Cash and cash equivalents | 2 210 | 19.4 | 2 153 | 18.2 | 2 095 | 17.9 |
| Other current assets | 5 559 | 49.0 | 5 956 | 50.5 | 5 948 | 50.8 |
| Total current assets | 7 769 | 68.4 | 8 109 | 68.7 | 8 043 | 68.7 |
| Non-current assets | 3 595 | 31.6 | 3 699 | 31.3 | 3 663 | 31.3 |
| Total assets | 11 364 | 100.0 | 11 808 | 100.0 | 11 706 | 100.0 |
| | | | | | | |
| Current liabilities | 5 578 | 49.1 | 6 252 | 53.0 | 6 250 | 53.4 |
| Non-current liabilities | 1 149 | 10.1 | 1 111 | 9.4 | 1 185 | 10.1 |
| Total liabilities | 6 727 | 59.2 | 7 363 | 62.4 | 7 435 | 63.5 |
| Equity | 4 637 | 40.8 | 4 445 | 37.6 | 4 271 | 36.5 |
| Total liabilities and equity | 11 364 | 100.0 | 11 808 | 100.0 | 11 706 | 100.0 |
| Net working capital | -593 | | -741 | | -663 | |
| Net liquidity | 2 808 | | 2 751 | | 2 584 | |

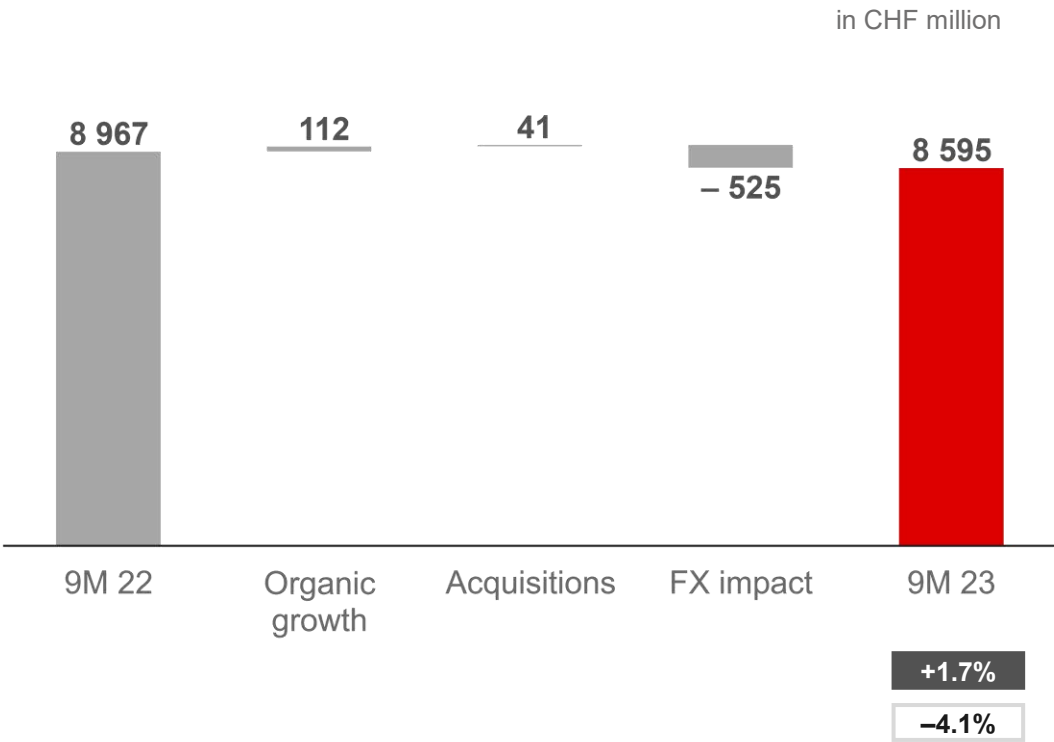
Order intake

Growth in local currencies against tough market environment – strong foreign exchange headwinds

July to September



January to September



Order intake

Growth driven by strong Service, New Installations declined less than overall market, Modernization grew marginally

Order intake growth Q3 2023 vs. Q3 2022

| | China | APAC w/o China | Americas | EMEA | Global |
|----------------------|-------|-------------------|----------|------|--------|
| <u>Value (in LC)</u> | | | | | |
| New Installations | + | +++ | -- | -- | - |
| Modernization | +++ | +++ | + | -- | + |
| Service | +++ | ++ | + | ++ | ++ |

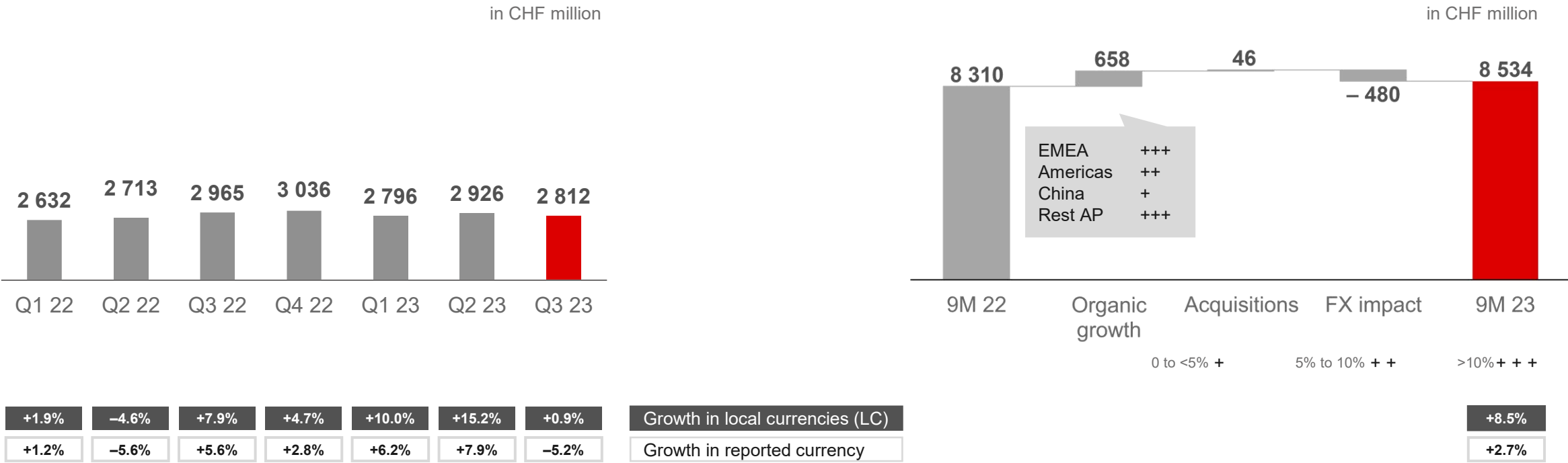
Order intake growth 9M 2023 vs. 9M 2022

| | China | APAC w/o China | Americas | EMEA | Global |
|----------------------|-------|-------------------|----------|------|--------|
| <u>Value (in LC)</u> | | | | | |
| New Installations | - | + | -- | -- | -- |
| Modernization | +++ | ++ | + | -- | + |
| Service | +++ | ++ | ++ | ++ | ++ |

0 to <5% +
 5% to 10% ++
 >10% +++
 0 to >-5% -
 -5% to -10% --
 <-10% ---

Revenue

Year-on-year growth in in all regions and product lines,
negative FX impact reaching CHF –480 million



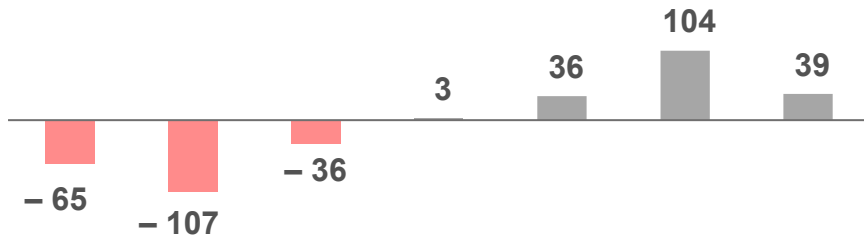
EBIT adjusted and EBIT

Profitability improvement, driven by operational efficiency gains, supply chain recovery and positive pricing effects

EBIT adjusted (year-on-year)

in CHF million

Q1 22 Q2 22 Q3 22 Q4 22 Q1 23 Q2 23 Q3 23



9.0% 8.5% 9.2% 10.2% 9.7% 11.4% 11.1%

Margin

-20.6% -30.3% -8.8% +3.6% +20.8% +55.2% +21.0%

-21.6% -31.8% -11.7% +1.0% +15.3% +45.2% +14.3%

-2.6 -3.2 -1.8 -0.2 +0.7 +2.9 +1.9

Growth in local currencies (LC)

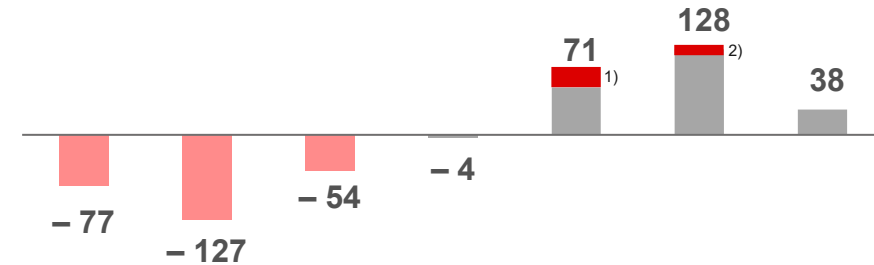
Growth in reported currency

Δ margin in percentage points

EBIT (year-on-year)

in CHF million

Q1 22 Q2 22 Q3 22 Q4 22 Q1 23 Q2 23 Q3 23



8.0% 7.1% 8.5% 8.2% 10.1% 10.9% 10.3%

-25.7% -38.2% -15.0% +1.2% +39.8% +78.1% +21.8%

-26.7% -39.8% -17.6% -1.6% +33.6% +66.7% +15.1%

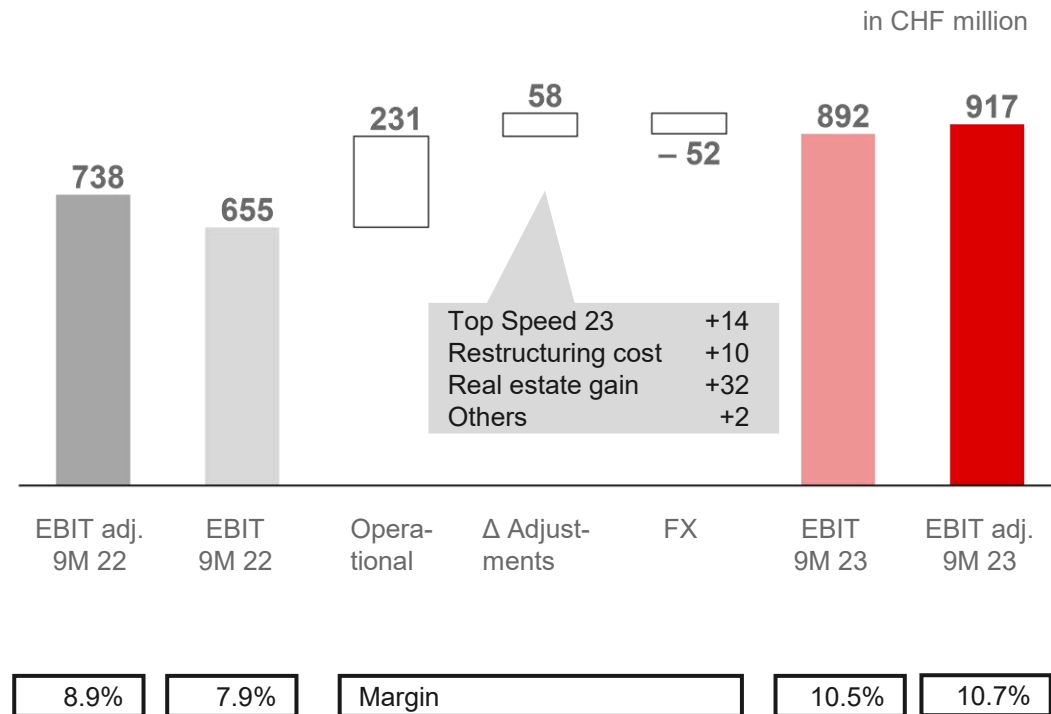
-3.1 -4.0 -2.4 -0.4 +2.1 +3.8 +1.8

1) One-off real estate gain of CHF 26 million

2) One-off real estate gain of CHF 6 million

Year-on-year EBIT adjusted and EBIT

Negative FX impact of CHF –52 million



Net profit improvement of 230 bps YTD

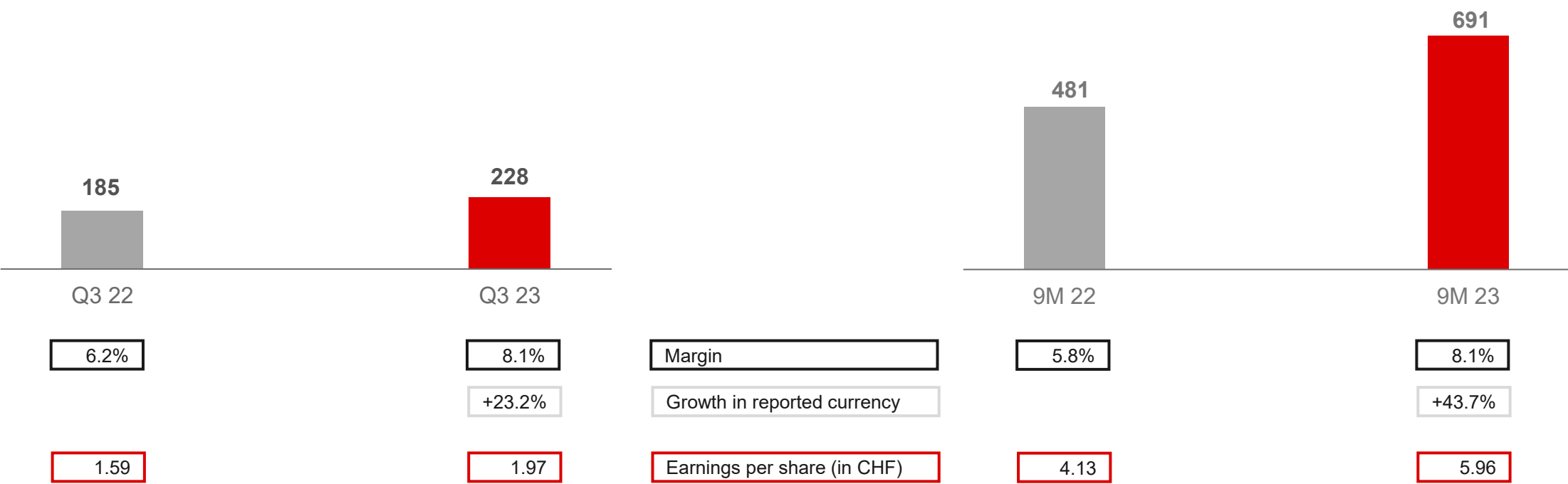
Earnings per share increased by 44% to CHF 5.96

July to September

January to September

in CHF million

in CHF million

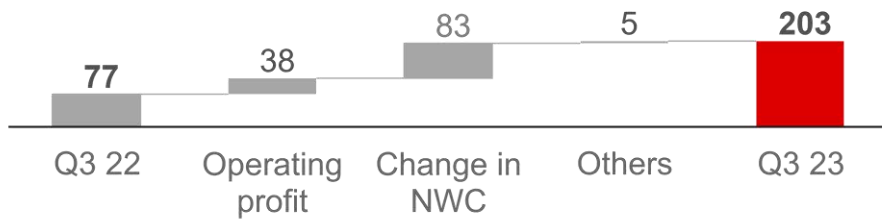


Operating cash flow uptake

Driven by higher operating profit and net working capital

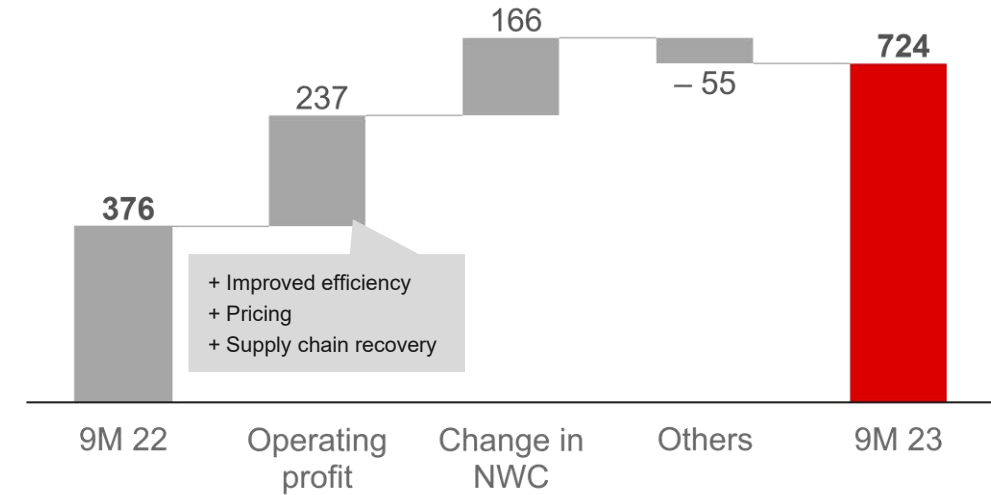
July to September

in CHF million



January to September

in CHF million



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Outlook 2023

Fast evolving environment

- Service and Modernization remain strong
- New Installations
 - China: no recovery in the short term
 - America and Europe: markets weakening despite strong underlying demand
 - India continues to grow strongly
- Labor cost inflation and scarcity
- Intensifying foreign exchange pressure

Persistent focus

Disciplined execution of strategic priorities focusing on:

- Efficiency and cost reduction drive and adaptation to new market conditions
- Pricing discipline
- Supply chain and procurement effectiveness
- Net working capital management
- Launch of modular elevator platform for volume market
- Frontline capacity and competence
- Differentiation based on digital services and sustainability

Sharpened outlook for 2023

- Revenue growth between +6% and +8% (in LC)
- Net profit between CHF 880 million and CHF 910 million (+34% to +38% from FY 2022)



Q&A



Additional charts

Quarterly overview

Key figures

| In CHF million | 2023 | | | | 2022 | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Order intake | 2 657 | 3 049 | 2 889 | 2 994 | 2 740 | 3 063 | 3 164 |
| Revenue | 2 812 | 2 926 | 2 796 | 3 036 | 2 965 | 2 713 | 2 632 |
| Operating profit (EBIT) | 290 | 320 | 282 | 249 | 252 | 192 | 211 |
| in % | 10.3 | 10.9 | 10.1 | 8.2 | 8.5 | 7.1 | 8.0 |
| Operating profit (EBIT), adjusted | 311 | 334 | 272 | 309 | 272 | 230 | 236 |
| in % | 11.1 | 11.4 | 9.7 | 10.2 | 9.2 | 8.5 | 9.0 |
| Financing and investing activities | 3 | 2 | –8 | –21 | –11 | 4 | –23 |
| Profit before taxes | 293 | 322 | 274 | 228 | 241 | 196 | 188 |
| Income taxes | 65 | 71 | 62 | 50 | 56 | 44 | 44 |
| Net profit | 228 | 251 | 212 | 178 | 185 | 152 | 144 |
| | | | | | | | |
| Cash flow from operating activities | 203 | 240 | 281 | 312 | 77 | 13 | 286 |

Calendar 2024

| | 2024 |
|---|-------------|
| Full year results analyst and media conference | February 14 |
| Ordinary General Meeting Schindler Holding Ltd. | March 19 |
| Publication of key figures as of March 31 | April |
| Publication of Interim Report as of June 30 | July |
| Publication of key figures as of September 30 | October |

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