

Key figures as of September 30, 2020

Press release
October 23, 2020

Schindler with lower revenue and profit for first nine months of 2020, mixed recovery in Q3 2020

- **Order intake –10.5%, revenue –6.6%, operating profit (EBIT) adjusted –11.2%, net profit –19.4% year-on-year for first nine months 2020**
- **Cash flow from operating activities increased to CHF 955 million**

For the first nine months of 2020, Schindler reports a revenue drop of 6.6% to CHF 7 713 million, equivalent to a decrease of 0.7% in local currencies. Order intake in the first nine months of 2020 decreased by 10.5% to CHF 8 067 million (–4.7% in local currencies).

During the third quarter of 2020, the challenging environment continued to negatively affect construction industries worldwide. Based on partial recovery in new installation and modernization activities in some countries, Schindler recorded revenue growth in local currencies.

“We continue to navigate these challenging times with a clear focus on the things we can influence: To deliver for our customers. At the same time, we remain cautious and vigilant on how best to adjust to the current dynamic global situation as more and more countries are now facing a second wave of the pandemic,” says Thomas Oetterli, Schindler’s CEO.

Order intake and order backlog

The markets in Asia-Pacific and the Americas continued to be the worst affected by the global downturn, whilst China’s economy showed a V-shaped recovery. So far, European markets have shown more resilience.

In the first nine months of 2020, order intake dropped by 10.5% to CHF 8 067 million (previous year: CHF 9 009 million), corresponding to a decrease of 4.7% in local currencies.

In the third quarter of 2020, order intake contracted by 7.1% to CHF 2 712 million (previous year: CHF 2 919 million), which is equivalent to a decrease of 0.7% in local currencies.

As of September 30, 2020, order backlog was CHF 8 948 million (September 30, 2019: CHF 9 280 million). This corresponds to a decrease of 3.6% (+2.6% in local currencies).

Revenue

Revenue contracted by 6.6% to CHF 7 713 million in the first nine months of 2020 (previous year: CHF 8 255 million), corresponding to a decrease of 0.7% in local currencies. M&A activities contributed about 1 percentage point to growth. Revenue dropped in the Americas; Europe managed to attain 2019 levels, while Asia-Pacific generated growth driven by a strong performance of the Chinese operation.

In the third quarter of 2020, revenue decreased by 2.5% to CHF 2 754 million (previous year: CHF 2 824 million), which is equivalent to an increase of 4.0% in local currencies.

Operating profit (EBIT)

In the first nine months of 2020, EBIT dropped by 20.5% to CHF 734 million (previous year: CHF 923 million), corresponding to a decrease of 13.4% in local currencies. EBIT margin reached 9.5% (previous year: 11.2%).

The result includes restructuring costs of CHF 96 million (previous year: CHF 13 million), for the factory closure in Spain and the global cost optimization program.

EBIT adjusted reached CHF 844 million with a margin of 10.9% (previous year: CHF 950 million, 11.5%).

In the third quarter of 2020, operating profit decreased by 4.3% to CHF 313 million (previous year: CHF 327 million), which is equivalent to a growth of 3.4% in local currencies. EBIT margin was 11.4% (previous year: CHF 11.6%). The adjusted EBIT margin reached 12.2% (previous year: 11.8%).

Net profit and cash flow from operating activities

Net profit totaled CHF 548 million (previous year: CHF 680 million) for the first nine months of 2020. Cash flow from operating activities was CHF 955 million (previous year: CHF 656 million; adjusted for one-off impacts: CHF 813 million).

Outlook for 2020

The COVID-19 pandemic continues to affect the global economy, including Elevator & Escalator markets. For the full year 2020 and barring further unexpected events, the company's revenue is expected to reach levels between 0% and –3% in local currencies versus the previous year. Based on potentially increased activities in some key markets and restructuring costs of up to CHF 130 million, full-year 2020 net profit is expected to reach between CHF 720 and CHF 760 million.

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

Key figures
January to September

In CHF million	2020	2019	Δ %	Δ % local currencies
Order intake	8 067	9 009	-10.5	-4.7
Revenue	7 713	8 255	-6.6	-0.7
Operating profit (EBIT)	734	923	-20.5	-13.4
in %	9.5	11.2		
Operating profit (EBIT), adjusted	844¹	950 ²	-11.2	-3.7
in %	10.9	11.5		
Financing and investing activities	-18	-39		
Profit before taxes	716	884	-19.0	
Income taxes	168	204		
Net profit	548	680	-19.4	
Earnings per share and participation certificate in CHF	4.76	5.92	-19.6	
Cash flow from operating activities	955	656 ³	45.6	
Investments in property, plant, and equipment	99	162	-38.9	
	30.9.2020	31.12.2019		
Order backlog	8 948	9 042	-1.0	3.9
Number of employees	67 057	66 306	1.1	

¹ Adjusted for restructuring costs (CHF 96 million) and expenses for BuildingMinds (CHF 14 million)

² Adjusted for restructuring costs (CHF 13 million) and expenses for BuildingMinds (CHF 14 million)

³ Before settlement of pension obligations (CHF -157 million) CHF 813 million

3rd quarter: July to September

In CHF million	2020	2019	Δ %	Δ % local currencies
Order intake	2 712	2 919	-7.1	-0.7
Revenue	2 754	2 824	-2.5	4.0
Operating profit (EBIT)	313	327	-4.3	3.4
in %	11.4	11.6		
Operating profit (EBIT), adjusted	337¹	334 ²	0.9	9.0
in %	12.2	11.8		
Financing and investing activities	-7	-7		
Profit before taxes	306	320	-4.4	
Income taxes	71	76		
Net profit	235	244	-3.7	
Earnings per share and participation certificate in CHF	2.03	2.13	-4.7	
Cash flow from operating activities	319	308	3.6	
Investments in property, plant, and equipment	33	45	-26.7	
	30.9.2020	30.9.2019		
Order backlog	8 948	9 280	-3.6	2.6
Number of employees	67 057	66 027	1.6	

¹ Adjusted for restructuring costs (CHF 19 million) and expenses for BuildingMinds (CHF 5 million)

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

Balance sheet

In CHF million	30.9.2020	%	31.12.2019	%	30.9.2019	%
Cash and cash equivalents	2 208	20.7	2 370	22.4	2 180	21.2
Other current assets	4 929	46.1	4 587	43.2	4 360	42.3
Total current assets	7 137	66.8	6 957	65.6	6 540	63.5
Non-current assets	3 541	33.2	3 641	34.4	3 755	36.5
Total assets	10 678	100.0	10 598	100.0	10 295	100.0
Current liabilities	5 302	49.7	5 184	48.9	5 045	49.0
Non-current liabilities	1 592	14.9	1 531	14.5	1 391	13.5
Total liabilities	6 894	64.6	6 715	63.4	6 436	62.5
Equity	3 784	35.4	3 883	36.6	3 859	37.5
Total liabilities and equity	10 678	100.0	10 598	100.0	10 295	100.0

Exchange rates

			2020		2019	
			Closing rate September 30	Average rate September 30	Closing rate December 31	Average rate September 30
Eurozone	EUR	1	1.08	1.07	1.08	1.12
USA	USD	1	0.92	0.95	0.97	0.99
Brazil	BRL	100	16.33	19.08	24.03	25.53
China	CNY	100	13.54	13.58	13.88	14.49
India	INR	100	1.25	1.29	1.35	1.42

Non-GAAP measures

The key figures comprise certain non-GAAP measures, which are not defined by International Financial Reporting Standards (IFRS). The Group's definitions of these non-GAAP items are available at:

www.schindler.com – Investors – Results

(www.schindler.com/com/internet/en/investor-relations/reports/definition-on-non-gaap-items.html).