

# Uponor strategy

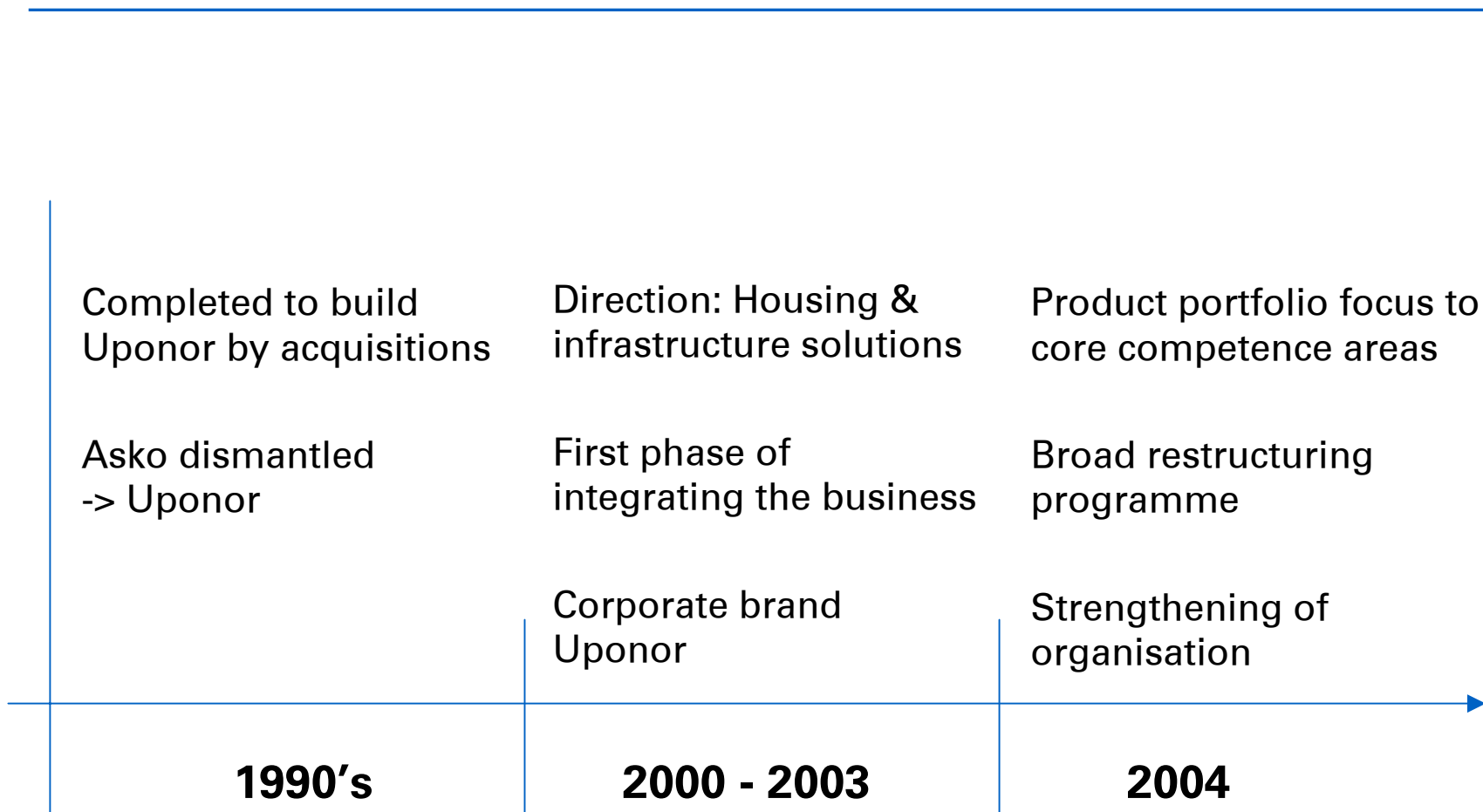
**Jan Lång**  
President and CEO

**Capital Markets Day**  
**Sweden 22 – 23 September 2004**

Bringing  
*comfort*  
to life

# Uponor's strategic transformation

## History



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## Where is Uponor now?

- Unrivalled competence in hydronic underfloor heating and plastic tap water piping systems – World leader
- Recognised by the market as the driver of the industry
- Strong geographical spread – Europe, N.A.
- Consistent profitability and a strong balance sheet

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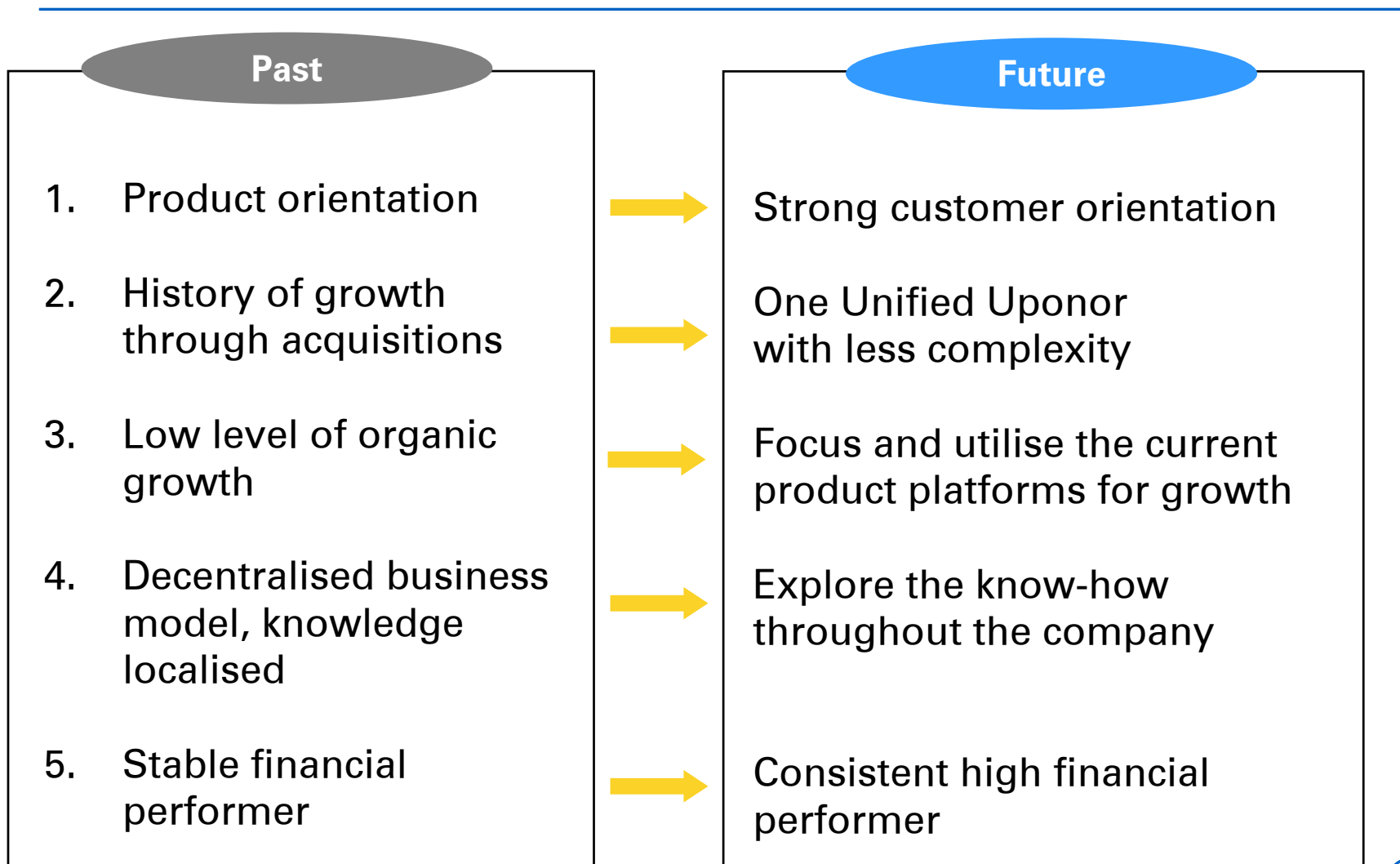
## Key business drivers for the future

- Living comfort
- Renovation growing
- Plastic penetration
- Regulations
- Energy efficiency
- New build – single family houses

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# Uponor's strategic transformation

## Future



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## Uponor's strategic framework

### **UPONOR VISION**

*Uponor will be a leading corporate brand generating profitable growth by providing solutions for housing and environmental infrastructure.*

*Uponor does this by building superior relationships with its customers and other business associates and through continuous innovation programmes.*

*Uponor's geographical focus areas are Europe and North America.*

### **Growth**

Extensions to the existing businesses

Business expansions to new areas

### **Corporate brand**

Unified corporate culture

Brand architecture

### **Operational excellence**

Integrated business

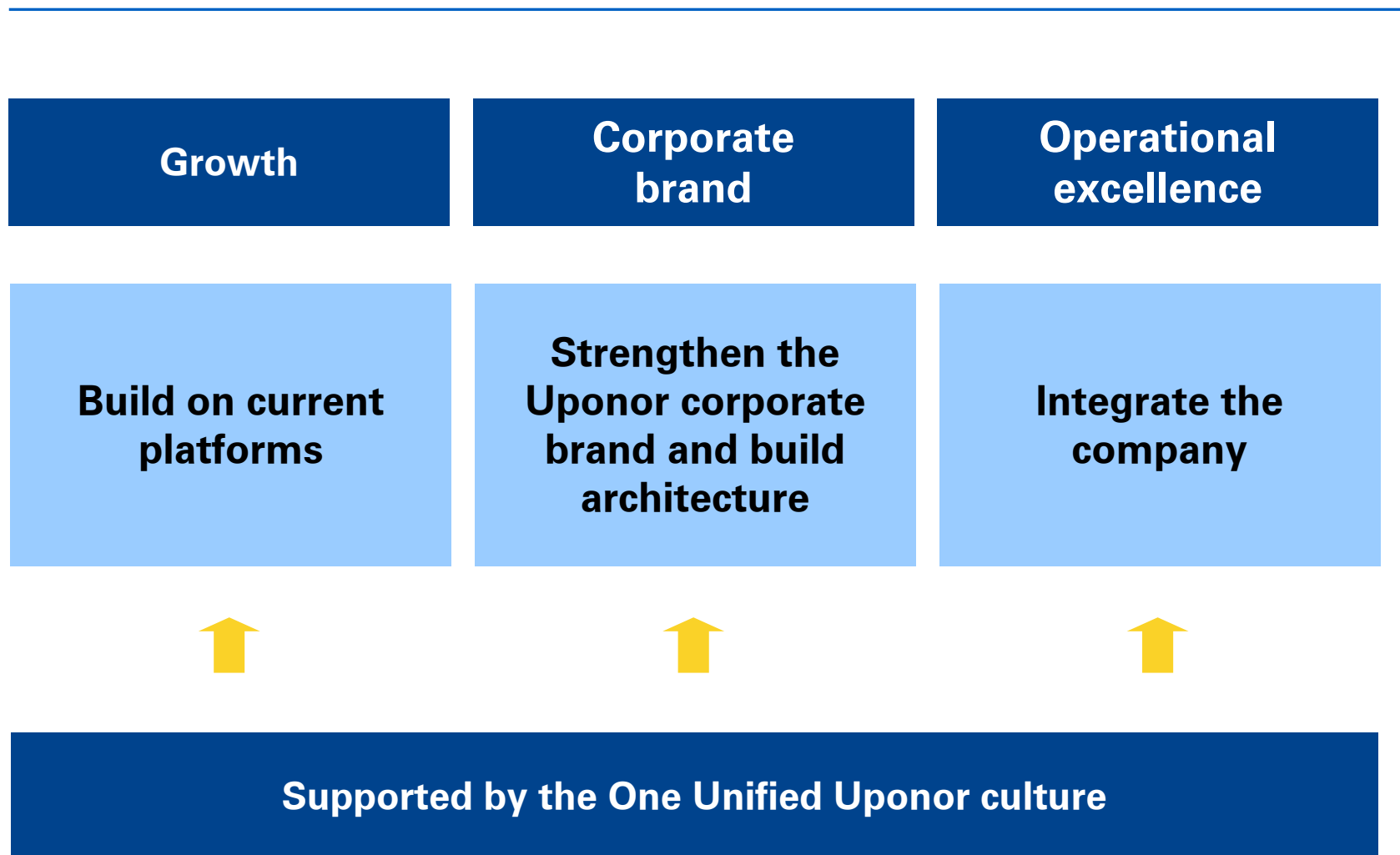
Business portfolio restructuring

### **Improved profitability**

Focus 2004–2005 on strengthening the Uponor platform and profitability.  
Build the basis for "One Unified Uponor"

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## Uponor's core strategy



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# Strategic direction of current business portfolio

## Strategic position

**UFH**  
Europe No 1  
NA No 1

**Tap water**  
Europe No 1  
NA No 1-2

**Infrastructure**  
Europe No 3-4,  
NA exited



## Direction

Maintain position  
in Northern and  
Central Europe

Build in Uponor  
North America and  
Europe – WES

Strengthen  
penetration  
across the Group

Focus on segments  
where we can  
achieve No 1-2  
positions

Use this platform for product application enhancements.  
Add value: controls, training concept, etc.



# Uponor's core strategy

## Growth

**Build on current platforms**

Enhance the offering in Heating & Cooling and in Tap Water

Increased focus on customers

Achieve growth organically

Strengthen position in Europe in countries we are not established in

## Corporate brand

**Strengthen the Uponor corporate brand and build architecture**

Clear architecture and recognition of Uponor corporate brand and its system brands

## Operational excellence

**Integrate the company**

Integrated processes

Uponor ERP system

Competence transfer across the Group

Focus manufacturing to core competence centres

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## Financial long term targets

- Annual sales growth above 5% in the core business
- EBITA margin at least 12%
- ROI minimum 20% in the core business
- Equity ratio 50% (gearing < 70%)
- Dividend per share minimum 50% of earnings per share

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