

# Developing the brand

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### Capital Markets Day

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A graphic of a water splash with ripples, set against a blue background.

Bringing  
*comfort*  
to life

A vertical blue bar on the left side of the slide. At the top, there is a graphic of a water splash with ripples. Below it, the text 'Bringing comfort to life' is written in a white, serif font.

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History and background  
of the Uponor brand

Motivation for the  
new brand strategy

The Uponor brand strategy  
and its implementation

## Uponor has grown through acquisitions

### 1980's

- 1982: Upo-Putki (FI), Lubonyl (SE)
- 1983: Wessel Industries (IR)
- 1984: Thyssen Plastik Anger GmbH  
Several Scandinavian companies
- 1986: Finlayson Pipe Division
- 1988: Hewing GmbH (incl. Polytherm)  
Wirsbo Bruks AB (incl. Velta)

### 1990's

- 1990: Resiplast S.A. (ES)  
Ecoplas S.A (PT)  
Concorde Industries / ETI (US)
- 1991: Aldyl gas pipe div. (UK, US, Arg.)  
Mabo Plast (DK)
- 1992: Ryb S.A (FR)

### 1990's (continued)

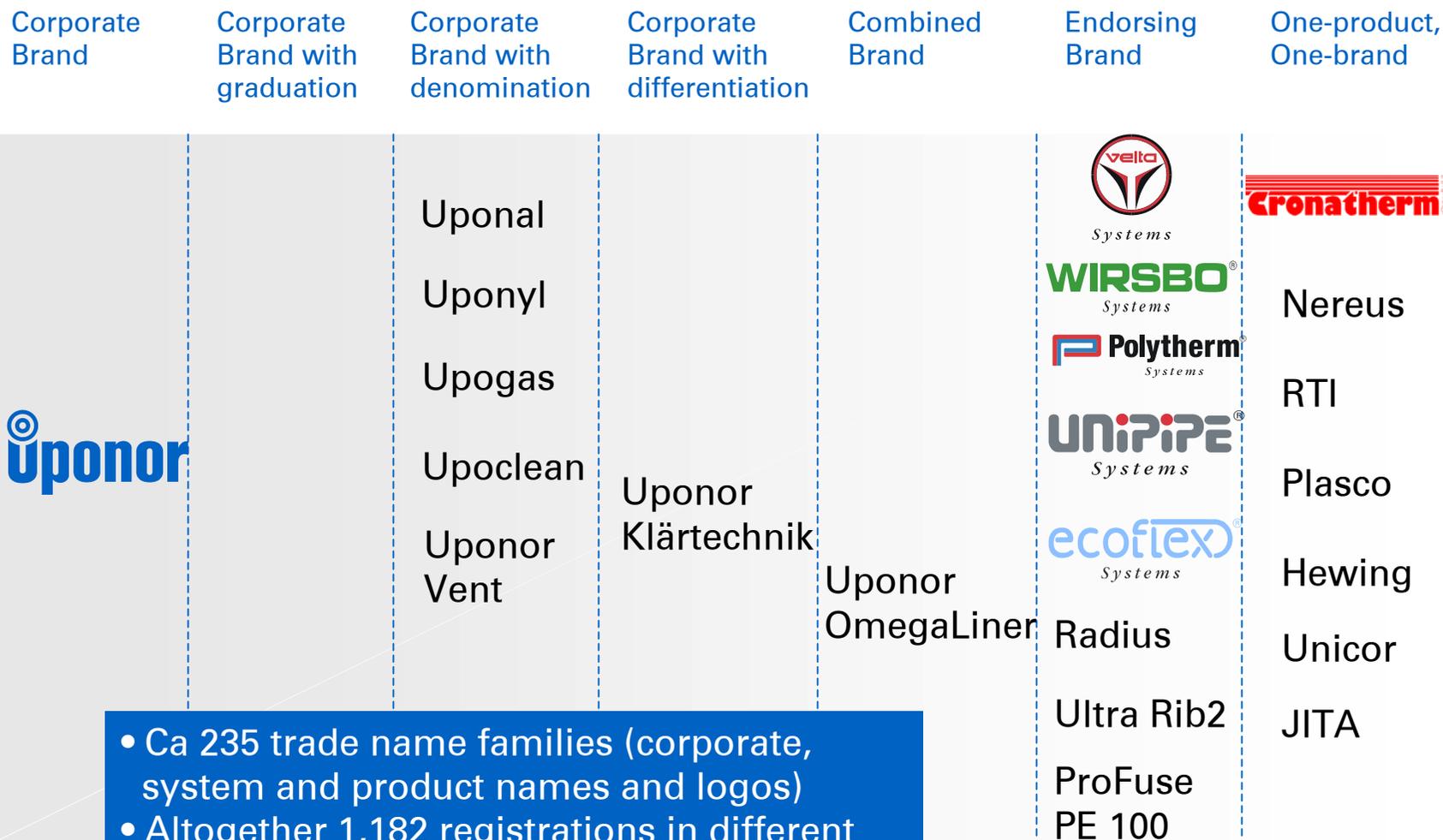
- 1993: Jita Oy
- 1994: Pexep Oy
- 1996: Seppelfricke Systemtechnik GmbH  
RTI Inc. (US)
- 1997: Stadler Corporation (US)  
Rolltec Heizsysteme GmbH  
Unicor AG (40% shareholding)
- 1998: Radius Plastics (UK)  
Plasco Manufacturing Limited (CN)  
Cronatherm Heizungselemente GmbH
- 1999: Unicor AG (100% shareholding)  
Meroblock (DE)

### 2000's

- 2001: Envicon Klärtechnik GmbH
- 2002: Flexipipe (UK), Nereus Oy

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# As a result, Uponor's brand architecture had become product driven and complicated



- Ca 235 trade name families (corporate, system and product names and logos)
- Altogether 1,182 registrations in different countries

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# Geographic presence of Uponor's existing brand portfolio

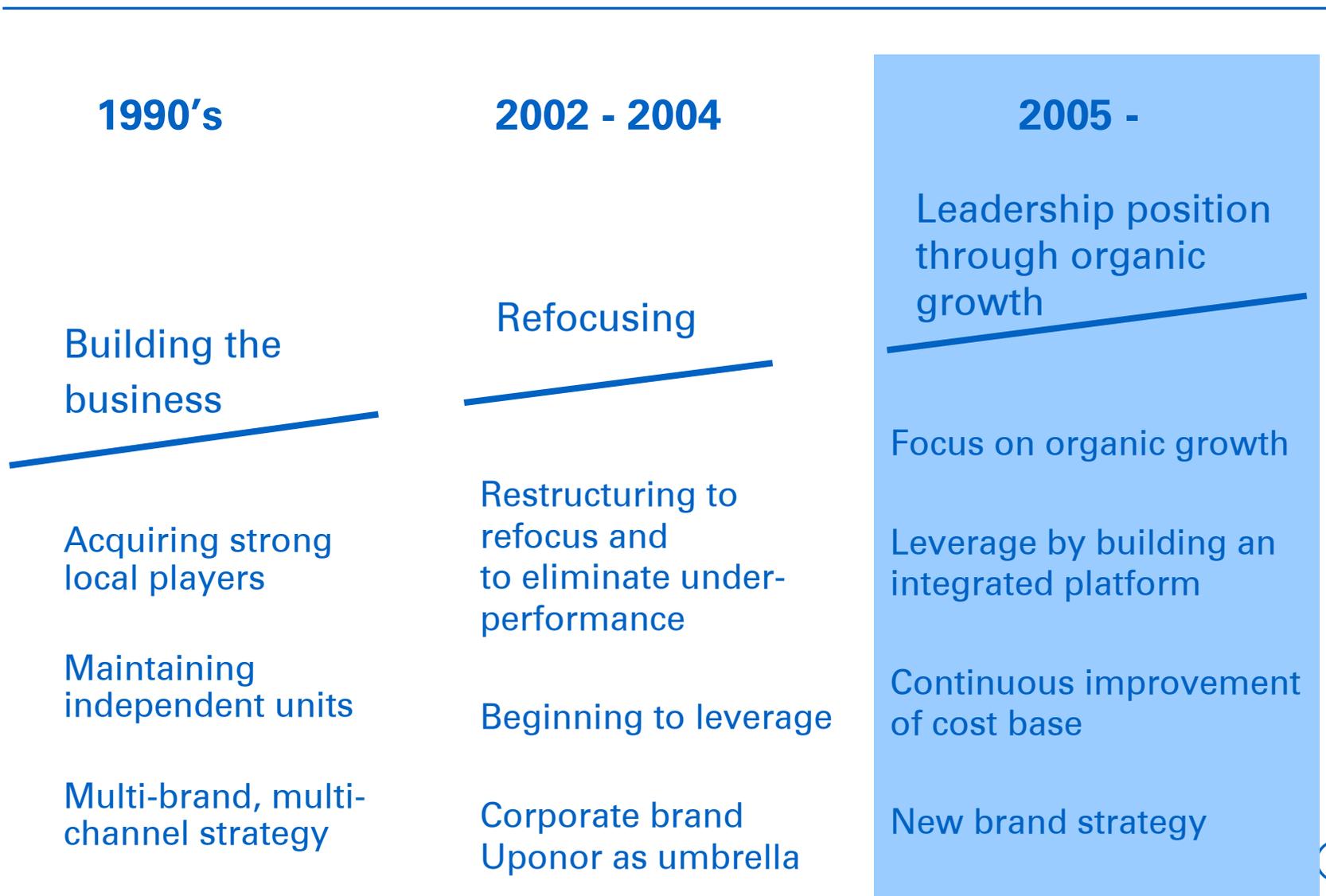
- Measured by net sales, Uponor and Wirsbo are the biggest contributors



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# The acquisition period was followed by consolidation and strategic transformation

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Growth through acquisitions had resulted a product driven and complicated brand architecture

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# Corporate brand is one of the three main pillars of Uponor's strategic framework driving towards improved profitability

## Growth

Build on current platforms

Grow essentially organically

Increased focus on customers

Enhance product offering through innovation

Strengthen position in Europe

## Corporate brand

Strengthen the Uponor corporate brand

Single brand strategy 2006 ->

Unified culture

Strengthen the image on the market

Allows to leverage the product portfolio

## Operational excellence

Integrate the company

Integrated processes incl. ERP system

Competence transfer

Leverage the supply chain

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## Strong corporate brand to unify our corporate culture and sharpen our brand positioning

- As a result of acquisitions, Uponor had multiple organisational cultures
  - sub-optimisation was an obstacle to driving internal efficiency
  - brand power built into the sub-brands with each of their own positioning limited possibilities to build a strong company name
- In many markets the Uponor brand has had rather low recognition
  - need to develop a sharp and clear positioning
  - need to develop platform for a more focussed brand communication
  - develop company culture and behaviour to deliver the brand promise



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## Streamlined brand architecture will give operational and organisational benefits

- A simpler brand architecture is needed as a platform for more efficient development of our offering portfolio
  - Due to historical development (overlapping offerings under several system brands) current amount of articles in our business system is ~100 000
  - Opportunities to reduce number of articles
  - Enables applying technologies without limitations from current artificial system brand borders
- Synergies and efficiencies in marketing
- Possibilities to structure our sales and marketing operations more efficiently in markets where several parallel organisations exist
  - e.g. re-organisation of the German sales and marketing

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Growth through acquisitions had resulted a product driven and complicated brand architecture

Corporate brand development is part of the overall strategic framework to deliver improved profitability. Key issues are to develop unified company culture and streamlined brand architecture

The Uponor brand strategy  
and its implementation

## Views of our customers were used as input for the new brand strategy

- Brand strategy project started in June 2004
  - Interviews with > 200 employees and customers worldwide
- Key learnings, internal:
  - Employees and management expect clarity
  - Rationalisation expected; everybody agrees we have too many brands
- Key learnings, external:
  - Customers are more open to change than we predicted
  - Our success ultimately comes down to our people: Uponor's difference is more about people than product
  - Brand strengths and differences not as well-rooted as imagined



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## Summary of the desired position

- Sharper image through clarity and consistency
- One brand will improve the impact of the business and help drive efficiencies
- Transition programme needed for current brands into single brand
- Brand needs to offer a platform of expertise, relationship and better business
- One brand to support an integrated international business (not a group)
  - One brand with people working together across the world
  - The brand people buy from, work with, work for

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## The Uponor brand story

People care more and more about the environment in which they live and work: commercial buildings, residences, open and public spaces.

As standards and styles change, so people's expectations change too, and in order to find the right services and products to satisfy those demands, it becomes more important to know where to go to, and who to trust.

**We partner with professionals to create better human environments.** By working closely with them, we make them feel we are totally on their side, that we know more about their needs, that we want to give them more, that we offer them something special - everything to help them enjoy more success.

In an increasingly complex world, we will always be **the smarter choice.**



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## The new Uponor brand will focus on customer relationships



- Shift attention from products to customers
  - Uponor has been traditionally very product oriented
- Research shows that customers value the service and support we give them
  - Uponor’s difference is more about people than product

*“People over product. I cannot emphasise enough how important that is” (installer)*

*“You talk about brand, but that’s really people” (prescriber)*

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## The new brand architecture will be simpler and consolidate the brand power on one name - Uponor

- Current system brands under Uponor will be phased out, including Wirsbo, Unipipe, Velta, Ecoflex
  - OEM business will continue under the Hewing name
- The future product naming structure will be descriptive
  - e.g. Uponor Underfloor Heating System
- To ensure the transfer of brand equities, we will initially retain selected trade names on sub-system and component level

*“As long as the people I deal with are the same, I don’t care what things are called” (installer)*

*“It is about presenting information, not about what you call the actual components” (planner)*

*“If the product is ok, it doesn’t matter what you call it” (wholesaler)*

## Uponor's visual identity will be renewed to support and match the new positioning

- The current visual identity is 15 years old
  - System names have been alongside the Uponor name since 2002 to build the Uponor recognition
- New visual identity acts as a symbol of change
- Roll-out from January 2006

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## Main benefits for us and our customers

- Our brand message is clarified and upgraded
- Higher awareness of the Uponor brand
- Unifies the company in line with the overall strategic goals
  - Harmonised culture and behaviour
- The new brand strategy and architecture will allow better possibilities to develop our offerings and performance, such as:
  - product harmonisation globally
  - change in the German sales organisation
- It will increase our competitiveness allowing us to serve our customers even better

From an outside point of view it might be perceived only as a name change, however, it is much more!

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## Main activities of the brand strategy implementation will be finalised by end 2006

### 2005

Summer	Internal & external launch of new brand strategy
Autumn	Launch and communication of new visual identity and architecture

### 2006

January	Start roll-out <ul style="list-style-type: none"><li>• visual identity</li><li>• organisational changes</li></ul>
December	Main implementation activities completed



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The new brand strategy will emphasise customer relationship rather than products. Brand architecture will focus attention on one name – Uponor.  
The roll-out will be carried out during 2006.

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