

KONE & Technology Disruption Megatrend

JEREMY LONG, 29/12/2017



KONE & Technology disruption megatrend

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More than 100 years in business



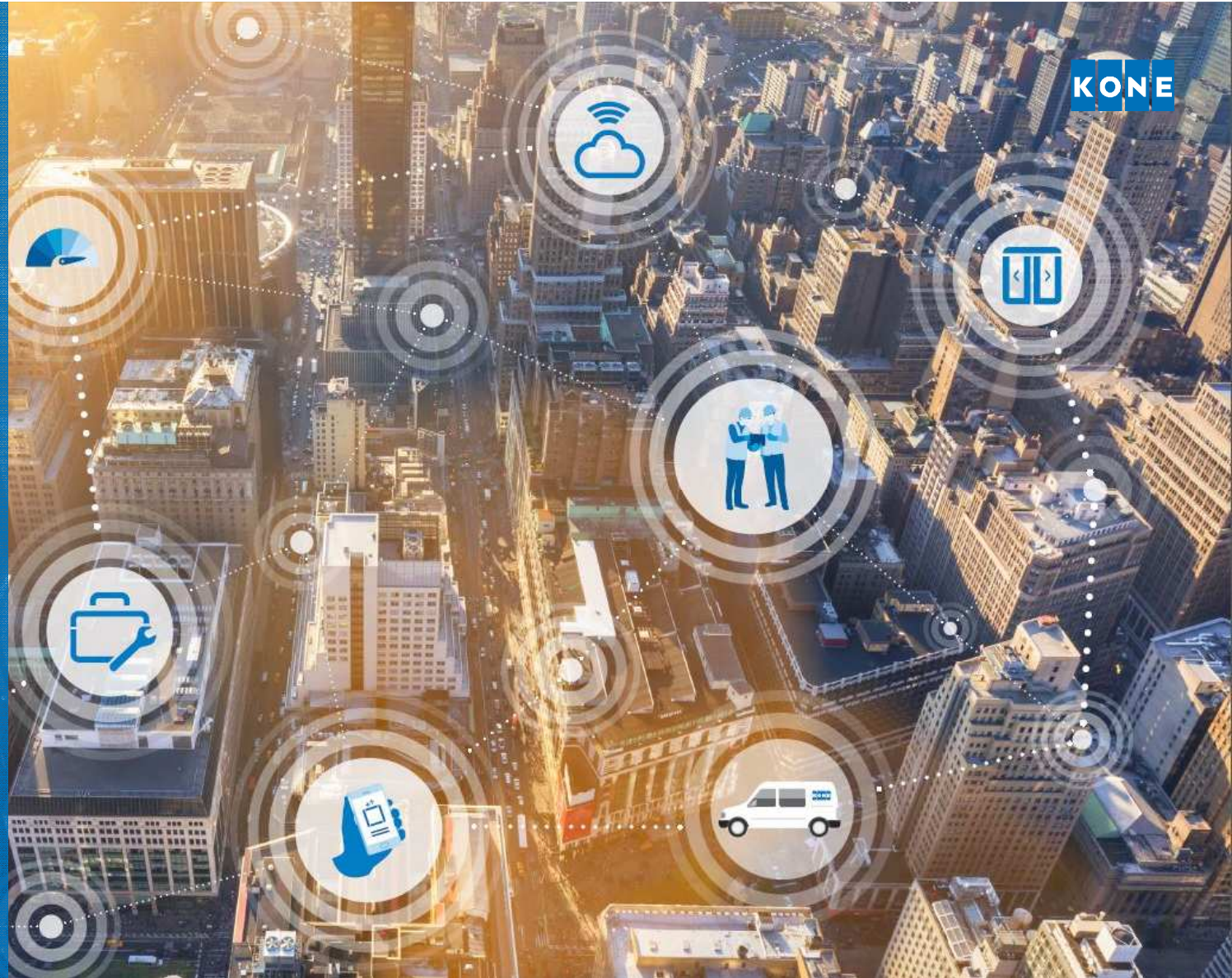
KONE today

- KONE is a global leader in the elevator and escalator industry.
- Founded in Finland in 1910
- Over 52,000 employees
- 400,000 customers
- Net sales EUR 8.8 billion in 2016
- Listed on the NASDAQ Helsinki since 1967



An innovation leader

- Cooperation with customers, key partners, leading universities and research facilities
- In 2016, Forbes has ranked KONE among the most innovative companies in the world (#56)
- New technologies offer great opportunities to innovate more personalized and connected services, with real-time transparency
- Users demand ease, effectiveness and new experiences





Megatrends
impacting our
business
environment

Two megatrends impact our business environment

➔ **URBANIZATION**

Continuing urbanization drives long term growth potential for new equipment, maintenance and modernization.

➔ **TECHNOLOGICAL DISRUPTION**

New technology gives us a great opportunity to learn new ways of working and serve our customers and users in smarter and more exciting ways.



The world's cities are growing

200,000 people move into cities each day –
the same as 140 people every minute



Needs for sustainable and smart urban living



WE ADDRESS THESE NEEDS TO CREATE MORE VALUE



Affordable,
accessible
vertical
housing



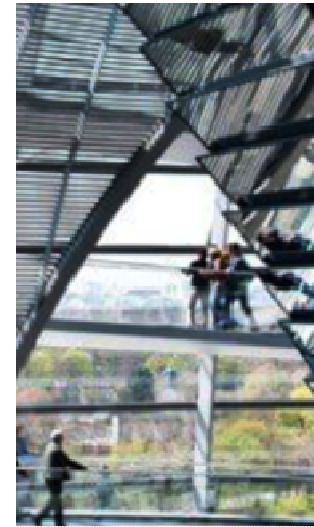
Safe,
reliable,
efficient
infrastructure



Improving
living
standards and
convenience



Eco-
efficiency and
sustainability



Growing
building
intelligence

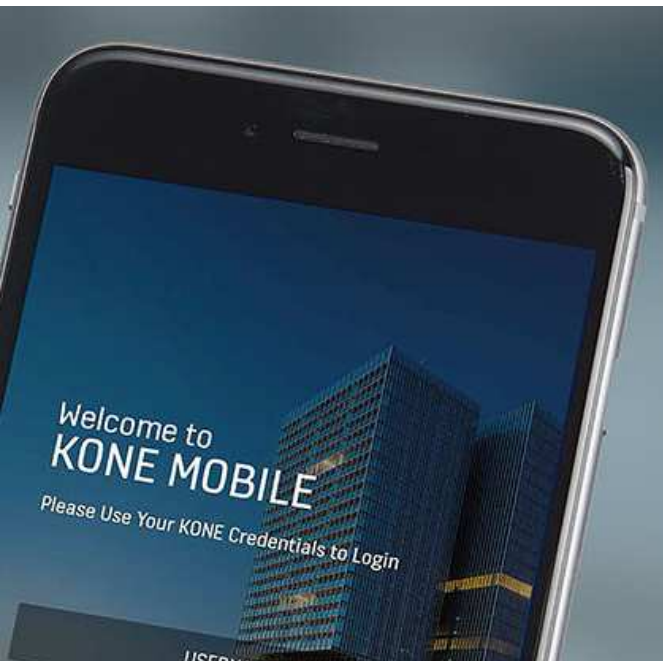


Well being
and
happiness

Technological disruption

New technology gives us a great opportunity to learn new ways of working and serve our customers and users in smarter and more exciting ways.





New technology gives us a great opportunity to learn new ways of working and serve our customers and users in smarter and more exciting ways.

Technological disruption



CHANGE IS HAPPENING FASTER THAN EVER

- **Rapid technological advancements** in connectivity, mobility, and computing power are changing many aspects of our lives
- People are learning new ways to manage their everyday lives and **expect speed, transparency, and convenience**
- Increasing automation, artificial intelligence and new digital tools are **changing the nature of work**
- Companies that take advantage of new opportunities to address customer needs can **transform entire industries**



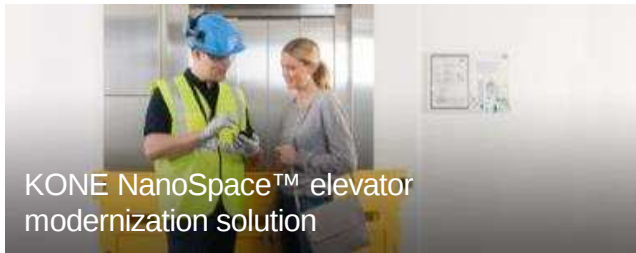
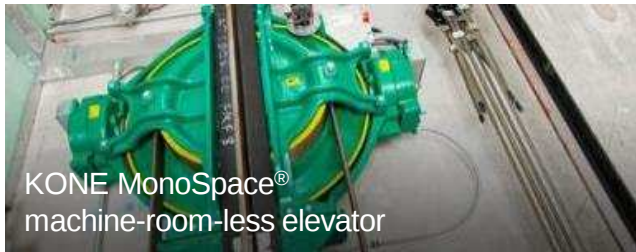
Technological disruption has permanently upgraded customers' and users' expectations



- Customers and users are more aware and have more power than ever before
- Increasingly, the experience is the product
- The best driver for growth is a happy customer advocating on our behalf

Innovations that change the industry

EXAMPLES



We are investing heavily in new technology



CONNECTED EQUIPMENT

Connecting >1 million equipment to the cloud

CONNECTED EMPLOYEES
Supporting the collaboration and efficiency of our people

CONNECTED CUSTOMERS
Increased business value through better communication and productivity

CONNECTED USERS
Personalized experience for users

Technological enablers: Connectivity, IoT cloud and cognitive analytics

New innovations and personalized services by using data



More than 400,000 customers

Over one billion people using our equipment every day

Lifetime business with long-lasting customer relationships

Data on a wide scale for mass customization

When we connect more equipment, the amount of data grows exponentially

Long relationships create a long digital footprint

New and personalized services



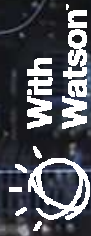
KONE 24/7 Connected Services

INTELLIGENT SERVICES FOR ELEVATORS ARE HERE



KONE

joined forces with



With
Watson

KONE

What is KONE Care™
24/7 Connect?

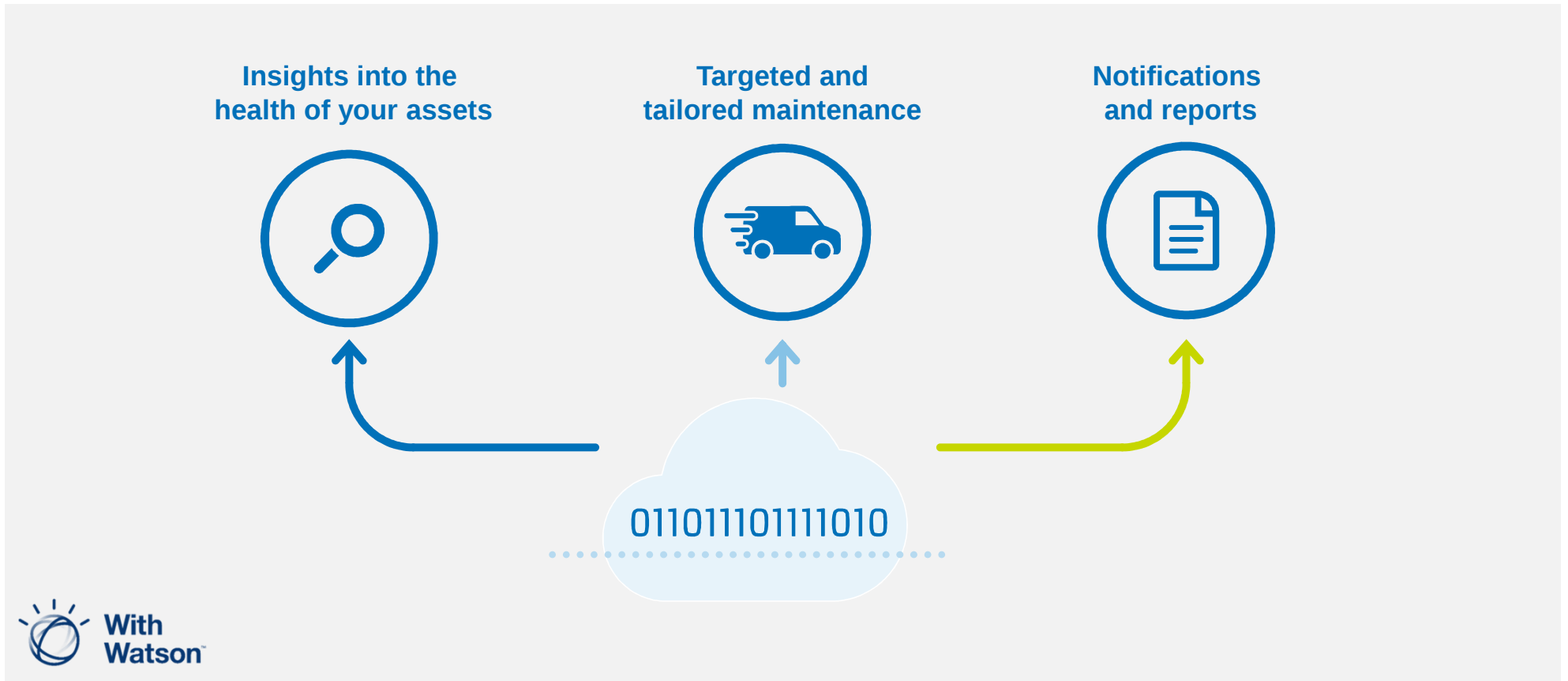




KONE Care™ 24/7 Connect

is a round-the-clock diagnostics service that gathers data on your equipment's condition. We analyze this data and use it to make intelligent and proactive decisions on how to solve any potential problems – even before they occur. and if something happens, we know about it right away to decide on the right action.

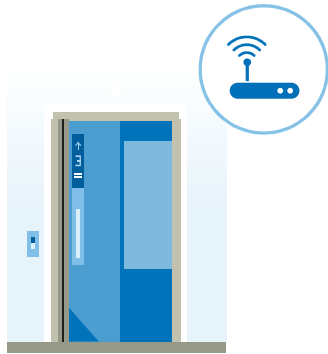
What you get with KONE Care 24/7™ Connect



How it works



The system keeps a constant eye on critical parameters



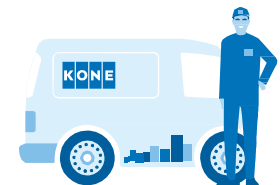
Intelligent technology analyzes maintenance needs and predicts faults



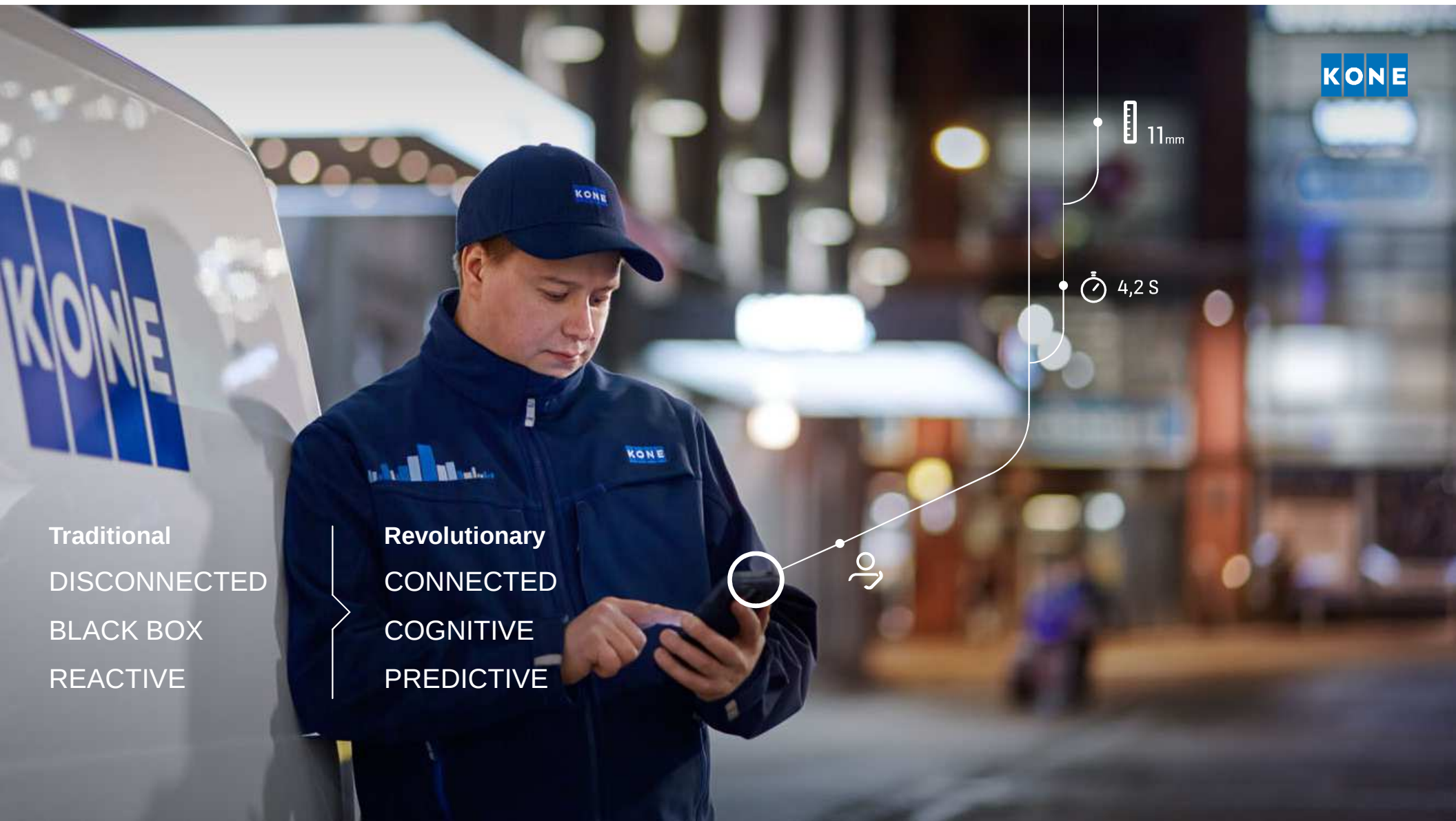
You get trustworthy insights into the health of your assets and proposals for the future



Technician get the right information at the right time







KONE

11mm

4,2 S

Traditional
DISCONNECTED
BLACK BOX
REACTIVE

Revolutionary
CONNECTED
COGNITIVE
PREDICTIVE



KONE 24/7 Connected Services



So safe,
by keeping watch 24/7

So transparent,
customers will stay in the know

So intelligent
it's predictive



NEW COMPETENCES FOR NEW SERVICES

Updated mechanic/electrification knowledge

- Well trained with latest knowledge
- Experienced on likely systems

Computer Skill

- Must have skill in digitalization era
- To work with Internet of things, Artificial Intelligence.

Communication Skill

- Be ambassador of corporate brand
- Bring great experiences to customers

English Skill

- Fit with multinational working environment
- Catch up latest information for self-development

THE FUTURE IS NOW

Dedicated to People Flow™

KONE