

# **Business review 2004**

## **Annual General Meeting**

Helsinki, 15 March 2005

**Jan Lång, President and CEO**

A graphic of a water splash with ripples, located in the top left corner of the blue vertical bar.

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## Strengthened growth

- Net sales 1,072.8 MEUR
  - reported growth 5.1 %
  - comparable organic growth 11.0 %
  
- All Regions achieved the long term growth targets
  - Growth by Region in comparable terms
    - North America +27.7 %
    - Central Europe +12.6 %
    - Europe – WES + 9.3 %
    - Nordic + 6.4 %






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## Strategic focus areas

- Leading market position
- Core businesses are underfloor heating, tap water and infrastructure
  - training programmes
  - strengthening of the sales organisation
  - customer-oriented product and service offering
- Unified, integrated company
  - common processes across country and unit borders

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## 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

# Uponor Corporation's financial statements 2004

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**Jyri Luomakoski, CFO, Deputy CEO**

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## Income statement (Annual Report page 41)

- Comparison difficult due to the restructuring costs of 55 MEUR booked in 2003
- Net sales increased by 51.8 MEUR (5.1 %)
  - comparable growth 11 %
- Gross margin increased in comparable terms
  - + improved efficiency in the production structure
  - higher raw material prices
- Fixed costs slightly increasing in comparable terms
  - incl. costs for sales, marketing, development and administration

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## Balance sheet (Annual Report pages 42–43)

- Divestments decreased the fixed assets
- Material costs increased the value of the inventories
- Accounts receivables decreased despite net sales growth
- Dividend pay-out decreased the equity by 48.3 MEUR
- Obligatory provisions back to normal level as the restructuring programme draws to its end
- Interest bearing liabilities at 23.1 MEUR
  - down by 60.9 MEUR

## Cash flow statement (Annual Report page 44)

- Net cash from operations increased along with improved results
- Investments in working capital at 2.7 MEUR
  - net sales grew by 50 MEUR
- Cash flow from investments positive as a consequence of divestments
- Cash flow was used:
  - 50 MEUR in loans
  - 107 MEUR in dividends