

**Ad hoc announcement pursuant to Art. 53 LR**

**Annual Results 2021**

Press release  
February 16, 2022

Growth and margin pressure

- **Order intake and revenue back to 2019 pre-pandemic levels**
- **Operating results affected by price pressure, supply chain issues, material and freight cost inflation**
- **Solid cash flow from operating activities**
- **Top Speed 23 program in execution phase**
- **New leadership set-up in place to accelerate execution of strategic priorities**

**A mix of challenges, including price pressure, supply chain disruptions, electronics shortages, and material and freight cost inflation, impacted Schindler's business in 2021. Order intake increased by 10.4% to CHF 12 166 million and revenue increased by 5.6% to CHF 11 236 million, operating profit reached CHF 1 166 million, corresponding to an EBIT margin of 10.4% (EBIT adjusted 11.1%). Net profit amounted to CHF 881 million, and cash flow from operating activities reached CHF 1 314 million.**

"We operate in times of unprecedented complexity calling for change, starting with agility, speed, and focus," said Silvio Napoli, Schindler's Chairman & CEO. "To remain on course with our long-term objectives, Schindler needs to accelerate progress on strategic priorities. We are determined to regain our competitiveness and close profitability gaps while driving innovation and doing our part in the transition to smarter and more sustainable cities."

**Order intake and order backlog**

Markets around the world recovered at varying speeds during 2021. Schindler's order intake returned to pre-pandemic levels, increasing 10.4% year-on-year (10.6% in local currencies) to CHF 12 166 million (previous year: CHF 11 018 million). Order intake rose in all regions, with the Americas generating the highest growth rate, followed by Asia-Pacific and EMEA. New installations, modernization, and repairs recorded double-digit growth. Maintenance remained resilient and produced consistently solid growth throughout the year.

In the fourth quarter, order intake increased by 6.0%, corresponding to growth of 5.9% in local currencies (CHF 3 128 million, previous year: CHF 2 951 million). Growth in China lost momentum in the second half of the year as the market absorbed the impact of the issues affecting the largest real estate developers.

As of December 31, 2021, order backlog reached CHF 9 565 million (previous year: CHF 8 687 million), corresponding to an increase of 10.1%, or 8.4% in local currencies.

### **Revenue**

Revenue for the year increased by 5.6%, equivalent to CHF 11 236 million (previous year: CHF 10 640 million), corresponding to an increase of 5.7% in local currencies. Revenue grew in all regions, with Asia-Pacific generating the highest growth rate, mainly driven by China, followed by the Americas and EMEA regions.

In the fourth quarter, revenue increased by 0.9% to CHF 2 954 million (previous year: CHF 2 927 million), equivalent to a growth of 0.6% in local currencies.

### **Operating profit (EBIT)**

Operating profit (EBIT) reached CHF 1 166 million (previous year: CHF 1 032 million), which corresponds to an increase of 13.0% (12.7% in local currencies). EBIT margin was 10.4% (previous year: 9.7%). The result includes costs related to the Top Speed 23 program of CHF 58 million, restructuring costs of CHF 26 million, expenses for BuildingMinds of CHF 23 million, and real estate gains of CHF 21 million. EBIT adjusted reached CHF 1 252 million with a margin of 11.1% (previous year: CHF 1 185 million, 11.1%).

In the fourth quarter, operating profit amounted to CHF 253 million (previous year: CHF 298 million), representing a year-on-year drop of 15.1% (-15.4% in local currencies). EBIT margin was 8.6% (previous year: 10.2%). The adjusted EBIT margin reached 10.4% (previous year: 11.7%). The reduction stems from the increasing impact of raw material, component, and freight cost inflation, combined with issues in supply chains, which hindered efficiency and delayed project execution.

### **Net profit and cash flow from operating activities**

Net profit totaled CHF 881 million compared to the previous year's result of CHF 774 million. Cash flow from operating activities decreased by 16.9%, reaching CHF 1 314 million (previous year: CHF 1 581 million).

### **Schindler Holding Ltd. profit and dividend**

Schindler Holding Ltd. closed the fiscal year 2021 with a net profit of CHF 689 million (previous year: CHF 615 million). The Board of Directors will submit a proposal to the forthcoming Schindler General Meeting of March 22, 2022, for a dividend of CHF 4.00 per registered share and per participation certificate.

### **Changes to the Board of Directors**

All members of the Board of Directors are standing for re-election at the General Meeting of Shareholders on March 22, 2022, including Alfred N. Schindler and Luc Bonnard for whom the Board of Directors has decided to extend the age limit in accordance with the exemption foreseen in the organizational regulations of Schindler Holding AG.

The Board of Directors has decided to propose to the General Meeting of Shareholders in 2022 that Petra A. Winkler will be newly elected to the Board of Directors. Petra A. Winkler has been serving as the Group General Counsel since April 2019. She joined Schindler in 2006 and has held various positions in Group Legal Services since.

Following his re-election, Günter Schäuble will become a member of the Supervisory and Strategy Committee. Orit Gadish who has sat on this Committee, will stand for re-election to the Board of Directors, but due to present travel difficulties restricting her participation, has elected to step down from the Committee role.

### **Changes to the Executive Committee**

As announced on January 21, 2022, Schindler has introduced a new, streamlined leadership set-up, with the objective to drive change, enabling faster decision making with greater impact. Together with Silvio Napoli in the combined Chairman & CEO role, Paolo Compagna, Chief Operating Officer, drives the strategy execution. He also leads the whole value chain of products and services, with the aim of ensuring more effective cross-functional collaboration.

As of March 1, 2022, Robert Seakins, currently responsible for Field Quality & Excellence (FQE) in the Group Executive Committee, will take over the responsibility for Asia-Pacific. He will succeed Jujudhan Jena who has decided to step down from the Group Executive Committee and leave the company for personal reasons. In line with the Group's objective to create simpler leadership structures, Robert's successor will report to Paolo Compagna, COO, in a position outside the Group Executive Committee.

### **General Meeting 2022**

The health and well-being of all Schindler stakeholders, including the company's shareholders, is the Group's highest priority. As a precautionary and prudent measure, the Board of Directors has therefore decided to conduct the next Schindler General Meeting on March 22, 2022, without the physical presence of shareholders, in compliance with COVID-19 regulations. Like last year, the independent proxy will take care of votes and any other input from shareholders.

### **Outlook for 2022**

Looking ahead, increasing material cost inflation, persistent foreign exchange pressure, supply chain disruptions and construction site delays, as well as global markets recovering at various speeds, will continue to affect our business. In response, Schindler is set to increase prices across all products and regions in 2022, which, however, is not expected to fully offset surging costs. Also, the Top Speed 23 program will be sharpened, with expenses expected to reach up to CHF 150 million during the year.

For 2022, barring unexpected events, the company's revenue growth is expected to reach levels between 1% and 6% in local currencies, with margin pressure to continue. For the first and second quarter 2022, Schindler expects slow revenue growth and a significant drop in profitability.

As in previous years, net profit guidance will be provided in combination with the publication of the half-year results.

Attachment: Key figures

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



**Schindler**

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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](http://group.schindler.com/en/investor-relations/events.html)

**Key figures as of December 31, 2021**  
**January to December**

In CHF million	2021	2020	Δ %	Δ % local currencies	2019
Order intake	<b>12 166</b>	11 018	10.4	10.6	12 123
Revenue	<b>11 236</b>	10 640	5.6	5.7	11 271
Operating profit (EBIT)	<b>1 166</b>	1 032	13.0	12.7	1 258
in %	<b>10.4</b>	9.7			11.2
Operating profit (EBIT), adjusted	<b>1 252<sup>1</sup></b>	1 185 <sup>2</sup>	5.7	5.4	1 314 <sup>3</sup>
in %	<b>11.1</b>	11.1			11.7
Financing and investing activities	<b>-42</b>	-39			-57
Profit before taxes	<b>1 124</b>	993	13.2		1 201
Income taxes	<b>243</b>	219			272
Net profit	<b>881</b>	774	13.8		929
Earnings per share and participation certificate in CHF	<b>7.70</b>	6.72	14.6		8.04
Cash flow from operating activities	<b>1 314</b>	1 581	-16.9		1 185 <sup>4</sup>
Investments in property, plant, and equipment	<b>117</b>	130	-10.0		225
As of December 31					
Order backlog	<b>9 565</b>	8 687	10.1	8.4	9 042
Number of employees	<b>69 015</b>	66 674	3.5		66 306

<sup>1</sup> 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)

<sup>2</sup> Adjusted for restructuring costs (CHF 135 million) and expenses for BuildingMinds (CHF 18 million)

<sup>3</sup> Adjusted for restructuring costs (CHF 38 million) and expenses for BuildingMinds (CHF 18 million)

<sup>4</sup> Before settlement of pension obligations (CHF -157 million) CHF 1 342 million

**4th quarter: October to December**

In CHF million	2021	2020	Δ %	Δ % local currencies	2019
Order intake	<b>3 128</b>	2 951	6.0	5.9	3 114
Revenue	<b>2 954</b>	2 927	0.9	0.6	3 016
Operating profit (EBIT)	<b>253</b>	298	-15.1	-15.4	335
in %	<b>8.6</b>	10.2			11.1
Operating profit (EBIT), adjusted	<b>306<sup>1</sup></b>	341 <sup>2</sup>	-10.3	-10.6	364 <sup>3</sup>
in %	<b>10.4</b>	11.7			12.1
Financing and investing activities	<b>-11</b>	-21			-18
Profit before taxes	<b>242</b>	277	-12.6		317
Income taxes	<b>50</b>	51			68
Net profit	<b>192</b>	226	-15.0		249
Earnings per share and participation certificate in CHF	<b>1.64</b>	1.96	-16.3		2.12
Cash flow from operating activities	<b>356</b>	626	-43.1		529
Investments in property, plant, and equipment	<b>35</b>	31	12.9		63

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

<sup>2</sup> Adjusted for restructuring costs (CHF 39 million) and expenses for BuildingMinds (CHF 4 million)

<sup>3</sup> Adjusted for restructuring costs (CHF 25 million) and expenses for BuildingMinds (CHF 4 million)