



Uponor roadshow presentation

January – March 2018

Jyri Luomakoski, President and CEO

Maija Strandberg, CFO



Uponor celebrates its centenary in 2018



SHK Essen
Germany



Aquatherm
Moscow, Russia



Nordbygg
Stockholm, Sweden



**100-year anniversary
celebration:**
Bucharest, Romania



**100-year anniversary
celebration:**
Budapest, Hungary



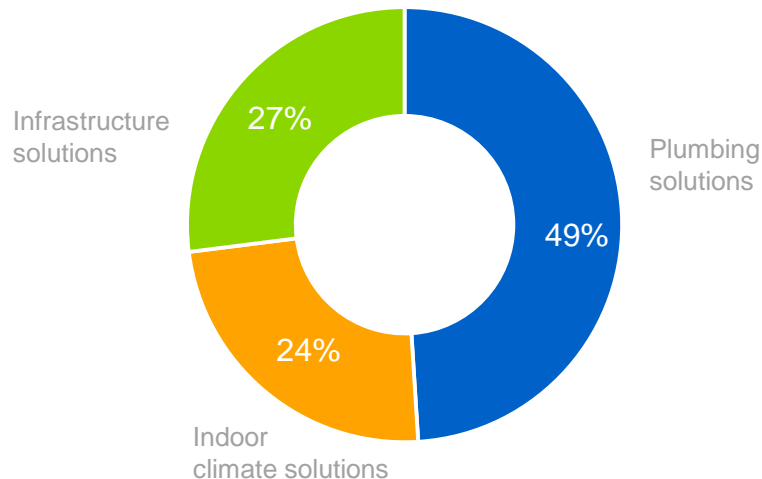
Annual General Meeting 2018
Helsinki, Finland

Uponor at a glance

Leading international provider of plastic based piping systems for buildings and infrastructure

We provide safe drinking water delivery systems, energy-efficient radiant heating and cooling and reliable infrastructure solutions

As of January 2018, Uponor is listed in the Large Cap category on Nasdaq Helsinki



FACTS & FIGURES 2017

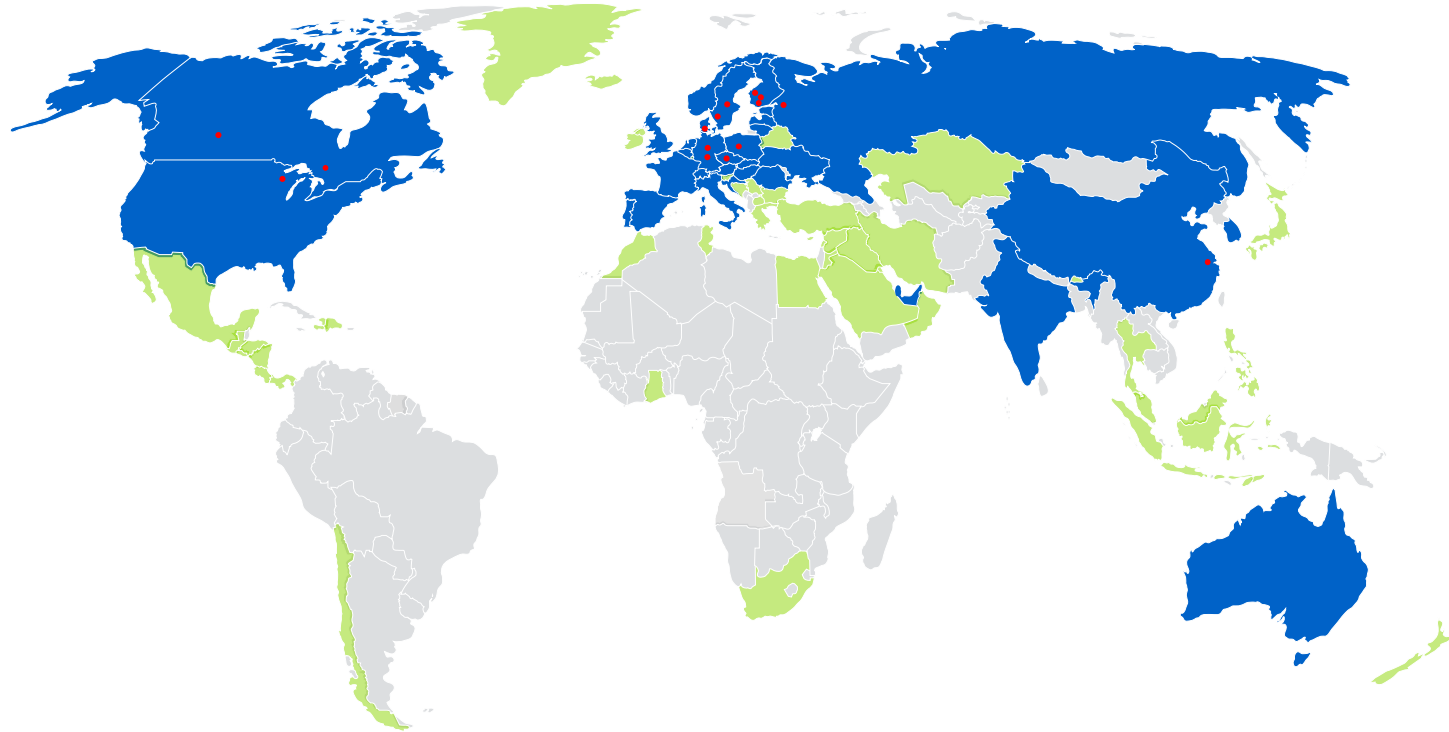
1.2
billion euro
Net sales

30
countries with
Uponor operations

15
production
sites worldwide

4,000
worldwide
staff

Uponor globally



● 15 production sites

● Countries with Uponor operations

● Countries where Uponor operates through partners

Our solutions enrich people's way of life

Our vision

Throughout the world, our solutions enrich people's way of life

Our mission

Partnering with professionals to create better plumbing, indoor climate and infrastructure solutions

Our people

We will build an exciting environment for growth and achievement both for the company and our employees



Shared values guide our operations

With 4,000 committed employees in 30 countries, Uponor is at your service all over the world.

OUR VALUES

CONNECT

BUILD

INSPIRE

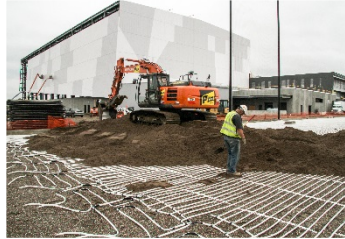
Throughout the world, our solutions enrich people's way of life



MLC riser system for a cruise ship, cutting installation time to a bare minimum: Carnival Cruises



PE pressure pipes and prefabricated fittings for the Copenhagen metro: Copenhagen, Denmark



Radiant heating & cooling, snowmelt and plumbing: football team Vikings headquarters and practice facility, Minnesota, USA



Uponor heating & cooling solutions - winner of Diamond & Gold awards from German Sustainable Building Council (DGNB): 50Hertz headquarters, Berlin, Germany



Radiant cooling solution to create the most advanced learning environment: New campus for the International School of Kuala Lumpur (ISKL), Kuala Lumpur



Reducing energy consumption with Uponor TABS – shortlisted for a prestigious H&V News award: Dudley College, UK



First villa project in China - radiant heating & cooling to save energy and ensure high comfort: Changjia Villa, Kunshan, China



Weholite stormwater tank to attenuate runoffs at the new Children's Hospital: Helsinki, Finland

Our business groups

Plumbing solutions

49% (*)



Indoor climate solutions

24% (*)



Infrastructure solutions

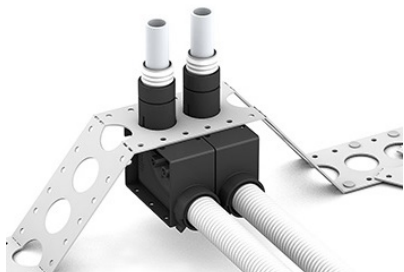
27% (*)



*) share of Group 2017 net sales

Uponor's plumbing offering

For efficient and hygienic drinking water delivery



Flexible pipe systems



Multilayer pipe systems



Risers



Press fittings



Prefabricated units



Quick & Easy fittings



Tools



Intelligent water and hygiene

Uponor's indoor climate offering

The basis for a comfortable and energy-efficient ambiance



Radiant heating and cooling



Thermally active slabs



Ceiling cooling



Geothermal energy stations



Manifold stations



Controls



Local heat distribution



Ventilation

Uponor's infrastructure offering

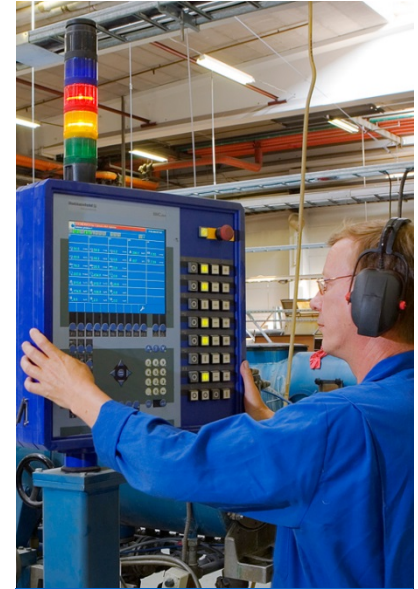
Transporting water, air, electricity, telecommunications and data



Standard Solutions



360° Project Services



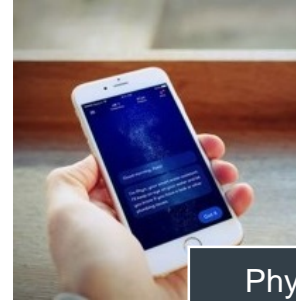
Technology

Investment in R&D and technology

The year 2017 marked another year of historically high R&D expenditure, with a total expenditure at €23.2 million or 2.0% of net sales

- Key projects steered by Group Technology function, established in 2016
- Investment in digitalisation and hygienic initiatives continued

- New smart water offering, Phyn Plus
- Uponor online water quality monitoring, market entry through Uponor Infra
- Hygienic fresh water stations
- Prefabricated offering development



Phyn Plus



Uponor Smatrix Style

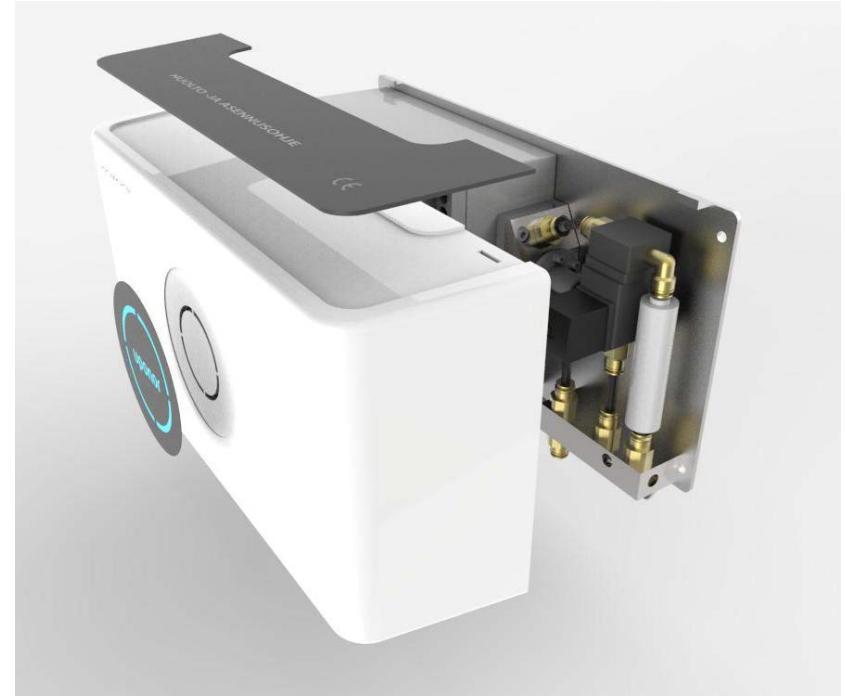
Phyn Plus smart water assistant with nationwide installer network being built up in North America

- Introduced in the U.S. market in January 2018 at leading trade shows
- Won a number of 'Smart Home' awards
- Commercial sales started in Q2/2018
- European introduction planned for ISH 2019
- Authorised network of installers, the Uponor Pro Squad
- In February 2018, Uponor invested an additional USD10 million to boost Phyn expansion, bringing total investment to USD25 million, or 50%



The Uponor online water quality monitoring

- The Uponor online water quality monitoring technology was acquired in Dec 2015
- The innovative online technology will make the potable water distribution safer
- Uponor currently pioneering in infrastructure applications for potable water networks
- The flexible technology can be applied to industry, residential and public premises, such as hospitals, nursing homes and hotels



Uponor's sustainability statement

Uponor is committed to addressing the key issues of our time through innovations that help reduce environmental impact. Through partnerships, we strive to provide leadership in sustainable solutions for the mutual well-being of both people and the planet, while ensuring the long-term viability of our operations.

Our sustainability pillars

Strongly integrating sustainability into our corporate mindset

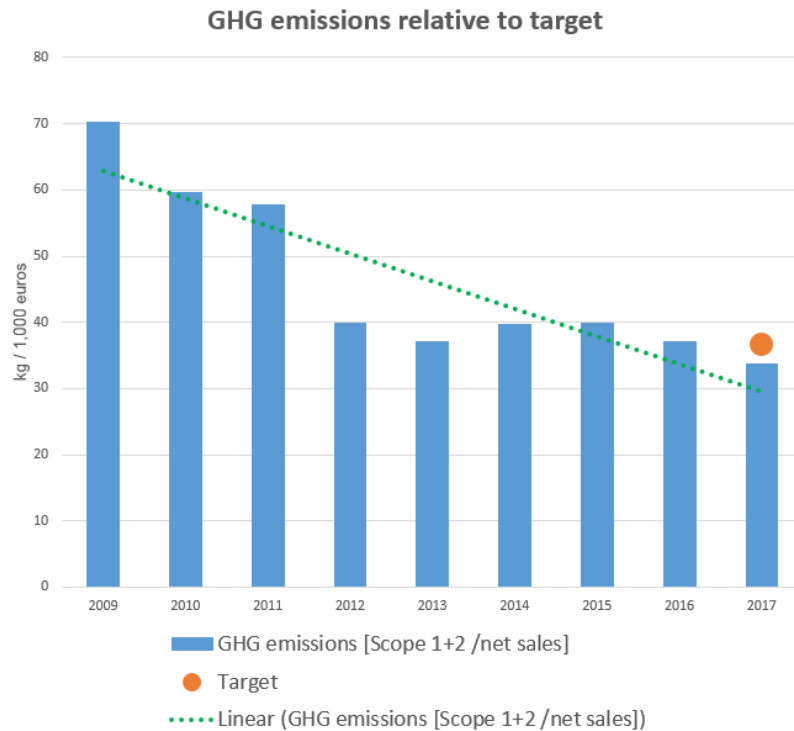
Driving down our environmental impact

Enriching life through our innovative solutions

Engaging external stakeholders in our sustainability journey

Uponor's non-financial performance

- Overall sustainability performance supported by operational streamlining, including production concentration to fewer sites
- Exceeded our goal of reducing GHG emissions by 20% per net sales by 2020 (from the 2015 levels)
- Renewed sustainability section in the Annual report 2017 following the EU guidelines on non-financial reporting
- Uponor has been reporting through CDP Climate change survey since 2010



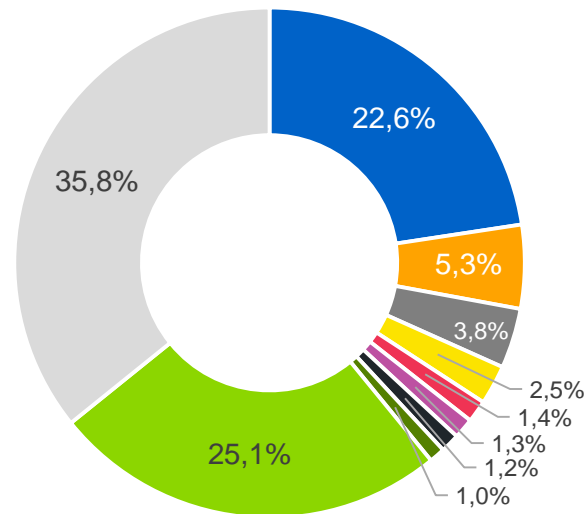
Development of environmental indicators

Measure	Unit	2017	2016	2015	2014	2013
Environmental indicators						
Total energy consumption	1,000 MWh	198.5	198.5	185.1	184.2	149.3
- Electricity purchased	1,000 MWh	157.3	149.6	138.3	130.6	101.7
- of which, certified green electricity	1,000 MWh	20.7	14.5	11.5	11.1	2.2
- Self-generated electricity	1,000 MWh	0.4	0.9	1.1	1.0	1.2
- Fossil fuels used	1,000 MWh	41	48.9	46.8	53.6	47.6
- Heating	1,000 MWh	26.5	33.7	31.6	35.9	33.1
- of which renewable	%	17.1	14.7	13.4	12.9	3.5
- Own fleet vehicles (including leasing)	1,000 MWh	14.6	15.2	15.2	17.7	14.5
Raw materials used	1,000 tonnes	140.8	132.7	127.1	122.5	84.6
Water consumption	1,000 m ³	156.4	168.4	190.9	190.0	111.4
GHG emissions						
Total GHG emissions (Scope 1)	1,000 tonnes	7.5	8.7	8.5	9.6	9.3
Total GHG emissions (Scope 2)	1,000 tonnes	32.1	32.2	33.5	31.1	24.3
Waste						
Total waste	1,000 tonnes	18.8	16.4	16.4	15.1	11.1
- Waste recycled	%	92.4	97.4	97.5	95.3	95.9
- Waste to landfills	%	7.6	2.6	2.5	4.7	4.1
Hazardous waste, of total waste	%	4.5	1.5	1.1	1.1	1.5

Major shareholders

31 March 2018

- Oras Invest Ltd 22.6%
- Varma Mutual Pension Insurance Company 5.3%
- Nordea Nordic Small Cap Fund 3.8%
- Ilmarinen Mutual Pension Insurance Company 2.5%
- Mandatum Life Insurance Company Ltd 1.4%
- The Local Government Pensions Institution 1.3%
- OP-Finland Value Fund 1.2%
- Nordea Pro Finland Fund 1.0%
- Nominee registrations 25.1%
- Others 35.8%



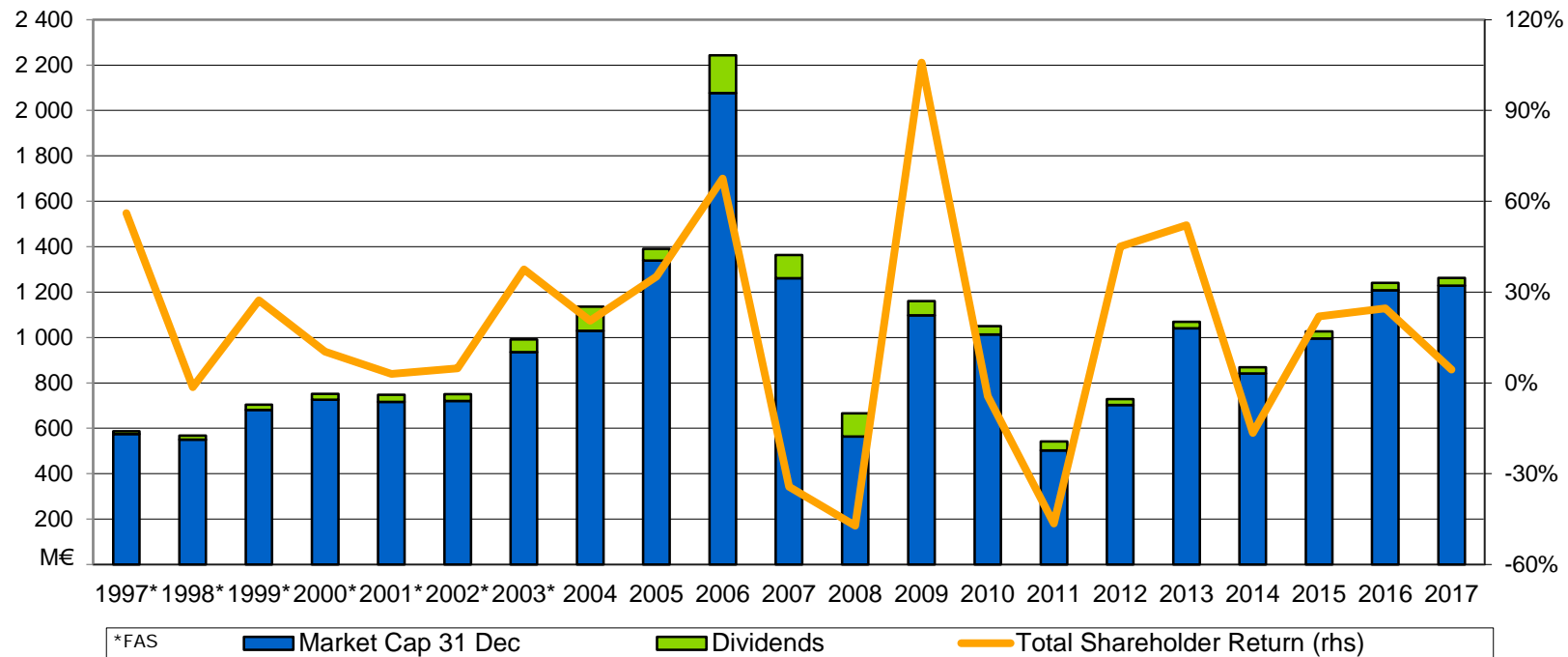
Currently valid foreign notifications

20 March 2017: the holdings of Franklin Resources, Inc., went down to below 5.0%

- 19,603 shareholders at the end of March 2018
- Foreign shareholding at 25.5%, vs 26.4% at the end of December 2017

Shareholder value development

1997 - 2017



Long-term financial targets

Since 12 February 2013

Organic net sales growth to exceed annual GDP growth* by
3 ppts

EBIT margin to exceed
10%

ROI to exceed
20%

Gearing to stay within
30 to 70
as an annual average of the quarters

Dividend pay-out to be at least
50%
of annual earnings (considering the gearing target)

Achievement in 2017

6.5%
(target 5.4%*)

8.2%
(comparable EBIT 8.3%)

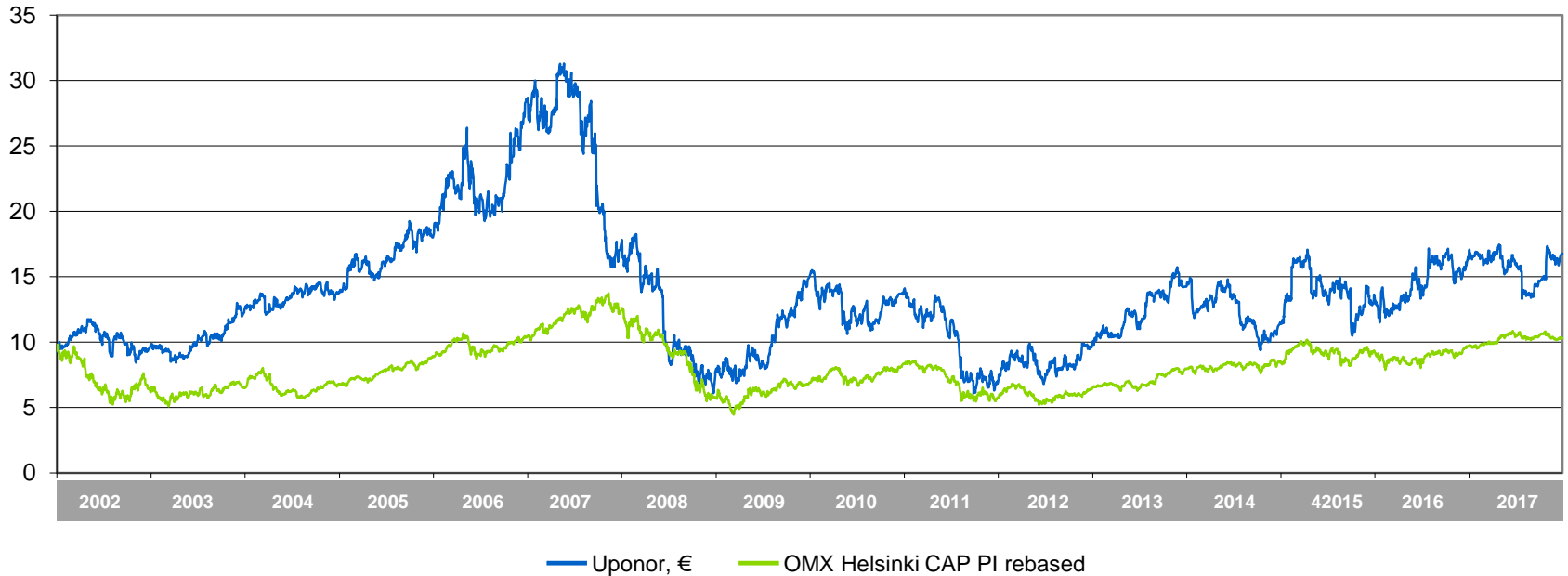
16.3%

43.5

59.0%

* GDP growth based on a weighted average growth in the top 10 countries

Share price development 2002 – 2017





Interim results briefing

1-3/2018

Jyri Luomakoski – President and CEO, Uponor Corporation

Maija Strandberg – CFO, Uponor Corporation



Q1/2018: Strong net sales of North American businesses drove performance improvement

January - March, M€	1-3/ 2017	1-3/ 2018	Change
Net sales	265.1	276.9	4.5%
Operating profit	14.6	17.0	16.1%
Comparable operating profit	15.0	17.0	13.0%

Net sales

- Building Solutions – Europe reported small growth which was unevenly distributed geographically
- Solid growth in Building Solutions – North America in healthy markets, supply stabilised after 2017 challenges
- Uponor Infra reported strong growth in net sales in North America and Sweden; sales in much of Europe stalled

Operating profit

- Group operating profit driven by operational leverage, despite continued investments; negative translation impact
- Building Solutions – Europe affected by start-up costs in Asia and by weak net sales in some European markets
- Building Solutions – North America grew in local currency, profits were burdened by manufacturing expansion, higher freight costs and increases in material costs
- Uponor Infra profits improved thanks to significant sales growth in North America and Sweden

Developments by segment: Building Solutions – Europe

- Markets are not growing in step with the positive sentiment that prevails
- Our prefab initiatives continue to progress in line with expectations
 - solutions are genuinely helping customers to improve technical quality and offset the impact of labour shortage
- Prolonged winter hindered construction in key markets
- The start-up costs of Asian operations (part of this segment) burdened results



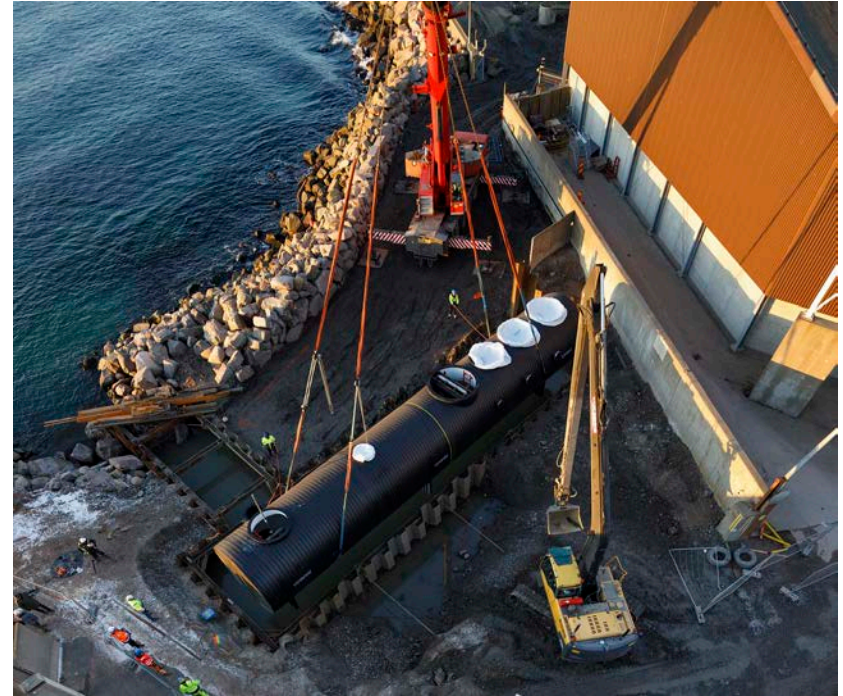
Developments by segment: Building Solutions – North America

- Positive start into the year, recovering well from the supply bottlenecks witnessed last year as a consequence of a production outage in Q2/2017
- Reported numbers affected by adverse development in the EUR/USD rate
- Annex II expansion in Apple Valley, a €16.3 million investment, was opened in January 2018
- 2nd factory in Hutchinson, Minnesota is targeted to be in use in summer 2018



Developments by segment: Uponor Infra

- The overall growth was driven by strong net sales development in North America
- In Europe, Sweden performed strongly, followed by Poland and much of eastern Europe
- Other Nordic countries declined, thus not showing any benefits from the transformation programme





uponor

Financial statements

Maija Strandberg – CFO, Uponor Corporation

1–3 / 2018

January – March 2018: Key figures

Uponor Group		1-3 2017	1-3 2018	Change Y/Y	1-12 2017
Net sales	M€	265.1	276.9	+4.5%	1,170.4
Operating profit	M€	14.6	17.0	+16.1%	95.9
Comparable operating profit	M€	15.0	17.0	+13.0%	97.2
Comparable operating profit margin	%	5.7%	6.1%	0.5% pts	8.3%
Earnings per share (diluted)	€	0.11	0.11	+0.0%	0.83
Return on equity (p.a.)	%	9.4%	11.1%	+1.7% pts	19.4%
Return on investment (p.a.)	%	9.9%	9.9%	+0.0% pts	16.3%
Net interest bearing liabilities	M€	224.0	211.9	-5.4%	151.5
Gearing	%	74.5%	66.3%	-8.2% pts	43.5%
Net working capital of net sales (p.a.)	%	14.5%	13.8%	-0.7% pts	10.4%
Number of employees, end of period	FTE	3,866	4,189	+8.4%	4,075

January – March 2018:

Income statement

Uponor Group, M€	1-3 2017	1-3 2018	Change Y/Y	1-12 2017
Net sales	265.1	276.9	+4.5%	1,170.4
Cost of goods sold	173.7	183.7	+5.8%	776.3
Gross profit	91.4	93.2	+2.0%	394.1
Gross profit margin (%)	34.5%	33.7%	-0.8% pts	33.7%
Other operating income	0.3	0.1	-80.9%	3.1
Expenses	77.1	76.3	-1.1%	301.2
Operating profit	14.6	17.0	+16.1%	95.9
Operating profit margin (%)	5.5%	6.1%	+0.6% pts	8.2%
Financial expenses, net	2.8	1.7	-38.5%	5.4
Share of result in associated companies	-0.5	-2.1	-286.8%	-2.3
Profit before taxes	11.3	13.2	+16.4%	88.2
Profit for the period	7.4	9.2	+25.5%	65.4
EBITDA	24.0	26.5	+10.5%	135.1

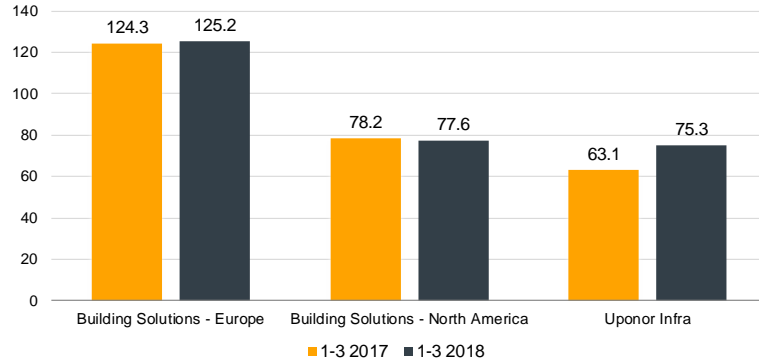
- **Net sales**
Negative translation impact from USD, CAD and SEK vs last year. In comparable currency terms, net sales growth was 10.7%
- **Comparable gross profit** came to €93.2 (91.6) million, with the comparable gross profit margin declining slightly to 33.7% (34.6%)
- **Comparable operating profit** came to €17.0 (15.0) million, a change of 13.0%

January – March 2018:

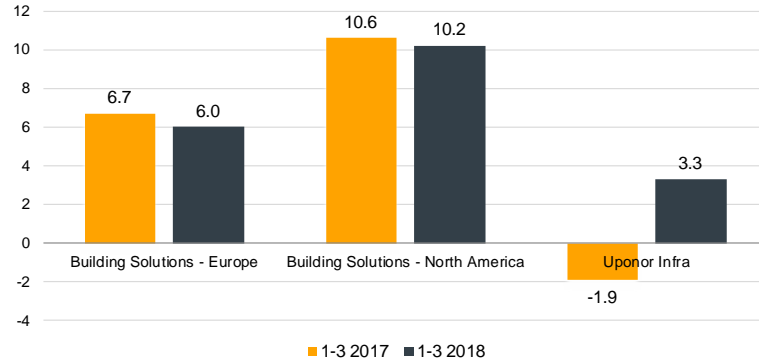
Net sales & comparable operating profit by segment

Currency: M€

Net sales



Comparable operating profit



Net sales

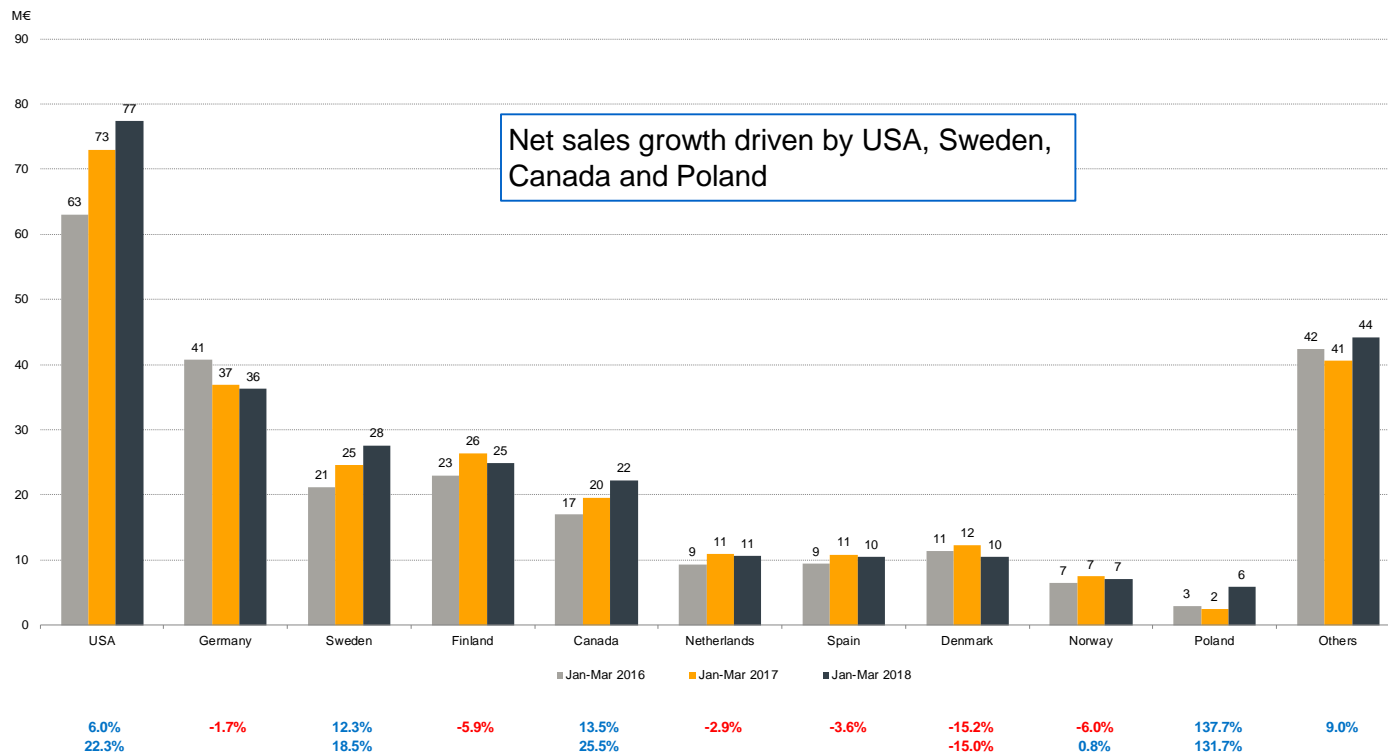
- Strong net sales development in Uponor Infra (+19.3%) from North America and Sweden, in contrast to much of Europe
- Building Solutions – North America’s satisfactory progress in local currency hidden behind EUR/USD translation
- Building Solutions – Europe flat in a low-growth market environment

Operating profit

- Uponor Infra benefited from booming sales in North America
- Building Solutions – North America’s operating profit close to prior year despite costs from manufacturing expansion, higher freight and material costs
- Building Solutions – Europe suffered from flat sales, while also burdened by investment into composite pipe and prefab manufacturing expansion as well as entry into Asia

Net sales development by key markets

Jan-Mar 2018



January – March 2018: Balance sheet

Uponor Group, M€	31 Mar 2017	31 Mar 2018	Change Y/Y	31 Dec 2017
Property, plant and equipment	239.3	248.3	+9.0	252.2
Intangible assets	118.5	114.7	-3.8	116.0
Securities and long-term investments	33.7	25.7	-8.0	20.2
Inventories	152.4	151.3	-1.1	132.7
Cash and cash equivalents	18.0	46.9	+28.9	107.0
Other current and non-current assets	251.0	268.6	+17.6	237.7
Assets total	812.9	855.5	+42.6	865.8
Total equity	300.7	319.4	+18.7	348.4
Non-current interest-bearing liabilities	157.7	174.7	+17.0	176.6
Provisions	27.2	27.3	+0.1	28.9
Non-interest-bearing liabilities	243.0	250.1	+7.1	230.0
Current interest-bearing liabilities	84.3	84.0	-0.3	81.9
Shareholders' equity and liabilities total	812.9	855.5	+42.6	865.8

- Investments addressing growth in demand:
 - building up manufacturing capacity in the U.S.
 - increasing seamless aluminium composite pipe (SACP) and prefab capacity in Europe
- Uponor invested a further USD 10m (€8.1m) in Phyn in Feb 2018, bringing total to USD25m
- €35.8m in dividends was declared
 - Two instalments: 1st part was paid in March, 2nd scheduled for September
- Gearing at 66.3% (74.5%), four-quarter rolling gearing at 56.4% (59.6%)

January – March 2018:

Cash flow

Uponor Group, M€	1-3 2017	1-3 2018	Change Y/Y	1-12 2017
Net cash from operations	+22.5	+30.5	+8.0	+141.8
Change in NWC	-40.6	-46.4	-5.8	-7.2
Net payment of income tax and interest	-4.9	-9.1	-4.2	-33.1
Cash flow from operations	-23.0	-25.0	-2.0	+101.5
Cash flow from investments	-7.8	-17.6	-9.8	-59.5
Cash flow before financing	-30.8	-42.6	-11.8	+42.0
Dividends paid	-33.6	-17.6	+16.0	-33.6
Other financing	+66.1	+0.3	-65.8	+82.6
Cash flow from financing	+32.5	-17.3	-49.8	+49.0
Conversion differences	+0.0	-0.2	-0.2	-0.3
Change in cash and cash equivalents	+1.7	-60.1	-61.8	+90.7

- Gross investments came to €9.9 (7.8) million
- Cash flow from operations came to €-25.0 million, partly due to higher inventories
- Cash flow from financing includes the first dividend instalment of a total of €35.8 million





















BUILD ON
Uponor 100
YEARS

Uponor

Outlook for the future

Jyri Luomakoski – President and CEO, Uponor Corporation

Leading indicators: Still solid, but growth is slowing

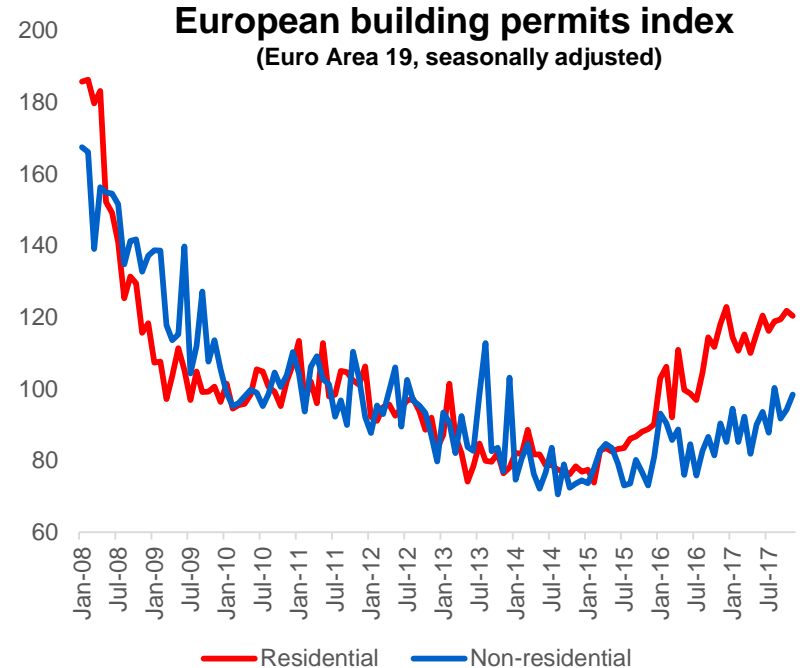
	Indicator	YTD % Change	Rolling 12-month % Change	Data through	Trend since Q4 update
 USA	Housing starts	+11% ¹⁾	N/A	March 2018	
 Germany	Housing permits	-2%	-6%	January 2018	
 Sweden	Housing starts	+8%	+8%	December 2017	
 Finland	Housing permits	+32%	+14%	January 2018	
 Canada	Housing starts	-10% ¹⁾	N/A	March 2018	
 Netherlands	Housing permits	+8%	+25%	January 2018	
 Spain	Housing permits	+7%	+24%	January 2018	
 Denmark	Housing starts	+4%	N/A	January 2018	
 Norway	Housing starts	-12%	-7%	February 2018	
 Poland	Housing completions	+10%	+10%	February 2018	

¹⁾ Seasonally adjusted, annualised rate vs. same month in previous year

Source: National Statistics Offices

Building permit activity in Europe points towards broad-based, but uneven improvement

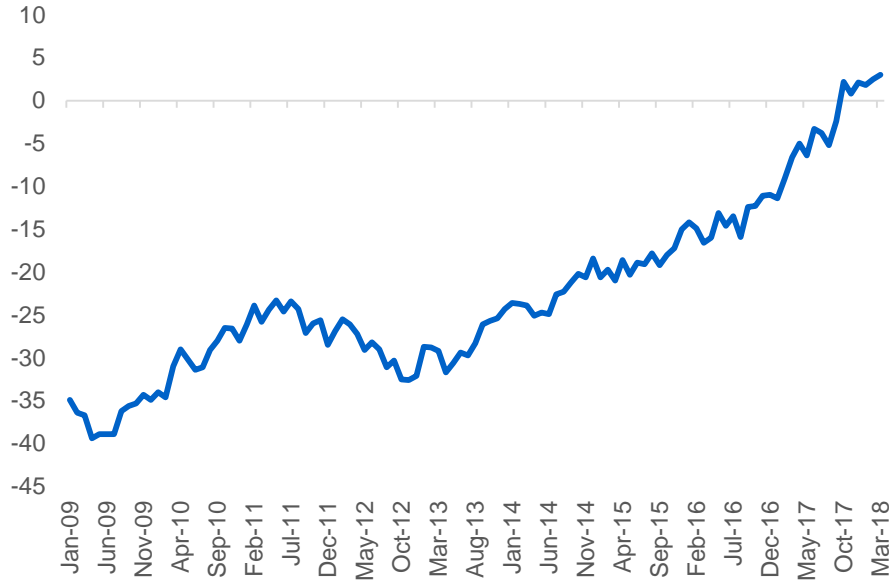
- Data through November 2017 shows continued growth in residential building permits in Europe as a whole compared to the same time last year, driven by the multi-family segment
- Developments in the more volatile non-residential segment have been mixed, but permit activity is trending upward



Source: Eurostat (Base year = 2010)

Builder confidence in Europe remains solid and has been stable overall since October

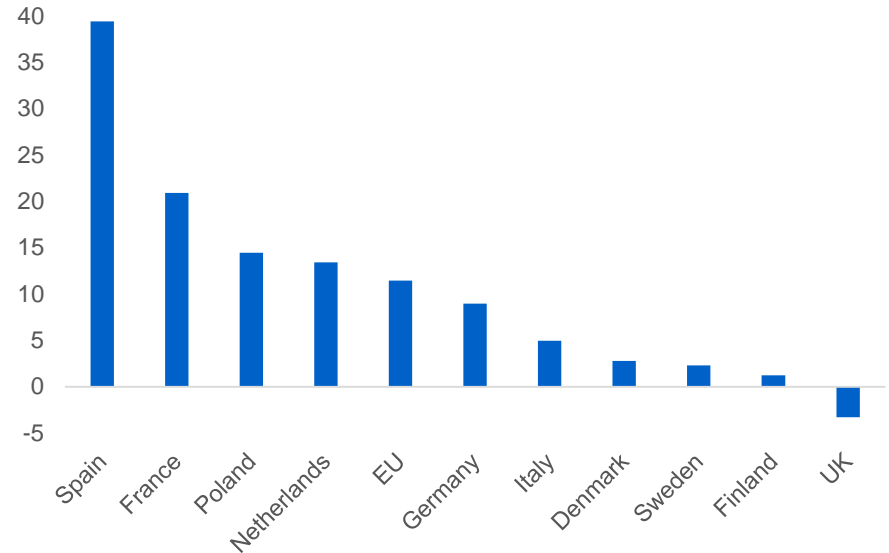
EU construction confidence index



Source: Eurostat

Change in construction confidence index

(Q1 2018 avg. vs Q1 2017 avg.)

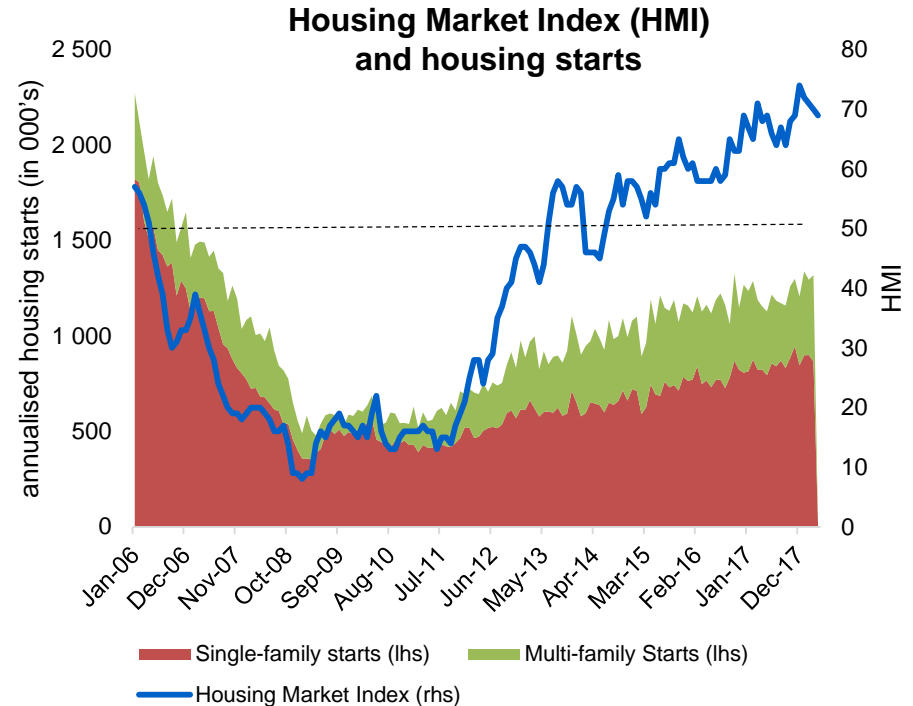


USA - Continued expansion

Growth in the economy remains robust, supported by significant expansionary fiscal measures, while the fallout from the introduction of new trade barriers has had minimal impact to-date

Within the construction industry:

- Homebuilder sentiment remains strong, having reached an 18-year high in December
- Construction activity rose in both the residential and non-residential segments during the quarter
- However, labour shortages and increasing material costs continue to hamper growth



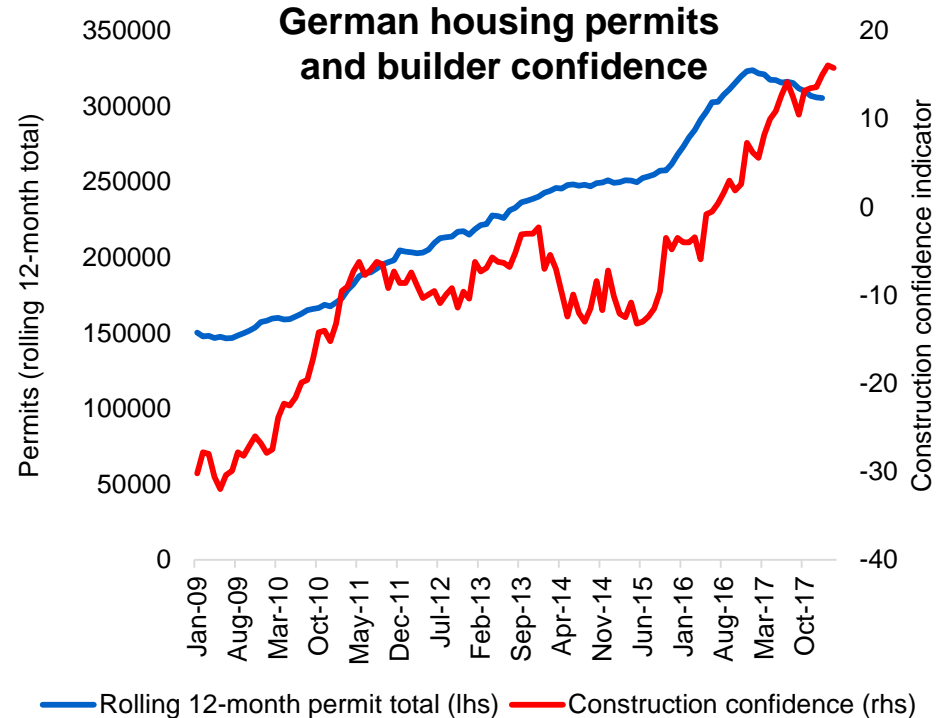
Source: US Census, NAHB/Wells Fargo

Germany - A strong labour market is supporting residential investment

With employment levels at a post-reunification high and industrial production expanding, the economy has continued to grow at a healthy rate

Within the construction industry:

- Although residential permit levels have retreated from their 2016 highs, new multi-family construction has continued to increase
- Builder confidence remains near all-time-highs
- Order books and construction volumes have continued to trend upward
- Activity in the significantly larger renovation segment remained steady



Source: Destatis and Eurostat

Management agenda for 2018

- Continue commercial penetration, prefab and digital offerings in Building Solutions - Europe
- Stabilise Uponor Infra's production inefficiencies resulting from the relocations in 2017
- Enhance customer experience by segment-specific sales & marketing initiatives while simultaneously securing an industry-leading supply of products in Building Solutions – North America
- Help transform the HVAC trade by capitalising on the Phyn smart water offering, and pave the way for the European launch in 2019



Guidance 2018

- Uponor is continuing to execute its historically high capital expenditure programme, with capex (excluding investment in shares) estimated to remain at roughly the same level as in 2017 (€63.4m), mainly driven by the capacity expansion programme in North America
- Despite increased political tensions and volatility, there are no signs of major changes in the markets, which could materially alter the business environment from what it is today
- Assuming that economic and political developments in Uponor's key geographies otherwise continue undisturbed, Uponor repeats its earlier full-year guidance for 2018:

**Excluding the impact of currencies,
Uponor expects its organic net sales and
comparable operating profit to grow from 2017**

Why invest in Uponor

The company: An industry innovator building on a century of tradition

- Established brand with a proven historic growth, organically and through acquisitions
- Stable business with a track record of profitable performance, even during downturns
- An up-to-date production network from the production technology perspective, as well as regional spread
- Committed long-term key ownership with a clear understanding of the industry's dynamics

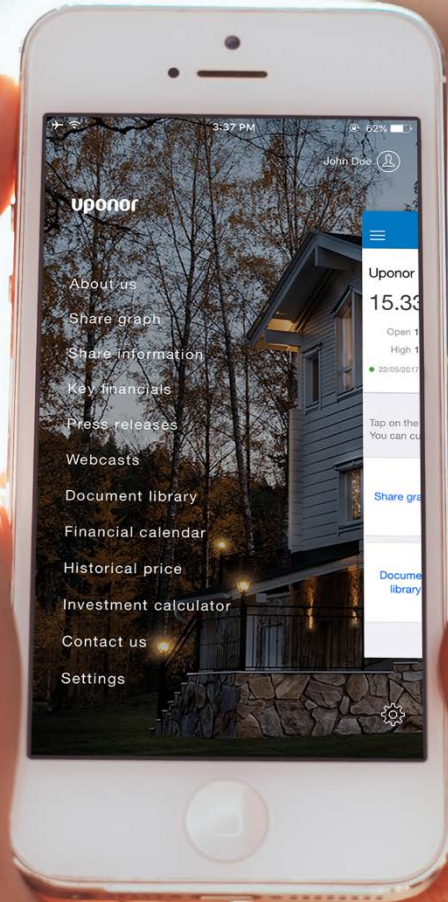
The business: Solutions for safe drinking water delivery, energy-efficient heating and cooling and reliable infrastructure

- A leading international supplier of plastic plumbing and hydronic radiant heating systems and a strong position in civil engineering pipe systems in northern Europe
- A proven track record of superior quality supported by product, system and value chain innovation that meets customer expectations
- Total offering committed to: Comfort, Health, Efficiency, Sustainability and Safety

Read more at: <https://investors.uponor.com>



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