

Annual results 2021 presentation

February 16, 2022

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Schindler

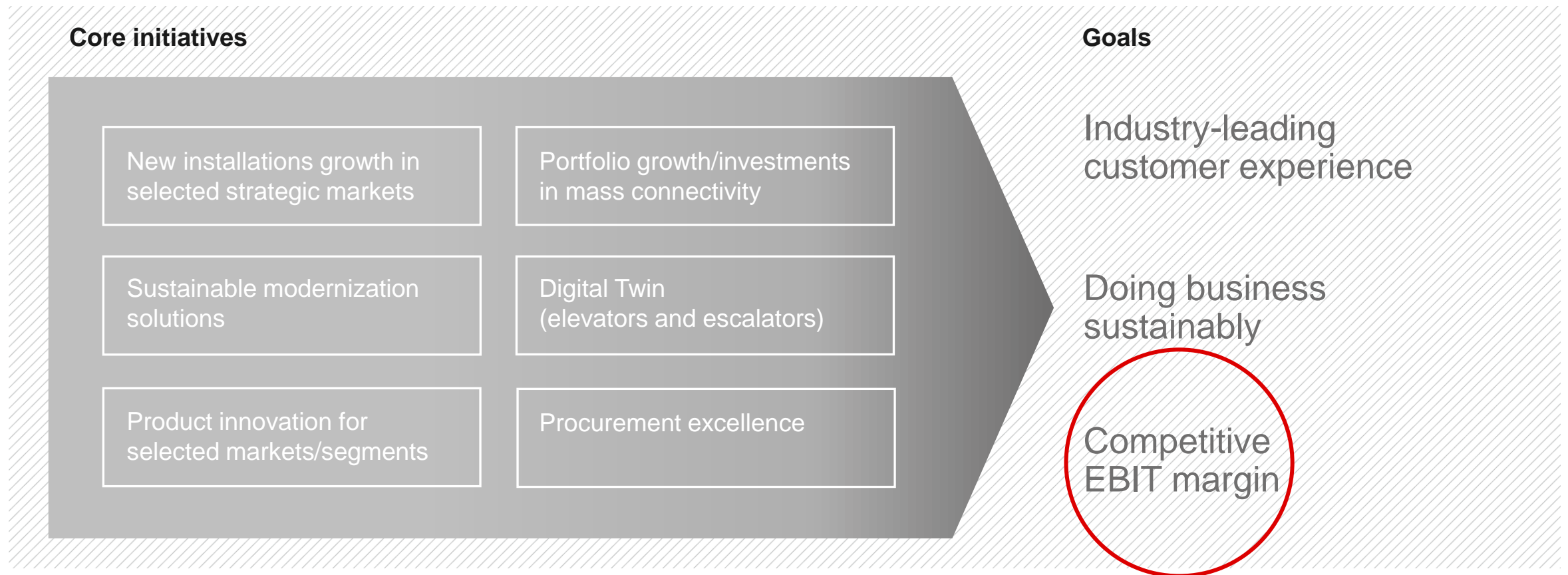
Agenda

- | | |
|-----------------------------|---------------------------------|
| 1. Challenges | Silvio Napoli |
| 2. New leadership structure | Silvio Napoli |
| 3. Financial results 2021 | Urs Scheidegger |
| 4. Outlook | Urs Scheidegger |
| 5. Q&A | Silvio Napoli & Urs Scheidegger |

Delivering on Top Speed 23 objectives calls for change

Execution of core initiatives to be accelerated and refocused

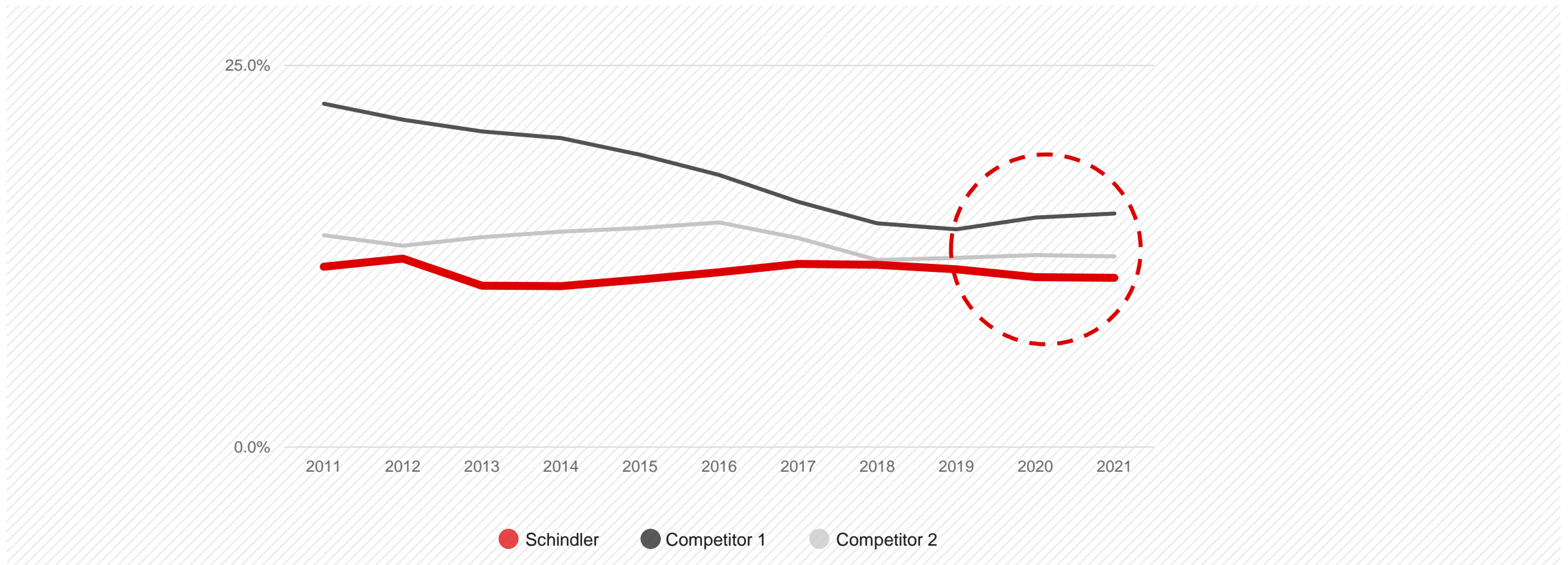
Top Speed 23



Schindler is lagging competition

Performance gaps need to be addressed now

EBIT adj. development – gap widening again



Unprecedented mix of challenges

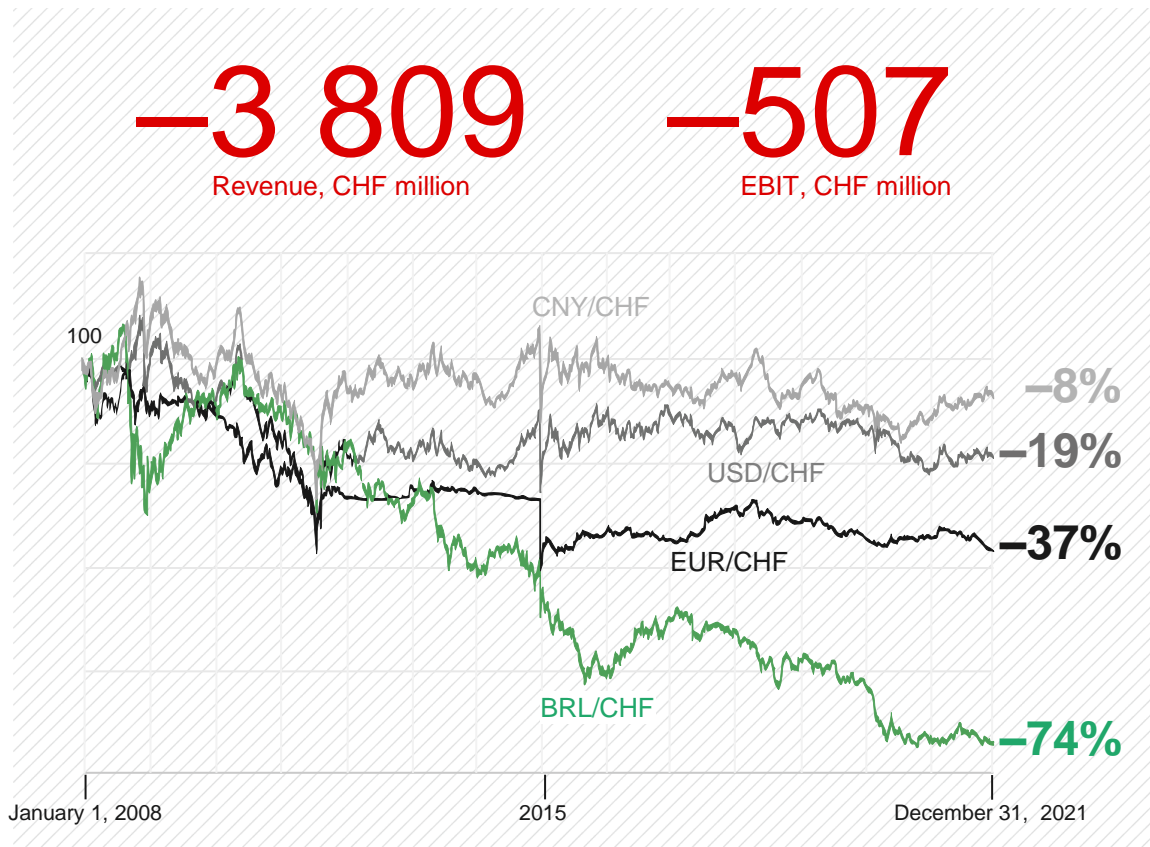
Effective response to complex environment needed

1. Dealing with foreign exchange burden
2. Regaining competitive new installation (NI) margins
3. Resolving supply chain disruptions
4. Streamlining product portfolio complexity
5. Adjusting for China NI market contraction

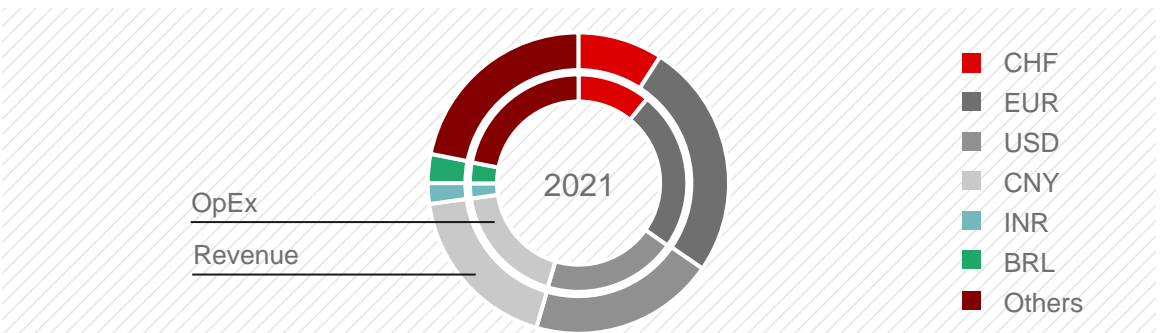
Challenge #1: foreign exchange burden

Pressure expected to continue due to Swiss franc strength

Impact on revenue and EBIT since 2008



>90% of revenue in other currencies than CHF



Significant translation exposure

- Swiss franc is the reporting currency for Group accounts
- Exposure from corporate functions in Switzerland
- Over-proportional OpEx exposure to CHF

→ Measures to counter translation exposure

- Mitigation of CHF cost exposure
- Continued alignment of competences and resources to strategic markets

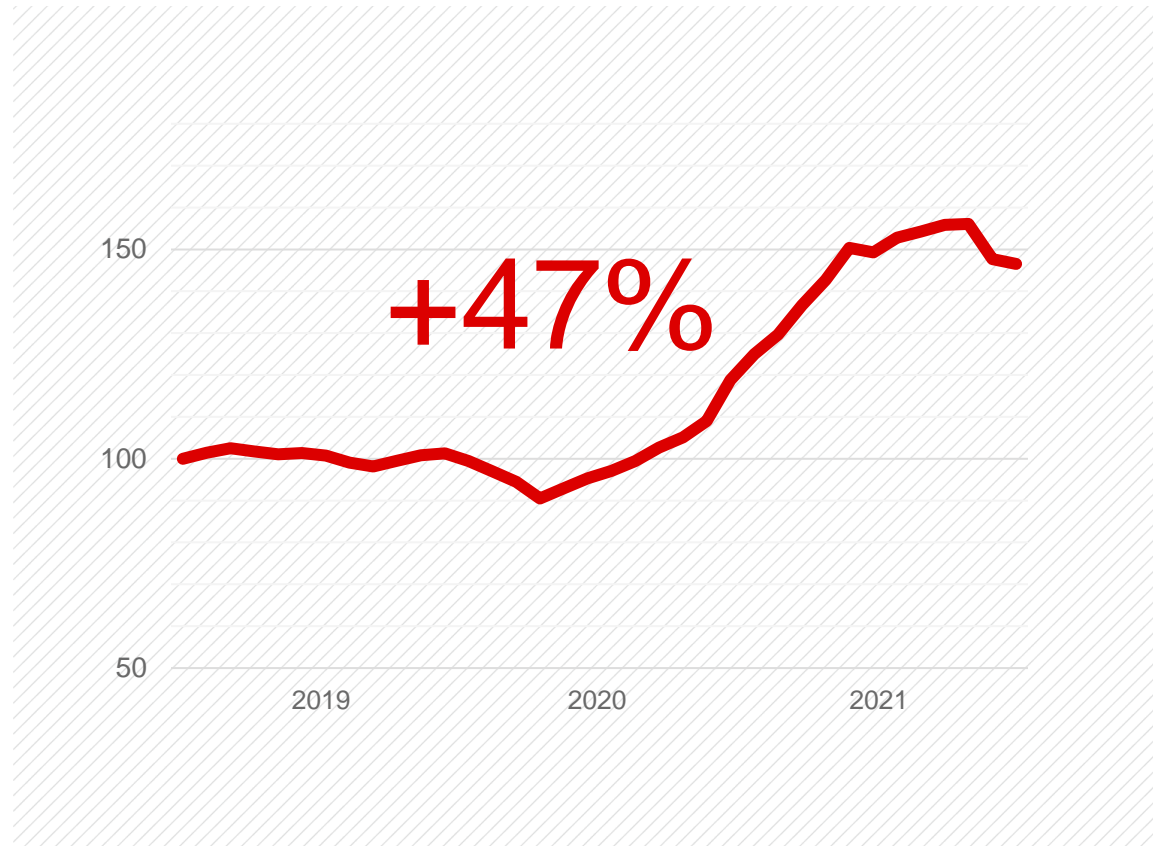
Minor transaction exposure

- Dealt with by systematic hedging process

Challenge #2: regain competitive NI margins

Raw material and component cost inflation persisting at record levels

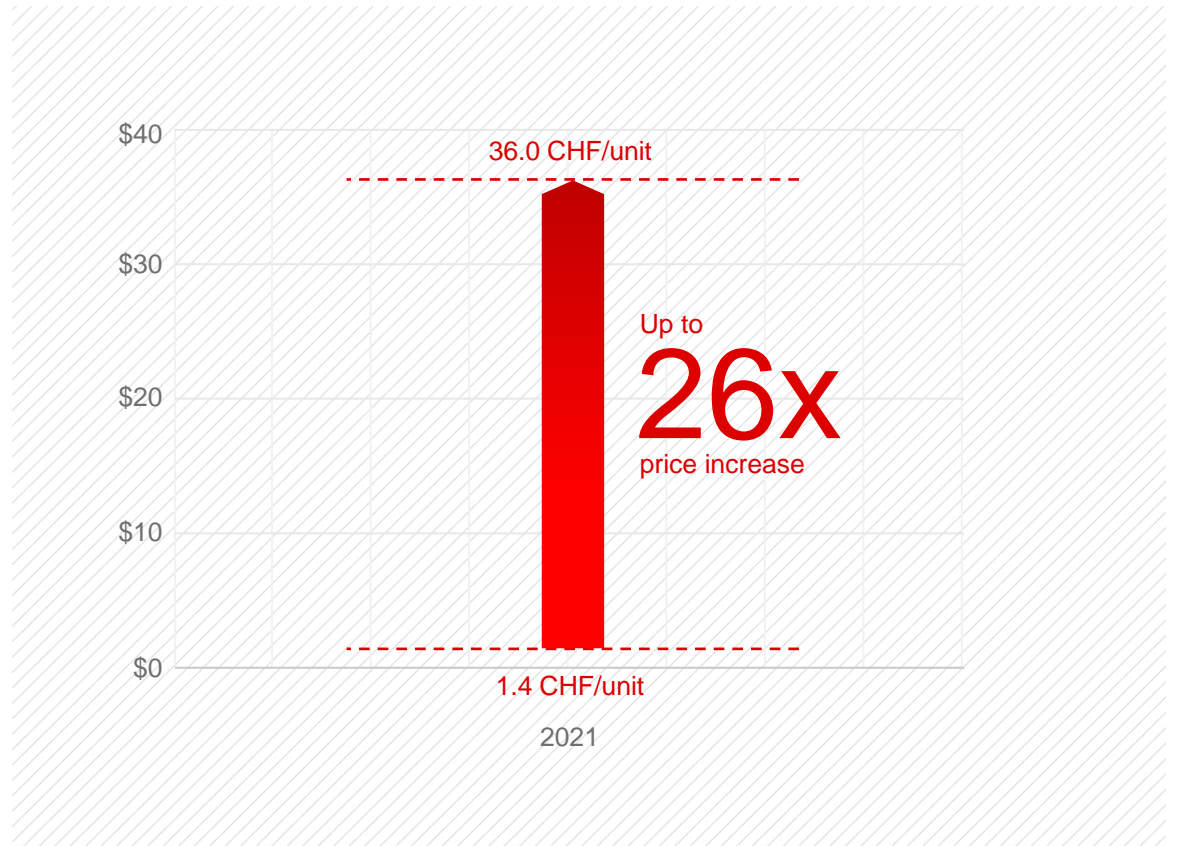
Weighted raw material index¹⁾ – steep increase...



¹⁾ Source: Schindler

²⁾ Flash microchip price elevator controllers

... and same for semiconductor cost²⁾

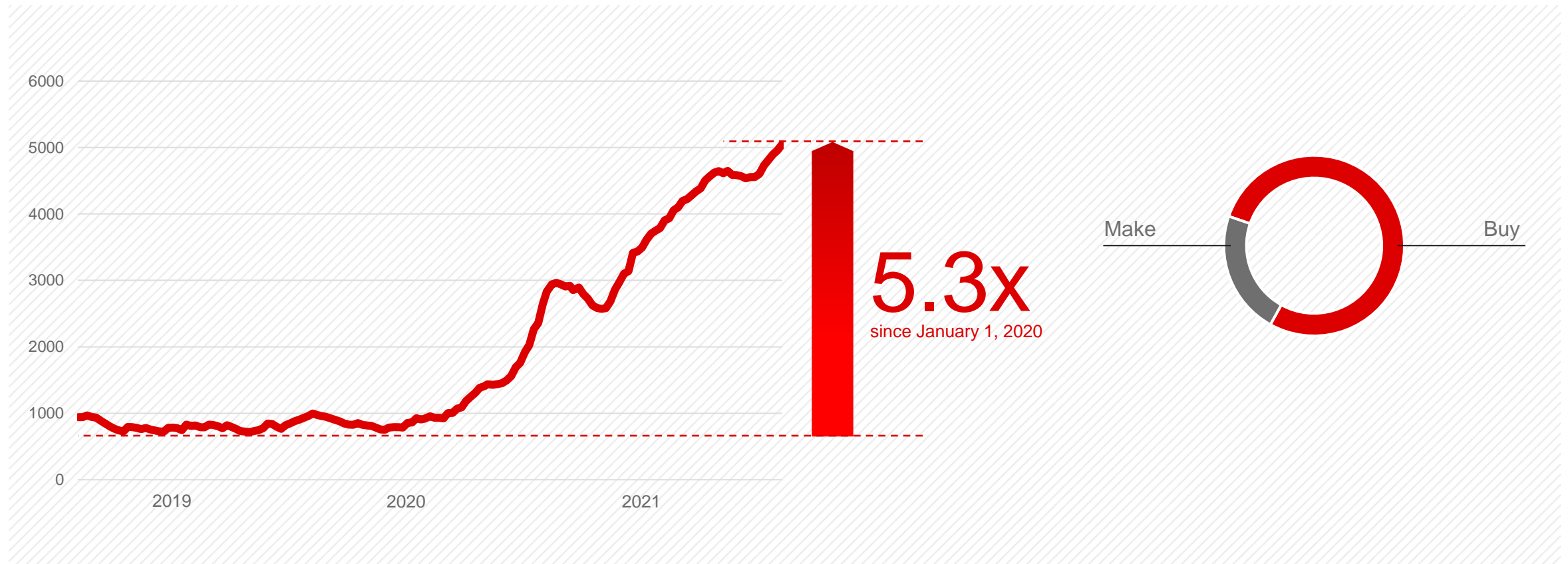


Challenge #2: regain competitive NI margins

Logistics cost dramatically increased, threatening global supply chain effectiveness

Shanghai containerized freight index more than quintupled¹⁾

Supply chain model under pressure

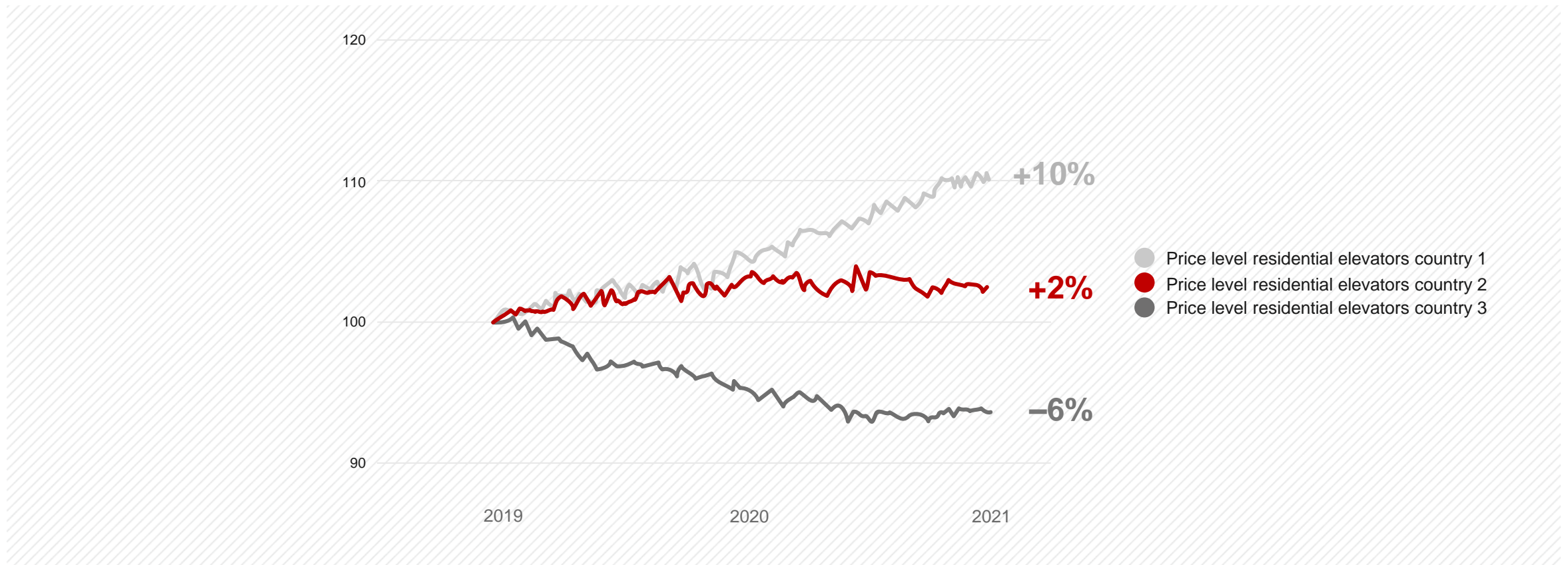


¹⁾ October 16, 2019 = 1 000, based on the most used trade routes from Shanghai

Challenge #2: regain competitive NI margins

Price levels still unable to offset cost inflation impact

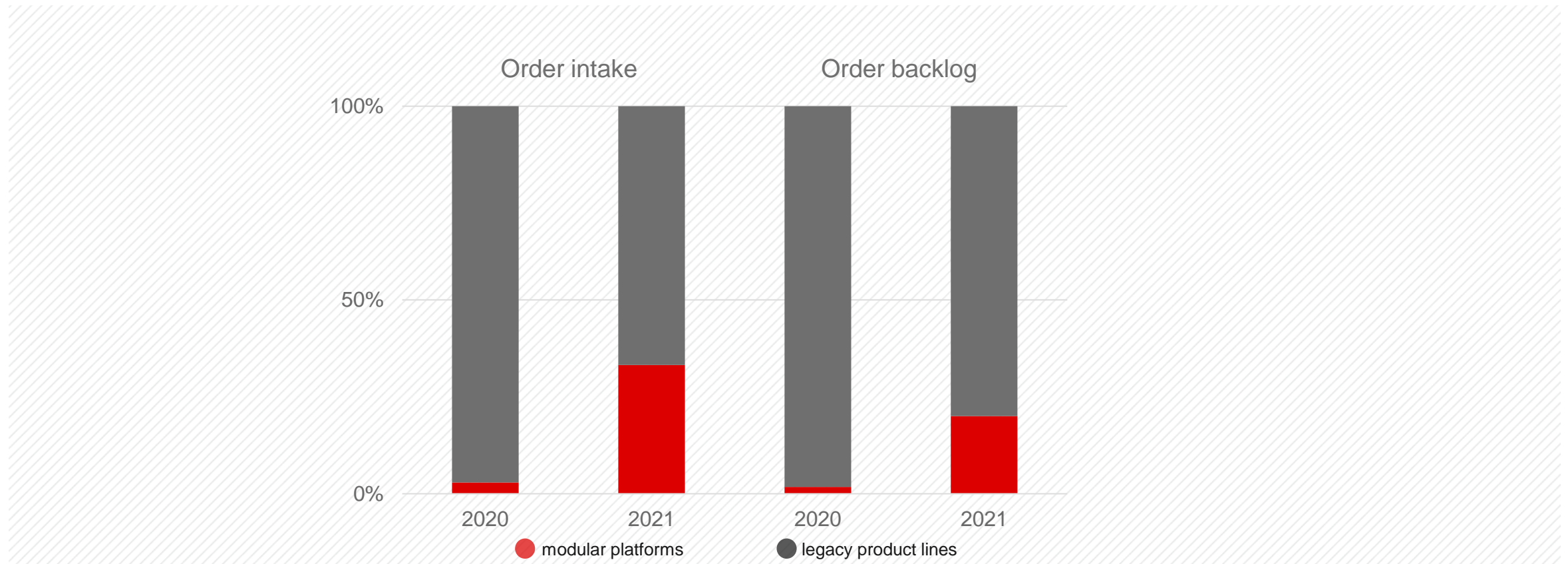
More price increases are a must to offset increasing cost



Challenge #3: Supply chain issues

Manufacturing stretched between new modular platform ramp-up and delayed phasing-out of legacy product lines

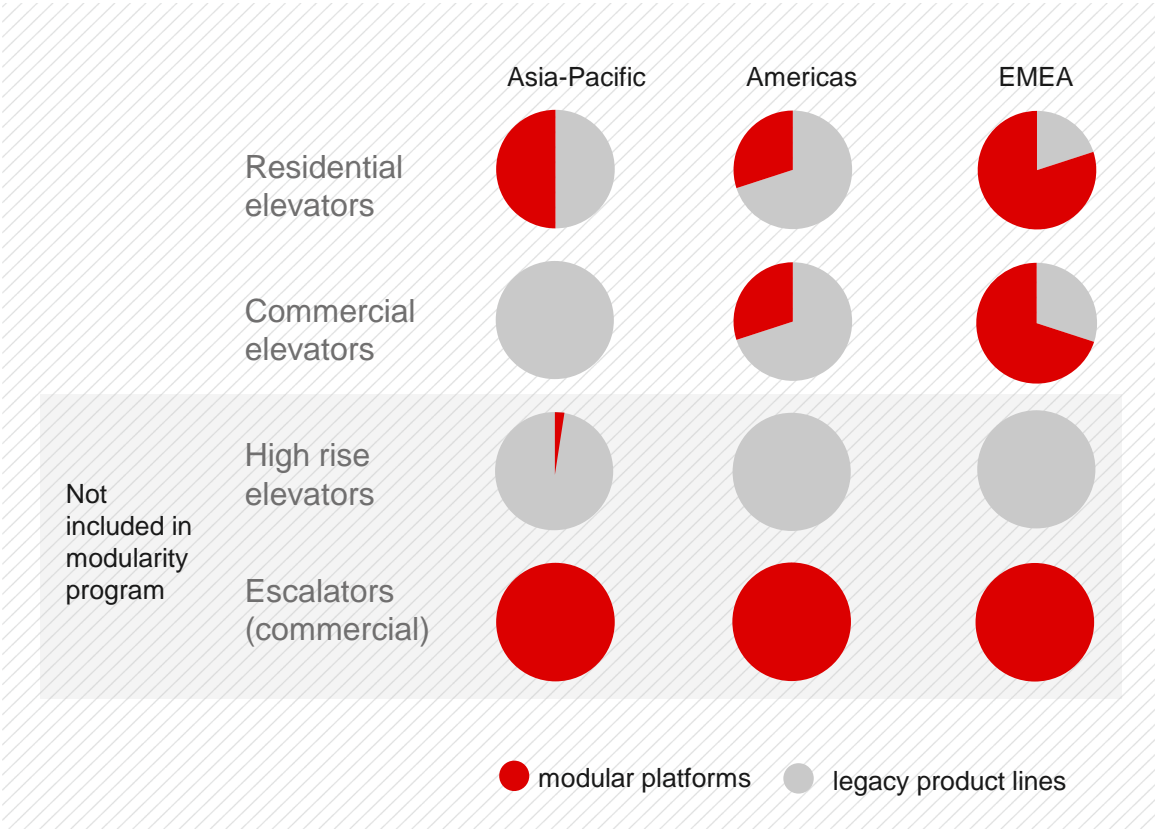
Modular elevators vs. legacy product lines – proportion of old product lines still high



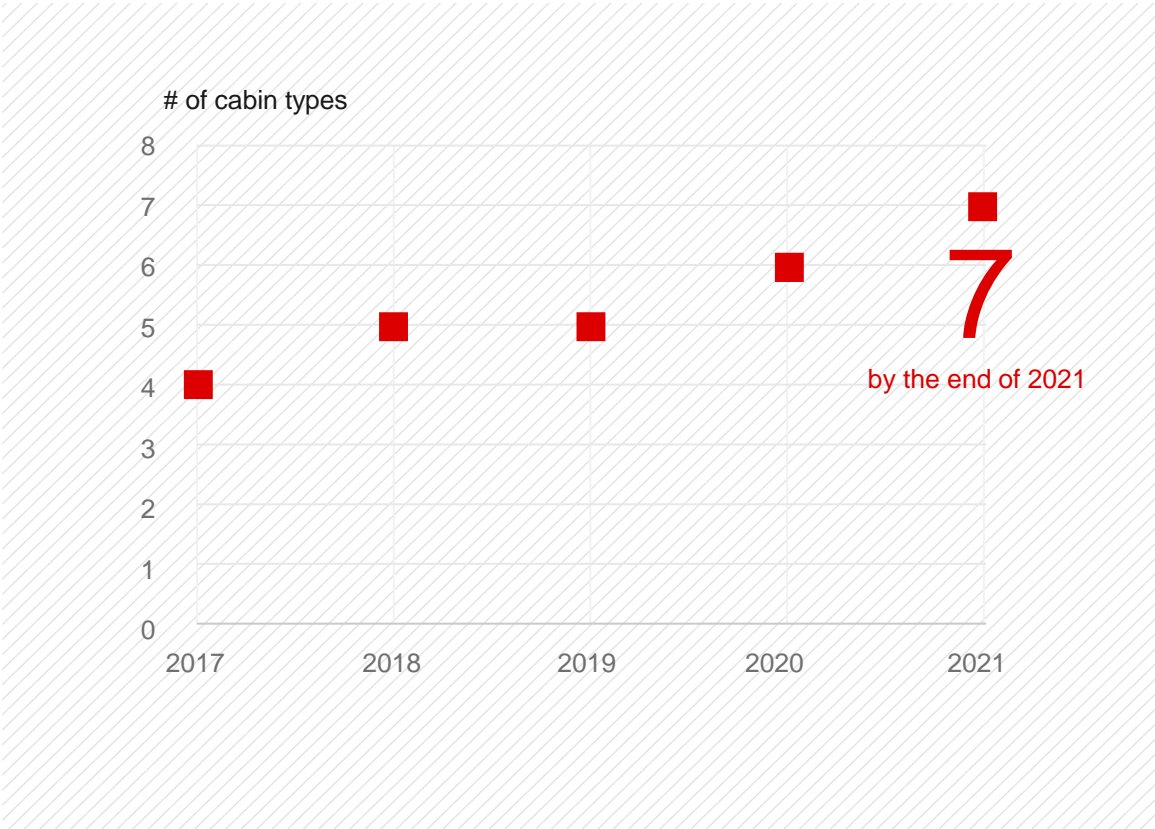
Challenge #4: Accelerate complexity reduction

NI modularity still to be implemented across key segments

Status sales release of modular products



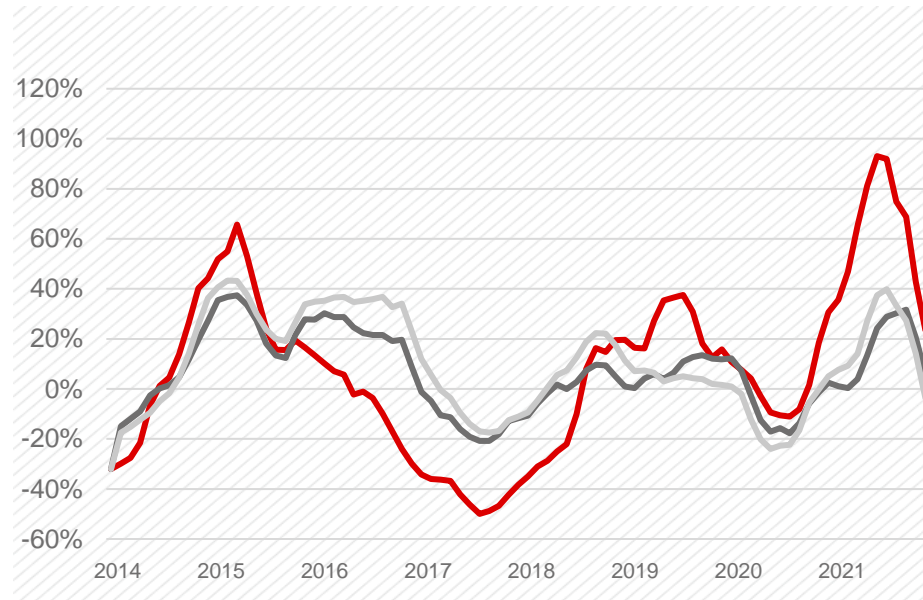
Factory transition from legacy product to modular platform



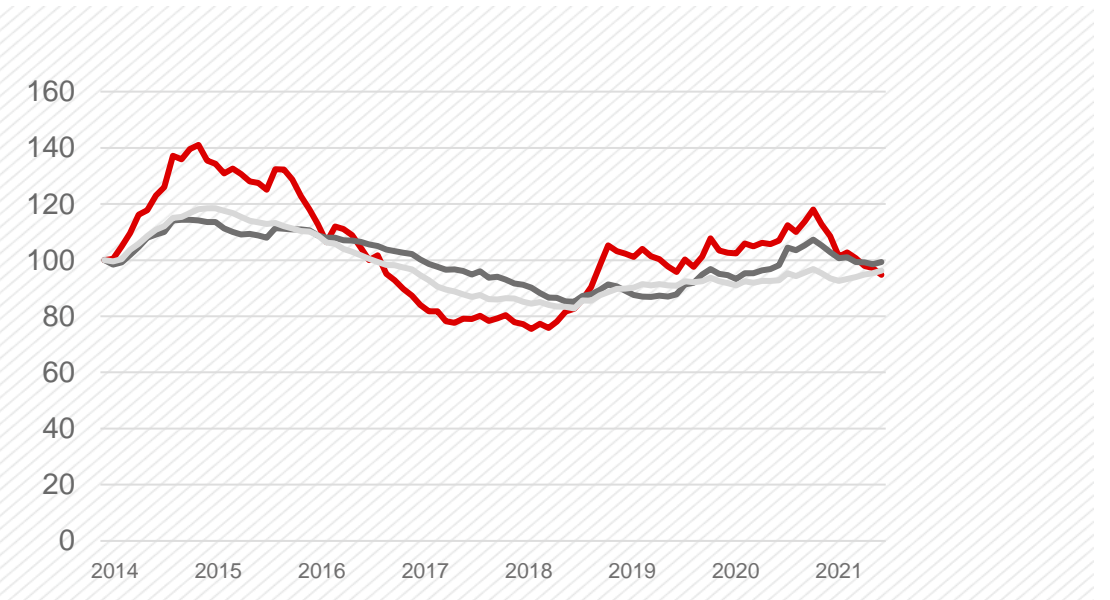
Challenge #5: China NI market expected to contract in 2022

Sharpened focus on strategic growth pockets required – pressure only partially offset by growth in service and modernization

Floor space started growth (6 months average)
by city tiers



Housing inventory by city tiers (2014 =100)



— Tier 1 — Tier 2 — Tier 3/4

New leadership structure to navigate mix of challenges

“Top Speed 23” set-up: more speed, agility and impact

Corporate Governance Structure



*) including Escalators

Key Changes

Combined Chairman & CEO:

- faster decision-making
- strategic priorities impact

New COO role:

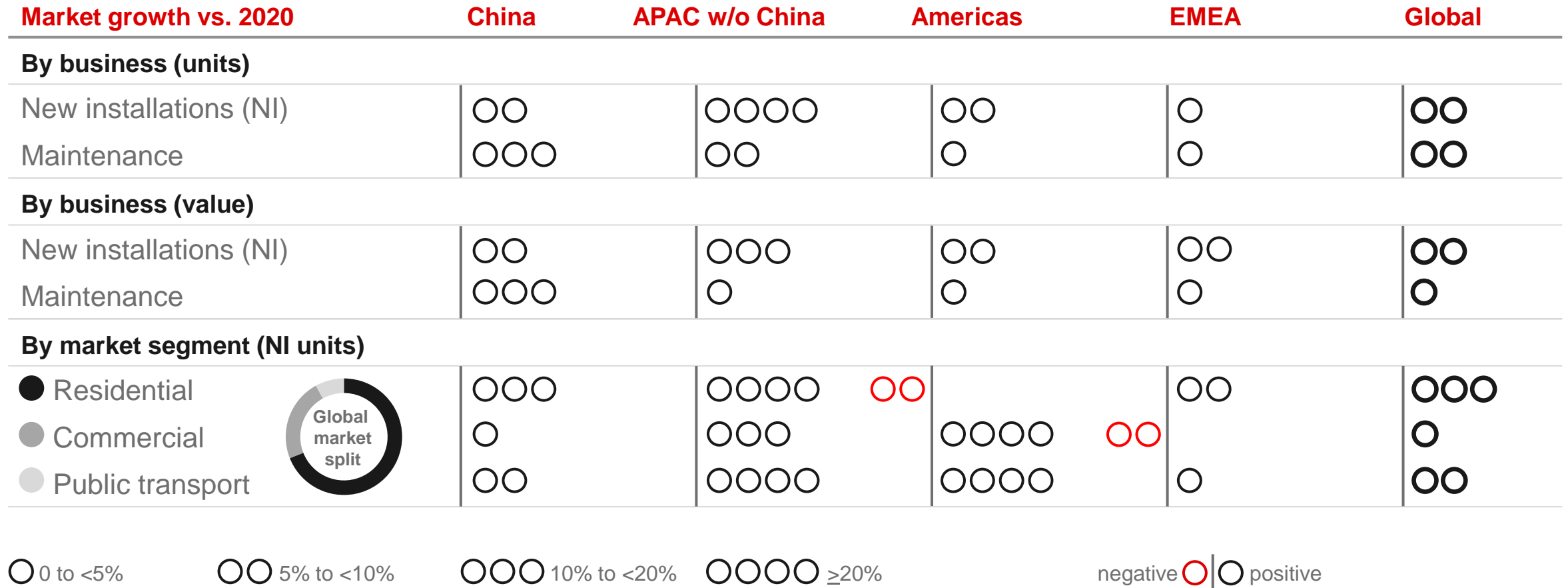
- drives strategy execution
- leads day-to-day operations
- breaks down silos across entire value-chain

3. Financial results 2021 in a nutshell

- Global markets recovering at various speed
- Order intake and revenue back to 2019 pre-pandemic levels
- Operating results affected by supply chain issues, electronic shortages, material and freight cost inflation and delayed deliveries and construction sites
- Solid cash flow from operating activities
- Top Speed 23 program in execution phase

Global markets have continued to recover in 2021

Mixed recovery patterns across geographies, product lines and segments

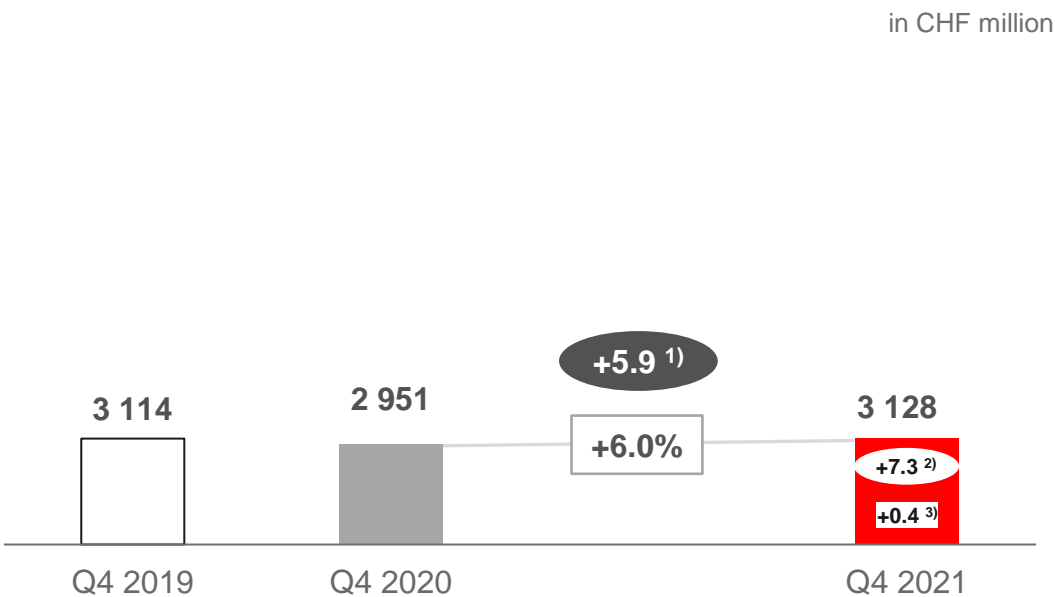


Source: Schindler estimates

Order intake development

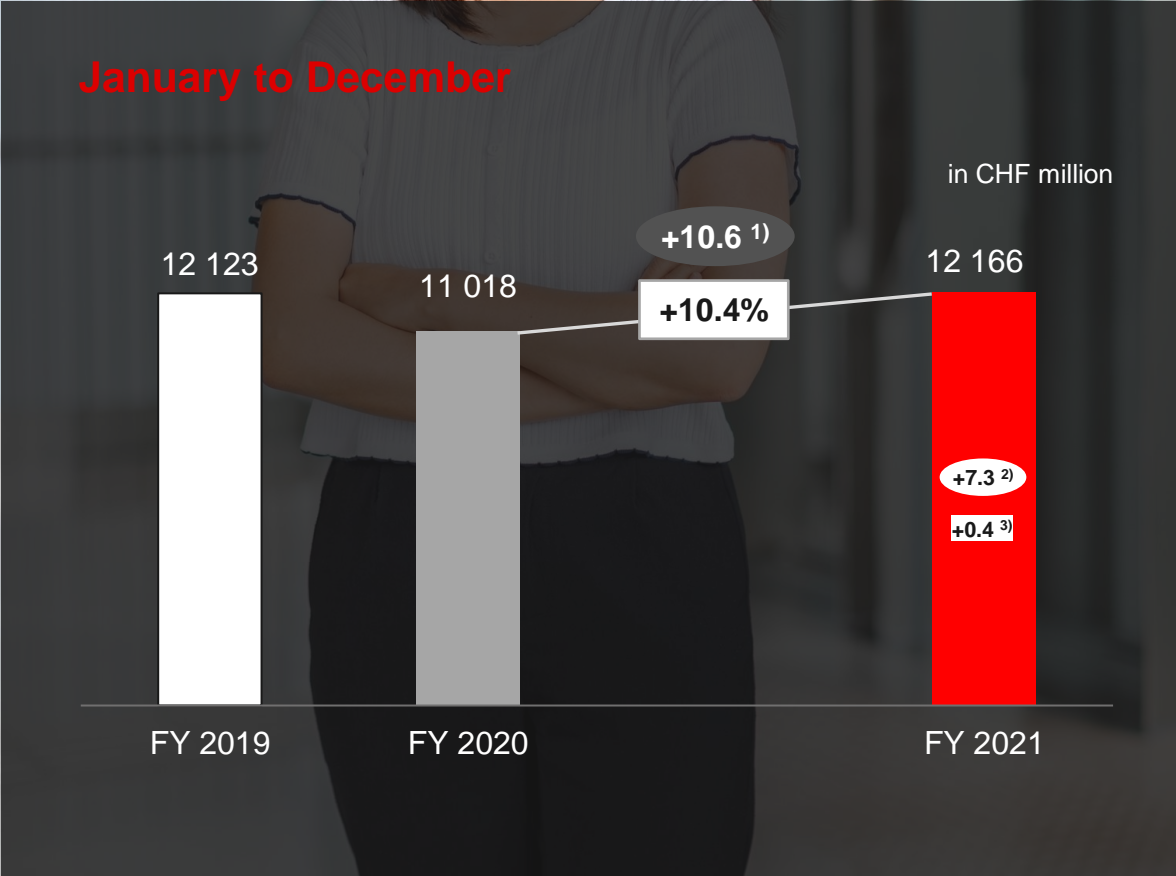
Back to pre-pandemic level, margins under pressure

October to December



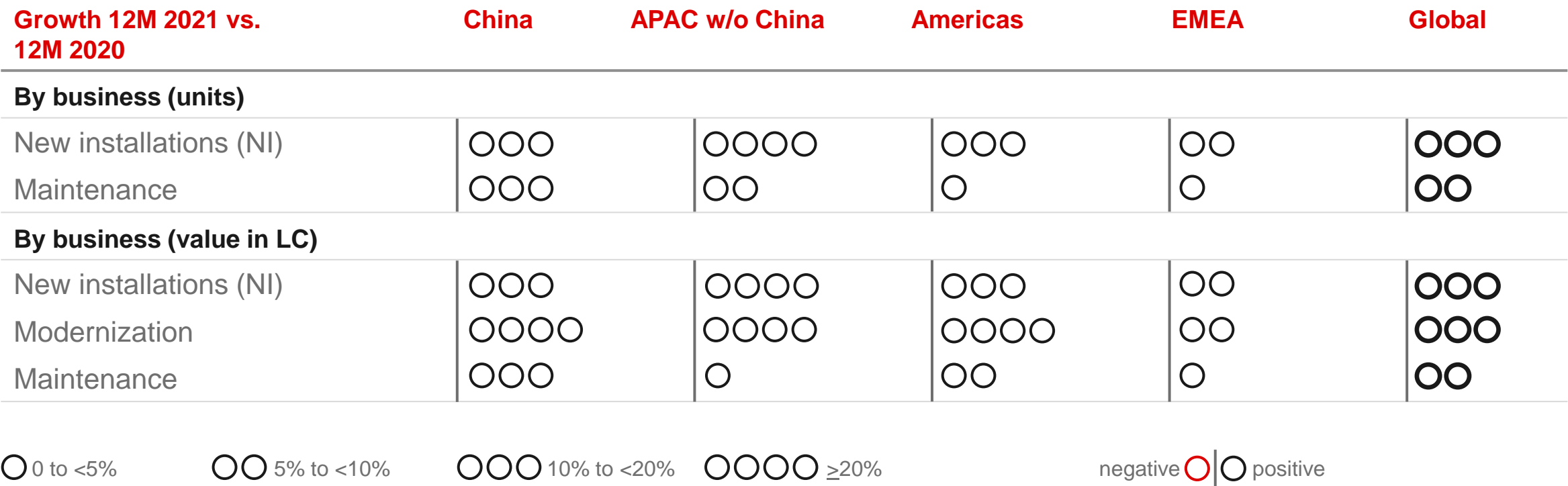
1) Growth in local currencies, in %
2) Growth in local currencies vs. 2019, in %
3) Growth vs. 2019, in %

January to December



Order intake growth by region and product line (full year)

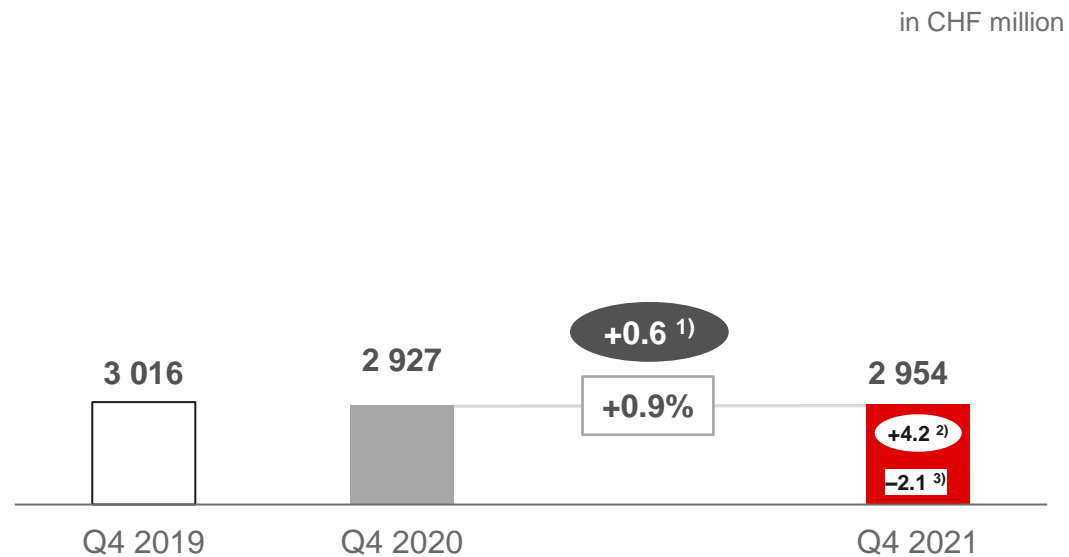
Growth across all regions and product lines, activity levels maintained in the second half of the year



Revenue development

Full year back to pre-pandemic level,
Q3 slowdown continued Q4

October to December



- 1) Growth in local currencies, in %
- 2) Growth in local currencies vs. 2019, in %
- 3) Growth vs. 2019, in %

January to December



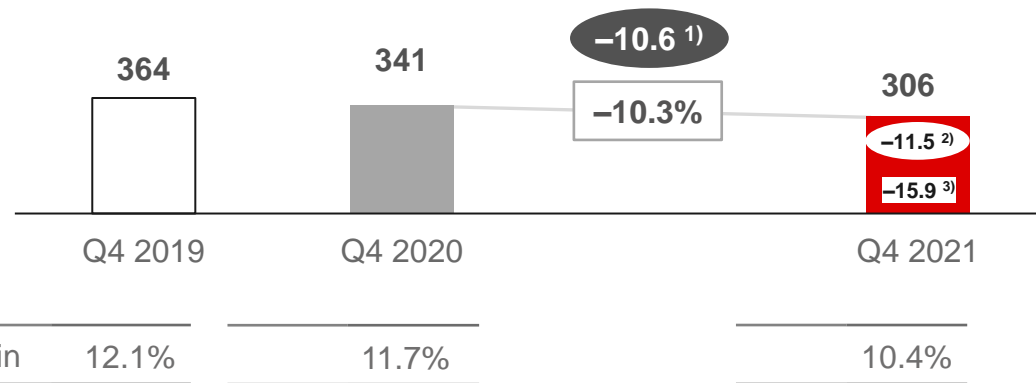
EBIT adj. development

Margins below pre-pandemic level, Q4 drop driven by supply chain issues

October to December

EBIT adjusted

in CHF million

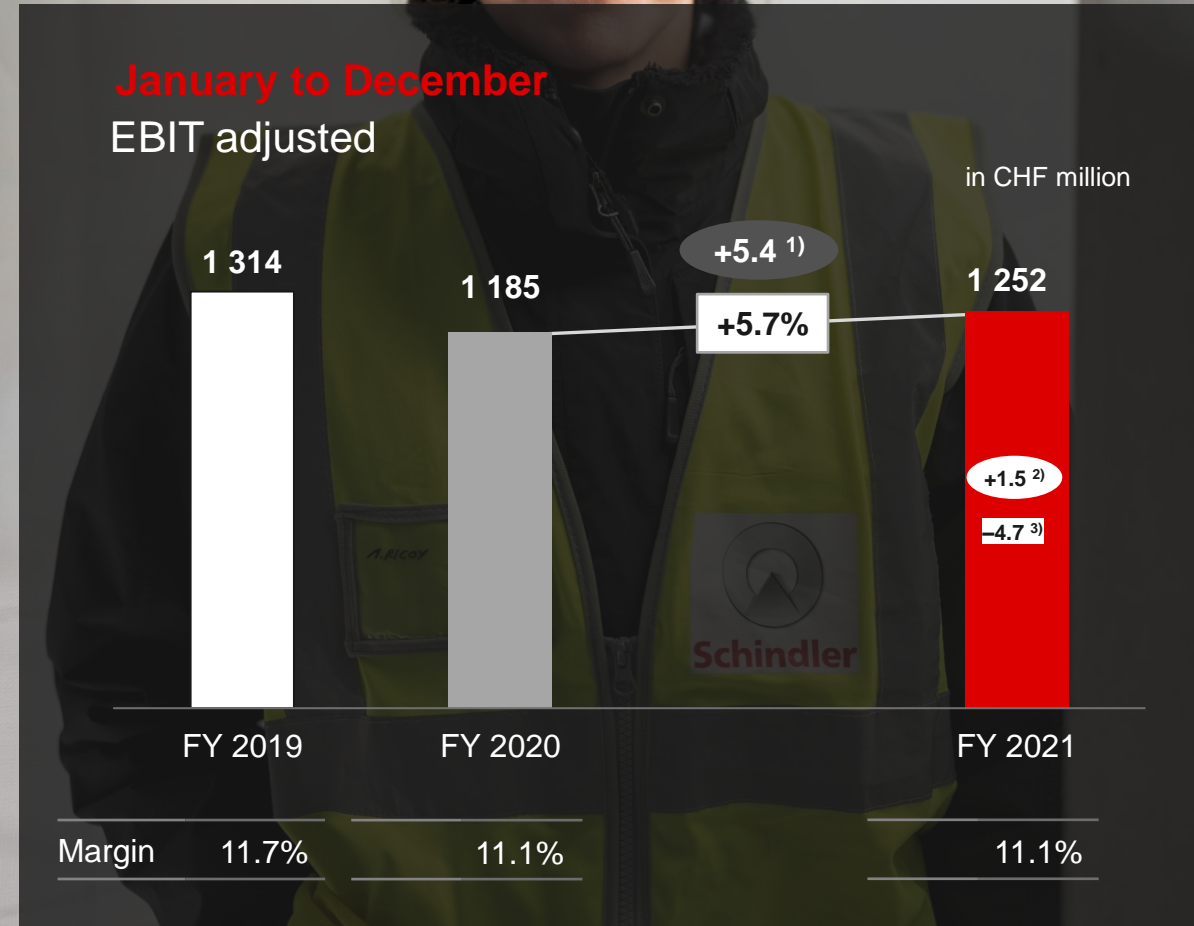


- 1) Growth in local currencies, in %
2) Growth in local currencies vs. 2019, in %
3) Growth vs. 2019, in %

January to December

EBIT adjusted

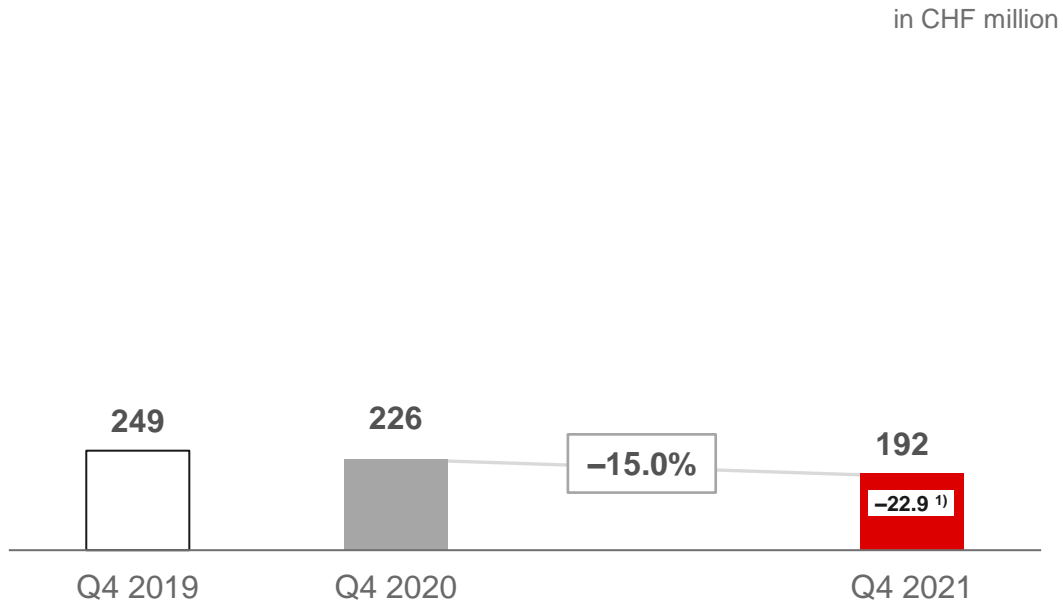
in CHF million



Net profit development

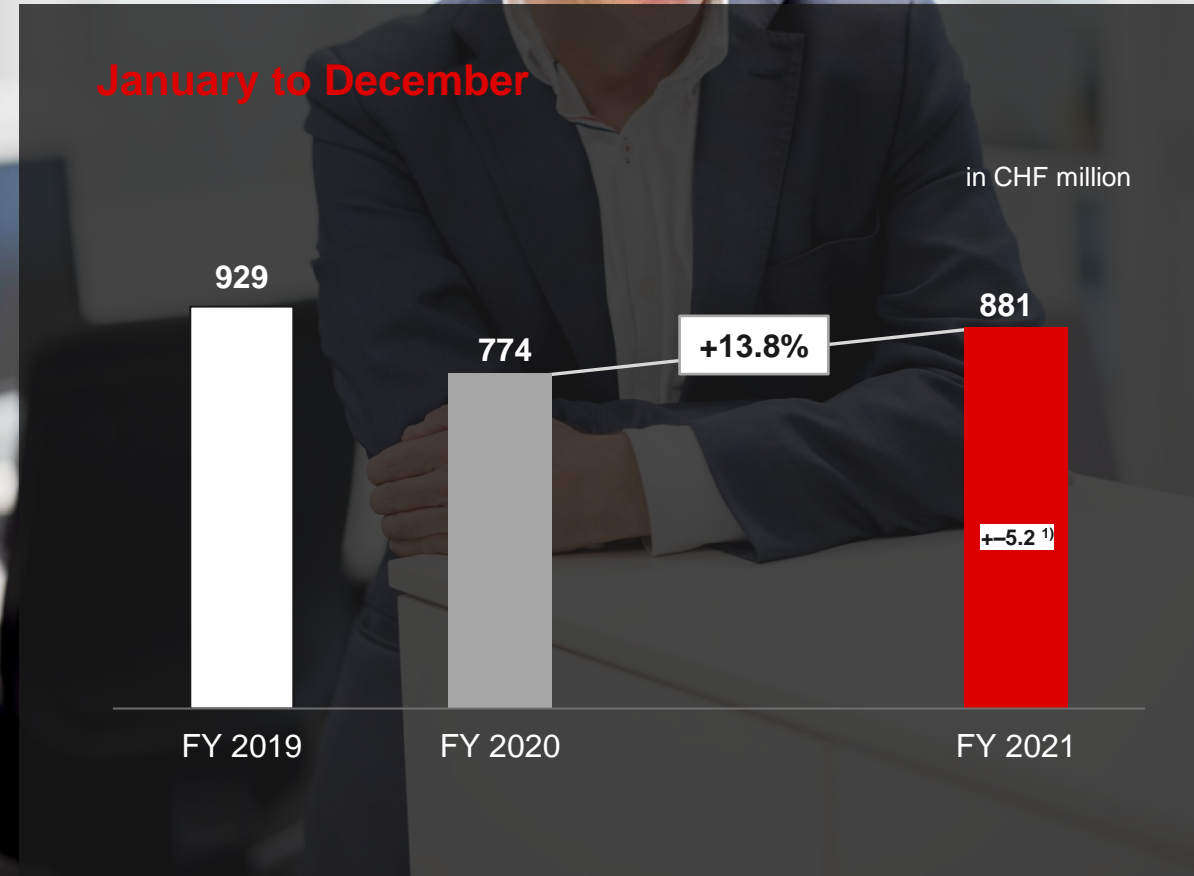
EBIT impacted by Top Speed 23 cost ramp-up in Q4

October to December



1) Growth vs. 2019, in %

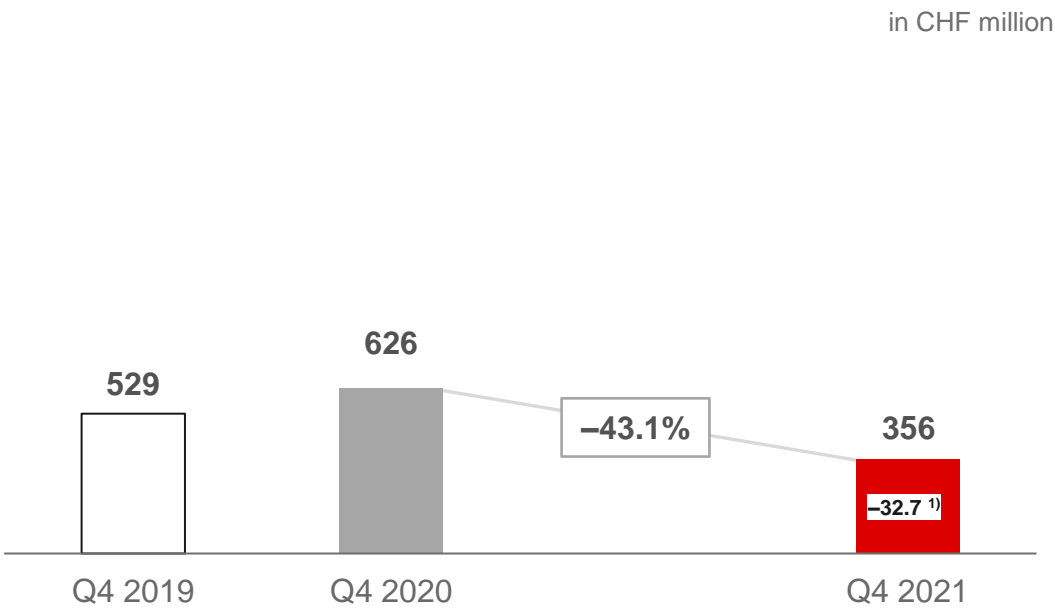
January to December



Cash flow development

NWC improvement less pronounced than in 2020

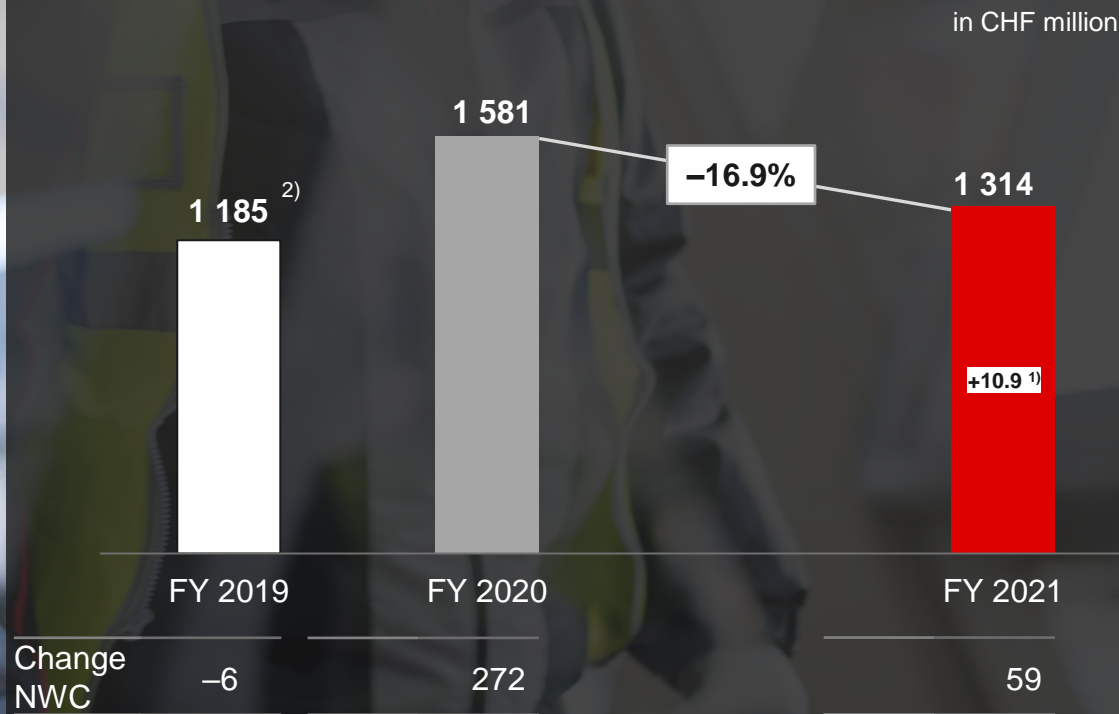
October to December



Cash flow from operating activities

1) Growth vs. 2019, in %













January to December



2) Before settlement of pension obligations (CHF -157 million) CHF 1 342 million

Top Speed 23 program update

CHF 58 million spent in 2021 – further acceleration needed

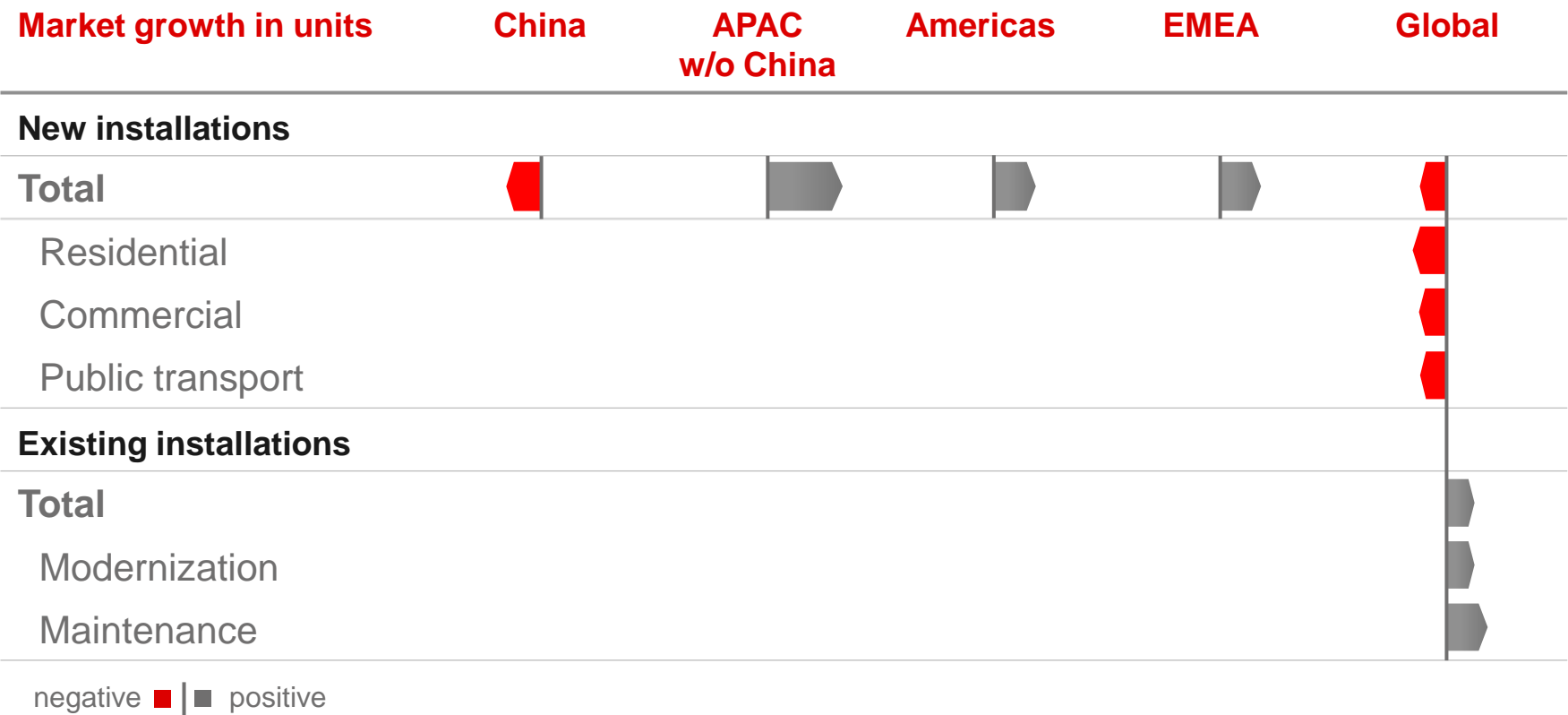
Core initiatives	Status	% expenses of full program	EBIT Impact as of (year)
New installations growth in selected strategic markets	Growth above market in all key markets, margins to be improved	 5 – 10%	 2022
Portfolio growth/investments in mass connectivity	30% increase of connected units despite semiconductor shortage	 40 – 50%	 2022
Sustainable modernization solutions	Market opportunities identified, modular solutions under development	 10 – 20%	 2023
Digital Twin (elevators and escalators)	Escalators: live product design and planning, supply and shop floor management; Elevators: pilot phase	 10 – 20%	 2025
Product innovation for selected markets/segments	Coverage gaps identified in strategic markets, new product development under way	 10 – 20%	 2025
Procurement excellence	New procurement operating model defined, implementation under way	 < 5%	 2022

3. Outlook 2022



Market outlook 2022

Market growth burdened by NI slowdown in China



Source: Schindler estimates



Outlook 2022

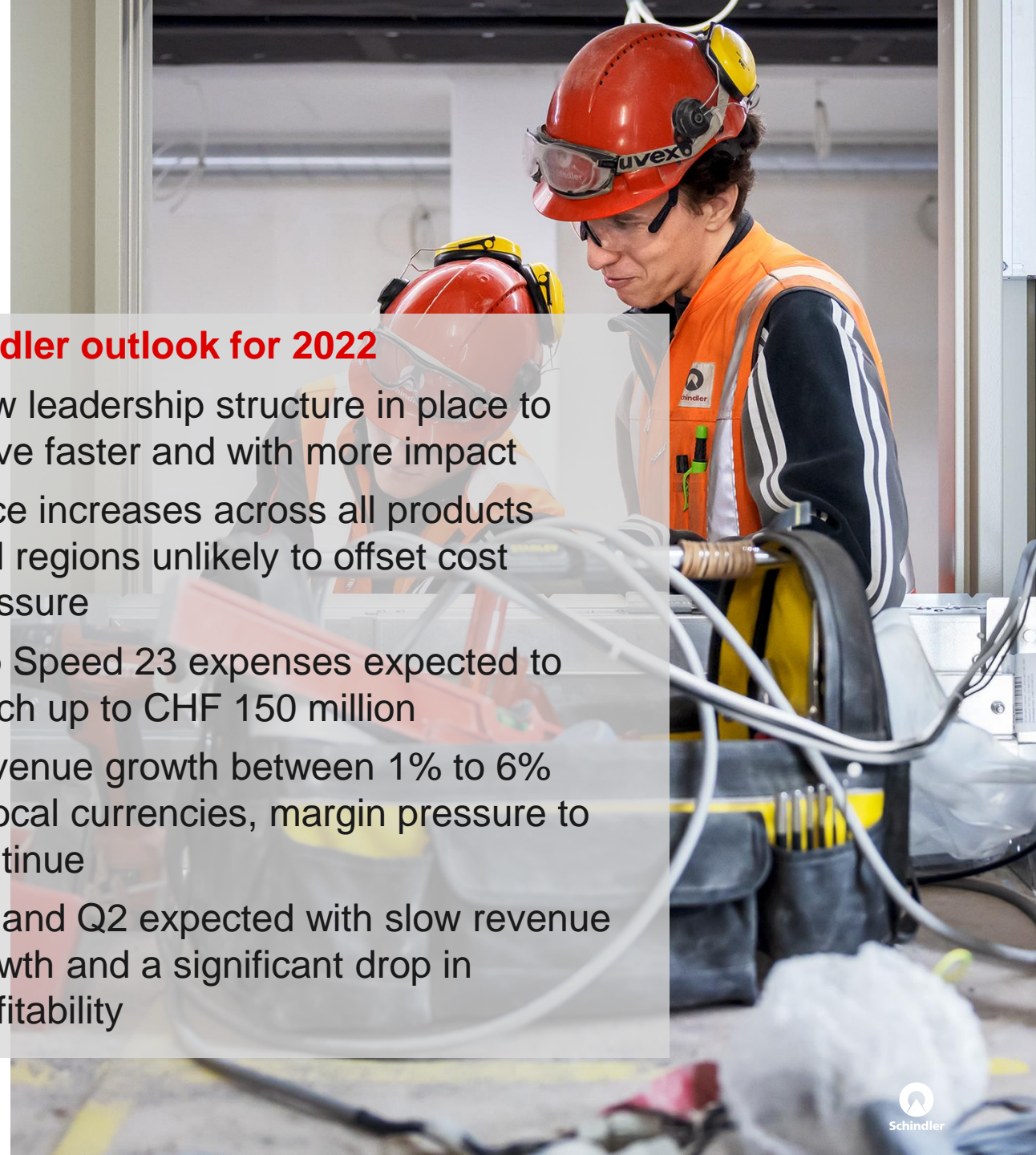
As of February 16, 2022

Business environment

- China market contracting, RoW mixed
- Construction site delays continue to hinder project execution
- Material cost inflation and supply chain disruptions cause persisting margin pressure

Schindler outlook for 2022

- New leadership structure in place to move faster and with more impact
- Price increases across all products and regions unlikely to offset cost pressure
- Top Speed 23 expenses expected to reach up to CHF 150 million
- Revenue growth between 1% to 6% in local currencies, margin pressure to continue
- Q1 and Q2 expected with slow revenue growth and a significant drop in profitability



Annual results 2021 presentation

Q&A



Financial calendar 2022

	2022	2023
Full year results media conference	February 16	February
Closing date of shareholders' register	March 15	
Ordinary General Meeting Schindler Holding Ltd.	March 22	March 28
First trading date ex-dividend	March 24 ¹⁾	
Date of Schindler Holding Ltd. dividend payment	March 28 ¹⁾	
Publication of key figures as of March 31	April 22	April
Publication of Interim Report as of June 30	July 22	July
Publication of key figures as of September 30	October 20	October

1) Subject to approval of a dividend payment by the General Meeting of Schindler Holding Ltd.

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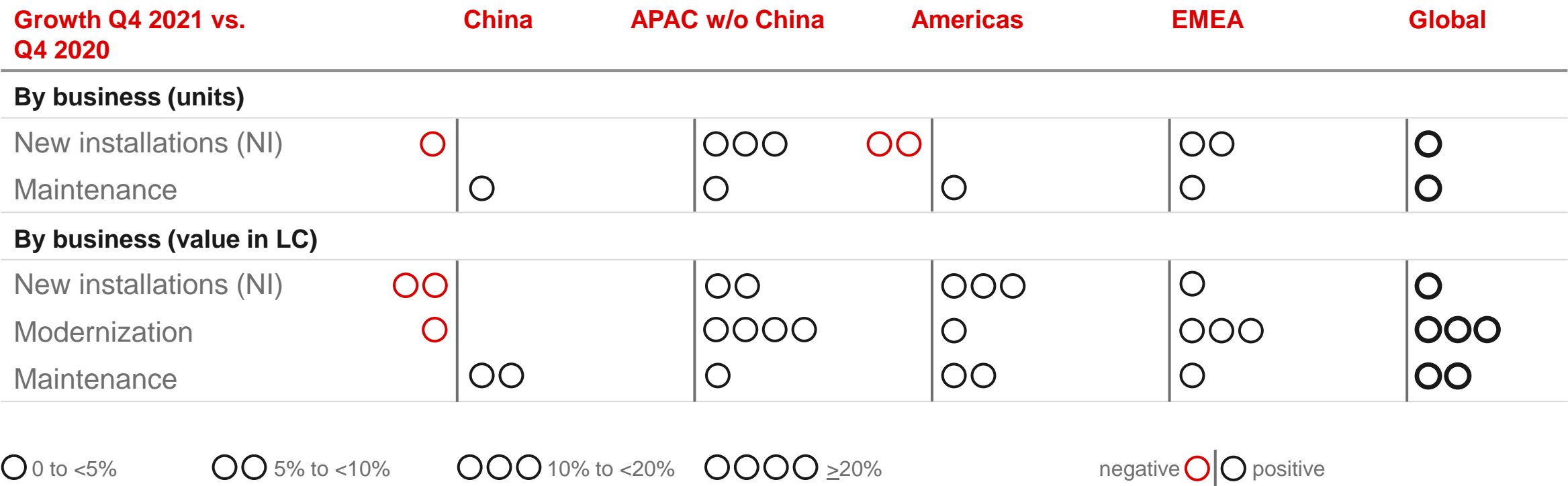
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Additional charts

Order intake growth by region and product line (4th quarter)

Continued growth across the board, decelerating momentum particularly due to tougher comparables



Key figures as of December 31, 2021

October to December 2021/2020

In CHF million	Q4 2021	Q4 2020	△%	△% in LC
Order intake	3 128	2 951	6.0	5.9
Revenue	2 954	2 927	0.9	0.6
Operating profit (EBIT)	253	298	−15.1	−15.4
in %	8.6	10.2		
Operating profit (EBIT), adjusted	306 ¹⁾	341 ²⁾	−10.3	−10.6
in %	10.4	11.7		
Financing and investing activities	−11	−21		
Profit before taxes	242	277	−12.6	
Income taxes	50	51		
Net profit	192	226	−15.0	
Earnings per share and participation certificate in CHF	1.64	1.96		
Cash flow from operating activities	356	626	−43.1	

¹⁾ Adjusted for Top Speed 23 costs (CHF 42 million), restructuring costs (CHF 6 million), and expenses for BuildingMinds (CHF 5 million)

²⁾ Adjusted for restructuring costs (CHF 39 million) and expenses for BuildingMinds (CHF 4 million)

Key figures as of December 31, 2021

October to December 2021/2019

In CHF million	Q4 2021	Q4 2019	△%	△% in LC
Order intake	3 128	3 114	0.4	7.3
Revenue	2 954	3 016	−2.1	4.2
Operating profit (EBIT)	253	335	−24.5	−20.3
in %	8.6	11.1		
Operating profit (EBIT), adjusted	306 ¹⁾	364 ²⁾	−15.9	−11.5
in %	10.4	12.1		
Financing and investing activities	−11	−18		
Profit before taxes	242	317	−23.7	
Income taxes	50	68		
Net profit	192	249	−22.9	
Earnings per share and participation certificate in CHF	1.64	2.12		
Cash flow from operating activities	356	529	−32.7	

¹⁾ Adjusted for Top Speed 23 costs (CHF 42 million), restructuring costs (CHF 6 million), and expenses for BuildingMinds (CHF 5 million)

²⁾ Adjusted for restructuring costs (CHF 25 million) and expenses for BuildingMinds (CHF 4 million)

Key figures as of December 31, 2021

January to December 2021/2020

In CHF million	FY 2021	FY 2020	△%	△% in LC
Order intake	12 166	11 018	10.4	10.6
Revenue	11 236	10 640	5.6	5.7
Operating profit (EBIT)	1 166	1 032	13.0	12.7
in %	10.4	9.7		
Operating profit (EBIT), adjusted	1 252 ¹⁾	1 185 ²⁾	5.7	5.4
in %	11.1	11.1		
Financing and investing activities	−42	−39		
Profit before taxes	1 124	993	13.2	
Income taxes	243	219		
Net profit	881	774	13.8	
Earnings per share and participation certificate in CHF	7.70	6.72		
Cash flow from operating activities	1 314	1 581	-16.9	

¹⁾ Adjusted for Top Speed 23 costs (CHF 58 million), restructuring costs (CHF 26 million), real estate gains (CHF −21 million), and expenses for BuildingMinds (CHF 23 million)

²⁾ Adjusted for restructuring costs (CHF 135 million) and expenses for BuildingMinds (CHF 18 million)

Key figures as of December 31, 2021

January to December 2021/2019

In CHF million	FY 2021	FY 2019	△%	△% in LC
Order intake	12 166	12 123	0.4	7.3
Revenue	11 236	11 271	−0.3	6.3
Operating profit (EBIT)	1 166	1 258	−7.3	−1.0
in %	10.4	11.2		
Operating profit (EBIT), adjusted	1 252 ¹⁾	1 314 ²⁾	−4.7	1.5
in %	11.1	11.7		
Financing and investing activities	− 42	−57		
Profit before taxes	1 124	1 201	−6.4	
Income taxes	243	272		
Net profit	881	929	−5.2	
Earnings per share and participation certificate in CHF	7.70	8.04		
Cash flow from operating activities	1 314	1 185 ³⁾	10.9	

¹⁾ Adjusted for Top Speed 23 costs (CHF 58 million), restructuring costs (CHF 26 million), real estate gains (CHF −21 million), and expenses for BuildingMinds (CHF 23 million)

²⁾ Adjusted for restructuring costs (CHF 38 million) and expenses for BuildingMinds (CHF 18 million)

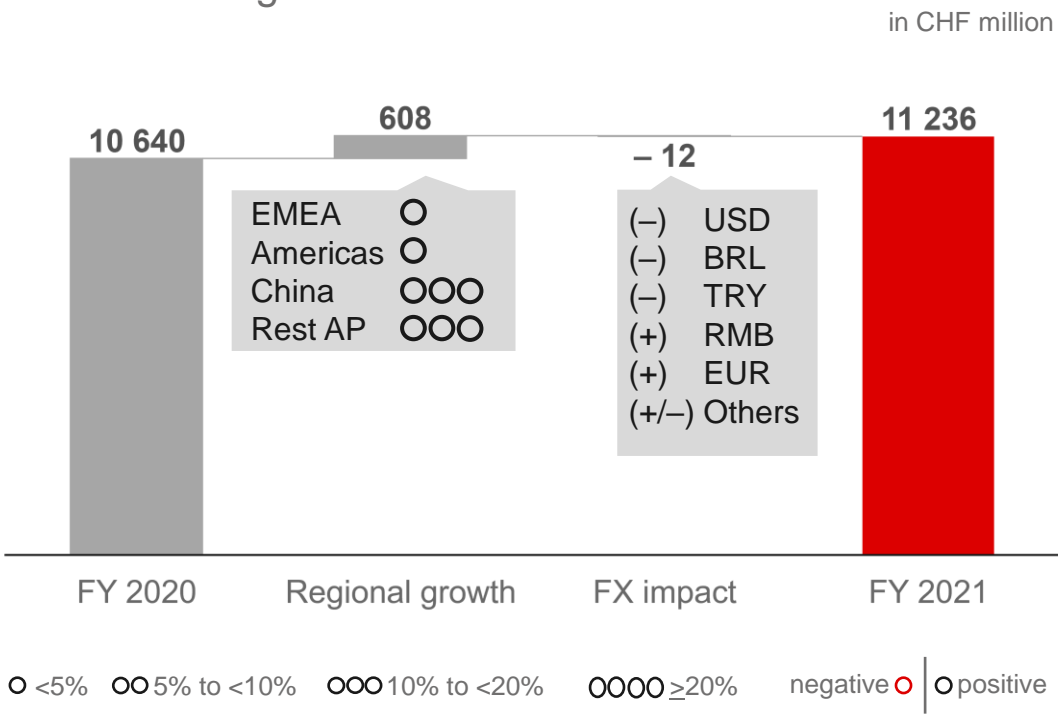
³⁾ Before settlement of pension obligations (CHF −157 million) CHF 1 342 million

Revenue development

Supply chain disruptions and project delays

FY 2021

Revenue bridge



FY 2021

Revenue by region



	2021	2020
Asia-Pacific	30%	28%
Americas	26%	27%
EMEA	44%	45%

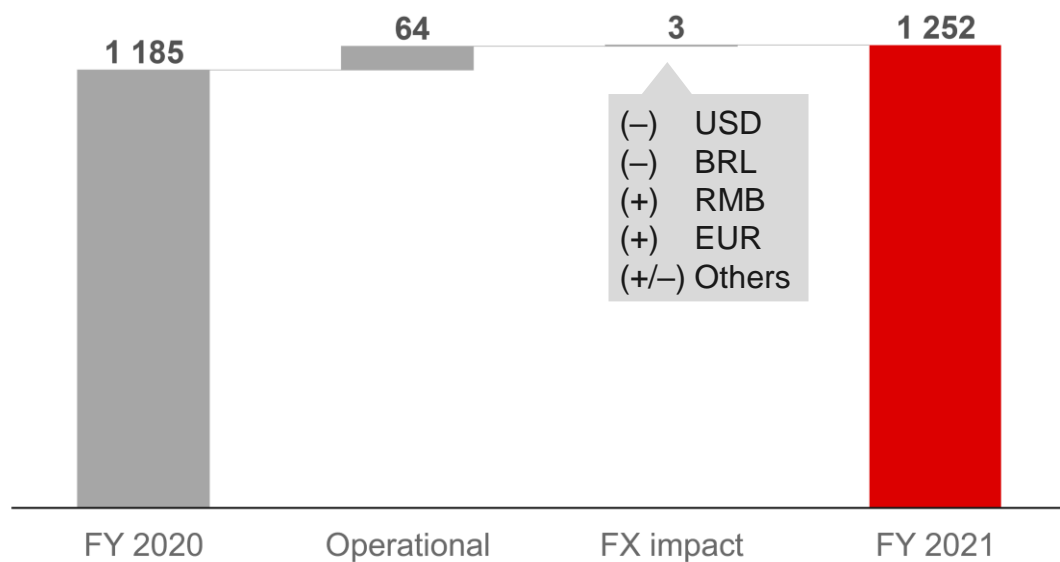
Operating profit development

Slowing momentum from Q3

FY 2021

EBIT adjusted bridge

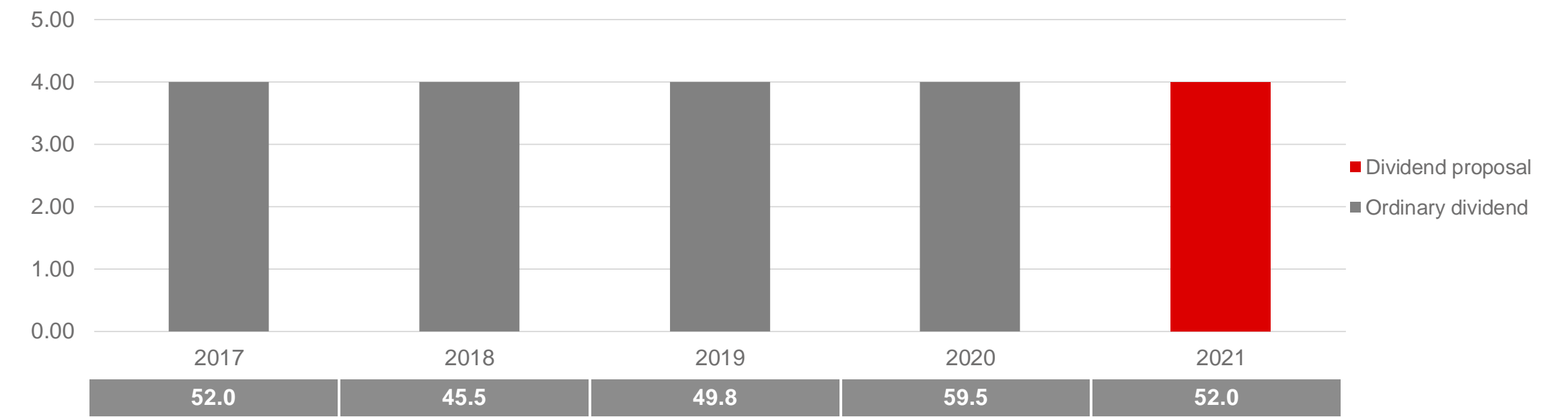
in CHF million



Dividend

Proposal to the Annual General Meeting of CHF 4.00

Dividends Schindler Holding Ltd. in CHF



Pay-out ratio in % of earnings per registered share/participation certificate.



Quarterly overview

Key figures

In CHF million	2021				2020			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order intake	3 128	2 995	3 106	2 937	2 951	2 712	2 635	2 720
Revenue	2 954	2 807	2 873	2 602	2 927	2 754	2 512	2 447
Operating profit (EBIT)	253	306	319	288	298	313	255	166
in %	8.6	10.9	11.1	11.1	10.2	11.4	10.2	6.8
Operating profit (EBIT), adjusted	306	308	337	301	341	337	286	221
in %	10.4	11.0	11.7	11.6	11.7	12.2	11.4	9.0
Financing and investing activities	-11	-7	-11	-13	-21	-7	-9	-2
Profit before taxes	242	299	308	275	277	306	246	164
Income taxes	50	65	66	62	51	71	58	39
Net profit	192	234	242	213	226	235	188	125
Cash flow from operating activities	356	237	264	457	626	319	313	323

Balance sheet

In CHF million	31.12.2021		31.12.2020	
		in %		in %
Cash and cash equivalents	2 841	23.7	2 483	22.8
Other current assets	5 436	45.4	4 892	45.0
Total current assets	8 277	69.1	7 375	67.8
Non-current assets	3 697	30.9	3 502	32.2
Total assets	11 974	100.0	10 877	100.0
Current liabilities	5 955	49.7	5 365	49.3
Non-current liabilities	1 589	13.3	1 506	13.9
Total liabilities	7 544	63.0	6 871	63.2
Equity	4 430	37.0	4 006	36.8
Total liabilities and equity	11 974	100.0	10 877	100.0
Net working capital	-1 055		-967	
Net liquidity	3 027		2 669	