



KONE Greater China

Joe Bao, Executive Vice President, Greater China
KONE Capital Markets Day 2024

27 SEPTEMBER 2024

Dedicated to
People Flow™

KONE in Greater China

Market characteristics

- The world’s largest E&E market in both new units and installed base
- Young equipment base (only ~10% +15 years old)
- Residential is 2/3 of the market
- Service business characterized by frequent visits required by regulation and high share of independent service providers

KONE in numbers

We are China's

#2 in New Building Solutions and Service

We service

500,000*+

units of equipment covering all provinces

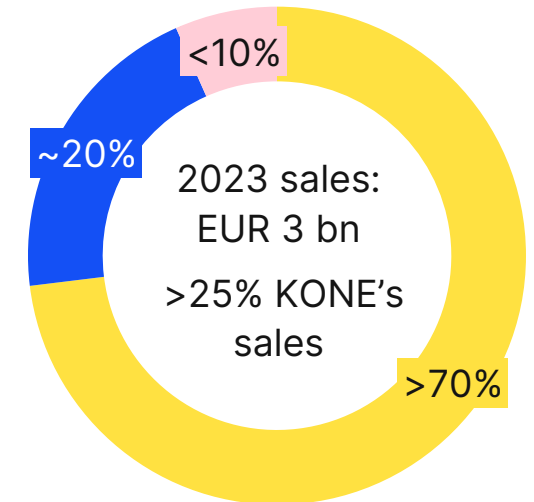
We have shipped cumulatively

1.6 million+

new equipment units from our factories

Sales

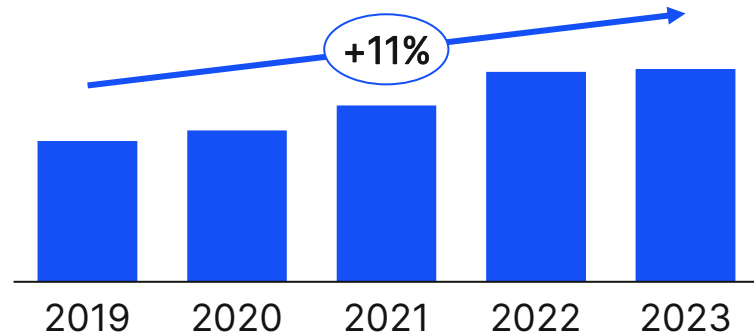
1-12/2023



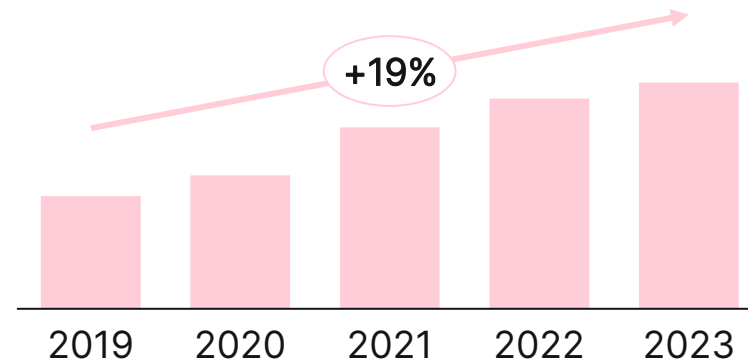
- New Building Solutions
- Service
- Modernization

KONE Greater China growing fast in Service & Modernization

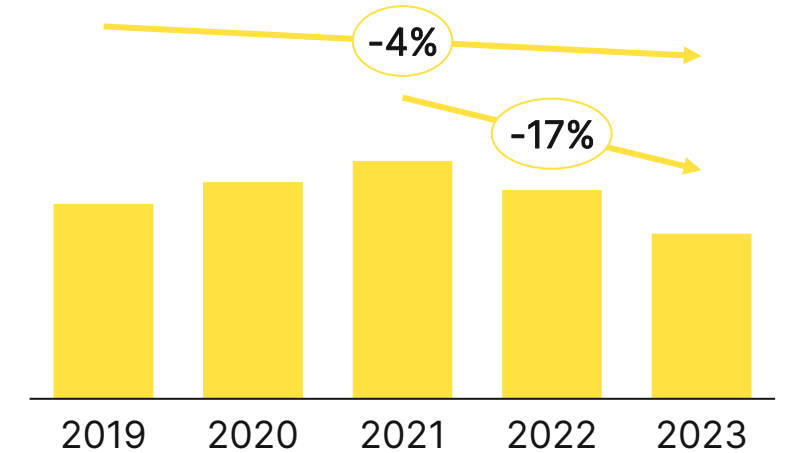
Service
Sales, MEUR



Modernization
Orders received, MEUR



New Building Solutions
Orders received, MEUR



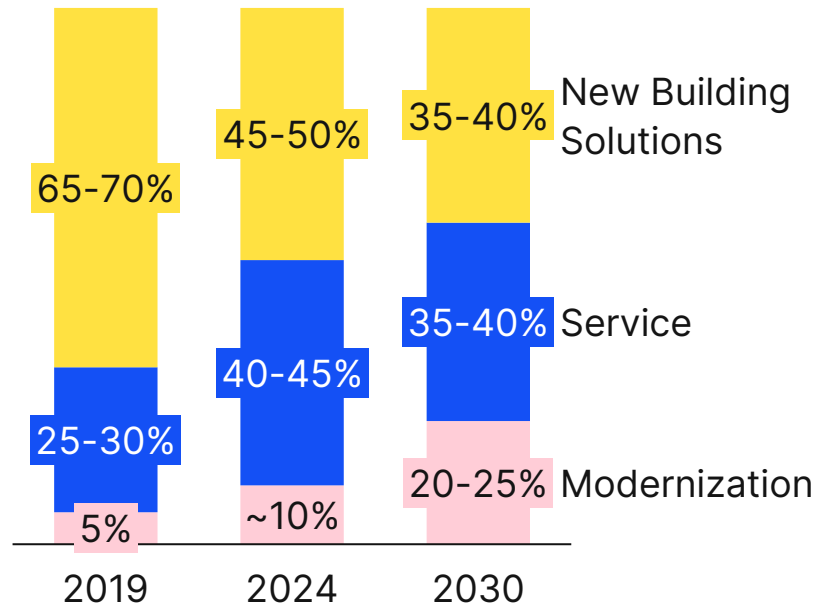
Greater China market outlook 2024

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China is undergoing a rapid rebalancing of the E&E market

Greater China E&E market split in monetary value



Structural adjustment in the real estate market

- Asymmetrical supply and demand – from high-speed growth to adjustment phase
- Government pivoting from land sales to urban renewal

Prevailing trend of digitalization and connectivity

- Safety as top priority for local governments necessitating IoT and early warning

Early activation of the modernization market

- 3 mn+ units will exceed 15 years of age by 2030, entering the renewal cycle
- Policy for the first time explicitly calls out elevators in “renewing equipment” list

Rise to lead

#1 for Employees & Customers • Innovation & Sustainability • Growth & Profitability



**Accelerate
Digital**



**Drive
Modernization**



**Win
Residential**



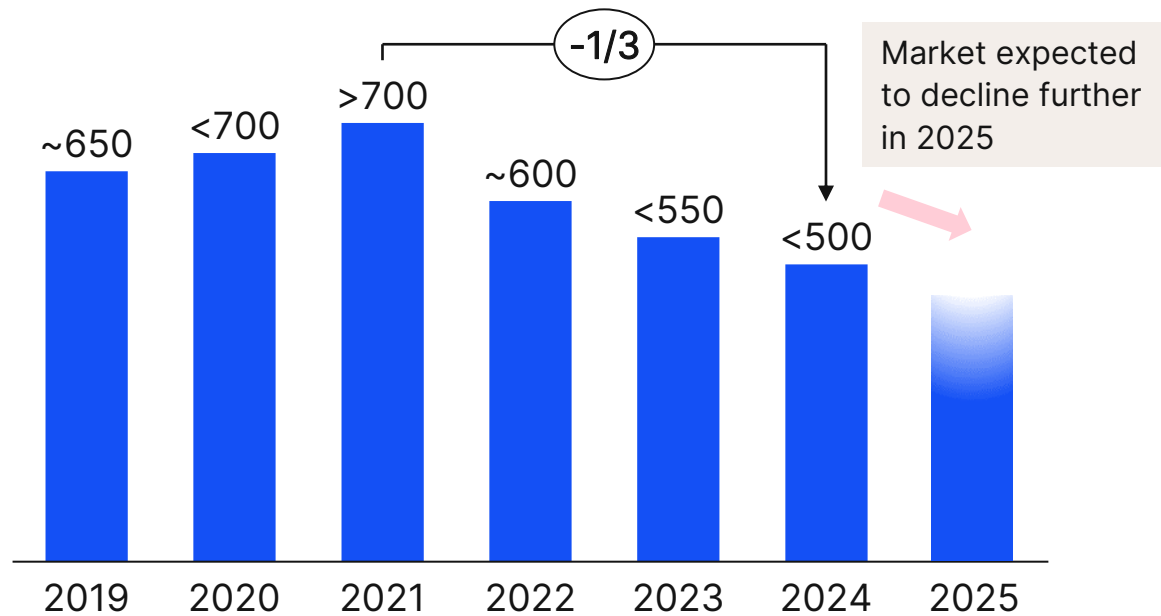
**Cut
Carbon**

Core: Easiest to work for and work with

New Building Solutions market in structural decline, targeted actions in place to adapt

China New Building Solutions market

Thousand units

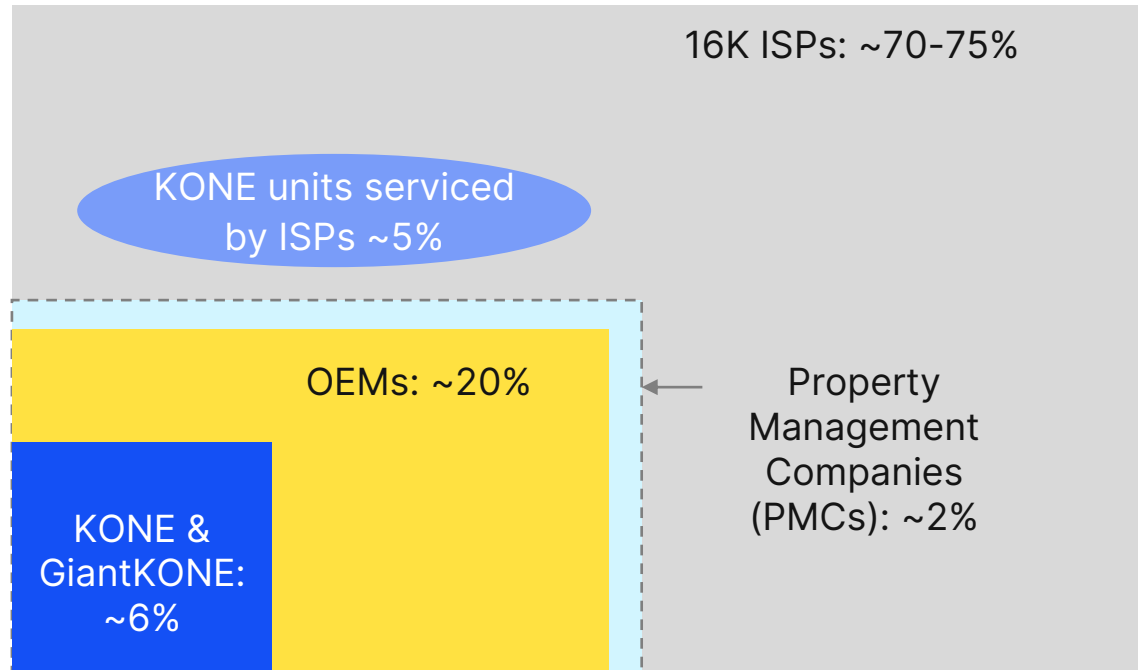


- Maintaining leading position in Residential; strong focus on product cost competitiveness through:
 - Simplified product portfolios
 - Supply chain efficiency
- Targeting projects in segments with best lifecycle value – e.g. in Metro, conversion and retention are ~98%
- Emphasizing cash flow – e.g. through optimized channel strategies

Fragmented service market of over 10 million units

KONE is one of the leading OEMs in the Service market

Increasing pressure to consolidate; market dominated by 16,000+ ISPs who are facing multiple challenges



- Difficulty in meeting increasingly stringent government regulatory policy requirements (labor and reporting)
- Lack of management & technical capabilities
- Increasing price pressure, decreasing profitability

We are accelerating digital to fundamentally transform our Service business

Digital tools to improve productivity

Operational excellence for 18,000 service technicians & their managers

+15%

productivity from '22 to '24



Digital platforms to reduce call out rate

IoT connectivity ensures transparent service activities to Property Management Companies & end customers

~35%

call out rate reduction



Spare parts management system

Enabling authentic parts delivered directly to customer site; reducing time and improving market coverage

~30%

lead time reduction from quotation to order



Kunshan Industrial Park Customer Care Center



Services "Operational Status"

- Key indicators for Technical Help Desk
- Real-time entrapment and callouts follow-up (via wechat QR code)

Branch level drilldown – Service Overview

- Service portfolio can be drilled down to branch/supervisor/projects level
- 24/7 live data and predictive maintenance pop-ups

24/7 "Digital Status and Predictive Maintenance"

- 24/7 online rate, number of callout and service needs triggered by IOT
- Condition Based Maintenance (CBM) pilot cities and elevator units

Kunshan Industrial Park Customer Care Center



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维保服务数字化看板

实时走修

| 项目名称 | 报修时间 | 走修员工 | 状态 |
|------|----------|------|----|
| | 21:12:33 | | 完成 |
| | 21:17:00 | | 完成 |
| | 19:56:01 | | 完成 |
| | 20:42:26 | | 完成 |
| | 21:28:38 | | 完成 |
| | 20:11:27 | | 完成 |
| | 20:14:45 | | 完成 |
| | 20:16:56 | | 完成 |

1.83 过去30天走修率

0.071 过去30天困人率

保养计划情况

今日计划单数

当月计划单数

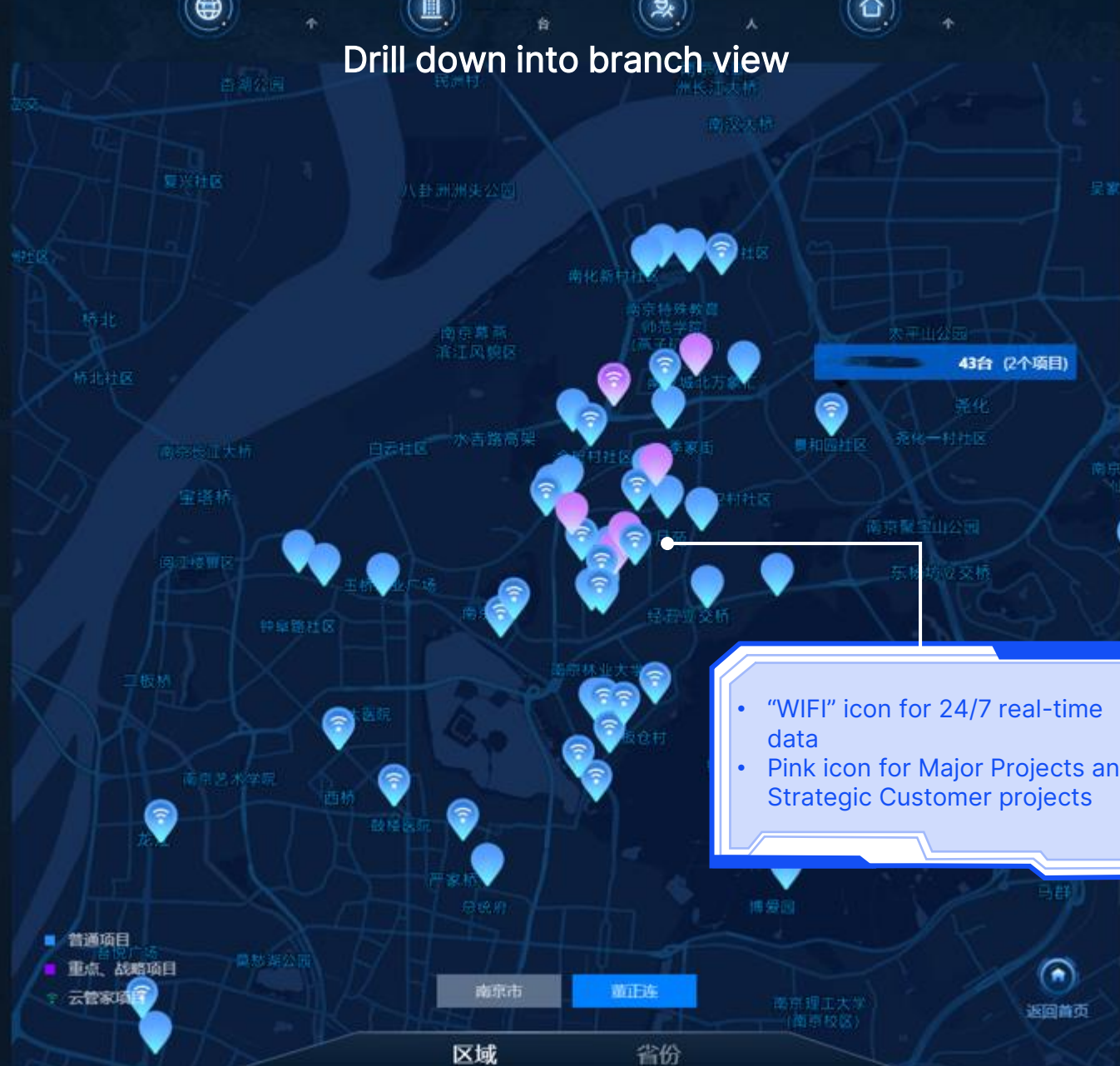
项目年检计划

计划年检项目数 (未来30天)

1 4 8

| 项目名称 | 计划年检日期 | 台量 |
|------|------------|----|
| | 2024-06-25 | 1 |
| | 2024-06-25 | 1 |
| | 2024-06-25 | 1 |
| | 2024-06-25 | 10 |
| | 2024-06-25 | 1 |
| | 2024-06-26 | 1 |
| | 2024-06-26 | 6 |

项目 台量 员工 服务站



公司介绍及地标项目



云管家关键数据

上线台数 今日警铃次数 今日开门次数

今日云管家报修总数



故障设备排行TOP30 (过去30天)

| 项目名称 | 设备序号 | 故障数量 |
|------|------------------|------|
| | L4 | 4 |
| | 12-1 | 4 |
| | 4#DT1 | 4 |
| | 北梯 | 25 |
| No.2 | 国际化名医中... | 17 |
| No.3 | FT05 | 11 |
| No.4 | NEB TO SEB DA... | 8 |
| No.5 | 担架梯2栋 | 8 |

- “WIFI” icon for 24/7 real-time data
- Pink icon for Major Projects and Strategic Customer projects

维保服务数字化看板

Drill down into project and equipment view

项目名称

| | | | | | | |
|------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------|-----------------------------|-----------------------------|
| 11F ↑↓ [Elevator Icon] | 1F ↑↓ [Elevator Icon] | 2F ↑↓ [Elevator Icon] | 5F ↑↓ [Elevator Icon] | [Elevator Icon] | 3F ↑↓ [Elevator Icon] | 9F ↑↓ [Elevator Icon] |
| 6F ↑↓ [Elevator Icon] | 3F ↑↓ [Elevator Icon] | 6F ↑↓ [Elevator Icon] | 5F ↑↓ [Elevator Icon] | ↓ [Escalator Icon] | ↑ [Escalator Icon] | ↑ [Escalator Icon] |
| ↓ [Escalator Icon] | ↑ [Escalator Icon] | ↑ [Escalator Icon] | ↓ [Escalator Icon] | ↑ [Escalator Icon] | ↓ [Escalator Icon] | ↑ [Escalator Icon] |
| ↓ [Escalator Icon] | ↑ [Escalator Icon] | | | | | |

Project to view real-time data (elevator floor / escalator direction)

Navigation sidebar:

- 项目 (Project)
- 台量 (Quantity)
- 员工 (Employee)
- 服务站 (Service Station)

Legend:

- 普通项目 (General Project)
- 重点、战略项目 (Key/Strategic Project)
- 云管家项目 (Cloud Manager Project)

上海明乐电梯有限公司
国家强制性认证

搜索: 博华

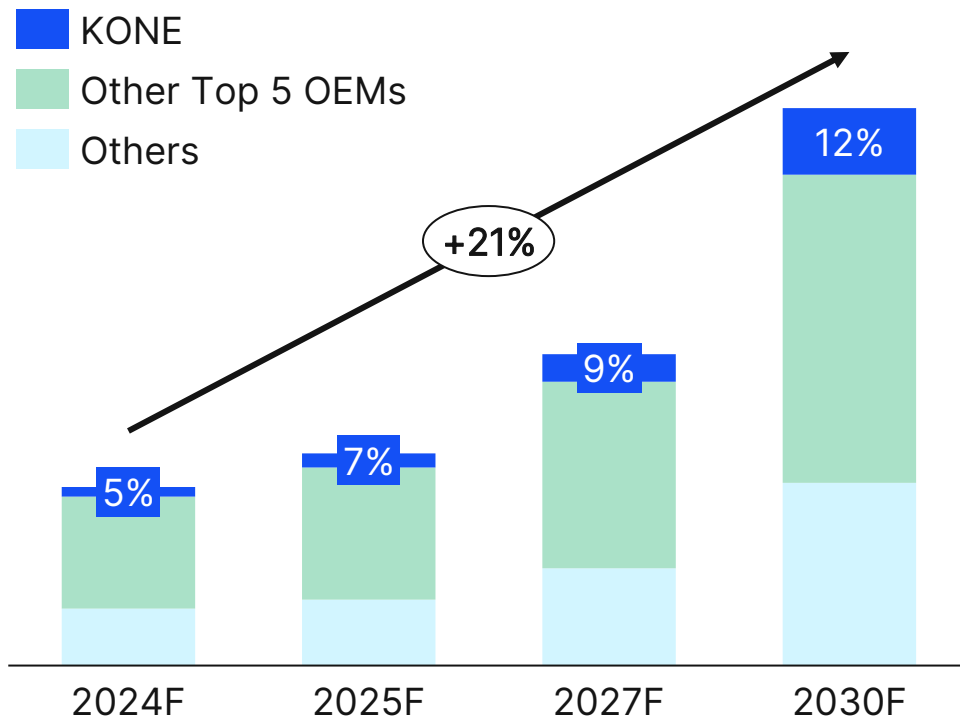
上海分公司 上海市



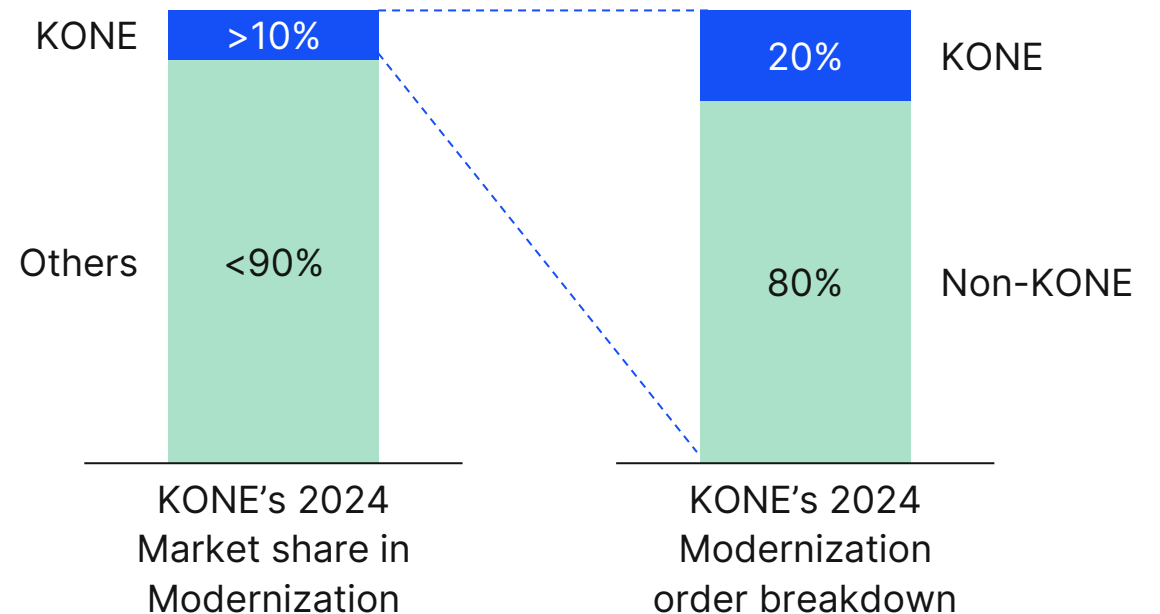
- ✓ Improve stickiness & customer satisfaction
- ✓ Grow service margin & Increase productivity via IoT & AI
- ✓ Reduce callout rates & Build technician satisfaction

Modernization market accelerating – taking more than our fair share

Base of old equipment (>15 years) is growing at a CAGR of over 20%



KONE's actual market share is >10% due to our strength in non-KONE equipment modernization



We are further strengthening our capabilities to Drive Modernization

Enhanced non-KONE equipment competences to address customer needs

Flexible partial Modernization offerings to drive speed for delivery

Innovative go-to-market distribution channels empowered by digital platforms

..supported by government policy to drive urban renewal, build affordable housing, and enable large-scale equipment upgrades (first wave of 300B RMB approved)

Target to grow China Modernization business to 1 BEUR by 2030

We are transforming our business in Greater China

We strive to:

- Adapt to the challenging market in New Building Solutions
- Lead digital services transformation
- Grow Modernization to 1 BEUR
- Show courage, speed, and cost consciousness

