

KONE CMD 2020

Adaptable solutions for a changing world

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Agenda

- › DIFFERENTIATING WITH DX CLASS ELEVATORS
- › FURTHER STRENGTHENING OUR COMPETITIVENESS

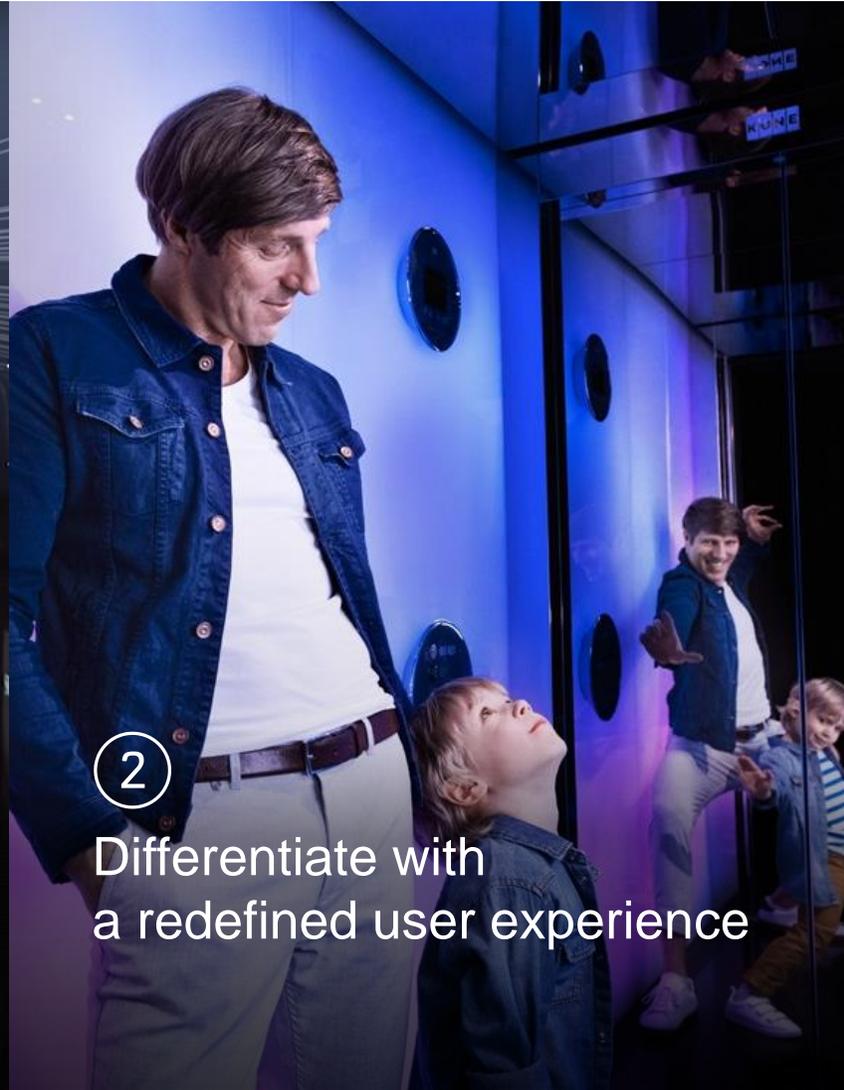


KONE DX Class elevators are redefining the user experience, with plug and play upgrades



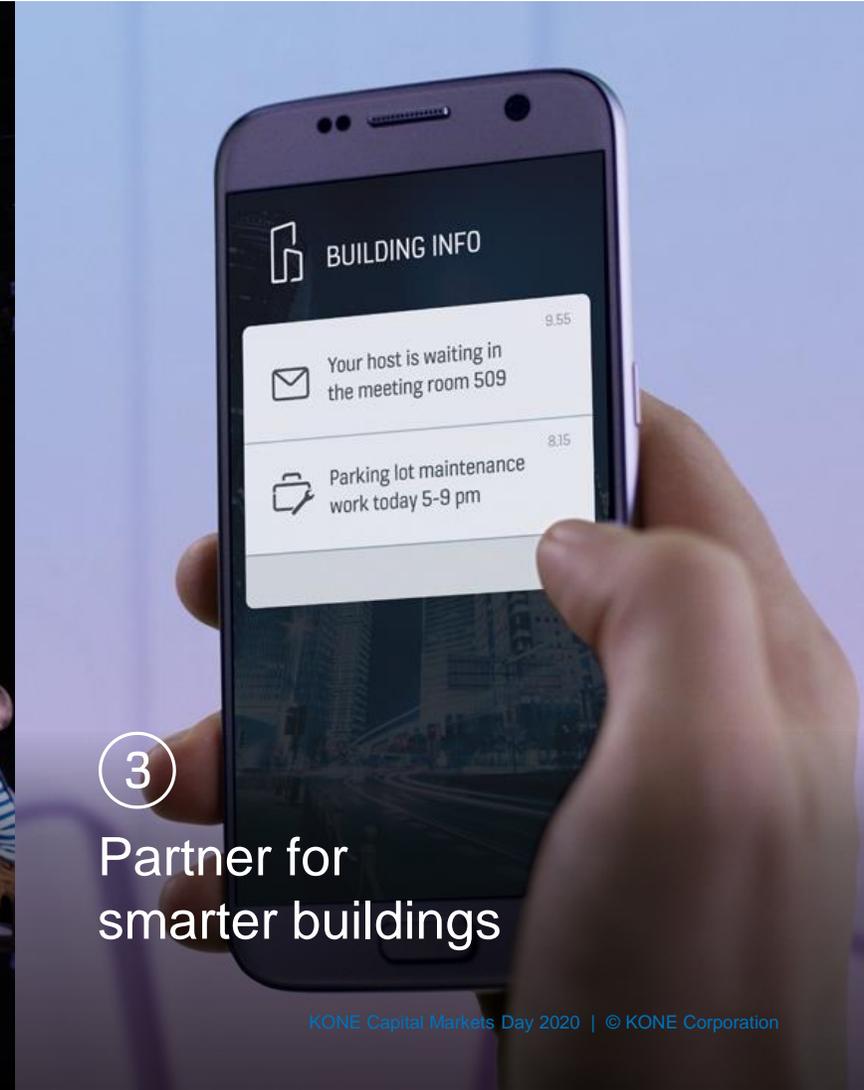
1

Create value with connected people flow solutions



2

Differentiate with a redefined user experience



3

Partner for smarter buildings

What do the connected KONE DX Class elevators enable?

KONE SOLUTIONS

- KONE 24/7 Connected Services
- KONE Residential Flow
- KONE Music
- KONE Information

CUSTOMER'S OWN APPLICATIONS

- Custom building applications
- Building operations system
- Asset management or maintenance system



KONE DIGITAL PLATFORM



Elevator Call API



Service Robot API



Equipment Status API



Service Info API

THIRD PARTY SERVICES

- Delivery robots
- Smart home applications
- Parking solutions
- Visitor management solutions for offices
- Smart access solutions
- Navigational apps for visually impaired users

Elevators with built-in Application Programming Interface (API) connectivity

Examples of KONE's first ecosystem partners



Besides other things, Alexa can now call you the KONE elevator when you are leaving your apartment.
Requires KONE Residential Flow



Leading App for blind and visually impaired users can now call also KONE elevators.



Delivery robot for hotel and hospitality, and medical segments.



Access and locking solutions working together with KONE elevators.



The most advanced background music service for commercial spaces raises the building user experience to new level.



Delivery robot taking care of hotel room deliveries, replacing mini-bars, and more.

Reasons why our customers have chosen the KONE DX Class elevators



Future proof solutions to allow smooth possibilities for new services, want to have the first “smart hotel in town”

– Hotel, Greece



Sustainable design materials and colors and the future opportunities enabled by in-built connectivity

– Residential buildings, Romania



Uninterrupted elevator operation and stable user experience for the residents

– Residential building for elderly people, Belgium



Safety in installation and understanding how to ensure smooth operations in the facilities

– Hospitals, Mexico

KONE DX Class elevators - new global volume offering

- Rapid roll-out, starting from Europe
- 80% of tender activity in EMEA
- Positive impact on margins
- Majority of markets will be covered by 2021





Further
strengthening our core
competitiveness

Safety, quality and sustainability are essential in everything we do



Continuous focus on safety

Decrease in IIFR in KONE Supply Line, 2016-2020

24%

Further improving quality

Decrease in early failure rate, 2016-2020

32%

Lower CO2 footprint

Decrease in operational carbon footprint for KONE Supply Line (Scope 1 & 2) relative to sales*, 2016-2019

31%

Focus areas

- Further strengthening of the safety culture and Lean & Six sigma competences
- Raising the bar even higher in sustainability efforts. KONE supply line targets to be carbon neutral by 2024

IIFR= Industrial Injury Frequency Rate, number of injuries per 1 million hours worked

* Calculated at comparable exchange rates and reporting scope. KONE has applied new IFRS 15 and IFRS 9 standards from January 1, 2018 onwards. Figures until then are not fully comparable.

Operational excellence ensures cost competitiveness and delivering on our promises



Continuous productivity improvements

Increase in units/average total employees in KONE Supply Line, 2016-2019

27%

Speed and timely deliveries to meet expectations

Capability to deliver equipment in China, working days

7 d

Efficient installation

Case: MonoSpace® 500 DX estimated installation time improvement, 2016-2019

14%

Focus areas

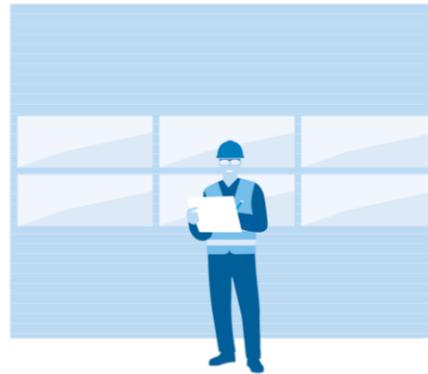
- Step change in product platform harmonization
- Expansion of the fast delivery capability
- Further improving installation efficiency

Our supply chain has passed the toughest stress test in its history, while gaining valuable learnings for the future



Safe working and business continuity

- Safe operations & social distancing throughout manufacturing
- Local accountability & cross-unit collaboration



Limitations in alternatives to certain components

- Alternative sources and suppliers critical
- Further harmonization important to improve robustness



Decreased logistics capacities & flow of goods restrictions

- Logistics flow dependent on how we work together with our partners

Summary

- The acceleration of developments of new solutions help us differentiate in a new normal
- We continue to strengthen our core competitiveness



Dedicated to People Flow™

