



KONE Q1 2024

Philippe Delorme, President & CEO
Ilkka Hara, CFO

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Dedicated to
People Flow™

Q1 2024: Sales growth and improving profitability

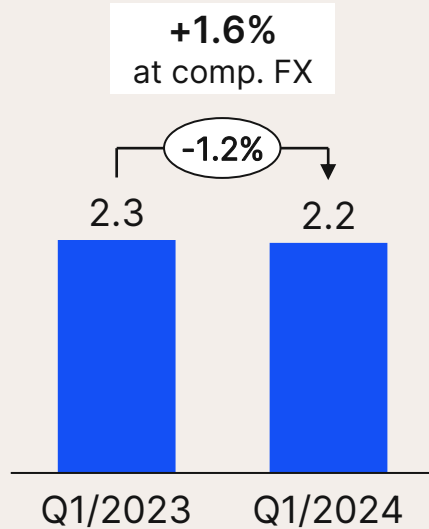
- Resilient business model: Over 10% growth in Modernization orders and 9% sales growth in Service*
- Good progress in CO2 reduction with 25% decrease in Scope 1&2 emissions in 2023 versus 2018 baseline
- 2024 guidance specified and market outlook upgraded for North America and Europe



Q1 2024 financial highlights

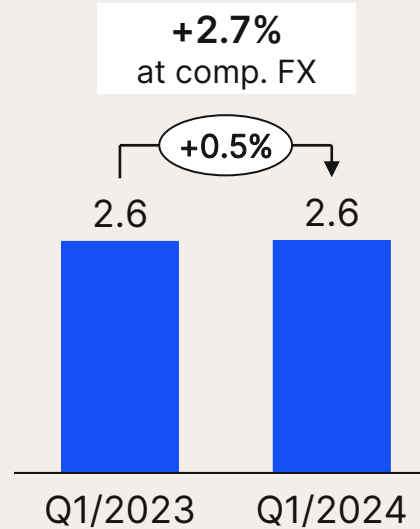
Solid **orders received** in many parts of the world, with >10% growth in Modernization

Orders received, EUR bn



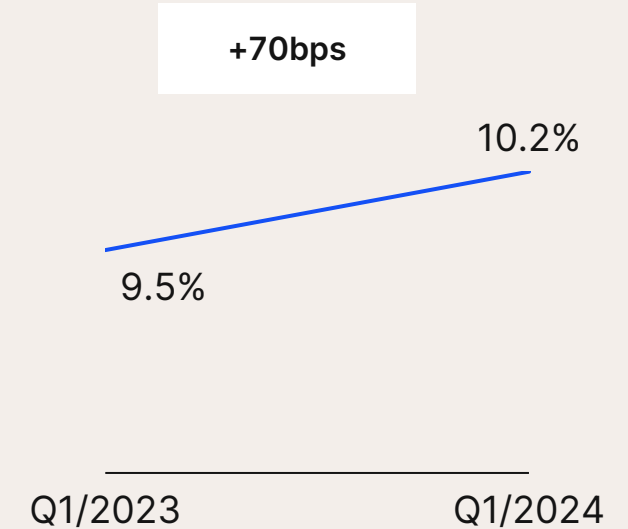
Continued strong growth in Service and Modernization **sales**

Sales, EUR bn



Fifth consecutive quarter of **adjusted EBIT-%** improvement and solid cash flow

Adjusted EBIT margin, % of sales



Q1 business highlights



New Building Solutions

- Important infrastructure project wins in Americas such as New York City Transit
- First escalators from the new India factory delivered to a customer



Service

- ~7% growth in our Service base incl. bolt-on acquisitions
- Passed 30% connectivity* in our Service base and ready to scale up digitally enabled service - launch of remote services



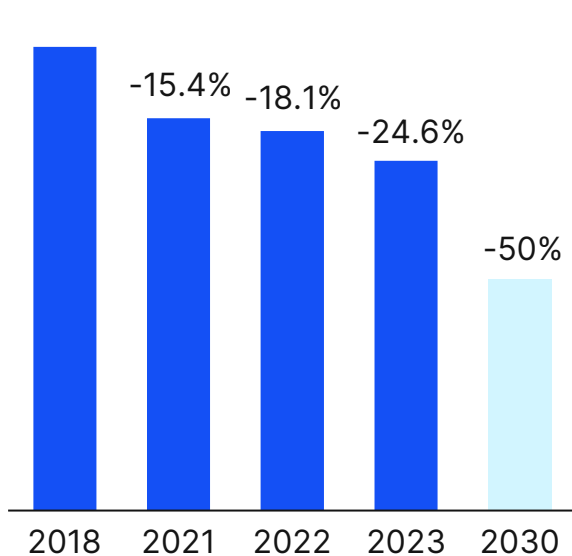
Modernization

- Significant infrastructure project wins such as Milan Metro
- Market share gains across the Areas

Strengthening our position as a leader in sustainability

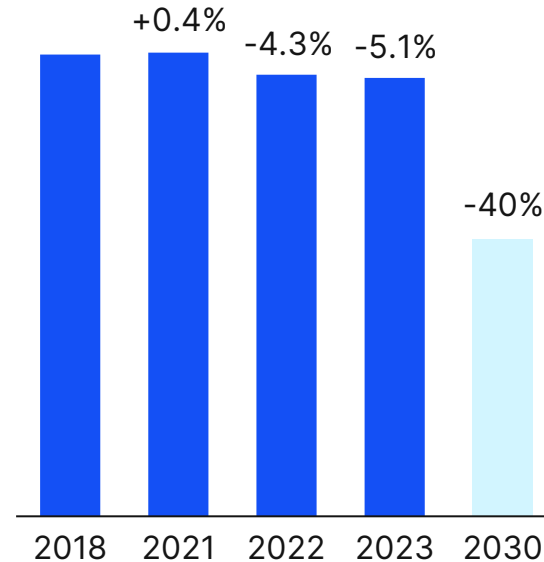
Our ambitious work to meet our **science-based targets** continued

Scope 1 & 2 emissions*



* Compared to 2018, SBTi baseline

Scope 3 emissions relative to products ordered**



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

Recognition for our sustainability leadership



A position on CDP's Supplier Engagement Leaderboard in top 450 companies



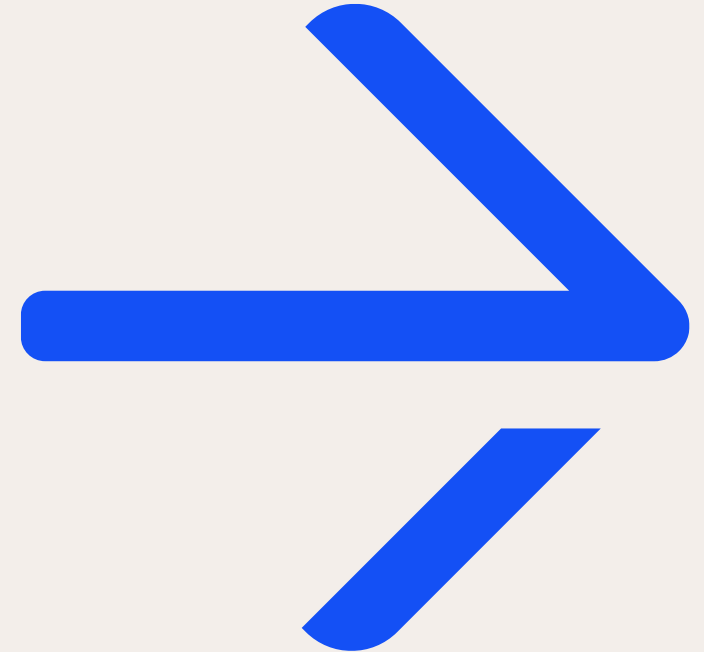
On CDP's prestigious A List for climate change, in top 362 companies out of 21,000 companies scored



55th on Clean200 2024 list for publicly traded companies leading clean economy solutions

[Our 2023 Sustainability report was published today](#)

Market development

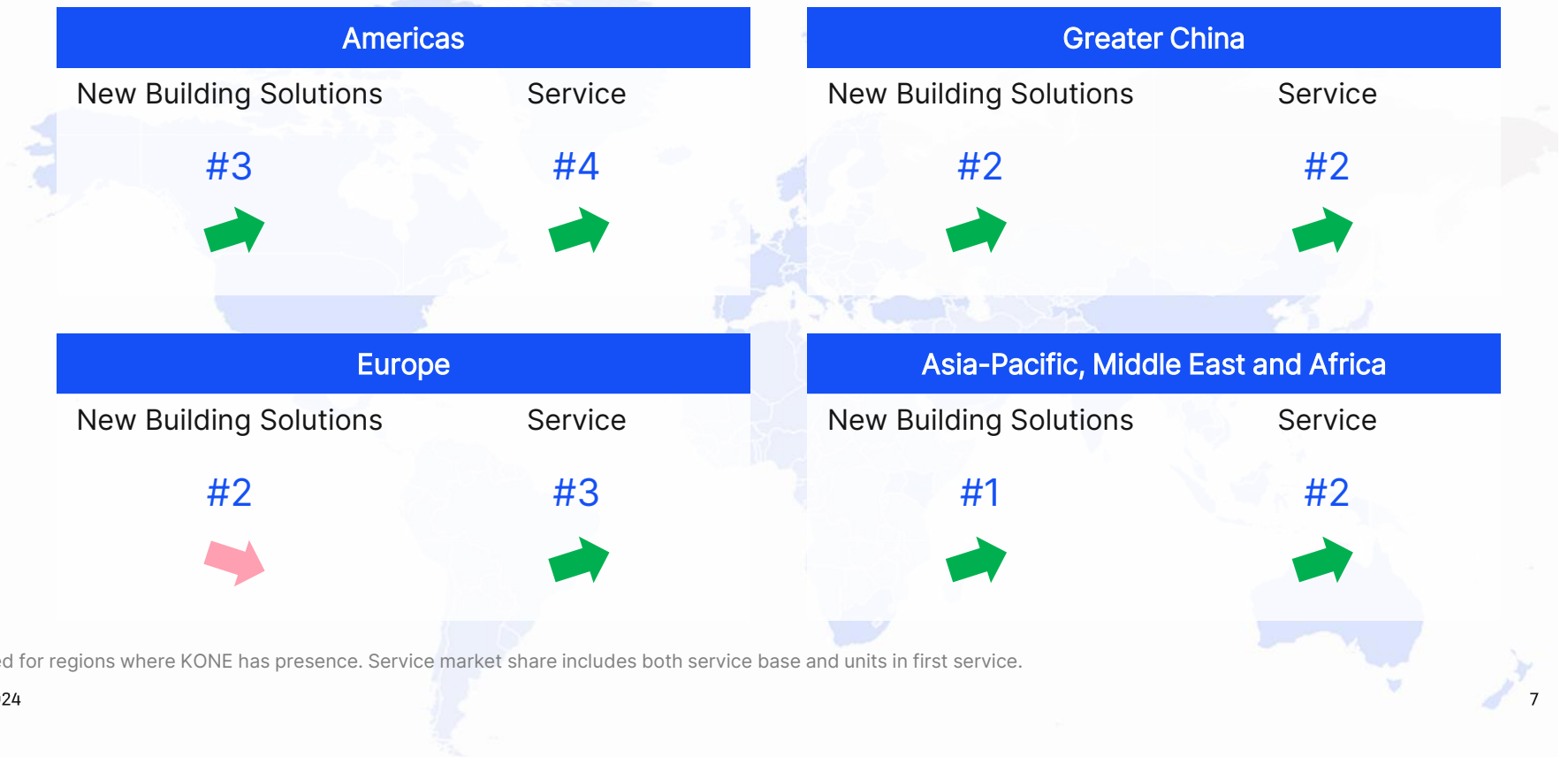


Global E&E markets in 2023, KONE gaining market share in seven out of eight markets

Global E&E markets in 2023

- New Building Solutions market was <1 million units
- Service market was <25 million units
 - Close to 10 million of these units >20 years old

KONE's market position and market share development (units)



Based on KONE's estimates. Market shares have been calculated for regions where KONE has presence. Service market share includes both service base and units in first service.

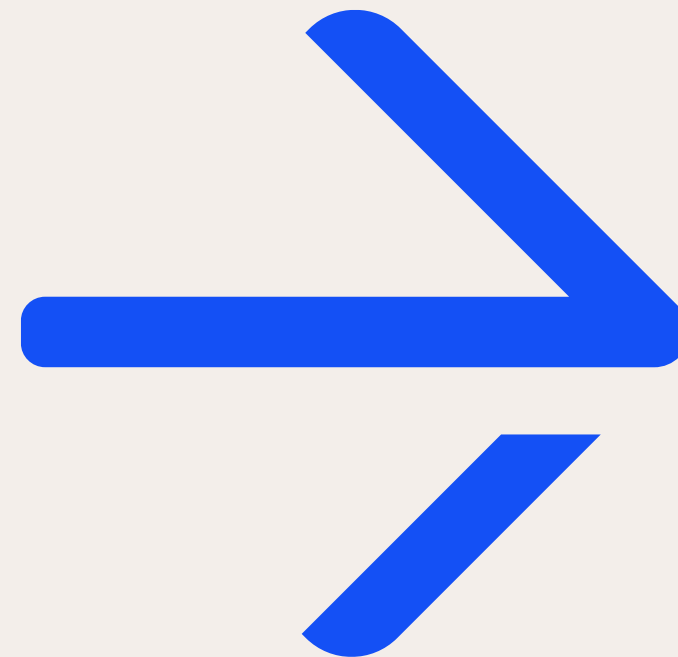
Market development in Q1 2024

| | North America | Europe | APMEA | China |
|---|---------------|--------|-------|-------|
| New Building Solutions in units | -- | stable | +++ | -- |
| Service in units | + | + | ++ | ++ |
| Modernization in monetary value | ++ | ++ | +++ | ++ |

- In New Building Solutions market gradual stabilization in Western markets; continued difficult environment in China
- Positive market environment in Service and Modernization across Areas
- Continued strong growth in APMEA market

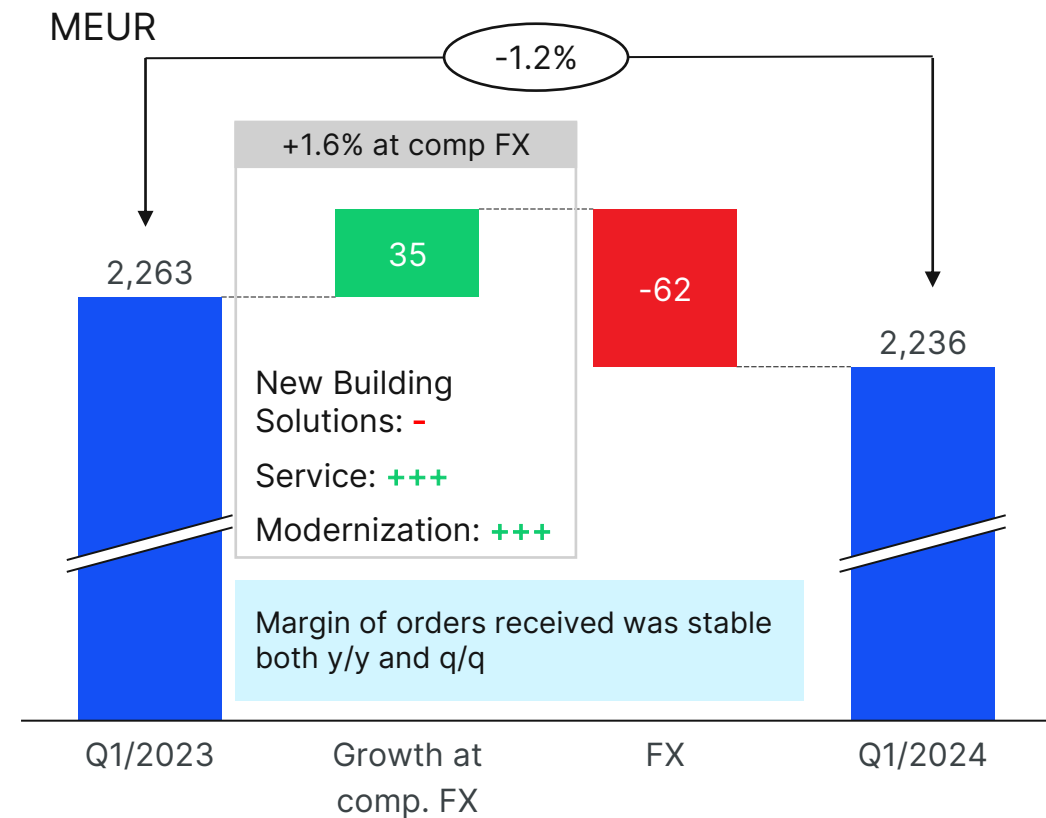
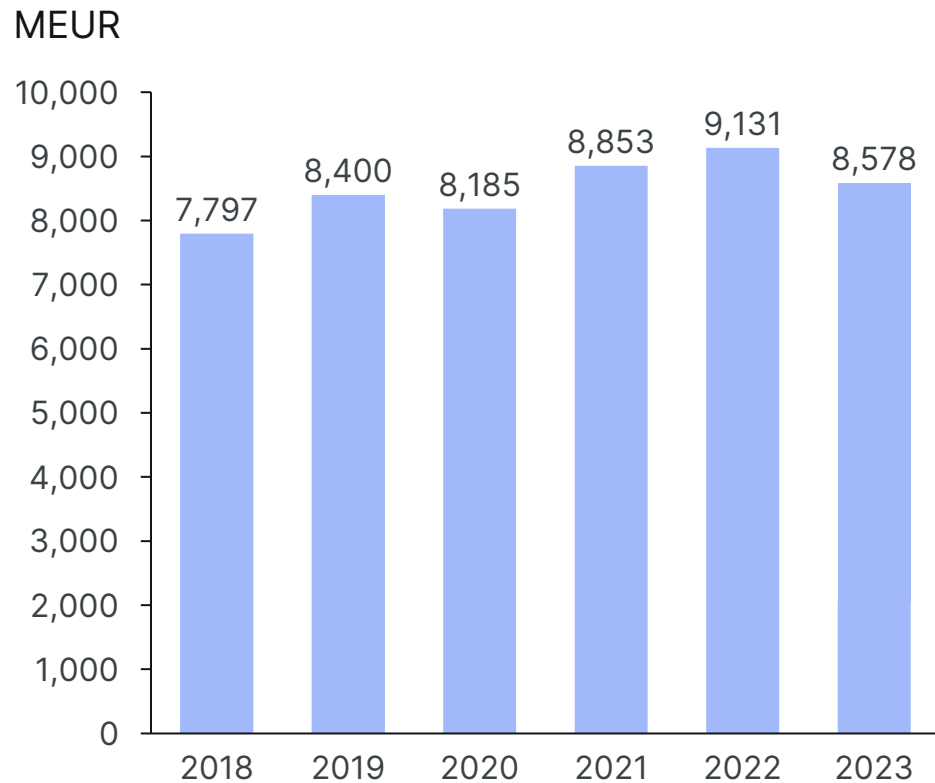
--- Significant decline (>10%), -- Clear decline (5-10%), - Slight decline (<5%), Stable, + Slight growth (<5%), ++ Clear growth (5-10%), +++ Significant growth (>10%).
The development of the operating environment compared to the corresponding period last year. Based on KONE's estimate.

Q1 Financials



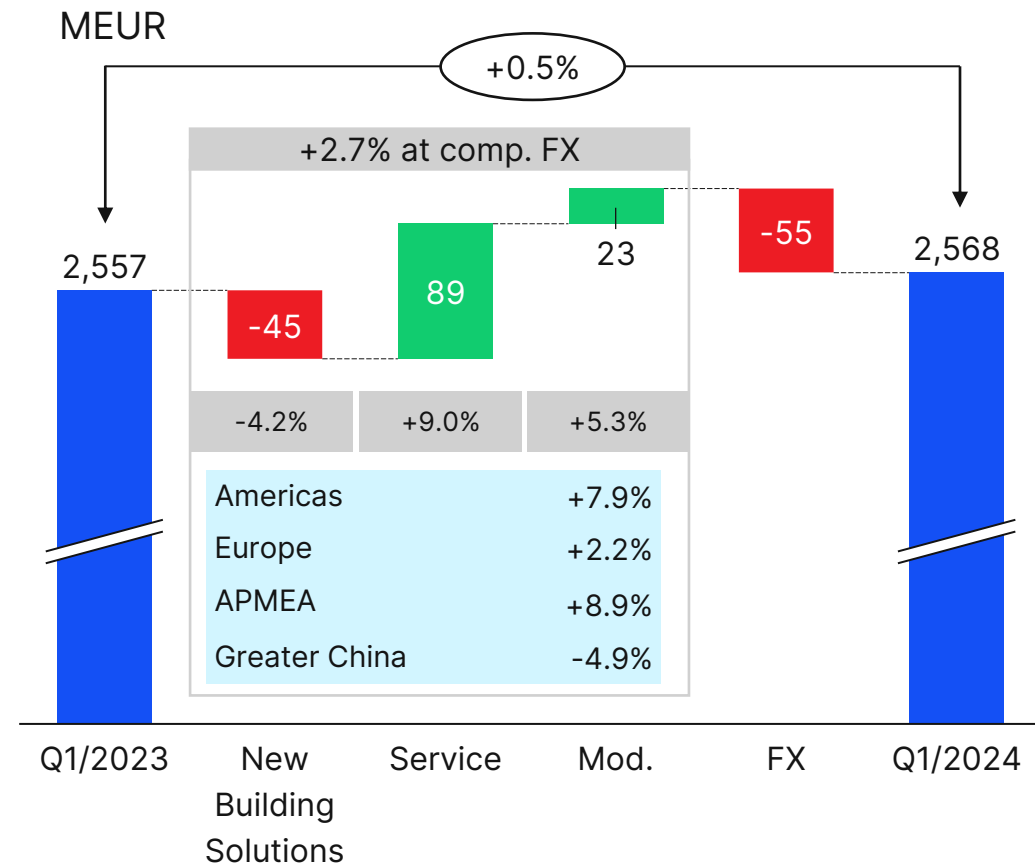
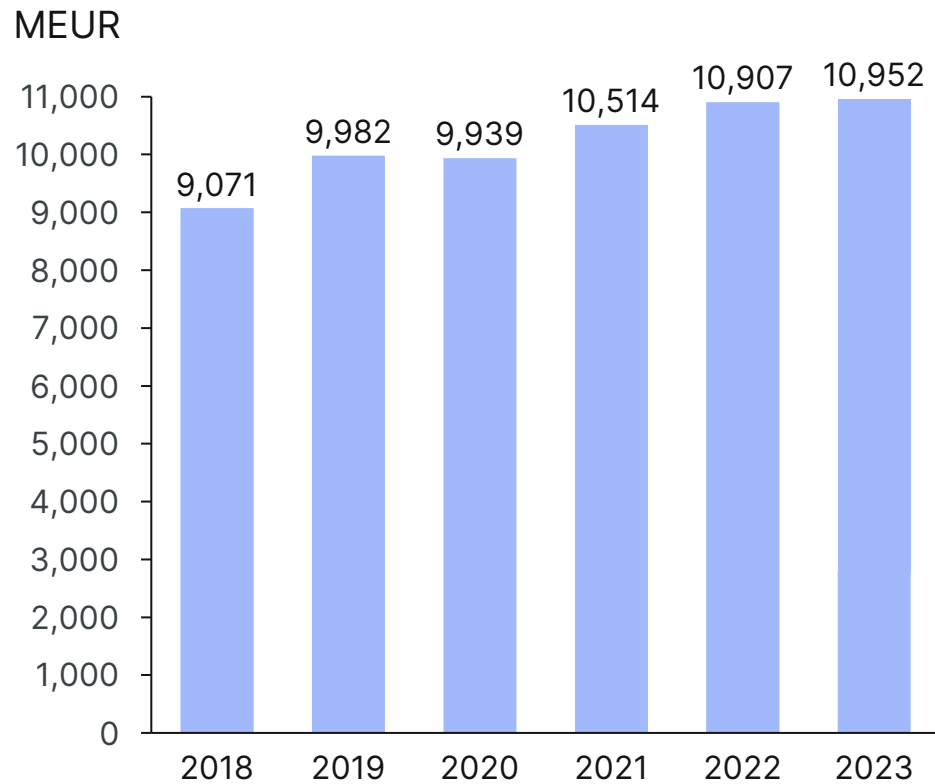
Orders received

Solid orders received in many parts of the world, especially in Modernization



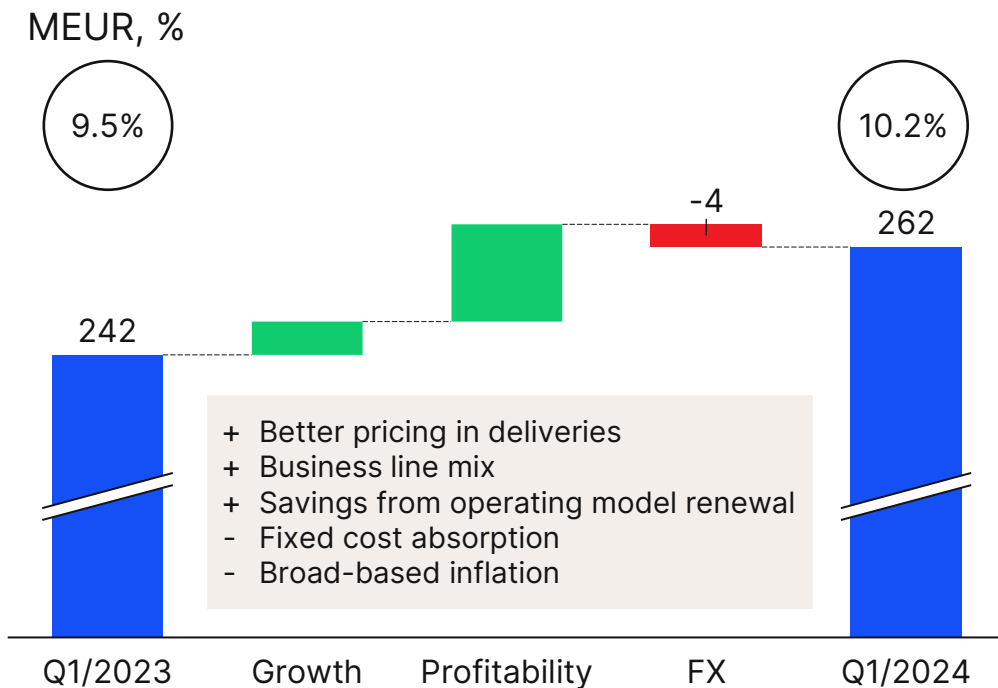
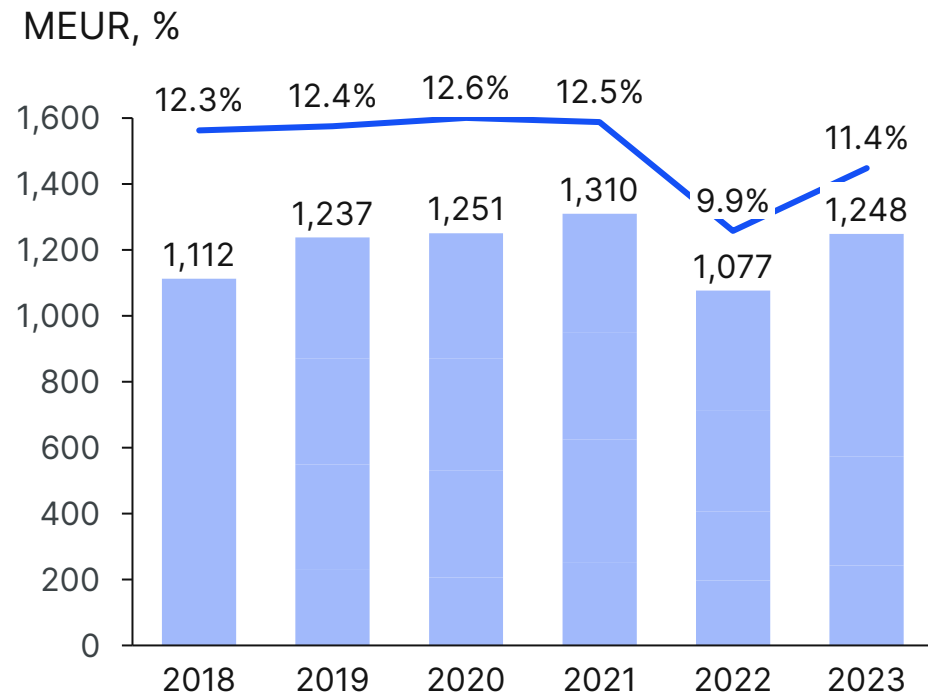
Sales

Continued strong growth in Service and Modernization sales



Adjusted EBIT and profitability

Fifth consecutive quarter of margin improvement

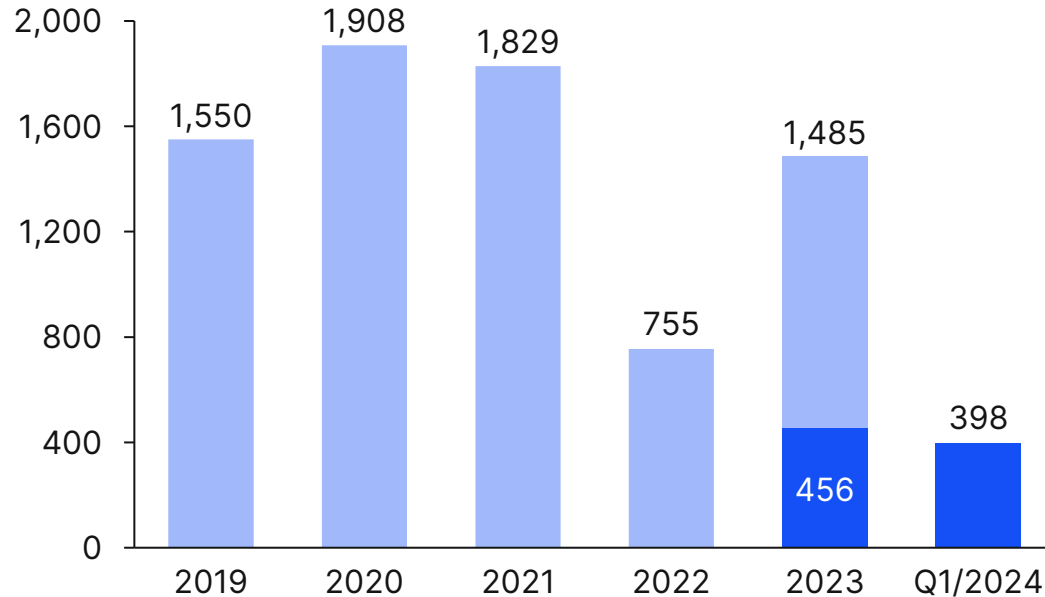


KONE presents adjusted EBIT as an alternative performance measure to enhance comparability of business performance between reporting periods. In January-March 2024, there were no items of income or costs classified as items affecting comparability. In the comparison period, items affecting comparability included a positive effect arising from revaluation of operations in Russia as held for sale as well as restructuring costs. In January-March 2023, items affecting comparability amounted to EUR 3.6 million.

Cash flow from operations and net working capital

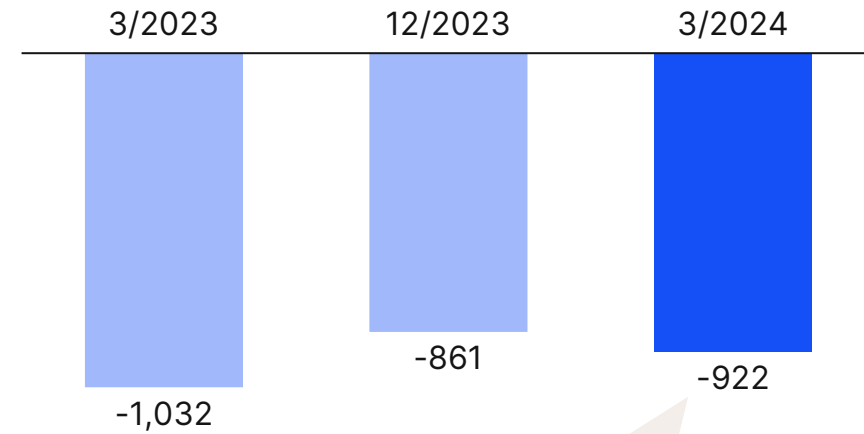
Solid cash flow, moderate improvement in net working capital

Cash flow from operations*, MEUR



* Before financing items and taxes

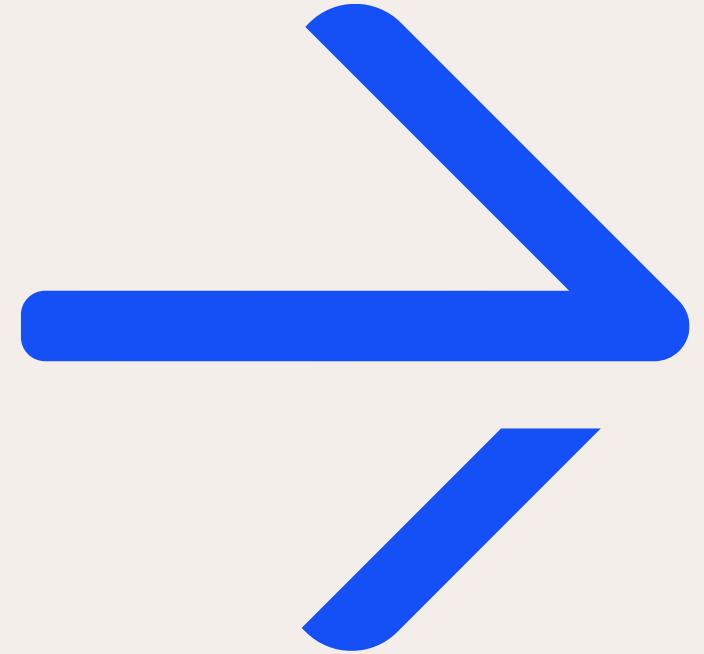
Net working capital**, MEUR



- + Accounts receivable
- + Advance payments in Service
- Accounts payable and accruals
- Advance payments in China New Building Solutions

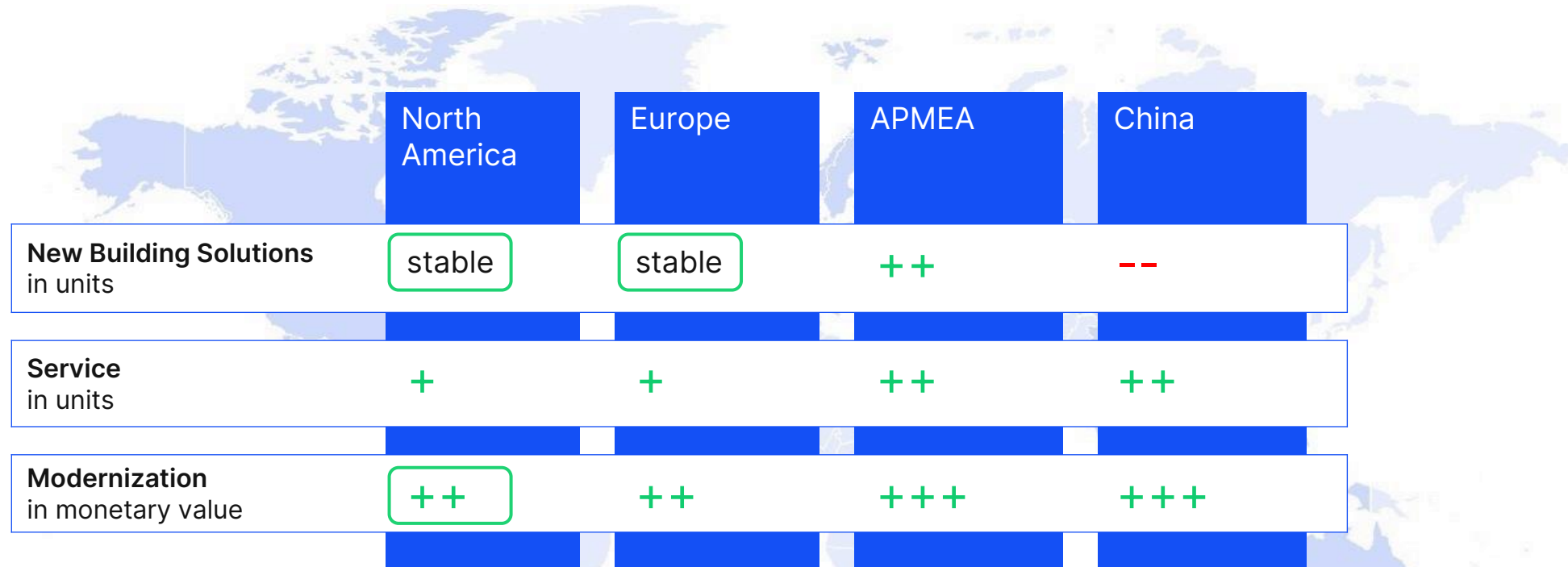
** Including financing items and taxes.

Market and business outlook



Market outlook for 2024 (updated)

Outlook upgraded for North America and Europe



--- Significant decline (>10%), -- Clear decline (5-10%), - Slight decline (<5%), Stable, + Slight growth (<5%), ++ Clear growth (5-10%), +++ Significant growth (>10%).
The development of the operating environment compared to the corresponding period last year. Based on KONE's estimate.

Business outlook for 2024 (specified)

Sales

- KONE expects its sales to grow 0-5% at comparable exchange rates in 2024

Adjusted EBIT

- The adjusted EBIT margin is expected to be in the range of 11.5%-12.3%
- Assuming that foreign exchange rates remain at the April 2024 level, the impact of foreign exchange rates on the adjusted EBIT would be limited

Supporting our performance

-  Strong growth in Service and Modernization
-  Better pricing coming through in deliveries
-  Strong order book
-  Savings from operating model renewal

Burdening our performance

-  Declining New Building Solutions market in China
-  Persistent cost inflation
-  Decisions to slightly increase investment in R&D and IT

Summary

- Good start to the year with sales growth and improved profitability
- Strong growth in Service and Modernization continues
- Positive outlook in the majority of our markets



KONE's Capital Markets Day will be held
in Helsinki on Friday, September 27

A woman with curly hair is walking on a treadmill in a bright, modern gym. She is wearing a white blouse and black pants. The background is blurred, showing greenery and a large window. The word 'KONE' is overlaid in large, bold, black letters on a white background.

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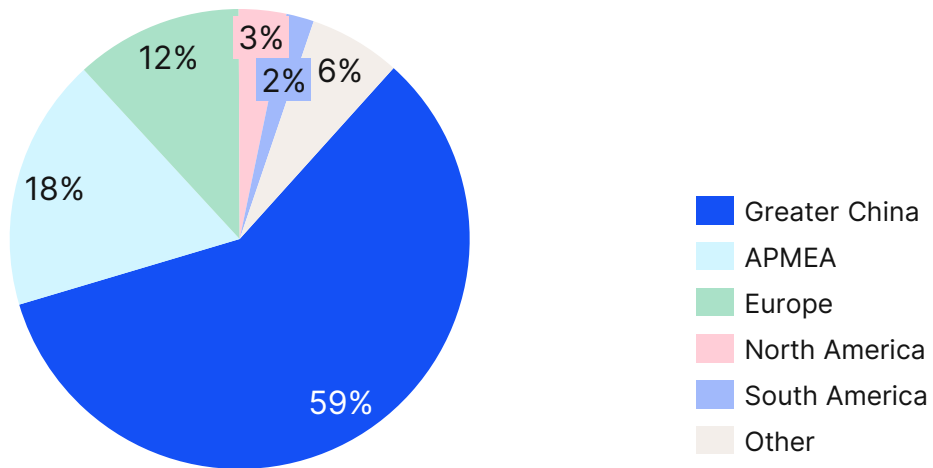
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Appendix

KONE's market position in 2023

New Building Solutions market in 2023

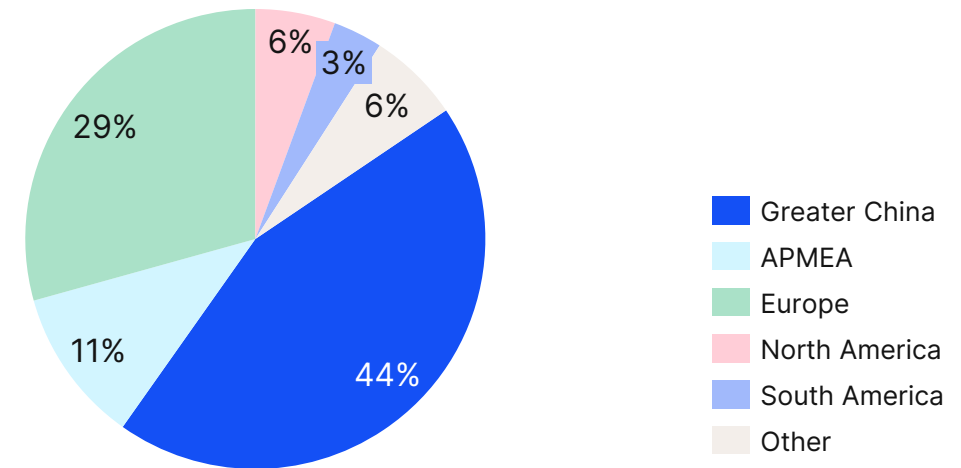
<1 million units



In New Building Solutions market KONE is a market leader with close to 20%* share.

Equipment base in 2023

<25 million units



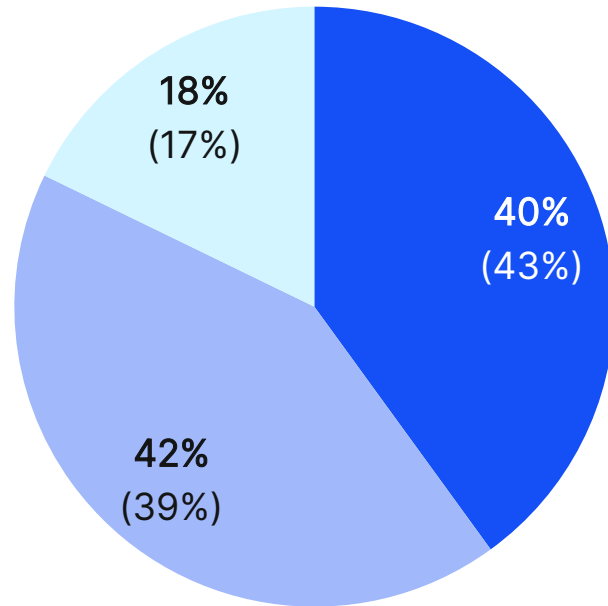
In Service market KONE continued to be a challenger with close to 10%* share.

Based on KONE's estimated. Figures have been rounded.

*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.

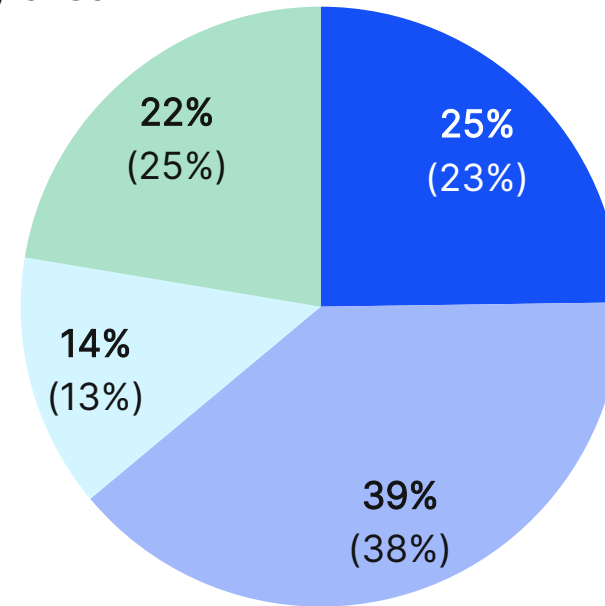
1-3/2024 Sales split

By business



- New Building Solutions
- Service
- Modernization

By area

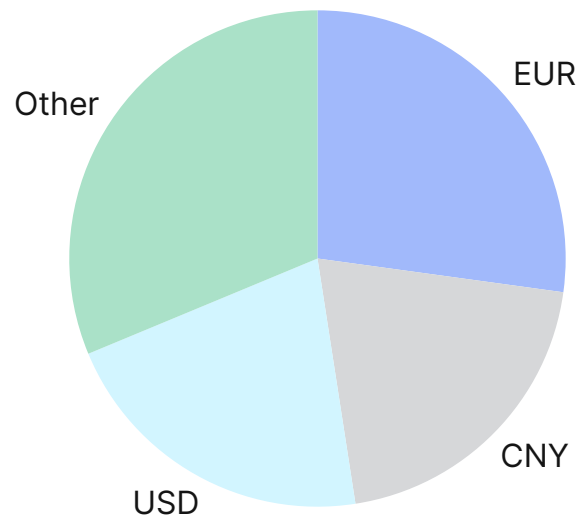


- Americas
- Europe
- Asia-Pacific, Middle East and Africa
- Greater China

1-3/2023 figures in brackets. Figures in charts are rounded and at historical exchange rates.

Currencies

Sales by currencies 1-3/2024



Currency impact*

| MEUR | Q1 | FY |
|-----------------|-------|---------|
| Sales | -55.3 | ca. -50 |
| EBIT | -4.3 | Neutral |
| Orders received | -61.9 | ca. -50 |

Main currencies

| | Q1 2024 average | Q1 2023 average | 2023 average |
|-----------|--------------------|--------------------|-----------------|
| EUR / CNY | 7.8083 | 7.0836 | 7.6589 |
| EUR / USD | 1.0881 | 1.0563 | 1.0816 |
| EUR / GBP | 0.8588 | 0.8537 | 0.8702 |
| EUR / INR | 90.4470 | 82.8319 | 89.3371 |
| EUR / AUD | 1.6506 | 1.5189 | 1.6297 |

* Impact of retranslating the comparison period with comparable exchange rates. For the full-year, YTD 2024 exchange rates used for Q1 and April 15, 2024 rates for Q2-Q4

Q1 2024 key figures

| | | Q1/2024 | Q1/2023 | Change | Comparable change |
|---|------|---------|---------|--------|-------------------|
| Orders received | MEUR | 2,235.7 | 2,263.1 | -1.2% | 1.6% |
| Order book | MEUR | 9,133.0 | 9,176.2 | -0.5% | 1.3% |
| Sales | MEUR | 2,568.2 | 2,556.6 | 0.5% | 2.7% |
| Operating income (EBIT) | MEUR | 262.4 | 238.3 | 10.1% | |
| Operating income margin (EBIT %) | % | 10.2 | 9.3 | | |
| Adjusted EBIT | MEUR | 262.4 | 241.9 | 8.4% | |
| Adjusted EBIT margin | % | 10.2 | 9.5 | | |
| Cash flow from operations (before financing items and taxes) | MEUR | 398.2 | 456.0 | | |
| Basic earnings per share | EUR | 0.39 | 0.36 | 10.5% | |

Balance sheet – assets employed

| MEUR | Mar 31, 2024 | Mar 31, 2023 | Dec 31, 2023 |
|---|--------------|--------------|--------------|
| Assets employed | | | |
| Goodwill | 1,500.5 | 1,434.6 | 1,469.0 |
| Other intangible assets | 306.2 | 244.6 | 287.2 |
| Tangible assets | 800.4 | 713.6 | 779.7 |
| Shares and other non-current financial assets | 91.7 | 106.8 | 97.9 |
| Net working capital | -921.8 | -1,032.3 | -861.2 |
| Dividend withholding tax payable | -120.3 | -119.3 | - |
| Assets employed total | 1,656.7 | 1,348.1 | 1,772.6 |
| Financed by | | | |
| Equity | 2,094.6 | 2,086.9 | 2,786.0 |
| Interest-bearing net debt | -437.9 | -738.8 | -1,013.4 |
| Equity and interest-bearing net debt total | 1,656.7 | 1,348.1 | 1,772.6 |

Net working capital*

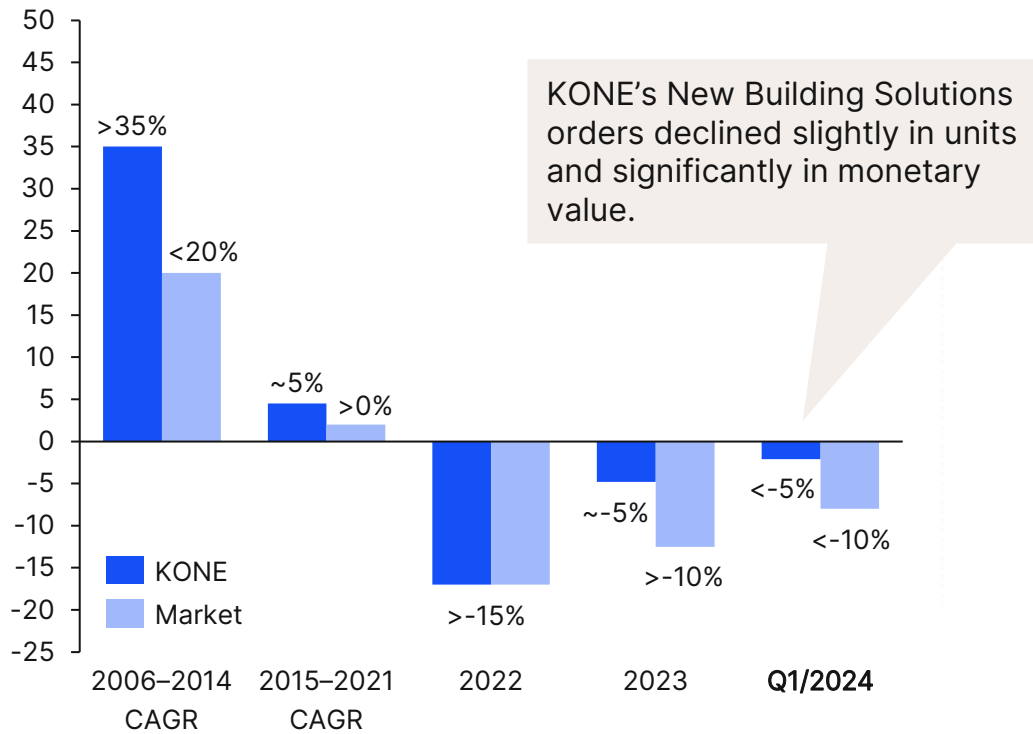
| MEUR | Mar 31, 2024 | Mar 31, 2023 | Dec 31, 2023 |
|--|---------------|-----------------|---------------|
| Net working capital | | | |
| Inventories | 819.1 | 837.0 | 820.9 |
| Advance payments received and deferred revenue | -1,916.4 | -1,972.2 | -1,915.7 |
| Accounts receivable | 2,459.3 | 2,494.1 | 2,495.1 |
| Deferred assets and income tax receivables | 841.4 | 839.3 | 759.7 |
| Accruals and income tax payables | -2,348.6 | -2,314.4 | -2,131.1 |
| Provisions | -192.8 | -183.8 | -196.9 |
| Accounts payable | -836.2 | -937.8 | -927.0 |
| Other non-current receivables | 18.6 | - | - |
| Net deferred tax assets / liabilities | 233.6 | 205.4 | 233.9 |
| Net working capital total | -921.8 | -1,032.3 | -861.2 |

* Including financial items and taxes.

KONE in Greater China

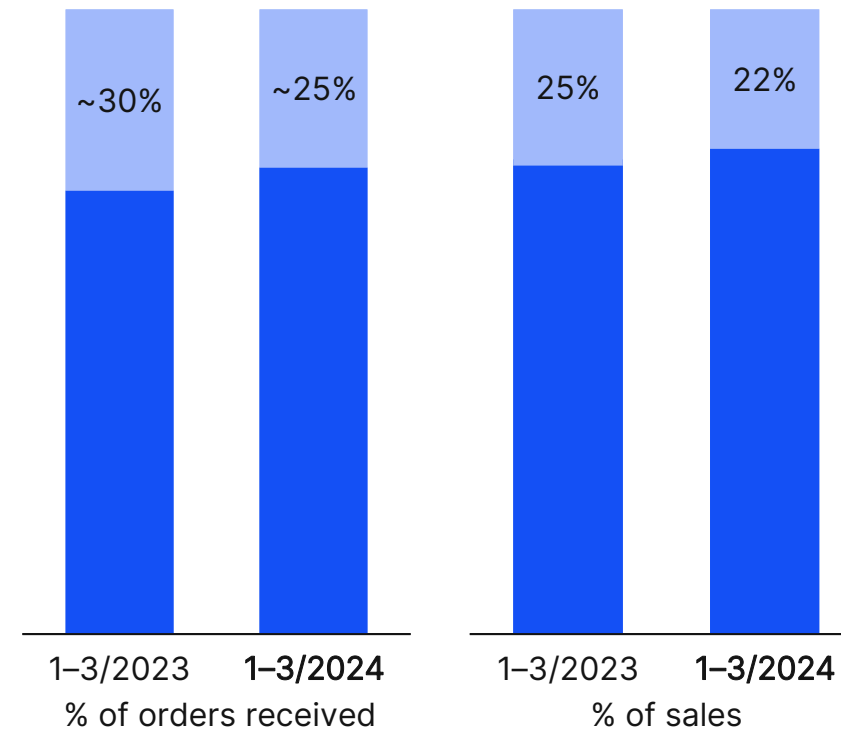
New Building Solutions market

New Building Solutions orders received in units vs. market development



Greater China's share of KONE's orders received and sales

Monetary value (at comp. FX)



Market activity in China



- Weak consumer sentiment and developers' liquidity challenges continued to weigh on new construction activity, policy actions also key to recovery
- Pricing environment characterized by intense competition
- Strong growth in Service and Modernization markets



| | Q1 2024 y/y | Q4/2023 y/y |
|--|-------------|-------------|
| Real estate investment | -9.5% | -11.4% |
| Residential sales volume | -23.4% | -14.0% |
| New starts | -27.8% | -9.4% |
| Completions | -20.7% | 14.5% |
| New home prices in 70 largest cities (March) | -1.9% | -0.9% |