

Ad hoc announcement pursuant to Art. 53 LR

Annual Results 2023

Press release
February 14, 2024

Improving operating performance and increasing profitability

- **Order intake and revenue: growth amidst challenging market conditions**
- **Improved operating performance and profitability: operating profit adjusted up 19.9%, EBIT adjusted margin 10.9%**
- **Increasing net profit and earnings per share: up 42%**
- **Cash flow from operating activities: up 84.7%**
- **Strong foreign exchange headwinds**
- **Outlook: EBIT reported margin 11% in 2024, 13% midterm**
- **Celebrating 150th anniversary: extraordinary dividend of CHF 1.00 per share to be proposed to the Shareholders' meeting, total dividend of CHF 5.00 per share**
- **Dividend payout ratio range increased to 50% – 80%**

For the full year 2023, amidst challenging markets, both order intake and revenue increased to CHF 11 439 million and CHF 11 494 million, respectively. In local currencies the growth was 1.7% and 7.4%. Operating profit increased to CHF 1 188 million corresponding to an EBIT margin of 10.3%. The EBIT adjusted margin reached 10.9%, up from 9.2% in 2022. Net profit rose significantly to CHF 935 million, corresponding to a net profit margin of 8.1%. Cash flow from operating activities increased by 84.7% to CHF 1 271 million.

“Notwithstanding weakening construction markets and persistent foreign exchange pressure, we continued our trajectory of enhanced profitability and sustainable growth”, said Silvio Napoli, Schindler Chairman and CEO. “With our refocused strategy in place, built around dedicated customer service, strong front-line capabilities, and efficiency-enhancing measures, we’re resolved to extend this track record and to keep improving our competitiveness, step by step, year after year.”

Order intake and order backlog

Order intake reached CHF 11 439 million (previous year: CHF 11 961 million), corresponding to a year-on-year reduction of 4.4% and a growth of 1.7% in local currencies. Strong foreign exchange headwinds had an impact of CHF –721 million. All regions recorded low single-digit growth. New Installations declined, though less than the overall market. Service continued to grow strongly, and Modernization started to pick up in the last quarter. Order intake margins continued to improve.

In the fourth quarter, order intake amounted to CHF 2 844 million (previous year: CHF 2 994 million), corresponding to a decline of 5.0% or an increase of 1.5% in local currencies.

As of December 31, 2023, order backlog reached CHF 8 655 million (previous year: CHF 9 551 million), corresponding to a drop of 9.4% or 2.1% in local currencies. Backlog margins improved for the fourth quarter in a row.

Revenue

Revenue for the year rose by 1.3% to CHF 11 494 million (previous year: CHF 11 346 million), equivalent to an increase of 7.4% in local currencies. Foreign exchange headwinds had a significant impact of CHF –688 million. All product lines grew driven by strong backlog execution. The EMEA, Americas and Asia-Pacific regions recorded solid growth, while China's revenue decreased slightly.

In the fourth quarter, revenue totaled CHF 2 960 million (previous year: CHF 3 036 million), corresponding to a decline of 2.5% or an increase of 4.3% in local currencies.

Operating profit (EBIT)

Driven by operational efficiencies, supply chain recovery, and pricing measures, operating profit for the year increased by 31.4% to CHF 1 188 million (previous year: CHF 904 million). The EBIT margin reached 10.3% (previous year: 8.0%).

EBIT adjusted amounted to CHF 1 255 million with a margin of 10.9% (previous year: CHF 1 047 million; 9.2%).

Operating profit in the fourth quarter rose to CHF 296 million (previous year: CHF 249 million), with an EBIT margin of 10.0% (previous year: 8.2%). The adjusted EBIT margin reached 11.4% (previous year: 10.2%).

Net profit and cash flow from operating activities

For the year, net profit increased by 41.9% to CHF 935 million, against the previous year's result of CHF 659 million. The net profit margin amounted to 8.1%, leading to a 42% increase in earnings per share to CHF 8.05.

Cash flow from operating activities reached CHF 1 271 million (previous year: CHF 688 million), corresponding to an increase of 84.7%, mainly driven by improved profitability and lower net working capital requirements.

Completion of Top Speed 23 program

The Top Speed 23 program ended in 2023. Launched in 2021 to gain business resilience, the project yielded significant benefits. Among others, it resulted in a boost of mass connectivity across the maintenance portfolio, with more than 30% of installed units now connected to the cloud. Other key outcomes include the accelerated introduction of competitive products and services in strategic markets, as well as the adoption of best-in-class procurement capabilities. The total program cost amounted to CHF 167 million over three years.

Sustainability progress recognized by CDP

In 2023, Schindler's efforts to fight climate change have been reconfirmed with the continued inclusion in the CDP A list of companies operating according to the highest environmental standards.

Schindler Holding Ltd. profit and dividend

Schindler Holding Ltd. closed the year 2023 with a net profit of CHF 685 million (previous year: CHF 709 million). The Board of Directors will submit a proposal to the forthcoming General Meeting of March 19, 2024, for a dividend of CHF 4.00 per registered share and per participation certificate. In addition, an extraordinary dividend of CHF 1.00 per registered share and per participation certificate will be proposed to mark the 150th anniversary of the company.

The Board of Directors has decided to amend the dividend policy and increased the payout ratio range to 50% – 80% (currently: 35% – 65%).

Changes to the Board of Directors

The Board of Directors has decided to propose to the General Meeting of Shareholders in 2024 that Prof. Dr. Thomas H. Zurbuchen (born 1968) and Christoph Mäder (born 1959) be newly elected to the Board of Directors.

Prof. Dr. Thomas H. Zurbuchen is Professor of Space Science and Technology at ETH Zurich, Switzerland, since 2023. He studied physics with a minor in mathematics at the University of Berne, where he was awarded his PhD in experimental astrophysics. From 2016 through 2022 he was the longest continuously serving head of science in NASA's history.

Christoph Mäder, besides being President of economiesuisse and a partner at Becker / Gurini / Partner, Attorneys + Notary, is Vice-President of the Boards of Directors of both Lonza Group AG and Baloise Holding AG. In addition, he is a member of the Bank Council of the Swiss National Bank. Christoph Mäder studied law at the University of Basel, Switzerland

Outlook

For 2024, barring unexpected events, Schindler expects a low single-digit revenue growth in local currencies, for an EBIT reported margin of 11%. As in previous years, net profit guidance will be provided with the publication of the half-year results. Going forward, consistently with the commitment to continue driving for higher competitiveness, Schindler aims to reach an EBIT reported level of 13% in the midterm.

Schindler Chairman and CEO Silvio Napoli commented: "The year 2024 marks Schindler's 150th anniversary, a milestone built on the extraordinary contributions of our employees, on the trust of our customers and on the support of our shareholders. Together, we enhance the quality of urban living."

Attachment: Key figures



Schindler

Schindler Management Ltd.

Global Communications & Branding

The Annual Report is available online from 6:30 CET at:
group.schindler.com/en/investor-relations/results.html

For further information:

Nicole Wesch, Head Global Communications & Branding
Tel. +41 41 445 50 90, nicole.wesch@schindler.com

Marco Knuchel, Head Investor Relations
Tel. +41 41 445 30 61, marco.knuchel@schindler.com

group.schindler.com

Dial-in details for today's webcast and conference call at 9:30 CET are available at:
group.schindler.com/en/investor-relations/events.html

Key figures as of December 31, 2023
January to December

In CHF million	2023	2022	Δ %	Δ % local currencies
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 255¹	1 047 ²	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	42.0	
Cash flow from operating activities	1 271	688	84.7	
Investments in property, plant, and equipment	96	121	-20.7	
As of December 31				
Order backlog	8 655	9 551	-9.4	-2.1
Number of employees	70 406	69 998	0.6	

¹ 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)

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

4th quarter: October to December

In CHF million	2023	2022	Δ %	Δ % local currencies
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	338¹	309 ²	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	35.7	
Cash flow from operating activities	547	312	75.3	
Investments in property, plant, and equipment	34	41	-17.1	

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

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