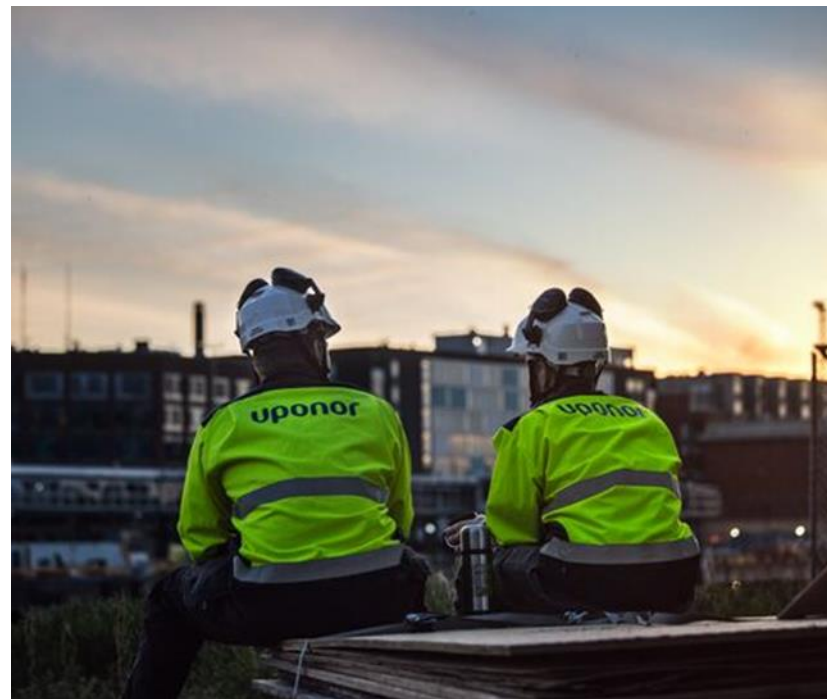


Financial results briefing 1–12/2019

Jyri Luomakoski – President and CEO
Minna Yrjönmäki – CFO

Q4: North America had a strong quarter

- Net sales were €269.2 (282.6) million, organic growth -5.0% in constant currency terms
- The comparable operating profit was €21.8 (20.5) million, growth 6.4%
- Net sales and operating profit increased in Building Solutions – North America
- Net sales and comparable operating profit declined in Building Solutions – Europe
- Uponor Infra improved profitability, while net sales declined

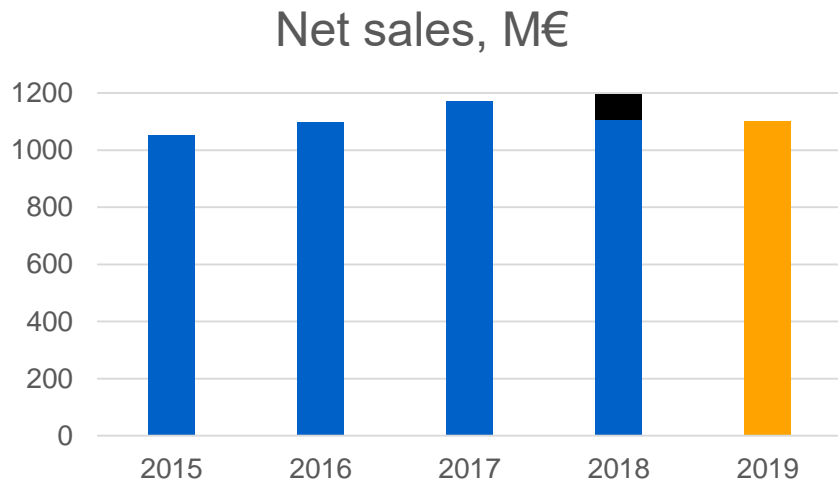


Full year 2019: Positive profitability development continued

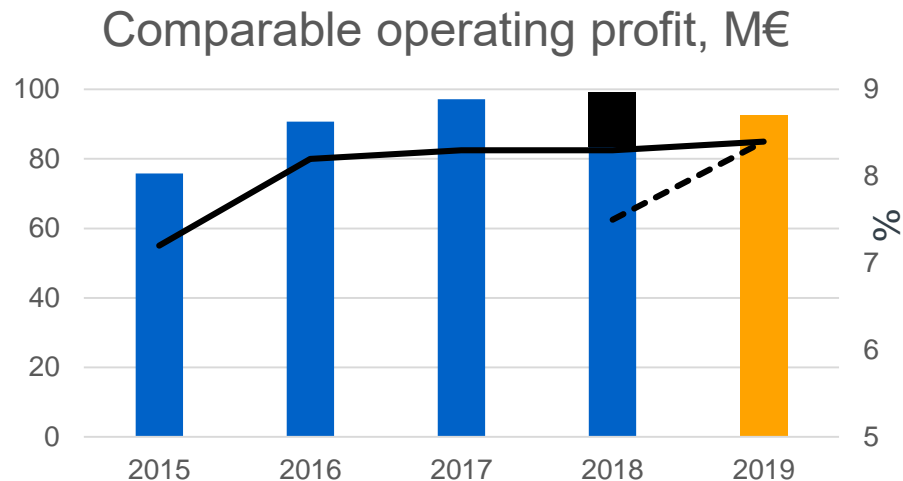
- Net sales were €1,103.1 (1,196.3) million, organic growth -1.2% in constant currency terms
- The comparable operating profit was €92.7 (99.3) million, growth 11.0% without divested Uponor Infra's North American business and Zent-Frenger
- Building Solutions – North America had a strong year after a slow start in Q1
- Building Solutions – Europe suffered from operational challenges, as launching and scaling up the production of the new fitting, S-Press PLUS, affected performance during the year
- Uponor Infra continued the successful execution of its profitability improvement strategy, which had a negative impact on net sales



Since 2013 Uponor has improved its profitability year-on-year



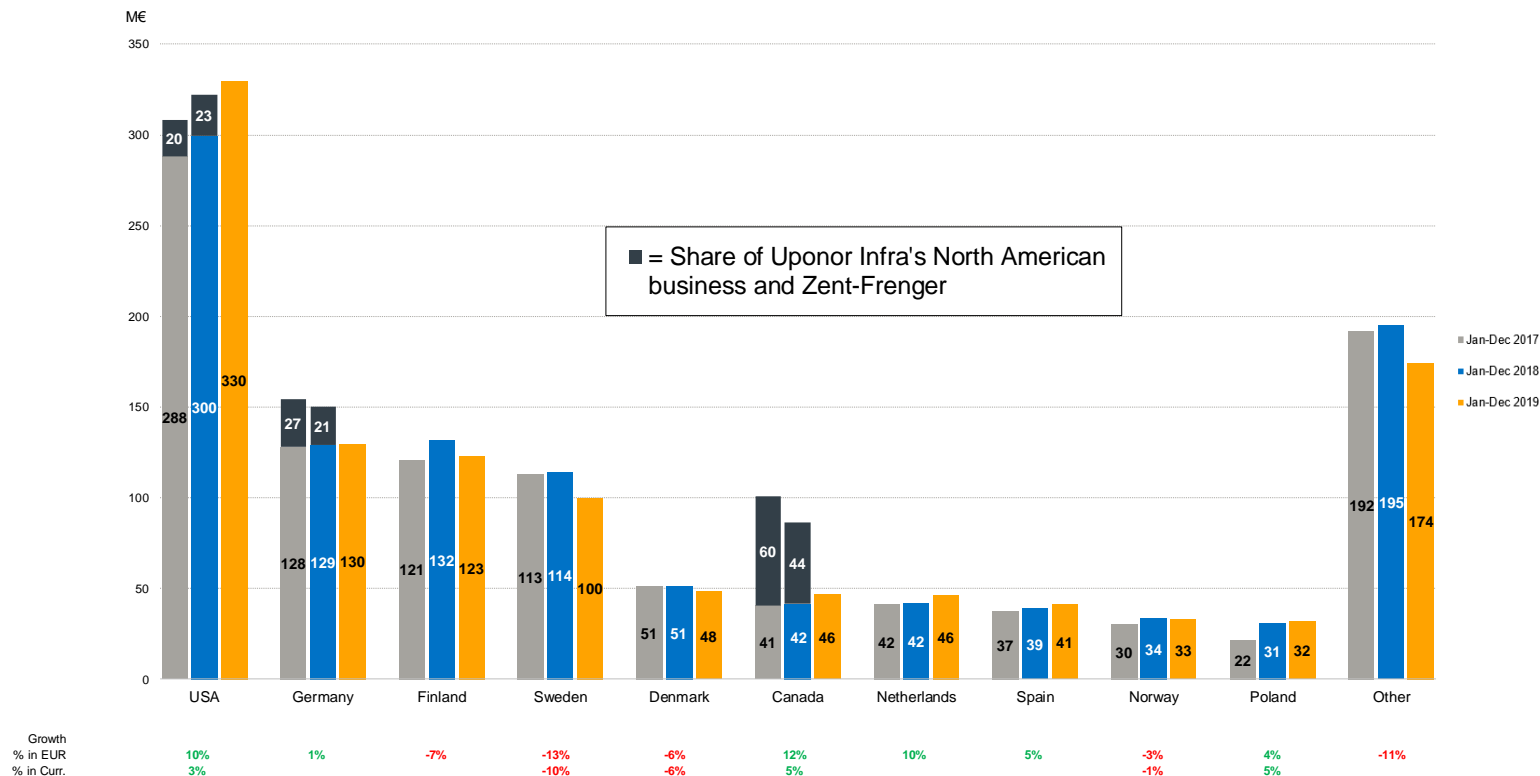
■ = share of Uponor Infra's North American business and Zent-Frenger



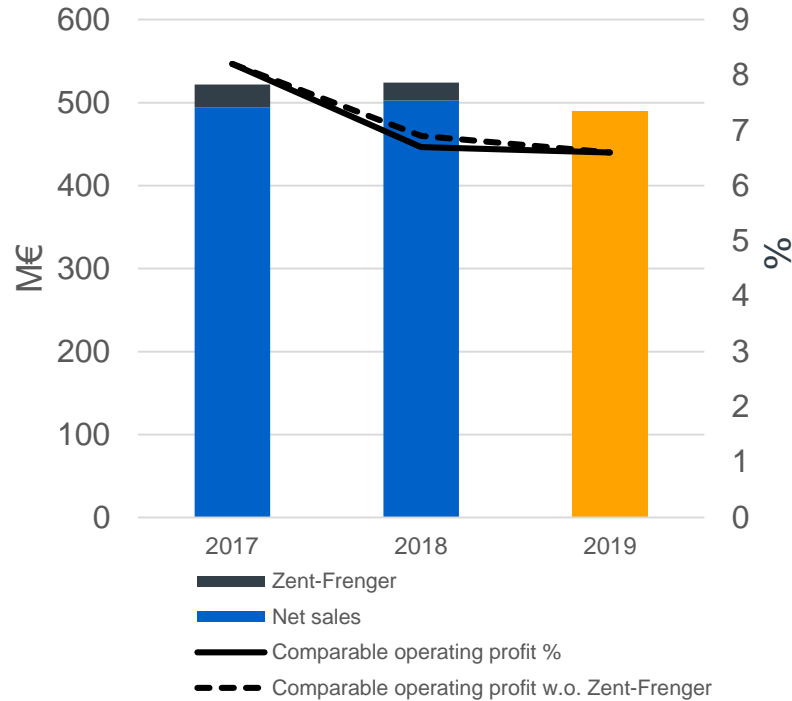
- Infra, North-America + Zent-Frenger
- Comparable operating profit
- Comparable operating profit %
- - - Comparable operating profit w.o. divestments

Development by key markets January–December 2019:

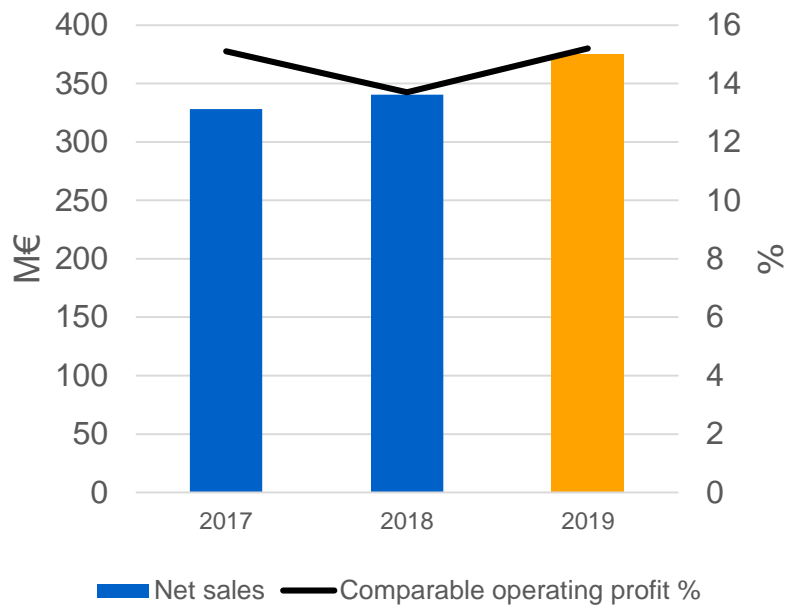
Net sales increased in the U.S. and Germany



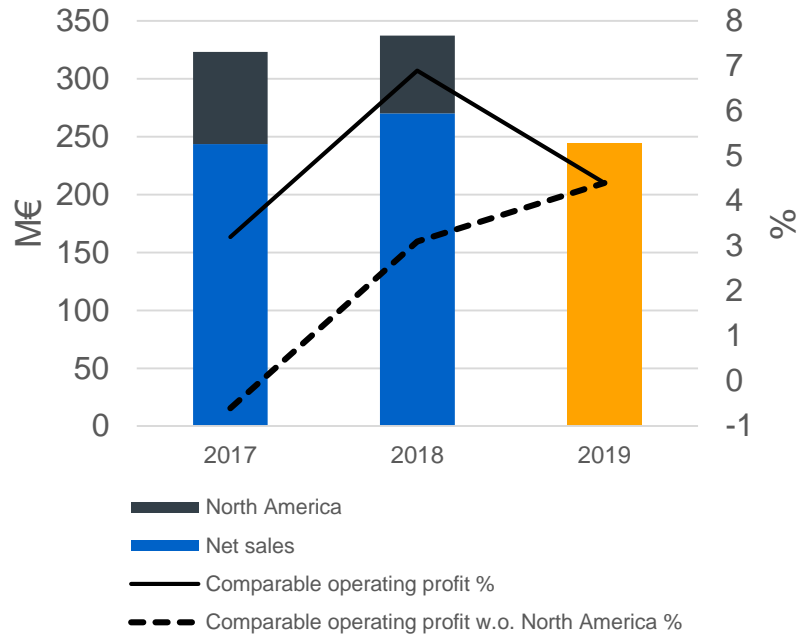
Building Solutions – Europe: S-Press PLUS affected performance during the year



Building Solutions – North America: Strong year after a slow start



Uponor Infra: Progress in profitability improvement strategy



Uponor continues to drive its sustainability agenda

| | Unit | 2018 | 2019 |
|-------------------------------|------------------------|-------|--------------|
| Total energy consumption | 1,000 MWh | 226.0 | 218.0 |
| Raw material used | 1,000 tonnes | 151.2 | 146.2 |
| Water consumption | 1,000 m3 | 206.2 | 154.1 |
| Total GHG emissions (Scope 1) | 1,000 tonnes | 8.5 | 8.4 |
| Total GHG emissions (Scope 2) | 1,000 tonnes | 30.8 | 27.0 |
| Total waste | 1,000 tonnes | 20.2 | 18.1 |
| Incident rate (LTIF) | per million work hours | 12.7 | 11.9 |

- The overall change in volumes and product mixes resulted in lower energy consumption, which also lowered scope 1 and 2 GHG emissions
- Water consumption returned back to its normal level in 2019. The comparison period included a leak in the Hutchinson manufacturing facility and increased use of water in Virsbo due to a hot summer
- Uponor continues to develop its internal ways of working and advancing processes that improve safety

Execution of operational excellence programme continues

- Main focus on initiatives related to Building Solutions – Europe and General & Administrative costs
- The aim is to deliver annual cost improvements of around €20 million by the end of 2021
- Uponor expects first signs of the programme to be visible during the second half of 2020
- The estimated costs of the programme are expected to be around €20 million, majority of which is expected to realise during 2020



We aim to become recognised leader in sustainable building and infrastructure solutions



World record and durable pipes to avoid an environmental disaster
Vistula River, Poland



Comfortable temperatures and reduced costs with Uponor TABS at Oslo's new library
Oslo, Norway



Texas high schools switch to PEX plumbing system
Texas, USA



Decentralised heating and cooling for the tallest residential building in Germany
Grand Tower, Frankfurt, Germany



Scheels department store saves energy costs with radiant heating and improves safety with snow/ice melting
Minnesota, USA



Cosy temperatures and clean drinking water in Germany's highest mountaintop restaurant
Zugspitze, Germany



Strong and durable floating fish farming facility to withstand the harsh conditions of the Norwegian Sea
Stavanger, Norway



A cost-effective and reliable stormwater solution
Volvo's Warehouse, Vantaa, Finland



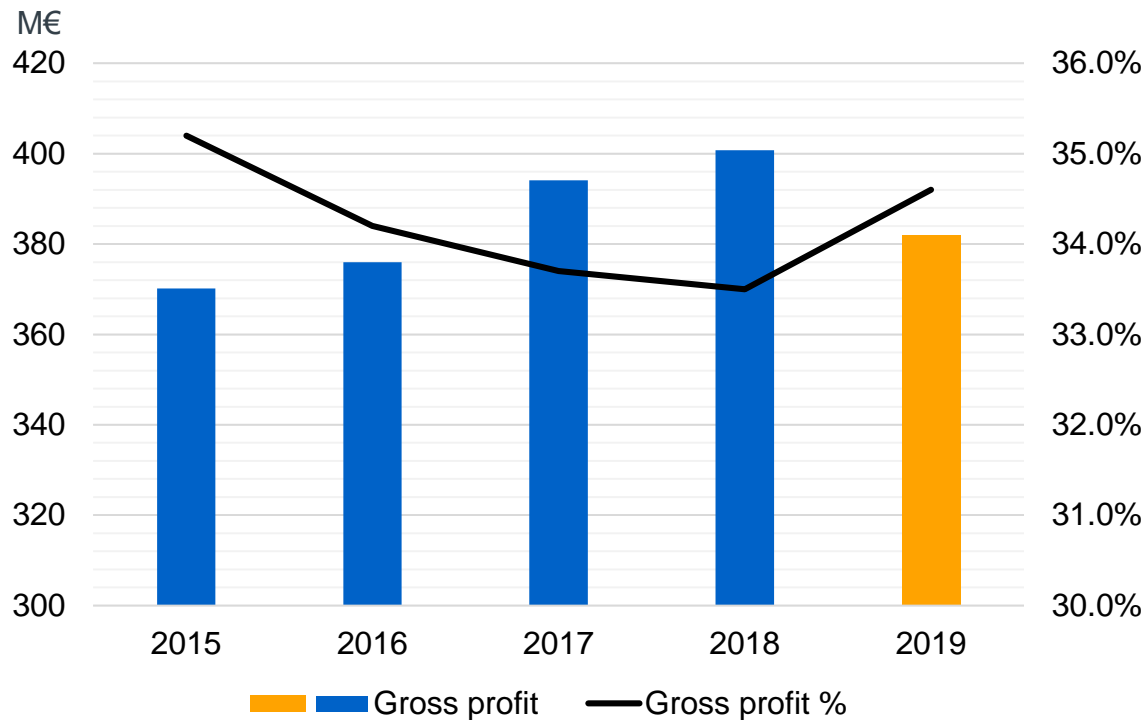
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Financial statements

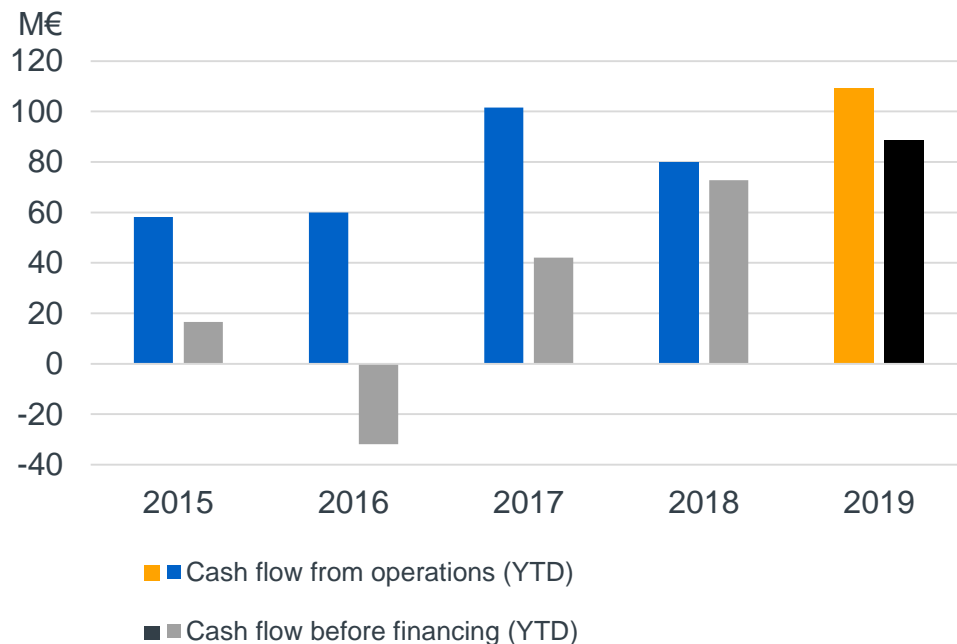
Minna Yrjönmäki, CFO

1–12 / 2019

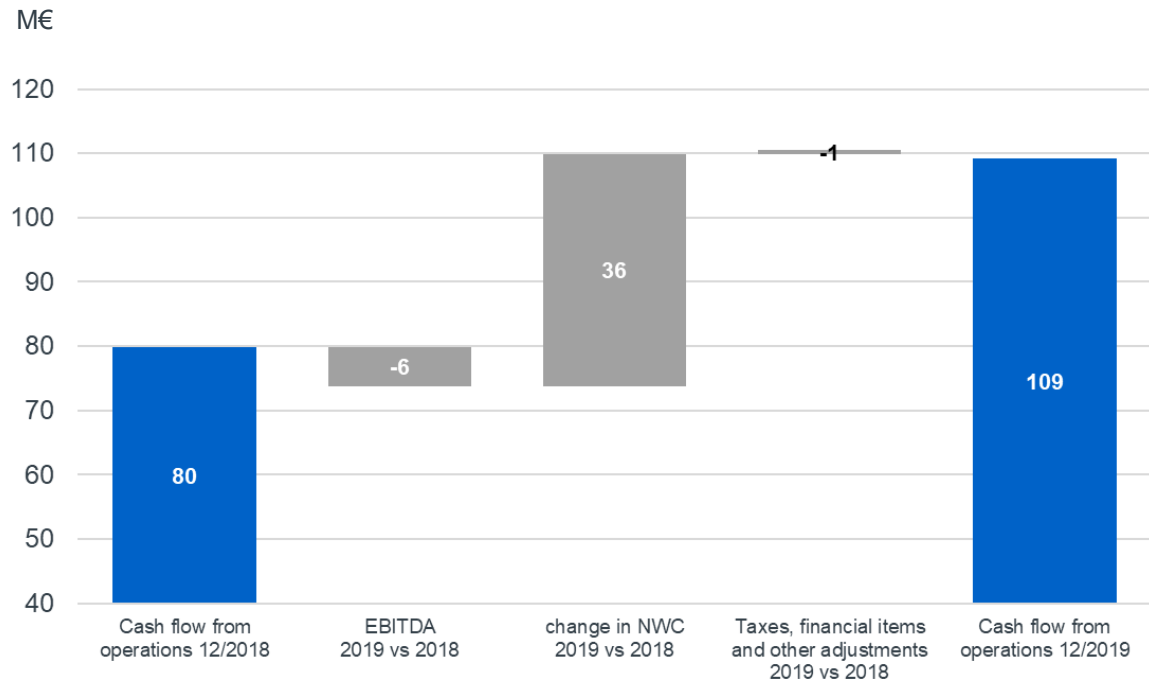
Gross profit margin increased from previous year driven by strategic divestitures



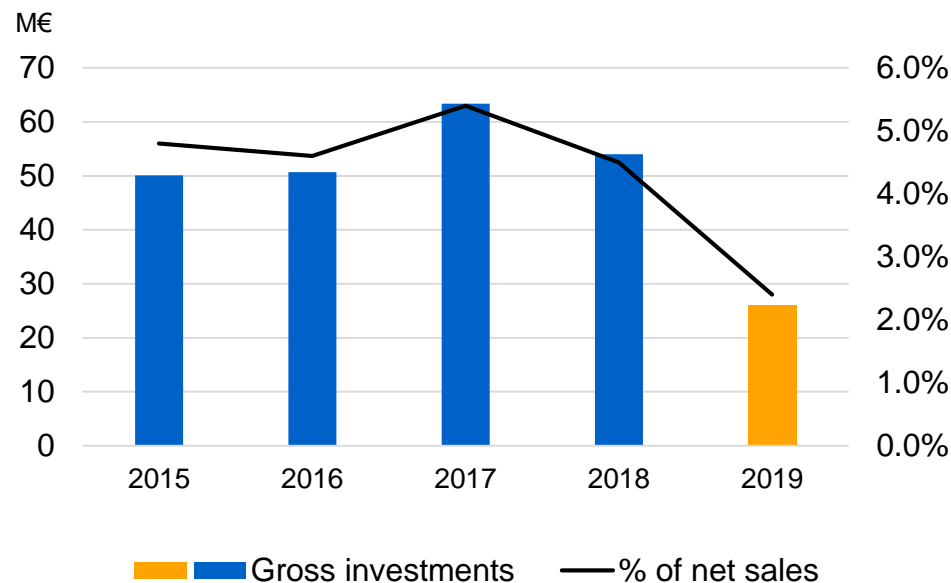
Cash flow from operations exceeded last year's level



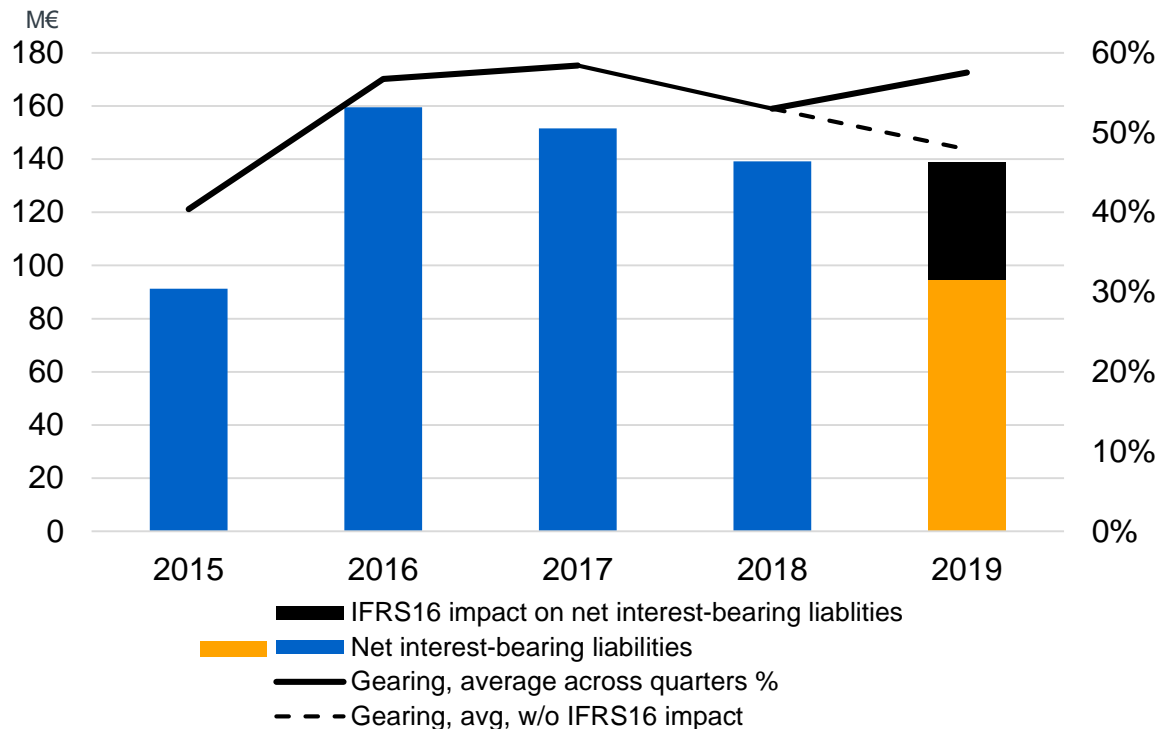
Cash flow from operations increased driven by change in net working capital



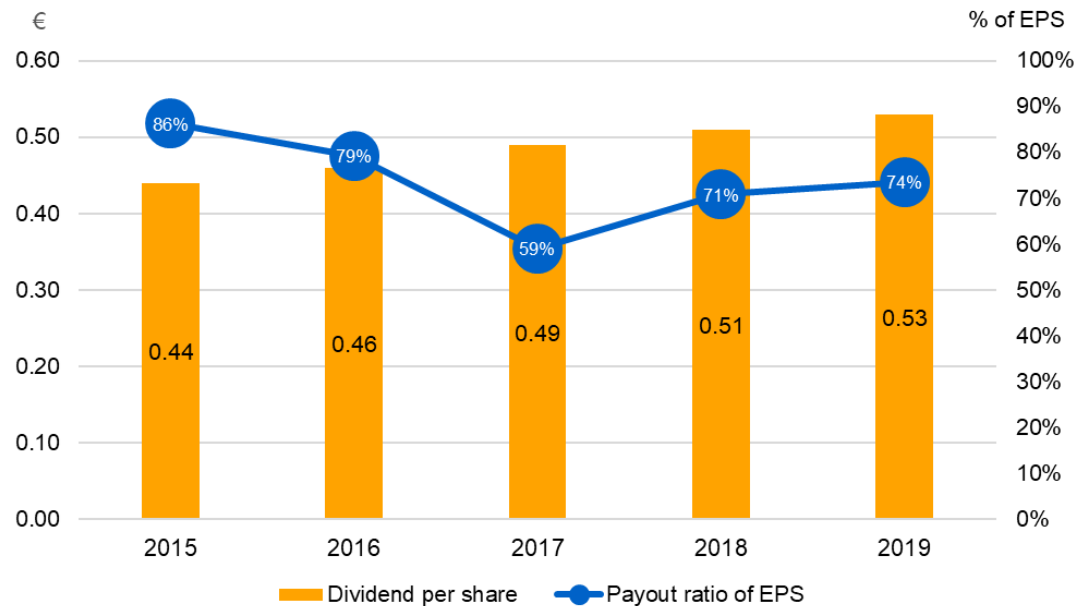
Investment level has declined after completion of Hutchinson manufacturing facility



Gearing improved year-over-year when excluding the impact of IFRS 16



January–December 2020: Dividends and payout ratio



- The Board's dividend proposal is €0.53 (0.51) per share, of which 26 c will be paid in March 2020 and 27 c planned to be paid in September 2020
- When making the proposal, the Board considered the solvency of the company, the company's dividend policy, the business outlook and planned investments, recognising the high availability of the external funding for the company's growth



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Outlook for the future

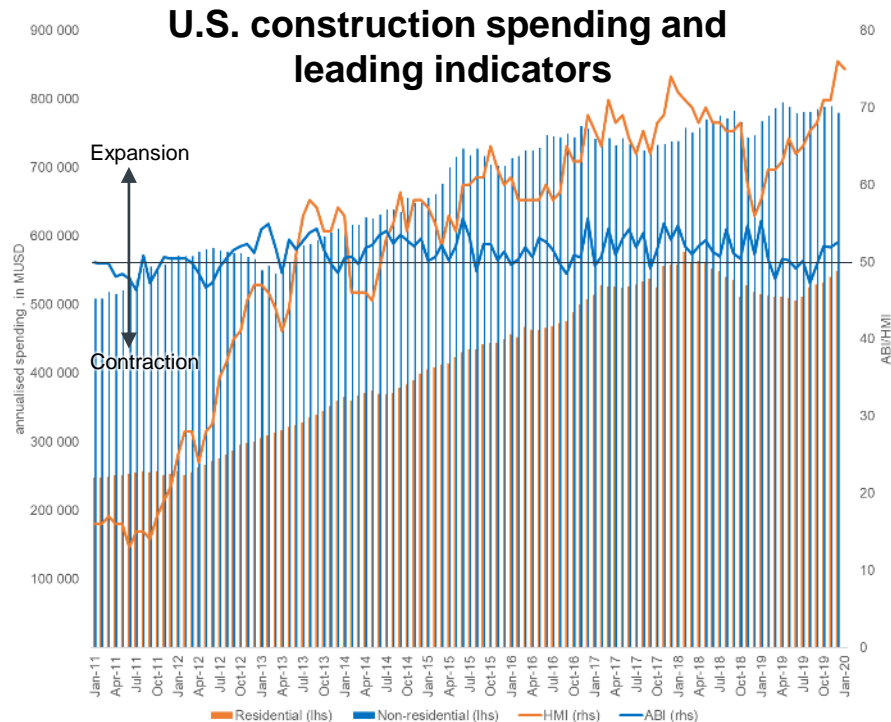
Jyri Luomakoski, President & CEO

U.S. – Non-residential building is steady, while the residential segment is gaining some momentum

Although business investments remain subdued, upbeat consumers have been able to sustain the economy's record-long expansion.

Within the construction industry:

- Homebuilder confidence (HMI) reached a 20-year high in December, though builders continue to struggle with a lack of skilled labour and land
- The housing start rate hit a 13-year high in December
- Construction spending in December was up compared to a year earlier, with residential spending slowly trending higher through the autumn
- The ABI, a leading non-residential indicator, increased modestly for the third consecutive month in December, with a score of 52.5



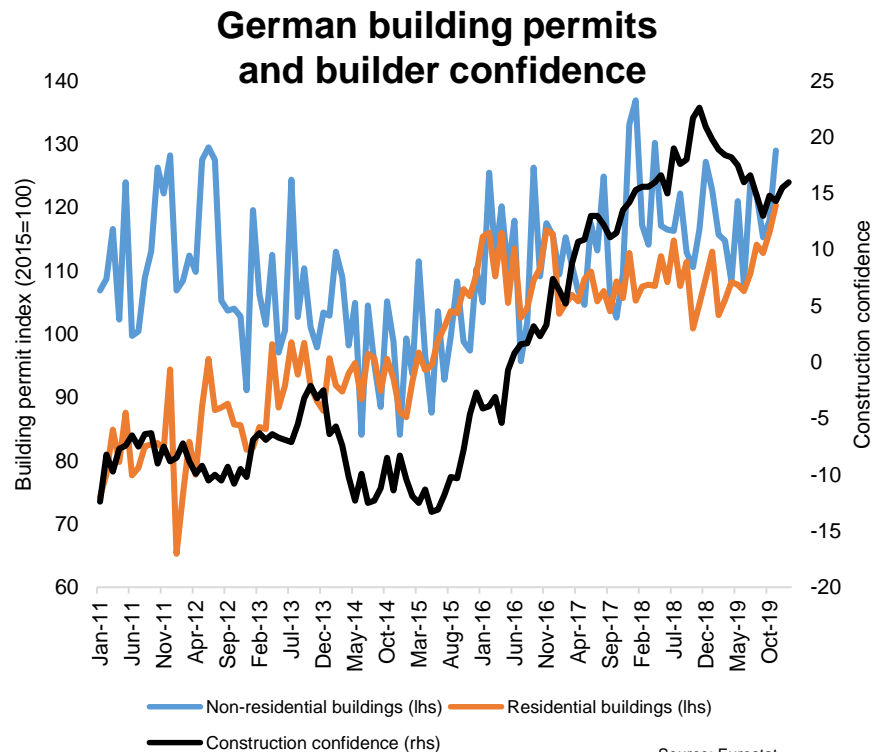
Source: Census Bureau, AIA, NAHB

Germany – Construction activity remains at an elevated level

Weakness in the manufacturing sector has so far been countered by increased private consumption and construction spending, enabling the economy to grow slightly overall.

In the construction industry:

- Turnover in the industry remains steady, though growth rates have slowed from the summer months
- Builders are generally satisfied with their current levels of business, although expectations have become more pessimistic
- Residential building permits through November 2019 were slightly above the same period in 2018, up 1.3%



Source: Eurostat

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Finland – Construction turnover remains steady, though leading indicators point toward slowing

The economy is still performing reasonably well, though the growth rate is slowing after a prolonged period of economic expansion.

Within the construction industry:

- Building permits through November 2019 were down 14% compared to the same period in the previous year, while non-residential building permits are flat
- Builder confidence weakened in recent months, pulled down by negative developments in order books
- Construction turnover grew overall, though civil engineering has softened

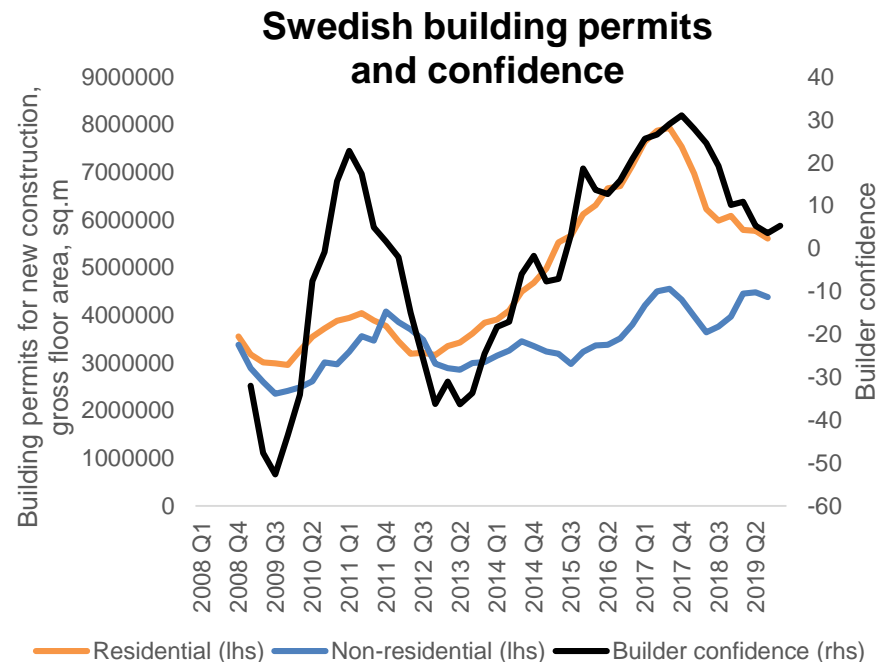


Sweden – Slowing new residential construction countered by growth in other segments

The growth rate in the economy continues to slow, as business investments remain subdued and the labour market has weakened further.

Within the construction industry:

- Housing starts through the first nine months of the year fell 10% compared with the same period in 2018
- Residential permits are trending downward, but at a much more moderate rate than in earlier quarters
- Non-residential building permits are up from the previous year and spending on civil engineering has increased
- Builders are clearly less optimistic than they were a year ago

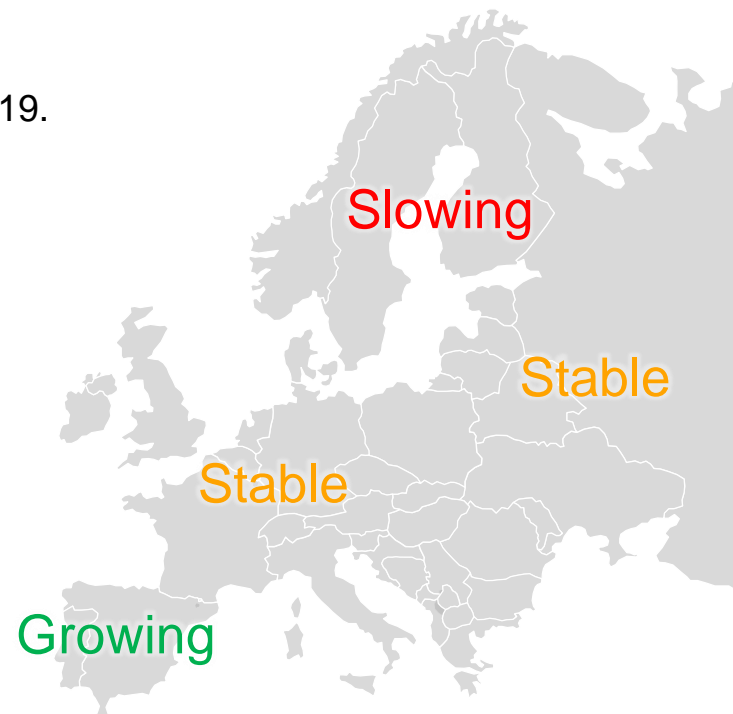
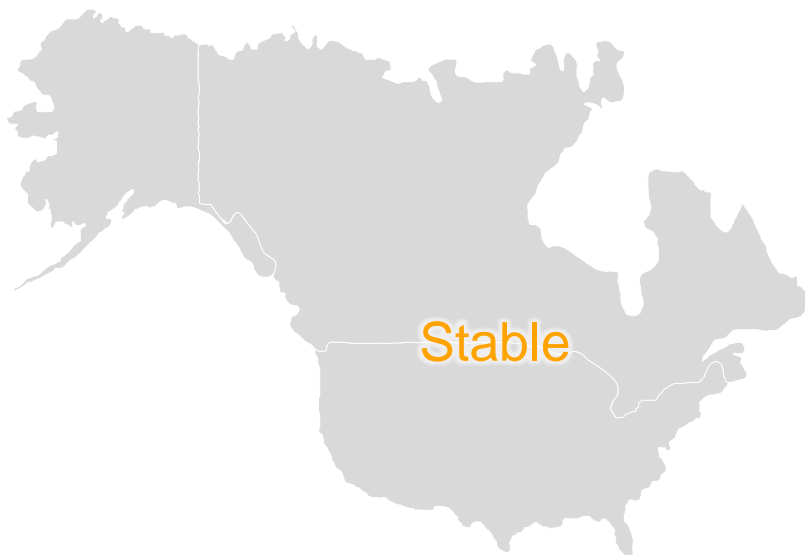


Source: Statistics Sweden and Eurostat

Market outlook

Uponor's guidance for 2020:

Uponor expects comparable operating profit to improve from 2019.





Thank you!

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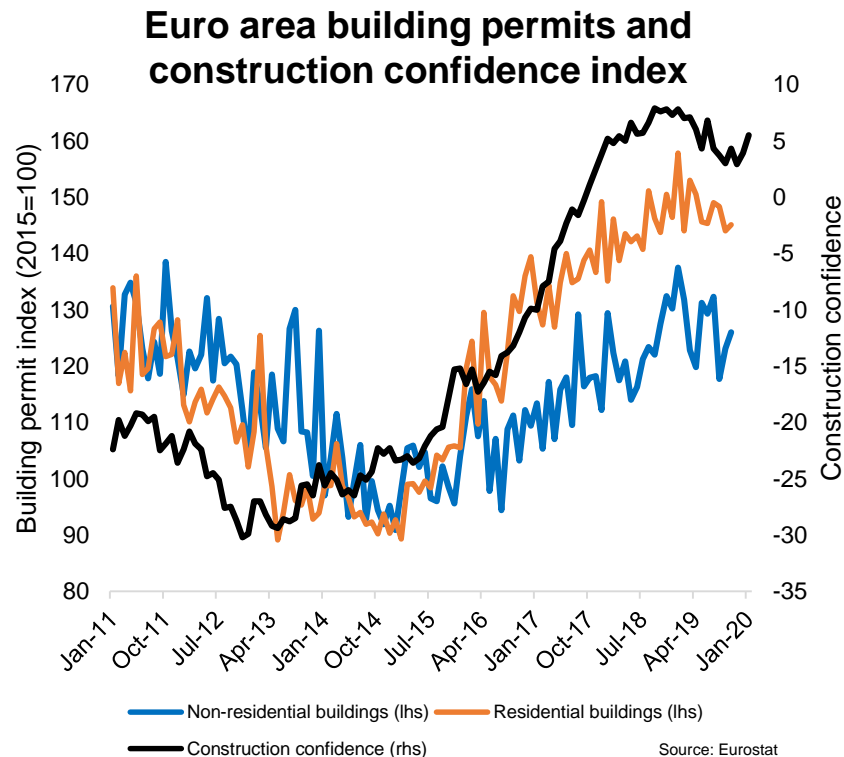
Appendix

Europe – Continued signs of weakening in the Nordics, but improvements in the South





















Manufacturing continues to be weak, while service industries have thus far been able to sustain modest growth throughout the continent.

Within the construction industry:

- Building permit developments have been mixed, with clear declines in residential permits in Finland, Sweden and the Netherlands but clear improvements in Spain
- Having fallen during the first half of the year, builder confidence may have stabilised during Q4. However, weakening sentiment was visible in Germany and the Netherlands
- Relative to the previous decade, builders continue to report solid order books and business activity levels



Leading residential indicators: Moderating in the Nordics, solid in the U.S. and Germany

| | Indicator | YTD % Change | Rolling 12-month % Change | Data through | Trend since Q3 update |
|--|---------------------|--------------------------|---------------------------|---------------|---|
|  USA | Housing starts | +41%¹⁾ | N/A | December 2019 |  |
|  Germany | Housing permits | +1% | -1% | November 2019 |  |
|  Finland | Housing permits | -14% | -14% | November 2019 |  |
|  Sweden | Housing starts | -11% | -10% | Q3 2019 |  |
|  Denmark | Construction index | +3% | N/A | October 2019 |  |
|  Canada | Housing starts | -8%¹⁾ | N/A | December 2019 |  |
|  Netherlands | Housing permits | -20% | -18% | November 2019 |  |
|  Spain | Housing permits | +5% | +7% | November 2019 |  |
|  Norway | Housing starts | +1% | +1% | December 2019 |  |
|  Poland | Housing completions | +12% | +11% | August 2019 |  |

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

Source: National Statistics Offices

Sep-Dec 2019: Income statement

| Uponor Group, M€ | 10-12 2018 | 10-12 2019 | Change Y/Y | |
|---|---------------|---------------|---------------|-----|
| Net sales | 282.6 | 269.2 | -4.8% | |
| Cost of goods sold | 188.4 | 172.5 | -8.5% | |
| Gross profit | 94.2 | 96.7 | +2.7% | |
| Gross profit margin (%) | 33.3% | 35.9% | +2.6% | pts |
| Other operating income | 3.8 | 0.1 | -97.5% | |
| Expenses | 81.0 | 76.4 | -5.5% | |
| Operating profit | 17.0 | 20.4 | +19.3% | |
| Operating profit margin (%) | 6.1% | 7.6% | +1.5% | pts |
| Financial expenses, net | 1.5 | 3.1 | +95.0% | |
| Share of result in associated companies | -1.1 | -1.0 | +3.8% | |
| Profit before taxes | 14.5 | 16.3 | +12.5% | |
| Profit for the period | 6.7 | 12.3 | +84.6% | |
| EBITDA | 30.0 | 27.9 | -6.8% | |

Jan-Dec 2019: Income statement

| Uponor Group, M€ | 1-12 2018 | 1-12 2019 | Change Y/Y |
|---|--------------|--------------|---------------|
| Net sales | 1,196.3 | 1,103.1 | -7.8% |
| Cost of goods sold | 795.5 | 721.2 | -9.3% |
| Gross profit | 400.8 | 381.9 | -4.7% |
| Gross profit margin (%) | 33.5% | 34.6% | +1.1% pts |
| Other operating income | 16.4 | 1.3 | -92.2% |
| Expenses | 310.5 | 291.9 | -6.0% |
| Operating profit | 106.7 | 91.3 | -14.5% |
| Operating profit margin (%) | 8.9% | 8.3% | -0.6% pts |
| Financial expenses, net | 8.5 | 11.6 | +35.6% |
| Share of result in associated companies | -4.7 | -4.0 | +13.6% |
| Profit before taxes | 93.5 | 75.6 | -19.1% |
| Profit for the period | 63.2 | 55.3 | -12.4% |
| EBITDA | 149.2 | 143.1 | -4.1% |

December 2019: Balance sheet

| Uponor Group, M€ | 31 Dec 2018 | 31 Dec 2019 | Change Y/Y |
|--|----------------|----------------|---------------|
| Property, plant and equipment | 258.3 | 285.8 | +27.5 |
| Intangible assets | 101.0 | 96.7 | -4.3 |
| Securities and long-term investments | 25.7 | 19.8 | -5.9 |
| Inventories | 147.9 | 144.4 | -3.5 |
| Cash and cash equivalents | 38.1 | 76.1 | +38.0 |
| Other current and non-current assets | 215.7 | 210.5 | -5.2 |
| Assets total | 786.6 | 833.2 | +46.6 |
| Total equity | 353.6 | 370.4 | +16.8 |
| Non-current interest-bearing liabilities | 175.6 | 203.4 | +27.8 |
| Provisions | 30.2 | 30.0 | -0.2 |
| Non-interest-bearing liabilities | 225.5 | 217.6 | -7.9 |
| Current interest-bearing liabilities | 1.7 | 11.8 | +10.1 |
| Shareholders' equity and liabilities total | 786.6 | 833.2 | +46.6 |