



KONE Q4 2024

Philippe Delorme, President & CEO
Ilkka Hara, CFO

JANUARY 30, 2025

RESULT PRESENTATION 2024

Dedicated to
People Flow™

Highlights of 2024: Solid momentum in our new strategy 'Rise'

- Strong sales growth in Service and Modernization showing resilience
- Strong order growth outside China New Building Solutions
- Consistent profitability improvement
- Dividend proposal 1.80 EUR per B class share

9.5%

Growth in
Service sales*

10.1%

Growth in
Modernization sales*

~20% | **>10%**

Decline in
Greater China
orders*

Growth in
rest of world
orders*

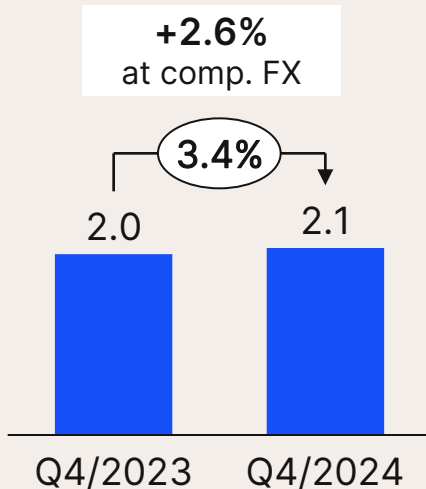
30 bps

Improvement in
adjusted EBIT%

Q4 2024 financial highlights

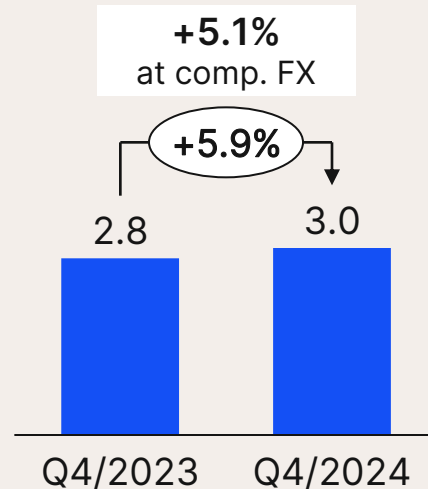
Orders increased in three of four Areas, growth ex China >10%

Orders received, EUR bn



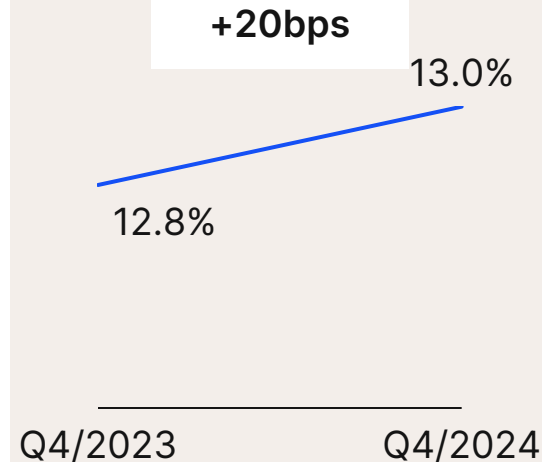
Double-digit growth in Service and Modernization sales

Sales, EUR bn



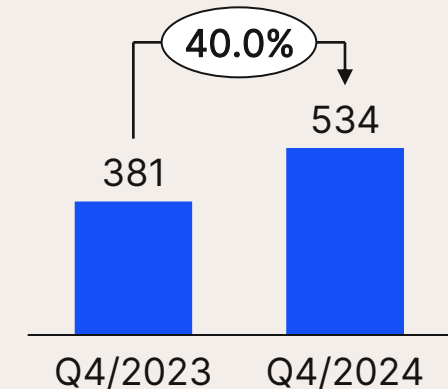
8th consecutive quarter of adjusted EBIT-% improvement

Adjusted EBIT margin, % of sales



Strong development in cash flow driven by working capital improvement

Cash flow from operations, EUR mn



Exciting customer references across the world

Service



InterContinental hotel,
Madrid, Spain

Modernization



Convention and Sport
Facilities, City of San
Antonio, Texas, U.S.

New Building Solutions



Burj Binghatti Jacob & Co
Residences, Dubai, UAE

Rise to lead

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



Accelerate Digital



Drive Modernization



Win Residential



Cut Carbon

Easiest to work for and work with



Great progress in all four strategic shifts



Accelerate Digital

- ~35% of Service base connected
- Dynamic maintenance live in 14 countries



Drive Modernization

- Partial modernization offering enhancements with focus on industrializing our approach



Cut Carbon

- Acceleration in regenerative drive sales



Win Residential

- Renewed KONE MonoSpace 100 DX launched in Europe
- Strengthening cost-competitiveness in low-rise residential
- Record time-to-market



Strengthening our position as a leader in sustainability

Good progress in many fronts

-29%

Absolute
Scope 1 and 2
emissions*

-12.8%

Scope 3 emissions
relative to products
ordered*

27.4%

Share of women
at director level

1.3

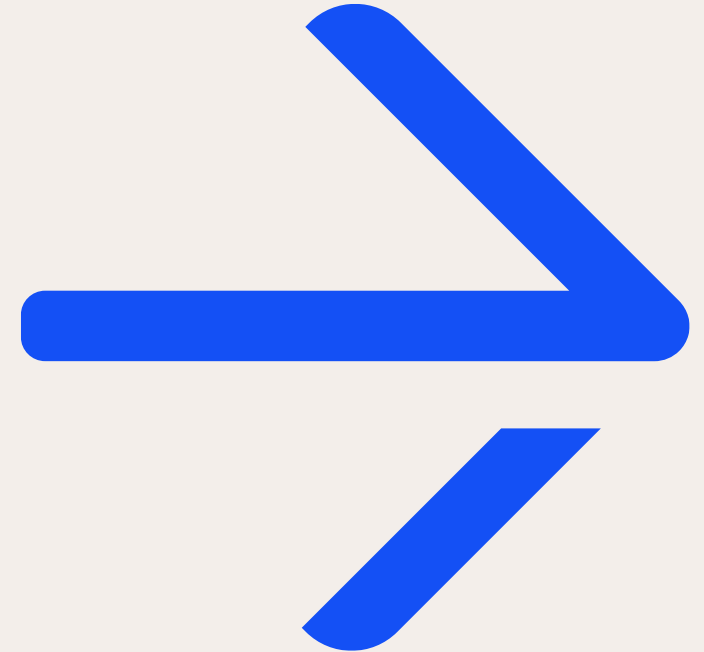
Industrial Injury
Frequency rate

*compared to 2018 baseline

Going forward we measure success with the KONE Sustainability index, tracking progress in:

- Carbon emission reduction
- Safety performance
- Diversity
- Cybersecurity

Market development



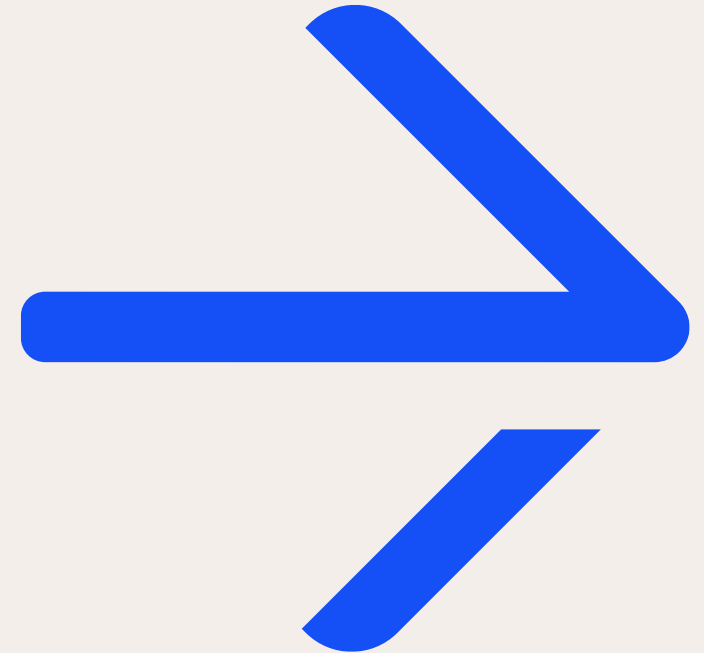
Market development in Q4 2024

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

- New Building Solutions markets stable or growing outside China; in China markets remained weak
- Positive market environment in Service and Modernization across Areas
- Continued strong growth in APMEA

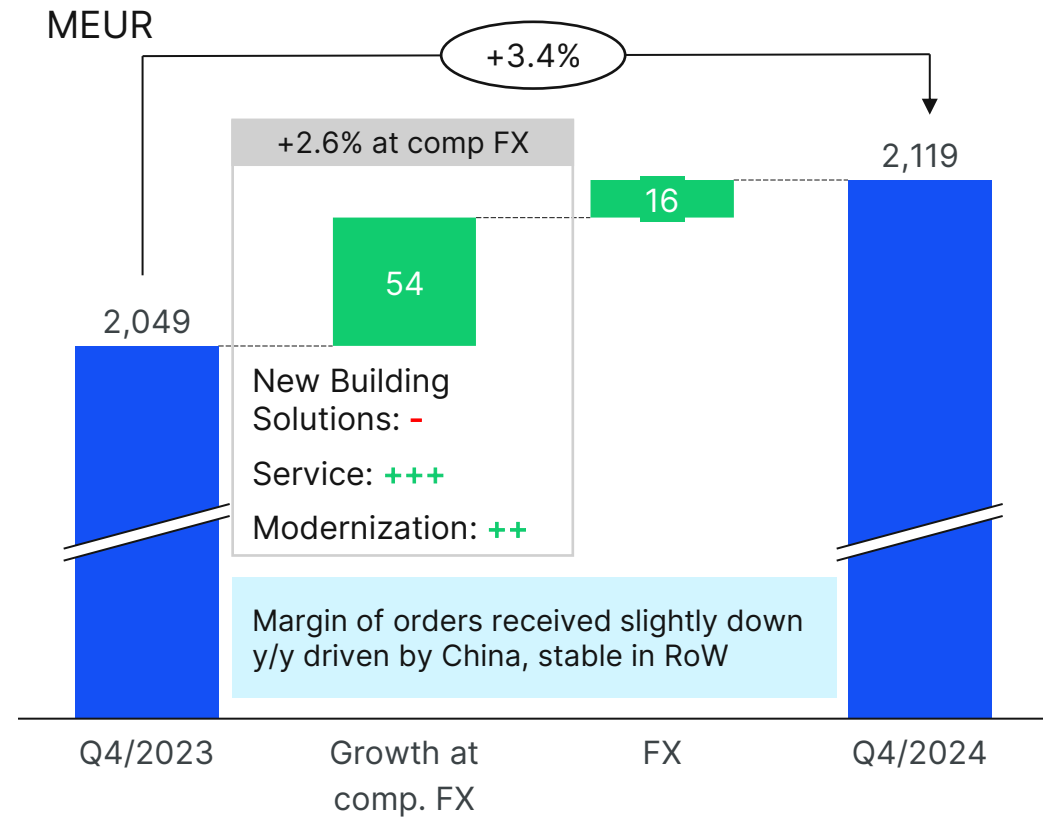
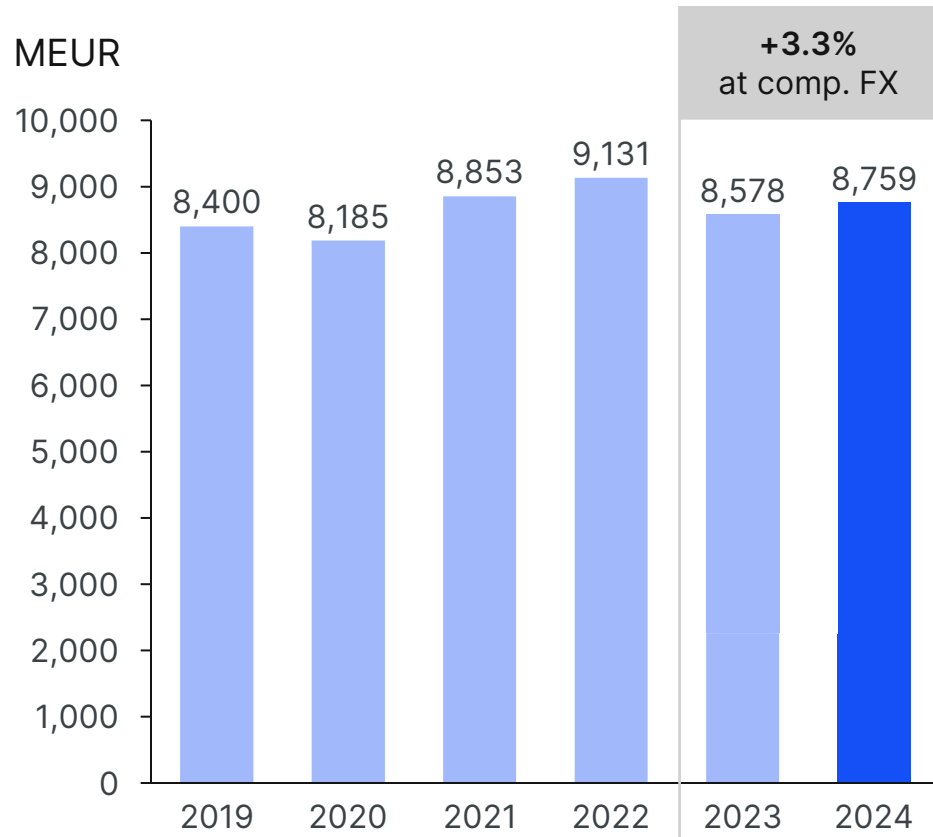
--- Significant decline (>10%). -- Clear decline (5-10%). - Slight decline (<5%). Stable. + Slight growth (<5%). ++ Clear growth (5-10%). +++ Significant growth (>10%).
The development of the operating environment compared to the corresponding period last year. Based on KONE's estimate.

Q4 Financials



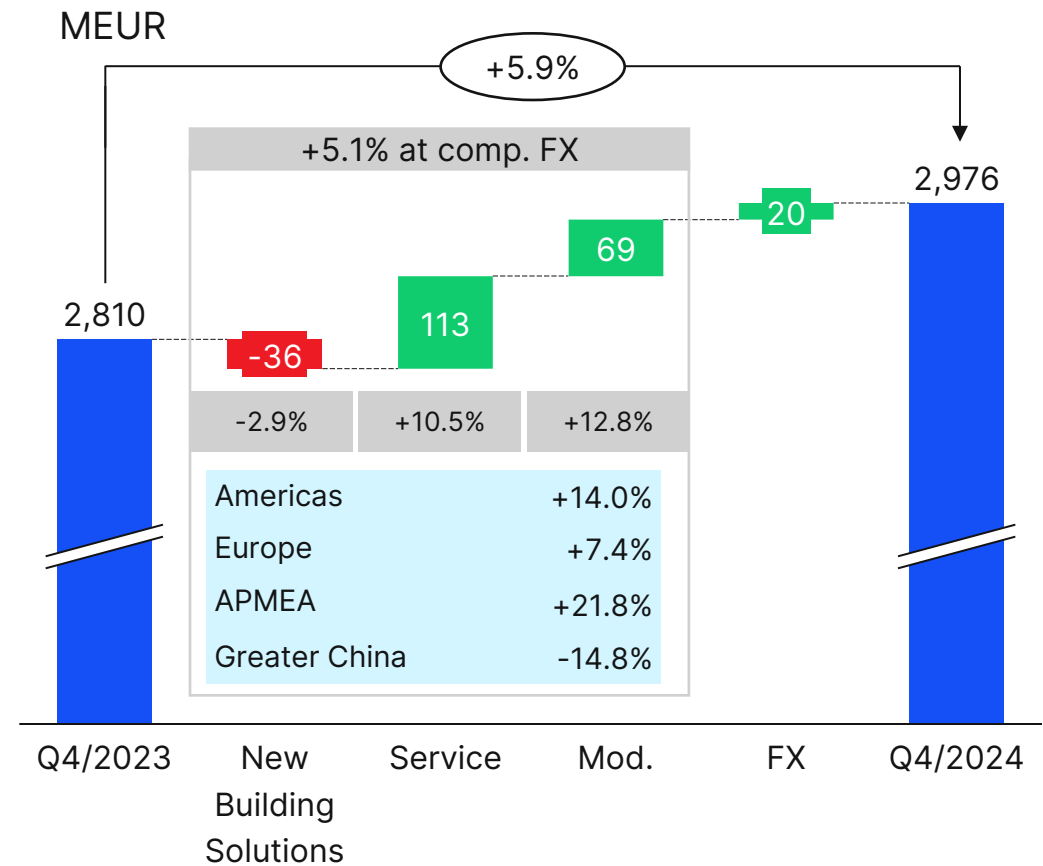
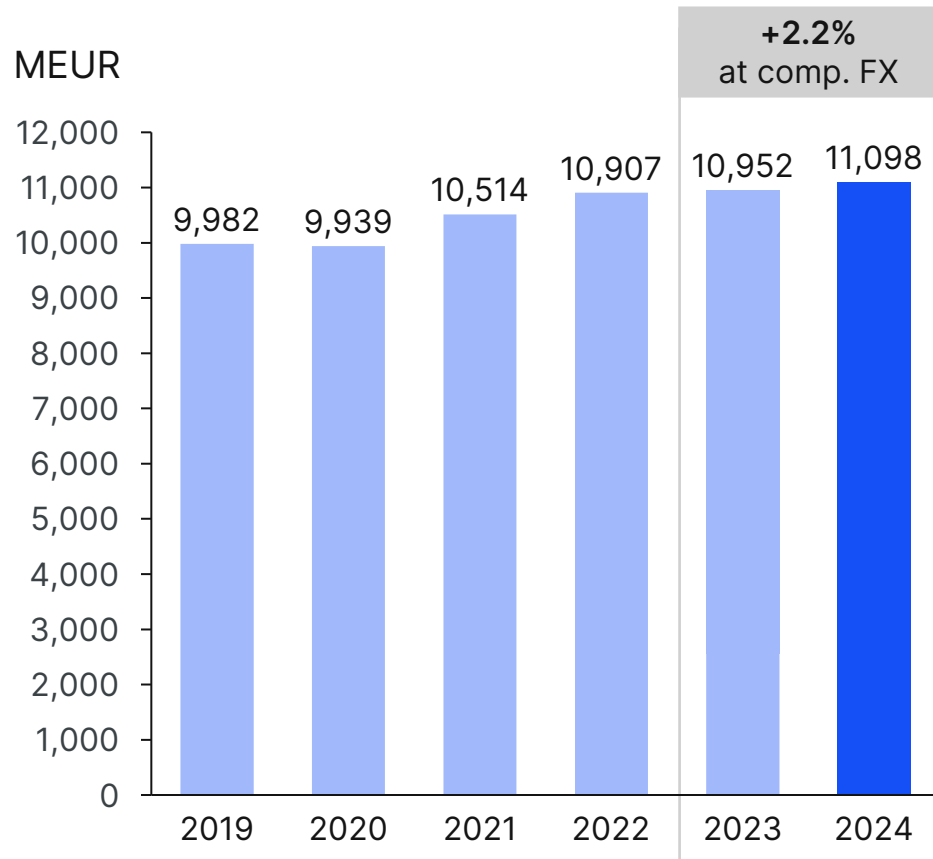
Orders received

Order growth in three out of four Areas



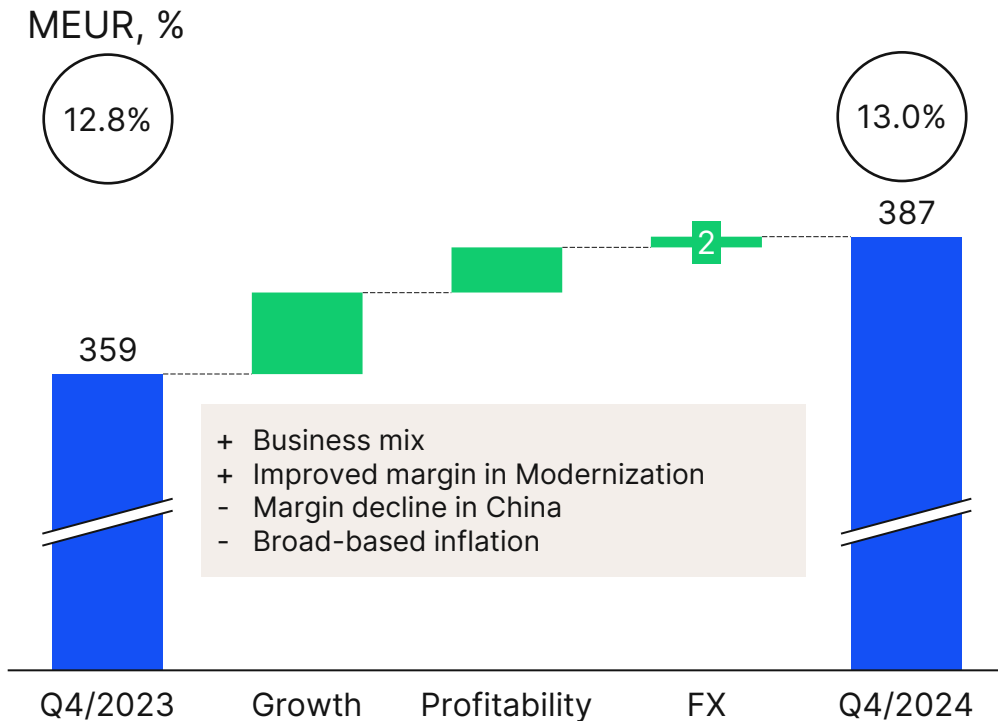
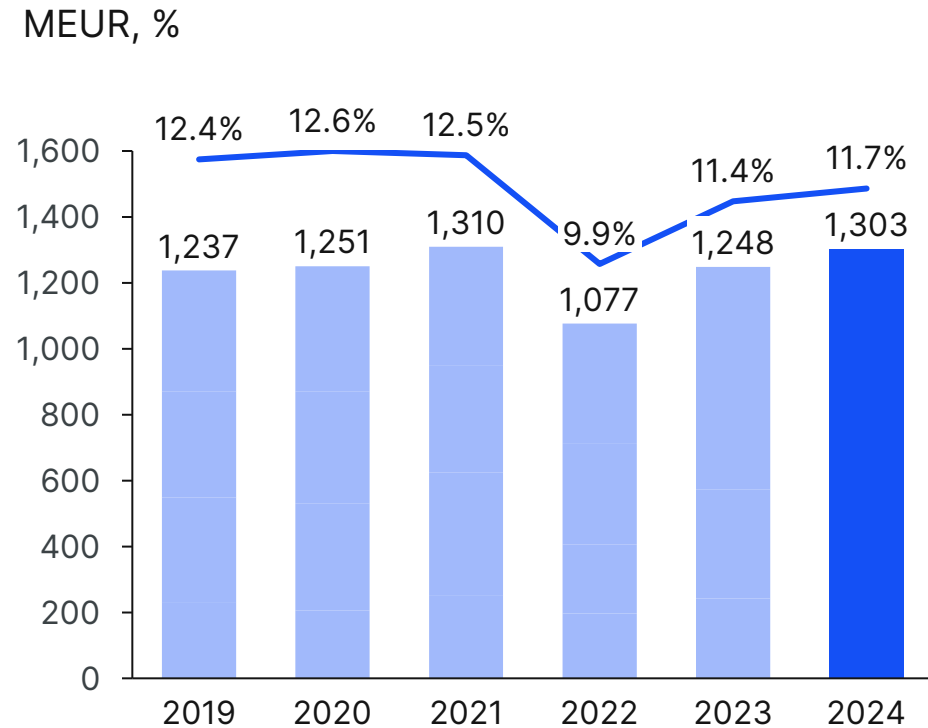
Sales

Strong growth in Service and Modernization sales



Adjusted EBIT and profitability

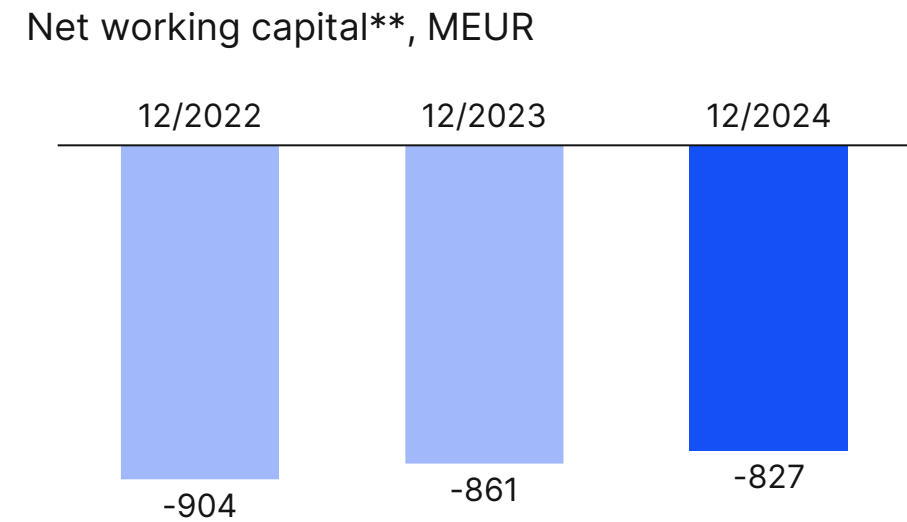
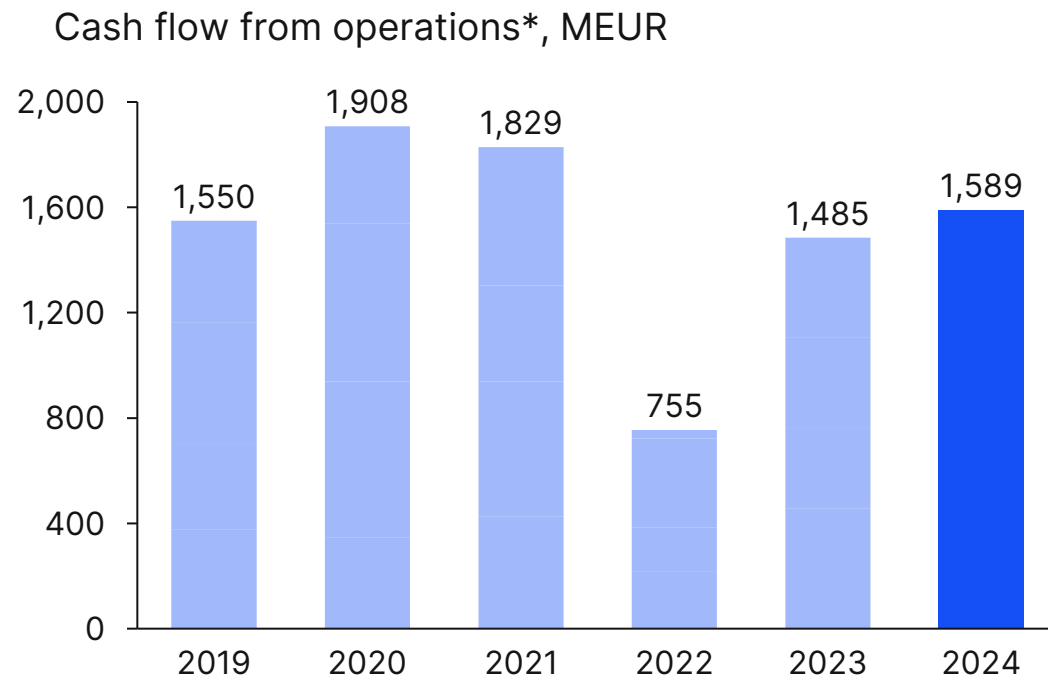
Consistently positive margin development



KONE presents adjusted EBIT as an alternative performance measure to enhance comparability of business performance between reporting periods. In 2024, items affecting comparability amounted to EUR 54 million including EUR 36 million restructuring costs and EUR 18 million expensed development costs as a result of redirecting development activities in alignment with KONE's new strategy.

Cash flow from operations and net working capital

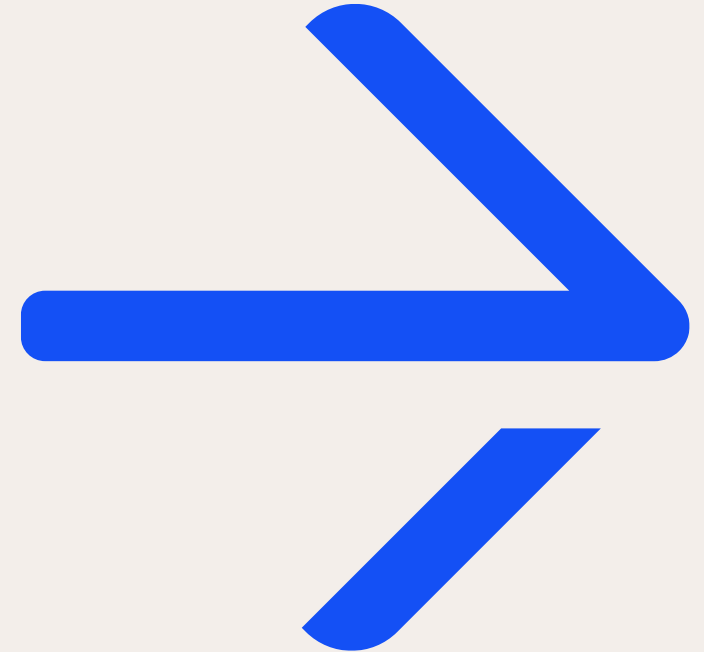
Solid cash flow



* Before financing items and taxes

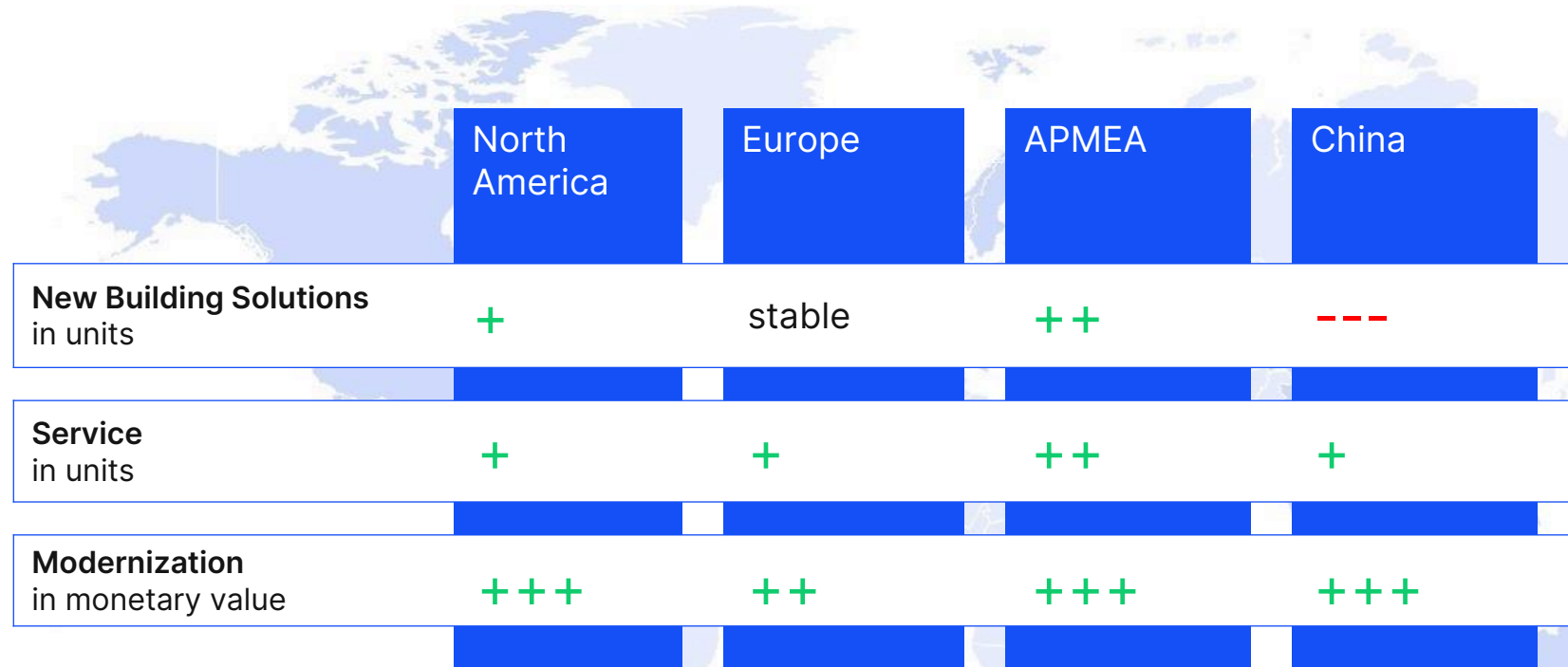
** Including financing items and taxes

Market and business outlook



Market outlook for 2025

11 of our 12 markets growing or stable



--- 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 2025

Sales

- KONE expects its sales to grow slightly at comparable exchange rates

Adjusted EBIT

- The adjusted EBIT margin is expected to continue to improve

Supporting our performance

- Strong growth in Service and Modernization
- Strong order book
- Ramp up of performance initiatives

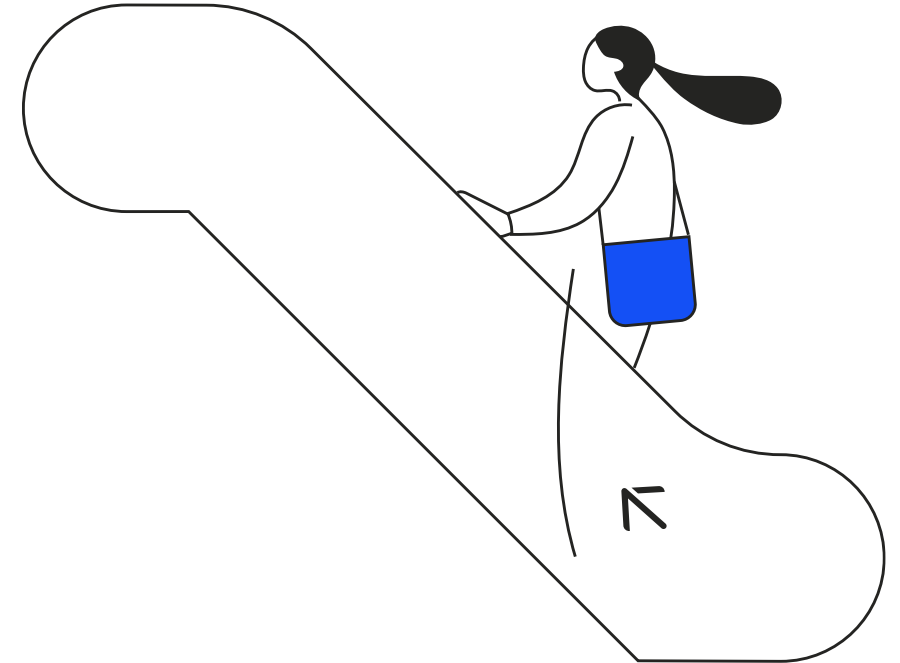
Burdening our performance

- China New Building Solutions market under pressure
- Slight decline in 2024 order margins

Delivering on our ambition to lead the industry

Key priorities for 2025

- Accelerate customer driven **innovations**
- Scale and accelerate the digital transformation in **Service** and further industrialize our approach in **Modernization**
- Focus on cash, margin and balanced business mix in **China**
- Drive **performance initiatives** in sales and operations and procurement efficiency



Summary

- Business resilience clearly demonstrated
- Strategy execution in full swing
- Exciting growth opportunities in Service and Modernization
- On track to delivering on our mid-term financial targets



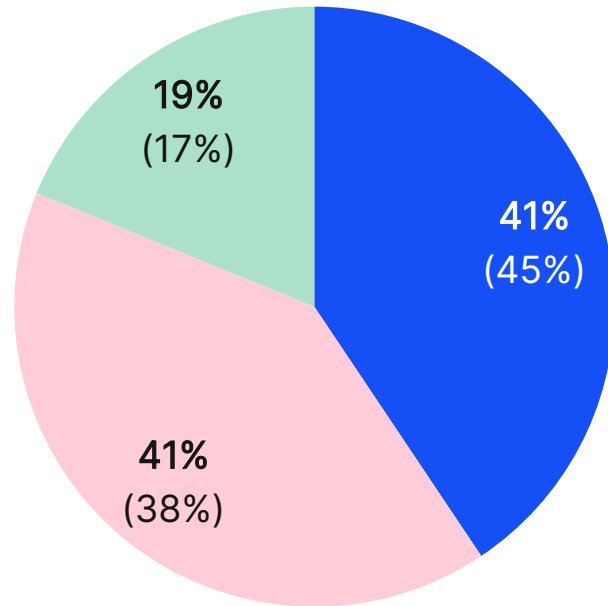
A woman with curly hair, wearing a white blouse and black skirt, is walking on a staircase. She is smiling and looking to her right. The word "KONE" is overlaid in large, white, sans-serif capital letters across the center of the image. The background is a blurred indoor setting with greenery and architectural elements.

KONE

Appendix

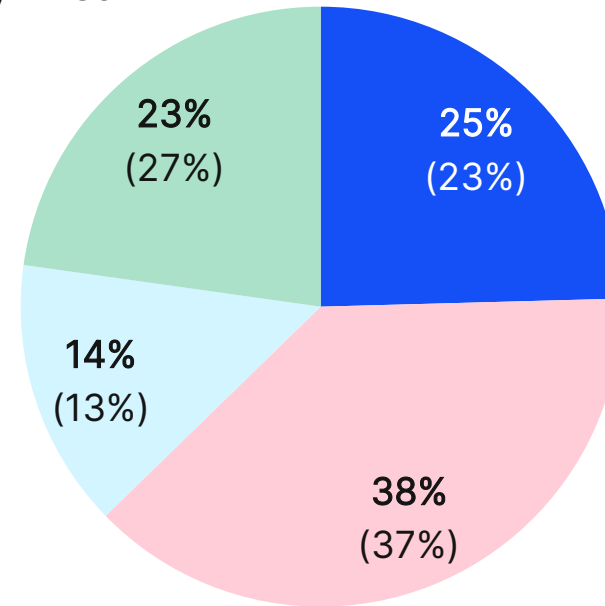
2024 Sales split

By business



- New Building Solutions
- Service
- Modernization

By Area

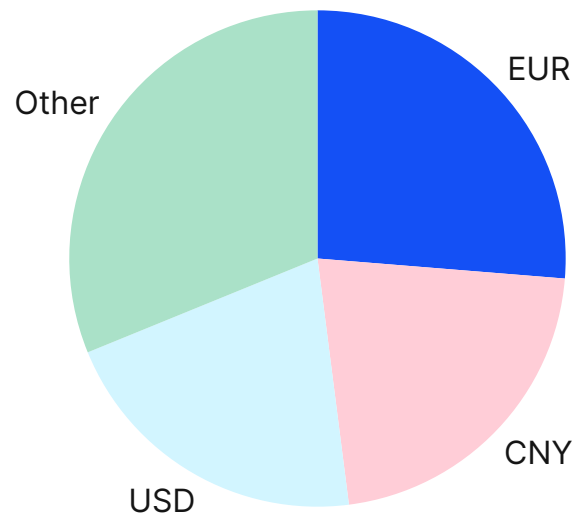


- Americas
- Europe
- Asia-Pacific, Middle East and Africa
- Greater China

2023 figures in brackets. Figures in charts are rounded and at historical exchange rates.

Currencies

Sales by currencies 2024



Currency impact*

MEUR	Q4	FY
Sales	20	-472
EBIT	2	-38
Orders received	16	-433

Main currencies

MEUR	Q4/2024 average	Q4/2023 average	2023 average
EUR / CNY	7.7793	7.6589	7.6589
EUR / USD	1.0826	1.0816	1.0816
EUR / GBP	0.8469	0.8702	0.8702
EUR / INR	90.6243	89.3371	89.3371
EUR / AUD	1.6424	1.6297	1.6297

*The impact of retranslating Q4/2023 and 1-12/2023 amounts with comparable exchange rates.

Q4 2024 key figures

		Q4/2024	Q4/2023	Change	Comparable change
Orders received	MEUR	2,119.0	2,049.2	3.4%	2.6%
Order book	MEUR	9,058.6	8,715.7	3.9%	1.4%
Sales	MEUR	2,975.6	2,809.9	5.9%	5.1%
Operating income (EBIT)	MEUR	332.5	362.1	-8.2%	
Operating income margin (EBIT margin)	%	11.2	12.9		
Adjusted EBIT	MEUR	386.5	358.6	7.8%	
Adjusted EBIT margin	%	13.0	12.8		
Cash flow from operations (before financing items and taxes)	MEUR	533.7	381.1		
Basic earnings per share	EUR	0.47	0.53	-11.2%	

2024 key figures

		1-12/2024	1-12/2023	Change	Comparable change
Orders received	MEUR	8,758.9	8,577.7	2.1%	3.3%
Order book	MEUR	9,058.6	8,715.7	3.9%	1.4%
Sales	MEUR	11,098.4	10,952.3	1.3%	2.2%
Operating income (EBIT)	MEUR	1,249.0	1,200.1	4.1%	
Operating income margin (EBIT margin)	%	11.3	11.0		
Adjusted EBIT	MEUR	1,303.0	1,248.4	4.4%	
Adjusted EBIT margin	%	11.7	11.4		
Cash flow from operations (before financing items and taxes)	MEUR	1,589.3	1,485.2		
Basic earnings per share	EUR	1.84	1.79	2.7%	

Balance sheet – assets employed

MEUR	Dec 31, 2024	Dec 31, 2023
Assets employed		
Goodwill	1,558.4	1,469.0
Other intangible assets	333.3	287.2
Tangible assets	898.5	779.7
Shares and other non-current financial assets	98.9	97.9
Net working capital	-827.2	-861.2
Assets employed total	2,061.9	1,772.6
Financed by		
Equity	2,893.1	2,786.0
Interest-bearing net debt	-831.2	-1,013.4
Equity and interest-bearing net debt total	2,061.9	1,772.6

Net working capital*

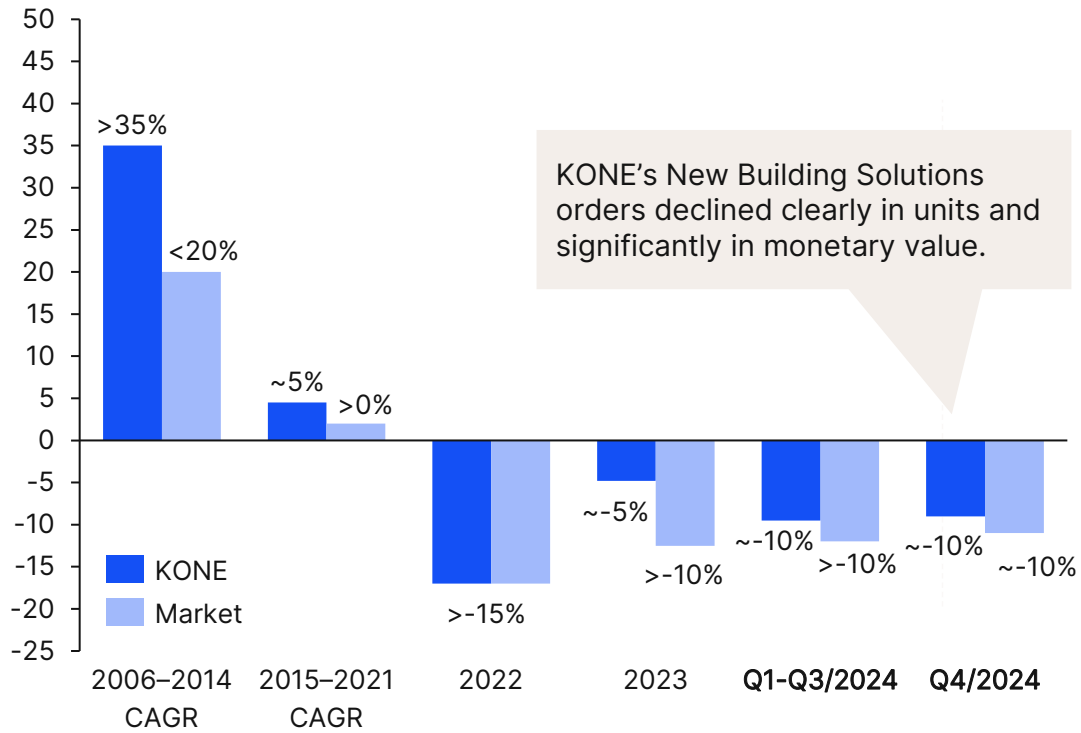
MEUR	Dec 31, 2024	Dec 31, 2023
Net working capital		
Inventories	856.7	820.9
Advance payments received and deferred revenue	-2,016.9	-1,915.7
Accounts receivable	2,494.8	2,495.1
Deferred assets and income tax receivables	812.5	759.7
Accruals and income tax payables	-2,131.0	-2,131.1
Provisions	-185.9	-196.9
Accounts payable	-982.9	-927.0
Other non-current assets	47.0	-
Net deferred tax assets / liabilities	278.4	233.9
Net working capital total	-827.2	-861.2

* Including financial items and taxes.

KONE in Greater China

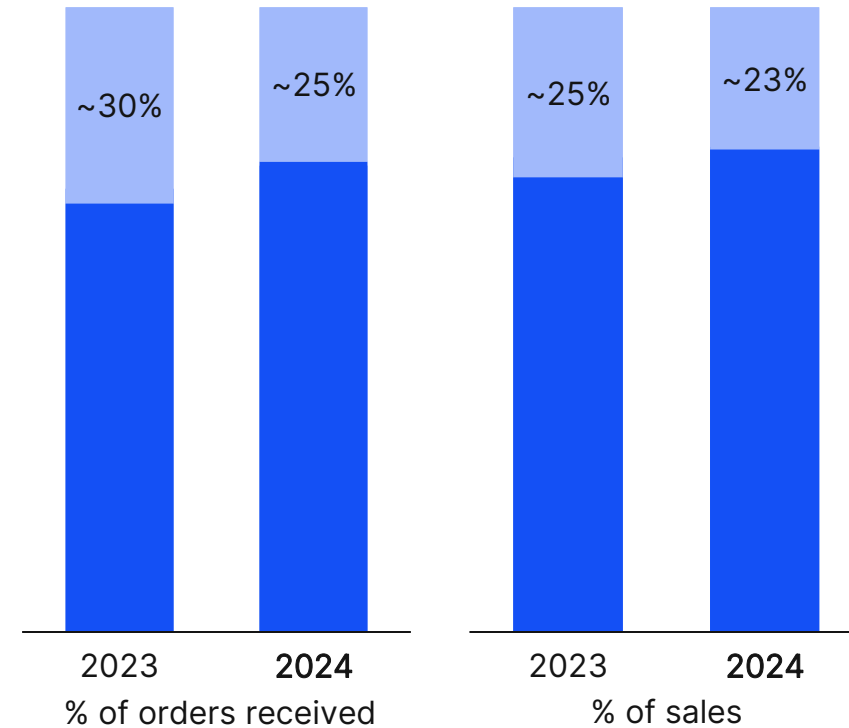
New Building Solutions market

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
- New Building Solutions pricing environment characterized by intense competition
- Strong growth in Service and Modernization markets



	Q4 2024 y/y	2024 y/y
Real estate investment	-12.4%	-10.6%
Residential sales volume	+2.7%	-14.1%
New starts	-25.4%	-23%
Completion	-30.7%	-27.7%
New home prices in 70 largest cities (Dec)	-5.7%	-4.5%