

# Key figures as of June 30, 2020

July 24, 2020

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Shanghai,  
China



**Schindler**

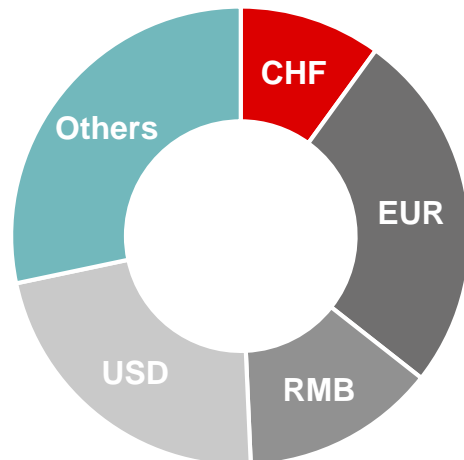
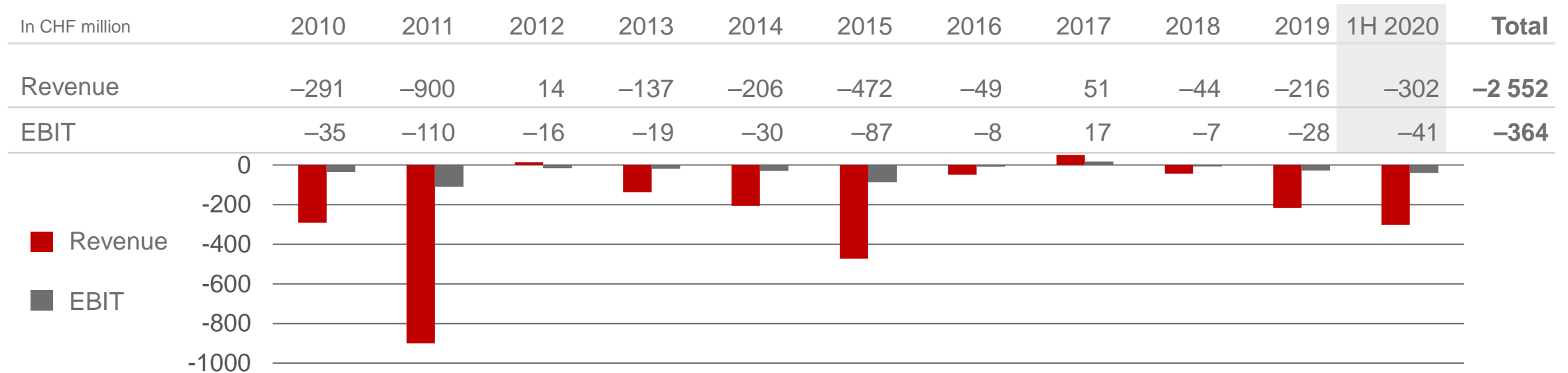
# First half year heavily affected by COVID-19 pandemic and accelerated appreciation of the Swiss Franc

## Market overview

- Gradual re-opening in late Q2 in most regions after severe reduction in overall economy and construction; global economy entering into a recession; every country with different recovery curve
  - Strong recovery of new installation business in China in Q2
  - Overall mixed picture in Europe across business lines
  - Situation in the Americas and in Asia-Pacific remains challenging
  - Service business continues to be rather resilient
  - Persisting high uncertainties in markets leading to project delays in new installations, modernization, and repairs
- Increasing price pressure in both new installations and modernization
- Some customers with liquidity issues
- Accelerated appreciation of Swiss Franc

# Severe appreciation of Swiss Franc

## Negative translation impacts significant and accelerating



### Revenue first half 2020 by functional currency

- Schindler generates >90% of revenues outside Switzerland
- Swiss franc is the reporting currency for Group accounts
- Exposure from corporate functions in Switzerland leads to negative translation impact on EBIT and EBIT-margin

# Set of active measures rolled out to adapt to the new reality due to COVID-19

## Update on key priorities

### Employees

- Coordinated global approach to supply personal protection equipment to field technicians
- Strict daily health checks
- Social distancing at work
- Office staff working from home, taking overtime or vacation

### Customers

- Business continuity secured thanks to strong engagement of field technicians
- Seizing growth opportunities with modular product offering
- Closely managed customer relations and strengthened relationships with key accounts
- Roll-out of new CleanMobility solutions

### Supply Chain

- All plants up and running with a global footprint
- Dual sourcing
- Early build-up of inventories
- Ability to deliver to customers always maintained

### Financials

- Cash flow and liquidity preserved with strong measures across the board
- Acceleration of local efficiency programs in various markets



# New CleanMobility solutions

## Safeguarding hygiene and safety

### Schindler CleanCall

Touchless elevator call and service buttons



### Schindler CleanCover

Antibacterial film designed to cover the floor and cabin buttons

### Schindler Ultra UV and Ultra UV Pro

Reliable and invisible protection for escalator and moving walk handrails



### Schindler ElevateMe App

Touchless elevator operation with a swipe on the phone

### Schindler CleanSpace

Expands the individual passenger space in the cabin for social distancing

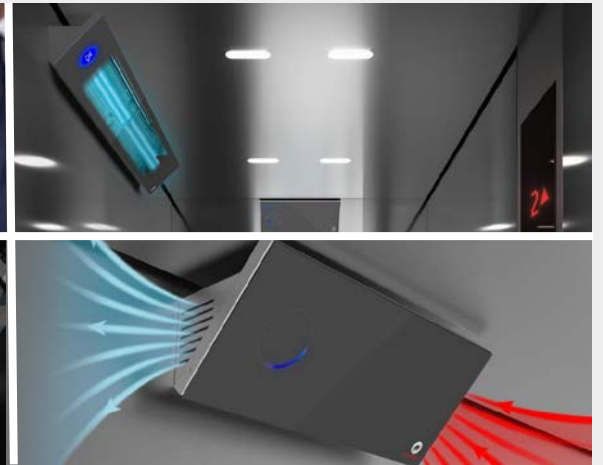


### PORT Technology

Advanced transit management and myPORT Public App with touchless access

### Schindler UV CleanCar

UV-C light system that cleans cabin surfaces



### Schindler UV CleanAir

Air purification system that keeps elevator cabin air fresh and hygienic

# Asia-Pacific

## Recovery in China, mixed development in South East Asia

### Ongoing market recovery in Chinese new installations in Q2

- China: recovering at accelerating speed; government supports infrastructure investments
- India: lockdown severely impacted market activity, with limited recovery so far
- Other markets: overall new installations slowdown in all segments, particularly commercial sector, but entering recovery phase with easing governmental restrictions
- Increased pricing pressure throughout the region

### Schindler performance

- New installations order intake in China close to 2019 level
- South-East Asia in line with market contraction
- Modular product range launched in several markets
- Modernization opportunities with new CleanMobility solutions
- All factories up and running

# Americas

## Mixed picture with high uncertainties

### Decline in new installations market across the region

- North America: new installations significantly under pressure; commercial heavily impacted; persisting uncertainties; markets only slowly re-opening
- Latin America: severe decline in new installations due to economic and political uncertainty
- Pricing under pressure in new installations and service business

### Schindler performance

- Significant drop in orders in the Americas
- North America: severe impact on service and repairs in non-residential segment
- Latin America: all business segments affected by lockdowns and project delays
- All factories up and running

# EMEA

## Reopening of markets and business activities ongoing

### Recovery in new installations; resilience in service business

- Northern Europe: overall solid market development after lockdowns lifted with stable new installations and service business
- Southern Europe: activities restarted in all major countries; residential markets stable; high pricing pressure in all segments

### Schindler performance

- Overall stable business performance, particularly in Northern Europe
- New installations at the level of 2019
- Resilience in maintenance
- Modular products launched in several markets
- All factories up and running



# Half-year results – January to June 2020

## Revenue and EBIT heavily impacted by market contraction

- Order intake decline driven by new installations and modernization; maintenance rather resilient
  - Revenue with negative growth, varying notably between regions and business lines
  - EBIT heavily impacted by lower revenue generation due to global recession
  - Fixed costs, higher restructuring charges, FX translation effects and COVID-19 protective measures weighed on results
  - Cash flow and liquidity strengthened thanks to improving net working capital; solid net liquidity of CHF 1.9 billion
- 
- |  |                               |
|--|-------------------------------|
| ▪ Order intake: –12.1% (–6.6% in local currencies) | ▪ EBIT: CHF 421 million       |
| ▪ Order backlog: –1.2% (+2.7% in local currencies) | ▪ Net profit: CHF 313 million |
| ▪ Revenue: –8.7% (–3.1% in local currencies)       | ▪ Cash flow: CHF 636 million  |

# Key figures as of June 30, 2020

## April to June

In CHF million	Q2 2020	Q2 2019	Δ%	Δ% in LC
Order intake	2 635	3 122	-15.6	-9.9
Revenue	2 512	2 849	-11.8	-5.8
Operating profit (EBIT)	255	322	-20.8	-12.7
in %	10.2	11.3		
Operating profit (EBIT), adjusted	286 <sup>1)</sup>	334 <sup>2)</sup>	-14.4	-6.3
in %	11.4	11.7		
Financing and investing activities	-9	-17		
Profit before taxes	246	305	-19.3	
Income taxes	58	66		
Net profit	188	239	-21.3	
Earnings per share and participation certificate in CHF	1.65	2.08	-20.7	
Cash flow from operating activities	313	85	268.2	

1) Adjusted for restructuring costs (CHF 26 million) and expenses for BuildingMinds (CHF 5 million)

2) Adjusted for restructuring costs (CHF 7 million) and expenses for BuildingMinds (CHF 5 million)

# Key figures as of June 30, 2020

## January to June

In CHF million	1H 2020	1H 2019	Δ%	Δ% in LC
Order intake	5 355	6 090	-12.1	-6.6
Revenue	4 959	5 431	-8.7	-3.1
Operating profit (EBIT)	421	596	-29.4	-22.7
in %	8.5	11.0		
Operating profit (EBIT), adjusted	507 <sup>1)</sup>	616 <sup>2)</sup>	-17.7	-10.7
in %	10.2	11.3		
Financing and investing activities	-11	-32		
Profit before taxes	410	564	-27.3	
Income taxes	97	128		
Net profit	313	436	-28.2	
Earnings per share and participation certificate in CHF	2.73	3.79	-28.0	
Cash flow from operating activities	636	348 <sup>3)</sup>	82.8	

1) Adjusted for restructuring costs (CHF 77 million) and expenses for BuildingMinds (CHF 9 million)

2) Adjusted for restructuring costs (CHF 11 million) and expenses for BuildingMinds (CHF 9 million)

3) Before settlement of pension obligations (CHF -157 million) CHF 505 million

# Launching cost optimization program to secure competitiveness in new market reality



- Increasing pricing pressures, accelerated appreciation of Swiss Franc and contracting markets call for restructuring measures along the whole value chain
- Major markets except China are not expected to return to 2019 levels before 2022
- The Group is launching a cost optimization program to remain competitive and to be able to deliver on its growth agenda
- Some 2000 jobs to be reduced globally over the course of the next two years
- Restructuring costs estimated up to CHF 150 million, with the majority to be recognized over the next 18 months



# Outlook 2020

as of July 24, 2020, based on no further shocks in key markets

## Business environment

- High level of uncertainty regarding economic developments
- No full market recovery to 2019 levels in sight until 2022
- Increased price pressure in new installations and modernization
- Opportunities with modular products, digitalization, and CleanMobility solutions
- Service business largely resilient but facing increasing pricing pressure
- Long-term growth drivers remain intact

## Schindler outlook for FY 2020

- Revenue growth of between 0% to –6% in local currencies
- Negative FX translation effects continue to be a burden
- Restructuring costs of up to CHF 130 million, thereof ca. CHF 100 million related to announced cost optimization program
- Net profit expected to reach between CHF 680 and CHF 720 million
- Continued investments in strategic initiatives



# Financial calendar

	2020	2021
Publication of key figures as of September 30	October 23	
Annual results media conference		February 17
Ordinary General Meeting Schindler Holding Ltd.		March 23

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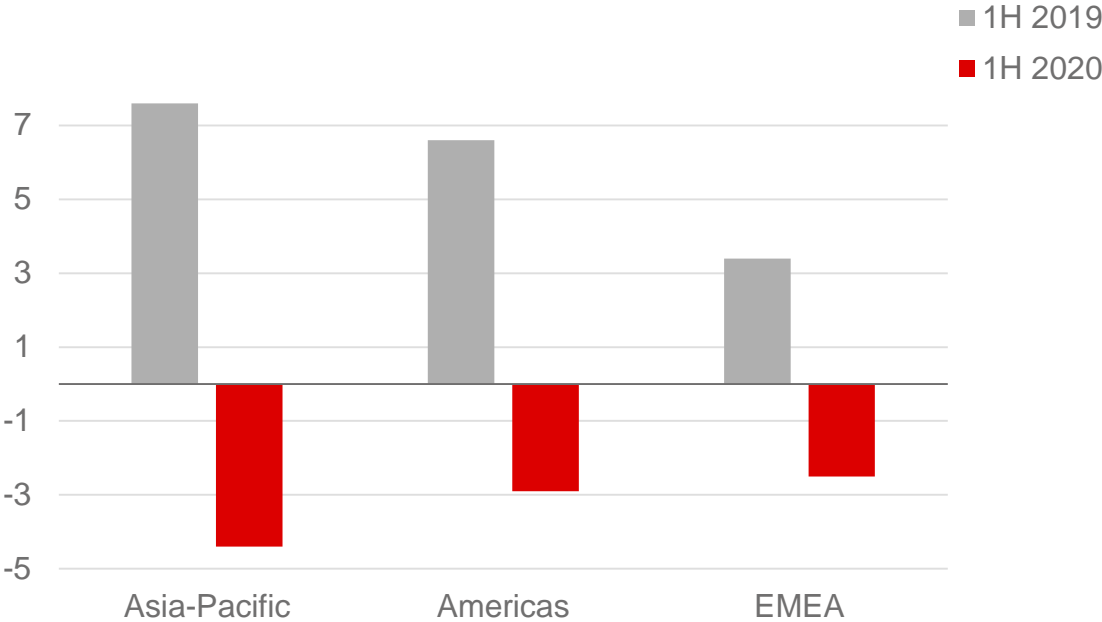
# Additional charts



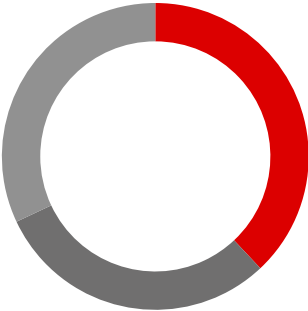
# Order backlog and revenue by region

## Order backlog remains robust

Revenue growth by region (in LC) in %



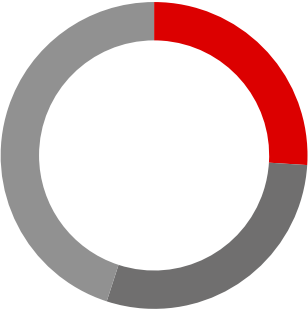
Order backlog



1H 2020: CHF 8 936 million (+2.4% in LC)  
1H 2019: CHF 9 217 million

	2020	2019
■ Asia-Pacific	38%	38%
■ Americas	30%	31%
■ EMEA	32%	31%

Revenue



1H 2020: CHF 4 959 million (-3.1% in LC)  
1H 2019: CHF 5 431 million

	2020	2019
■ Asia-Pacific	26%	26%
■ Americas	29%	29%
■ EMEA	45%	45%



# Quarterly overview 2020/2019

In CHF million		2020			2019	
	Q2	Q1	Q4	Q3	Q2	Q1
Order intake	2 635	2 720	3 114	2 919	3 122	2 968
Revenue	2 512	2 447	3 016	2 824	2 849	2 582
Operating profit (EBIT)	255	166	335	327	322	274
in %	10.2	6.8	11.1	11.6	11.3	10.6
Operating profit (EBIT), adjusted	286	221	364	334	334	282
in %	11.4	9.0	12.1	11.8	11.7	10.9
Financing and investing activities	-9	-2	-18	-7	-17	-15
Profit before taxes	246	164	317	320	305	259
Income taxes	58	39	68	76	66	62
Net profit	188	125	249	244	239	197
in %	7.5	5.1	8.3	8.6	8.4	7.6
Cash flow from operating activities	313	323	529	308	85	263

# Balance sheet

In CHF million	30.6.2020	in %	31.12.2019	in %	30.6.2019	in %
Cash and cash equivalents	2 163	20.8	2 370	22.4	2 036	19.8
Other current assets	4 627	44.4	4 587	43.2	4 457	43.4
<b>Total current assets</b>	<b>6 790</b>	<b>65.2</b>	<b>6 957</b>	<b>65.6</b>	<b>6 493</b>	<b>63.2</b>
Non-current assets	3 627	34.8	3 641	34.4	3 782	36.8
<b>Total assets</b>	<b>10 417</b>	<b>100.0</b>	<b>10 598</b>	<b>100.0</b>	<b>10 275</b>	<b>100.0</b>
Current liabilities	5 229	50.2	5 184	48.9	5 223	50.8
Non-current liabilities	1 591	15.3	1 531	14.5	1 395	13.6
<b>Total liabilities</b>	<b>6 820</b>	<b>65.5</b>	<b>6 715</b>	<b>63.4</b>	<b>6 618</b>	<b>64.4</b>
Equity	3 597	34.5	3 883	36.6	3 657	35.6
<b>Total liabilities and equity</b>	<b>10 417</b>	<b>100.0</b>	<b>10 598</b>	<b>100.0</b>	<b>10 275</b>	<b>100.0</b>
<b>Net working capital</b>	<b>-656</b>		<b>-600</b>		<b>-480</b>	
<b>Net liquidity</b>	<b>1 897</b>		<b>2 046</b>		<b>1 482</b>	