



KONE H1 2020

Half-year Financial Report

KONE's January–June 2020 review:

Earnings growth in an exceptional operating environment

April–June 2020

- Orders received declined by 10.2% to EUR 2,075.4 (4–6/2019: 2,310.1) million. At comparable exchange rates, orders declined by 9.4%.
- Sales declined by 0.3% to EUR 2,532.1 (2,540.8) million. At comparable exchange rates, sales declined by 0.1%.
- Operating income (EBIT) was EUR 315.5 (306.5) million or 12.5% (12.1%) of sales. The adjusted EBIT was EUR 324.6 (319.6) million or 12.8% (12.6%) of sales.*
- Cash flow from operations (before financing items and taxes) was EUR 592.3 (323.5) million.

January–June 2020

- Orders received declined by 5.0% to EUR 4,184.7 (1–6/2019: 4,404.1) million. At comparable exchange rates, orders declined by 4.8%.
- Sales declined by 0.2% to EUR 4,730.3 (4,739.6) million. At comparable exchange rates, sales declined by 0.3%.
- Operating income (EBIT) was EUR 512.7 (521.8) million or 10.8% (11.0%) of sales. The adjusted EBIT was EUR 530.2 (548.0) million or 11.2% (11.6%) of sales.*
- Cash flow from operations (before financing items and taxes) was EUR 939.2 (701.1) million.

Business outlook for 2020 (specified)

In 2020, KONE's sales growth is estimated to be in the range of -4% to 0% at comparable exchange rates as compared to 2019. The adjusted EBIT margin is expected to decline slightly or to be stable at best.

KONE previously estimated its sales growth to be in the range of -10% to 0% at comparable exchange rates depending on the duration and severity of the COVID-19 related government measures and the pace of recovery. The adjusted EBIT margin was expected to decline somewhat or to be stable at best.

* KONE presents adjusted EBIT as an alternative performance measure to enhance comparability of the business performance between reporting periods during the Accelerate program. Restructuring costs related to the Accelerate program are excluded from the calculation of the adjusted EBIT.

KEY FIGURES

		4-6/2020	4-6/2019	Change	1-6/2020	1-6/2019	Change	1-12/2019
Orders received	MEUR	2,075.4	2,310.1	-10.2%	4,184.7	4,404.1	-5.0%	8,399.8
Order book	MEUR				8,307.3	8,407.1	-1.2%	8,051.5
Sales	MEUR	2,532.1	2,540.8	-0.3%	4,730.3	4,739.6	-0.2%	9,981.8
Operating income	MEUR	315.5	306.5	2.9%	512.7	521.8	-1.8%	1,192.5
Operating income margin	%	12.5	12.1		10.8	11.0		11.9
Adjusted EBIT*	MEUR	324.6	319.6	1.6%	530.2	548.0	-3.3%	1,237.4
Adjusted EBIT margin*	%	12.8	12.6		11.2	11.6		12.4
Income before tax	MEUR	315.3	310.2	1.7%	512.6	530.6	-3.4%	1,217.5
Net income	MEUR	244.4	238.8	2.3%	397.2	408.6	-2.8%	938.6
Basic earnings per share	EUR	0.47	0.46	2.3%	0.76	0.78	-2.5%	1.80
Cash flow from operations (before financing items and taxes)	MEUR	592.3	323.5		939.2	701.1		1,549.6
Interest-bearing net debt	MEUR				-1,330.2	-973.3		-1,552.9
Equity ratio	%				40.8	42.2		46.5
Return on equity	%				27.0	28.6		30.1
Net working capital (including financing items and taxes)	MEUR				-1,057.7	-805.4		-856.0
Gearing	%				-49.4	-36.6		-48.6

* KONE presents adjusted EBIT as an alternative performance measure to enhance comparability of the business performance between reporting periods during the Accelerate program. Restructuring costs related to the Accelerate program are excluded from the calculation of the adjusted EBIT.

Henrik Ehrnrooth, President and CEO:

“In the second quarter, we had a strong performance in a very challenging environment. I am immensely proud of how the entire KONE team has worked during this crisis. I am equally thankful for the trust our customers have shown us. From early on, we set ourselves a clear objective to come out of this crisis as an even stronger company. While the results will be seen in the coming years, it is clear to me that we have already made good progress. I believe that the KONE culture combined with our decentralized leadership model have been the key enablers for our good performance in these unusual circumstances.

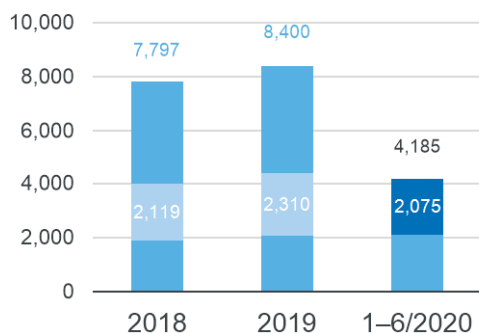
The highlights in our second quarter results were the improvement in our adjusted EBIT and the strong cash flow. The challenging market environment was seen in our orders received, which declined 9.4% in comparable currencies. Orders received continued to develop very positively in China and in some European countries, while orders received in the rest of the world declined significantly. Our sales remained robust and were stable. As an essential service, maintenance has continued with limited disruptions. Installation activity has continued well considering the circumstances, and in China the recovery was very strong in the quarter. Going into this year we had an overall positive outlook for our margins. Even in the current situation, profitability improved slightly in the quarter. This was a result of good execution as well as selective cost containment partly offsetting the negative impacts of the COVID-19 crisis. Our policy throughout this crisis has been one of responsibility, by not taking actions that could boost short term profits at the cost of our longer-term competitiveness.

I was particularly pleased with the results of our employee engagement survey. The survey was carried out in the midst of the crisis and results were very positive. KONE employees wanted to be heard; 92% of our people responded to the survey. Our employee engagement score improved significantly from an already good level. The belief in our strategy as well as the direction of our innovation got exceptionally strong scores.

Our solid performance in the first half has given us the confidence to specify our business outlook. We now expect sales growth to be in the range of -4 to 0% at comparable exchange rates and the adjusted EBIT margin to be slightly down or stable at best. The COVID-19 pandemic is far from over and the level of uncertainty continues to be high. However, we have a solid order book to deliver upon and a stable and resilient maintenance business. In times like this, it's also more important than ever to be able to differentiate in the eyes of our customers. I believe that we have strengthened the foundation for this during the current strategy phase. Our skilled and motivated team, competitiveness, and robust balance sheet puts us in a strong position to face a continued uncertain business environment.”

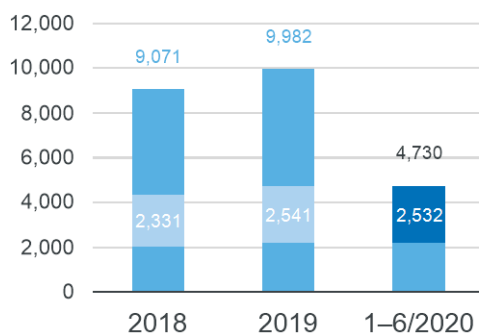
Key Figures

Orders received (MEUR)



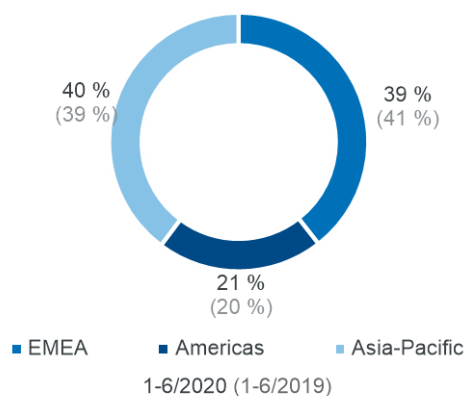
- **In April–June 2020**, orders received declined by 10.2% (at comparable exchange rates, orders received declined by 9.4%).
- At comparable rates, new equipment orders received declined clearly with slight decline in the volume business and significant decline in major projects. In modernization, orders received declined significantly with clear decline in the volume business and significant decline in major projects.
- The margin of orders received improved slightly as a result of solid pricing supported by new product and service launches and easing cost pressures.
- **In January–June 2020**, orders received declined by 5.0% (at comparable exchange rates, orders received declined by 4.8%).

Sales (MEUR)

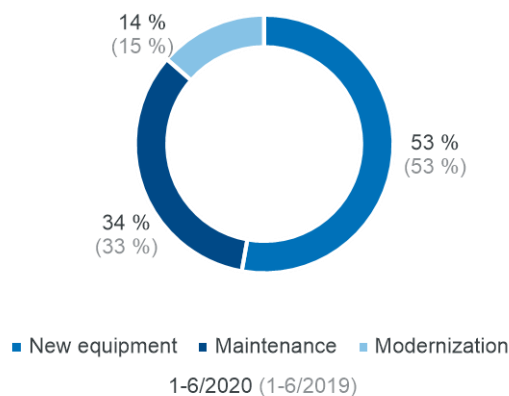


- **In April–June 2020**, sales declined by 0.3% (declined by 0.1% at comparable exchange rates). Sales were impacted by the COVID-19 related restrictions in many markets. However, the strong recovery in China offset the sales declines elsewhere.
- New equipment sales grew by 4.3% (grew by 4.9% at comparable exchange rates). Service (maintenance and modernization) sales declined by 5.9% (declined by 6.0% at comparable rates). Maintenance sales declined by 1.7% (declined by 1.7% at comparable rates) and modernization sales declined by 15.1% (declined by 15.3% at comparable rates).
- Sales in the EMEA region declined by 8.9% (declined by 8.9% at comparable rates). In the Americas region, sales declined by 4.9% (declined by 6.1% at comparable rates). In the Asia-Pacific region, sales grew by 10.3% (grew by 11.7% at comparable rates).
- **In January–June 2020**, sales declined by 0.2% (declined by 0.3% at comparable exchange rates)

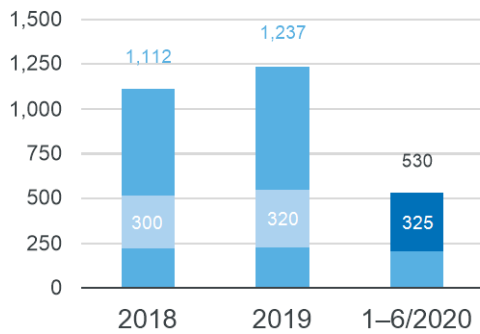
Sales by region



Sales by business

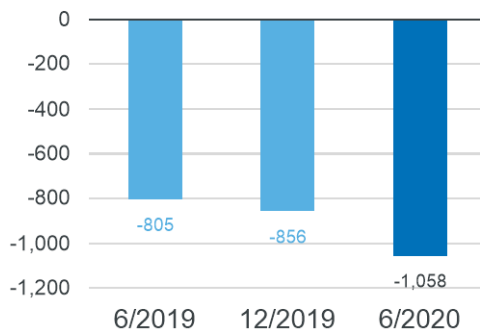


Adjusted EBIT (MEUR)



- **In April–June 2020**, operating income was 12.5% of sales (4–6/2019: 12.1%). The adjusted EBIT margin was 12.8% (12.6%).
- Going into this year we had an overall positive outlook for our margins. Profitability improved slightly in the quarter as a result of good execution as well as the selective cost containment partly offsetting the negative impacts of the COVID-19 crisis.
- Translation exchange rates had a negative impact of 1.3 million on the operating income.
- Restructuring costs related to the Accelerate program were EUR 9.1 million and are excluded from the calculation of the adjusted EBIT.
- **In January–June 2020**, operating income was 10.8% of sales (1–6/2019: 11.0%). The adjusted EBIT margin was 11.2% (11.6%)

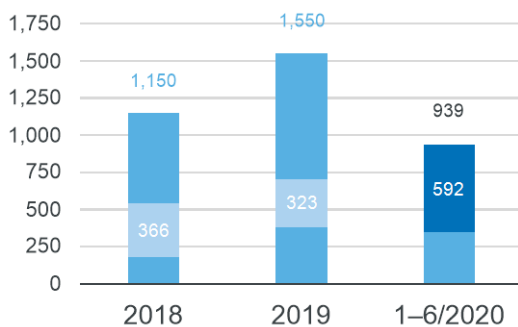
Net working capital (MEUR)



- **At the end of June 2020**, net working capital was at an improved level compared to the beginning of the year.
- The improvement was driven by an increase in accounts payable due to strong growth in China in Q2 (impact of around MEUR -70) as well as some countries extending payment terms for, for example, VAT payments (impact of around MEUR -50).

¹⁾ Including financing items and taxes

Cash flow² (MEUR)



- **In April–June 2020**, cash flow was exceptionally strong at EUR 592.3 million due to good development in the net working capital.
- **In January–June 2020**, cash flow was 939.2.

²⁾ Cash flow from operations before financing items and taxes

KONE's January–June 2020 review

KONE's operating environment

Operating environment by region

	New equipment market in units		Maintenance market in units		Modernization market	
	4–6/2020	1–6/2020	4–6/2020	1–6/2020	4–6/2020	1–6/2020
Total market	Stable	–	+	+	--	–
EMEA	--	–	+	+	---	–
Central and North Europe	–	Stable	+	+	---	–
South Europe	---	--	Stable	Stable	---	--
Middle East	--	–	+	+	---	–
North America	---	--	Stable	+	---	–
Asia-Pacific	++	–	++	++	+	++
China	+++	+	++	++	++	++
Rest of Asia-Pacific	---	---	+	+	Stable	Stable

--- Significant decline (>10%), -- Clear decline (5–10%), – Slight decline (<5%), Stable
+ Slight growth (<5%), ++ Clear growth (5–10%), +++ Significant growth (>10%)

April–June 2020

In the second quarter of 2020, the global elevator and escalator market continued to be impacted by the COVID-19 pandemic. Governments across the world were taking significant measures to contain the outbreak by restricting the movement of people. In many places, this resulted in actions such as closing down construction sites and limiting manufacturing operations. In most countries, maintenance has been deemed an essential service which was allowed with some limitations. During the second quarter, COVID-19 had the biggest impacts in Europe, North America and several countries in Asia-Pacific, whereas China rebounded strongly from a challenging first quarter.

Due to the COVID-19 outbreak, **demand in the new equipment market** decreased in many parts of the world. **In Asia-Pacific**, the new equipment volumes grew clearly as a result of high level of activity **in China**. **In the rest of Asia-Pacific**, the new equipment markets declined significantly. **In the EMEA region**, the new equipment market declined clearly. The new equipment market in Central and North Europe declined slightly and in South Europe, the market declined significantly. In the Middle East, the market declined clearly. **In North America**, the market declined significantly.

Global maintenance market was relatively resilient, whereas increased uncertainty had a significant impact on the **modernization markets**.

Intensifying competition affected the **pricing environment** adversely in April–June.

January–June 2020

In the first half of 2020, the global elevator and escalator market was impacted by the COVID-19 pandemic. Governments across the world were taking significant measures to contain the outbreak by restricting the movement of people. In many places, this resulted in actions such as closing down construction sites and limiting manufacturing operations. In most countries, maintenance has been deemed an essential service which was allowed with some limitations. During the first quarter, COVID-19 had the biggest impact in China, whereas in other countries around the world the impact was more visible in the second quarter while the Chinese market recovered strongly.

In the new equipment market, demand decreased across the regions. **In Asia-Pacific**, the new equipment volumes declined slightly. **In China**, the new equipment market grew slightly with significant decline in the first quarter and significant growth in the second quarter. **In the rest of Asia-Pacific**, the new equipment markets declined significantly. **In the EMEA region**, the new equipment market declined slightly. The new equipment market in Central and North Europe was stable, whereas in South Europe, the market declined clearly. In the Middle East, the market declined slightly. **In North America**, the new equipment market declined clearly as the stable development in the first quarter turned to significant decline in the second quarter.

Global maintenance market was relatively resilient, whereas increased uncertainty had an impact on the **modernization markets** especially in the second quarter.

Intensifying competition affected **pricing environment** adversely in January–June.

Orders received and order book

Orders received

MEUR	4-6/2020	4-6/2019	Change	Comparable change ¹⁾	1-6/2020	1-6/2019	Change	Comparable change ¹⁾	1-12/2019
Orders received	2,075.4	2,310.1	-10.2%	-9.4%	4,184.7	4,404.1	-5.0%	-4.8%	8,399.8

¹⁾ Change at comparable foreign exchange rates

Orders received consist predominantly of new equipment and modernization orders. Maintenance contracts are not included in orders received, but the figure includes orders related to the maintenance business, such as repairs.

April–June 2020

Orders received declined by 10.2% as compared to April–June 2019 and totaled EUR 2,075.4 million. At comparable exchange rates, KONE's orders received declined by 9.4%.

At comparable rates, new equipment orders received declined clearly with slight decline in the volume business and significant decline in major projects. In modernization, orders received declined significantly with clear decline in the volume business and significant decline in major projects.

The relative margin of orders received improved slightly compared to the comparison period. This was a result of solid pricing supported by new product and service launches and easing cost pressures.

Orders received in the EMEA region declined significantly at comparable exchange rates as compared to April–June 2019. New equipment orders declined clearly and modernization orders declined significantly.

In the Americas region, orders received declined significantly at comparable rates as compared to April–June 2019. New equipment orders declined significantly and modernization orders declined significantly.

Orders received in the Asia-Pacific region were stable at comparable rates as compared to April–June 2019. In China, new equipment orders grew significantly in units and grew clearly in monetary value. Like-for-like prices were slightly higher than in the comparison period while mix contributed negatively. In the rest of Asia-Pacific, new equipment orders received declined significantly. Modernization orders received grew significantly in China and grew clearly in the rest of Asia-Pacific.

January–June 2020

Orders received declined by 5.0% as compared to January–June 2019 and totaled EUR 4,184.7 million. At comparable exchange rates, KONE's orders received declined by 4.8%.

At comparable rates, new equipment orders received declined slightly with stable development in the volume business and significant decline in major projects. In modernization, orders received declined clearly with stable development in the volume business and significant decline in major projects.

The relative margin of orders received improved slightly compared to the comparison period. This was a result of solid pricing supported by new product and service launches and easing cost pressures.

Orders received in the EMEA region declined clearly at comparable exchange rates as compared to January–June 2019. New equipment orders declined significantly and modernization orders declined clearly.

In the Americas region, orders received declined significantly at comparable rates as compared to January–June 2019. New equipment orders declined significantly and modernization orders declined significantly.

Orders received in the Asia-Pacific region were stable at comparable rates as compared to January–June 2019. In China, new equipment orders grew clearly in units and grew clearly in monetary value. Like-for-like prices were slightly higher than in the comparison period and mix contributed also positively. In the rest of Asia-Pacific, new equipment orders received declined significantly. Modernization orders received grew significantly in China and grew slightly in the rest of Asia-Pacific.

Order book

MEUR	Jun 30, 2020	Jun 30, 2019	Change	Comparable change ¹⁾	Dec 31, 2019
Order book	8,307.3	8,407.1	-1.2%	-0.3%	8,051.5

¹⁾ Change at comparable foreign exchange rates

The order book declined slightly compared to the end of June 2019 but stood at a strong level of EUR 8,307.3 million at the end of the reporting period.

The order book margin remained at a healthy level. Customer cancellations remained at a very low level.

Sales

By region

MEUR	4–6/2020	4–6/2019	Change	Comparable		1–6/2020	1–6/2019	Change	Comparable	
				change ¹⁾					change ¹⁾	1–12/2019
EMEA	919.0	1,008.9	-8.9%	-8.9%		1,865.1	1,938.9	-3.8%	-3.9%	4,045.4
Americas	477.2	502.0	-4.9%	-6.1%		984.6	970.7	1.4%	-0.6%	2,046.7
Asia-Pacific	1,135.9	1,029.9	10.3%	11.7%		1,880.6	1,829.9	2.8%	3.8%	3,889.7
Total	2,532.1	2,540.8	-0.3%	-0.1%		4,730.3	4,739.6	-0.2%	-0.3%	9,981.8

¹⁾ Change at comparable foreign exchange rates

By business

MEUR	4–6/2020	4–6/2019	Change	Comparable		1–6/2020	1–6/2019	Change	Comparable	
				change ¹⁾					change ¹⁾	1–12/2019
New equipment	1,447.1	1,387.3	4.3%	4.9%		2,496.7	2,493.4	0.1%	0.3%	5,318.8
Services	1,084.9	1,153.5	-5.9%	-6.0%		2,233.7	2,246.2	-0.6%	-0.9%	4,663.0
Maintenance	773.1	786.3	-1.7%	-1.7%		1,590.6	1,554.7	2.3%	2.0%	3,192.0
Modernization	311.8	367.2	-15.1%	-15.3%		643.1	691.5	-7.0%	-7.4%	1,471.0
Total	2,532.1	2,540.8	-0.3%	-0.1%		4,730.3	4,739.6	-0.2%	-0.3%	9,981.8

¹⁾ Change at comparable foreign exchange rates

April–June 2020

KONE's sales declined by 0.3% as compared to April–June 2019, and totaled EUR 2,532.1 million. At comparable exchange rates, KONE's sales declined by 0.1%. Sales were impacted by the COVID-19 related restrictions in many markets. New equipment sales grew by 4.9% at comparable exchange rates as a result of very strong growth in China that offset the decline in activity elsewhere. Maintenance sales declined by 1.7% at comparable exchange rates with resilient contract sales but lower discretionary spend by customers, such as repairs. Modernization sales was more impacted by the restrictions and declined by 15.3% at comparable exchange rates.

Sales in the EMEA region declined by 8.9% and totaled EUR 919.0 million. At comparable exchange rates, sales declined by 8.9%. New equipment sales declined significantly, maintenance sales declined slightly and modernization sales declined significantly in the region.

In the Americas, sales declined by 4.9% and totaled EUR 477.2 million. At comparable exchange rates, sales declined by 6.1%. New equipment sales declined slightly, maintenance sales declined clearly and modernization sales declined significantly in the region.

In Asia-Pacific, sales grew by 10.3% and totaled EUR 1,135.9 million. At comparable exchange rates, sales grew by 11.7%. New equipment sales grew significantly,

maintenance sales grew slightly and modernization sales declined significantly in the region.

January–June 2020

KONE's sales declined by 0.2% as compared to January–June 2019, and totaled EUR 4,730.3 million. At comparable exchange rates, KONE's sales declined by 0.3%. Sales were impacted by the COVID-19 related restrictions in many markets. New equipment sales were stable at comparable exchange rates as a result of the growth in China offsetting the decline in activity elsewhere. Maintenance sales grew by 2.0% at comparable exchange rates with resilient contract sales but lower discretionary spend by customers.

Modernization sales was more impacted by the restrictions and declined by 7.4% at comparable exchange rates.

Sales in the EMEA region declined by 3.8% and totaled 1,865.1 million. At comparable exchange rates, sales declined by 3.9%. New equipment sales declined clearly, maintenance sales grew slightly and modernization sales declined significantly in the region.

In the Americas, sales grew by 1.4% and totaled EUR 984.6 million. At comparable exchange rates, sales declined by 0.6%. New equipment sales grew slightly, maintenance sales was stable and modernization sales declined clearly in the region.

In Asia-Pacific, sales grew by 2.8% and totaled EUR 1,880.6 million. At comparable exchange rates, sales grew by 3.8%. New equipment sales grew slightly,

maintenance sales grew clearly and modernization sales was stable in the region.

Terminology: Slight <5%, clear 5–10%, significant >10%

Financial result

Financial result

	4-6/2020	4-6/2019	Change	1-6/2020	1-6/2019	Change	1-12/2019
Operating income, MEUR	315.5	306.5	2.9%	512.7	521.8	-1.8%	1,192.5
Operating income margin, %	12.5	12.1		10.8	11.0		11.9
Adjusted EBIT, MEUR	324.6	319.6	1.6%	530.2	548.0	-3.3%	1,237.4
Adjusted EBIT margin, %	12.8	12.6		11.2	11.6		12.4
Income before taxes, MEUR	315.3	310.2	1.7%	512.6	530.6	-3.4%	1,217.5
Net income, MEUR	244.4	238.8	2.3%	397.2	408.6	-2.8%	938.6
Basic earnings per share, EUR	0.47	0.46	2.3%	0.76	0.78	-2.5%	1.80

April–June 2020

KONE's operating income (EBIT) was EUR 315.5 million or 12.5% of sales. The adjusted EBIT, which excludes restructuring costs related to the Accelerate program, was EUR 324.6 million or 12.8% of sales.

Going into this year we had an overall positive outlook for our margins. Profitability improved slightly in the quarter as a result of good execution as well as the selective cost containment partly offsetting the negative impacts of the COVID-19 crisis.

Translation exchange rates had a negative impact of 1.3 million on the operating income, and the restructuring costs related to the Accelerate program were EUR 9.1 million.

Basic earnings per share was EUR 0.47.

restructuring costs related to the Accelerate program, was EUR 530.2 million or 11.2% of sales.

Profitability declined slightly in the first half of the year as the negative impacts of the COVID-19 crisis exceeded the otherwise positive profitability drivers for the year.

Translation exchange rates had a negative impact of 0.5 million on the operating income, and the restructuring costs related to the Accelerate program were EUR 17.4 million.

KONE's income before taxes was EUR 512.6 million. Taxes totaled EUR 115.3 (122.0) million. This represents an effective tax rate of 22.5% for the full financial year. Net income for the period declined to EUR 397.2 million.

Basic earnings per share was EUR 0.76.

January–June 2020

KONE's operating income (EBIT) was EUR 512.7 million or 10.8% of sales. The adjusted EBIT, which excludes

Cash flow and financial position

Cash flow and financial position

	4-6/2020	4-6/2019	1-6/2020	1-6/2019	1-12/2019
Cash flow from operations (before financing items and taxes), MEUR	592.3	323.5	939.2	701.1	1,549.6
Net working capital (including financing items and taxes), MEUR			-1,057.7	-805.4	-856.0
Interest-bearing net debt, MEUR			-1,330.2	-973.3	-1,552.9
Gearing, %			-49.4	-36.6	-48.6
Equity ratio, %			40.8	42.2	46.5
Equity per share, EUR			5.15	5.10	6.13

KONE's financial position was very strong at the end of June 2020.

Cash flow from operations (before financing items and taxes) during January–June 2020 was exceptionally strong at EUR 939.2 million.

Net working capital (including financing items and taxes) was EUR -1,057.7 million at the end of June 2020. Net working capital contributed positively driven by an increase in accounts payable due to strong growth in China in Q2 (impact of around MEUR -70) as well as some countries extending payment terms for, for example, VAT payments (impact of around MEUR -50).

Interest-bearing net debt was EUR -1,330.2 million at the end of June 2020. KONE's cash and cash equivalents together with current deposits and loan receivables were

EUR 2,012.2 (Dec 31, 2019: 2,252.0) million at the end of the reporting period. Interest-bearing liabilities were EUR 704.1 (Dec 31, 2019: 721.6) million, including a pension liability of EUR 187.2 (Dec 31, 2019: 172.9) million and leasing liability of EUR 340.6 (Dec 31, 2019: 371.0) million. Additionally, KONE had an asset on employee benefits, EUR 21.3 (Dec 31, 2019: 21.7) million. Gearing was -49.4% and equity ratio was 40.8% at the end of June 2020.

Equity per share was EUR 5.15.

Capital expenditure and acquisitions

Capital expenditure & acquisitions

MEUR	4-6/2020	4-6/2019	1-6/2020	1-6/2019	1-12/2019
On fixed assets	19.5	21.7	35.8	47.8	98.0
On leasing agreements	9.9	29.6	34.1	36.6	102.5
On acquisitions	0.4	1.9	4.0	10.1	36.0
Total	29.8	53.2	73.8	94.4	236.5

KONE's capital expenditure and acquisitions totaled EUR 73.8 million in January–June 2020. Capital expenditure was mainly related to equipment and facilities in R&D, IT, operations and production. Capital expenditure on leases consists mainly of maintenance vehicles and office facilities. The low level of capital expenditures on leasing agreements was mainly due to COVID-19 related restrictions limiting activity in several jurisdictions, and thus resulted in a reduced need for leasing contract renewals.

Acquisitions totaled EUR 4.0 million in January–June 2020. KONE completed small acquisitions of maintenance businesses in Europe.

In the Financial Statement Bulletin 2019, KONE mentioned it had been evaluating acquisition opportunities related to the thyssenkrupp Elevator Technology business. On February 17, 2020 KONE published a stock exchange release stating it has withdrawn from these discussions with thyssenkrupp.

Research and development

R&D expenditure

	4-6/2020	4-6/2019	Change	1-6/2020	1-6/2019	Change	1-12/2019
R&D expenditure, MEUR	43.8	42.1	4.2%	87.7	81.7	7.4%	170.9
As percentage of sales, %	1.7	1.7		1.9	1.7		1.7

KONE's vision is to deliver the Best People Flow® experience by providing ease, effectiveness and experiences to its customers and users. In line with its strategy, Winning with Customers, the objective of KONE's solution and service development is to drive differentiation further by putting the needs of customers and users at the center of all development. By closer collaboration with customers and partners, KONE will increase the speed of bringing new services and solutions to the market.

Research and development expenditure totaled EUR 87.7 million, representing 1.9% of sales in January–June 2020. R&D expenditures include the development of new product and service concepts as well as further development of existing solutions and services. At KONE, we find it especially important to continue to invest in research and development in challenging market conditions and have thus accelerated some development programs.

During January–June 2020, KONE launched new solutions as well as updates to its offering.

KONE DX Class elevators were launched in most European countries in the first quarter and the roll-out continued in the second quarter. This new elevator series featuring built-in connectivity and an enhanced user experience was introduced in the end of 2019 and will replace the current KONE elevator range across areas. In the second quarter, KONE DX Class elevators won four awards in the renowned Red Dot Award: Product Design 2020 competition. The KONE DX Class elevator interior collection and the KONE DX Class digital experience elevator concept were awarded for their outstanding design features, innovativeness and smart elements.

In the second quarter, KONE introduced a range of people flow solutions to help make buildings and cities

safer and healthier places to live, work and commute. These solutions address the challenges of adapting to a new way of life in the face of the current pandemic. The KONE People Flow Planning and Consulting service has been tailored to better support planning a safe return to offices and other buildings. By using data, simulation tools, and expertise from KONE's interior architects and data scientists, customers can quickly see how to reduce crowding and bottlenecks and enable people to move around safely in buildings. In addition, other new solutions introduced improve air quality in elevators, help disinfect escalator handrails and reduce the need to touch surfaces.

KONE also made updates to its existing offering in India and Americas in the second quarter.

Personnel

KONE employees

	1-6/2020	1-6/2019	1-12/2019
Number of employees at the end of period	60,237	58,051	59,825
Average number of employees	59,988	57,680	58,369

Geographical distribution of KONE employees

	1-6/2020	1-6/2019	1-12/2019
EMEA	23,612	22,922	23,306
Americas	7,328	7,548	7,632
Asia-Pacific	29,297	27,581	28,887
Total	60,237	58,051	59,825

The main goals of KONE's personnel strategy are to secure the availability, engagement, motivation and continuous development of the company's personnel. All KONE's activities are guided by ethical principles. Employee rights and responsibilities include the right to a safe and healthy working environment, personal well-being, freedom of association, collective bargaining, non-discrimination and the right to a working environment in which harassment of any kind is not tolerated. We actively encourage diversity at KONE, and our values guide us in upholding an inclusive culture.

One of KONE's strategic targets is to be a great place to work. In the first quarter, we started a process for enhancing KONE's culture to ensure that it supports and aligns with our strategic priorities. First step in this process was a global culture survey in which more than 8,000 employees participated. The findings of the survey indicated that KONE's work environment is healthy and that employees find the direction of the company clear. During the second quarter, one of the highlights was our Pulse employee engagement survey covering all employees. The response rate for this fully online study was record high at 92% (2018: 91%). Overall, the global survey results took a great leap up and engagement is now at a very strong level. All survey dimensions improved and the vast majority of KONE's global scores were above external high performance benchmarks.

The first half of 2020 was exceptional due to the COVID-19 outbreak. KONE leaders and HR teams around the world focused on ensuring that our vital business operations are functioning with good level of workforce available and safe working conditions. Field personnel was instructed of safe ways of working on sites and majority of office workers across the world started to work remotely in the first quarter. In some KONE units, the ability to work on construction and maintenance sites was limited due to

national restrictions. In these cases, KONE approach was to first and foremost agree on flexible working arrangements and the use of accrued holidays and negative time banks to ensure that our employees stay

also financially safe. Only in a few limited cases where these measures have not been possible to use and where there have been support mechanisms in place for employees locally, furloughs or temporary layoffs have been used.

In the second quarter, the well-being and safety of our employees continued to be our top priorities. As many of our employees continued to work from home and our field employees were facing changed circumstances particularly the mental well-being of our workforce was in focus. Both global and local well-being resources were introduced to help managers and employees deal

with remote work, anxiety and stress. 'Feeling safe' was the well-being theme of this year KONE Safety Week. In general, remote work worked well even for more challenging positions such call center employees and salespeople. Towards the end of the second quarter, the focus shifted more towards ensuring safe return to office environment with new safety protocols in place.

In addition to the immediate business contingency and safety actions, KONE continued to develop the competences of employees. Following the performance discussions in the first quarter, our global annual talent review process for all KONE employees started in the second quarter to support employees with development and career opportunities. During the first half of the year, we had a strong focus on bringing new online learning opportunities for our employees and also on virtualizing our current instructor-led programs using mobile learning, AR games, VR, social learning and Microsoft Teams. In March, we launched a new online learning library with a lot of bite size courses. By the end of the second quarter

HIGHLIGHTS Q2/2020

- KONE's top priority has been the wellbeing and safety of its employees during the COVID-19 outbreak
- Record high response rate and positive trend in results in KONE's employee engagement survey
- Online studies were very actively used

the learning library had over 100,000 study completions. New global COVID-19 safe working practices e-learning was launched in May with 32 language versions and with a special focus on our employees serving our customers in the field. Over 16,000 employees completed the course in the second quarter and implementation continues. Overall, online studies were very actively used in the first half of the year.

Even though the recruitment volumes were reduced during the first half of the year, talent attraction continued with focus on employer branding and building the pipeline for talent. Due to the outbreak and widely spread travel restrictions, KONE canceled the traditional International Trainee Program in the first quarter. KONE's intention is to continue with the program again in 2021.

During the first quarter, we continued to proceed with our diversity and inclusion roadmap by conducting a review of existing local diversity and inclusion policies and

practices. The review included 53 countries and the information collected will be used as input for creating KONE's global diversity and inclusion strategy. During the second quarter we continued involving leaders and employees in building the diversity and inclusion strategy.

The Accelerate program continued. The aim of the program is to develop our operating model and to create a more efficient and customer-focused way of working on a country, area and global level, across the entire KONE organization. During the first half of the year, we concentrated on continuing the transformations in Finance, Customer Service, KONE Technology & Innovations and Quality functions. Customer Solutions Engineering, Logistics and Sourcing organizations are now actively using new ways of working and have enabled us to react fast during the exceptional market environment caused by COVID-19.

Environment

In line with KONE's ambition for climate leadership, our environmental targets for 2017–2021 are to be the leading provider of low-carbon People Flow® solutions and to have efficient low-carbon operations. Our Environmental Excellence program supports the transformation of the built environment into smart eco-cities, low-carbon communities, and net zero energy buildings. Improving resource efficiency is one of our top priorities.

During the first quarter of 2020, KONE was recognized as one of the most sustainable companies in the world by Corporate Knights Inc., ranking 32nd in their 2020 Global 100 Most Sustainable Corporations in the World list. KONE improved its position on the list by 11 compared to previous year. KONE was the only elevator and escalator company to make this ranking, and second among its 234 peers in the "Machinery Manufacturing" category. During the first quarter, KONE was also awarded the best A grade in CDP's 2019 Supplier Engagement rating, in addition to the earlier announced place on CDP's prestigious 2019 Climate Change A List. CDP's Supplier Engagement rating demonstrates leadership and best practice in engaging our suppliers on climate change issues.

In March, KONE joined the Science Based Targets initiative (SBTi) by making a public commitment to setting long-term greenhouse gas emission reduction targets in line with climate science. Science-based targets support our increased ambition to accelerate the transition to low-carbon economy and will ensure that our transformation is aligned with climate science.

During the first quarter, we finalized externally assured calculations of our 2019 carbon footprint. KONE's target is to reduce our operational carbon footprint relative to sales by 3% annually. In 2019, we exceeded this target as our overall operational carbon footprint (Scope 1, 2 and 3) relative to sales decreased by 3.1% compared to 2018, with sales growth calculated at comparable exchange rates. Our Scope 1 and 2 greenhouse gas emissions relative to sales decreased by 5.4%. This positive development was enabled by a 0.5% decrease in our absolute Scope 1 and 2 emissions (with comparable reporting scope) while our business grew strongly. KONE's total 2019 absolute operational carbon footprint (Scope 1, 2, 3) amounted to 327,100 tons of carbon dioxide equivalent (2018: 319,200; figure restated).

The most significant impacts of KONE's operational carbon footprint relate to logistics (51%), vehicle fleet (30%), and electricity and district heat consumption at KONE's facilities (10%). In 2019, 37% (2018: 33%) of all

electricity in KONE facilities was produced from renewable sources, our target being over 50% by 2021. Additionally, we have set a long-term target of 0% landfill waste from our manufacturing units by 2030. In 2019, the share of landfill waste from our manufacturing units was 0.9% (2018: 0.6%).

The most significant environmental impact of KONE's business relates to the amount of electricity used by KONE's solutions during their lifetime, underlining the importance of energy-efficient innovations. During the first half of the year, KONE renewed the Singapore Green Building Product (SGBP) certification for the KONE TravelMaster™ 110 escalator and KONE N MonoSpace® and KONE N MiniSpace™ elevators with the highest ratings. KONE is the first elevator and escalator company to achieve such top ratings in the vertical transportation category.

Now altogether eight KONE solutions have received the SGBP certification by which these solutions are recommended for Green Mark certified buildings. During the first quarter, KONE also received an approved Byggarubedömningen (BVB) assessment for the KONE TranSys™ elevator in Sweden, in addition to several elevator and escalator assessments completed earlier. BVB is a non-profit organization that evaluates solutions for buildings and drives the use of sustainable building materials.

KONE has also had important achievements in transparent communication of life cycle environmental impacts of our products. During the first quarter we published an Environmental Product Declaration for the KONE MiniSpace™ DX elevator and complemented this achievement by publishing Environmental Product Declarations for the KONE MonoSpace® 500 DX, KONE N MonoSpace®, and KONE N MiniSpace™ elevators in the second quarter. We currently have third-party verified Environmental Product Declarations for altogether seven KONE elevator models and 11 automatic building door models, thus making KONE the people flow company with the most Environmental Product Declarations published to date.

In March, KONE's manufacturing unit in Finland achieved the FSC® (Forest Stewardship Council) Chain of Custody certification, providing our customers with credible assurance that elevators manufactured in this unit come with wooden components from environmentally and socially responsible sources. To our knowledge, KONE is the only elevator company to have achieved the FSC® certification.

HIGHLIGHTS Q2/2020

- Third party verified Environmental Product Declarations published for KONE MonoSpace® 500 DX, KONE N MonoSpace®, and KONE N MiniSpace™ elevators
- Singapore Green Building Product certifications renewed for KONE N MonoSpace® and KONE N MiniSpace™ elevators with the highest "Leader" rating

Changes in the Executive Board

In January–June 2020, KONE announced changes in the Executive Board. Ken Schmid (Master of Business Administration), was appointed Executive Vice President, KONE Americas as of April 1, 2020. In this role, KEN Schmid succeeds Larry Wash who served as Executive Vice President, KONE Americas and member of the Executive Board since July 2012. Max Alfthan decided to step down from his role as Executive Vice President responsible for Marketing and

Communications as of 31 March 2020. Max Alfthan served in this role and as a member of KONE's Executive Board since November 2014. The search for his successor has started. Susanne Skippari, Executive Vice President, Human Resources, has been named interim leader for Marketing and Communications in addition to her current role as of April 2020.

Other events

In 2007, a decision was issued by the European Commission concerning alleged local anticompetitive practices before early 2004 in Germany, Luxembourg, Belgium and the Netherlands by leading elevator and escalator companies, including KONE's local subsidiaries. Also, the Austrian Cartel Court issued in 2007 a decision concerning anticompetitive practices that had taken place before mid-2004 in local Austrian markets by leading elevator and escalator companies, including KONE's local subsidiary. As announced by KONE earlier, a number of civil damage claims by certain companies and public

entities relating to the two 2007 decisions, are pending in related countries. The claims have been made against various companies concerned by the decisions, including certain KONE companies. All claims are independent and are progressing procedurally at different stages. The total capital amount claimed jointly and severally from all of the defendants together was EUR 156 million at the end of June 2020 (March 31, 2020: EUR 156 million). KONE's position is that the claims are without merit. No provision has been made.

Most significant risks

KONE is exposed to risks that may arise from its operations or changes in the operating environment. The most significant risk factors described below can potentially have an adverse effect on KONE's business operations and financial position and, as a result, on the value of the company. Other risks, which are currently either unknown or considered immaterial to KONE may, however, become material in the future.

Strategic risks

Demand for KONE's products and services and the competitive environment are impacted by the general economic cycles and especially the level of activity within the construction industry. As China accounts for close to 30% of KONE's sales, a sustained market decline in the Chinese construction industry, in particular, could have an adverse effect on KONE's growth and profitability. During the reporting period, governments across the world were taking significant measures to contain the COVID-19 outbreak by restricting the movement of people, closing down construction sites, limiting manufacturing operations and other business activities. Many countries started to ease these restrictions towards the end of the quarter, but the level of uncertainty continues to be high. A renewed deterioration of the situation or prolonged restrictions to contain the COVID-19 pandemic could have an adverse impact on the level of construction activity and the level of demand for KONE's services and solutions in the coming quarters.

Geopolitical tensions and protectionism continue to expose KONE to various business risks. In addition to the potential adverse impacts on the general economic activity, geopolitical tensions and protectionism could impact the competitiveness of KONE's supply chain, and lead to increased costs from trade and customs tariffs. A significant portion of KONE's component suppliers and global supply capacity is located in China.

In addition to the level of market demand, competitiveness of KONE's offering is a key driver of the company's growth and profitability. A failure to anticipate or address changes in customer requirements and in competitors' offerings, ecosystems and business models or in the regulatory environment could result in a deterioration of the competitiveness of KONE's offering. Furthermore, ongoing structural changes in the competitive landscape of the elevator and escalator industry and customer consolidation in China, for example, could affect market dynamics and KONE's market share.

Operational risks

Engaged employees with relevant competencies and skills are key to the successful execution of our strategy. With the business models and ways of working changing in the elevator and escalator industry, KONE needs new organizational capabilities and new competencies on the individual employee level in the field of, for example, digitalization. At the same time, competition over skilled field workforce is increasing and securing the needed field resources and their competence management is critical. A failure to develop and retain the needed capabilities or obtain them through recruitment could have an adverse impact on KONE's growth and profitability.

The majority of components used in KONE's supply chain are sourced from external suppliers. In addition to this, KONE uses a significant amount of subcontracted installation resources, has outsourced some business support processes and collaborates with partners in digital services. These expose KONE to component and subcontracted labor availability and cost risk and continuity risk in partnerships. A failure to secure the needed components or resources or quality issues within these could cause business disruptions and cost increases. In the first half of 2020, COVID-19 related government restrictions caused some disruptions to KONE's operations especially in China and in India, and there is a risk of further disruptions globally depending on how the pandemic develops.

As one of the leading companies in the industry, KONE has a strong brand and reputation. Issues that impact the company's reputation or brand could have an effect on KONE's business and financial performance. Such reputational risks could materialize; for example, in the case of an incident, a major delivery issue or a product or service quality issue. Matters concerning product integrity, safety or quality could also have an impact on KONE's financial performance and affect customer operations.

Hazard, security and incidental risks

KONE's business activities are dependent on the uninterrupted operation, quality and reliability of its manufacturing facilities, sourcing channels, operational service solutions and logistics processes. KONE's, its suppliers' and customers' operation also utilize information technology extensively and KONE's business is dependent on the quality, integrity and availability of information. Thus, KONE is exposed to IT disruptions and cyber security risks, as operational information systems and products may be vulnerable to interruption, loss or manipulation of data, or malfunctions which can result in disruptions in processes and equipment availability. Any breach of sensitive employee or customer data may also result in significant penalties as well as reputational damage. Such cyber incidents could be caused by, including but not limited to, cybercrime, cyber-attacks, computer malware, information theft, fraud, misappropriation, or inadvertent actions from our employees and vendors. Also physical damage caused by fire, extreme weather conditions, natural catastrophes or terrorism, among other things, to these operations, could cause business interruption for KONE or its suppliers.

Financial risks

The majority of KONE's sales and result are denominated in currencies other than the Euro, which exposes KONE to risks arising from foreign exchange-rate fluctuations. KONE is also exposed to counterparty risks related to financial institutions, through the significant amounts of liquid funds deposited with financial institutions, in the form of financial investments and in derivatives. Additionally, KONE is exposed to risks related to the liquidity and payment schedules of its customers, which may impact cash flow or lead to credit losses. Significant changes in local financial or taxation regulation could also have an impact on KONE's financial performance, liquidity and cash flow. For further information on financial risks,

please refer to notes 2.4 and 5.3 in the Financial Statements for 2019.

Risk management

Risks

Mitigation actions

<p>Weakening of the economic environment, particularly in China</p>	<p>KONE strives to continuously develop its competitiveness in all regions and businesses. KONE has a wide geographic presence and a balanced business portfolio with a high share of maintenance business.</p>
<p>Geopolitical tensions impacting the competitiveness of KONE's supply chain, leading to increased costs or causing potential disruptions</p>	<p>KONE actively monitors the development of the applicable and relevant regulations, policies and trade rules, and evaluates the competitiveness and viability of KONE's supply chain and sourcing channels. KONE is taking actions to mitigate the impact of tariffs, for example by applying for tariff exemptions when applicable. KONE also applies increased scrutiny over business operations that may be affected by international trade restrictions.</p>
<p>Changes in the competitive or customer landscape, customer requirements or competitors' offerings impacting KONE's competitiveness</p>	<p>KONE aims to be the industry leader by investing in research and development and by taking an open innovation approach. KONE also closely follows emerging industry and market trends and actively monitors opportunities for industry consolidation.</p>
<p>A failure to secure and develop the needed organizational capabilities and competencies</p>	<p>KONE continuously evaluates the skills and competences required for the execution of the selected strategy and develops and/or acquires these from internal talent pools or externally. KONE also has extensive training programs in place to develop and retain critical talents.</p>
<p>Risks related to component and subcontracted labor availability</p>	<p>KONE's sourcing processes aim to identify critical suppliers and supply categories and implement dual sourcing, multi-year agreements, last-buy options and other measures to ensure the availability of the supply. KONE has also developed multinational subcontractor pools to ensure subcontractor capacity on a regional level. Subcontractors competences and capabilities are monitored and developed continuously, similarly as with own employees.</p>
<p>Product integrity, safety or quality issues as well as issues with reputation</p>	<p>To mitigate product risks, KONE has processes in place for product design, supply, manufacturing, installation and maintenance, involving strict quality control. In addition, KONE aims for transparent and reliable communication, to prevent reputational risks and to manage potential incidents. KONE also has stringent corporate governance principles in place.</p>
<p>Interruptions to KONE's or its suppliers' operations</p>	<p>KONE actively develops business continuity management capabilities to reduce the impact and likelihood of disruptions within its supply chain. Furthermore, KONE monitors the operations, business continuity management capabilities, financial strength and cybersecurity of its key suppliers. In addition, KONE aims to secure the availability of alternative sourcing channels for critical components and services. KONE also has a global property damage and business interruption insurance program in place.</p> <p>In the operating environment impacted by COVID-19, KONE's global supply chain helps mitigate the risk of interruptions. KONE has 13 manufacturing facilities in 9 countries, multiple distribution centers and a large supplier network across the globe, which helps to mitigate the challenges and restrictions in individual countries. During the COVID-19 crisis, KONE has also put extra focus on business continuity management.</p>
<p>Quality and reliability of IT systems and cybersecurity risks</p>	<p>KONE's security policies define controls to safeguard information and information systems which are both in development and in operation, in order to detect cybersecurity incidents and to respond and recover in a timely manner. KONE works with third-party security service providers and trusted, well-known technology partners to manage the risks through the control framework. KONE conducts tests, reviews and exercises to identify areas of risk and to ensure the appropriate preparedness. The company continues to invest in its cybersecurity capabilities based on these findings. KONE also has a global cyber insurance program in place.</p>
<p>Financial risks</p>	<p>Centralized risk management in accordance with the KONE Treasury Policy. More information in notes 2.4 and 5.3 of KONE's Financial Statements 2019.</p>

Decisions of the Annual General Meeting

KONE Corporation's Annual General Meeting was held in Helsinki on February 25, 2020. The meeting approved the financial statements, considered the Remuneration Policy for governing bodies and discharged the responsible parties from liability for the financial period January 1-December 31, 2019.

The number of Members of the Board of Directors was confirmed as nine. Re-elected as Members of the Board were Matti Alahuhta, Anne Brunila, Antti Herlin, Iiris Herlin, Jussi Herlin, Ravi Kant, Juhani Kaskeala and Sirpa Pietikäinen. Susan Duinhoven was elected as a new member to the Board of Directors.

At its meeting held after the General Meeting, the Board of Directors elected from among its members Antti Herlin as its Chairman and Jussi Herlin as Vice Chairman.

Ravi Kant was elected as Chairman and Anne Brunila, Antti Herlin and Jussi Herlin as members of the Audit Committee. Anne Brunila and Ravi Kant are independent of both the company and of significant shareholders.

Antti Herlin was elected as Chairman and Matti Alahuhta, Jussi Herlin and Juhani Kaskeala as members of the Nomination and Compensation Committee. Matti Alahuhta and Juhani Kaskeala are independent of both the company and of significant shareholders.

The General Meeting confirmed an annual compensation of EUR 60,000 for the Chairman of the Board, EUR 50,000 for the Vice Chairman and EUR 45,000 for Board Members. In addition, a compensation of EUR 500 was approved for attendance at Board and Committee meetings but anyhow a fee of EUR 3,000 is paid per Committee meeting for a Chairman of the Committee residing outside of Finland and a fee of EUR 2,000 is paid per Committee meeting for those members residing outside of Finland. Of the annual remuneration,

40 percent will be paid in class B shares of KONE Corporation and the rest in cash.

The General Meeting approved the authorization for the Board of Directors to repurchase KONE's own shares. Altogether no more than 52,930,000 shares may be repurchased, of which no more than 7,620,000 may be class A shares and 45,310,000 class B shares. The authorization will be valid until the conclusion of the following annual general meeting, however, at the latest until 30 June 2021.

Furthermore, the General Meeting authorized the Board of Directors to decide on the issuance of shares as well as the issuance of options and other special rights entitling to shares referred to in chapter 10 section 1 of the Finnish Companies Act. The number of shares to be issued based on this authorization shall not exceed 7,620,000 class A shares and 45,310,000 class B shares. The Board of Directors decides on all the conditions of the issuance of shares and of special rights entitling to shares. The authorization concerns both the issuance of new shares as well as the transfer of treasury shares. The issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorization will be valid until the conclusion of the following annual general meeting, however, at the latest until 30 June 2021.

The General Meeting decided to amend the Articles of Association by updating the article concerning the line of business of the company (2 §) and changing the articles concerning the auditing (7§ and 10§).

Authorized public accountants PricewaterhouseCoopers Oy and Jouko Malinen were nominated as auditors for the term 2020. Audit firm Ernst & Young Oy was nominated as the auditor for the term 2021.

Dividend

The General Meeting approved dividends in line with the Board of Director's proposal of EUR 1.6975 for each of the 76,208,712 class A shares and EUR 1.70 for each of the

outstanding 441,633,543 class B shares. The date of record for dividend distribution was February 27, 2020 and dividends were paid on March 5, 2020.

Share-based incentives

KONE has two separate share-based incentive plans. One plan is targeted for the senior management of KONE including the President & CEO, members of the Executive Board and other top management, consisting of approximately 60 individuals. A second plan is targeted for other key personnel of KONE, totaling approximately 450 individuals. The potential reward is based on KPIs as decided by the Board on an annual basis in line with the strategic targets. The potential reward is to be paid as a combination of KONE class B shares and a cash payment equivalent to the taxes and similar charges that are incurred from the receipt of shares.

The share-based incentive plans have a vesting period of three years, including the performance period. If the participant's employment or service contract is terminated during the vesting period, they are either obliged to return the shares already received or lose the entitlement to the shares they have not yet received. As part of the plan for the senior management, a long-term target for their ownership has been set. For the Executive Board members, the long-term ownership target is that the members have an ownership of KONE shares corresponding to at least five years' annual base salary. For other selected top management positions, the ownership target is at least two years' base salary.

Share capital and market capitalization

Share capital and market capitalization*

	Jun 30, 2020	Dec 31, 2019
Number of class B shares	453,187,148	453,187,148
Number of class A shares	76,208,712	76,208,712
Total shares	529,395,860	529,395,860
Share capital, EUR	66,174,483	66,174,483
Market capitalization, MEUR*	31,736	30,180

* Market capitalization is calculated on the basis of both the listed B shares and the unlisted A shares excluding treasury shares. Class A shares are valued at the closing price of the class B shares at the end of the reporting period.

Shares in KONE's possession

Shares in KONE's possession

	1-6/2020
Shares in KONE's possession at the beginning of the period	11,553,605
Changes in own shares during the period	-549,837
Shares in KONE's possession at the end of the period	11,003,768

At the end of June 2020, the Group had 11,003,768 class B shares in its possession. The shares in the Group's

possession represent 2.4% of the total number of class B shares. This corresponds to 0.9% of the total voting rights.

Shares traded on the Nasdaq Helsinki Ltd.

Trading on the KONE share

	1-6/2020	1-6/2019	1-12/2019
Shares traded on the Nasdaq Helsinki Ltd., million	116.7	84.8	157.0
Average daily trading volume	948,419	689,766	628,085
Volume-weighted average share price	EUR 54.34	46.53	49.82
Highest share notation	EUR 62.32	52.32	59.34
Lowest share notation	EUR 42.39	41.01	41.01
Share notation at the end of the period	EUR 61.22	51.90	58.28

In addition to the Nasdaq Helsinki Ltd., KONE's class B share is traded also on various alternative trading

platforms. The volume of KONE's B shares traded on the Nasdaq Helsinki Stock Exchange represented

approximately 29.4% of the total volume of KONE's class B shares traded in April–June 2020 (source: Fidessa Fragmentation Index, www.fragmentation.fidessa.com).

The number of registered shareholders was 62,100 at the beginning of the review period and 69,846 at its end.

The number of private households holding shares totaled 65,970 at the end of the period, which corresponds to approximately 12.2% of the listed B shares. At the end of June 2020, a total of 53.6% of the B shares were owned by nominee-registered and non-Finnish investors.

Flagging notifications

During January–June 2020, BlackRock, Inc. announced two notices in accordance with the Finnish Securities Market Act Chapter 9, Section 5. The notices were announced on January 17 and January 27. The notices have been released as stock exchange releases and are available on KONE Corporation's internet pages at

www.kone.com. According to the latest notification, the total number of KONE Corporation shares owned by BlackRock, Inc. and its funds decreased to below five (5) per cent of the share capital of KONE Corporation on January 24, 2020.

Outlook

North America		EMEA		Asia-Pacific	
New equipment	Services	New equipment	Services	New equipment	Services
Decline	<p>Maintenance Resilient excl. impact from lock-downs</p> <p>Modernization Uncertainty could delay decisions</p>	Decline	<p>Maintenance Resilient excl. impact from lock-downs</p> <p>Modernization Uncertainty could delay decisions</p>	<p>China Relatively stable</p> <p>Outside China Decline</p>	<p>Maintenance Resilient excl. impact from lock-downs</p> <p>Modernization Uncertainty could delay decisions</p>

Market outlook 2020 (updated)

The new equipment market is expected to be relatively stable in China and to decline in other regions as a result of the increased uncertainty related to the COVID-19 pandemic.

The maintenance markets are expected to be resilient, excluding the direct impacts of the lockdown measures.

In the modernization markets, the fundamental growth drivers are intact, but uncertainty could delay decision-making in modernization projects.

Business outlook 2020 (specified)

In 2020, KONE's sales growth is estimated to be in the range of -4% to 0% at comparable exchange rates as compared to 2019. The adjusted EBIT margin is expected to decline slightly or to be stable at best.

KONE has a solid order book and maintenance base for 2020. Excluding the COVID-19 related factors, KONE's profitability outlook has been positive. Targeted pricing and productivity actions, which have impacted the margin of orders received positively, are expected to support profitability together with around EUR 50 million of savings from the Accelerate program and other selective cost containments.

Profitability is expected to be burdened by weaker fixed cost absorption in many countries, the costs related to the measures to ensure the safety and wellbeing of KONE's employees, suppliers and customers and the costs related to the actions in the supply operations to ensure solid delivery capability among other things. Increasing subcontracting costs as well as the investment in building

our capability to sell and deliver digital services and solutions are also headwinds for the adjusted EBIT in 2020 in addition to the COVID-19 related items. Foreign exchange rates are estimated to impact the EBIT negatively by around EUR 20 million.

KONE is expecting to have around EUR 40 million of restructuring costs related to the Accelerate program in the final year of the program. These costs are excluded from the adjusted EBIT.

Previous business outlook

KONE previously estimated its sales growth to be in the range of -10% to 0% at comparable exchange rates depending on the duration and severity of the COVID-19 related government measures and the pace of recovery. The adjusted EBIT margin was expected to decline somewhat or to be stable at best.

Helsinki, July 17, 2020

KONE Corporation's Board of Directors

Consolidated statement of income

MEUR	4-6/2020	% 4-6/2019	% 1-6/2020	% 1-6/2019	% 1-12/2019	%
Sales	2,532.1	2,540.8	4,730.3	4,739.6	9,981.8	
Costs and expenses	-2,158.0	-2,174.9	-4,098.3	-4,101.5	-8,547.9	
Depreciation and amortization	-58.6	-59.4	-119.3	-116.3	-241.5	
Operating income	315.5	12.5	306.5	12.1	512.7	10.8
Financing income	6.4	11.6	17.1	21.3	51.6	
Financing expenses	-6.6	-7.8	-17.2	-12.6	-26.5	
Income before taxes	315.3	12.5	310.2	12.2	512.6	10.8
Taxes	-71.0	-71.4	-115.3	-122.0	-278.9	
Net income	244.4	9.7	238.8	9.4	397.2	8.4
Net income attributable to:						
Shareholders of the parent company	243.2	237.0	395.5	404.4	931.3	
Non-controlling interests	1.2	1.9	1.8	4.2	7.3	
Total	244.4	238.8	397.2	408.6	938.6	
Earnings per share for profit attributable to the shareholders of the parent company, EUR						
Basic earnings per share, EUR	0.47	0.46	0.76	0.78	1.80	
Diluted earnings per share, EUR	0.47	0.46	0.76	0.78	1.80	

Consolidated statement of comprehensive income

MEUR	4-6/2020	4-6/2019	1-6/2020	1-6/2019	1-12/2019
Net income	244.4	238.8	397.2	408.6	938.6
Other comprehensive income, net of tax:					
Translation differences	-41.5	-49.6	-44.0	20.1	54.0
Hedging of foreign subsidiaries	13.0	5.9	7.9	1.1	-8.5
Cash flow hedges	-9.6	-0.6	16.6	-2.0	-14.5
Items that may be subsequently reclassified to statement of income	-38.0	-44.4	-19.5	19.2	31.0
Changes in fair value	-4.2	2.1	-7.4	3.6	-2.7
Remeasurements of employee benefits	12.6	7.4	-2.2	-21.4	-34.3
Items that will not be reclassified to statement of income	8.4	9.5	-9.6	-17.8	-37.0
Total other comprehensive income, net of tax	-29.6	-34.9	-29.1	1.3	-6.0
Total comprehensive income	214.8	204.0	368.1	409.9	932.6
Total comprehensive income attributable to:					
Shareholders of the parent company	213.6	202.1	366.4	405.8	925.3
Non-controlling interests	1.2	1.9	1.8	4.2	7.3
Total	214.8	204.0	368.1	409.9	932.6

Condensed consolidated statement of financial position

Assets

MEUR		Jun 30, 2020	Jun 30, 2019	Dec 31, 2019
Non-current assets				
Goodwill		1,361.1	1,343.5	1,366.5
Other intangible assets		219.4	251.2	248.2
Tangible assets		708.0	747.6	742.2
Loan receivables and other interest-bearing assets	I	0.7	0.8	0.8
Investments		130.9	151.3	139.2
Employee benefits	I	21.3	24.7	21.7
Deferred tax assets	II	330.0	262.4	292.3
Total non-current assets		2,771.5	2,781.4	2,810.9
Current assets				
Inventories	II	672.1	643.3	648.6
Accounts receivable	II	2,200.9	2,126.1	2,232.3
Deferred assets	II	663.1	669.7	596.0
Income tax receivables	II	87.9	90.1	73.6
Current deposits and loan receivables	I	1,462.1	1,116.3	1,589.5
Cash and cash equivalents	I	550.1	574.8	662.4
Total current assets		5,636.2	5,220.2	5,802.4
Total assets		8,407.7	8,001.6	8,613.3

Equity and liabilities

MEUR		Jun 30, 2020	Jun 30, 2019	Dec 31, 2019
Equity		2,691.9	2,661.4	3,192.9
Non-current liabilities				
Loans	I	400.0	440.2	427.1
Employee benefits	I	187.2	168.5	172.9
Deferred tax liabilities	II	193.3	152.1	160.2
Total non-current liabilities		780.6	760.8	760.2
Provisions	II	128.9	132.7	127.1
Current liabilities				
Loans	I	116.8	134.6	121.6
Advance payments received and deferred revenue	II	1,811.3	1,699.4	1,753.8
Accounts payable	II	869.9	756.4	809.8
Accruals	II	1,908.2	1,745.1	1,725.0
Income tax payables	II	100.2	111.3	123.0
Total current liabilities		4,806.3	4,446.7	4,533.2
Total equity and liabilities		8,407.7	8,001.6	8,613.3

Items designated " I " comprise interest-bearing net debt.

Items designated " II " comprise net working capital.

Consolidated statement of changes in equity

MEUR	Share capital	Share premium account	Paid-up unrestricted equity reserve	Fair value and other reserves	Translation differences	Remeasurements of employee benefits	Own shares	Retained earnings	Net income for the period	Non-controlling interests	Total equity
Jan 1, 2020	66.2	100.3	322.1	9.8	110.3	-123.8	-185.1	2,873.0		20.0	3,192.9
Net income for the period									395.5	1.8	397.2
Other comprehensive income:											
Translation differences					-44.0						-44.0
Hedging of foreign subsidiaries					7.9						7.9
Cash flow hedges				16.6							16.6
Changes in fair value				-7.4							-7.4
Remeasurements of employee benefits						-2.2					-2.2
Transactions with shareholders and non-controlling interests:											
Profit distribution								-880.5			-880.5
Increase in equity (option rights)											-
Purchase of own shares											-
Change in non-controlling interests										-0.6	-0.6
Option and share-based compensation			12.0				20.5	-20.5			12.0
Jun 30, 2020	66.2	100.3	334.1	19.1	74.2	-126.0	-164.6	1,972.0	395.5	21.2	2,691.9

MEUR	Share capital	Share premium account	Paid-up unrestricted equity reserve	Fair value and other reserves	Translation differences	Remeasurements of employee benefits	Own shares	Retained earnings	Net income for the period	Non-controlling interests	Total equity
Jan 1, 2019	66.0	100.3	259.1	27.0	64.8	-89.5	-203.3	2,840.0		16.0	3,080.6
Restatement impact								-28.5			-28.5
Jan 1, 2019, restated	66.0	100.3	259.1	27.0	64.8	-89.5	-203.3	2,811.5		16.0	3,052.1
Net income for the period									404.4	4.2	408.6
Other comprehensive income:											
Translation differences					20.1						20.1
Hedging of foreign subsidiaries					1.1						1.1
Cash flow hedges				-2.0							-2.0
Changes in fair value				3.6							3.6
Remeasurements of employee benefits						-21.4					-21.4
Transactions with shareholders and non-controlling interests:											
Profit distribution								-851.7			-851.7
Increase in equity (option rights)	0.2		37.3								37.5
Purchase of own shares											-
Change in non-controlling interests										-0.2	-0.2
Option and share-based compensation			13.8				18.3	-18.3			13.8
Jun 30, 2019	66.2	100.3	310.2	28.6	86.0	-110.9	-185.0	1,941.6	404.4	20.0	2,661.4

Consolidated statement of changes in equity

	Share capital	Share premium account	Paid-up unrestricted equity reserve	Fair value and other reserves	Translation differences	Remeasurements of employee benefits	Own shares	Retained earnings	Net income for the period	Non-controlling interests	Total equity
MEUR											
Jan 1, 2019	66.0	100.3	259.1	27.0	64.8	-89.5	-203.3	2,840.0		16.0	3,080.6
Restatement impact								-28.5			-28.5
Jan 1, 2019, restated	66.0	100.3	259.1	27.0	64.8	-89.5	-203.3	2,811.5		16.0	3,052.1
Net income for the period									931.3	7.3	938.6
Other comprehensive income:											
Translation differences					54.0						54.0
Hedging of foreign subsidiaries					-8.5						-8.5
Cash flow hedges				-14.5							-14.5
Changes in fair value				-2.7							-2.7
Remeasurements of employee benefits						-34.3					-34.3
Transactions with shareholders and non-controlling interests:											
Profit distribution								-851.7			-851.7
Increase in equity (option rights)	0.2		37.3								37.5
Purchase of own shares											-
Change in non-controlling interests										-3.3	-3.3
Option and share-based compensation			25.7				18.2	-18.2			25.7
Dec 31, 2019	66.2	100.3	322.1	9.8	110.3	-123.8	-185.1	1,941.7	931.3	20.0	3,192.9

Condensed consolidated statement of cash flows

MEUR	4-6/2020	4-6/2019	1-6/2020	1-6/2019	1-12/2019
Operating income	315.5	306.5	512.7	521.8	1,192.5
Change in working capital before financing items and taxes	218.2	-42.4	307.1	62.9	115.7
Depreciation and amortization	58.6	59.4	119.3	116.3	241.5
Cash flow from operations before financing items and taxes	592.3	323.5	939.2	701.1	1,549.6
Cash flow from financing items and taxes	-93.0	-75.2	-173.0	-140.1	-279.9
Cash flow from operating activities	499.3	248.2	766.2	561.0	1,269.7
Cash flow from investing activities	-20.2	-25.8	-39.7	-58.1	-121.8
Cash flow after investing activities	479.1	222.5	726.5	502.9	1,148.0
Increase in equity (option rights)	-	37.5	-	37.5	37.5
Profit distribution	-87.9	-68.8	-880.5	-851.7	-851.7
Change in deposits and loans receivable, net	-357.1	-220.1	119.4	295.9	-182.7
Change in loans payable and other interest-bearing debt	-39.2	-27.1	-67.8	-52.2	-134.1
Changes in non-controlling interests	-0.7	-0.4	-0.7	-0.4	-3.7
Cash flow from financing activities	-484.9	-278.9	-829.5	-570.9	-1,134.7
Change in cash and cash equivalents	-5.8	-56.5	-103.0	-68.0	13.2
Cash and cash equivalents at beginning of period	557.7	636.3	662.4	636.0	636.0
Translation difference	-1.7	-5.1	-9.3	6.8	13.2
Cash and cash equivalents at end of period	550.1	574.8	550.1	574.8	662.4

CHANGE IN INTEREST-BEARING NET DEBT

MEUR	4-6/2020	4-6/2019	1-6/2020	1-6/2019	1-12/2019
Interest-bearing net debt at beginning of period	-970.2	-837.3	-1,552.9	-1,346.4	-1,346.4
Interest-bearing net debt at end of period	-1,330.2	-973.3	-1,330.2	-973.3	-1,552.9
Change in interest-bearing net debt	-360.0	-136.0	222.7	373.1	-206.5

Payments of lease liabilities were EUR 61.6 (January–June 2019: 51.9) million.

Notes to the interim report

ACCOUNTING PRINCIPLES

KONE Corporation's Half-year Financial Report for January–June 2020 has been prepared in line with IAS 34, 'Interim Financial Reporting' and should be read in conjunction with KONE's financial statements for 2019, published on January 28, 2020. KONE has applied the same accounting principles in the preparation of this Half-year Financial Report as in its Financial Statements for 2019. The information presented in this Half-year Financial Report has not been audited.

KEY FIGURES

		1–6/2020	1–6/2019	1–12/2019
Basic earnings per share	EUR	0.76	0.78	1.80
Diluted earnings per share	EUR	0.76	0.78	1.80
Equity per share	EUR	5.15	5.10	6.13
Interest-bearing net debt	MEUR	-1,330.2	-973.3	-1,552.9
Equity ratio	%	40.8	42.2	46.5
Gearing	%	-49.4	-36.6	-48.6
Return on equity	%	27.0	28.6	30.1
Return on capital employed	%	22.7	23.5	25.1
Total assets	MEUR	8,407.7	8,001.6	8,613.3
Assets employed	MEUR	1,361.7	1,688.1	1,640.0
Net working capital (including financing and tax items)	MEUR	-1,057.7	-805.4	-856.0

The calculation formulas of key figures are presented in KONE's Financial Statements for 2019.

ALTERNATIVE PERFORMANCE MEASURE

KONE reports an alternative performance measure, adjusted EBIT, to enhance comparability of the business performance between reporting periods during the Accelerate program. The adjusted EBIT is calculated by excluding from EBIT significant items impacting comparability such as restructuring costs arising from redundancy and other costs directly associated to the Accelerate program.

		4–6/2020	4–6/2019	1–6/2020	1–6/2019	1–12/2019
Operating income	MEUR	315.5	306.5	512.7	521.8	1,192.5
Operating income margin	%	12.5	12.1	10.8	11.0	11.9
Items impacting comparability	MEUR	9.1	13.1	17.4	26.2	45.0
Adjusted EBIT	MEUR	324.6	319.6	530.2	548.0	1,237.4
Adjusted EBIT margin	%	12.8	12.6	11.2	11.6	12.4

QUARTERLY FIGURES

KONE has adopted the IFRS 16 effective January 1, 2019 using the modified retrospective approach and the comparative figures have not been restated. Further, KONE applied IFRS 15 and IFRS 9 standards from January 1, 2018 onwards and 2017 financials are restated retrospectively. Figures for 2013–2016 are not restated and thus not fully comparable.

		Q2/2020	Q1/2020	Q4/2019	Q3/2019	Q2/2019	Q1/2019		
Orders received	MEUR	2,075.4	2,109.3	1,988.3	2,007.3	2,310.1	2,094.1		
Order book	MEUR	8,307.3	8,386.4	8,051.5	8,399.8	8,407.1	8,454.7		
Sales	MEUR	2,532.1	2,198.3	2,684.6	2,557.6	2,540.8	2,198.8		
Operating income	MEUR	315.5	197.2	356.4	314.2	306.5	215.4		
Operating income margin	%	12.5	9.0	13.3	12.3	12.1	9.8		
Adjusted EBIT ¹⁾	MEUR	324.6	205.6	367.5	321.9	319.6	228.4		
Adjusted EBIT margin ¹⁾	%	12.8	9.4	13.7	12.6	12.6	10.4		
Items impacting comparability	MEUR	9.1	8.4	11.1	7.7	13.1	13.1		
		Q4/2018	Q3/2018	Q2/2018	Q1/2018	Q4/2017	Q3/2017	Q2/2017	Q1/2017
Orders received	MEUR	1,937.9	1,831.9	2,118.6	1,908.7	1,845.8	1,739.0	2,056.2	1,913.0
Order book	MEUR	7,950.7	7,791.6	7,915.3	7,786.6	7,357.8	7,473.5	7,749.2	7,960.5
Sales	MEUR	2,443.4	2,288.7	2,330.6	2,008.0	2,306.3	2,209.7	2,337.2	1,943.4
Operating income	MEUR	292.5	258.0	280.5	211.5	292.8	317.9	335.8	245.8
Operating income margin	%	12.0	11.3	12.0	10.5	12.7	14.4	14.4	12.6
Adjusted EBIT ¹⁾	MEUR	319.6	273.7	300.4	218.3	302.6	321.3	335.8	245.8
Adjusted EBIT margin ¹⁾	%	13.1	12.0	12.9	10.9	13.1	14.5	14.4	12.6
Items impacting comparability	MEUR	27.1	15.7	19.9	6.9	9.9	3.3	-	-
		Q4/2016	Q3/2016	Q2/2016	Q1/2016	Q4/2015	Q3/2015	Q2/2015	Q1/2015
Orders received	MEUR	1,839.2	1,771.7	2,067.8	1,942.3	1,947.2	1,764.5	2,193.5	2,053.8
Order book	MEUR	8,591.9	8,699.0	8,763.6	8,529.7	8,209.5	8,350.7	8,627.4	8,529.6
Sales	MEUR	2,593.2	2,170.2	2,272.6	1,748.3	2,561.8	2,184.2	2,210.4	1,690.9
Operating income	MEUR	392.2	331.1	348.6	221.4	378.5	325.9	325.2	211.9
Operating income margin	%	15.1	15.3	15.3	12.7	14.8	14.9	14.7	12.5
Adjusted EBIT ¹⁾	MEUR	392.2	331.1	348.6	221.4	378.5	325.9	325.2	211.9
Adjusted EBIT margin ¹⁾	%	15.1	15.3	15.3	12.7	14.8	14.9	14.7	12.5
Items impacting comparability	MEUR	-	-	-	-	-	-	-	-
		Q4/2014	Q3/2014	Q2/2014	Q1/2014	Q4/2013	Q3/2013	Q2/2013	Q1/2013
Orders received	MEUR	1,703.8	1,577.2	1,801.9	1,729.7	1,473.2	1,327.2	1,638.2	1,712.4
Order book	MEUR	6,952.5	6,995.8	6,537.2	6,175.4	5,587.5	5,642.1	5,874.4	5,823.1
Sales	MEUR	2,165.8	1,877.9	1,848.9	1,441.8	2,033.0	1,739.2	1,761.7	1,398.7
Operating income	MEUR	315.3	277.5	263.2	179.6	292.8	257.5	242.8	160.4
Operating income margin	%	14.6	14.8	14.2	12.5	14.4	14.8	13.8	11.5
Adjusted EBIT ¹⁾	MEUR	315.3	277.5	263.2	179.6	292.8	257.5	242.8	160.4
Adjusted EBIT margin ¹⁾	%	14.6	14.8	14.2	12.5	14.4	14.8	13.8	11.5
Items impacting comparability	MEUR	-	-	-	-	-	-	-	-

¹⁾ Operating income excluding items impacting comparability

Net working capital

MEUR	Jun 30, 2020	Jun 30, 2019	Dec 31, 2019
Net working capital			
Inventories	672.1	643.3	648.6
Advance payments received and deferred revenue	-1,811.3	-1,699.4	-1,753.8
Accounts receivable	2,200.9	2,126.1	2,232.3
Deferred assets and income tax receivables	751.0	759.8	669.6
Accruals and income tax payables	-2,008.4	-1,856.3	-1,848.0
Provisions	-128.9	-132.7	-127.1
Accounts payable	-869.9	-756.4	-809.8
Net deferred tax assets/liabilities	136.7	110.3	132.1
Total net working capital	-1,057.7	-805.4	-856.0

Depreciation and amortization

MEUR	4-6/2020	4-6/2019	1-6/2020	1-6/2019	1-12/2019
Depreciation and amortization of fixed assets	49.4	50.5	100.9	98.6	205.3
Amortization of acquisition-related intangible assets	9.2	8.9	18.5	17.7	36.2
Total	58.6	59.4	119.3	116.3	241.5

Key exchange rates in euros

		Jun 30, 2020		Jun 30, 2019	
		Income statement	Statement of financial position	Income statement	Statement of financial position
Chinese Renminbi	RMB	7.7808	7.9219	7.6891	7.8185
US Dollar	USD	1.1061	1.1198	1.1334	1.1380
British Pound	GBP	0.8735	0.9124	0.8761	0.8966
Australian Dollar	AUD	1.6708	1.6344	1.6015	1.6244

Derivatives

Fair values of derivative financial instruments

			Jun 30, 2020	Jun 30, 2019	Dec 31, 2019
MEUR	Derivative assets	Derivative liabilities	Fair value, net	Fair value, net	Fair value, net
Foreign exchange forward contracts and swaps	32.4	-35.5	-3.1	-16.7	-16.5

Nominal values of derivative financial instruments

MEUR	Jun 30, 2020	Jun 30, 2019	Dec 31, 2019
Foreign exchange forward contracts and swaps	3,532.8	3,203.2	2,569.4

The fair values of foreign exchange forward contracts and swaps are measured based on price information derived from active markets and commonly used valuation methods (fair value hierarchy level 2).

The fair values are represented on the balance sheet on a gross basis and can be set off on conditional terms. No collaterals or pledges have been given as a security against

any liabilities or received against any assets arising from derivatives or other financial instruments. Financial contracts are executed only with counterparties that have high credit ratings. The credit risk of these counterparties as well as the present creditworthiness of KONE are considered when calculating the fair values of outstanding financial assets and liabilities.

INVESTMENTS

The shares held include a 19.9% holding in Toshiba Elevator and Building Systems Corporation (TELC). TELC is an investment in equity instruments that does not have a quoted price in an active market. Investment also include other non-current financial assets which involve smaller holdings in other companies without public quotation.

Shares and other non-current financial assets are classified as investments measured at fair value through other comprehensive income and the fair value is measured using income or market approach valuation techniques under fair value hierarchy level 3.

COMMITMENTS

Commitments include guarantees issued by banks and financial institutions for obligations arising in the ordinary course of business of KONE companies up to a maximum

of EUR 1,580.7 (December 31, 2019: 1,576.6) million as of June 30, 2020.

This bulletin contains forward-looking statements that are based on the current expectations, known factors, decisions and plans of the management of KONE. Although the management believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. Accordingly, results could differ materially from those implied in the forward-looking statements as a result of, among other factors, changes in economic, market and competitive conditions, changes in the regulatory environment and other government actions as well as fluctuations in exchange rates.

出口 沪杭公路
EXIT Huhang Highway

出站验票
Exit Gates

沪杭公路出口 2
Huhang Highway EXIT 2

← 1 出口 沪杭公路
EXIT Huhang Highway

沪杭公路出口 2
Huhang Highway EXIT 2 →

进站检票
Entrance Gates

往静安新城
To Jing'an New City

Front and back cover reference images

The Shanghai Metro is among the busiest public transportation networks in the world. The completion of Line 5 marked a major milestone in improving the efficient and sustainable flow of city life as the zig-zagged route is the only one to connect downtown Shanghai with the residential suburb of Fengxian. The KONE solutions and maintenance team on the route keep people flow at the busy stations smooth.

KONE's financial reporting schedules 2020

Interim Report January–September, 2020
Thursday, October 22, 2020

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