

PRESS RELEASE

Financial year 2020/2021: TK Elevator achieves sales growth, margin increase and important strategic milestones

- Strategy continued to be consistently implemented and decisive milestones achieved with regard to independence, innovation and sustainability
- Comprehensive transformation program drove sales growth and profitability increase despite the corona pandemic and material cost inflation
- Focus remains on growth and efficiency improvement measures

Düsseldorf, December 15, 2021 – In its first full year of independence, TK Elevator achieved key targets in the implementation of its strategy and significantly improved its operating performance in the 2020/2021 financial year ending September 30. Despite major headwinds caused by the corona pandemic, material cost inflation and supply chain bottlenecks, the company was able to significantly increase all relevant key performance indicators in the 2020/21 financial year, both compared to the previous year and to the 2018/2019 financial year, which had not been impacted by the pandemic. Order intake increased by 5% to EUR 8.1 billion after adjusting for currency effects. Sales rose by 4% to EUR 8.0 billion, driven in particular by double-digit growth in China and in the Home Solutions division.

In a challenging environment and despite negative exchange rate effects, the adjusted EBITDA in the year under review increased to over EUR 1.1 billion, significantly exceeding the result of the two previous years. The EBITDA margin improved by more than one percentage point to over 14%.

Innovation & digitalization

TK Elevator delivered another excellent year advancing the digitalization of its products and services. MAX, for instance, was further developed and rolled out as a digitalization platform. MAX is a cloud-based solution for customers that analyzes real-time data from connected elevators and escalators, enabling smart maintenance and optimal customer service. This significantly improves the availability of elevators maintained by TK Elevator, while at the same time allowing customers to benefit from greater transparency of their asset portfolio. In addition, the platform strategy enables modular building blocks to be reused, which reduces development time and costs for new products, opens up new business models and improves operational efficiency.

Innovative digital solutions are not limited to elevators at TK Elevator: Airport operators and passengers now benefit from MAX Automate, an innovative Remote Control System that provides greater convenience and efficiency through the secure operation of passenger boarding bridges from any place.

TK Elevator also achieved an important milestone with its unique MULTI elevator system. MULTI is the first ropeless elevator for high-rise buildings that can move both vertically and horizontally thanks to a linear motor. Since MULTI allows several cabins to travel simultaneously and autonomously in one shaft, the available shaft space can be used more efficiently, reducing building space required for elevators by up to 50%. In addition to many innovative solutions for planned series production, further important progress was made in integrating MULTI into building planning in the past business year. For example, DigiPara's "Lift

Designer” software now enables configuration as a 3D model with just a few clicks. The models can be exactly positioned within 3D models for the entire building. This allows the revolutionary elevator system to fit perfectly into buildings, providing greater planning certainty and more comprehensive detailed information at early stages of project planning. At this year's Expo in Dubai, TK Elevator's MULTI is being presented in the German Pavilion as one of the lighthouse projects.

Leading role in sustainability recognized

TK Elevator was also able to achieve key results in the area of sustainability: The renowned CDP organization awarded the company an A rating for the second time in a row for its leading role in climate protection. Furthermore, TK Elevator tops the machinery industry in the latest Sustainalytics' global ESG rating, with more than 500 companies evaluated in this category. Sustainalytics analyzes sustainability risks considering criteria such as respect for human rights, supply chain management as well as environmental and climate change risks. The ESG ranking confirms the decision to make ESG a strategic priority – taken as part of the carve-out – and underscores the conviction that sustainability and business success are inseparable, which is lived throughout the Group. As part of this commitment, TK Elevator supports the ten principles of the UN Global Compact and the “Business Ambition for 1.5°C” initiative, with a commitment to reduce the company's emissions to “net zero” by 2050 at the latest.

Strong leadership team and engaged workforce

TK Elevator's entrepreneurial leadership team was expanded by two new Chief Operating Officers (COO). As a member of the Management Board, Vincent Della Valle will apply his decades of industry experience as COO Operations to further drive TK Elevator's growth and efficiency in the crucial value-creating areas of production, product management, supply chain, and digital. In addition to his responsibility for the North America business unit, Kevin Lavallee has taken over as COO Field and member of the Management Board and will focus on ensuring maximum customer orientation and digital innovation in the service business.

Responsible for Human Resources, Legal, Compliance, Data Protection and Labor Relations, Dr Philipp Voet van Vormizeele has succeeded Dr Detlef Hunsdiek as member of the Management Board, who retired. Van Vormizeele targets an efficient human resources organization that creates high value for the company and focuses on fostering employee engagement and commitment. The company has already seen strides made in this area: TK Elevator achieved a strong participation rate in the company's first employee survey conducted in fall 2021; the results confirm a very engaged workforce at a high-performance level and are an important driver for the company's further development.

Successful brand positioning

In spring 2021, TK Elevator successfully launched its new brand identity and relocated its Group headquarters in Germany from Essen to Düsseldorf — both visible signs of the new independence and entrepreneurial spirit of optimism throughout the Group. The creation of the new brand design and the successful design of the brand launch were awarded with two renowned Red Dot Awards, both in the category “Brand Design & Identity” and in “Corporate Design & Identity”.

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ABOUT US

TK Elevator (formerly: thyssenkrupp Elevator)

With customers in over 100 countries served by more than 50,000 employees, TK Elevator achieved sales of around €8 billion in the fiscal year 2020/2021. Over 1,000 locations around the world provide an extensive network that guarantees closeness to customers. Over the past decades, TK Elevator has established itself as one of the world's leading elevator companies and became independent since its separation from thyssenkrupp AG in August 2020. The company's most important business line is the service business represented by over 24,000 service technicians. The product portfolio covers commodity elevators for residential and commercial buildings to cutting-edge, highly customized solutions for state-of-the-art skyscrapers. In addition, it also consists of escalators and moving walks, passenger boarding bridges, stair and platform lifts. Integrated cloud-based service solutions, such as the MAX platform, are gaining in importance. With these digital offerings, there are no limits to urban mobility anymore. TKE – move beyond.