

AA-

ISSUER RATING
LongTerm

OUTLOOK
Stable

Initiation date 29/11/2022
Rating Date 22/01/2026

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Rating Action and Rationale

- EthiFinance Ratings affirms Schindler Holding AG's (Schindler) long-term rating at AA-, maintaining its Stable outlook.
- Our rating affirmation is founded on the company's exceptional financial risk profile, rated AAA. The latter is characterized by (i) profitability margins exceeding the sector average, with an EBITDA margin of c. 14.9% in FY24 and 14.6% in 1H25 (vs 14.0% in FY23 and 16% at 1H24). (ii) an EthiFinance Ratings-adjusted net cash position of CHF2.7bn at end-June 2025, resulting in a negative adjusted net leverage ratio, which we expect will remain negative over our forecast period (2025-2027), after factoring in CHF465m of share buyback program running until 2026 and an annual M&A budget of CHF50-60m. (iii) Its excellent geographic diversification, with a good balance between mature and emerging markets. In FY24, service/modernization growth has more than offset new installation declines, illustrating the buffer effect in a weak construction environment (especially in China). We expect a conjunctural revenue decrease in FY25 due to negative FX effects and continuous decline in new installations segment due to the near halving of China volumes, impacting the sector's large players alike. However, we believe that EBIT margin is expected to improve to 12.5% in FY25 and to 13% by 2027, in line with the management's guidance.
- Our rating remains constrained by the group's partial reliance on property construction cycles, particularly in the new building solutions segment, where the majority of clients are from the construction and infrastructure industries. In addition, despite its leadership position, Schindler operates in a market dominated by a few but highly sizable competitors, including Kone, Otis, and Thyssenkrupp Elevator. This concentrated competitive landscape exerts pressure on pricing power and intensifies competition. Moreover, Schindler is mono-product with activities only in elevators and escalators products and services, which limits its product diversification.
- Under our methodology, the capital goods industry has medium-to-high ESG risks (heatmap score between 3.5 and 3.9), given its impact on the environment. Consequently, the sector's ESG rating is downgraded by one notch due to these industry-specific ESG concerns. Heavy industries inherently consume substantial quantities of raw materials, leading to environmental degradation from extraction and transportation.
- Our assessment of the company's ESG policy has changed from slightly positive in our last rating review to neutral (company ESG score of between 1.5 and 3.5), due mainly to a significant yoy increase of 30% in GHG emissions intensity in FY24. As such, the overall ESG impact on the rating remains negative due to sector ESG assessment.

Issuer Description

Based in Switzerland, Schindler is one of the world's four leading companies in the E&E (elevators and escalators) industry. The company operates 13 production facilities across 8 countries, manufacturing and installing elevators, escalators, and moving walkways. Schindler also provides maintenance services for its extensive portfolio of installed units and specializes in modernizing equipment nearing the end of its lifecycle. With 69,326 employees at end-2024, the company operates in more than 100 countries worldwide. Schindler's largest shareholders are the founding Schindler-Bonnard families, who, through a shareholder agreement, owned a 43.4% stake of the shares as of 31 December 2025. Schindler is listed on the Swiss Stock Exchange since 1971 and has a free float of 57% with a market capitalization of CHF31.6bn as of 14 January 2026.

In FY24, Schindler generated revenues of CHF11.2bn (-2.2% yoy), with adj EBITDA of CHF1.7bn representing a margin of 14.9% (vs 14.0% in FY23), and an EthiFinance Ratings-adjusted net cash position of CHF2.6bn. For the last twelve months ending September 2025, the group reported revenues of CHF11.0bn, and EBITDA of CHF1.8bn, with a margin of 16.0%.

Liquidity

We assess the liquidity profile of Schindler as "Superior", reflecting the company's strong refinancing profile as well as its high liquidity level.

Main Financial Figures

	Main financial figures. Millions of CHF					
	FY23	FY24	FY25e	FY26e	FY27e	24vs23
Turnover	11 494	11 236	10 955	11 196	11 622	-2.2%
Adj EBITDA ⁽¹⁾	1 604	1 674	1 737	1 800	1 901	4.4%
Adj EBITDA Margin ⁽¹⁾	14.0%	14.9%	15.9%	16.1%	16.4%	0.9pp
Adj EBIT ⁽¹⁾	1 255	1 344	1 415	1 472	1 560	7.1%
Adj EBIT Margin ⁽¹⁾	10.9%	12.0%	12.9%	13.1%	13.4%	1.0pp
EBT	1 230	1 308	1 381	1 444	1 534	6.3%
Total Assets	11 308	11 997	12 094	12 272	12 710	6.1%
Equity	4 708	5 049	5 277	5 472	5 905	7.2%
Adj Total Financial Debt ⁽²⁾	948	1 054	964	917	870	11.2%
Adj Net Financial Debt ⁽²⁾	-2 643	-3 026	-3 036	-3 180	-3 490	-14.5%
Equity/Adj TFD ⁽²⁾	496.6%	479.0%	547.5%	596.5%	678.6%	-3.5%
Adj NFD/EBITDA ⁽²⁾	-1.6x	-1.8x	-1.7x	-1.8x	-1.8x	-0.2x
Funds From Operations	1 245	1 280	1 427	1 454	1 528	2.8%
FFO/Adj NFD ⁽²⁾	-47.1%	-42.3%	-47.0%	-45.7%	-43.8%	10.2%
EBITDA/Interest	64.2x	46.5x	50.3x	64.4x	72.9x	-17.7x

(1) the adjustments correspond to excluded restructuring costs such as cost optimisation program and startup development costs.

(2) The total adjusted debt includes the pension benefits.

Credit Rating

Credit Rating	
Business Risk Profile	BBB
<i>Industry risk assessment</i>	<i>BB+</i>
<i>Industry's ESG</i>	<i>Negative</i>
<i>Competitive Positioning</i>	<i>BBB</i>
<i>Governance</i>	<i>A+</i>
Financial Risk Profile	AAA
<i>Cash flow and leverage</i>	<i>AAA</i>
<i>Capitalisation</i>	<i>AAA</i>
<i>Company's ESG</i>	<i>Neutral</i>
Anchor Rating	AA-
<i>Modifiers</i>	<i>-</i>
Final Rating	AA-

Rating Sensitivity

- **Long-term rating positive factors (↑)**

Schindler's rating already reflects what we consider to be an excellent financial profile. Consequently, given that Schindler is a mature company in the E&E sector, a rating upgrade due to the improvement of the business risk profile is unlikely to occur.

- **Long-term rating negative factors (↓)**

A rating downgrade could be entailed by a sustained deterioration in Schindler's financial profile, which could be a consequence of a more aggressive financial policy, particularly in the event of a transformative debt-funded acquisition. For the same score in the business risk profile, an interest coverage ratio of 38.0x could drive a rating downgrade.

Sources of information

The credit rating issued in this report is unsolicited. The credit rating is based exclusively on public information, being the main sources the following:

1. Annual Audit Report.
2. Corporate Governance Report.
3. Corporate Website.
4. Information published in the Official Bulletins.

The information was thoroughly reviewed to ensure that it is valid and consistent, and is considered satisfactory. Nevertheless, EhiFinance Ratings assumes no responsibility for the accuracy of the information and the conclusions drawn from it.

Level of the rated entity participation in the rating process

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	NO
With Access to Internal Documents	NO
With Access to Management	NO

Additional information

- The rating was carried out in accordance with Regulation (EC) N°1060/2009 of the European Parliament and the Council of 16 September 2009, on credit rating agencies. Principal methodology used in this research are :
 - Corporate Rating Methodology - General : <https://www.ethifinance.com/download/corporate-rating-methodology-general/?wpdmld=35203>
- The rating scale used in this report is available at <https://www.ethifinance.com/en/ratings/ratingScale>.
- EhiFinance Ratings publishes data on the historical default rates of the rating categories, which are located in the central statistics repository CEREP, of the European Securities and Markets Authority (ESMA).
- In accordance with Article 6 (2), in conjunction with Annex I, section B (4) of the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, it is reported that during the last 12 months EhiFinance Ratings has not provided ancillary services to the rated entity or its related third parties.
- The issued credit rating has been notified to the rated entity, and has not been modified since.

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