



Uponor strategy

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**CMD
2018**

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2 Changes in trends, competition and customers

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In 2016, we introduced a strategy for sustainable growth – direction remains valid

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Uponor's strategy evolves as the environment changes

Development

1 Megatrends affect societies creating new opportunities to improve living environments

Impact to Uponor's strategy

Uponor's strategy is strongly anchored around megatrends

Illustration



2 Plastic pipe and fittings business continues to commoditise

Basis of competition is shifting to improved customer experience and enabling offsite construction



3 Targeted customer groups expand as we progress with our strategy

Developing new competences and innovating with business models



Uponor's strategy is anchored around megatrends

Megatrends affect societies fundamentally and over a long period of time



Climate change and scarcity of resources



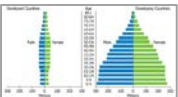
Urbanisation



Digital transformation



Shift of economic power towards emerging markets



Demographic split to aging and growing populations

...raising new opportunities to improve living environments

Intelligent plumbing and hygienic drinking water solutions. Sustainability and circular economy

Prefabricated solutions to enable efficient construction

Uponor pursues digitalisation within product, marketing, BIM and IT development

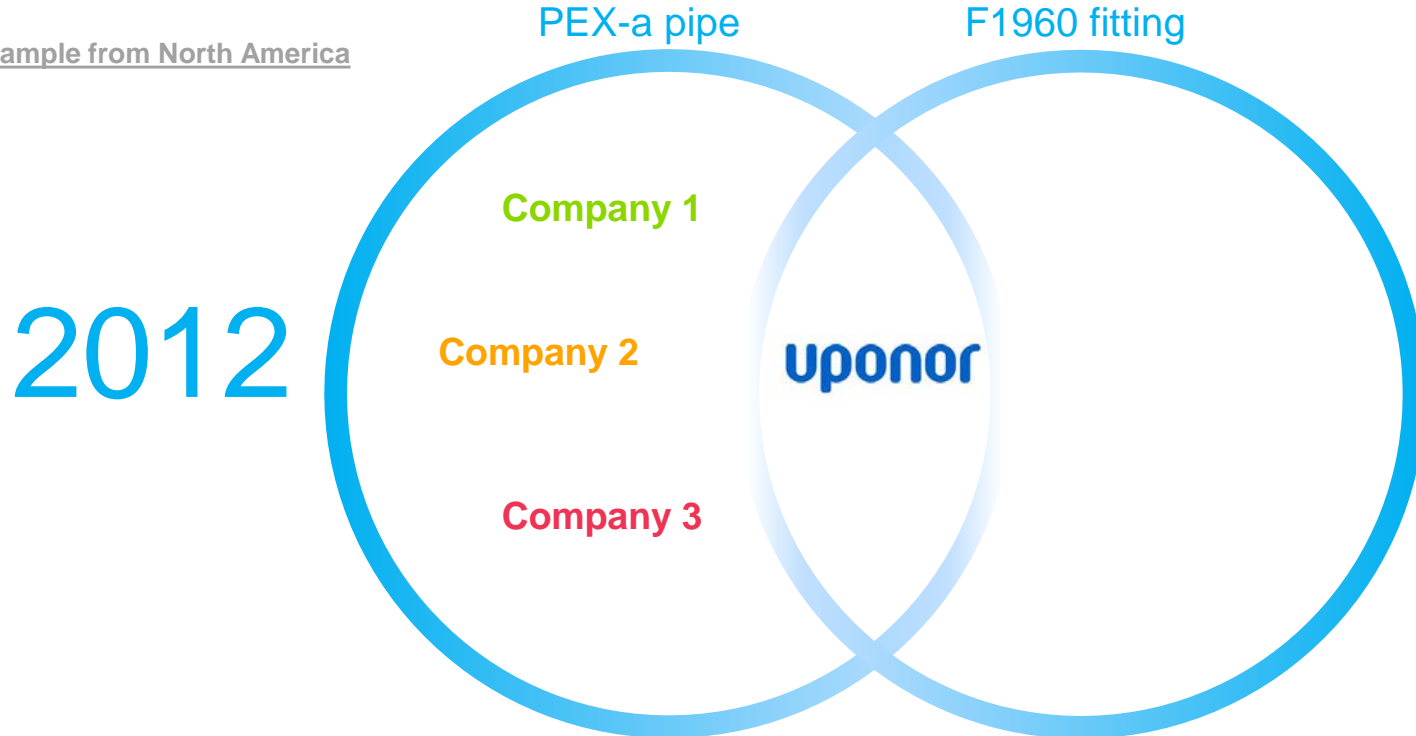
Market expansions in Asia and Mexico

Opportunities with assisted living housing. Solutions that bring comfort and health

Uponor's focus on product allowed us to capture a unique position in the market

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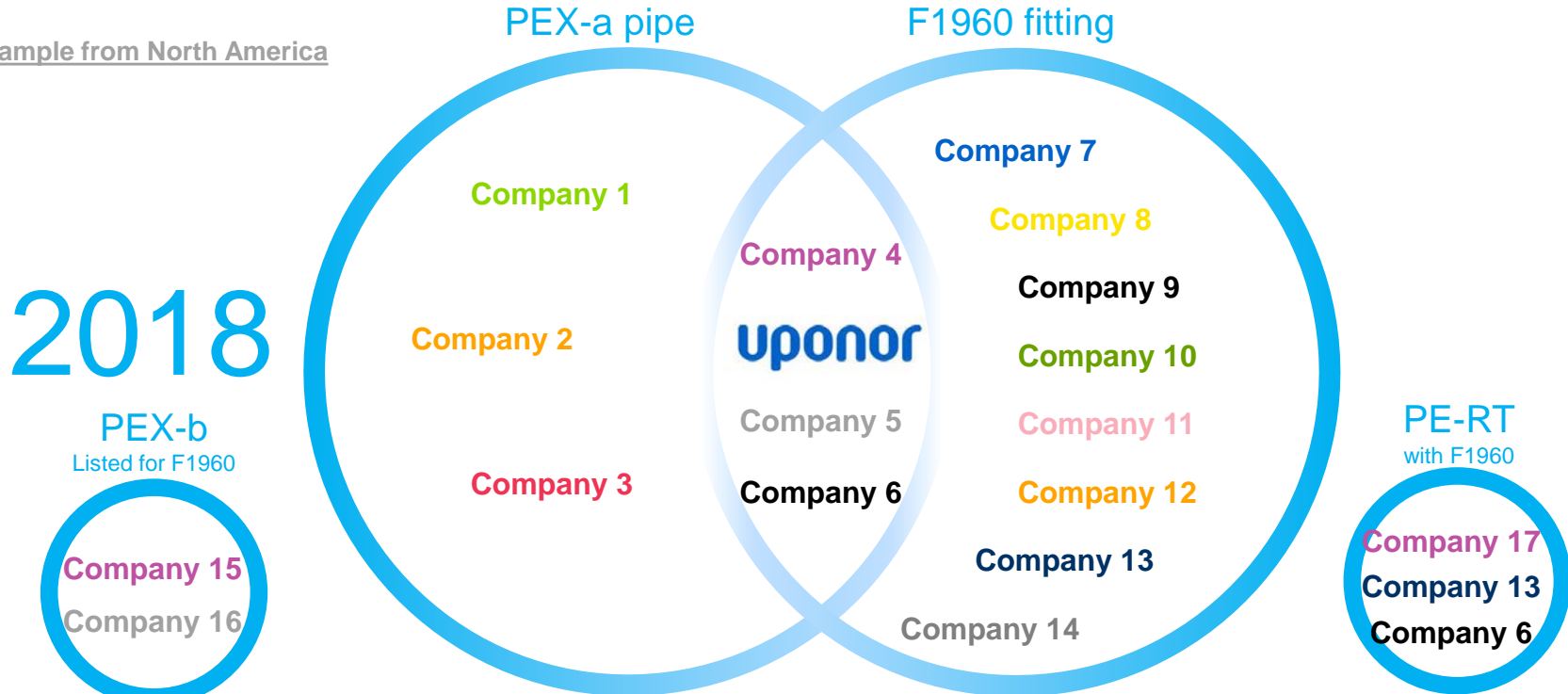
Example from North America



Competition has caught up and we face a crowded product space in our base business

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Example from North America



Uponor is shifting from a product centric model to mastering customer experience

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Company



Focused on:

Product
Efficiency
Standardisation



Customer

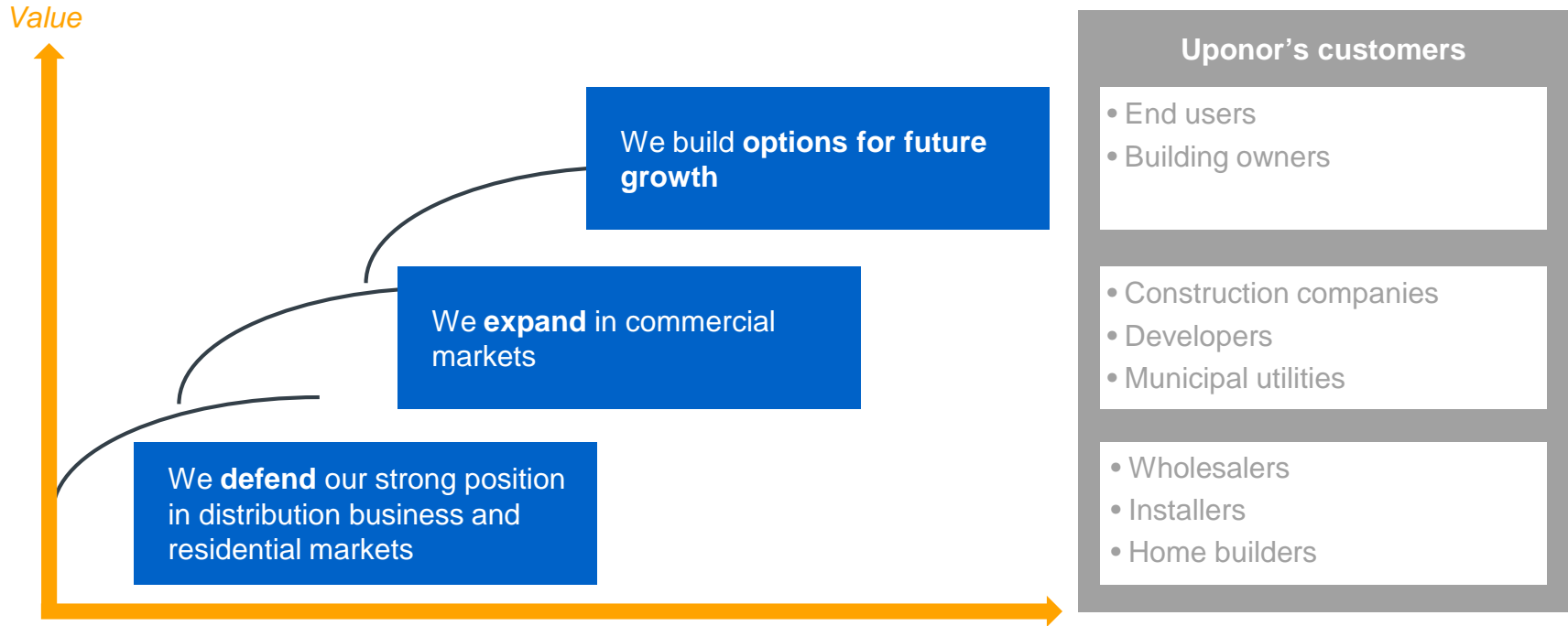


Cares about:

Experience
Relationships
Personalisation

Targeted customer groups expand as we progress with our strategy

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Strategy execution requires expanding our skills set and piloting new business models

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Employees are learning new competences, e.g.

- Solution selling
- Digitalisation

Competences



Business model



Innovating with business models

- Expanding from pipes and fittings to services
- From components to prefabricated solutions

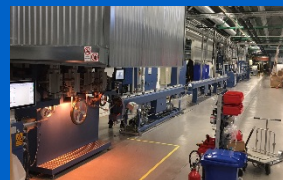
Continuous investment in research and development

- Smart connected offering
- Differentiated jointing technology

Offering development



Competitiveness



Improving cost competitiveness

- Shifting technology to high speed manufacturing
- Transformation programmes completed in Europe

Risks and opportunities are monitored continuously

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Areas to watch

Economy & industry



- Overall economic sentiment and construction output
- Tightening regulation
- Lack of skilled plumbers and increasing need for efficiency in construction



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- Speed of execution in our strategic focus areas
- Profitability within the business portfolio



Uponor's levers to adjust

- Capacity expansions
 - Continuous investment in sustainability and hygiene development
 - Scaling up Uponor's offsite construction business
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- Resource reallocations, use of strategic M&A
 - Drive further focus and efficiency

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Uponor's strategic direction remains valid

- Defend strong position in distribution
- Expand in commercial markets
- Build options for future growth

Strategy is anchored around megatrends

- Climate change and scarcity of resources
- Urbanisation
- Digital transformation

Customers and competition evolving

- Crowded product space in our base business
- Shifting from product centric to customer experience focused
- Enabling offsite construction

New competences to execute the strategy

- Solution selling and digitalisation
- Continuous investment in research and development
- Risks and opportunities are monitored continuously

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BUILD ON
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100
YEARS