

A wide-angle, high-angle photograph of a city at night, likely Copenhagen. The foreground shows the dark, silhouetted roofs of residential buildings. A river flows through the middle ground, with a multi-arched bridge crossing it. The city skyline is visible in the background, with numerous skyscrapers and buildings illuminated by city lights. The sky is a deep blue, suggesting twilight or early night.

uponor

Enriching people's way of life

Roadshow presentation Q1 2017
Jyri Luomakoski, President & CEO
Maija Strandberg, CFO
May 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

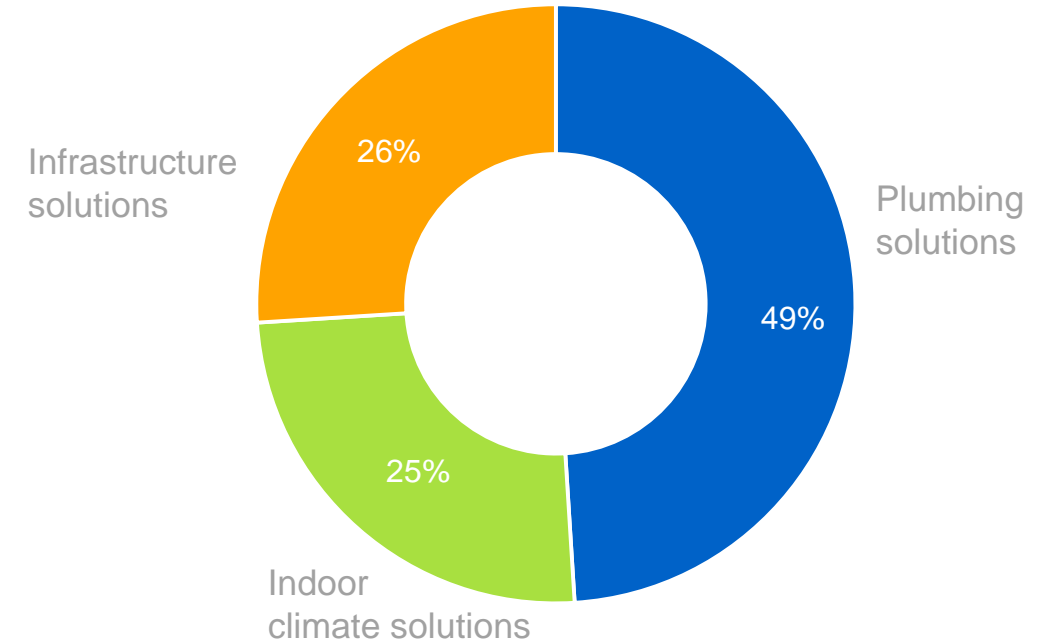
Read more at: <http://investors.uponor.com>



Uponor at a glance

Uponor is a 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



2016 FACTS & FIGURES

1,1

billion euro
Net sales 2016

30

countries with
Uponor operations

14

production
sites worldwide

3,900

worldwide
staff

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 3,900 committed employees in 30 countries,
Uponor is at your service all over the world

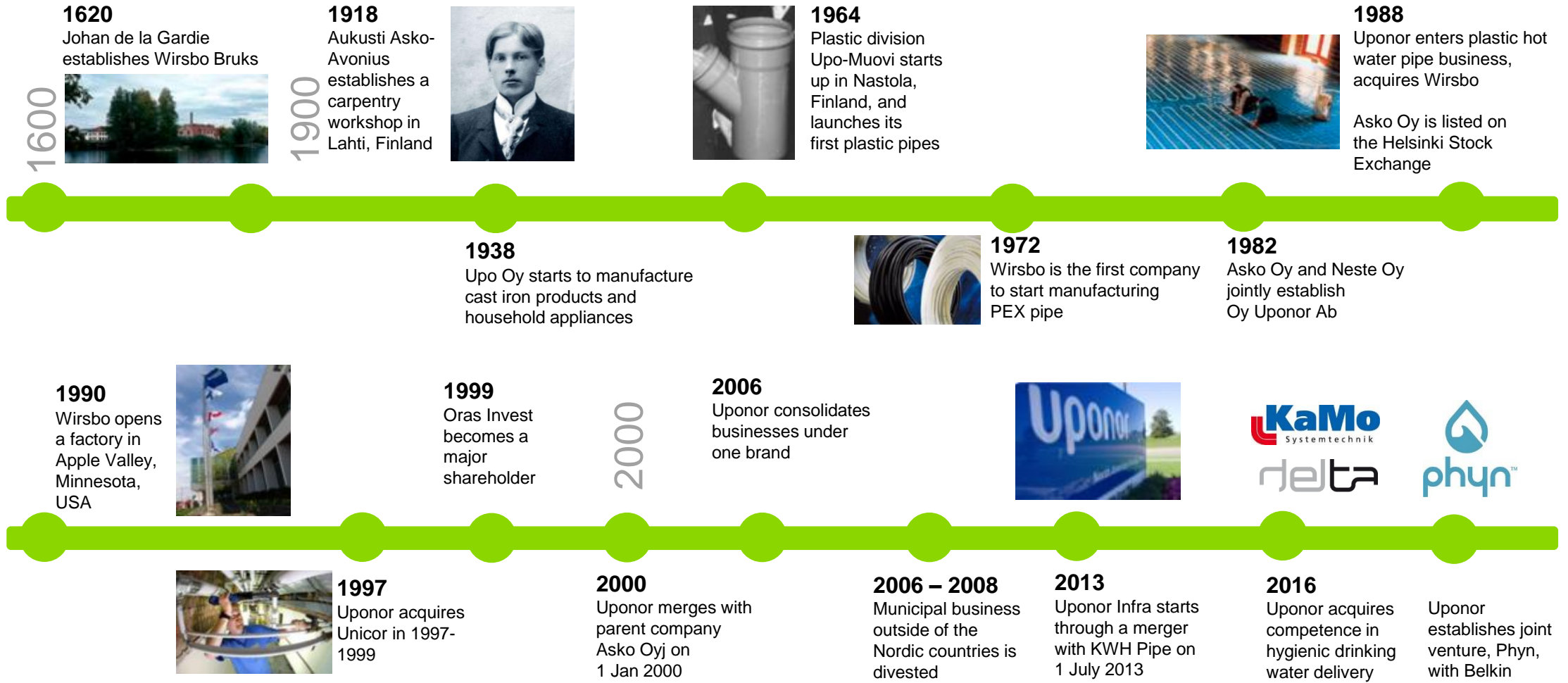
OUR VALUES

CONNECT

BUILD

INSPIRE

Uponor milestones

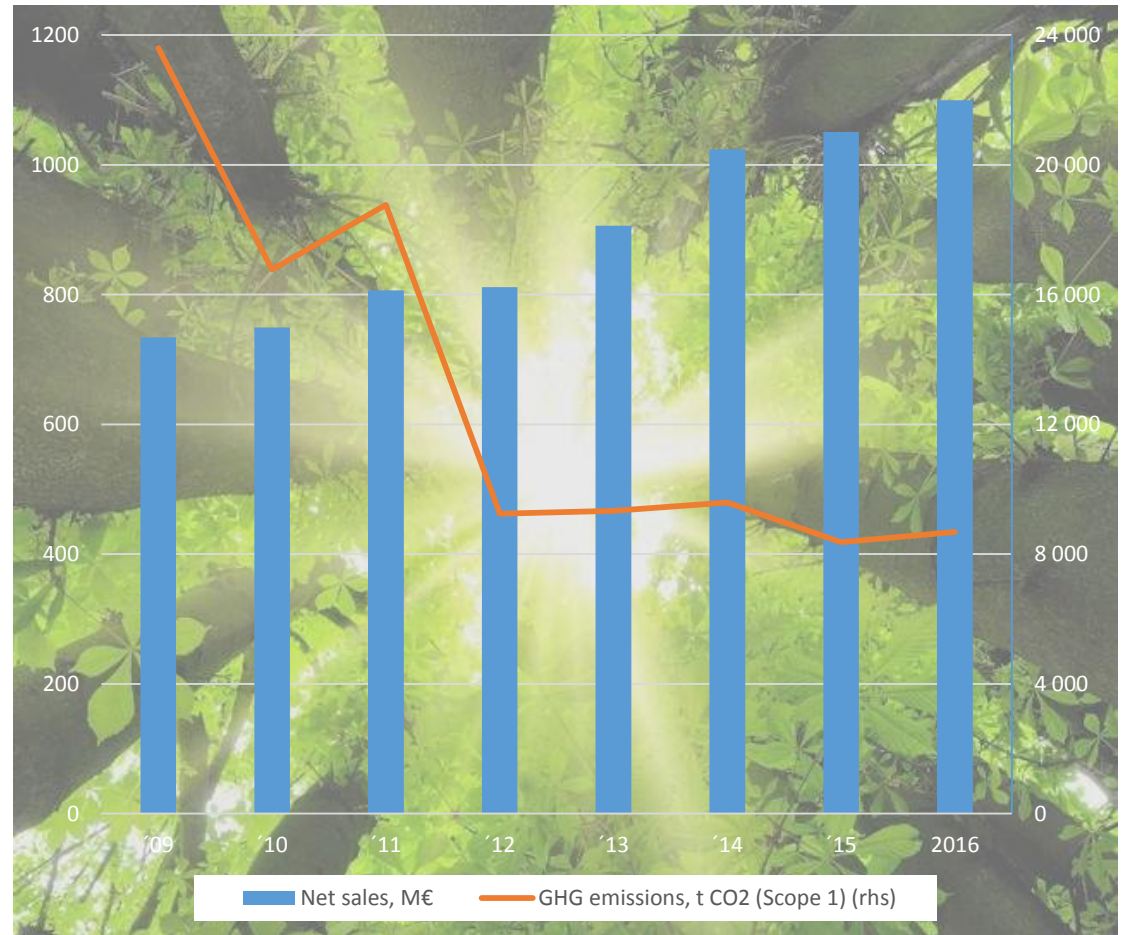


Sustainability is a foundation of our business

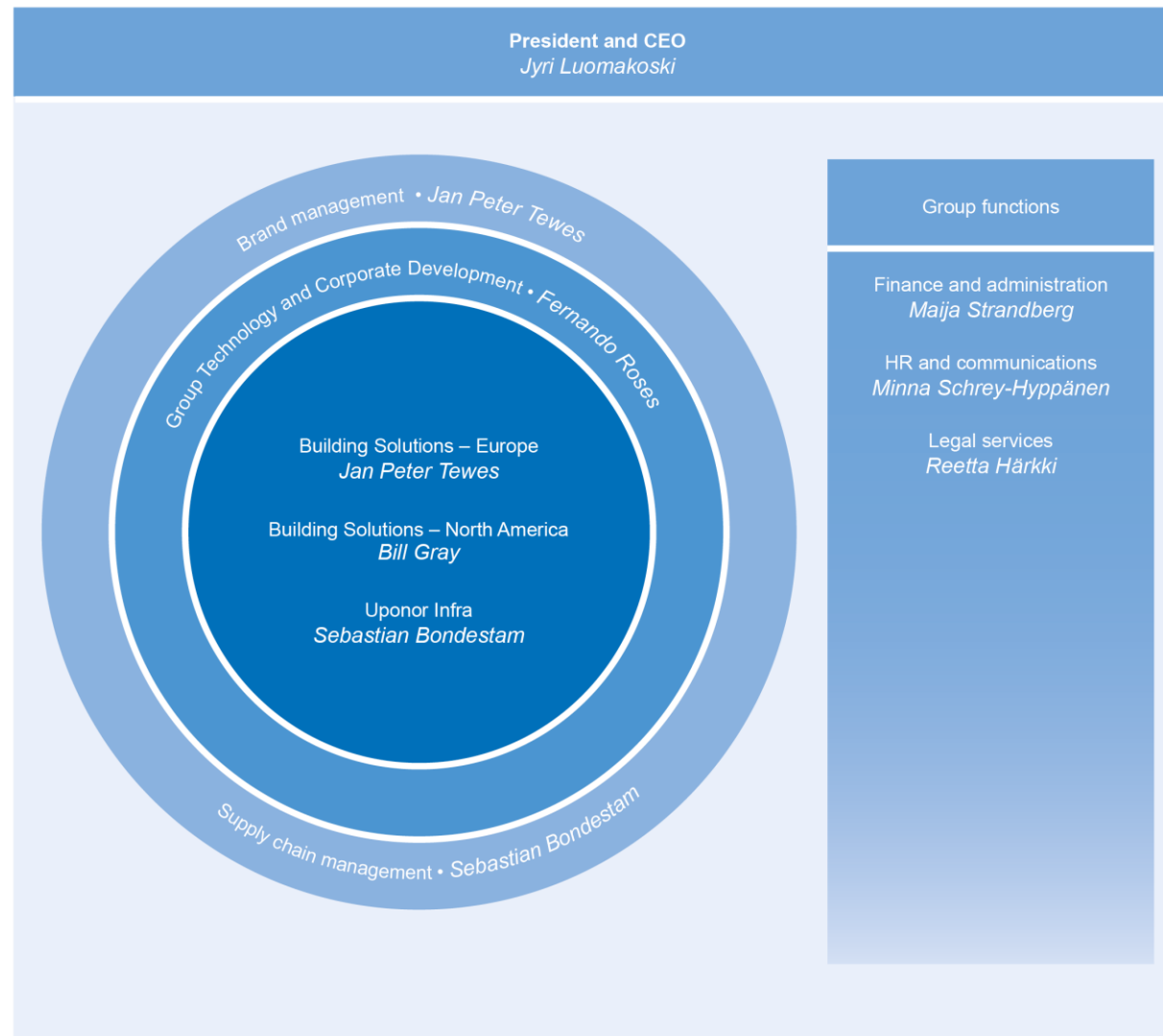
At Uponor, sustainability is linked to our vision and mission and demonstrated by actions throughout the organisation

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



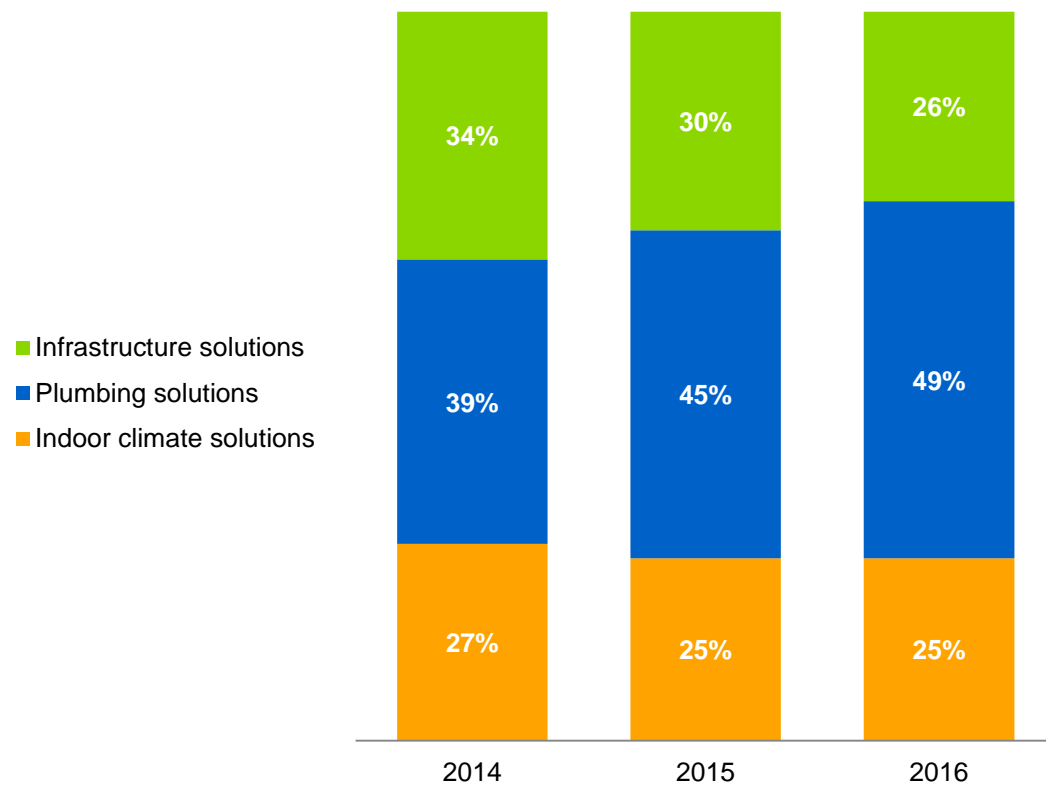
Group structure, March 2017



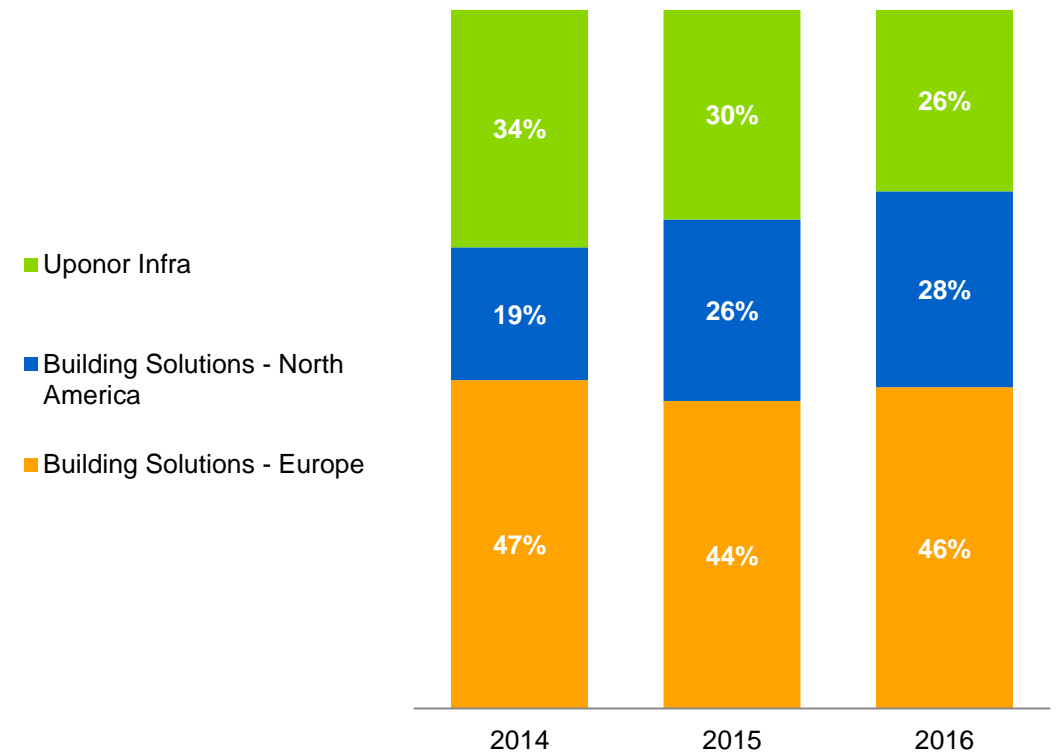
Net sales breakdown

Consolidated net sales for 2016: €1,1 billion

BY BUSINESS GROUP

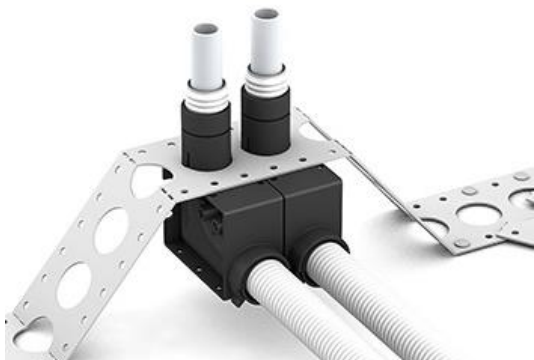


BY SEGMENT



Uponor's Plumbing offering

For efficient and hygienic drinking water delivery



Flexible pipe systems



Multilayer pipe systems



Risers



Press fittings



Pre-fabricated 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



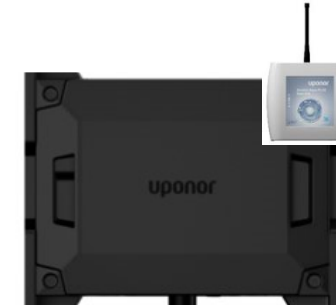
Technology

Investment in R&D and technology

- In 2016, Uponor's R&D expenditure exceeded €20 million for the first time
 - New Group Technology function
 - Investment in digitalisation initiatives
 - New product, application and materials development
- Strategic focus on hygiene, safety and sustainability
 - UWater online monitoring – Dec 2015
 - KaMo/Delta fresh water stations - Jan 2016
 - Joint venture Phyn with Belkin to pioneer in intelligent water - July 2016



Phyn



Smatrix Aqua PLUS



Aqua & Combi Port



Ecoflex Thermo PRO



UWater



Uponor Decibel

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



First renovation project involving radiant ceiling cooling in tropical climate:
Seng Choon Office Building,
Singapore



Water supply in demanding terrain: Glomfjord, Norway



Restoring old-world charm to an iconic hotel: The Cavalier Hotel, Virginia, USA



Radiant heating and cooling in European Central Bank:
Frankfurt, Germany



Water supply in extreme weather conditions: Gabriel de Castilla research station, Antarctica



Securing safe transportation of waste water: Borås, Sweden

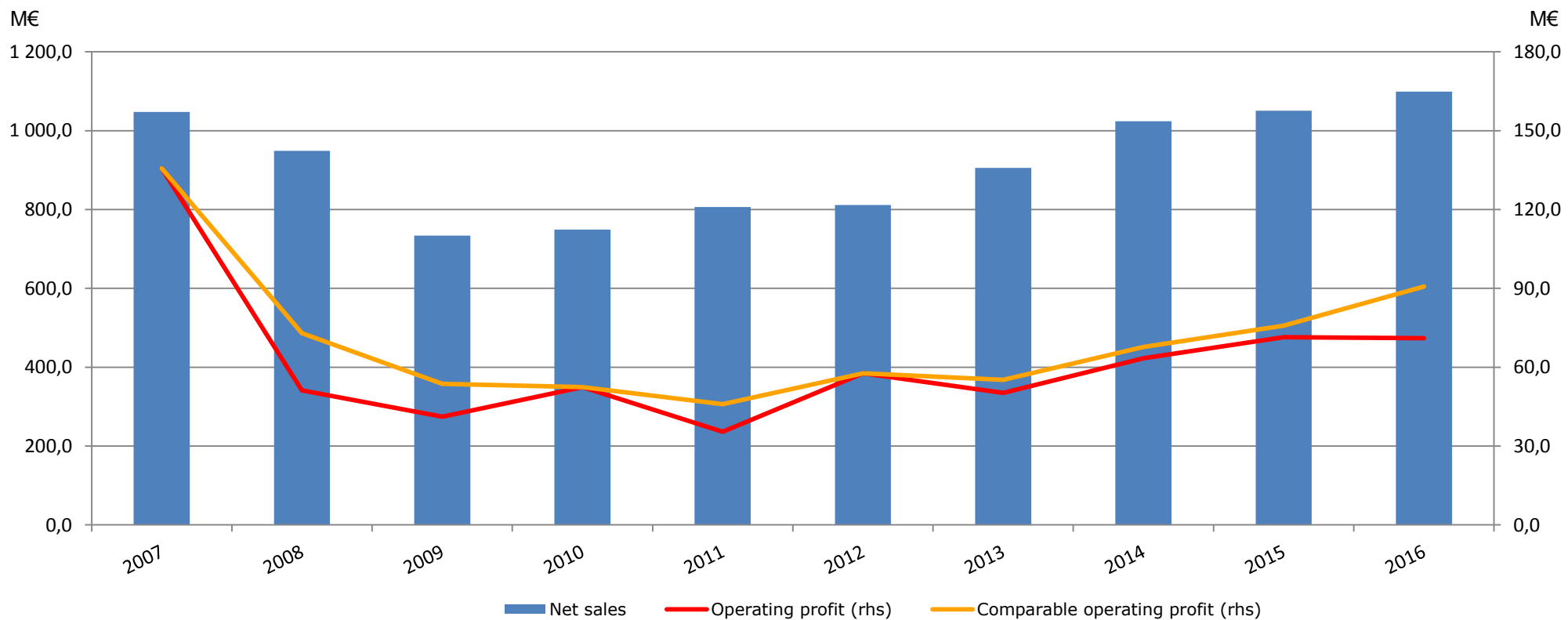


Radiant heating and cooling in an underground women's university: Seoul, South Korea

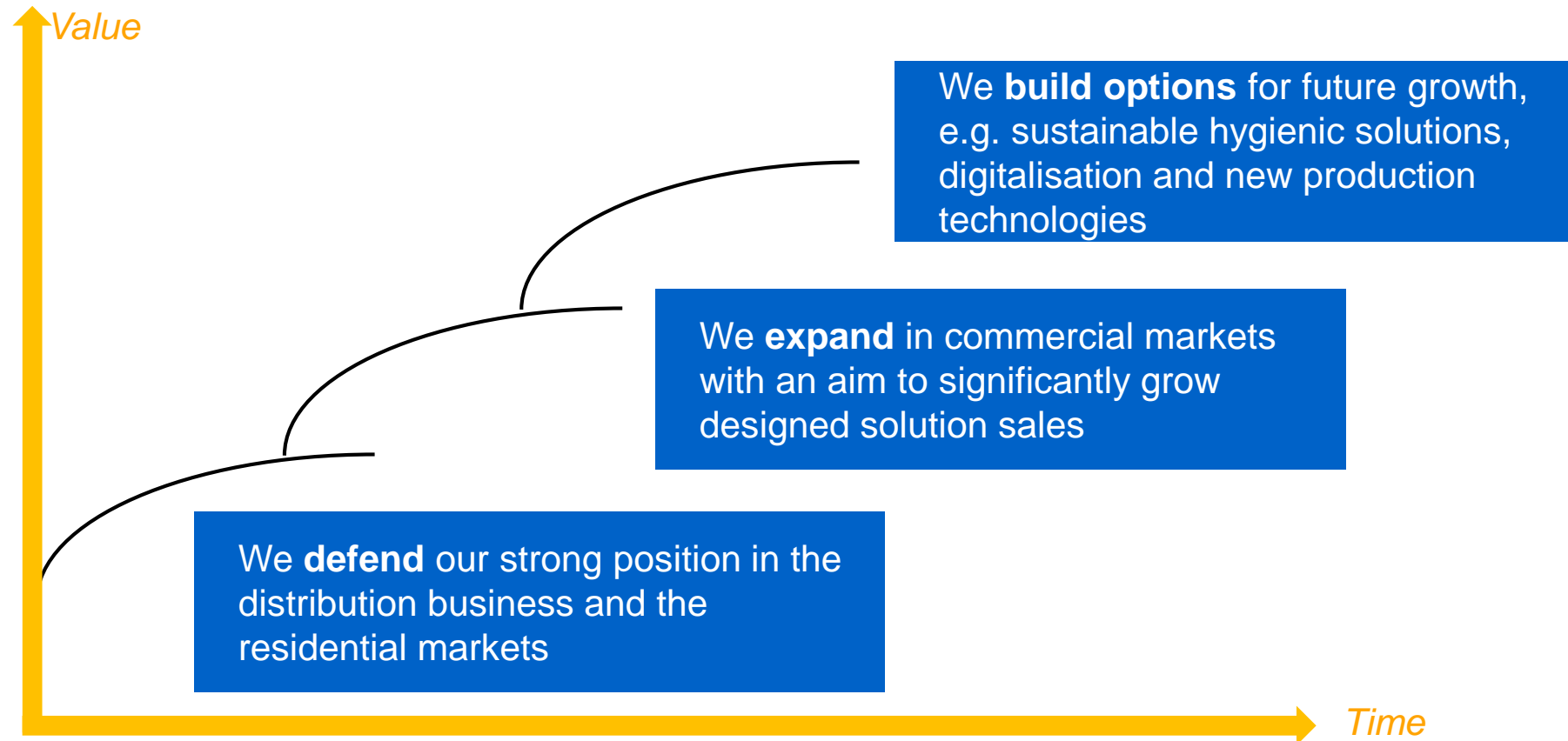


Ice-free pavement throughout the year: Lahti, Finland

Business gradually picking up after the global financial crisis



Uponor has a strategy to generate sustainable growth in the shorter and longer term



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 2016

2.0%
(target 4.7%*)

6.5%
(comparable
EBIT 8.2%)

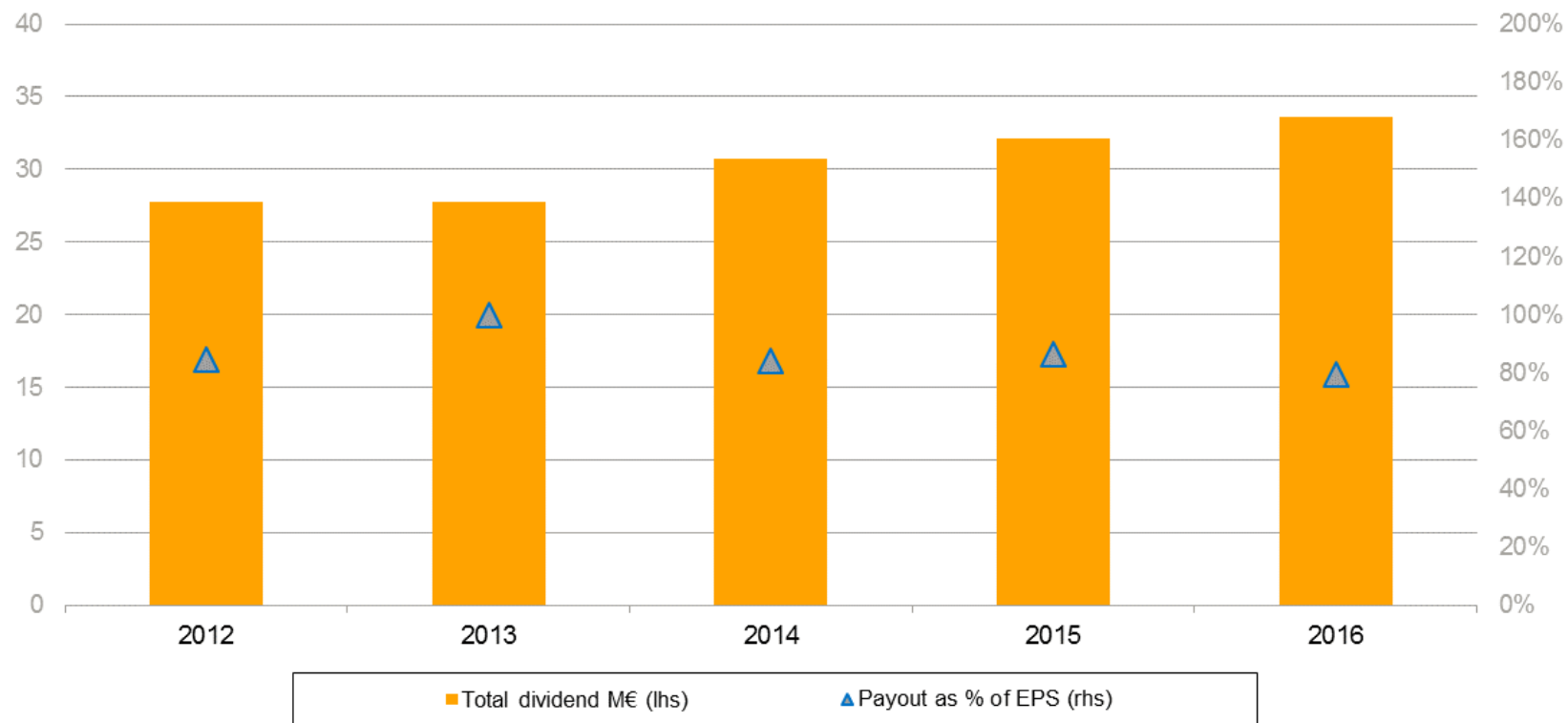
14.1%

56.7

79.3%

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

Dividends and payout ratio

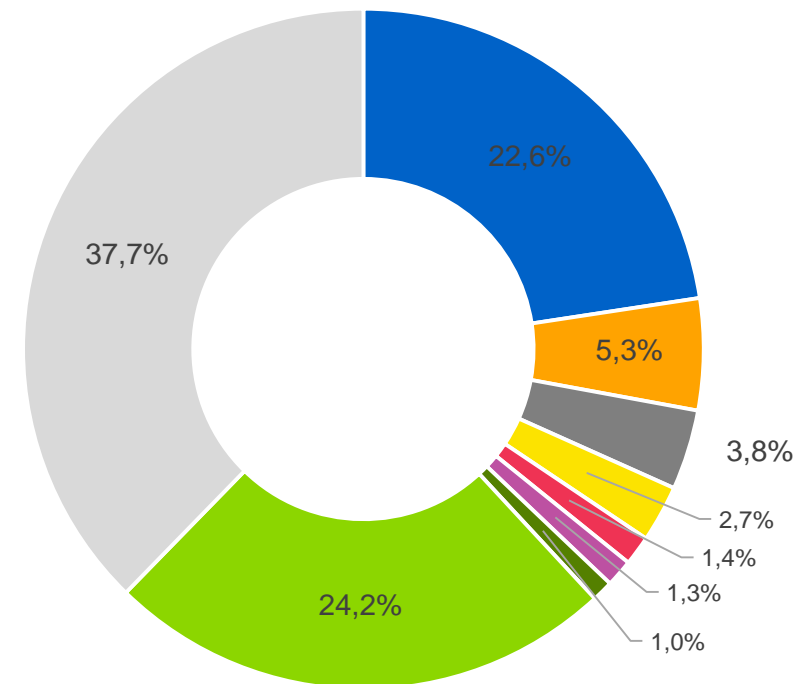


Dividend for 2016: €0.46 per share

Major shareholders

31 March 2017

- Oras Invest Ltd 22.6%
- Varma Mutual Pension Insurance Company 5.3%
- Nordea Nordic Small Cap Fund 3.8%
- Ilmarinen Mutual Pension Insurance Company 2.7%
- Mandatum Life Insurance Company Ltd 1.4%
- KEVA Pensions Institution 1.3%
- Nordea Nordic Fund 1.0%
- Nominee registrations 24.2%
- Others 37.7%



Currently valid foreign notifications:

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

- 16,957 shareholders at the end of March 2017
- Foreign shareholding was 24.6% at the end of March 2017, down from 26.1 % in Dec 2016

Interim results briefing

Jyri Luomakoski – President and CEO
Maija Strandberg – CFO

1–3/2017

Q1/2017: Net sales grows in all segments driven by several key markets picking up from Q1 2016

January - March, M€	1-3/ 2016	1-3/ 2017	Change
Net sales	246.9	265.1	7.4%
Operating profit	11.9	14.6	22.8%
Comparable operating profit	14.9	15.0	0.8%

Net sales

- Building Solutions – Europe grows firmly in most key markets, offset only by weak German and UK sales
- Growth continues steady in Building Solutions – North America despite the strong comparison numbers
- Uponor Infra reports two-digit net sales growth boosted by Canada and the Nordic countries

Operating profit

- Operating profit slightly improving, suppressed by gross margin pressures
- Building Solutions – Europe affected by German sales decline, higher marketing costs and start-up costs in Asia
- Building Solutions – North America solid, but burdened by sales mix and repercussions from the EP resin issue
- Uponor Infra profits improve as a result of increased sales and transformation programme savings

Developments by segment: Building Solutions – Europe

- Broad-based recovery in net sales in key European markets – with the exception of Germany and the UK
- At the biennial ISH trade fair in late March, Uponor presented its solutions under the concept “Build on innovation”, including the technologies acquired in early 2016
- Transformation programme finalisation still pending, expected to close in Q2
 - Transfer of PEX production to Sweden completed successfully
- Business growth and production start-up in China progress well, despite a one-off machine issue



Developments by segment: Building Solutions – North America

- Overall demand stable in the U.S., but with monthly variations; Canada faces a strong, temporary drop compared to lively Q1 2016
- Net sales growth remains healthy but behind the strong comparison period
- Sales trends impacted by irregular order patterns, sales mix and weather issues



Developments by segment:

Uponor Infra

- Recovery in market demand in Canada and in the Nordic countries supports growth in net sales and operating profit
- Transformation programme carried through as planned and with planned savings
- Recent upward trend in plastic resins likely to impact cost of goods sold from Q2 onwards, although materially offset by price increases after a delay





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Financial statements

Maija Strandberg – CFO

1 – 3 / 2017

January – March 2017:

Key figures

Uponor Group - continuing operations		1-3 2016	1-3 2017	Change Y/Y	1-12 2016
Net sales	M€	246.9	265.1	+7.4%	1,099.4
Operating profit	M€	11.9	14.6	+22.8%	71.0
Comparable operating profit	M€	14.9	15.0	+0.8%	90.7
Comparable operating profit margin	%	6.0%	5.7%	-0.4% pts	8.2%
Earnings per share (diluted)	€	0.09	0.11	+22.2%	0.57
Return on equity (p.a.)	%	7.9%	9.4%	+1.5% pts	13.1%
Return on investment (p.a.)	%	8.9%	9.9%	+1.0% pts	14.1%
Net interest bearing liabilities	M€	176.5	224.0	+26.9%	159.5
Gearing	%	62.4%	74.5%	+12.1% pts	48.8%
Net working capital of net sales (p.a.)	%	11.8%	14.5%	+2.7% pts	10.2%
Number of employees, end of period	FTE	3,810	3,866	+1.5%	3,868

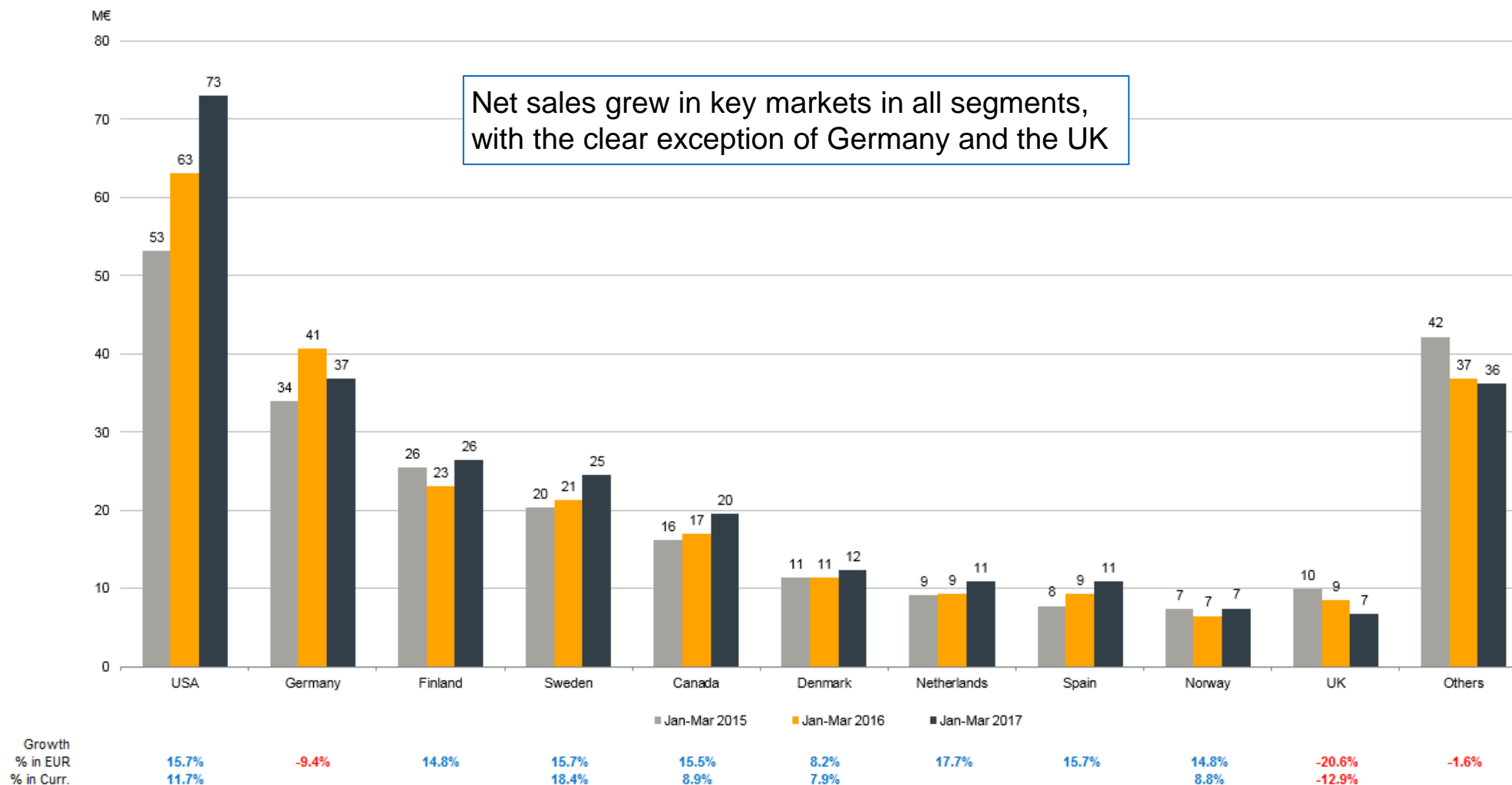
January – March 2017: Income statement

Uponor Group - continuing operations, M€	1-3 2016	1-3 2017	Change Y/Y	1-12 2016
Net sales	246.9	265.1	+7.4%	1,099.4
Cost of goods sold	159.1	173.7	+9.1%	723.4
Gross profit	87.8	91.4	+4.2%	376.0
Gross profit margin (%)	35.5%	34.5%	-1.1% pts	34.2%
Other operating income	0.6	0.3	-47.9%	4.2
Expenses	76.5	77.1	+0.8%	309.2
Operating profit	11.9	14.6	+22.8%	71.0
Operating profit margin (%)	4.8%	5.5%	+0.7% pts	6.5%
Financial expenses, net	3.4	2.8	-18.9%	10.0
Share of result in associated companies	0.1	-0.5	-972.3%	-0.6
Profit before taxes	8.6	11.3	+32.2%	60.4
Profit for the period	5.4	7.4	+36.4%	41.5
EBITDA	21.7	24.0	+10.5%	112.6

- **Net sales** growth +5.8% in constant currency terms – a positive currency impact of €3.7m mainly driven by USD and CAD
- **Comparable gross profit margin** 34.6% (35.8%)
- **Comparable operating profit** €15.0m which is slightly above prior year (€14.9m)

January – March 2017

Net sales development by key markets



January – March 2017: Balance sheet

Uponor Group, M€	31 Mar 2016	31 Mar 2017	Change Y/Y	31 Dec 2016
Property, plant and equipment	219.0	239.3	+20.3	240.9
Intangible assets	123.3	118.5	-4.8	119.0
Securities and long-term investments	20.7	33.7	+13.0	34.7
Inventories	130.8	152.4	+21.6	139.3
Cash and cash equivalents *	20.9	18.0	-2.9	16.3
Other current and non-current assets	234.0	251.0	+17.0	217.3
Assets total	748.7	812.9		767.5
Total equity	282.9	300.7	+17.8	326.9
Non-current interest-bearing liabilities	144.6	157.7	+13.1	158.2
Provisions	24.5	27.2	+2.7	28.8
Non-interest-bearing liabilities	243.9	243.0	-0.9	236.0
Current interest-bearing liabilities	52.8	84.3	+31.5	17.6
Shareholders' equity and liabilities total	748.7	812.9	+64.2	767.5

*) On 31 March 2016, cash and cash equivalents include €1.0 million in restricted cash.

- Property, plant and equipment increased mainly due to investments in capacity expansion and efficiency improvement
- Non-controlling interest represents €62.9m of the equity at €300.7m
- Net interest-bearing liabilities were €224.0m (€176.5m), the increase mainly being driven by the acquisition of the minority holding in the joint venture Phyn in the summer of 2016 as well as an increase in net working capital

January – March 2017:

Cash flow

Uponor Group, M€	1-3 2016	1-3 2017	Change Y/Y	1-12 2016
Net cash from operations	+21.5	+22.5	+1.0	+105.3
Change in NWC	-26.2	-40.6	-14.4	-16.6
Net payment of income tax and interest	-9.8	-4.9	+4.9	-28.8
Cash flow from operations	-14.5	-23.0	-8.5	+59.9
Cash flow from investments	-34.5	-7.8	+26.7	-91.8
Cash flow before financing	-49.0	-30.8	+18.2	-31.9
Dividends paid	-32.2	-33.6	-1.4	-32.2
Other financing	+54.0	+66.1	+12.1	+32.0
Cash flow from financing	+21.8	+32.5	+10.7	-0.2
Conversion differences	-0.1	+0.0	+0.1	+0.2
Change in cash and cash equivalents	-27.3	+1.7	+29.0	-31.9

- Gross investments came to €7.8m (€5.3m), remaining clearly below depreciation
- Cash flow from investments in the comparison period includes a net cash flow effect of -€31.4m from the acquisition of Delta & KaMo Group













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Outlook for the future

Jyri Luomakoski – President and CEO

Leading indicators: confirming a positive outlook

		Indicator	YTD % Change	Rolling 12-month % Change	Data through	Trend since Q4 update
	USA	Housing starts	+9% ¹⁾	N/A	March 2017	➡
	Germany	Housing permits	+3%	+19%	January 2017	➡
	Finland	Housing permits	+4%	+13%	January 2017	➡
	Sweden	Housing starts	+28	+34	December 2016	➡
	Canada	Housing starts	+25 ¹⁾	N/A	March 2017	➡
	Denmark	Housing starts	+20%	+20%	December 2016	➡
	Netherlands	Housing permits	-5%	-5%	December 2016	➡
	Spain	Housing permits	+26%	+28%	January 2017	➡
	UK	Housing starts ²⁾	+5%	+5%	December 2016	➡
	Norway	Housing starts	+14%	+18%	February 2017	➡

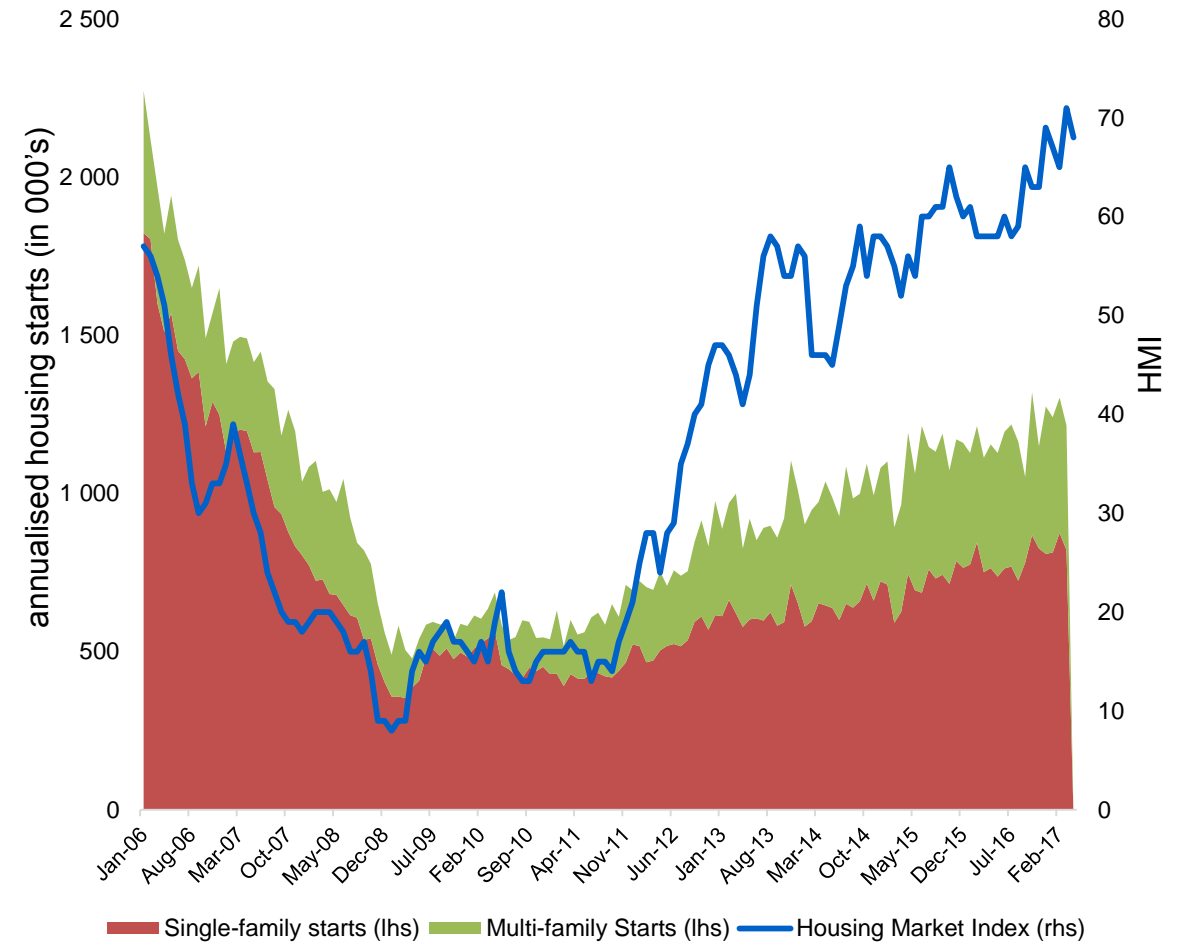
¹⁾ Seasonally adjusted, annualised rate vs. same month in 2016 ²⁾ England only

USA - Continued expansion but at more moderate levels

The economy continues to expand, driven by sustained job growth and very solid consumer confidence. However, lacklustre business investments, labour shortages in some industries and rising interest rates are tempering growth

Within the construction industry:

- Private residential construction spending has reached its highest level since August 2007
- Builder confidence (HMI) reached its highest level since 2005
- Many non-residential building segments, such as offices and commercial space, continue to expand



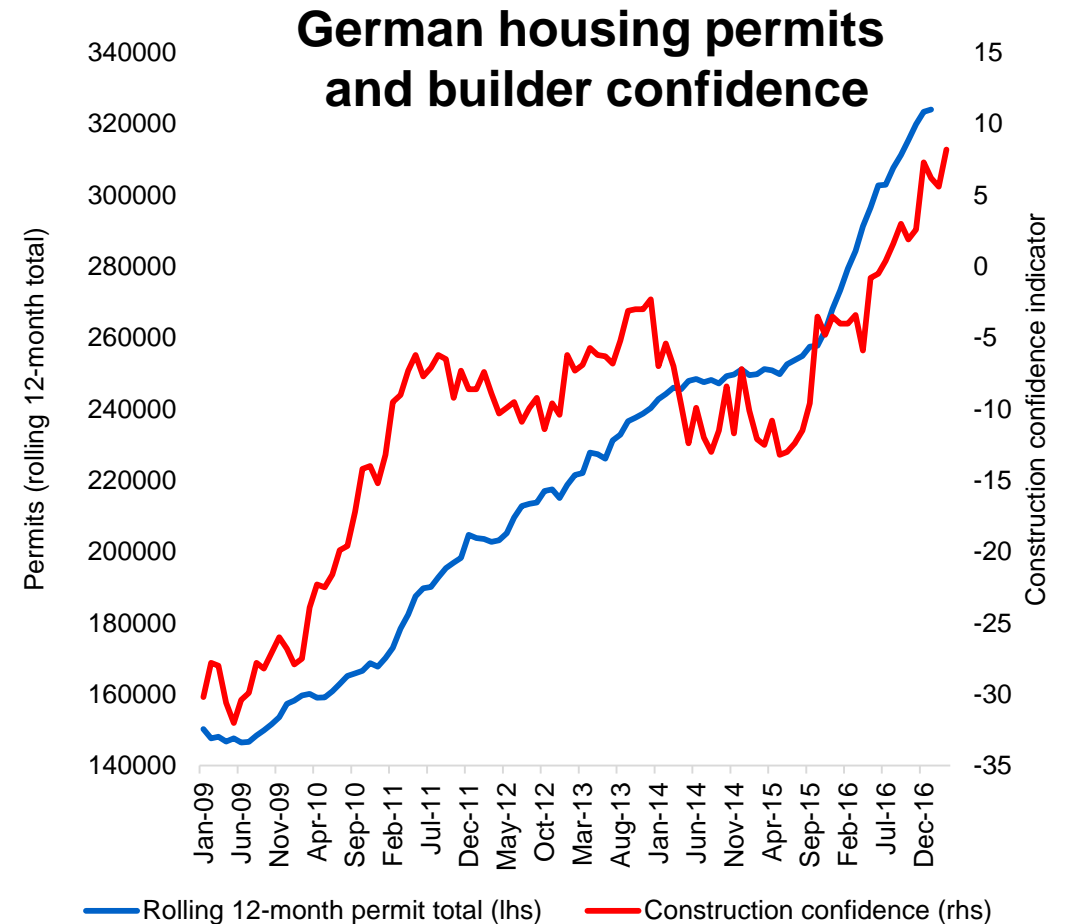
Source: US Census, NAHB/Wells Fargo

Germany - A strong labour market is supporting residential investment

Private consumption and government expenditures, combined with buoyant business confidence, have continued to boost the economy

Within the construction industry:

- Order books have improved compared to the same time in 2016
- Multi-family building permits continue to drive gains in the residential segment
- Construction sentiment stumbled in the last months of 2016, but remains encouraging



Source: Destatis and Eurostat

Management agenda for 2017

- Complete the broad-based transformation in Building Solutions – Europe and return to growth path in Germany
 - Continue with the expansion in Asia
- Maintain higher than the market average sales growth in North America and secure smooth supply of products as demand grows
- Boost the strategic initiatives in Uponor Infra to grow designed solutions sales and the segment's profitability
- Carry through the strategic investments in research, technology and corporate development to maintain lead in sustainable building technology and hygienic plumbing



Guidance

- In February 2017, Uponor estimated that the Group's capital expenditure would be in the range of €50-60 million, excluding any investment in shares. With new, planned additions included, the capital expenditure is expected to be close to €60 million in 2017
- Encouraging improvement in demand in the European markets, influencing both building solutions and infrastructure solutions, and supported by improving confidence, attractive credit terms, immigration and pent up demand
- Volatility in the market is expected to continue and political risks remain
- Assuming that economic development in Uponor's key geographies continues undisturbed, Uponor repeats earlier guidance from February 2017:

**The Group's net sales and comparable operating profit
are expected to improve from 2016**

Q&A

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