

# Annual results 2023 & outlook

February 14, 2024

© Schindler 2024



Schindler  
150 years



Schindler



# Agenda

## 1. Highlights 2023

Silvio Napoli

## 2. Market Development

Paolo Compagna

## 3. Financial Results 2023

Carla De Geyseler

## 4. Priorities 2024

Silvio Napoli

## 5. Outlook

Carla De Geyseler

## 6. Q&A

Silvio Napoli/Paolo Compagna/Carla De Geyseler

# Highlights 2023

Performance improvement trajectory continues

**+31%**  
EBIT

**+85%**  
Cash flow  
from operations

Pricing +  
**EFFICIENCY**  
> Inflation

New standardized  
modular platform ready  
for global launch

**+42%**  
Net profit  
and EPS

CHF 4.00 + 1.00/share  
proposed dividend

**+5.0%**  
Service portfolio growth



**+7.4%**  
Revenue growth (LC)  
amidst challenging  
market conditions

Dividend payout ratio  
range increased to  
**50 – 80%**

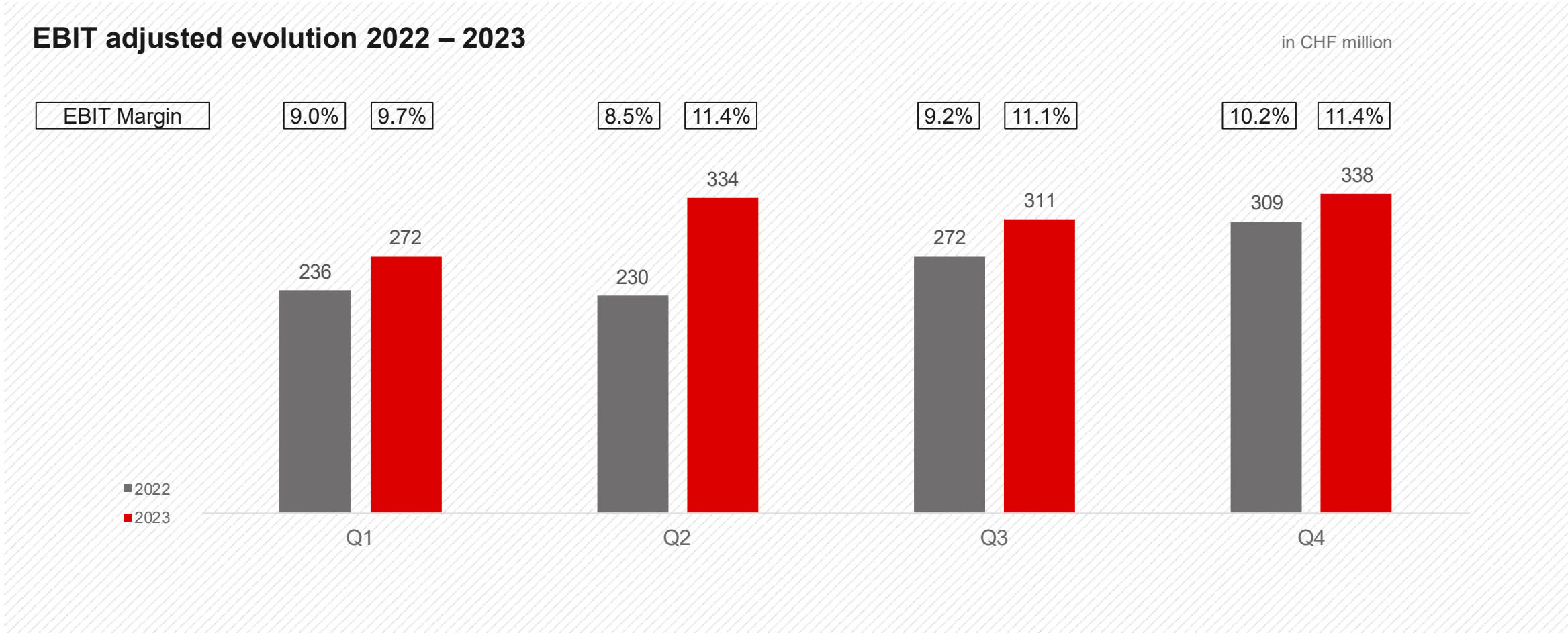
**+50%**  
Digital Service revenue  
with Technical Operation Centers

**Newsweek**  
Schindler among  
world's most  
trustworthy companies



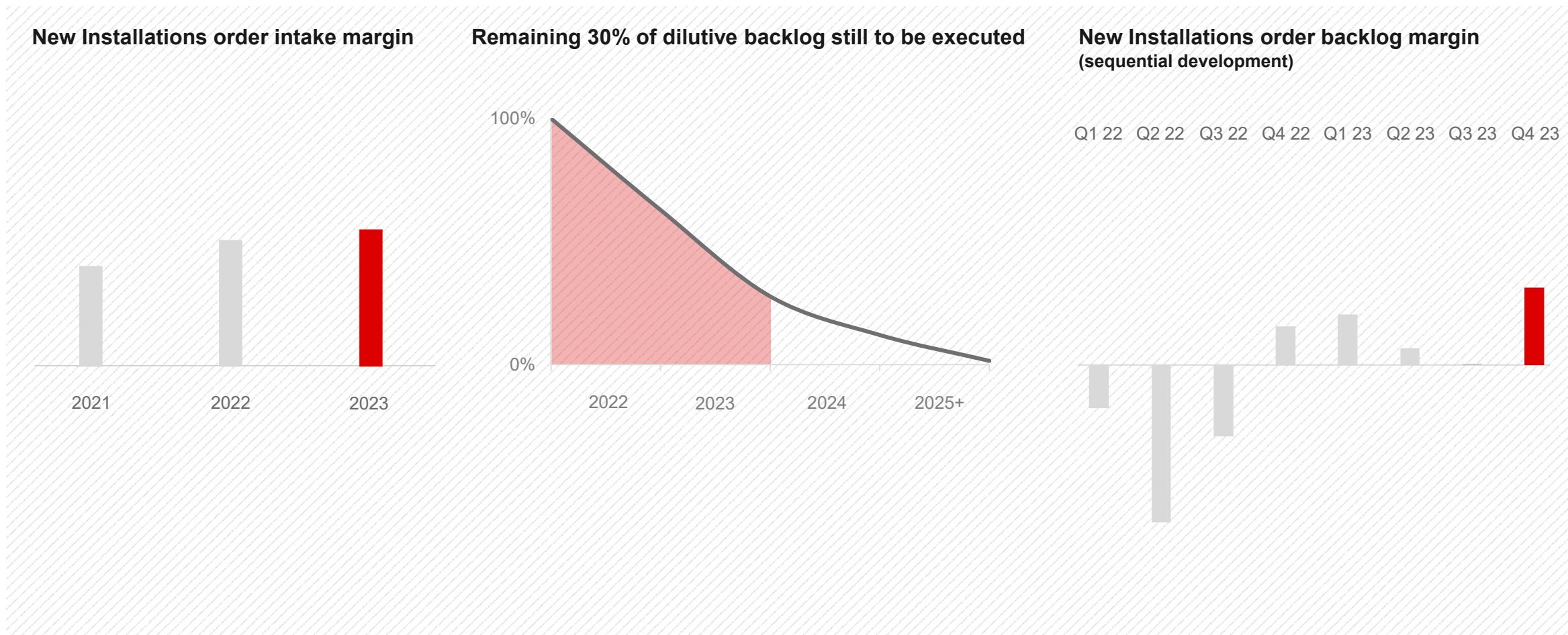
# Disciplined execution yields results

## Sustained performance improvement



# Order intake and backlog margins developing positively

70% of legacy backlog consumed, rest still a drag



# Top Speed 23 program closed

Total cost CHF 167 million, 4 years payback

## Key elements



Portfolio growth & connectivity



Innovative products for strategic markets



Digital innovation across value chain



Cost competitiveness

## Achievements

- More than 30% of maintenance base connected to the cloud, digital revenue +50%
- Cost competitive, innovative and sustainable products and services for strategic markets
- Digital Twin escalator prototype completed
- Deployed state-of-the-art procurement operating model



# Agenda

- |                              |  |
|------------------------------|--|
| 1. Highlights 2023           | Silvio Napoli                                  |
| 2. <b>Market Development</b> | <b>Paolo Compagna</b>                          |
| 3. Financial Results 2023    | Carla De Geyseler                              |
| 4. Priorities 2024           | Silvio Napoli                                  |
| 5. Outlook                   | Carla De Geyseler                              |
| 6. Q&A                       | Silvio Napoli/Paolo Compagna/Carla De Geyseler |

# Market development 2023

New Installations further deteriorating, Modernization taking off, continued growth in Service

Units	China	APAC w/o China	Americas	EMEA	Global
New Installations	---	<div>↔</div>	---	<div>---</div>	<div>---</div>
Modernization	+++	+++	+	++	++
Service	++	++	+	+	++

0 to <5% +

5% to 10% ++

>10% +++

0 to > -5% -

-5% to -10% --

< -10% ---

stable ↔

Changes vs. Q3 assessment

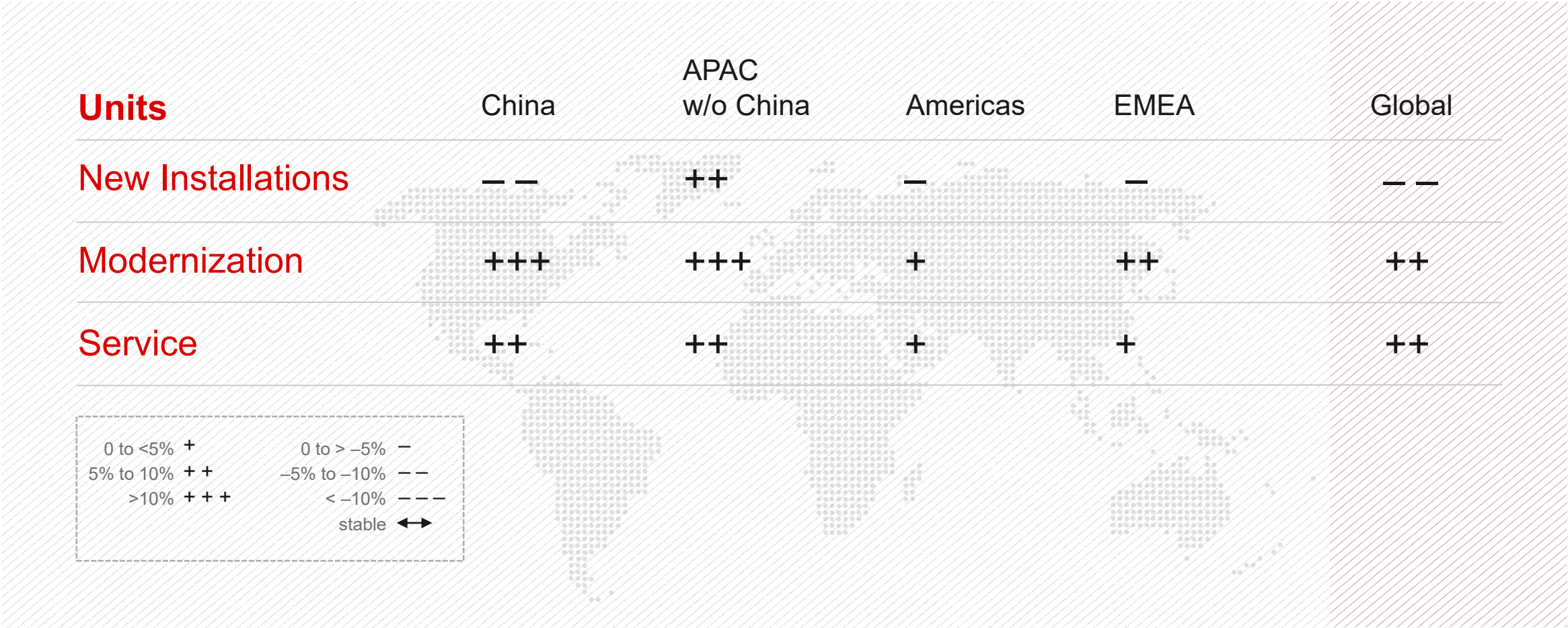
Source: Schindler estimates





# Market outlook 2024: No recovery of NI market expected

## Modernization market with biggest growth opportunities

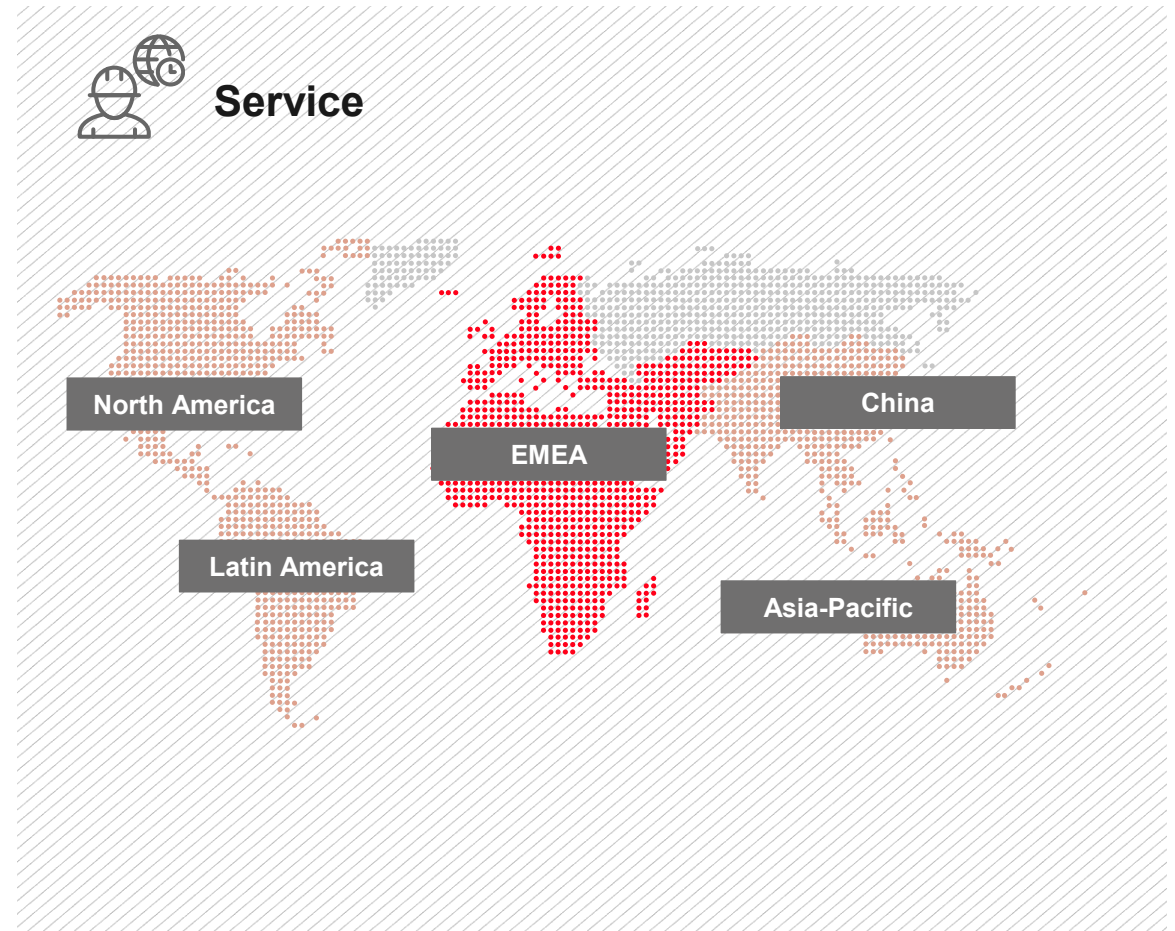
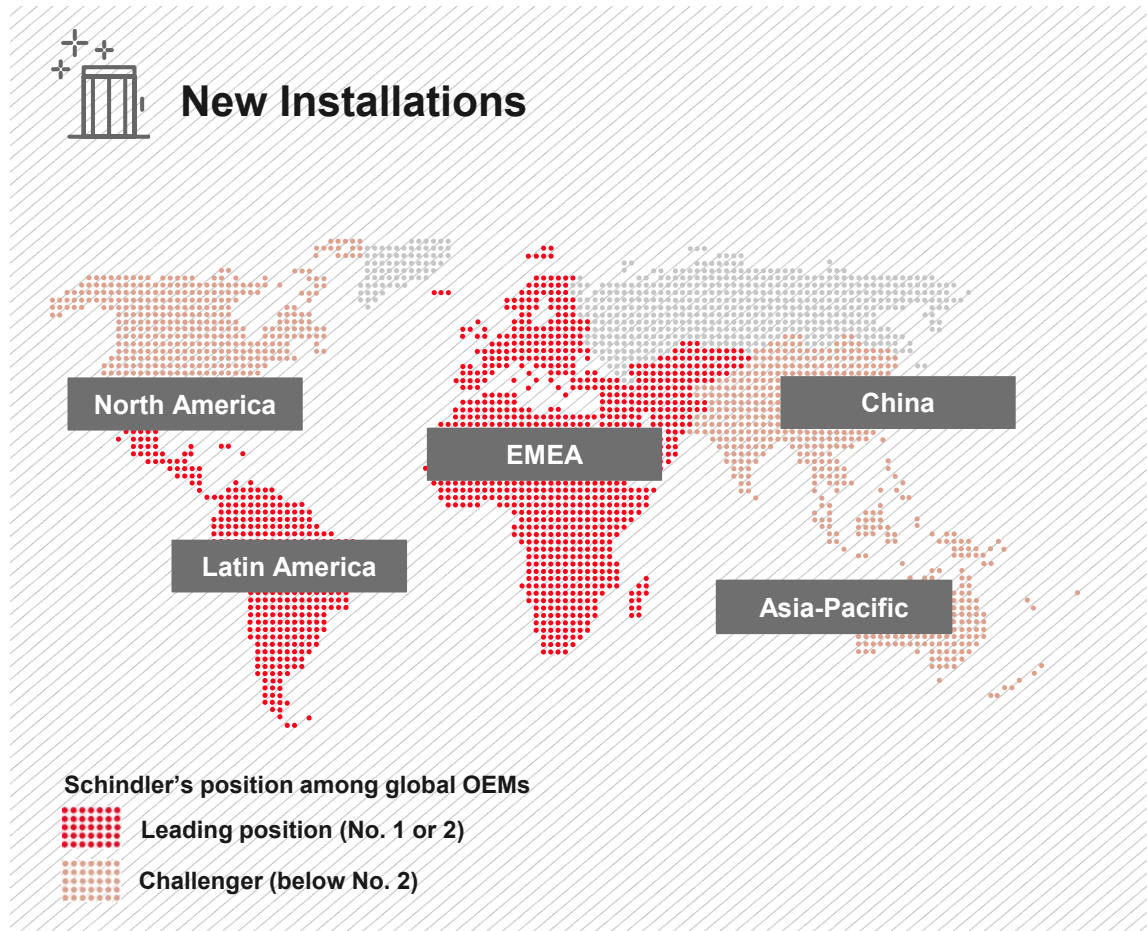


Source: Schindler estimates



# Balanced global footprint

## Opportunities in strategic markets

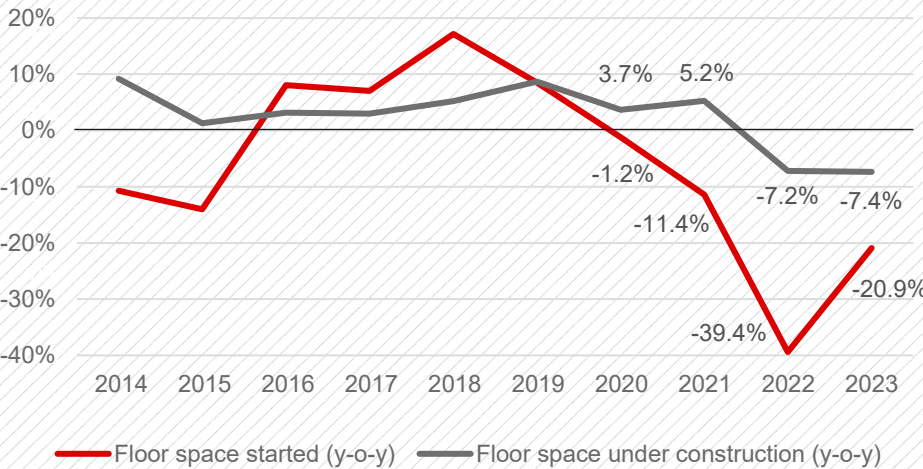




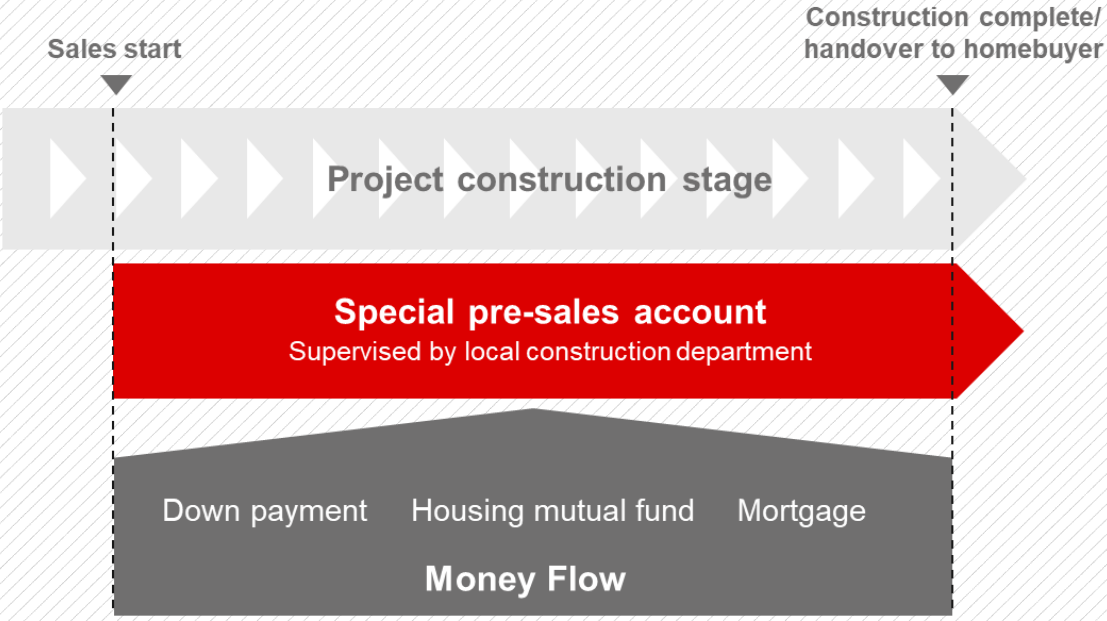
# China New Installations: In search of a “new balance”

## NI market still declining

Floor space started and floor space under construction in decline



Special pre-sales account introduced



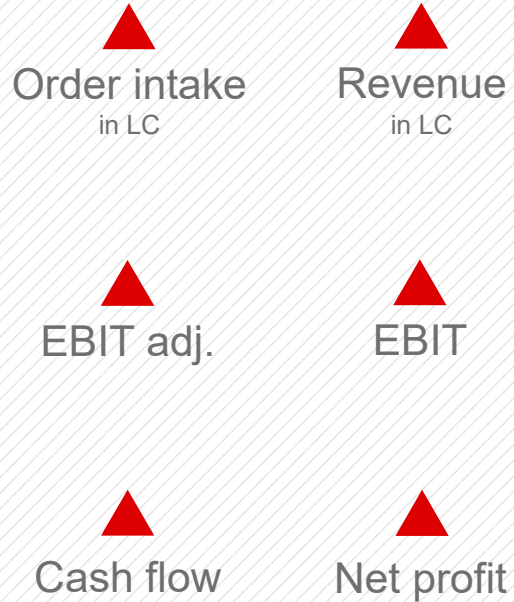
# Agenda

- |                                  |  |
|----------------------------------|--|
| 1. Highlights 2023               | Silvio Napoli                                  |
| 2. Market Development            | Paolo Compagna                                 |
| 3. <b>Financial Results 2023</b> | <b>Carla De Geyseler</b>                       |
| 4. Priorities 2024               | Silvio Napoli                                  |
| 5. Outlook                       | Carla De Geyseler                              |
| 6. Q&A                           | Silvio Napoli/Paolo Compagna/Carla De Geyseler |

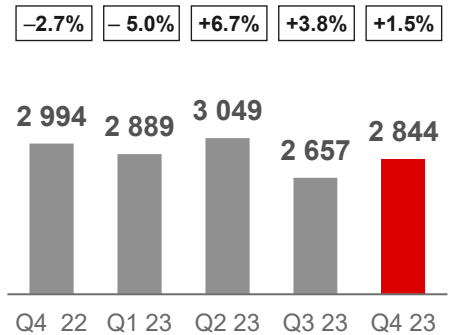


# Improving operating performance and increasing profitability

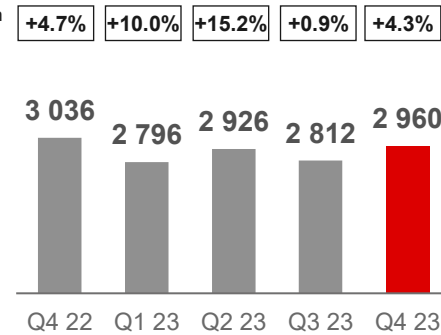
## Q4 2023 vs. Q4 2022



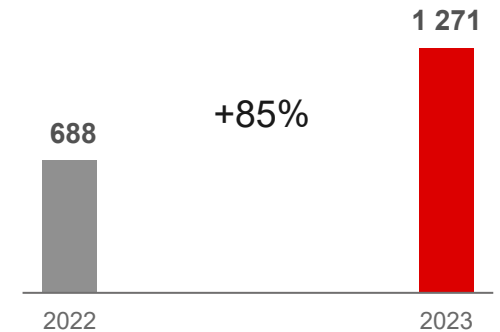
### Order intake



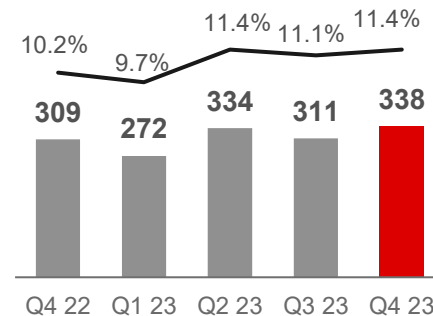
### Revenue



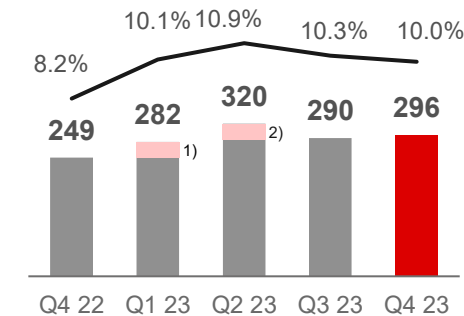
### Operating cash flow



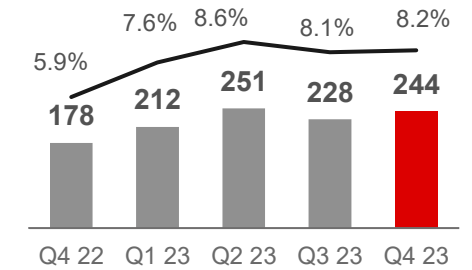
### EBIT adjusted



### EBIT



### Net profit



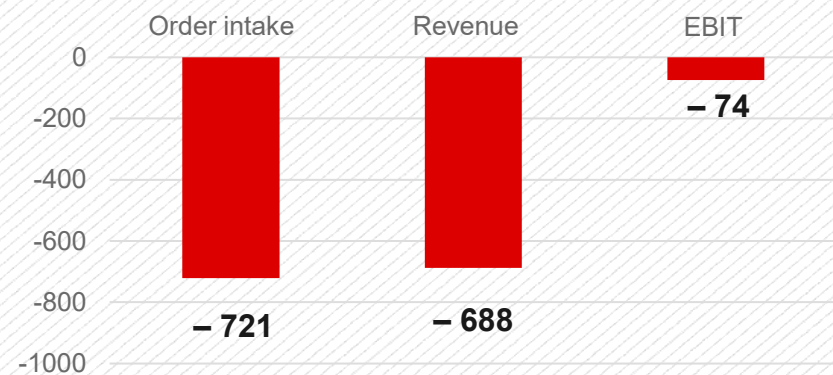
1) One-off real estate gain of CHF 26 million

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

# Performance improving in spite of sustained FX impact

## Impact on order intake, revenue and EBIT

Full Year 2023 (CHF million)



Since 2008 (CHF million)



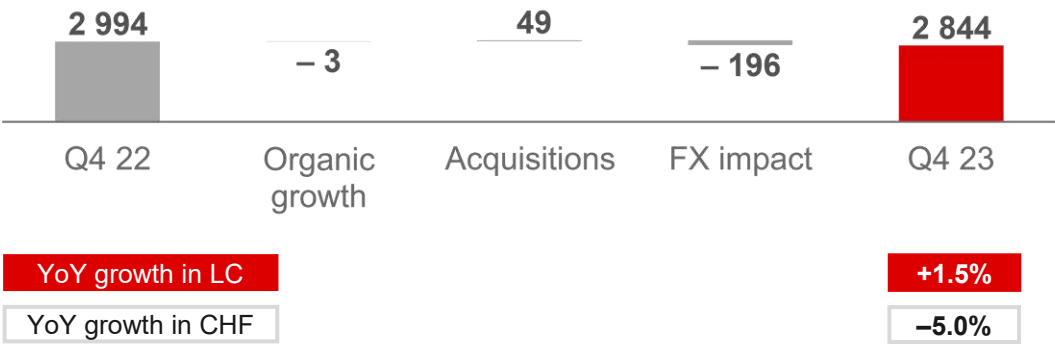


# Order intake

Growth in local currencies against tough market environment – foreign exchange headwinds reduce growth by more than 600bps

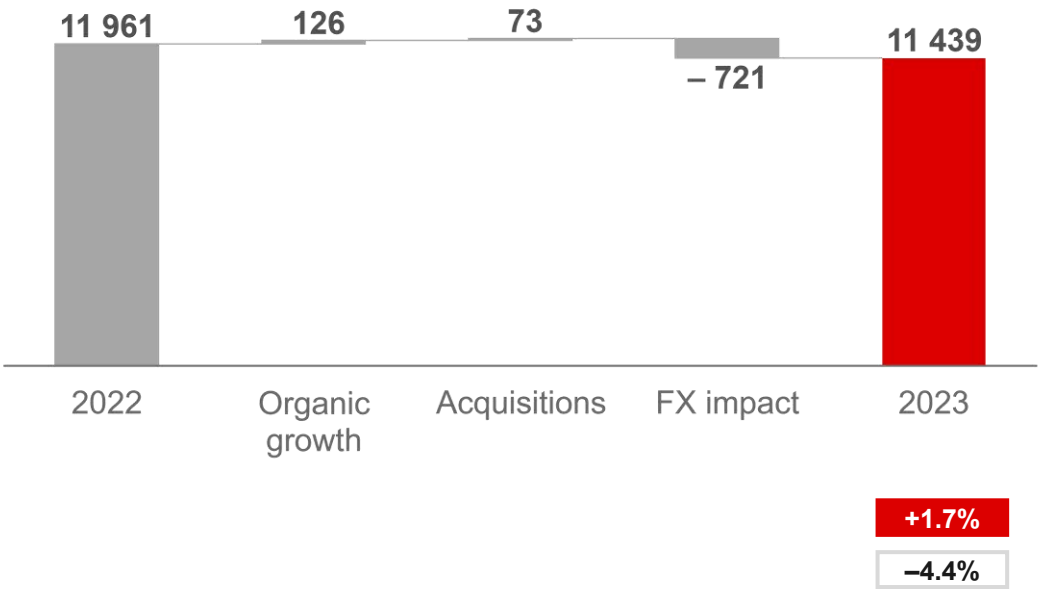
## Q4 2023

in CHF million



## Full Year 2023

in CHF million



# Order intake

Growth driven by strong Service business, Modernization picked up in 4<sup>th</sup> quarter, New Installations volume outperformed market

## Q4 2023 vs. Q4 2022

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

## Full Year 2023 vs. 2022

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

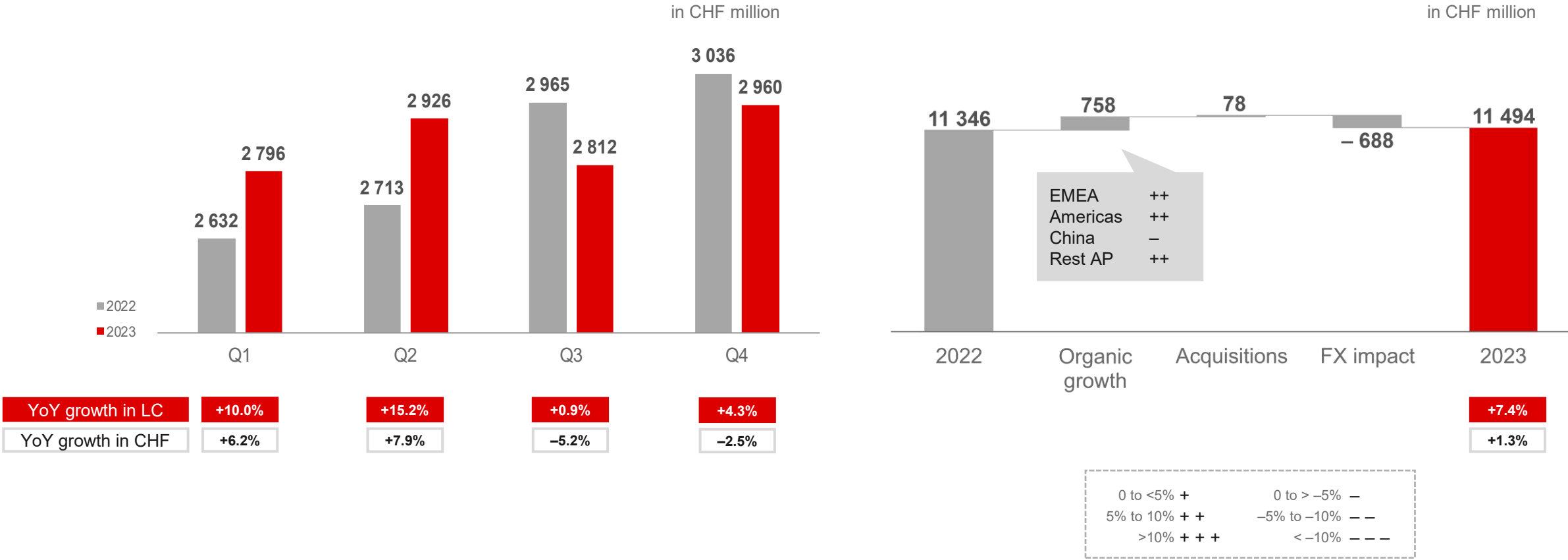
0 to <5%	+	0 to > -5%	—
5% to 10%	++	-5% to -10%	--
>10%	+++	< -10%	---





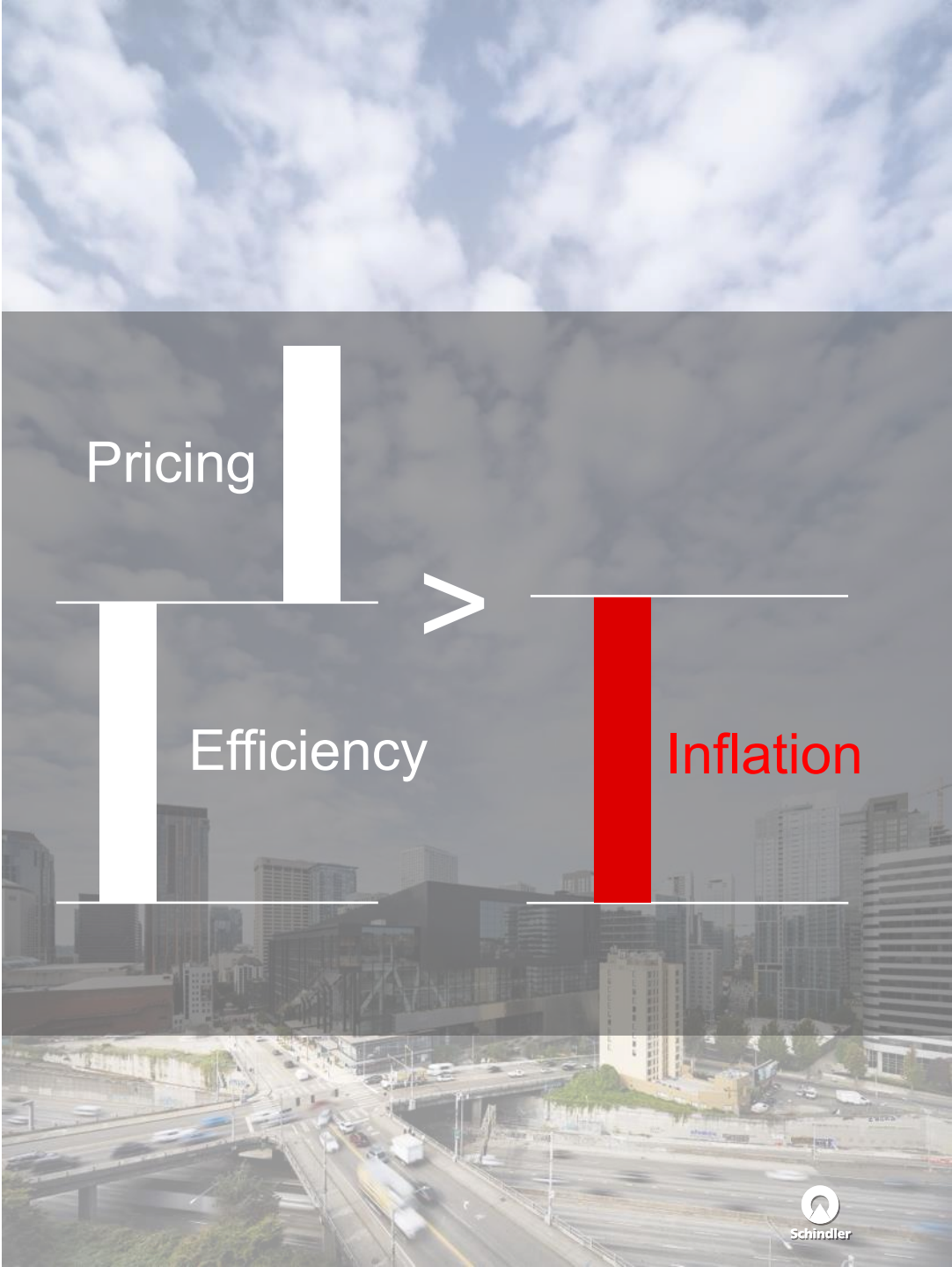
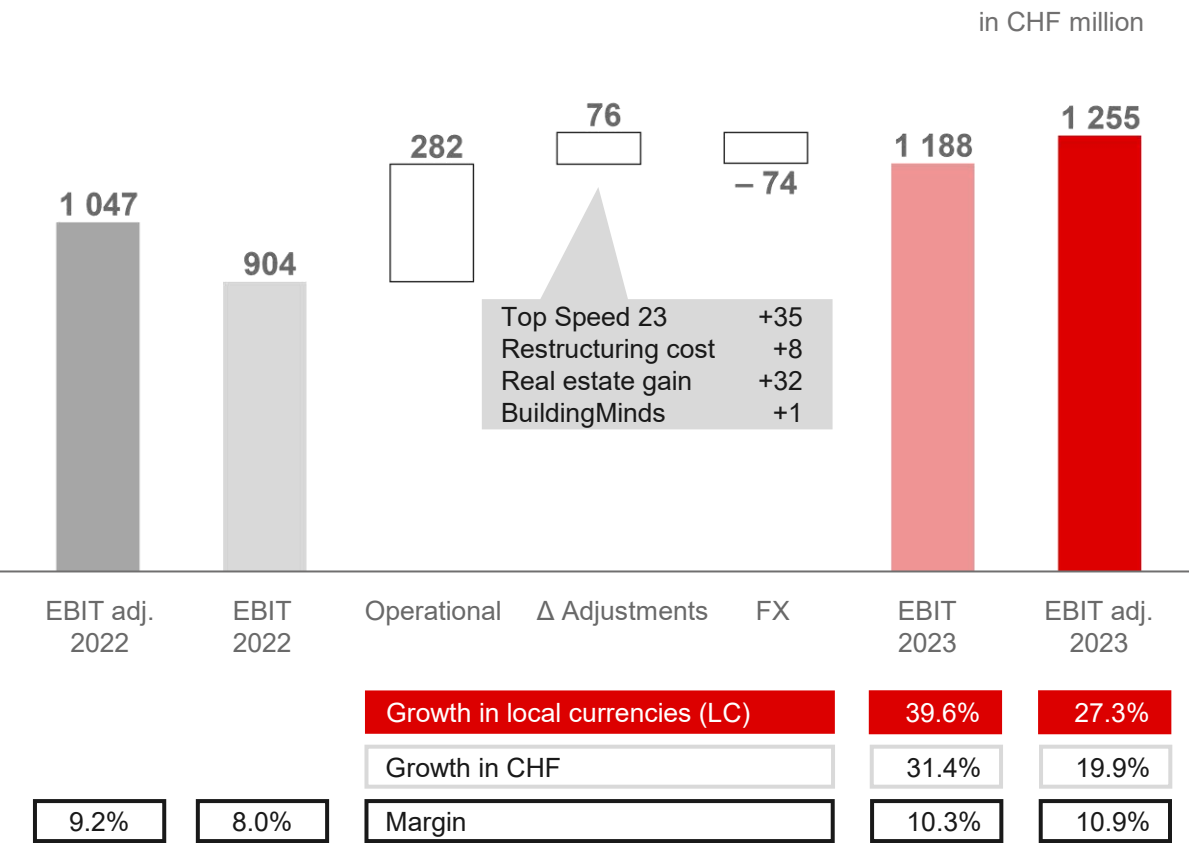
# Revenue

Growth in LC for all three main regions and product lines;  
negative FX impact reaching a record high CHF – 688 million



# EBIT adjusted and EBIT

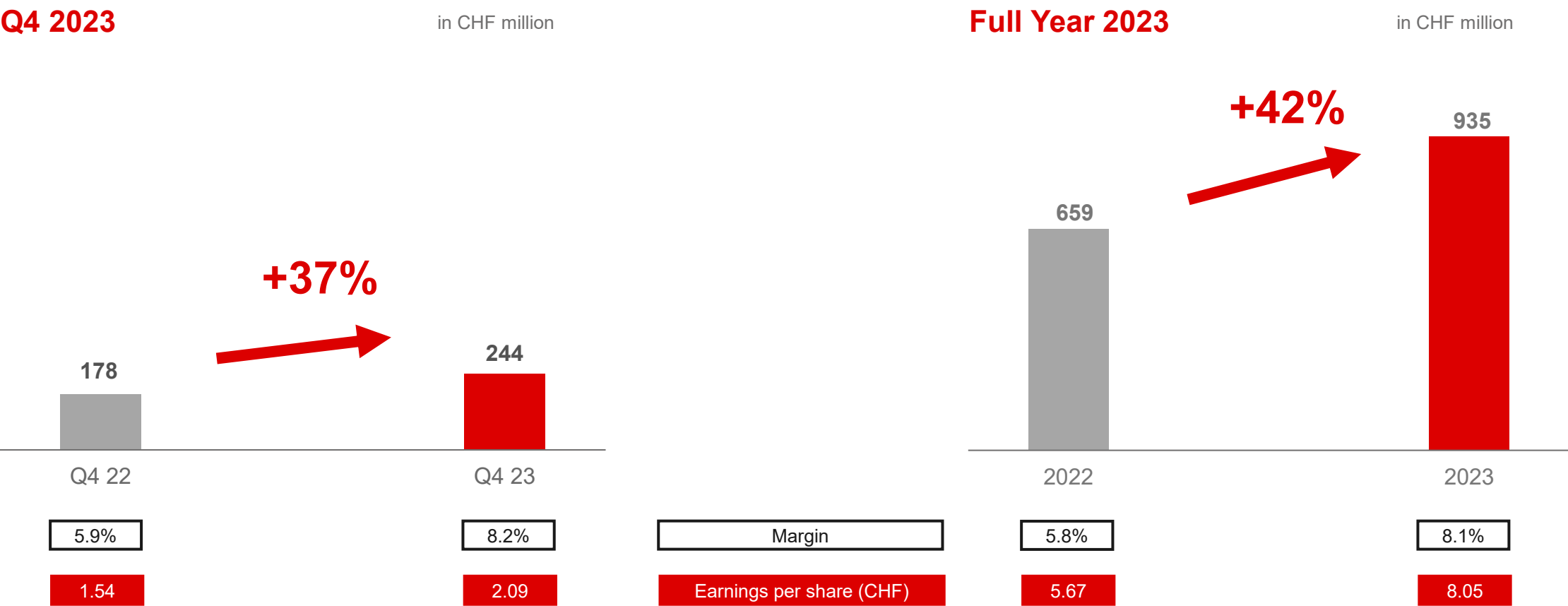
Improvement driven by operational efficiency gains and positive pricing





# Net profit +42%, reaching CHF 935 million

Earnings per share reached CHF 8.05

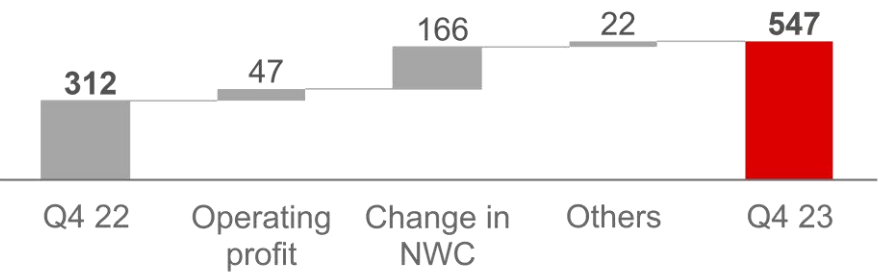


# Operating cash flow uptake

Driven by higher operating profit and improved net working capital

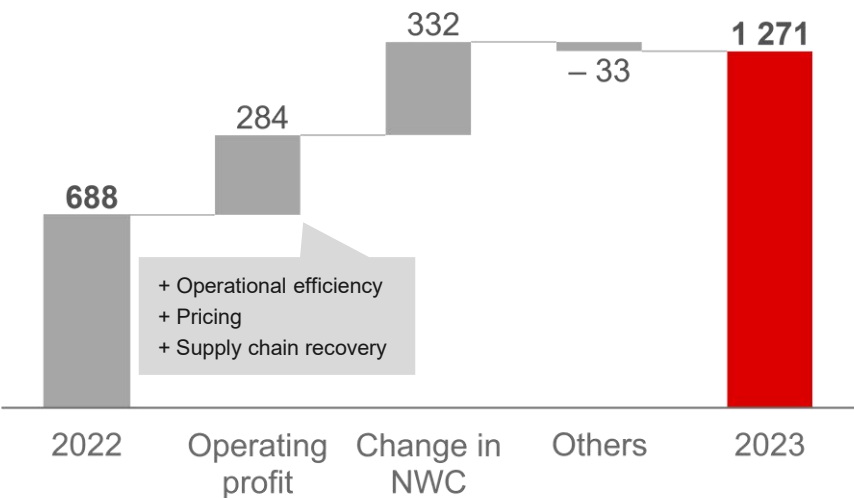
## Q4 2023

in CHF million



## Full Year 2023

in CHF million





# Proposed dividend CHF 4.00 + 1.00 extraordinary (150 years)

Going forward, payout ratio range increased to 50 – 80%



# Key figures as of December 31, 2023

## January to December

In CHF million	FY 2023	FY 2022	△ %	△ % in LC
Order intake	11 439	11 961	−4.4	1.7
Revenue	11 494	11 346	1.3	7.4
Operating profit (EBIT)	1 188	904	31.4	39.6
in %	10.3	8.0		
Operating profit (EBIT), adjusted	1 255 <sup>1)</sup>	1 047 <sup>2)</sup>	19.9	27.3
in %	10.9	9.2		
Financing and investing activities	−13	−51		
Profit before taxes	1 175	853	37.7	
Income taxes	240	194		
Net profit	935	659	41.9	
Earnings per share and participation certificate in CHF	8.05	5.67		
Cash flow from operating activities	1 271	688	84.7	

<sup>1)</sup> Adjusted for Top Speed 23 costs (CHF 37 million), restructuring costs (CHF 42 million), real estate gains (CHF −32 million), and expenses for BuildingMinds (CHF 20 million)

<sup>2)</sup> Adjusted for Top Speed 23 costs (CHF 72 million), restructuring costs (CHF 50 million), and expenses for BuildingMinds (CHF 21 million)



# Agenda

1. Highlights 2023
2. Market Development
3. Financial Results 2023
4. **Priorities 2024**
5. Outlook
6. Q&A

Silvio Napoli

Paolo Compagna

Carla De Geyseler

**Silvio Napoli**

Carla De Geyseler

Silvio Napoli/Paolo Compagna/Carla De Geyseler

# Market environment

Resilient business model to overcome persistent challenges

## Tailwinds



Modernization market taking off



Service steady growth



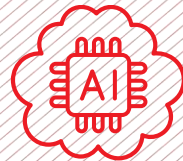
Inflation abating



Material cost



Sustained pricing



AI driven efficiency

## Headwinds



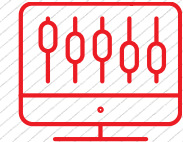
NI markets under pressure



Trade labor scarcity



Wage inflation



FX effects



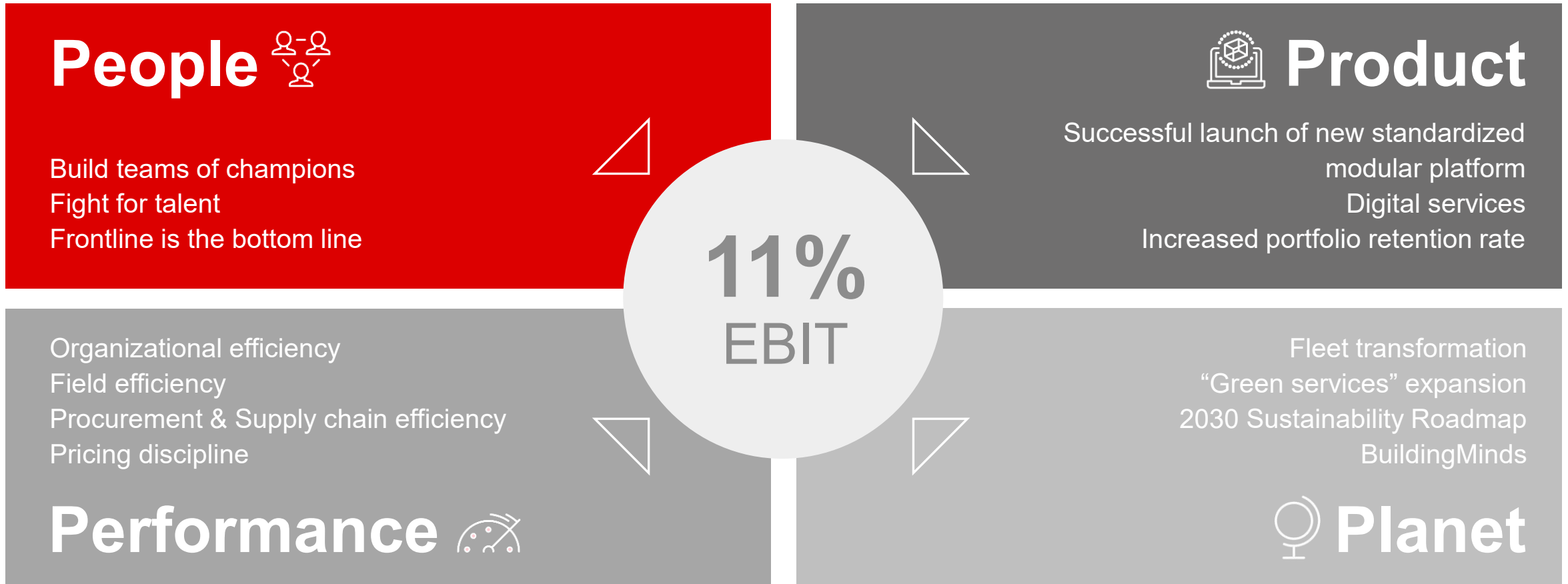
Regulatory pressure increase



Geopolitical tensions

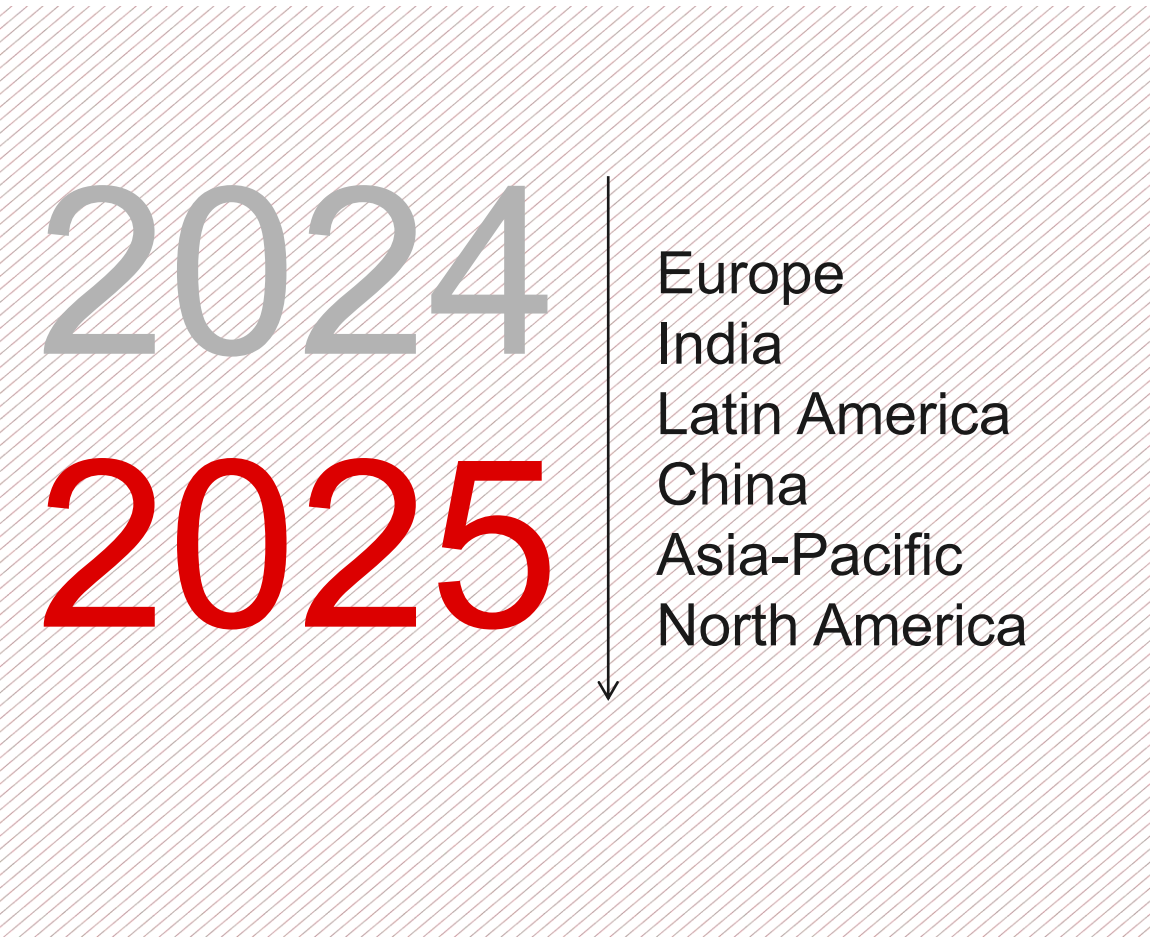


# Operational priorities for 2024

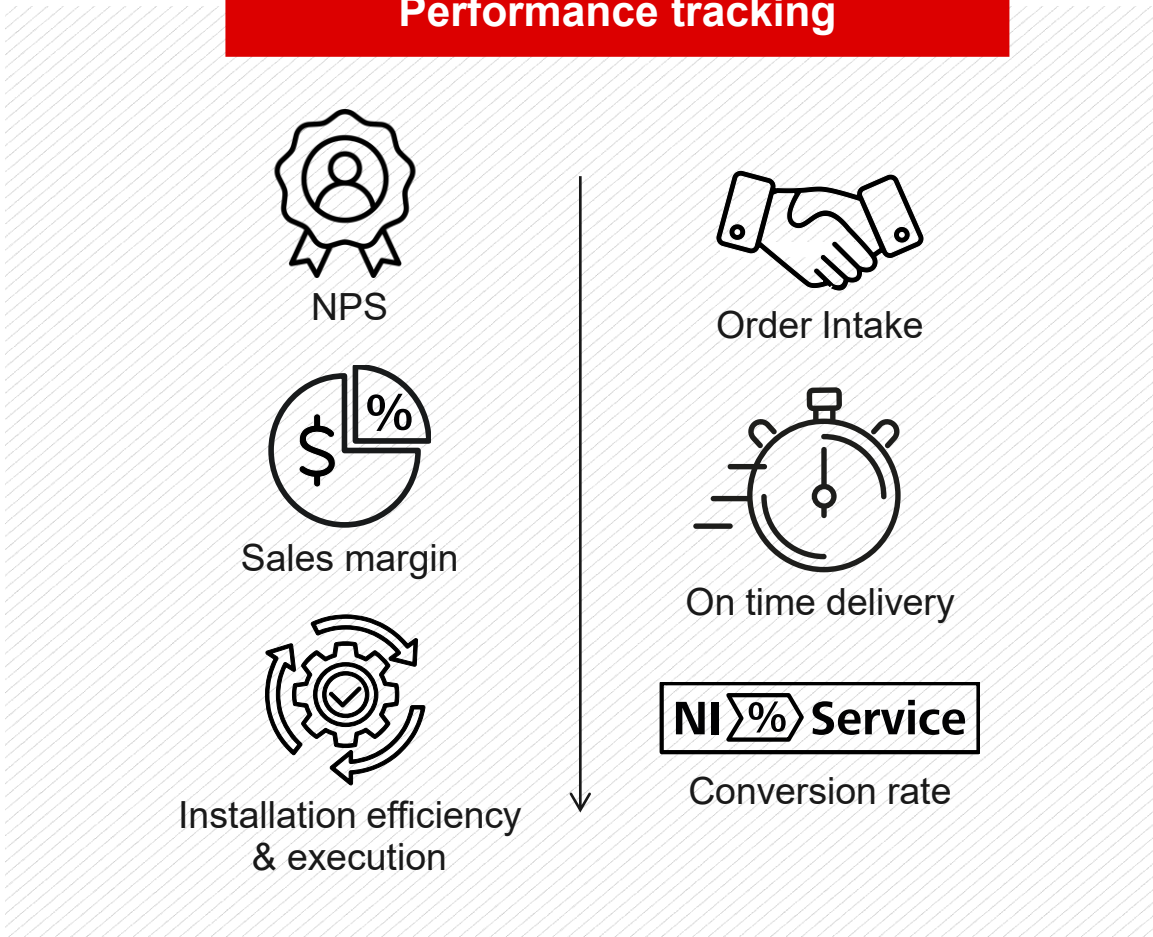


# New standardized modular elevator platform

Global launch



## Performance tracking





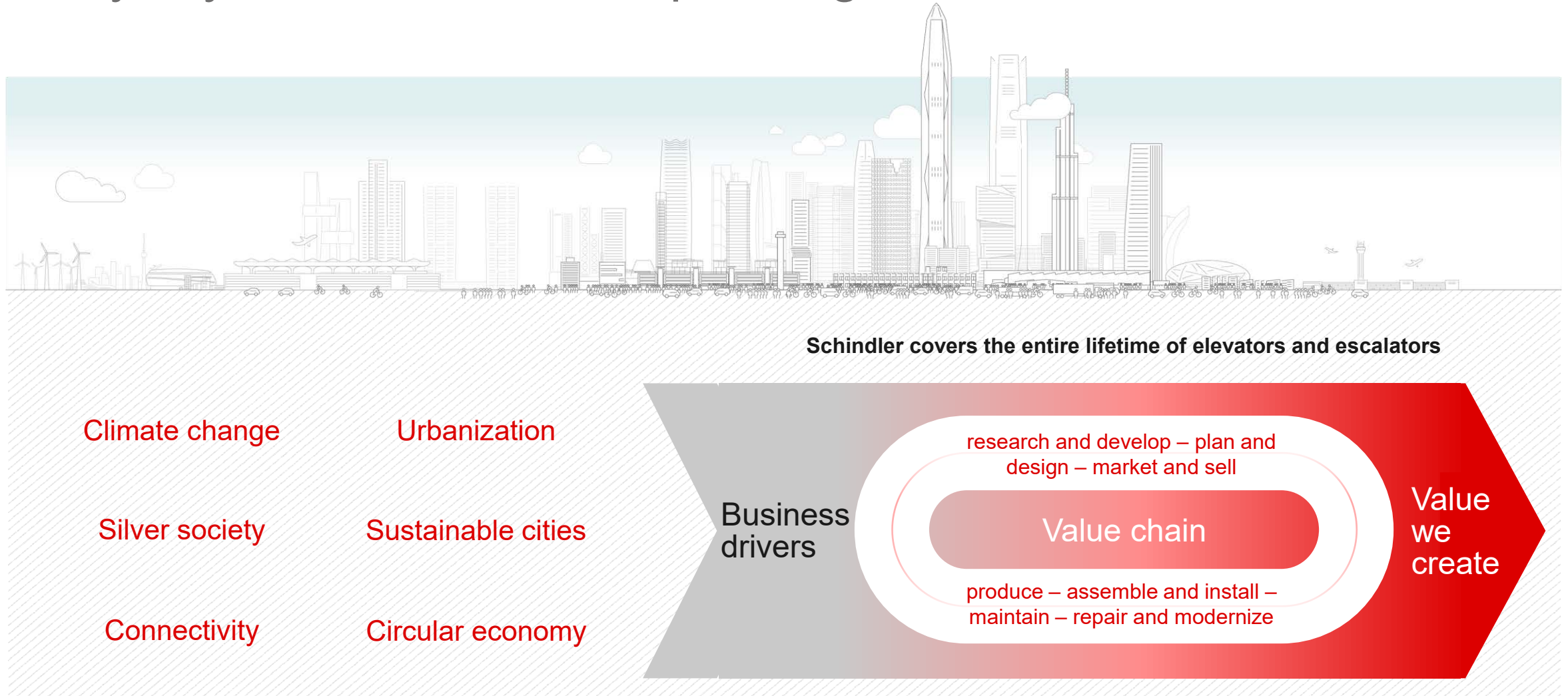
# Agenda

1. Highlights 2023  
Silvio Napoli
2. Market Development  
Paolo Compagna
3. Financial Results 2023  
Carla De Geyseler
4. Priorities 2024  
Silvio Napoli
5. **Outlook**  
**Carla De Geyseler**
6. Q&A  
Silvio Napoli/Paolo Compagna/Carla De Geyseler



# Attractive industry – megatrends fueling E&E demand

Every day, we move >2 billion passengers across >100 countries

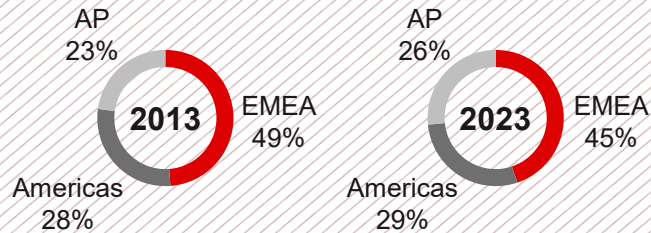


# Resilient performance across cycles

Asset light service model, yielding a high return on capital and generating high cash flows

## Balanced global footprint

Revenue split (CHF)



## Robust growth in service

Service portfolio growth in units

2013 – 2023 cumulative

~60%

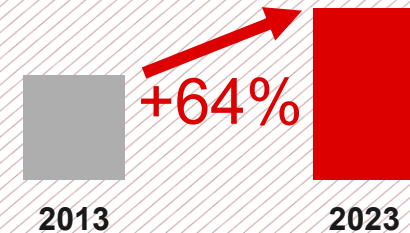
Service revenue growth in LC

2013 – 2023 CAGR

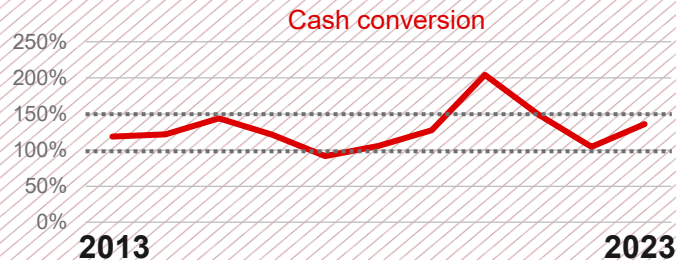
5.9%

## Steady revenue growth

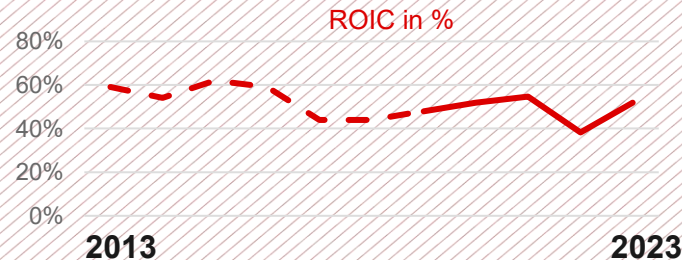
Revenue growth in LC



## High cash conversion and operating cash flow



## Low capital needs, high returns



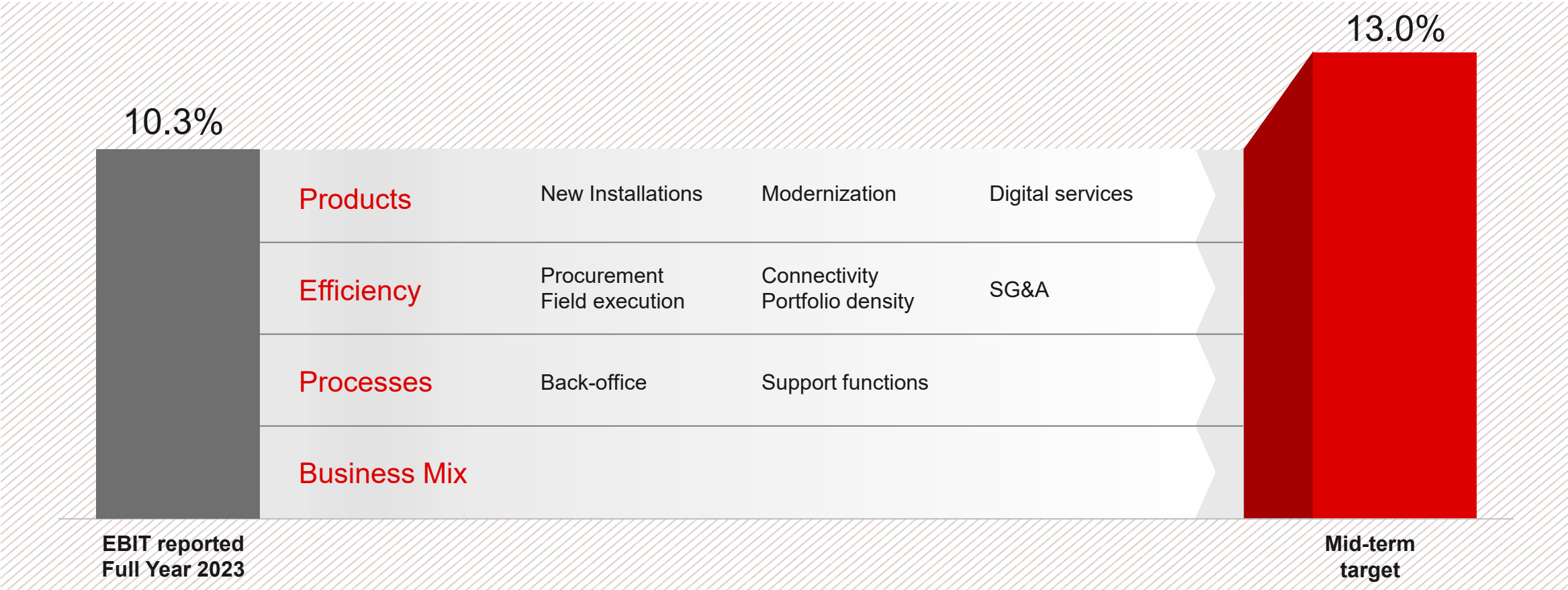
## Strong balance sheet

High equity, positive net liquidity, low share of intangible assets

	2013	2023
Equity	2.5bn	4.7bn
Equity ratio	32%	42%
Net liquidity	2.0bn	3.2bn
Intangibles	10%	12%

# Mid-term target: 13% EBIT

Focus on performance drivers across the value chain





# Outlook

**Outlook 2024:**  
**11% EBIT reported,**  
**Low single digit revenue growth**

- New standardized modular platform launch
- Operational efficiency
- Pricing discipline
- Portfolio growth
- Digital and “green” services
- Frontline engagement and capabilities

**Mid-term outlook:**  
**13% EBIT reported**

- New standardized modular platform growth and conversion
- Full consumption of legacy backlog
- Portfolio density
- Modernization growth
- Innovative products and services go-to-market
- Continuation of pricing and efficiency measures
- Digital roadmap execution
- 2030 Sustainability Roadmap
- Offsetting FX impact



# Highlights 2023

Performance improvement trajectory continues

**+31%**  
EBIT

**+85%**  
Cash flow  
from operations

Pricing +  
**EFFICIENCY**  
> Inflation

New standardized  
modular platform ready  
for global launch

**+42%**  
Net profit  
and EPS

CHF 4.00 + 1.00/share  
proposed dividend

**+5.0%**  
Service portfolio growth



**+7.4%**  
Revenue growth (LC)  
amidst challenging  
market conditions

Dividend payout ratio  
range increased to  
**50 – 80%**

**+50%**  
Digital Service revenue  
with Technical Operation Centers

**Newsweek**  
Schindler among  
world's most  
trustworthy companies



Q&A





# Key figures as of December 31, 2023

## October to December

In CHF million

	Q4 2023	Q4 2022	△ %	△ % in LC
Order intake	2 844	2 994	−5.0	1.5
Revenue	2 960	3 036	−2.5	4.3
Operating profit (EBIT)	296	249	18.9	27.7
in %	10.0	8.2		
Operating profit (EBIT), adjusted	338 <sup>1)</sup>	309 <sup>2)</sup>	9.4	17.2
in %	11.4	10.2		
Financing and investing activities	−10	−21		
Profit before taxes	286	228	25.4	
Income taxes	42	50		
Net profit	244	178	37.1	
Earnings per share and participation certificate in CHF	2.09	1.54		
Cash flow from operating activities	547	312	75.3	

<sup>1)</sup> Adjusted for Top Speed 23 costs (CHF 8 million), restructuring costs (CHF 29 million), and expenses for BuildingMinds (CHF 5 million)

<sup>2)</sup> Adjusted for Top Speed 23 costs (CHF 29 million), restructuring costs (CHF 27 million), and expenses for BuildingMinds (CHF 4 million)

# Quarterly overview

## Key figures

In CHF million	2023				2022			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order intake	2 844	2 657	3 049	2 889	2 994	2 740	3 063	3 164
<b>Revenue</b>	<b>2 960</b>	<b>2 812</b>	<b>2 926</b>	<b>2 796</b>	<b>3 036</b>	<b>2 965</b>	<b>2 713</b>	<b>2 632</b>
<b>Operating profit (EBIT)</b>	<b>296</b>	<b>290</b>	<b>320</b>	<b>282</b>	<b>249</b>	<b>252</b>	<b>192</b>	<b>211</b>
in %	10.0	10.3	10.9	10.1	8.2	8.5	7.1	8.0
<b>Operating profit (EBIT), adjusted</b>	<b>338</b>	<b>311</b>	<b>334</b>	<b>272</b>	<b>309</b>	<b>272</b>	<b>230</b>	<b>236</b>
in %	11.4	11.1	11.4	9.7	10.2	9.2	8.5	9.0
Financing and investing activities	−10	3	2	−8	−21	−11	4	−23
Profit before taxes	286	293	322	274	228	241	196	188
Income taxes	42	65	71	62	50	56	44	44
<b>Net profit</b>	<b>244</b>	<b>228</b>	<b>251</b>	<b>212</b>	<b>178</b>	<b>185</b>	<b>152</b>	<b>144</b>
Cash flow from operating activities	547	203	240	281	312	77	13	286

# Calendar 2024/2025

	2024	2025
Full year results analyst and media conference		February
Ordinary General Meeting Schindler Holding Ltd.	March	March
Publication of key figures as of March 31	April	April
Publication of Interim Report as of June 30	July	July
Publication of key figures as of September 30	October	October

**Contact:**

Marco Knuchel, Head Investor Relations; Phone +41 41 445 3061, [investor.relations@schindler.com](mailto:investor.relations@schindler.com)

Non-GAAP measures: Financial information contained in the reporting includes certain non-GAAP measures, that are not as defined by International Financial Reporting Standards (IFRS). They are used by management for the purpose of defining targets and measuring the Group's performance. These non-GAAP measures may not be comparable to similar measures at other companies and should not be viewed as substitute for IFRS measures. They are available at: [group.schindler.com](http://group.schindler.com) – Investors – Results ([group.schindler.com/en/investor-relations/results/definition-on-non-gaap-items.html](http://group.schindler.com/en/investor-relations/results/definition-on-non-gaap-items.html)).

The information in the presentation was factually accurate on the date of publication. It remains on our website for historical information purposes only. Schindler assumes no responsibility to update the information to reflect subsequent developments. Readers should not rely upon the information in this presentation as current or accurate after its publication date.

Copyright © Schindler. All rights reserved

Schindler owns and retains all copyrights and other intellectual property rights in this presentation. It may not be reproduced, modified or copied nor used for any commercial purposes (e.g. manufacturing), nor communicated to any third parties without our written consent. Schindler undertakes all reasonable efforts to ensure that the information in this presentation is accurate, complete and derives from reliable sources. Schindler, however, does not represent nor warrant (either expressly or implicitly) accuracy, reliability, timeliness or completeness of such information. Therefore, Schindler is not liable for any errors, consequence of acts or omissions based on the entirety or part of the information available in this presentation.

