

KONE CMD 2022

Driving differentiation and resilience

TOMIO PIHKALA, EVP, NEW EQUIPMENT BUSINESS

JUNE 1, 2022



Benefitting from the
resilience of our robust
supply chain

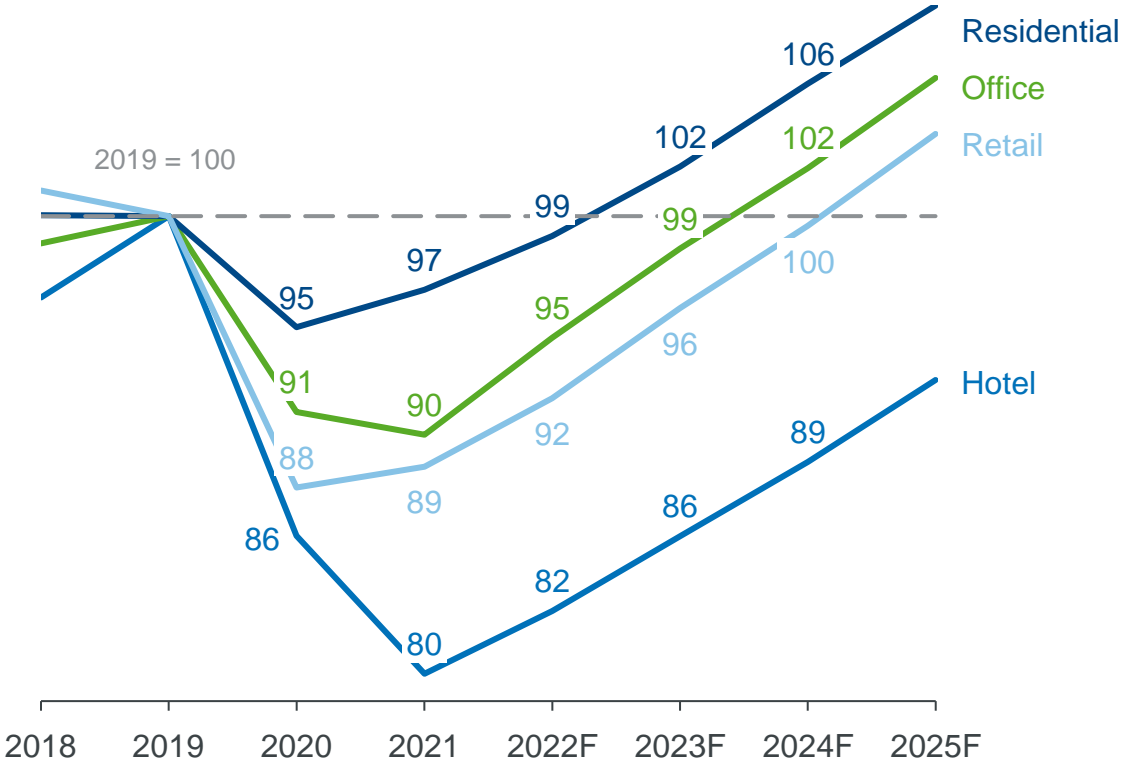


Broad-based recovery in the construction markets



Global new construction market output by segment, 2018-2025F

Real USD, indexed at 100=2019



Source: GlobalData

Geographical highlights

- **China:** Lockdowns and liquidity challenges dimming the near-term outlook
- **Rest of Asia-Pacific:** Strong rebound from 2020 expected to continue
- **North America:** Outlook remains promising following a strong start
- **Europe, Middle-East, Africa:** Slight growth expected despite uncertainty in Europe due to the war in Ukraine

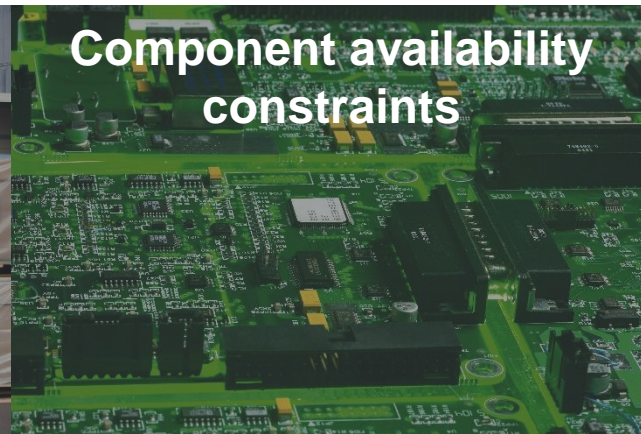
Mitigating the impacts of supply chain disruptions



Increased commodity and labor costs



Logistics constraints and elevated sea freight costs



Component availability constraints



COVID-19 lockdowns in China

- Driving pricing, securing productivity and reducing product costs

- Shifting to alternative routes and reallocating component supply

- Re-designing sourcing channels for parts and components

- Continuous monitoring, mitigation and actions globally and locally

Our supply chain has proved its resilience and we are continuously strengthening its robustness



Proactive risk management

24/7 risk alerts system

Multi sourcing

Continued reduction in single source supply spend

Sustainable operations

Carbon neutral supply units by 2024

Flexible supply footprint

Diversifying Asian supply chain

What are the enablers for flexible supply?



Globally harmonized products



Standardized ERP systems

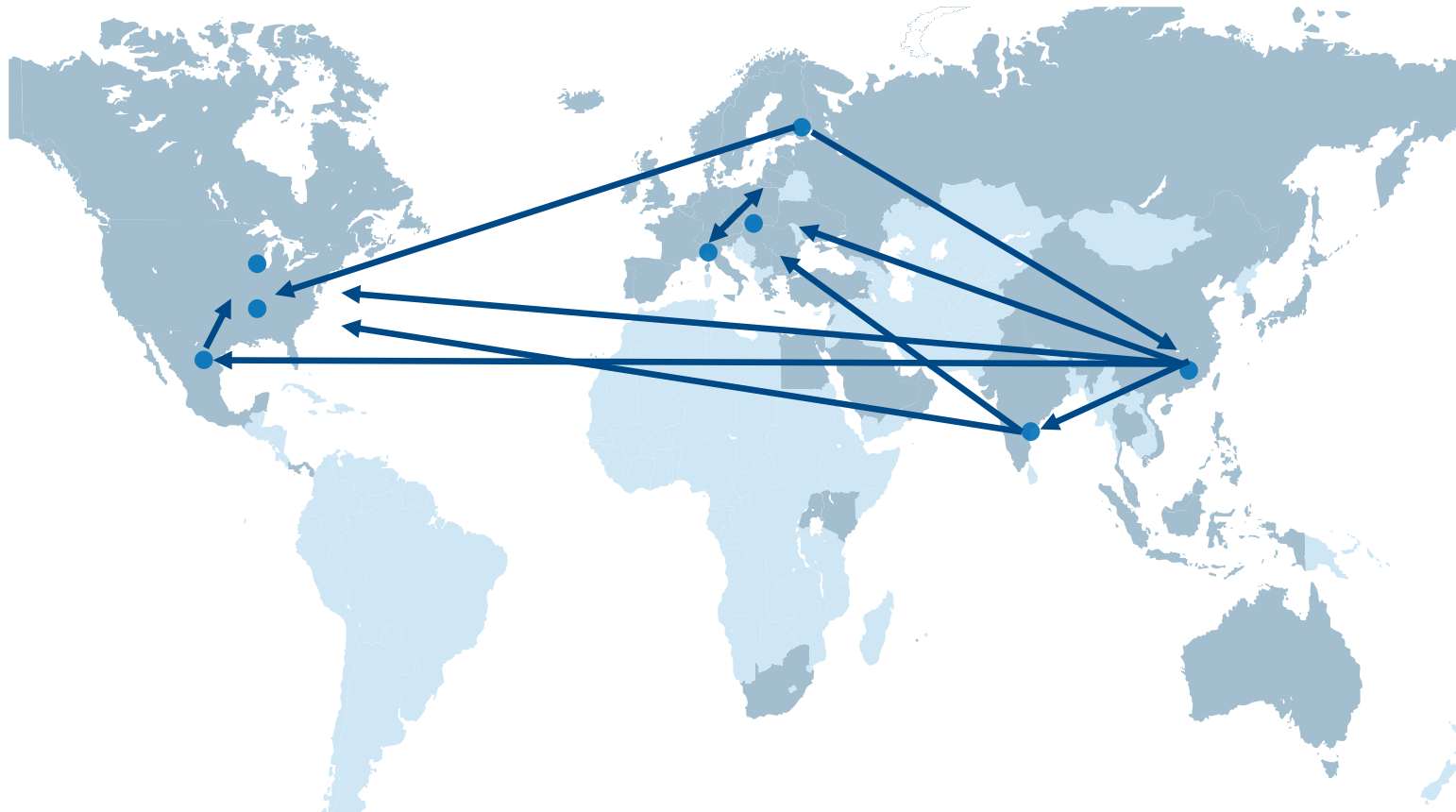


Product lifecycle management ecosystem



Invest in multi-sourcing

Driving diversification in our component supply footprint



- Increasing interchangeability of component production
- Optimizing logistics flow
- Lowering country dependency
- Securing material availability
- Maximize product competitiveness

Driving customer value
through new offerings



What are we hearing from our customers?



- Cost pressures highlight the need to improve construction productivity

- Sustainability is becoming more important

- Smart buildings to improve user experience, bring efficiencies

KONE's offering driving sustainable success to our customers



1

Create value with connected people flow solutions



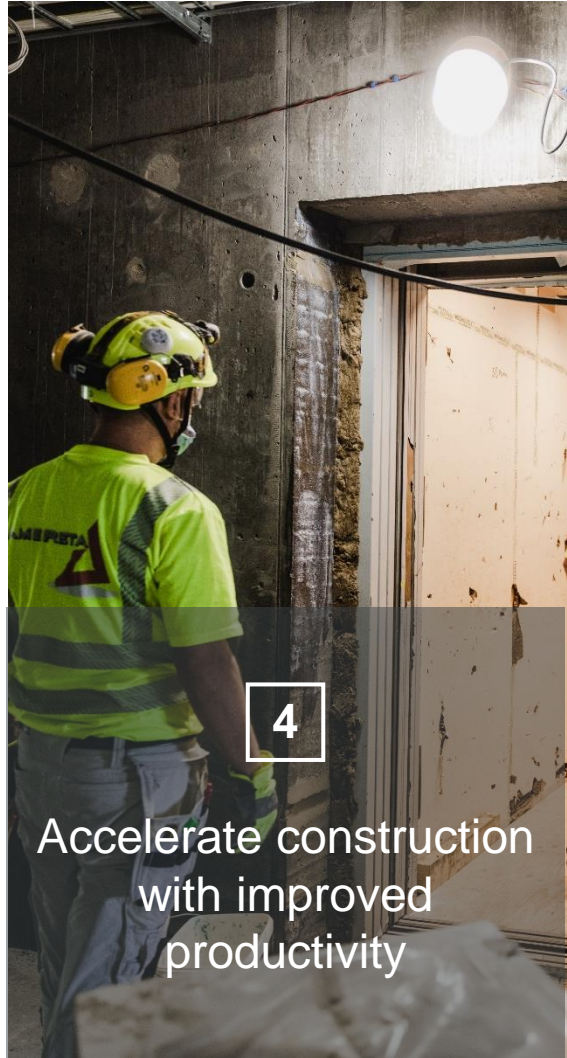
2

Differentiate with a redefined user experience



3

Partner for smart and sustainable buildings



4

Accelerate construction with improved productivity

KONE's offering is driving sustainable success for our customers



1

Create value with connected people flow solutions

- Sold over 75,000 units of DX Class elevators since launch
- Available in all regions, with North America added in March 2022
- Built-in connectivity enables digital services to be upsold during lifetime

2

Differentiate with a redefined user experience

- KONE Office Flow introduced to enhance user experiences in offices
- Health and well-being offering launched during pandemic

3

Partner for smart and sustainable buildings

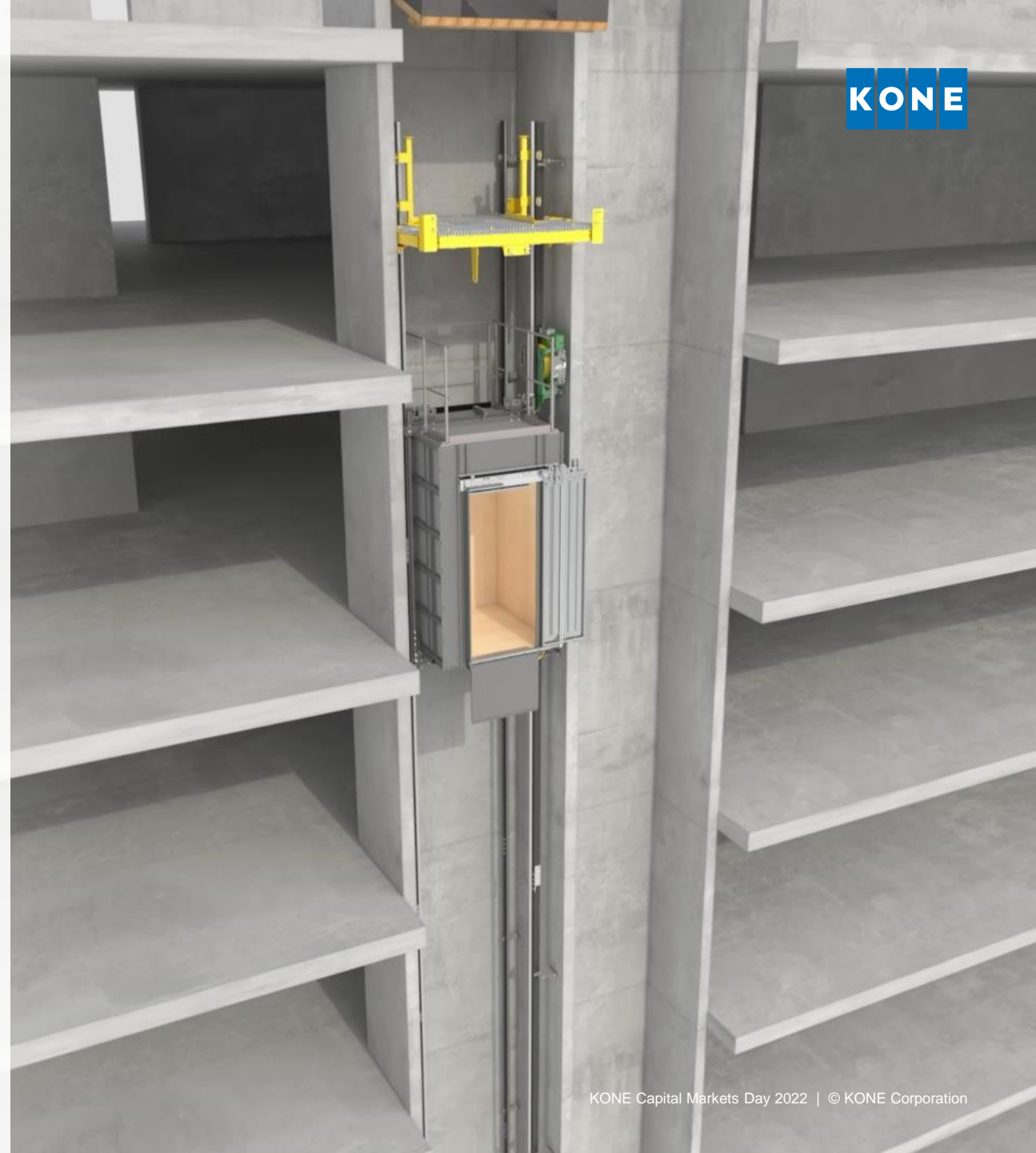
- Carbon compensation and wooden building installation capabilities

4

Accelerate construction with improved productivity

Benefits from earlier construction time use with KONE JumpLift

- KONE JumpLift™ is now available for all buildings, and both machine room-less and machine room elevators
- Key benefits
 - **Faster construction** – enable construction time usage of the elevator sooner than industry standard
 - **Lower overall costs** – workers spend less time traveling or waiting
 - **All-weather operation** – work can proceed unhindered by external weather conditions
 - **Improved safety** – Safer and more cost-efficient than external hoists



KONE 24/7 Connected Services – Maximizing uptime during construction



Improved intelligence

Improved safety

Increased transparency

Connectivity is changing the way we interact with customers

Customer preferences towards digital touchpoints continues to increase

One third prefer to research options online

...and >10% prefer fully online self-service

...while 70% still prefer physical interaction during purchasing

Leveraging digital tools to increase speed and expand outreach

Customer response time from weeks to hours

Tens of thousands of customer contacts monthly via digital channels

Summary

- Capturing growth with new innovations and productivity enhancing solutions
- Committed to building a future-proof supply chain, which is the most robust and flexible in the industry



Dedicated to People Flow™

