

Uponor strategy: update

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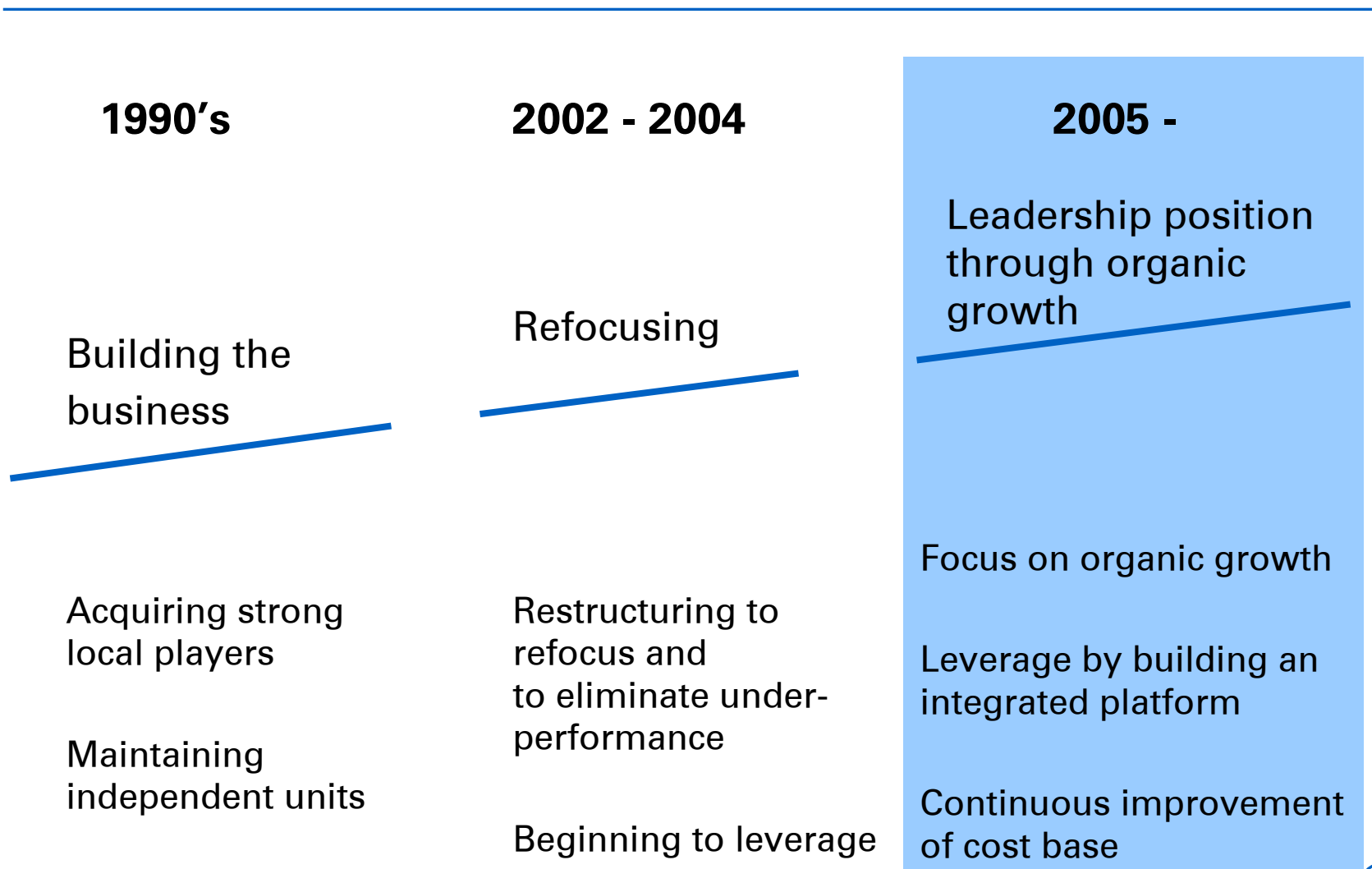
Where are we today

- World leader in hydronic underfloor heating and hot & cold tap water systems based on plastic pipes
- A focused product portfolio
- A strong sales channel position
- Improving profitability and strong balance sheet
- Major restructuring programme behind

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Strategic transformation continues

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Uponor's core strategy

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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Uponor's long-term financial goals

- **Organic growth** in net sales of a minimum of 5% per annum
- **Operating profit** (EBITA) accounting for a minimum of 12% of net sales
- **Return on investment** (ROI) in the core business of a minimum of 20%
- **Solvency ratio** exceeding 50% (gearing at less than 70)
- **Dividend policy:** minimum of 50% of the profit for the period shall be paid out annually

Key initiatives

Grow current business

- Global penetration increase in tap water and selective geographies in UFH
- Strengthening of customer relationships
- Improved offering through continuous product / system innovation

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Expand Europe

- Grow in the UK, France, Italy
- Build platform in Russia, South East Europe
- Establish business in Greece, potentially other countries

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Leverage the supply chain

- Improve efficiencies in manufacturing
- Leverage the logistic structure
- Improved cost base through strategic purchasing

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