



KONE



# KONE as an investment

Equity story 2024

2024

Dedicated to  
People Flow™

# KONE as an investment

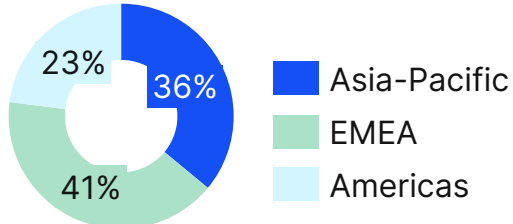
- ➔ Global leader in a long-term growth industry
- ➔ Stability through the life cycle business model
- ➔ Competitiveness from customer centricity, innovations and productivity
- ➔ A capital-light and cash-generative business model
- ➔ Long-term growth supported by sustainability



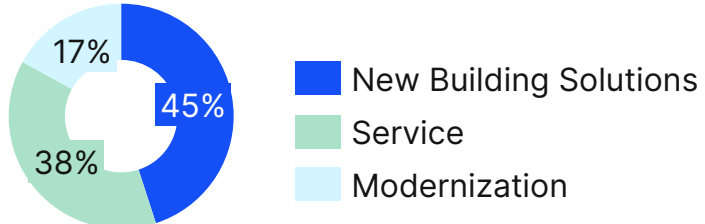
# KONE today

- One of the global leaders in the elevator and escalator industry
- We offer innovative, intelligent and sustainable New Building Solutions, ensure the safety and availability of equipment in operation and offer modernization solutions for aging equipment
- Founded in Finland in 1910, significant family ownership in the 4th generation
- >60,000 employees and close to 600,000 customers
- Sales EUR 11.0 billion and adjusted EBIT EUR 1.2 billion in 2024
- Listed on the Nasdaq Helsinki, market cap EUR 23 billion on December 31, 2023

Sales by region  
2023



Sales by business  
2023



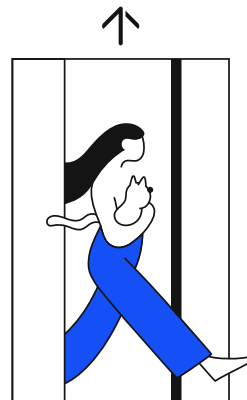
# KONE in numbers

As a global leader in the elevator and escalator industry, we move more than a billion people every day.

Founded in

# 1910

More than 100 years of experience in the elevator industry



Over

# 750

units delivered per day

Over

# 1.6M

lifts in service

# ~89%

of customer feedback on cooperation with KONE is positive\*

# 60,000+

employees

# <600,000

Customers worldwide

# Our three distinct business lines – for a full lifecycle



## NEW BUILDING SOLUTIONS

- Our versatile product portfolio features a wide range of innovative products for all types of buildings, from low and mid-rise structures to the world's tallest skyscrapers: Future-proof solutions for all types of buildings, which combine connectivity and sustainability.



## SERVICE

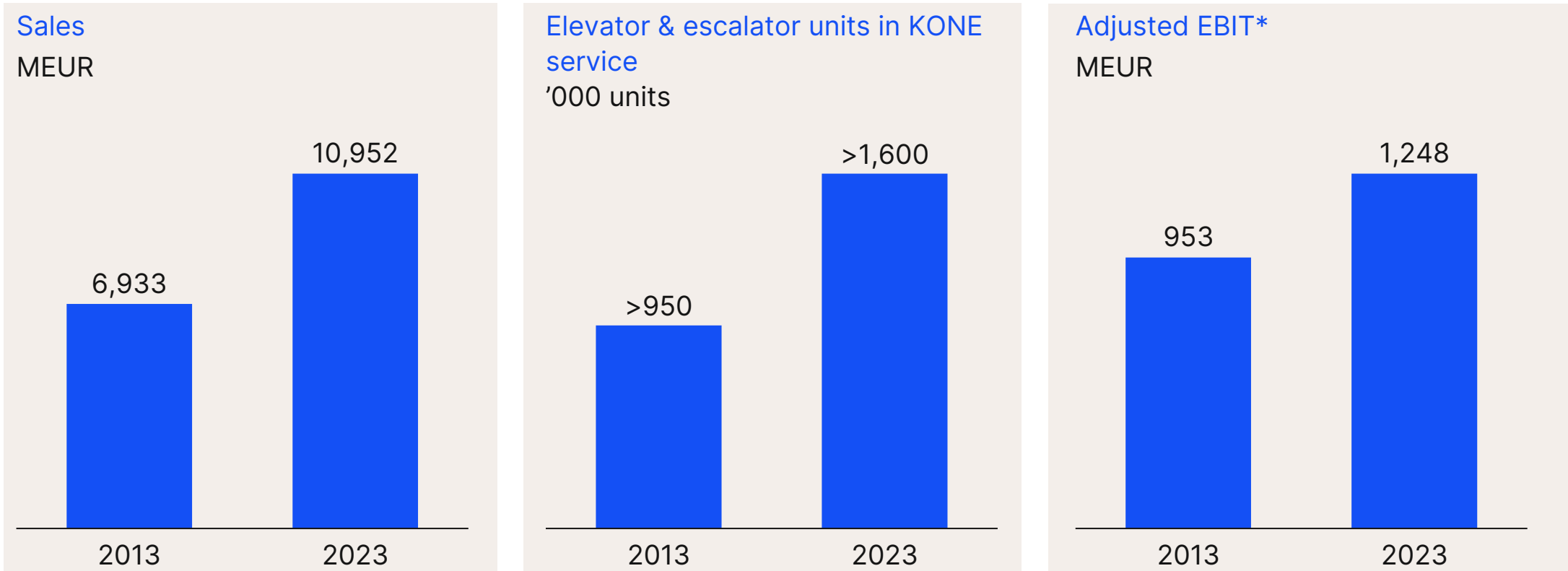
- We lead the industry in advanced maintenance services for equipment. Our expert technicians use the latest smart digital tools to make sure our customers' equipment performs reliably and safely.



## MODERNIZATION

- Our modernization services help customers determine when and how to upgrade equipment to ensure a lifetime of optimal operation and to maximize customers' return on investment.

# We have grown significantly over the decade

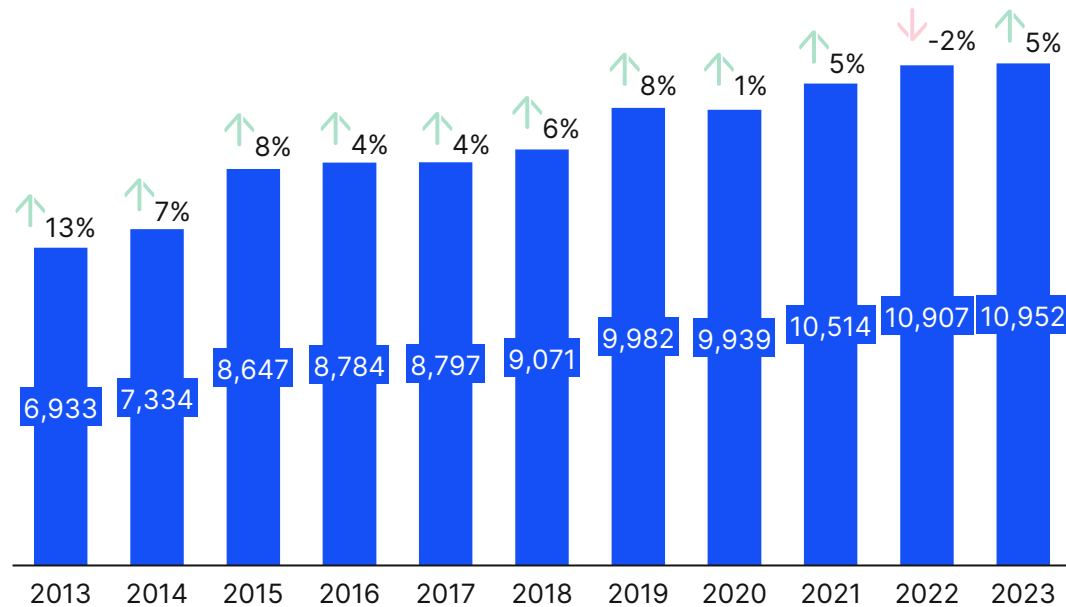


\*KONE presents adjusted EBIT as an alternative performance measure to enhance comparability of business performance between reporting periods. In January–December 2023, items affecting comparability amounted to EUR 48.3 million including EUR 57.7 million costs recognized on restructuring measures and a positive effect of EUR 8.0 million recognized on completion of the sale of operations in Russia. In the comparison period, items affecting comparability included a charge for the impairment of assets and recognition of provisions for commitments in Russia and Ukraine as well as restructuring costs.

# Steady growth in sales indicate a resilient underlying business model

KONE has been able to consistently increase its sales through different economic cycles

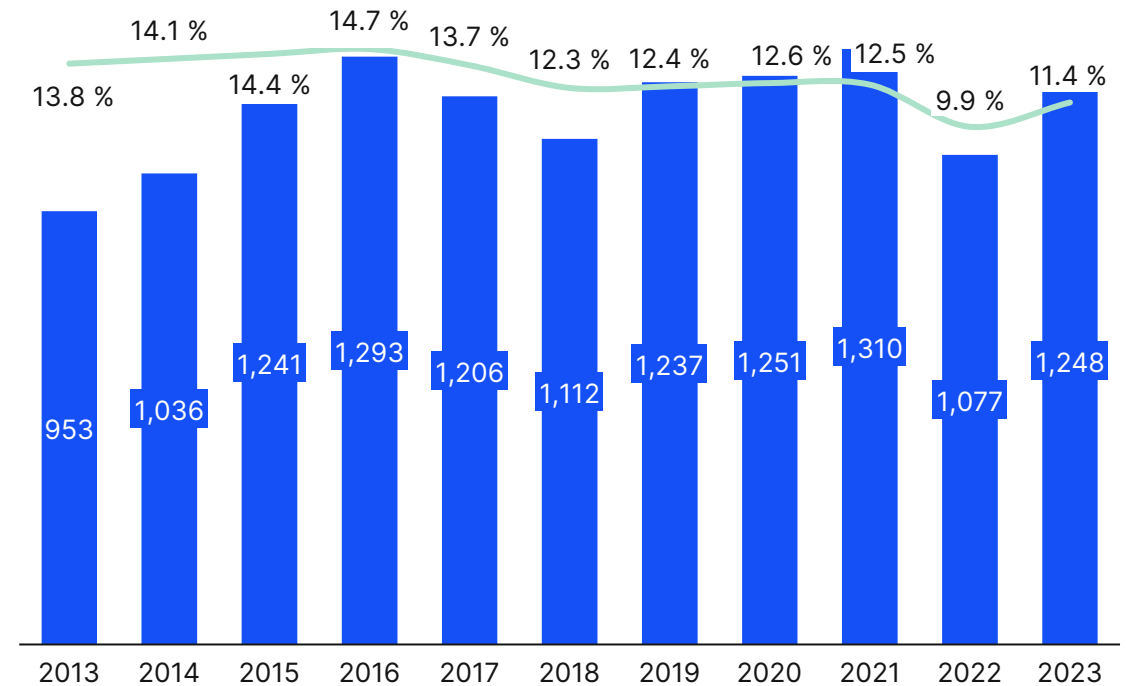
Sales, MEUR



↑ Growth at comp. FX

Over time, the growth has been profitable

Adjusted EBIT\*, %, MEUR



\*KONE presents adjusted EBIT as an alternative performance measure to enhance comparability of business performance between reporting periods. In January–December 2023, items affecting comparability amounted to EUR 48.3 million including EUR 57.7 million costs recognized on restructuring measures and a positive effect of EUR 8.0 million recognized on completion of the sale of operations in Russia. In the comparison period, items affecting comparability included a charge for the impairment of assets and recognition of provisions for commitments in Russia and Ukraine as well as restructuring costs.

Our strategy:  
Sustainable  
success with  
customers



# We are in a growth industry with three strong megatrends backing our strategy and providing opportunities



## Urbanization

The world's cities are continuing to grow and there is also an increasing need to modernize existing buildings. We want to help our customers in making cities smart, sustainable, and better places to live.

There are 4 billion people living in urban areas today and 200,000 people are moving to urban areas every day. By 2050, around 7 billion people are expected to move to urban areas.



## Sustainability

Climate change is the biggest challenge of our lifetime. There is also increasing interest in health and well-being and growing expectations around human rights and diversity and inclusion.

We want to be the leader in sustainability – not only in our own industry, but also beyond.



## Technology

Advancements in technology are rapidly changing our lives.

We can harness technology to resolve many of the challenges brought by rapid urbanization and climate change. We can also bring new solutions and value to our customers and smarter ways of working to our employees.

# How we live, work and commute is changing



Homeowners and tenants expect convenience and better services and experiences



New ways of working and growing building intelligence lead to redesigning offices



Efficient public transport is a key enabler for sustainable cities, with increased expectations for its healthiness and safety



Our mission  
at KONE

Improve the flow of  
urban life



Our vision

KONE creates the best  
People Flow experience

Sustainable success with customers



MEGATRENDS

URBANIZATION

SUSTAINABILITY

TECHNOLOGY



Dedicated to People Flow™ **KONE**

STRATEGIC TARGETS

- Great place to work
- Most loyal customers
- Faster than market growth
- Best financial development
- Leader in sustainability

WHERE TO WIN

We will lead the way in:

Core products and services

New solutions for customer value

Smart and sustainable cities

Service business in China

WAYS TO WIN

We will ensure our success through:

Empowered people

Marketing and sales renewal

Digital + physical enterprise

Lean KONE



CULTURE

SAFETY  
QUALITY  
SUSTAINABILITY

CARE

CUSTOMER

COLLABORATION

COURAGE

MISSION  
OUR MISSION IS TO IMPROVE THE FLOW OF URBAN LIFE

VISION  
WE CREATE THE BEST PEOPLE FLOW™ EXPERIENCE



market

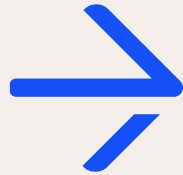


# Sustainable success with customers

The shift we drive with our strategy



Sustainability in everything we do



Increasing the value we create for our customers





## Where to win

Where we grow faster than the market and how we differentiate

- Core products and services
- New solutions for customer value
- Smart and sustainable cities
- Service business in China



## Ways to win

How we develop KONE Way and our capabilities to succeed in a dynamic environment

- Empowered people
- Marketing and sales renewal
- Lean KONE
- Digital + physical enterprise

Wide global  
exposure and  
strong position in  
the key growth  
markets



# The majority of the New Building Solutions demand is in APAC, EMEA and China have the largest installed base



## North America

- Mature service market
- The aging installed base provides structural growth opportunities in modernization
- Non-residential segments comprise the majority of market volumes



## EMEA

- Mix of mature markets and developing regions, Europe the largest market in the area
- Service market with large installed base
- The aging elevator base in Europe provides structural growth opportunities in modernization
- Largest segment is residential



## China

- The largest new equipment market globally
- Strongly growing service opportunity, China expected to represent ~50% of global service market by 2025
- Residential is the largest segment



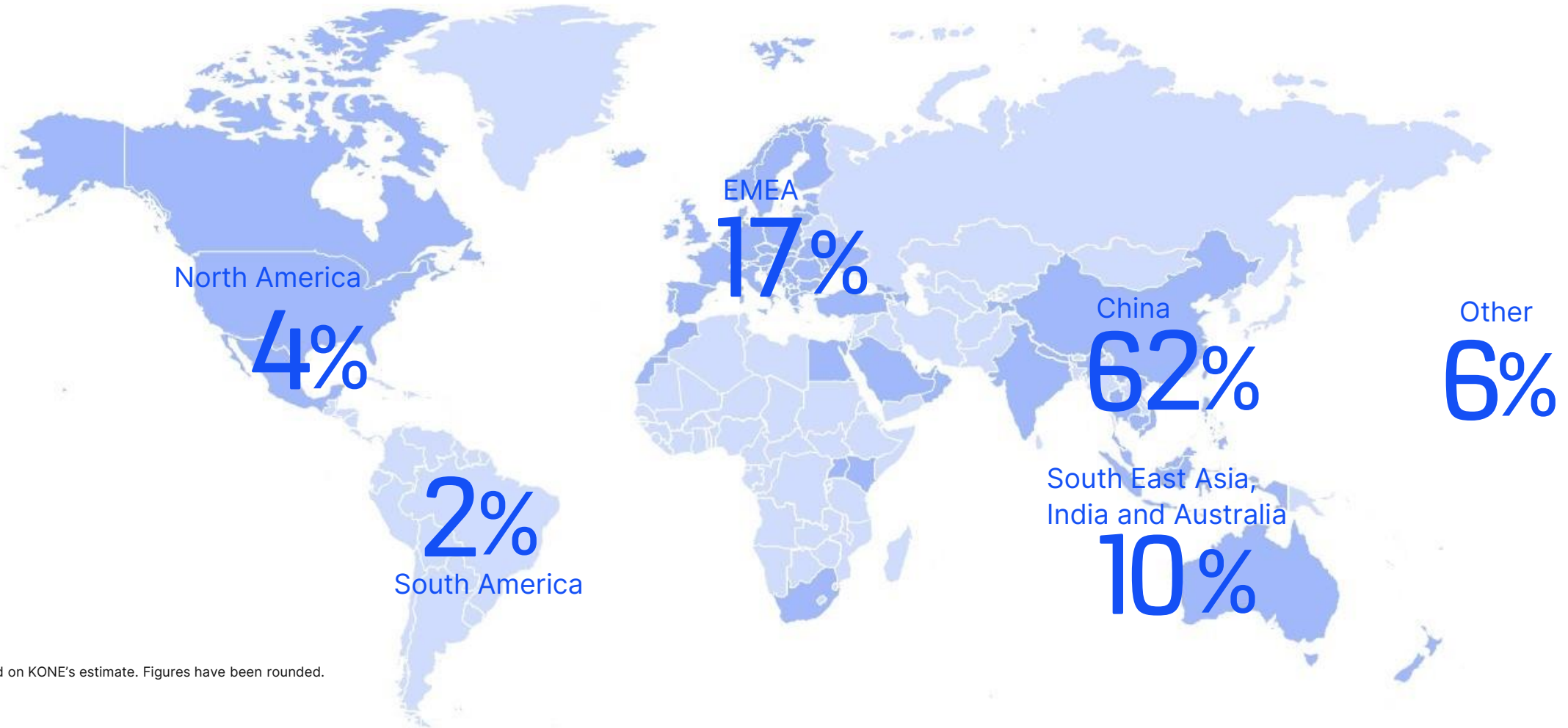
## Asia-Pacific (excl. China)

- A mix of developing and more mature markets
- India is the second largest new equipment market globally
- Residential is the largest segment

# China is by far the largest New Building Solutions market

## Share of different regions out of total market

New elevator and escalator market ~1 million units

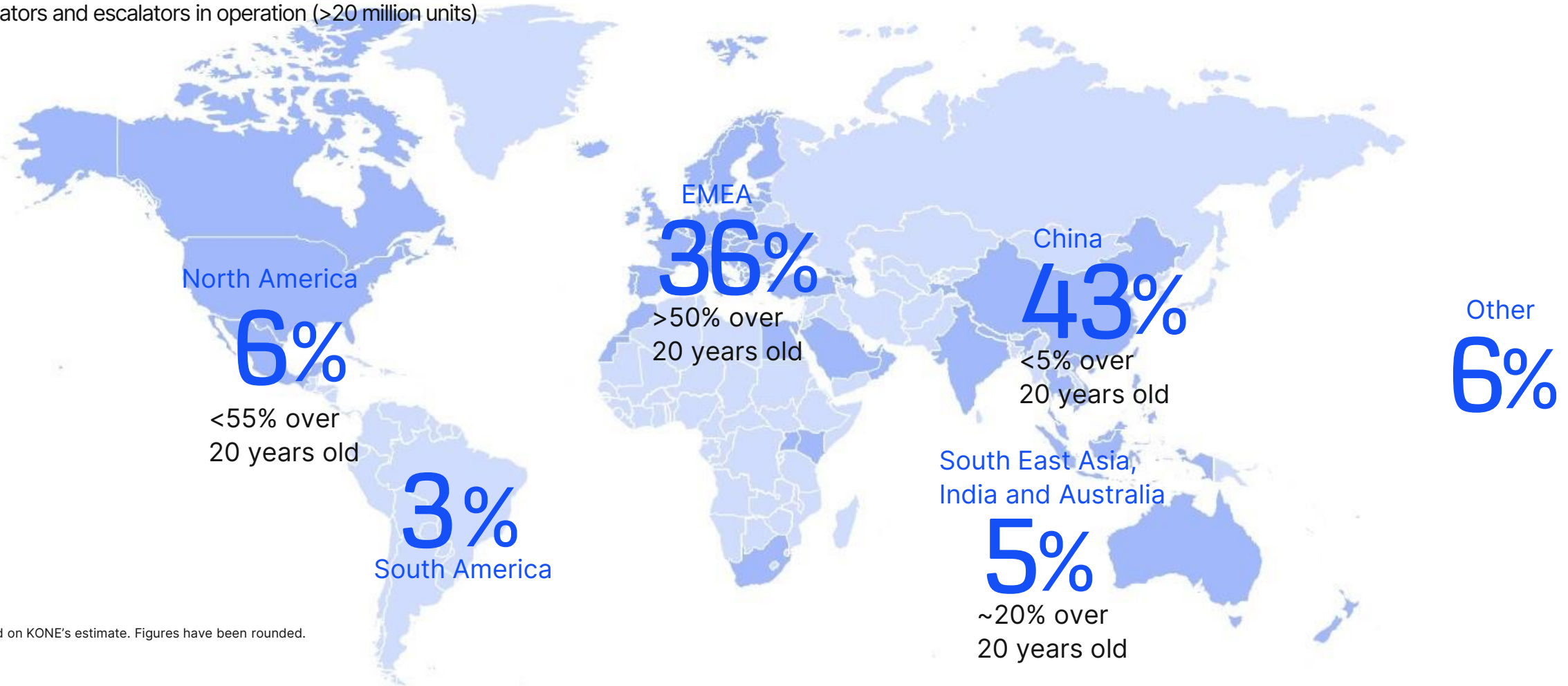


Based on KONE's estimate. Figures have been rounded.  
2024

# Around half of Service and Modernization in mature markets, biggest growth potential in developing markets

## Share of different regions out of total market

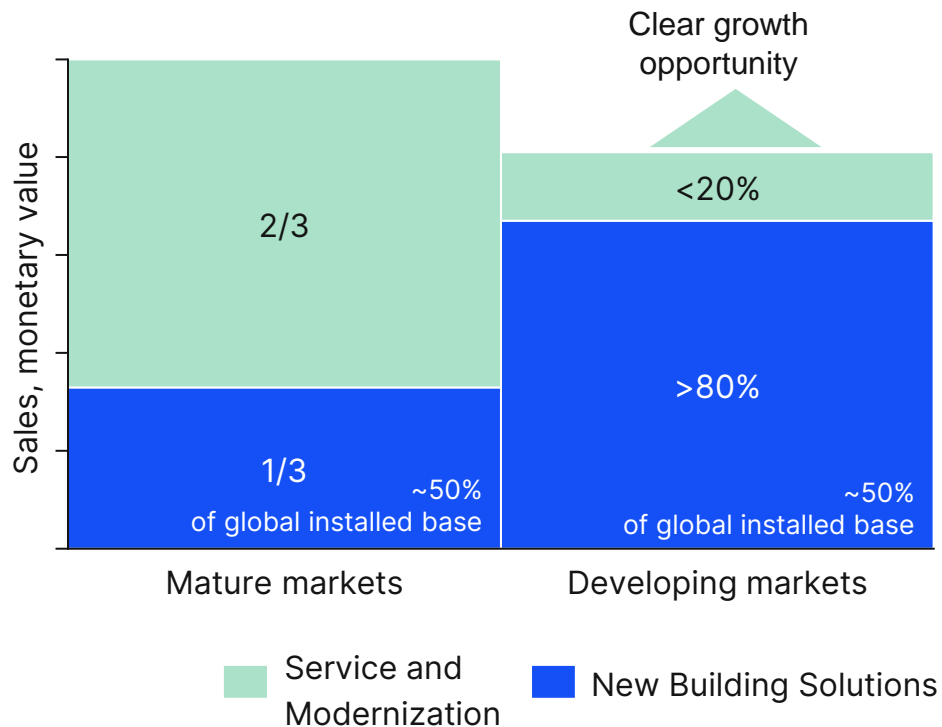
Elevators and escalators in operation (>20 million units)



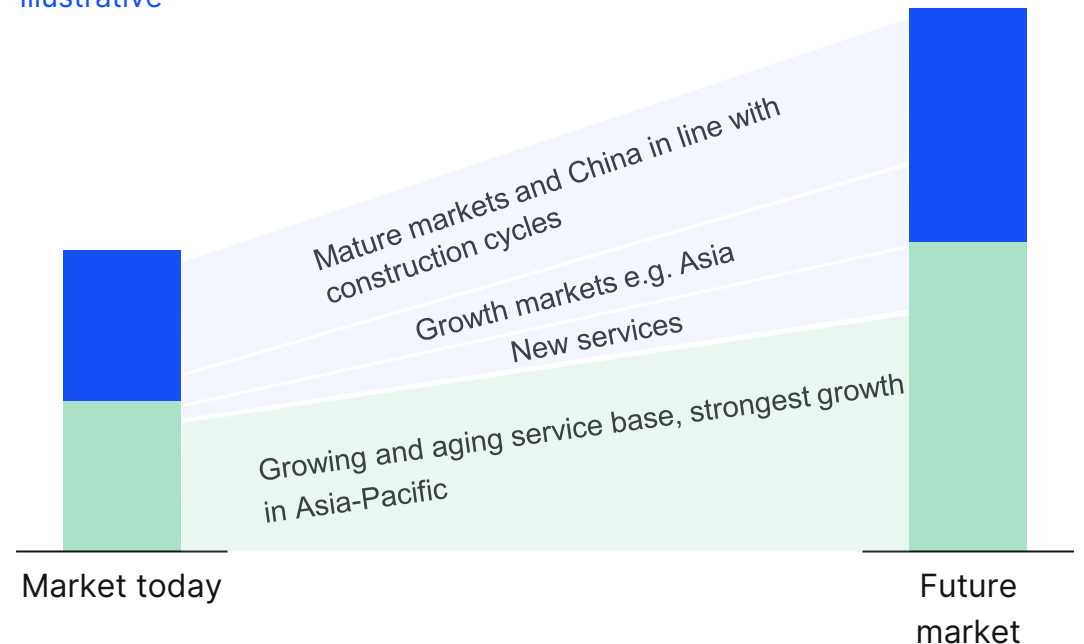
Based on KONE's estimate. Figures have been rounded.  
2024

# Significant growth potential in developing markets

Large OEMs' typical sales split in mature and developing markets  
Illustrative



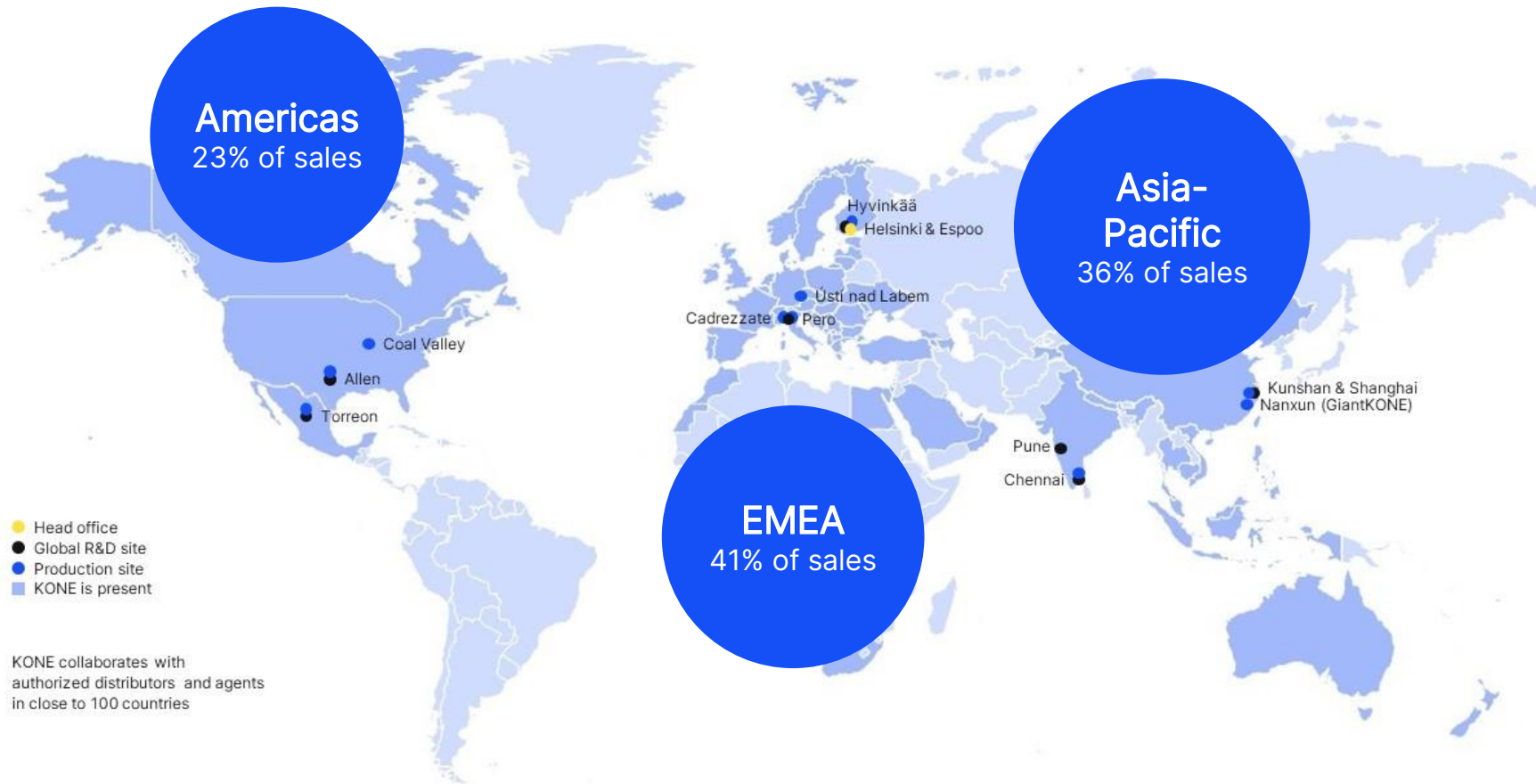
Growth opportunities in all three businesses  
Illustrative



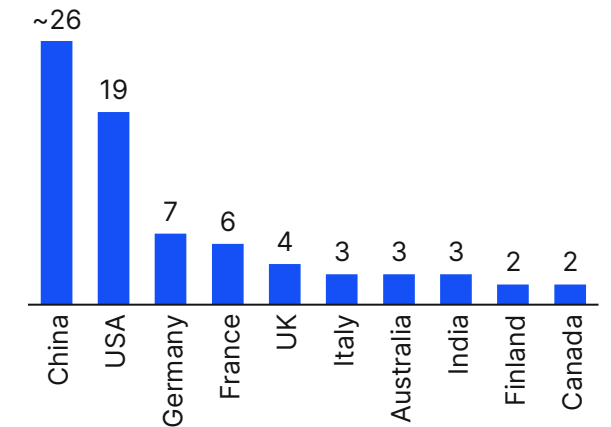
- Asia-Pacific is a key growth market in both businesses
- Technological disruption and changing customer needs offer an opportunity for new services
- Growth opportunities in Service and Modernization from maturing and growing Service base

# Our geographic coverage is broad, and the diversified global footprint provides stable cash flows

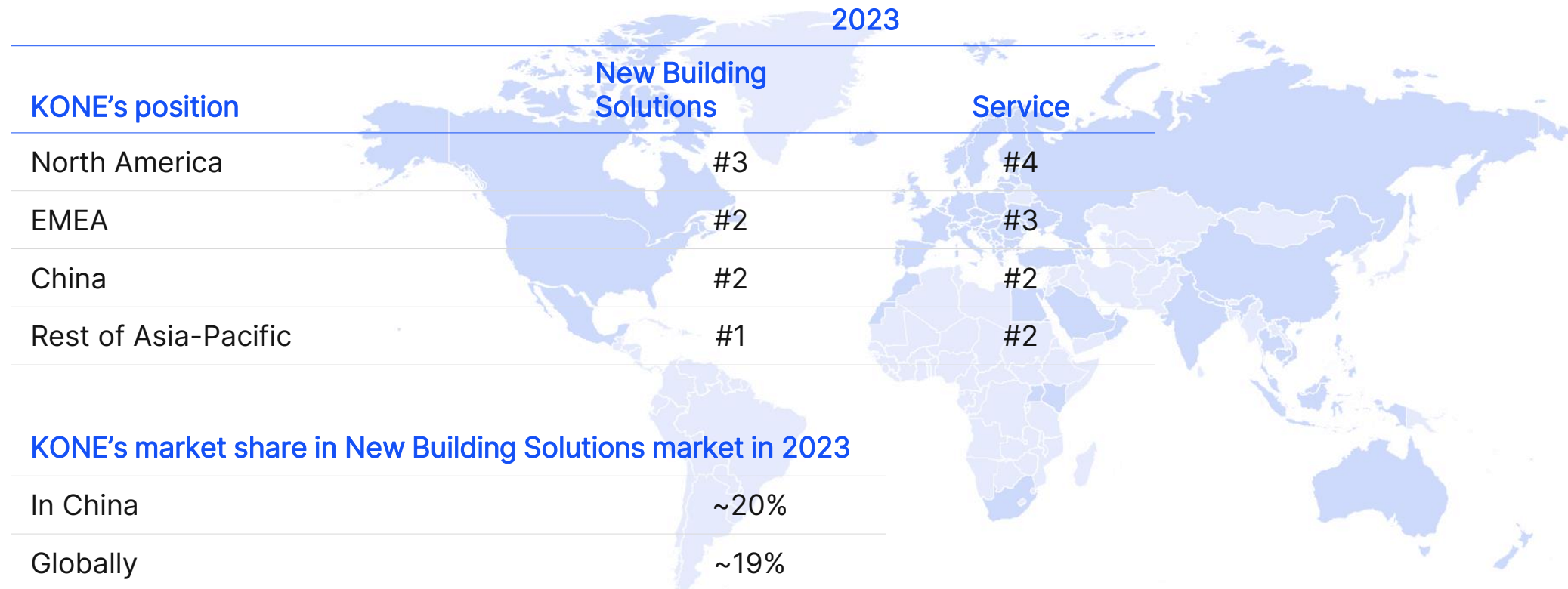
## KONE in 2023



KONE has its own operations in more than 60 countries. Additionally, KONE collaborates with authorized distributors and agents in close to 100 countries.



# KONE is one of the leading companies in the industry and has a strong market position especially in the growing Asian markets

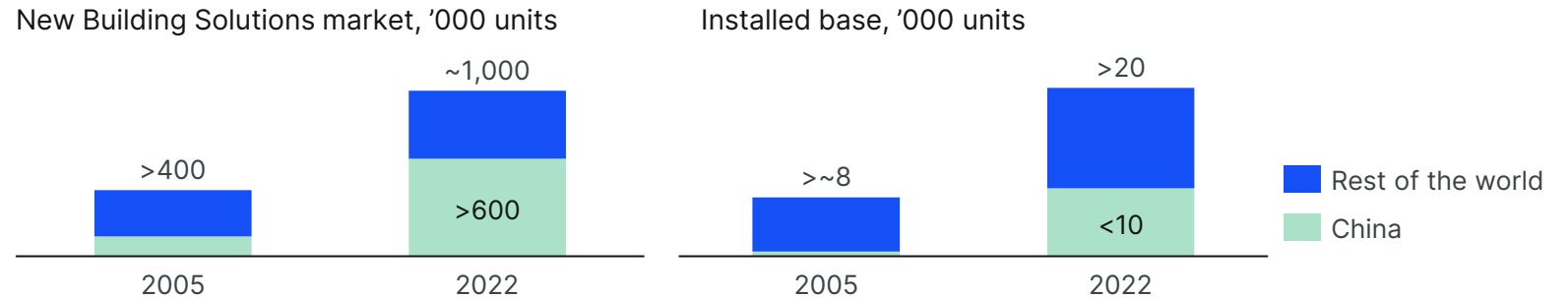


Based on KONE's estimate. In regions where KONE has presence, Service market share includes both Service base and units in first service. Market share has been calculated with a re-assessed market size.

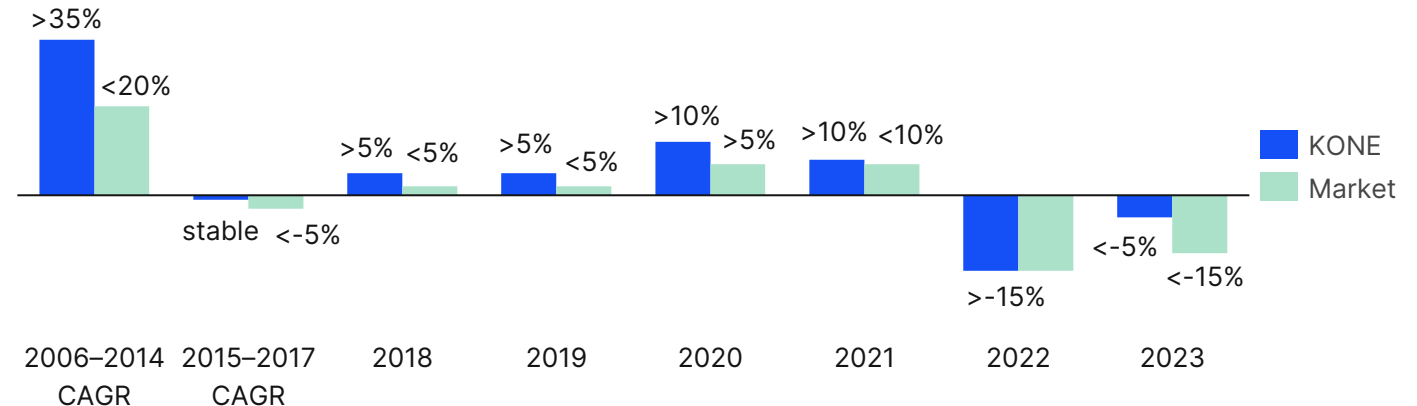
# KONE is a market leader in China, the world's largest E&E market

- KONE is #2 in New Building Solutions market and in Service
- >30,000 customers, including 16/20 of China's top developers
- China accounts for ~25% of KONE's sales
- New Building Solutions stands for ~75% of KONE's sales in China, Service and Modernization for ~25%
- <5% of elevators in China are >20y old
- The market is shifting towards Service and Modernization, offering clear growth potential

China has multiplied its share of both the New Building Solutions market and global installed base



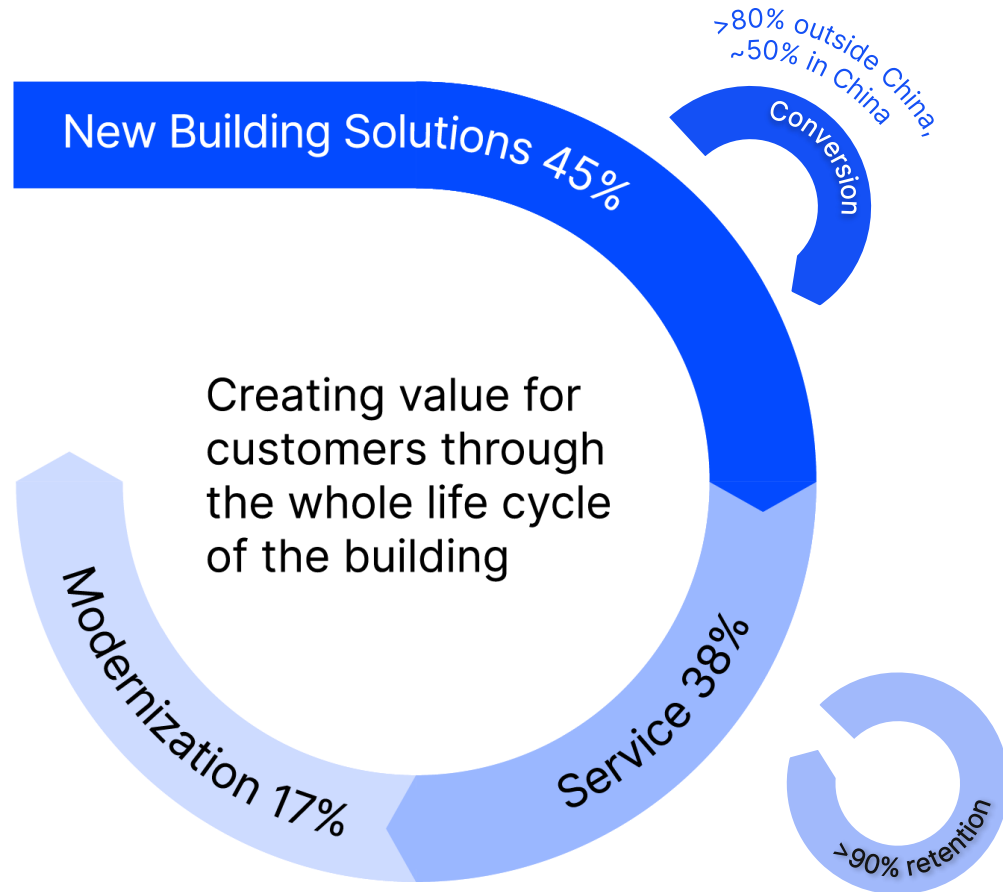
KONE's New Building Solutions orders received in China vs market development



# Stability through the life cycle business model



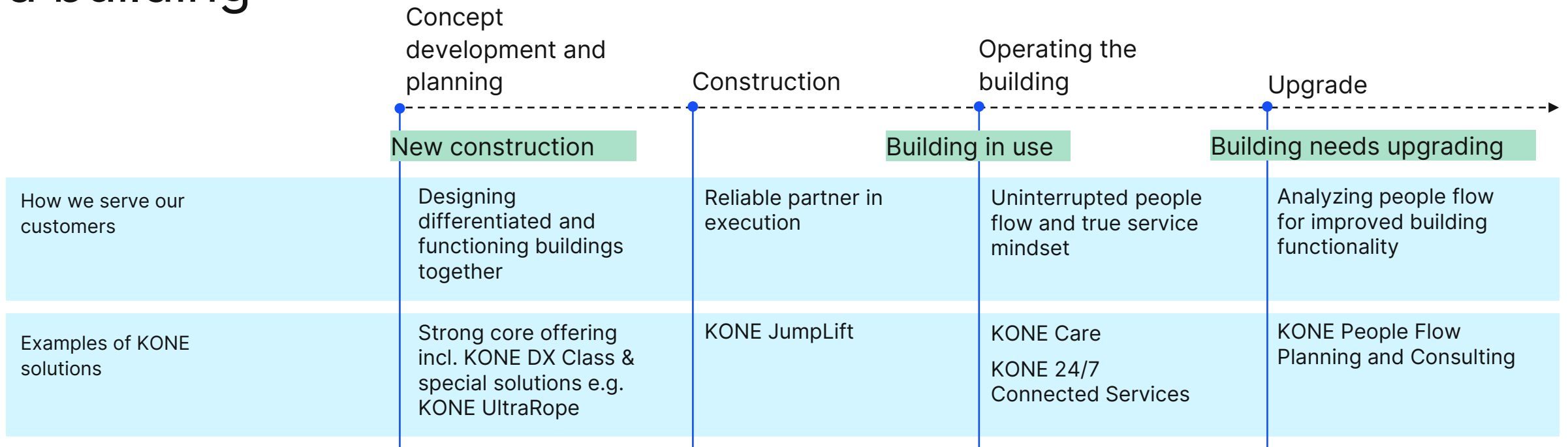
# Lifecycle business model with high share of stable, recurring service revenues



## Our three businesses support each other

- New Building Solutions driven by urbanization and demographic change
- New Building Solutions deliveries drive growth of recurring Service business
- Strong Service base is crucial in Modernization
- Aging installed base and higher requirements for efficient people flow, safety and sustainability drive Modernization growth

# KONE's differentiated approach throughout the lifecycle of a building

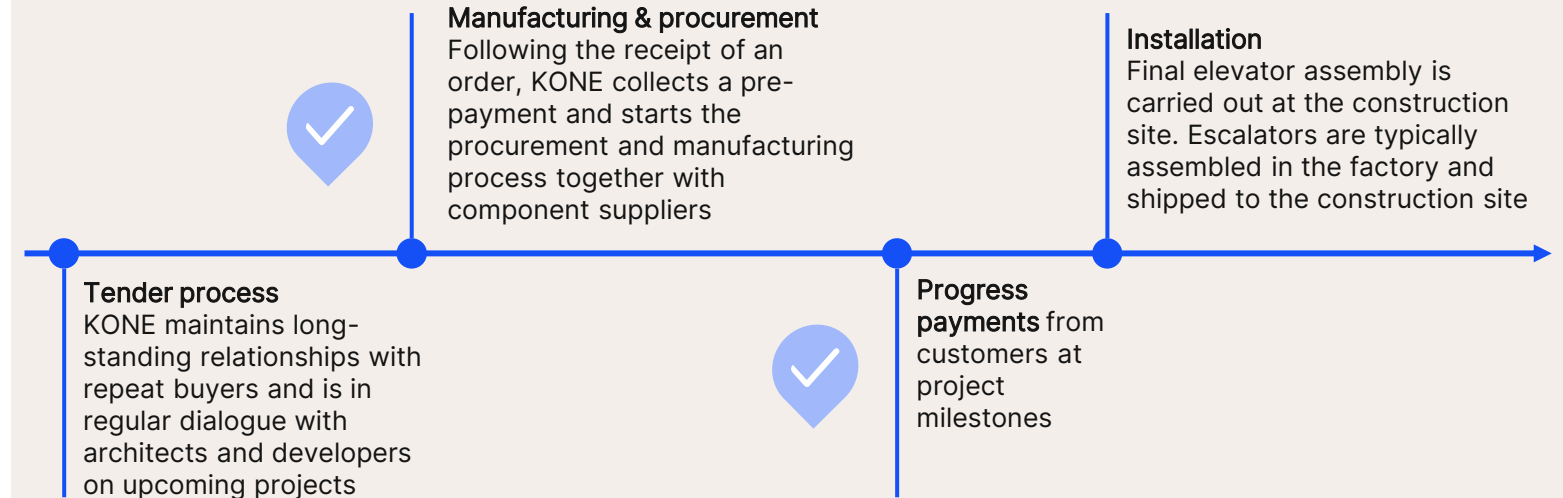


# In New Building Solutions, we offer innovative solutions and smooth project execution

## Key characteristics

- KONE helps its customers - developers, builders, consultants, architects and building owners – build well-functioning, future-proof buildings
- During construction, our strengths are reliability and support in ensuring smooth and efficient project execution
- Our offering is modular and modified to local needs
- The production consists largely of the assembly of sourced components, only selected components are produced in-house

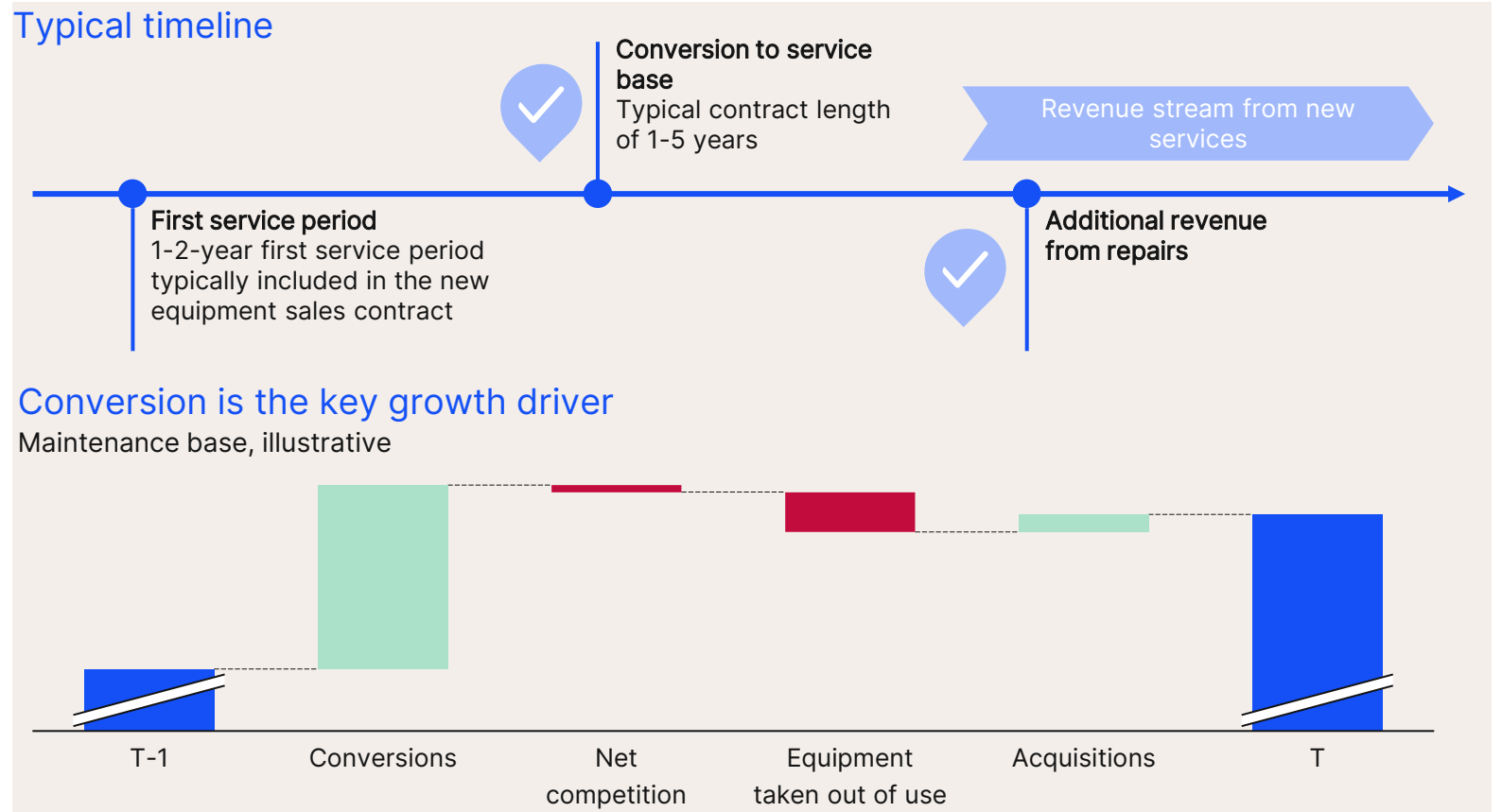
## Typical timeline



# Service ensures safety and reliability, and provides stability and resilience to market cyclicality

## Key characteristics

- Customers include building owners, housing corporations and facility managers
- Elevator and escalator maintenance is legally required in most countries
- Growth of Service base driven by conversions from New Building Solutions sales after first service period
- New digital services providing added value for customers
- KONE services both equipment manufactured by KONE as well as other brands

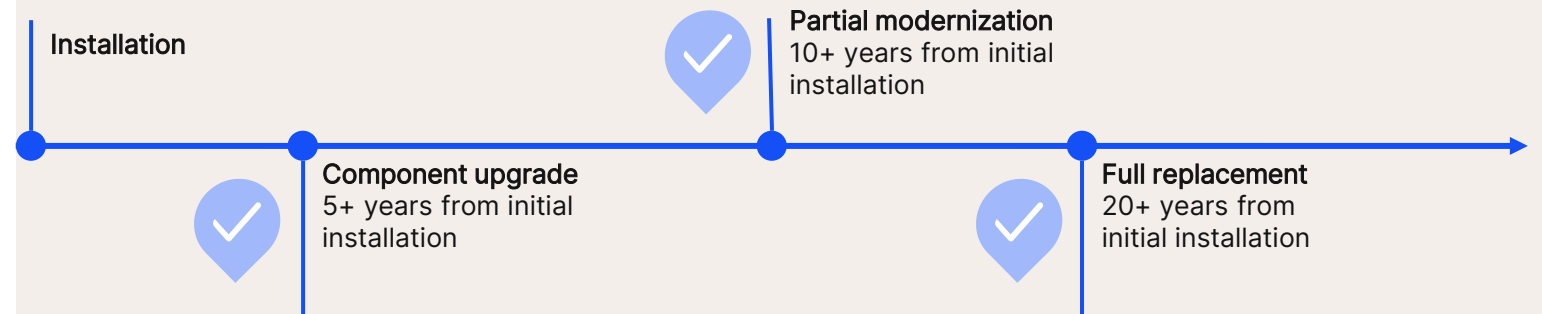


# Modernization: from component upgrades to full replacements

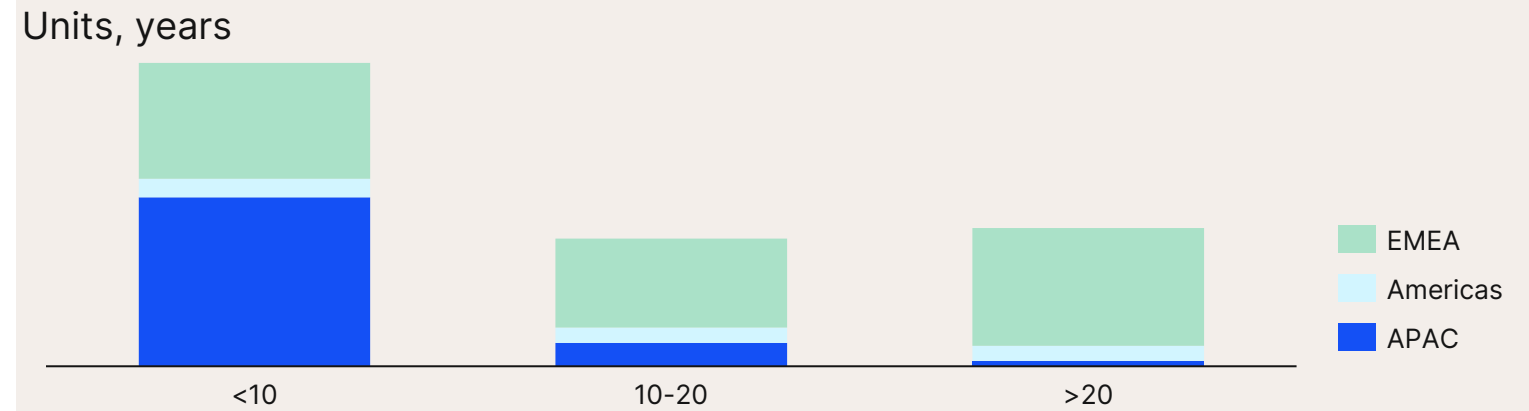
## Key characteristics

- Customers include building owners, housing corporations, facility managers
- The length of the modernization cycle depends on the usage of the building
- Over half of the E&E in operations in the mature markets is >20 years old, providing significant modernization potential
- Regions at different maturities
- Substantial growth potential in APAC
- Changing use of buildings and higher customer requirements increasingly important drivers

## Typical timeline

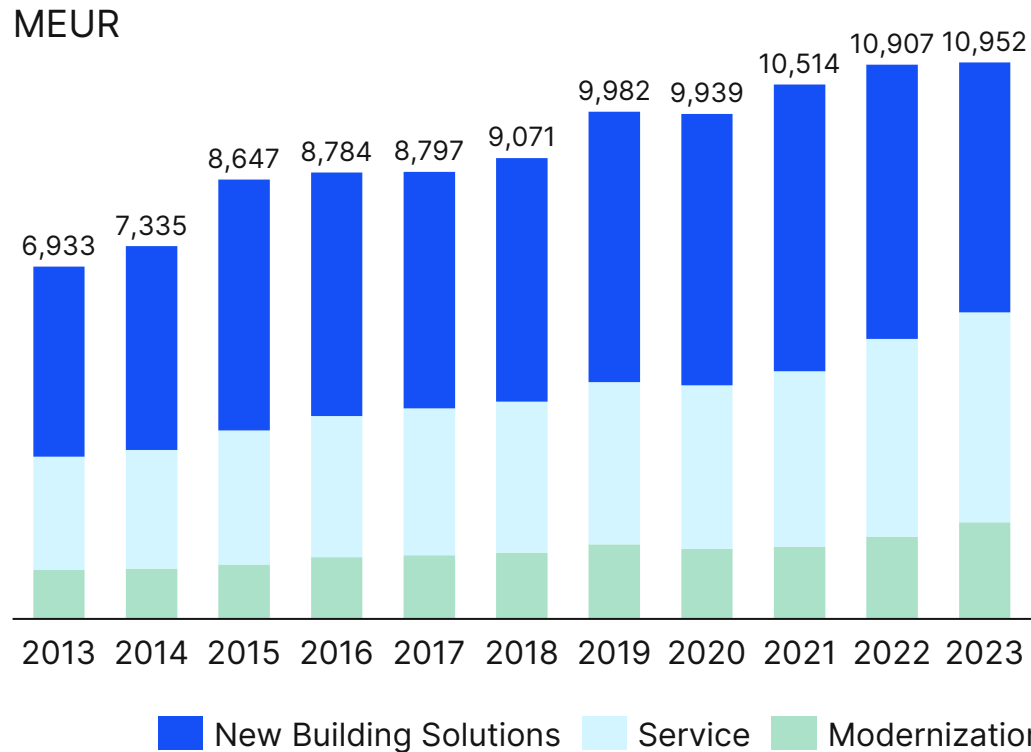


## Age split of KONE's maintenance base

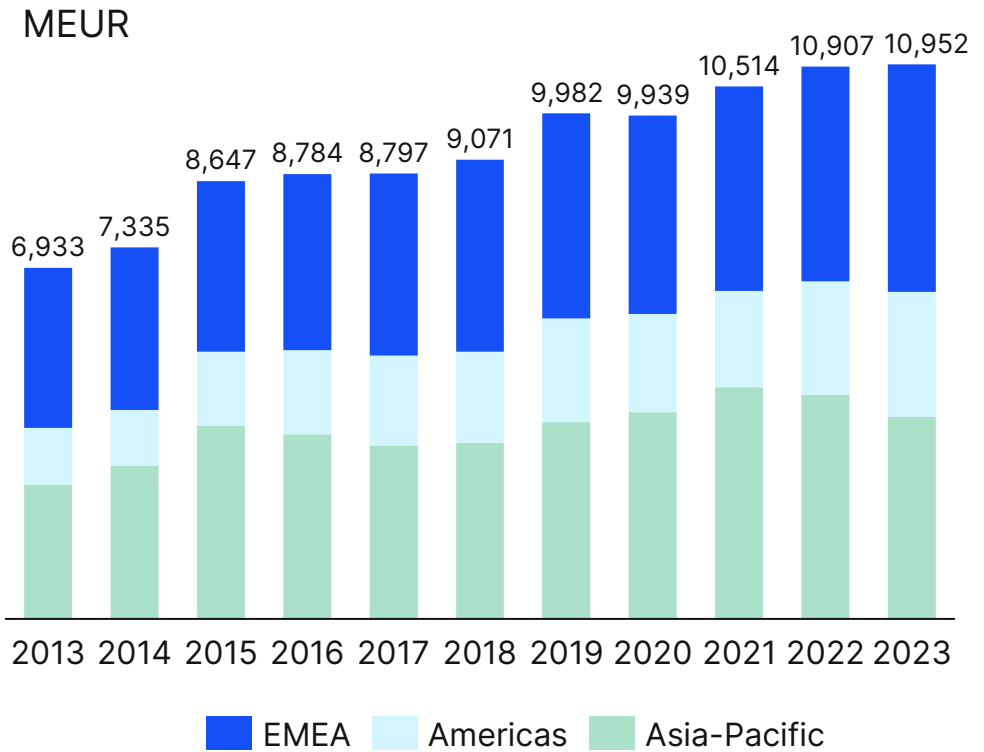


# The balanced footprint and the growth in Service and Modernization makes the business resilient throughout cycles

Sales development by business



Sales development by area



Competitiveness  
from customer  
centricity,  
innovations and  
productivity

# Services created together with customers are helping us differentiate today



## KONE Care

New way of selling maintenance contracts tailored according to customers' individual needs



## KONE 24/7 Connected Services

Predictability, safety and transparency through connectivity and intelligence



## KONE People Flow Planning and Consulting

Making buildings more functional and adaptable by analyzing people flow patterns and suggesting solutions



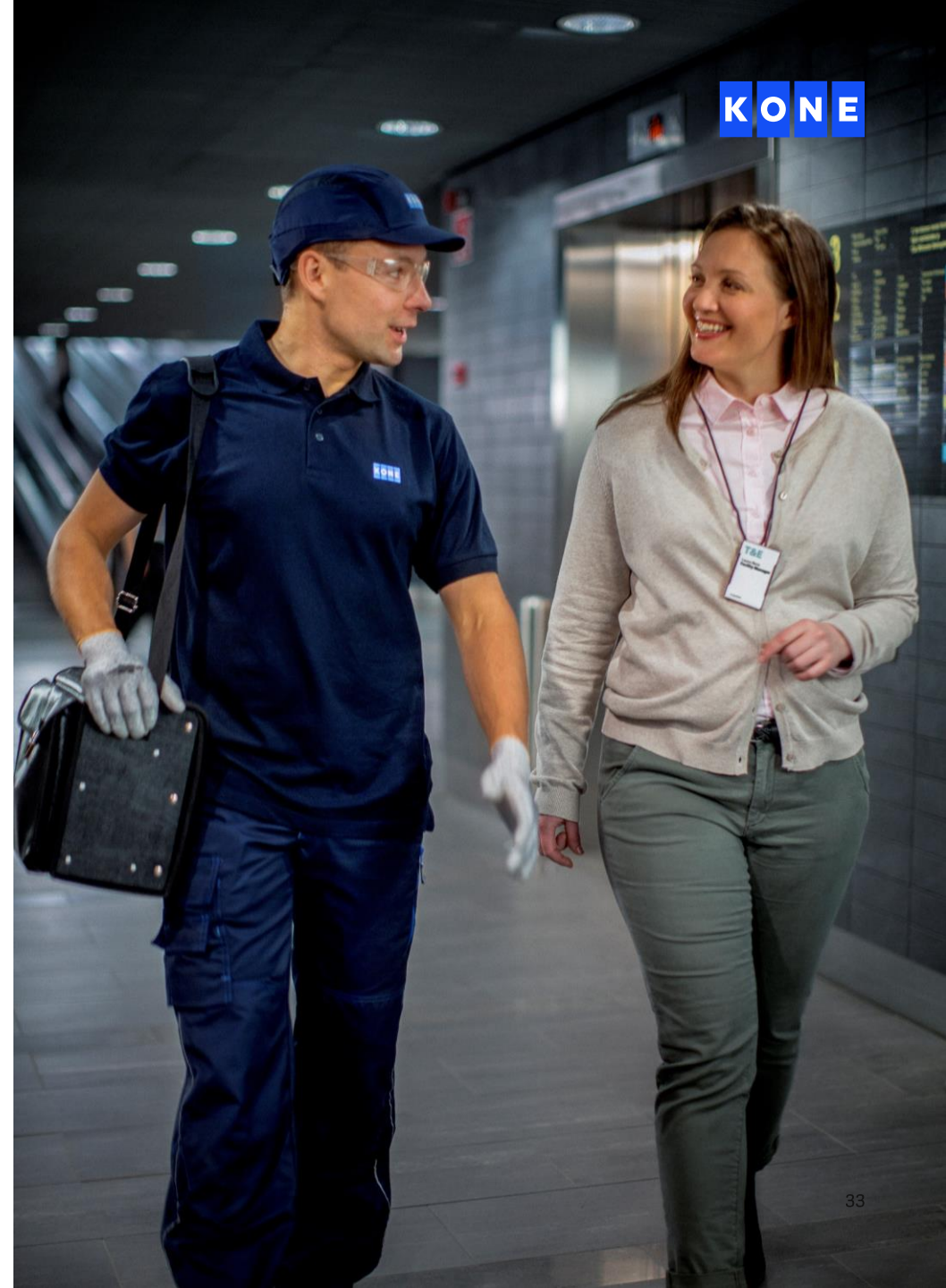
# Service and Modernization are resonating well with customers

## KONE Care

- + Differentiator in the Service – customers appreciate customization to their needs
- + Positive impact on Service contract value
- Service base rotates slowly, contract penetration takes time

## KONE 24/7 Connected Services

- + Ensures well-functioning buildings for our customers
- + Significant incremental revenue opportunity per unit in Service
- Requires new competencies in sales, we have been focusing on training salesforce



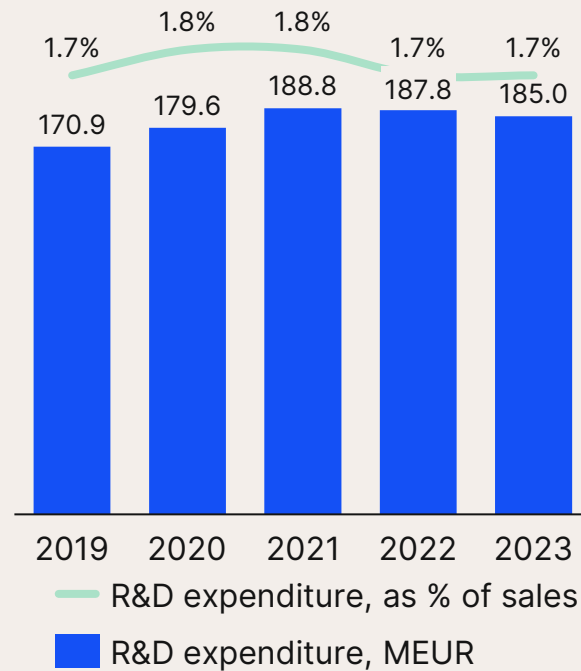
# Innovating with a collaborative approach

## R&D at KONE

- ~4,800 granted or pending patents globally
- Seven global R&D centers
- ~1,600 technology professionals work in our R&D
- Partnerships with technology companies
- Increasing amount of co-creation with customers

We have scaled up our R&D investments in the past few years

### R&D expenditure



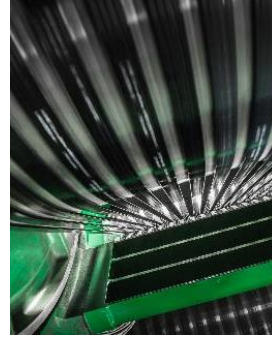
# Innovations which have changed the industry



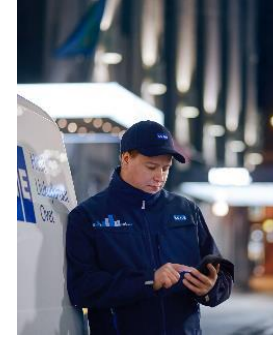
1996  
KONE MonoSpace®  
machine-room-less  
elevator



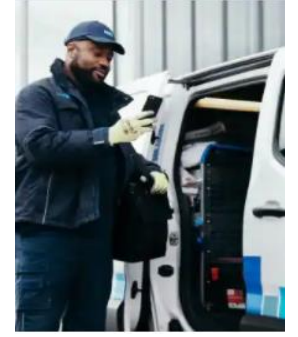
2011  
KONE EcoMod™  
escalator  
modernization solution



2013  
KONE UltraRope®  
high-rise hoisting  
technology



2017  
KONE 24/7  
Connected  
Services



2021  
KONE Care DX  
smart and  
sustainable  
maintenance

2001  
KONE JumpLift  
construction time  
elevator



2012  
Next generation  
KONE MonoSpace® and  
MiniSpace® elevators



2014  
KONE NanoSpace™  
elevator modernization  
solution



2019  
KONE DX Class elevators  
with built-in connectivity



# We are investing for a digital future in our entire business



**CONNECTED CUSTOMERS**  
Increased business value through better communication and productivity



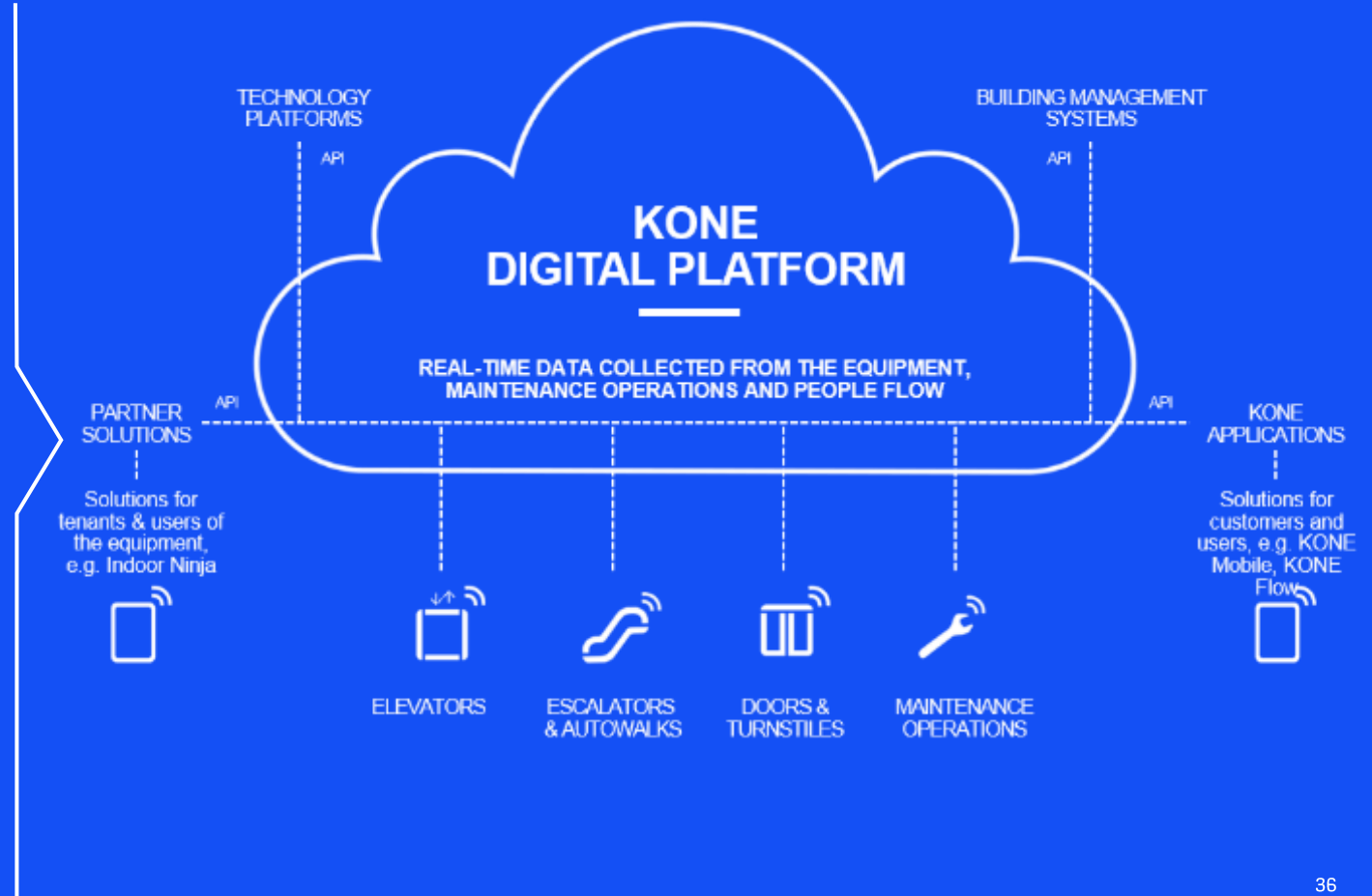
**CONNECTED USERS**  
New, personalized experiences for users in residential and commercial



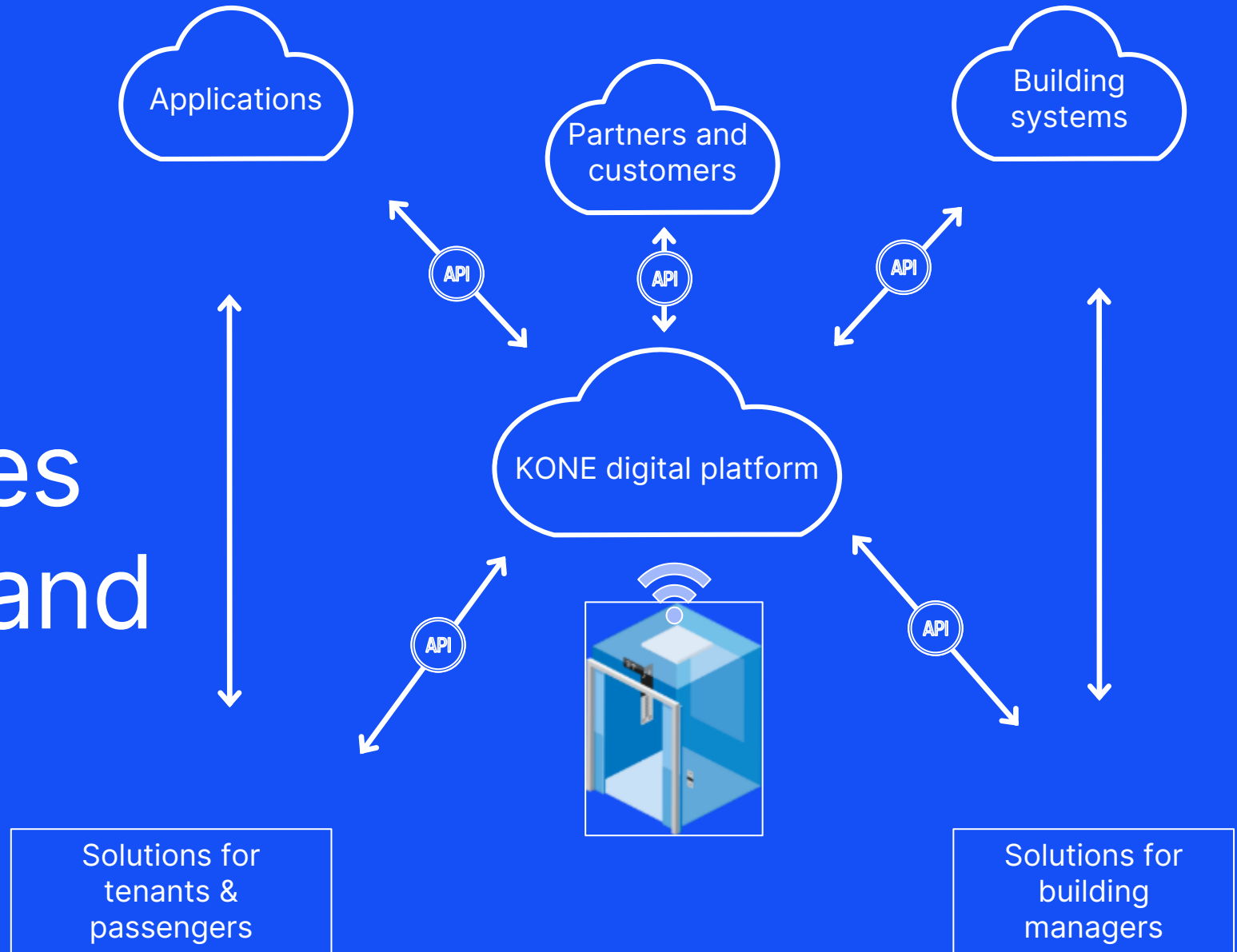
**CONNECTED EQUIPMENT**  
Connecting >1 million units to the cloud



**CONNECTED EMPLOYEES**  
Supporting the collaboration and efficiency of our people and new mobile tools



# Connectivity enables services for customers and users



# Using digital tools, APIs and data, we can help create smoother people flow

## IMAGINE...



Lack of  
congestion



Effortless  
navigation



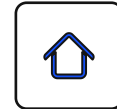
No  
cross-flows



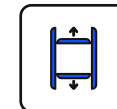
Clear guidance  
and timely  
information  
sharing



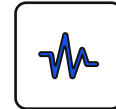
Fewer  
bottlenecks



Quick and  
secure  
access



Shorter  
travel  
times in  
elevators



Sophisticated  
and  
connected  
digital  
solutions



Gaussian Robotics' autonomous robots automate cleaning tasks for improved productivity and performance.



Blindsquare navigational app for the blind and visually impaired, integrated with KONE equipment.



Customer apps for visitor management, navigation and smart office services

# Giving options for new and exciting services

# KONE DX class



## **Create value with connected people flow solutions**

Connecting elevators with new services using KONE's digital platform and secure APIs

## **Differentiating with a redefined user experience**

Customizable, multisensory experiences and enhancements like anti-stain, -scratch and -bacterial surfaces materials

## **Partner for smarter buildings**

Next-generation planning tools, sustainable materials and expert support in building smarter and greener and keeping projects on track



# What do the connected KONE DX class elevators enable?

## KONE SOLUTIONS

KONE 24/7 Connected Services

KONE Music

KONE Information

## CUSTOMER'S APPLICATIONS

Custom building applications

Building operations system

Asset management or maintenance system

## THIRD PARTY SERVICES

Delivery robots

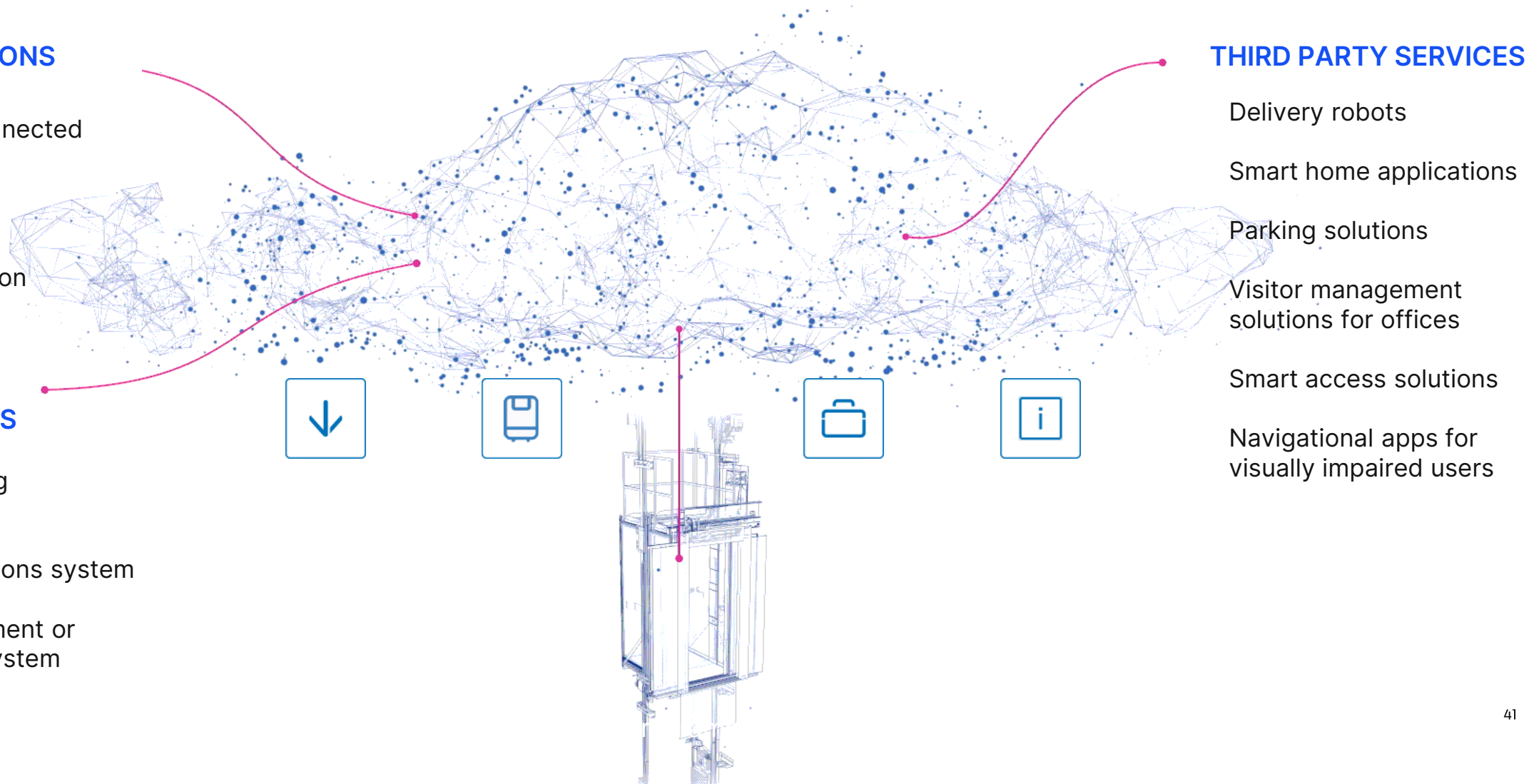
Smart home applications

Parking solutions

Visitor management solutions for offices

Smart access solutions

Navigational apps for visually impaired users

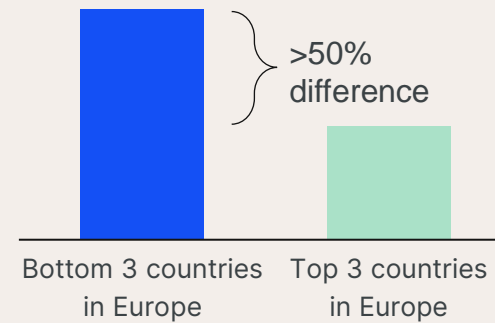


# Quality and productivity go hand in hand

Improving productivity and quality is a continuous effort and a sum of many small actions

- We employ different techniques and tools (e.g. Lean, Six Sigma, Kaizen) to improve the productivity and quality of our operations
- Digitalization enables productivity improvements e.g. in field operations and sales management
- In Service, the density of the Service base and growth of the service network are important profitability drivers
- In New Building Solutions and Modernization, installation efficiency is a key
- Together with value selling, the standardized KONE platform and the modularized components improve productivity and profitability
- We encourage our employees to take part in improving quality and productivity

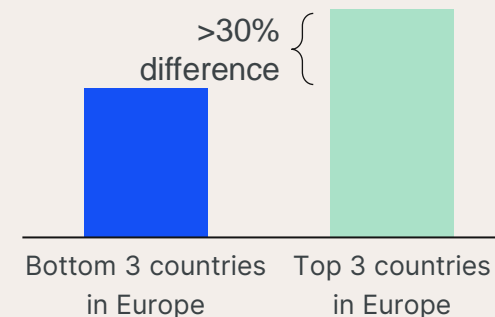
Example: Shortening the lead time to handover in new equipment



### Benefits

- Faster delivery to the customer
- Better profitability and lower inventories

Example: Improving the first fix rate in maintenance



### Benefits

- Better uptime for customers
- Better profitability

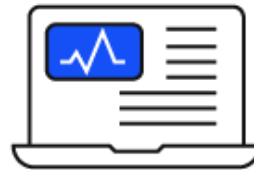
# A capital-light and cash-generative business model

# KONE's business model is flexible and capital-light, yielding a high return on capital



## Flexible cost structure and low capex

- Subcontracting in installation and component suppliers complement own operations
- Low amount of fixed costs
- Relatively low level of tangible and intangible assets



## Strong cash generation and good dividend yield

- Advance and progress payments from customers enable negative working capital and strong cash generation
- Strong cash flow has allowed steadily developing dividends



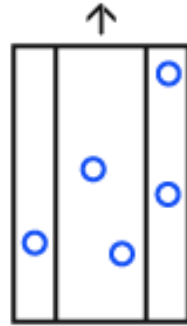
## High return on capital employed

- Good profitability combined with the capital light business model enable high return on capital

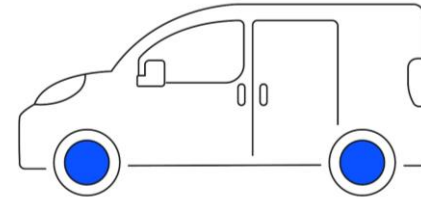
# We leverage a capital-light and efficient network of suppliers, KONE factories and distribution centers



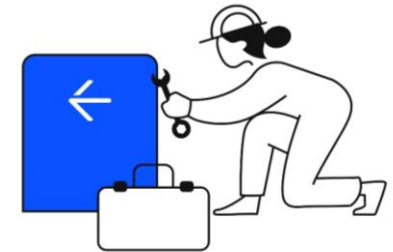
Largely co-located and competitive supplier base



KONE factories focus on manufacturing of key components and testing



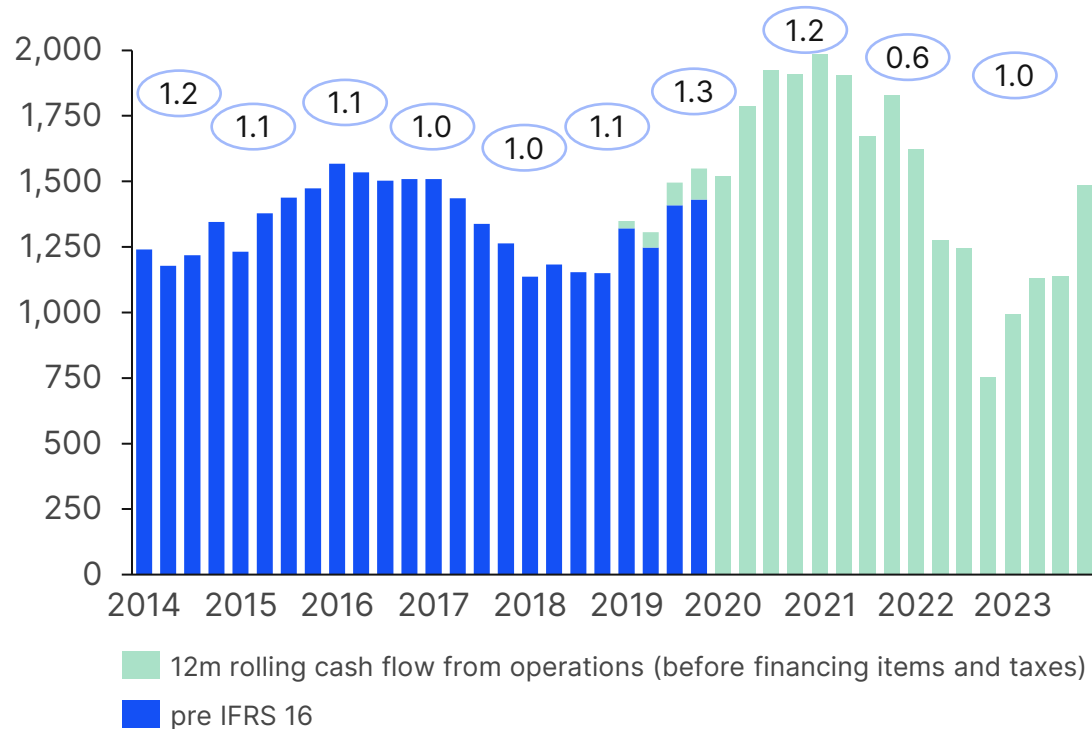
Efficient material flows through strategically located distribution centers



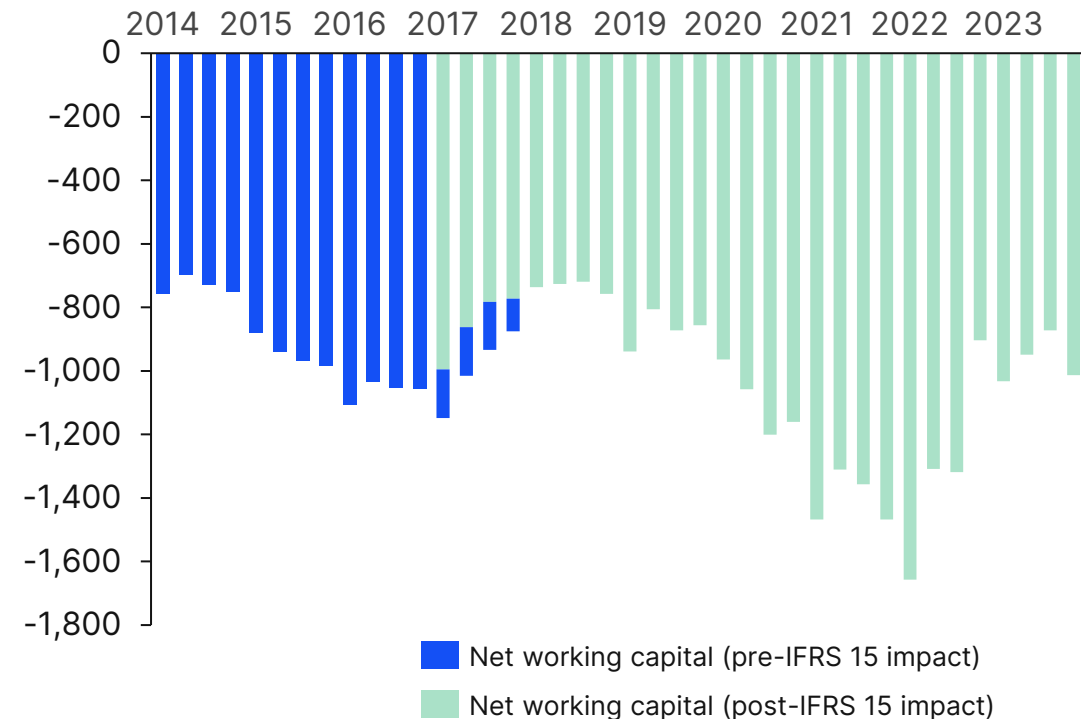
The final assembly at customers' installation sites

# We have a cash-generative business model

High operative cash flow generation and cash conversion  
MEUR

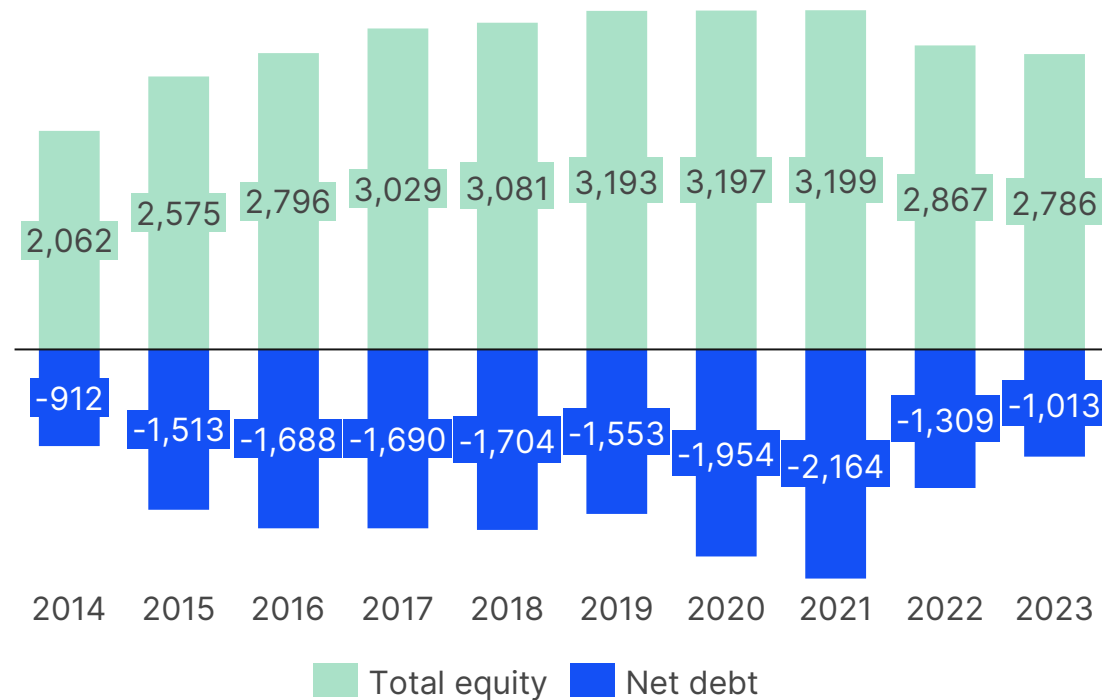


Negative net working capital  
MEUR

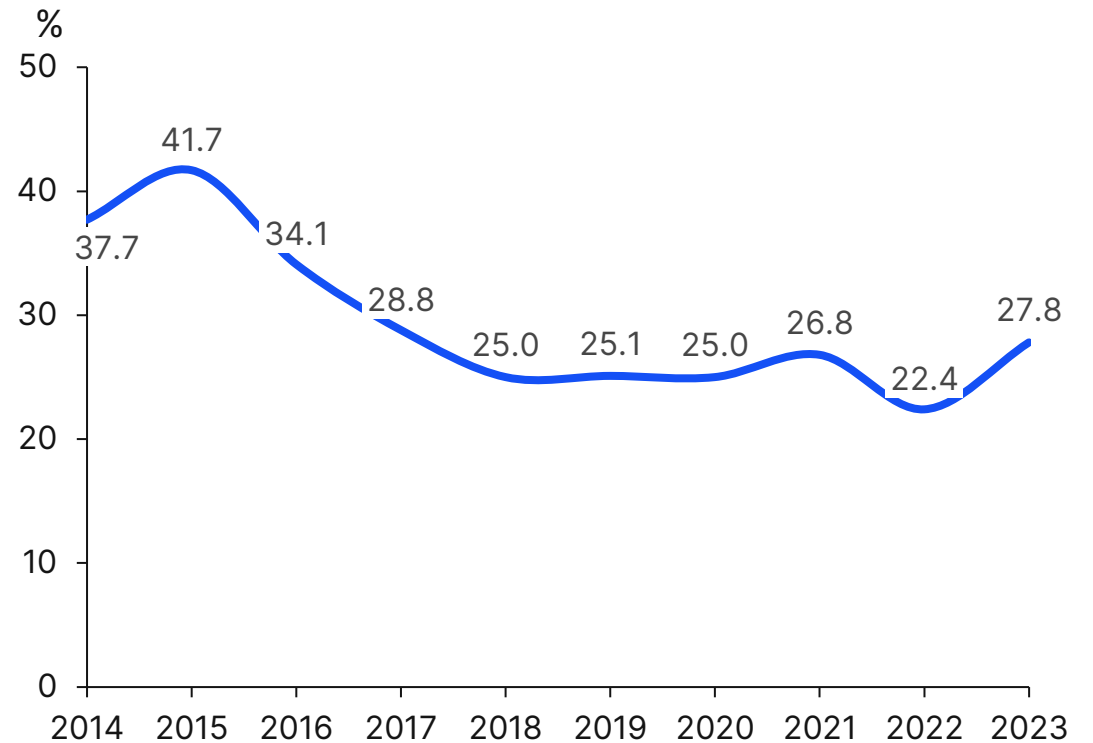


# Our balance sheet is strong and our business model enables a high return on capital

Total equity and net debt\*  
MEUR



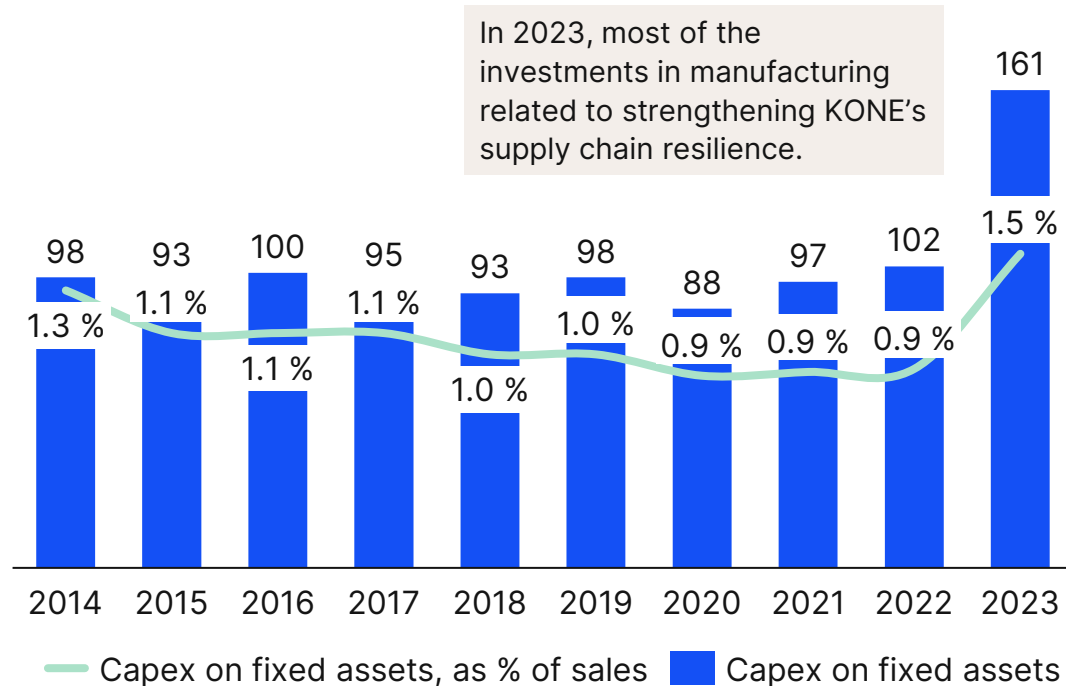
Return on capital employed



\* IFRS 16 increased the 2019 opening interest-bearing debt by EUR 358 million

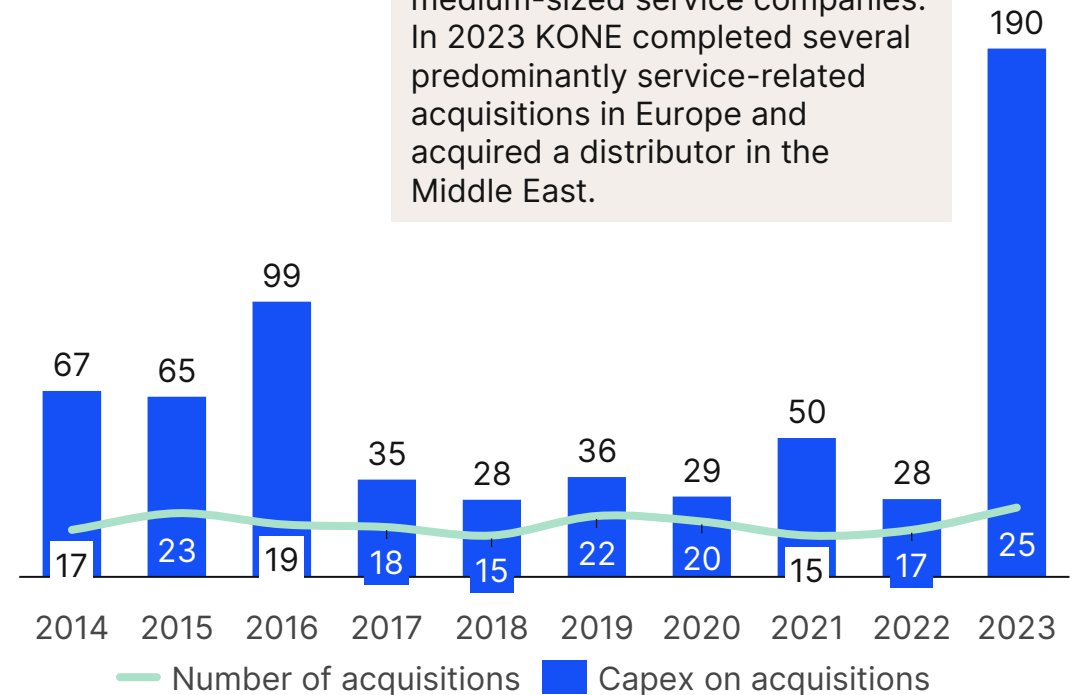
# Low capital expenditure requirement, continued stream of small bolt-on acquisitions

Capital expenditure on fixed assets  
MEUR



Capital expenditure on leasing agreements including IFRS 16 was EUR 161.1 million in 2023 (2022: 107.5 million).

Acquisitions  
MEUR

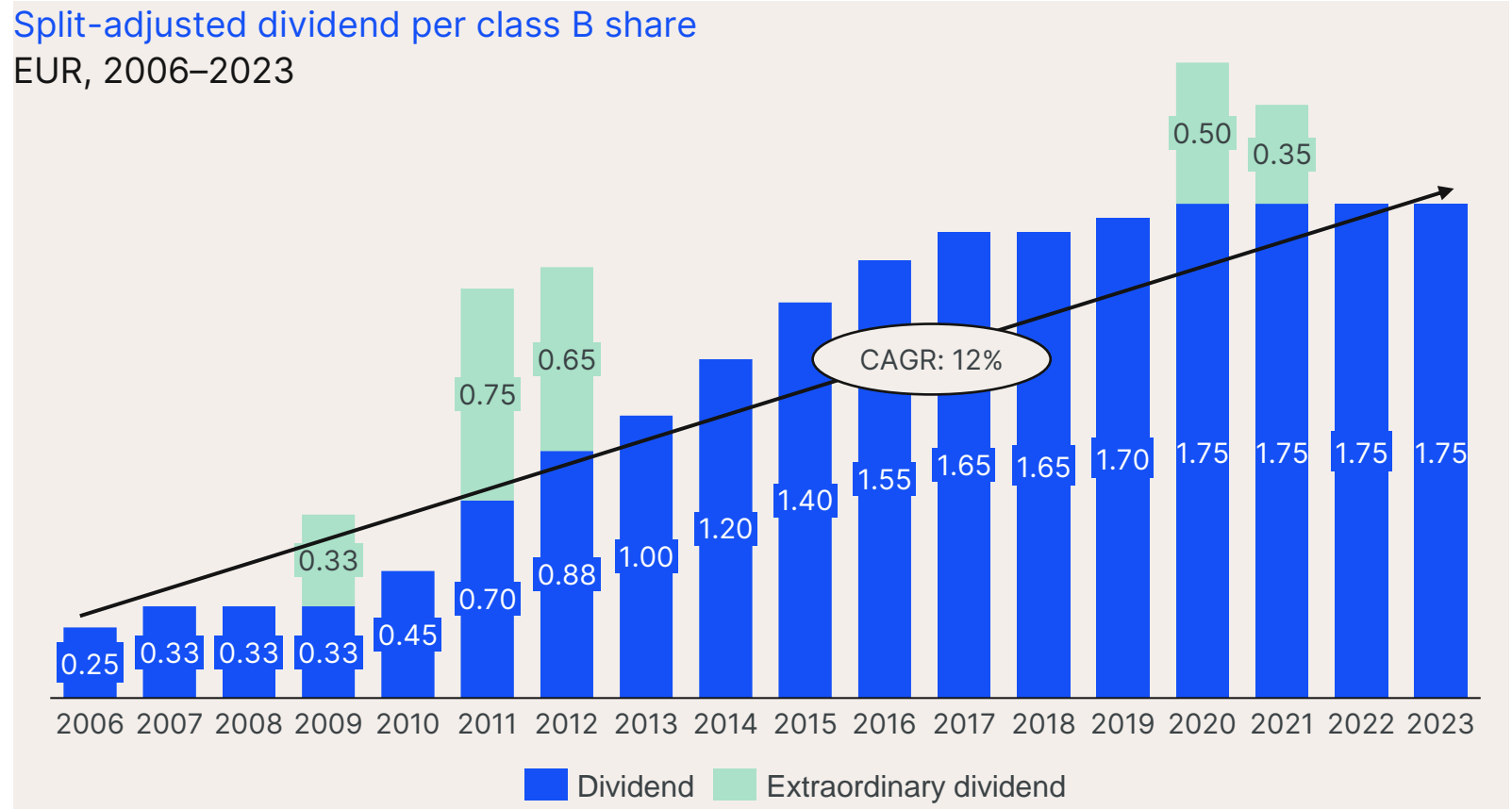




# Good financial development has enabled a steadily developing dividend

- Dividend payout in 2023: 97.8% of earnings per share
- Effective dividend yield\* in 2023: 3.9%

\* Calculated based on the price of class B shares at end of reporting period



Adjusted for share splits in 2008 (1:2) and 2013 (1:2)

# We remain committed to our financial targets

- Given the capital and asset structure of KONE, the aim is not to maximize the EBIT margin in the short term, but rather to grow the absolute EBIT in an optimal way over the long term and as a result maintain a strong return on capital employed
- The relative EBIT margin target is relevant in ensuring that growth and productivity improve continuously
- KONE has not defined a time frame for the achievement of these financial targets

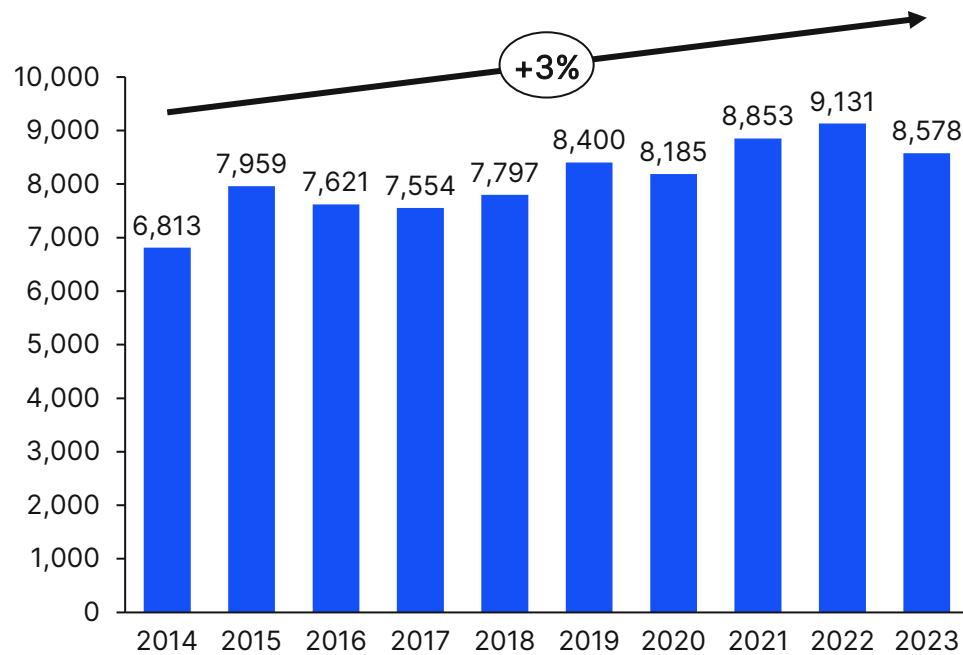
**Growth**  
Faster than the market

**Profitability**  
EBIT 16%

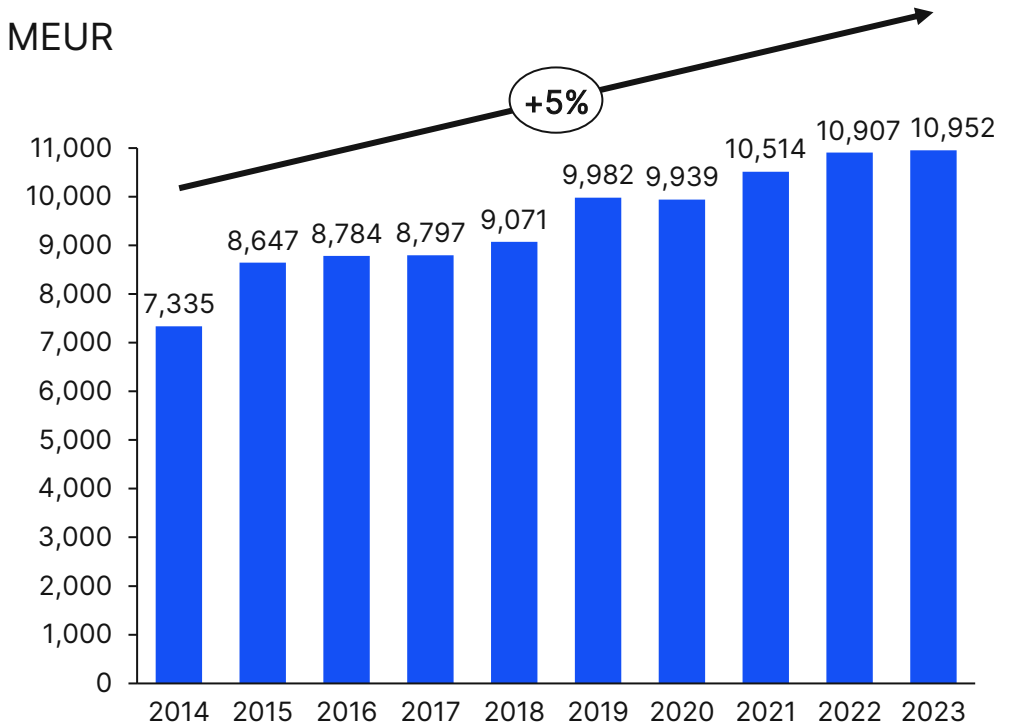
**Cash flow**  
Improved working capital rotation

# Consistent growth over the past 10 years, 2023 orders impacted by the market backdrop

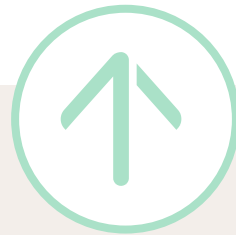
Orders received  
MEUR



Sales  
MEUR



# We remain focused on earnings growth and improving profitability



## Increasing the value per unit

- Improved **differentiation** by having differentiated value propositions for different types of customers
- Creating **value for customers** in new ways both new equipment and services



## Lowering the cost per unit

- Further product **harmonization**
- Continuous focus on **quality** and **productivity**
- Improving **fixed cost leverage**

Long-term growth  
supported by  
sustainability

# We strive to be a leader in sustainability – not only in our industry but also beyond

**For us sustainability is...**

## **... a source of innovation and competitive advantage**

- KONE is a pioneer in developing energy-efficient solutions, which help our customers certify their buildings
- KONE is among top climate change performers according to CDP with A or A- score for the 11th consecutive year
- KONE became the first in the industry to achieve carbon neutral manufacturing units globally

## **... embedded in how we conduct our business**

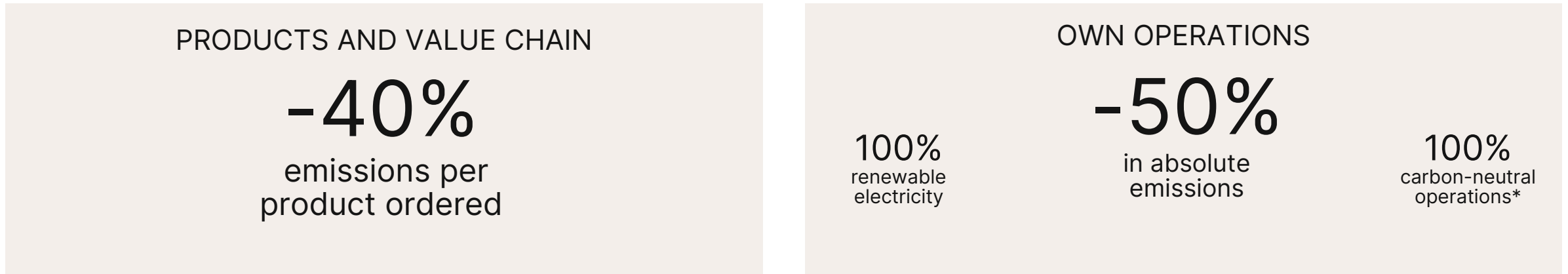
- Sustainability is included in our strategic targets and reflected in our culture, values, processes and policies
- KONE is committed to conducting business in a sustainable way, and have received recognition of it

## **... a prerequisite for long-term growth and success**

- Sustainability supports us in creating value for our stakeholders, including shareholders
- KONE has 36 best-in-class energy efficiency references for elevator and escalator platforms according to the international ISO 25745 standard

# KONE's climate pledge

Industry's first science-based targets and carbon-neutral operations by 2030



\*KONE's pledge in addition to science-based targets



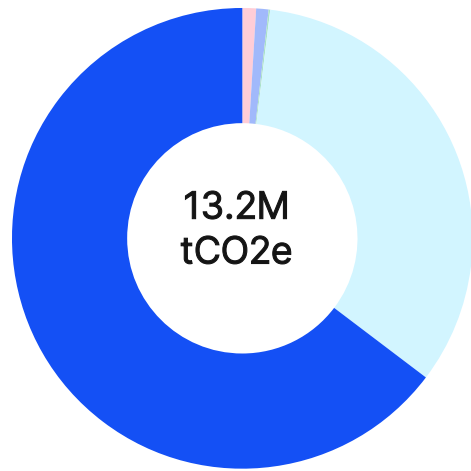
Vehicle fleet and facilities

Base year 2018

- Products and value chain (Scope 3) related emissions: ~12M tCO<sub>2</sub>e
- Own operations (Scope 1&2) related emissions: ~0,2M tCO<sub>2</sub>e. Share of renewable electricity 33%.

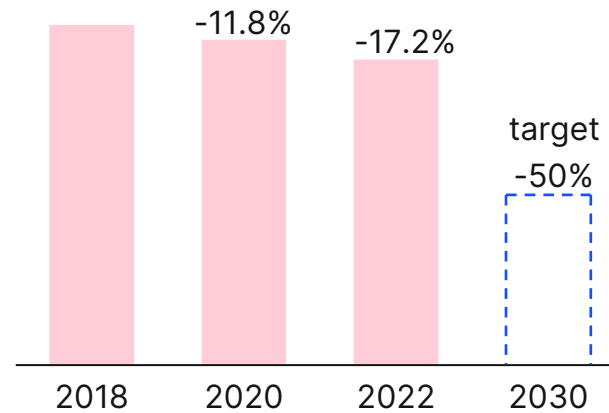
# KONE's carbon footprint 2022

A clear majority of our emissions come from the value chain

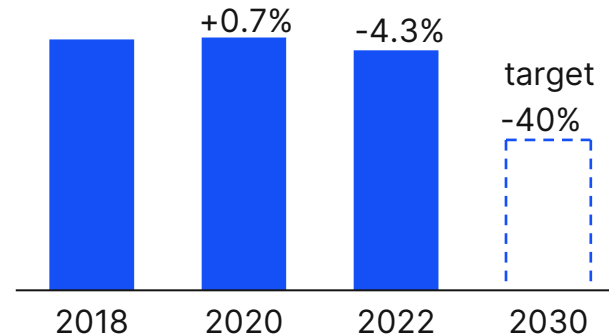


- Scope 1 & 2
- Scope 3 logistics
- Scope 3 others (<1%)
- Scope 3 used materials for products
- Scope 3 product lifetime energy consumption

Scope 1 & 2 emissions\*



Scope 3 emissions\*\*



\*Compared to 2018, SBTi baseline.

\*\*Includes emissions related to our products' materials (purchased goods and services) and lifetime energy consumption (use of sold products), compared to 2018, SBTi baseline

84%

Share of **renewable electricity** in our operations globally

+3.5%

Increase in **logistics emissions** relative to delivered units<sup>1</sup>

91%

Share of **recycled or incinerated** waste in our operations

0.2%

Share of waste in our manufacturing units that was **landfilled**

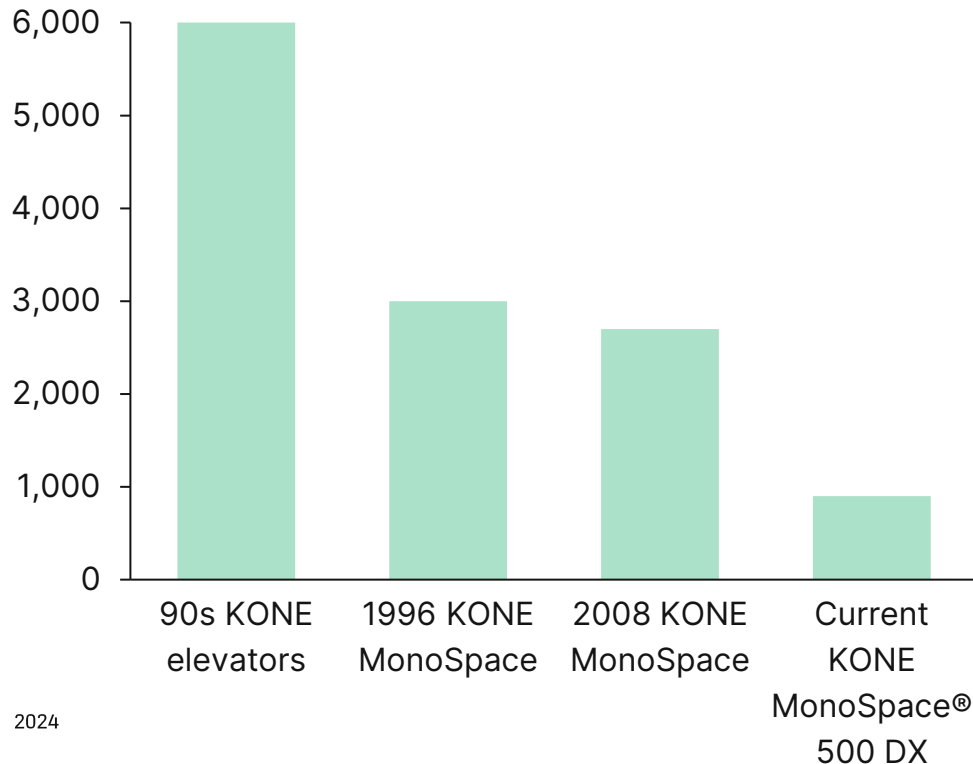
<sup>1</sup> Increase was mainly due to air freight emissions, which increased as logistics disruptions resulted in KONE having to manage its customers' deliveries in a sub-optimal manner. KONE has set a separate target of a 4% annual reduction in its Scope 3 logistics carbon footprint relative to units delivered.



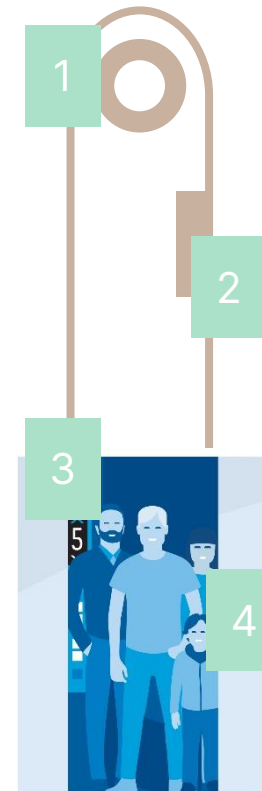
# We are proud to be the leader in energy-efficiency

KONE's current volume elevator is up to 90% more energy efficient than in the 90s

Annual energy consumption (kWh/year)



How the KONE MonoSpace® 500 DX saves energy



- 1 **KONE EcoDisc® hoisting machinery** is highly efficient and reduces the energy consumption of the elevator
- 2 **Eco-efficient regenerative drive** enables energy to be reused within the building and cuts energy consumption by up to 35%
- 3 **Long-lasting LED lighting** lasts 10 times longer and is 80% more efficient than halogen lighting
- 4 **More advanced standby solutions** power down the equipment when not used and provide substantial energy savings, especially in residential buildings with low or medium traffic

# Eco-efficiency in every phase of a building's lifecycle



## 1. Trusted partner in green building development

Ensuring healthy materials, helping to reduce on-site energy consumption and reducing the carbon footprint of the building. We publish the environmental impact of KONE products and contribute to developing global energy management standards.



## 2. Eco-efficient installation

Considering the environment when installing New Building Solutions. Our well-planned and efficient installation processes minimize the adverse environmental impacts of installation work and our systems ensure we reduce our chemical use and handle waste efficiently on site.

Up to 70% energy savings  
By modernizing an elevator

Committed to a 50% cut in the  
emissions from our own  
operations by 2030



## 4. Eco-efficiency through Modernization

Applying a range of solution to make the biggest difference with the lowest possible environmental impact. Our Modernization solutions range from retrofitting LED lights to a completely new elevator with energy-regeneration technology



## 3. Efficient Service processes

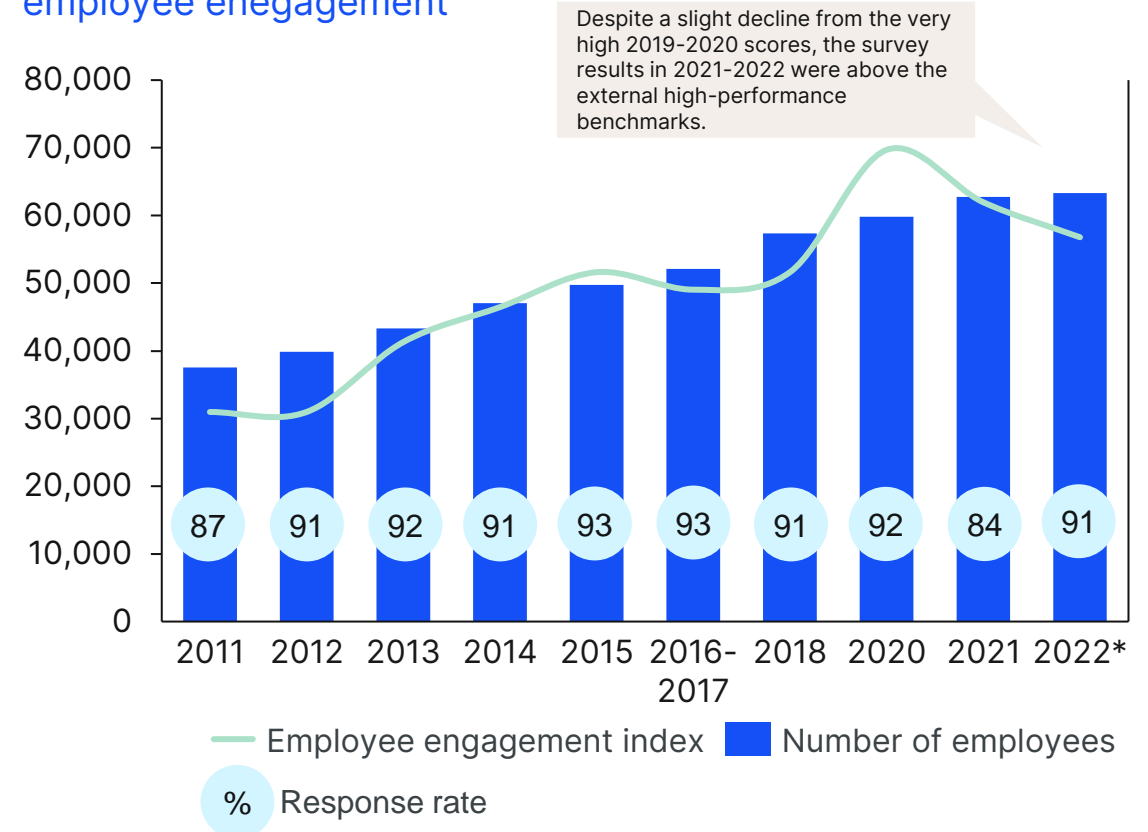
Using smart technologies and a green vehicle fleet to minimize emissions and maximize efficiency. Remote monitoring solutions reduce unnecessary technician callouts. By carrying optimized spare part stocks in our vehicles, we reduce warehouse visits, further decreasing emissions.

# Supporting continuous learning and professional growth

## People are key to the success of KONE's strategy

- We must develop and obtain new competences e.g. in digitalization, understanding customers' businesses, consultative selling and leading transformations
- We offer versatile opportunities that support personal growth and career development
  - +8,500 courses in 36 languages
  - New training programs e.g. in solution selling and strategic sourcing
  - Modern learning methods, e.g. VR, AR & mobile learning
  - Performance discussions at least twice a year, completed with a talent review process and individual development plan
  - Mentorship program, talent program, 360 assessments

## Great place to work as a strategic target, which we measure by employee engagement

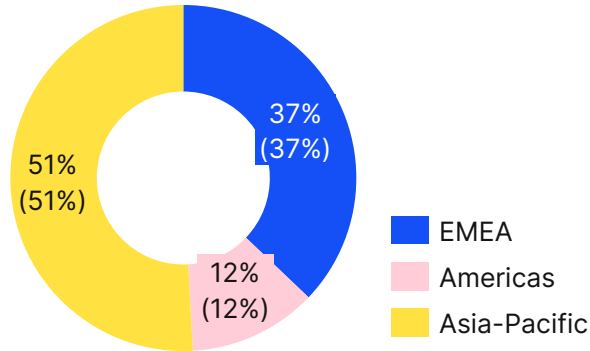


\*KONE changed the employee engagement index vendor in 2022 and thus results from previous years are not fully comparable.

# We value diversity in all forms and see it as a strenght

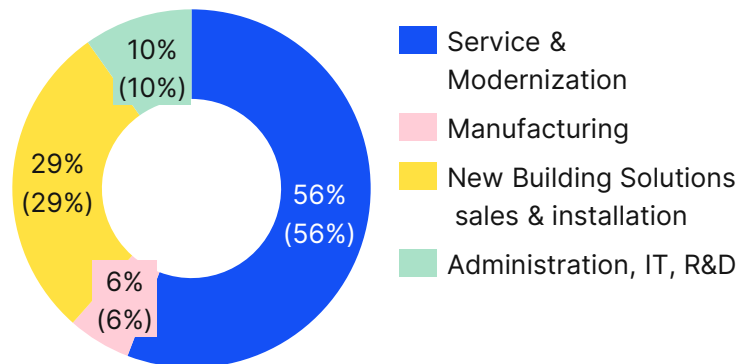
## Employees by market

2023 (2022), %



## Employees by job category

2022 (2021), %



## Employee figures

**63,536**

Total number of employees, end of 2023

**25.2%**

Share of women, director level positions

**17%**

Share of women, Executive Board

**44%**

Share of women, Board of Directors

**12%**

Share of women, employees

**152**

Nationalities

**7.9%**

Voluntary turnover rate

Our future success depends on our ability to build diverse and inclusive teams, communities and networks

- Diversity training for talent acquisition teams
- Our efforts to increase diversity through recruitment has resulted in a large number of applicants and hires from outside the elevator and escalator industry
- KONE is a member of the European Round Table for Industry's (ERT) Energy and Climate Change Working Group, as well as Diversity and Inclusion Task Force
- Based on the annual salary review covering over 40,000 KONE employees, women and men are on a global level compensated equally at KONE
- Diversity KPIs: cultural diversity in global teams, share of women in employees, director level positions, the Executive Board and the Board of Directors

# Global DEI goals at KONE



## Gender diversity

- Have 35% of director-level positions held by women by 2030

## Diversity of experiences and perspectives

- Continue to increase the diversity of experiences and perspectives by systematically hiring people from outside our industry, with competencies that complement ours

## Cultural diversity

- Aim to become as diverse as our customers and the communities we serve. As a specific action, we work to increase cultural diversity in our global business units and functions.

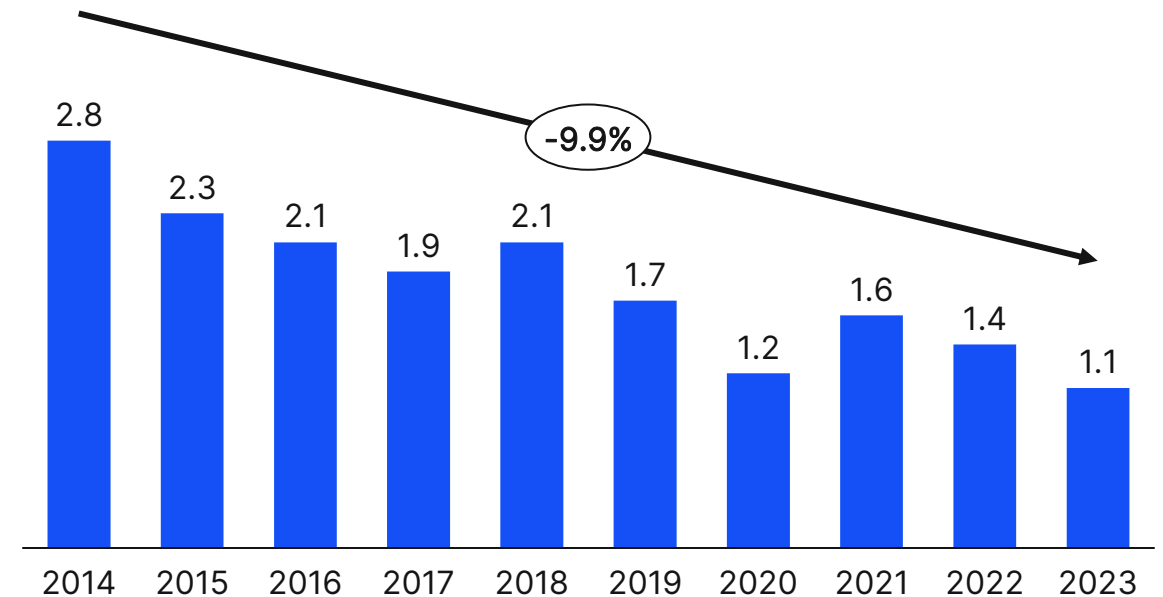
## Inclusion

- Work together to build an inclusive culture that celebrates diversity, for example, through continuous coaching for our leaders and by providing practical tips and facts for employees to learn and lead the way for an inclusive culture

# Safety is our top priority and an integral part of our strategy

- We enhance the safety of our products and services through rigorous attention to design, manufacturing, installation and maintenance processes
- KONE has a company-wide safety management system in place to guide us in achieving continual improvement
- KONE core safety principles support in controlling the main risks in the workplace and keep our workers safe
- Safety is a joint effort involving everyone
- Promoting safety awareness among our employees but also our customers and end consumers with active communication and training
- We contribute actively to the development of safety codes and standards
- In 2023, our industrial injury frequency rate (IIFR) was 1.1 (2022: 1.4). We continue to target zero injuries and in order to move towards our ultimate target, our target is to reach IIFR 0.6 by 2030
- In order to increase transparency, we started disclosing fatalities of KONE employees in 2018 (2022: 3 fatalities)

With a proactive approach to safety, we have successfully reduced injuries  
IIFR, KONE employees



# Safety every stop of the way



## Office

Safe facilities and awareness through health and safety training and internal communication

## Suppliers

Clear safety and quality requirements which are continuously measured

## R&D

Potential safety hazards are identified and eliminated

## Production site

Careful control of raw materials and production processes  
ISO 9001, 14001 and 45001 / OHSAS 18001 certified

## Installation

Processes and certified installation methods designed to enhance safety, quality and reliability

## Modernization

Upgrade or replacement solutions that meet the latest safety standards  
Professional technicians following strict safety guidelines

## Service

Preventative service methods to enhance safe functioning of equipment  
Regular training, coaching and auditing to assure safety


## Use

Support to customers and building owners in promoting safe use  
Safety events and communication for users

# We engage in ethical business practices

The KONE Code of Conduct applies to all KONE employees and covers topics such as

- Conflicts of interest
- Corruption
- Competition compliance
- Trade compliance
- Workplace well-being
- Health and safety
- Environmental compliance
- Human rights
- Privacy, fraud and theft
- Cybersecurity, intellectual property and confidentiality
- External communications
- Insider trading

- KONE's Code of Conduct sets out our commitment to integrity, honesty and fair play. It explains how we conduct our business in a responsible and ethical manner in order to win and retain customer trust
- KONE Code of Conduct is complemented by our Supplier and Distributor Code of Conducts
- KONE's Competition Compliance Policy outlines our unambiguous position against anti-competitive practices
- KONE Code of Conduct e-learning course is available in 33 different languages
- [Read more about KONE's Human Rights Policy](#) 



# Building strong relationships with suppliers

- KONE thoroughly assesses its suppliers as part of risk management
- KONE's Supplier Excellence Certification Program assesses our key suppliers' sites based on criteria such as environmental and quality management systems, performance scorecards, and supplier audit results
- All suppliers are required to act in compliance with the KONE Supplier Code of Conduct, which addresses topics such as legal compliance, ethical conduct, our zero tolerance for bribery and corruption, and the standards we require from our suppliers in terms of labor and human rights, health and safety, and environmental issues
- Annual Supplier Day and supplier survey to key strategic suppliers to track and drive continuous improvement



# KONE's general governance principles

## KONE's administrative bodies and officers with the greatest decision-making power



General Meeting of Shareholders



Board of Directors



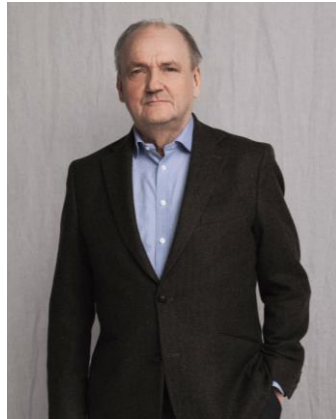
Chairman of the Board



President and CEO

- The duties and responsibilities of KONE Corporation's various governing bodies are determined by Finnish law and KONE's corporate governance principles.
- KONE complies with the Finnish Corporate Governance Code with a few exceptions due to KONE's ownership structure as a family company. Exceptions:
  - Recommendation 17: Independence of the company of the members of the remuneration committee
  - Recommendation 18: Independence of the company of the members of the nomination committee

# Dedicated Board of Directors



**Antti Herlin**  
Chairman of the Board



**Jussi Herlin**  
Vice Chair of the Board



**Matti Alahuhta**  
Member of the Board



**Susan Duinhoven**  
Member of the Board



**Marika Fredriksson**  
Member of the Board



**Iris Herlin**  
Member of the Board



**Timo Ihamuotila**  
Member of the Board



**Ravi Kant**  
Member of the Board



**Krishna Mikkilineni**  
Member of the Board

- **67%** independent members\*
- **33%** female
- When proposing members to the Board, attention is paid to the candidates' broad and mutually complementary background, experience, expertise, age, gender and views of both KONE's business and other businesses
- The Board of Directors has two Committees, the Audit Committee and the Nomination and Compensation Committee

\* The independence of the members of the Board is assessed in line with the independence criteria of the Finnish Corporate Governance Code



# More information

[Investor Relations website](https://kone.com/investors)

[kone.com/investors](https://kone.com/investors)

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Please touch the screen to view  
Level 1 - 3-27  
For lifts to Q22 (numbered floors)  
For more information touch  
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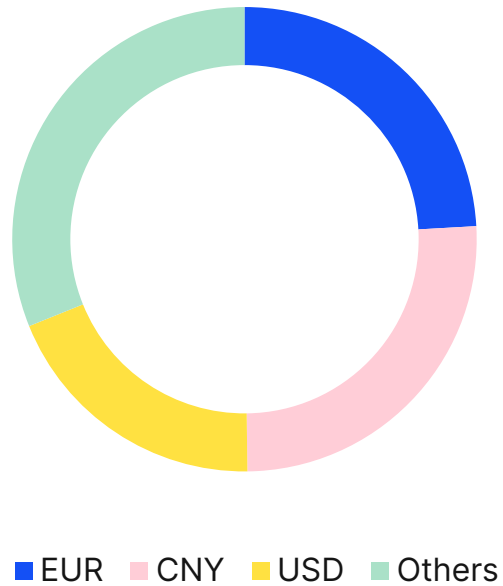
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# Appendix

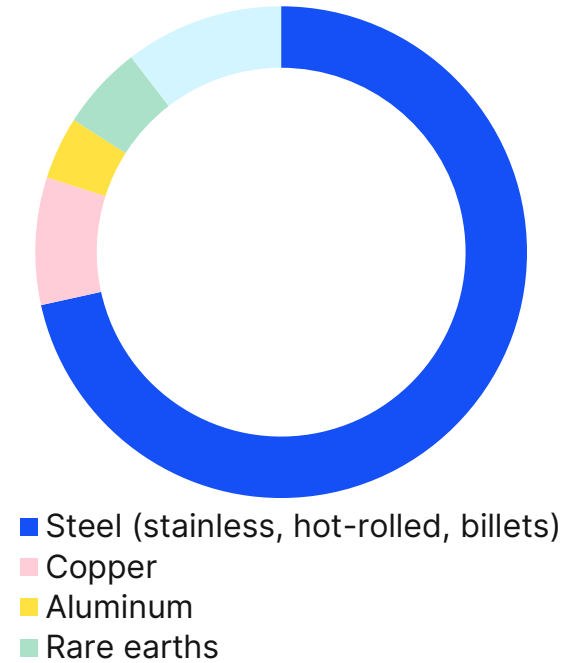
# Financials

# KONE's FX and raw material exposure

KONE's foreign exchange exposure  
Sales by currency 1 – 12/2023



KONE's raw material exposure is <10% of sales  
Indicative



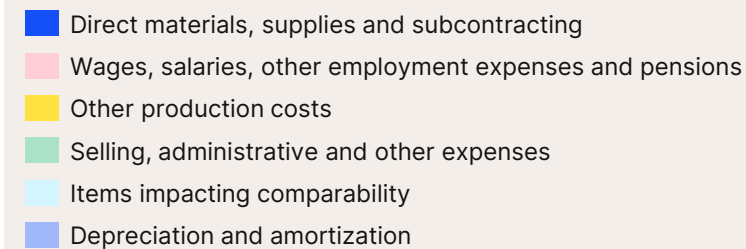
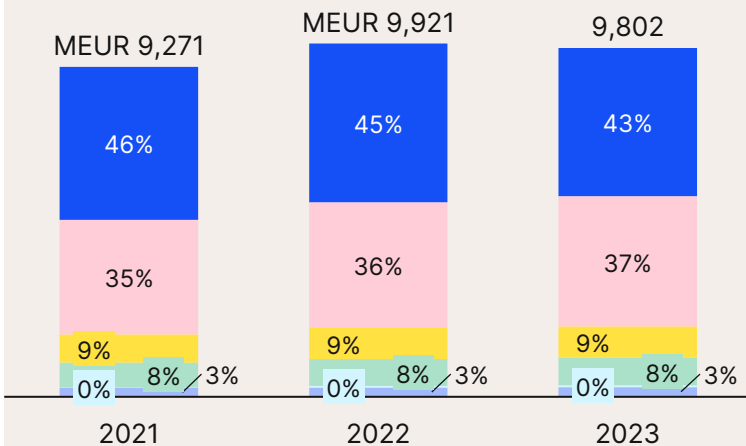
In order to reduce exposure to raw material prices, KONE typically locks in prices with component suppliers for ~3-6 months



# Variable costs comprise a significant portion of the cost base, especially in the New Building Solutions business

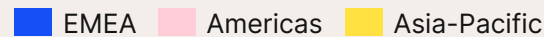
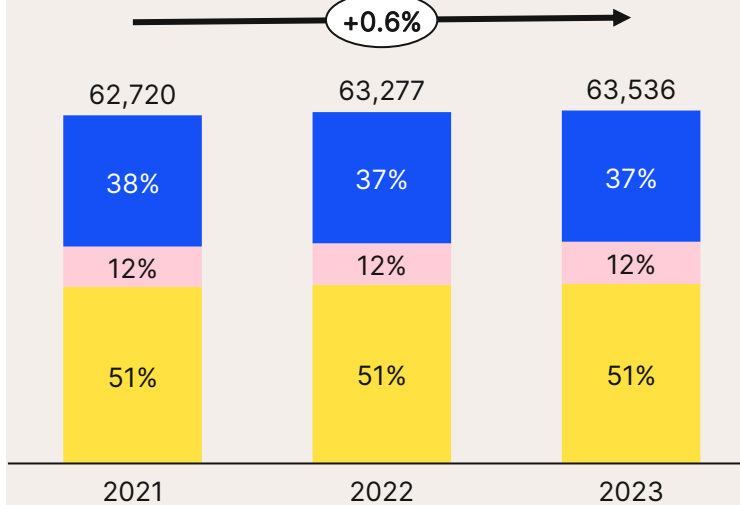
## Costs and expenses

2021-2023



## Development of personnel

2021-2023



## New Building Solutions and Modernization

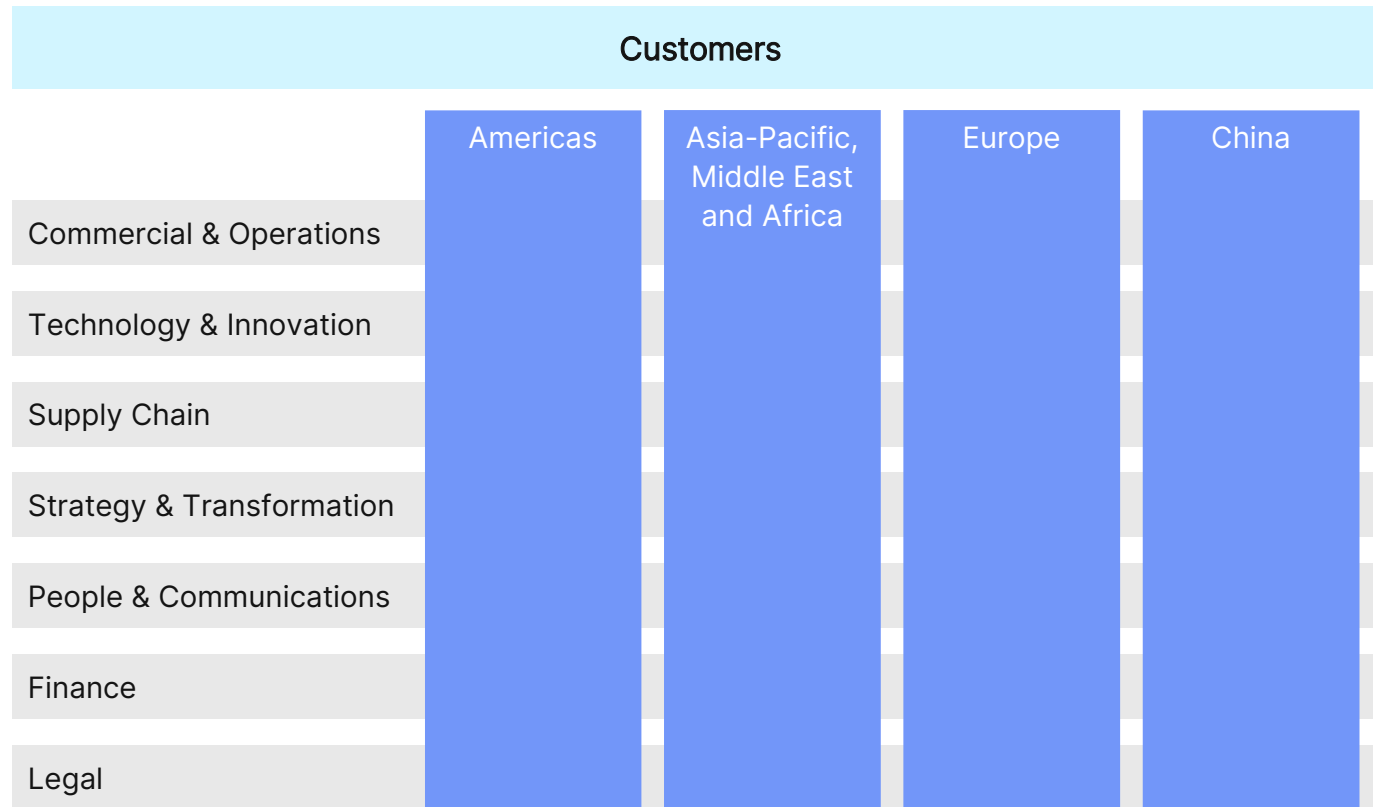
- Majority of costs from direct materials, supplies and installation subcontracting
- Subcontracting on a project-by-project basis, allowing flexibility to adjust cost base in case of sales headwinds

## Service

- Majority of costs from salaries and car fleet
- Costs mainly related to employees in recurring and stable Service business
- Service contracts often include cost escalation clauses

# Organization and management

# KONE organization



## Customers

- Getting the best of global and local

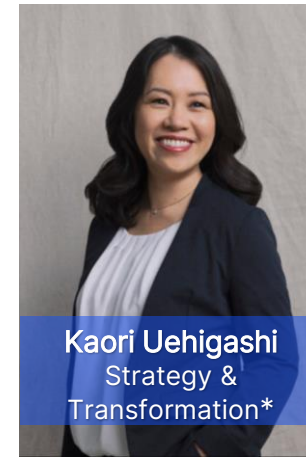
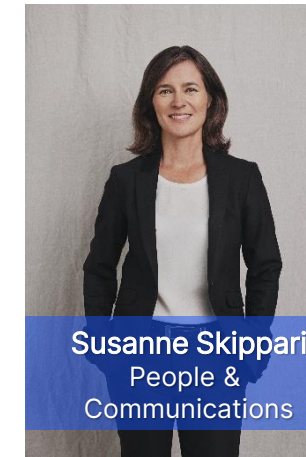
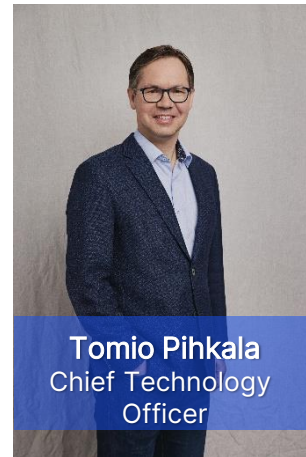
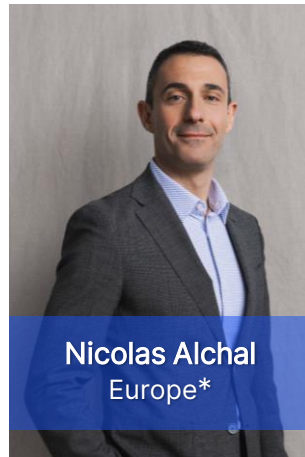
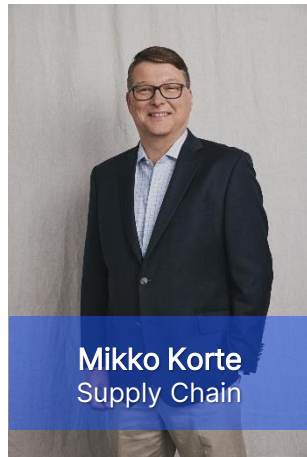
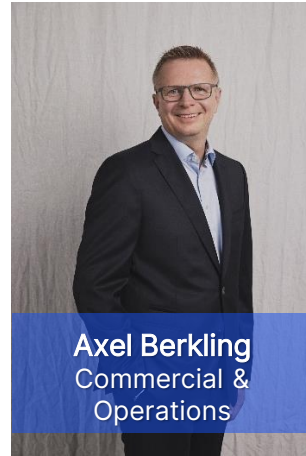
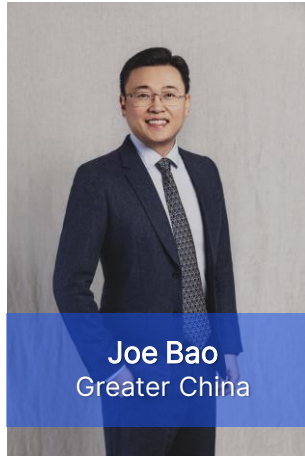
## Areas and local teams

- Serving our customers
- Commercial strategies, business development, execution
- Full chain results of each of our businesses

## Global functions

- Enabling Areas' success
- Scale from leading products and solutions and global supply
- Aligned strategy, operating model, culture and leadership

# Strong Executive Board with diverse backgrounds



\*Nicolas Alchal acts as an interim Executive Vice President for Europe Area, from March 1, 2024 until early 2025 during Karla Lindahl's (EVP, Europe) maternity leave, after which Nicolas Alchal will take the position as the Executive Vice President, Strategy & Transformation. Kaori Uehigashi serves as an interim Executive Vice President for Strategy & Transformation organization until the end of 2024.

# Some of our iconic references

# 110 North Wacker Dr.

CHICAGO, USA

- A world-class office experience comprising 57 stories and 1.6 million sq. ft. of prime office space.
- The tallest and one of the largest office buildings to be built in Chicago in nearly 30 years.
- Home to some of America's biggest corporations, this state-of-the-art skyscraper features the latest in technologies, providing the best tenant experience.
- Future-proof technologies are also the key to a sustainable footprint of the equipment during the whole life cycle of the building.



# Bloomberg

LONDON, UK

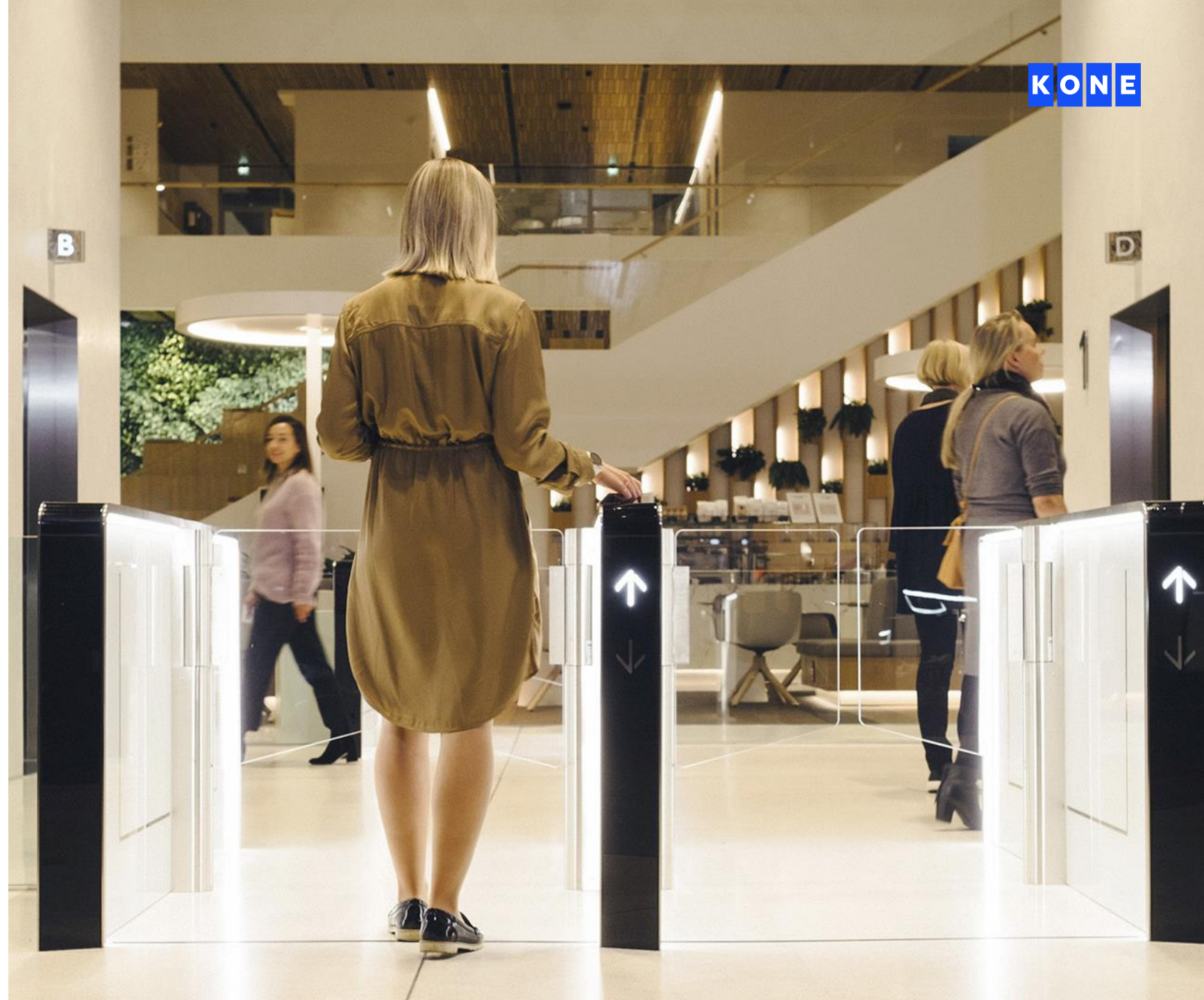
- Bloomberg's new European headquarters occupies an entire London city block.
- Its 18 glass elevators are a centerpiece of the collaboration-focused design.
- They are a window into a building ranked as one of the most sustainably designed office developments in the world.



# K-Kampus

HELSINKI, FINLAND

- Smart, flexible and sustainable in design, K-Kampus is an energy-efficient multi-tenant office, and the first in Finland to boast carbon-neutral waste management.
- Optimizing people flow was a vital ingredient in the design, which offers flexibility far into the future and provides employees and partners a “micro society” for collaboration.





# Finland Pavilion

## DUBAI EXPO 2020

- With an estimated 25 million visitors over the 6 months of the Expo 2020 Dubai, the event brought the world together.
- A striking tent-meets-snow motif forms the basis for the structure that is the Finland Pavilion.
- KONE is helping provide smooth people flow and multisensory experiences to the Pavilion's visitors.



# Beijing Daxing International Airport

DAXING DISTRICT, BEIJING, CHINA

- Designed to look like a mythical phoenix in flight, Beijing Daxing airport was inspired by traditional Chinese architecture and blends classical and modern elements.
- Beijing's second-largest airport, it accommodates 45 million passengers by 2021 and 100 million with planned expansions.
- The efficient radial structure aims to allow passengers to reach the flight gates within 30 minutes of the building, and in 8 minutes from the building's core.

