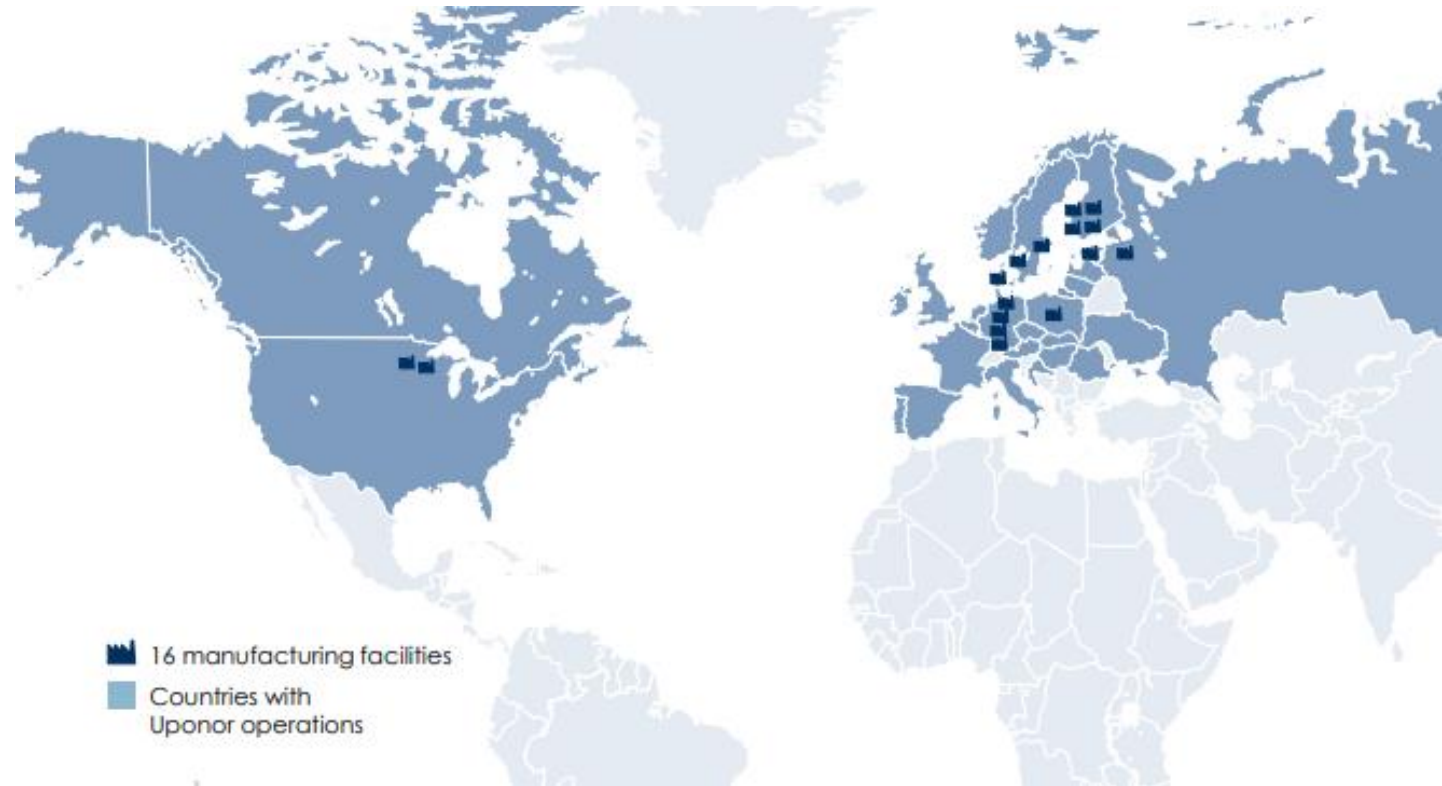


**Uponor roadshow  
presentation Q2/2021**

**uponor**

# Uponor in a minute

Uponor is rethinking water for future generations. Our offering, including safe drinking water delivery, energy-efficient radiant heating and cooling and reliable infrastructure, enables a more sustainable living environment. Listed on Nasdaq Helsinki.



**3,700** — personnel  
on average

**€1.1** — billion  
net sales

**~80** — Countries where our  
products are sold

# Meeting today's challenges with tomorrow's game-changing innovations – for more than 100 years

Aukusti Asko-Avonius establishes a carpentry workshop in Lahti, Finland.

1918



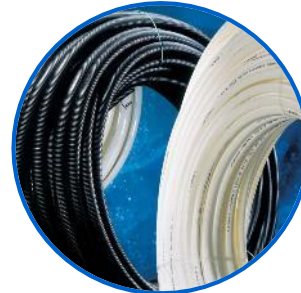
Swedish Wirsbo starts to manufacture the unique and innovative PEX pipe for heating and plumbing applications first in the world.

1972



Uponor enters the plastic hot water pipe business by acquiring German company Hewing and Swedish company Wirsbo.

1987–88



Uponor consolidates all business under one brand.

**uponor**

2006

The first plastic factory, Upo-Muovi starts in Nastola, Finland, and launches its first plastic pipes and fittings.



1965



1986

Uponor introduces the unique structured wall pipe construction called Ultra Rib.



1991

Wirsbo opens a factory in Apple Valley, Minnesota, USA.

## PURPOSE

Rethinking water for future generations

## VISION

To become a recognised leader in sustainable building and infrastructure solutions



# Our strategy of profitable growth is based on four pillars

| Employees   | Customers  | Innovations   | Operational excellence  |
|---|--|---|---|
| <p>We continue to prioritise the safety and well-being of our employees during the pandemic.</p> <p>Our employee engagement survey eNPS (employee Net Promoter Score) was 36, which is among the top 10% in the manufacturing industry.</p> | <p>We have secured continuous supply of our products during the pandemic.</p> <p>We are creating new digital ways of interacting with our customers.</p> | <p>Innovative products and services add value and enable our customers to work more efficiently.</p> <p>New products like Ecoflex VIP, Ultra Rib 2 sewer system and total polymer offering, demonstrate our passion for driving the business forward.</p> | <p>Our operational excellence programme has generated saving worth €8 million by the end of 2020.</p> <p>The programme has reduced complexity and harmonised processes.</p> |

# Our business

# Megatrends transform our markets and support our growth ambition

| Megatrends             | Climate change, scarcity of resources   | Urbanisation   | Digital transformation  |
|------------------------|---|--|---|
| Implications to Uponor | Energy and raw material efficiency<br>Hygiene and quality of water<br>Management of water   | Demand for multi-family homes<br>Offsite construction with prefabricated solutions | Shift from manufacturing to services and solutions<br>Building information modeling (BIM) |
| Example indicators     | Short term: Building permits and starts, builder confidence index, GDP development<br>Long term: Population growth, building stock, government policies |  |   |



# We deliver high-quality solutions for selected customer segments

## Applications



## Competitive advantages

Quality  
Lead time  
Offering range  
Easy-to-use  
Expert services

## Main sales channel

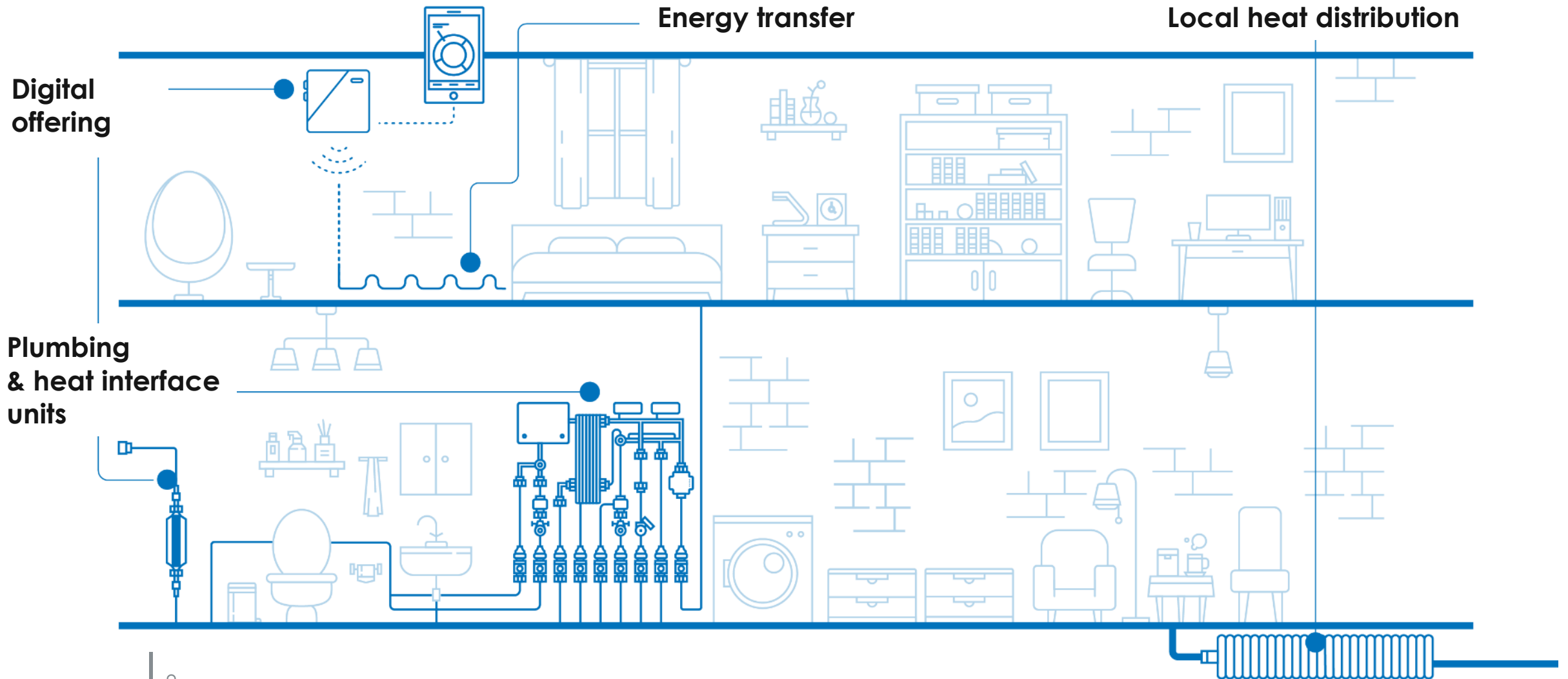
Distributor chains

## Key customer segments

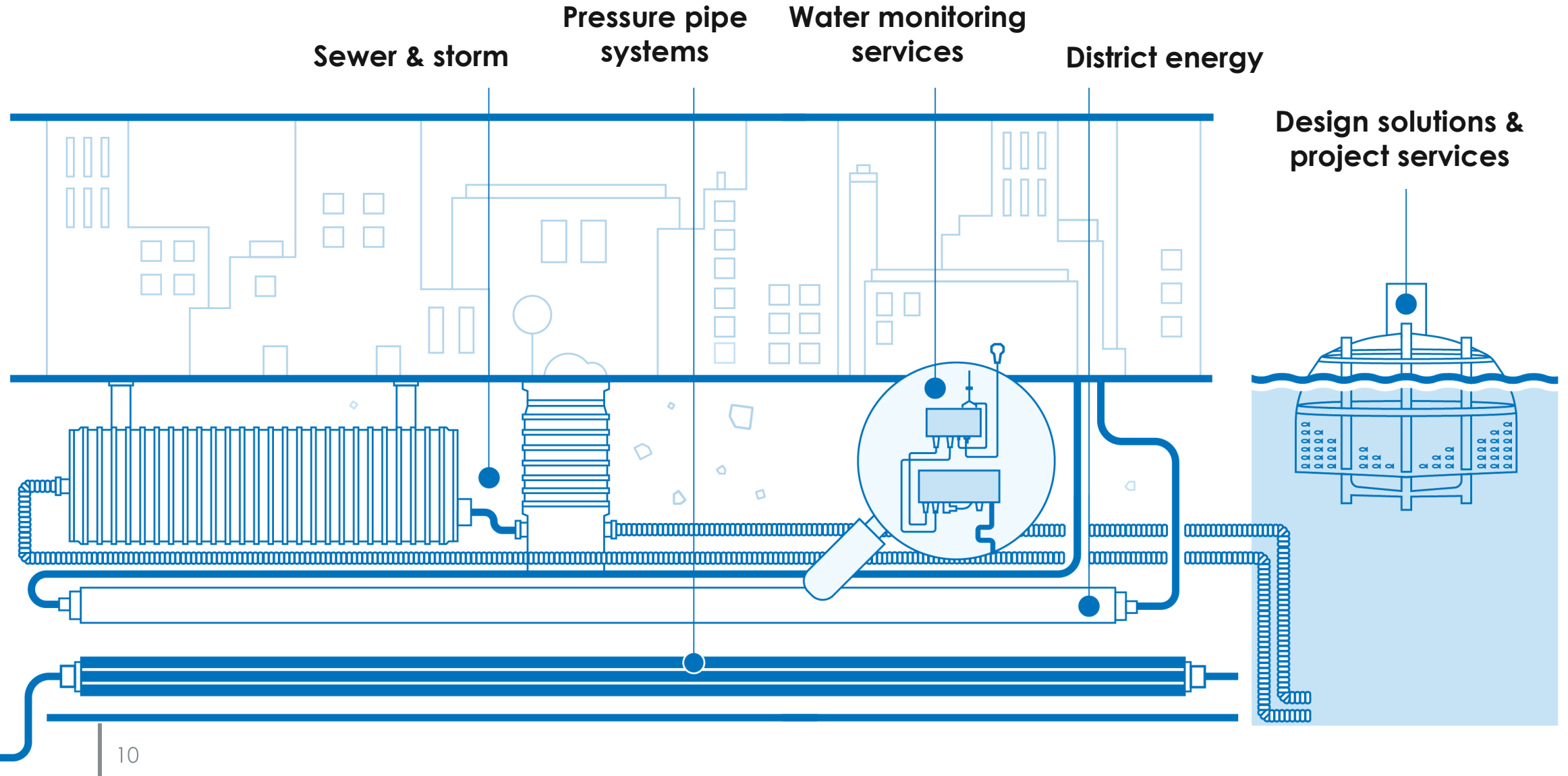




# Sustainable building solutions

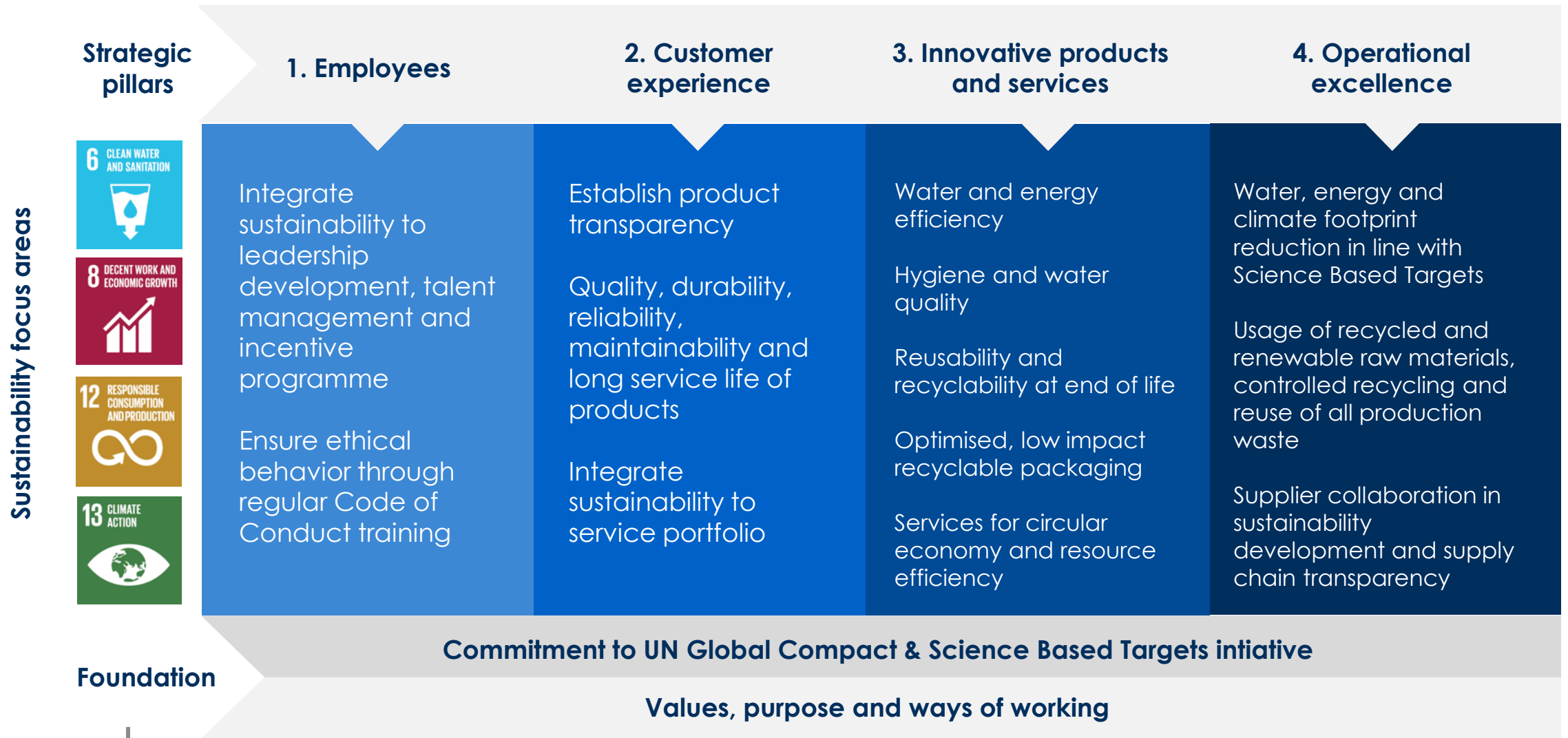


# Sustainable infrastructure solutions



# Our approach to sustainability

# Our sustainability agenda is built on selected UN SDG's



# Key sustainability initiatives in 2021

1. Reduce accidents in line with our zero accidents target
2. Reduction of GHG emissions in line with our Science Based Targets
3. Implement Operation Clean Sweep process to all manufacturing facilities
4. Publish first set of Environmental Product Declarations (EPDs)
5. Progress the PEX scrap recycling plan



# Favourable progress in the sustainability agenda execution

|                               | Unit                   | 2019  | 2020         |
|-------------------------------|------------------------|-------|--------------|
| Total energy consumption      | 1,000 MWh              | 218.0 | <b>208.5</b> |
| Raw material used             | 1,000 tonnes           | 146.2 | <b>157.1</b> |
| Water consumption             | 1,000 m3               | 154.1 | <b>139.3</b> |
| Total GHG emissions (Scope 1) | 1,000 tonnes           | 8.4   | <b>6.7</b>   |
| Total GHG emissions (Scope 2) | 1,000 tonnes           | 27.0  | <b>14.4</b>  |
| Total waste                   | 1,000 tonnes           | 18.1  | <b>15.9</b>  |
| Incident rate (LTIF)          | Per million work hours | 11.9  | <b>7.5</b>   |





# Invest in Uponor

# Why invest in Uponor

## THE BUSINESS

### **Sustainable building and infrastructure solutions**

Safe drinking water delivery and energy-efficient heating and cooling continue to be essential needs in built environments

Uponor mitigates the cyclical nature of construction industry by operating in European and North American markets and serving both new construction and renovation projects

## THE COMPANY

### **An industry innovator building on a century of tradition**

A leading supplier for residential and commercial construction for drinking water delivery and radiant heating and cooling systems; and a strong position in infrastructure piping systems in northern Europe

Established brand with a broad and loyal customer base

Well maintained manufacturing network with capacity to grow

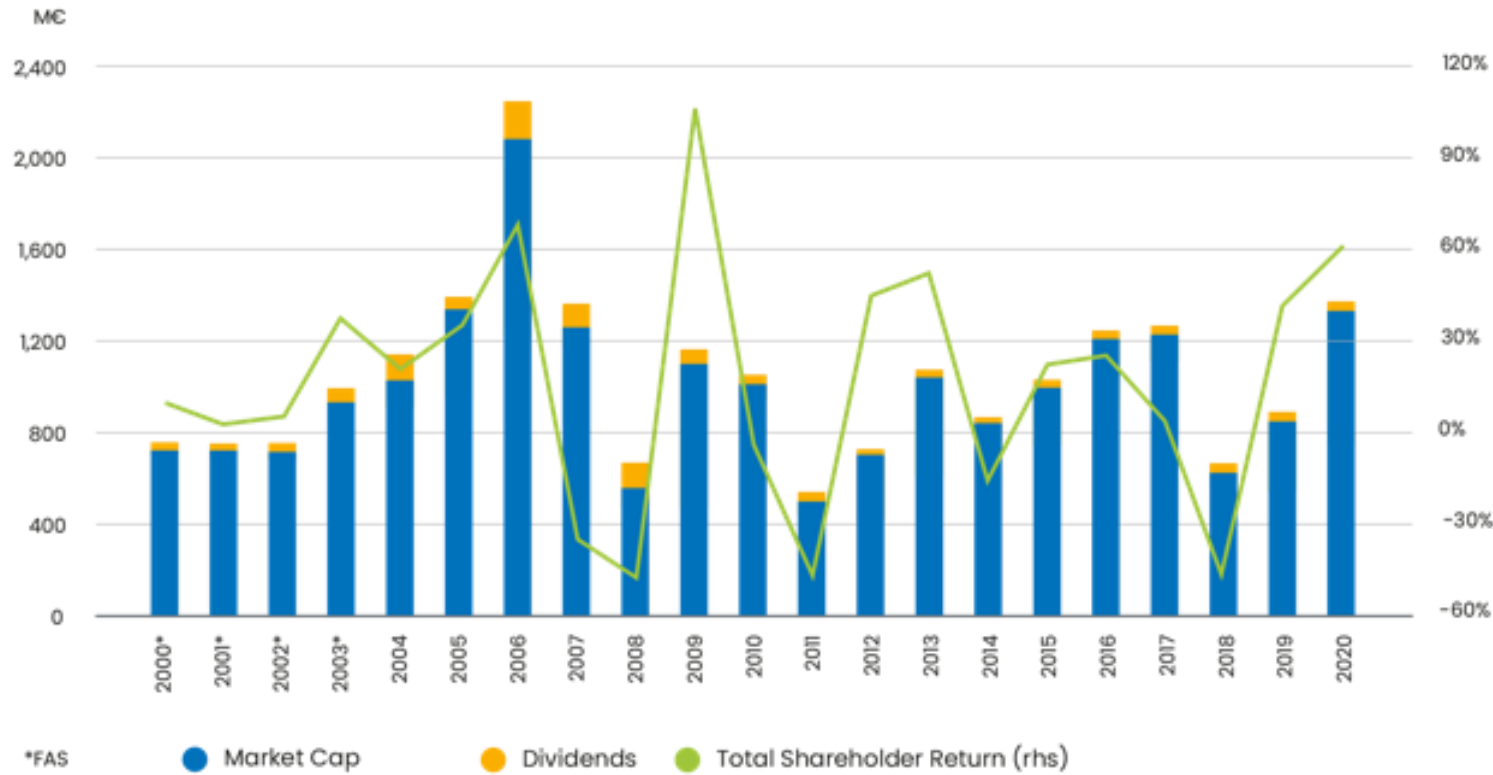
Continuous material and production technology development to support operational efficiency

Committed long-term key ownership with a clear understanding of the industry's dynamics



# Strong track record in shareholder value creation

## Shareholder value development 2000–2020





# Financial performance in line with long-term targets

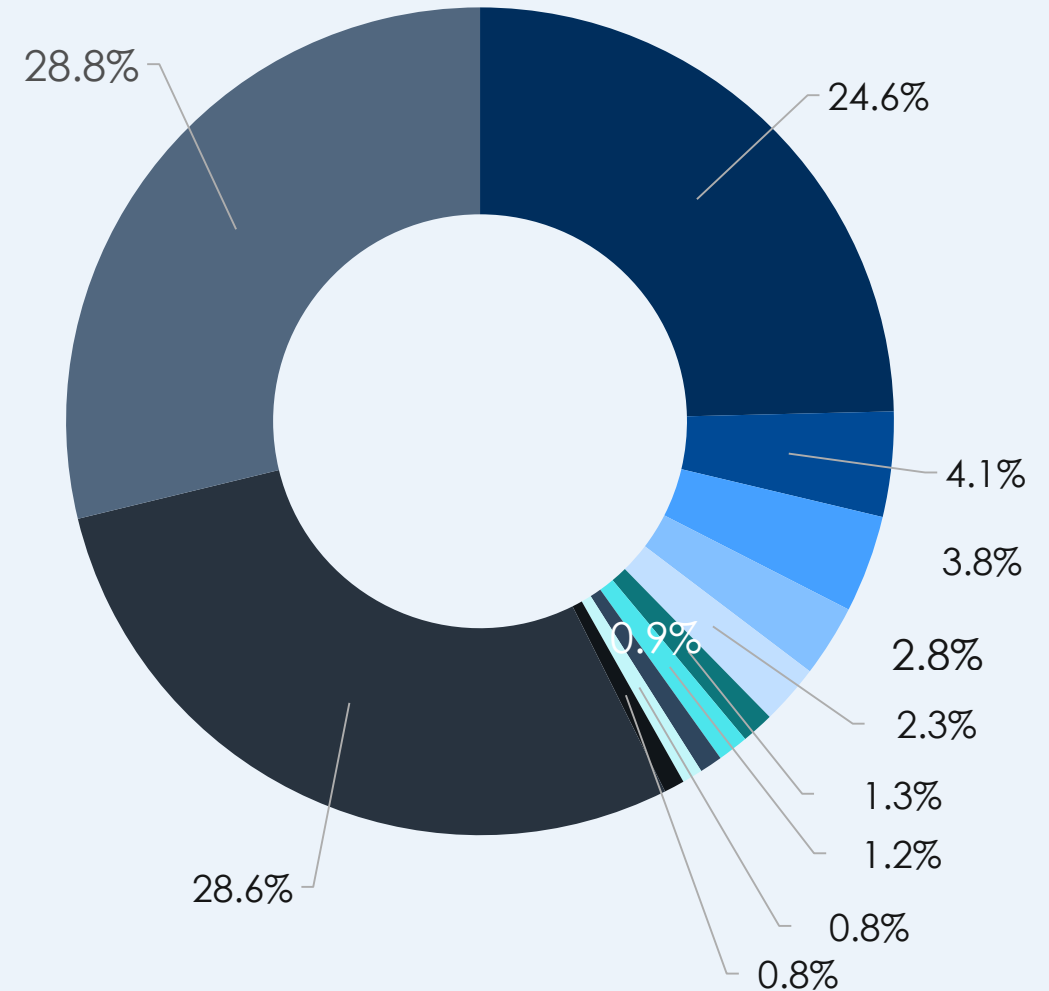
|                                    | Target  | Achievement in 2020                             |
|------------------------------------|---|---|
| Growth                             | Organic net sales growth to exceed annual GDP growth* by 3 ppts<br><i>* (GDP growth based on a weighted average growth in the top 10 countries)</i> | <b>3.0%</b><br><b>(GDP growth 2020E: -1.2%)</b> |
| Comparable operating profit margin | To exceed 10%   | <b>12.6%</b>                                    |
| Dividend pay-out                   | To be at least 50% of annual earnings   | <b>47.1%</b>                                    |
| Gearing                            | To stay within 40-80%<br>As an annual average of the quarters   | <b>28.6%</b>                                    |
| Return on investment               | To exceed 20%   | <b>21.8%</b>                                    |



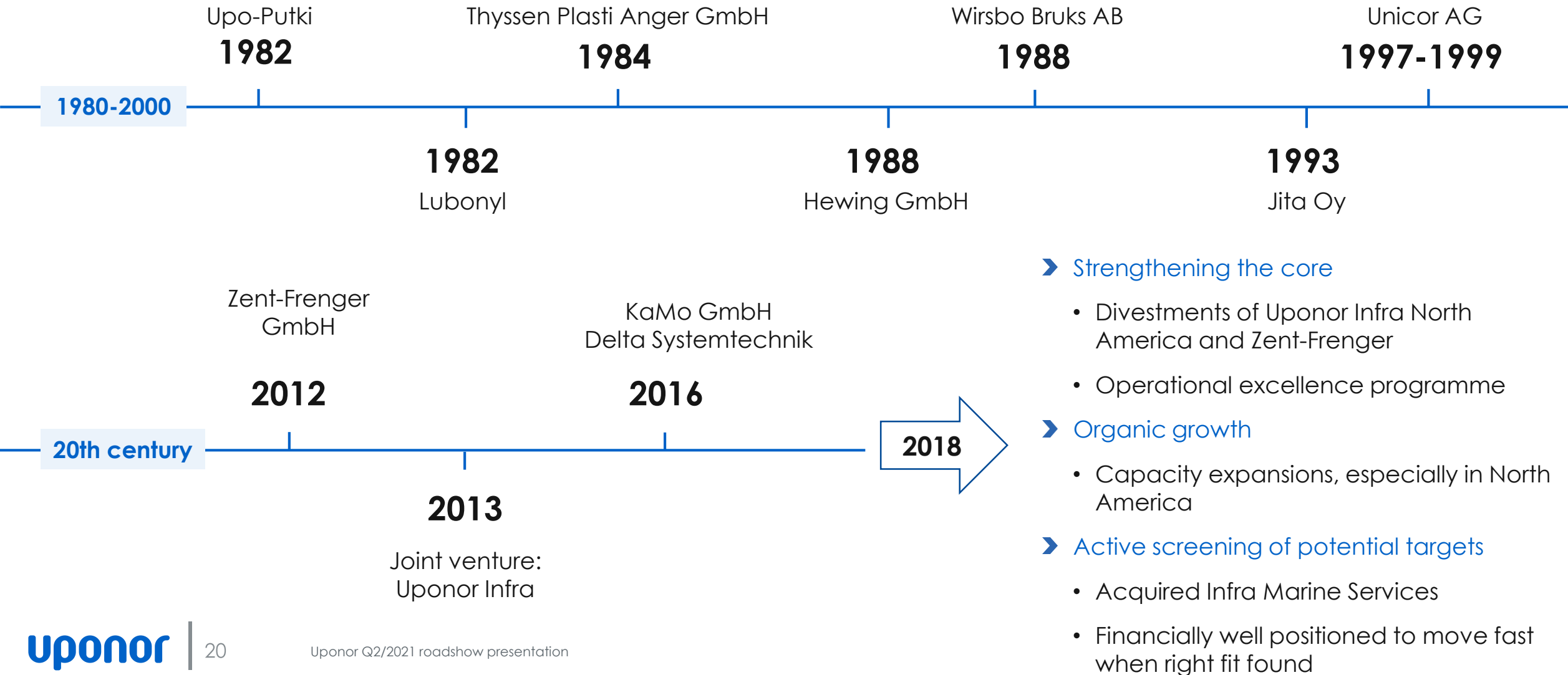
# Major shareholders as of 30 June 2021

- Oras Invest Ltd 24.6%
- Varma Mutual Pension Insurance Company 4.1%
- Nordea Nordic Small Cap Fund 3.8%
- Ilmarinen Mutual Pension Insurance Company 2.8%
- Mandatum Life Insurance Company Ltd. 2.3%
- Sigrid Jusélius Foundation 1.3%
- Pekka Paasikivi 1.2%
- The State Pension Fund 0.9%
- OP-Finland 0.8%
- Jukka Paasikivi 0.8%
- Nominee registrations 28.6%
- Others 28.8%

Uponor had 18,024 (18,980) shareholders on 30 June 2021.



# Uponor has a long history with M&As





# Our business divisions



## Building Solutions – Europe

**Net sales** €499.5 million

**Personnel** 1,880

**Market area** Europe and European Russia

**Main offering** Drinking water delivery, heating and cooling solutions, prefabricated solutions, control systems, pre-insulated pipes and manifolds



## Building Solutions – North America

**Net sales** €389.1 million

**Personnel** 890

**Market area** United States and Canada

**Main offering** PEX plumbing, radiant heating/cooling, hydronic distribution, pre-insulated pipe and fire sprinkler systems



## Uponor Infra

**Net sales** €252.0 million

**Personnel** 840

**Market area** Baltic Sea area

**Main offering** sewer and storm, pressure pipe systems, water monitoring services, district energy, design solutions and project services

# Half-year results briefing 1–6/2021

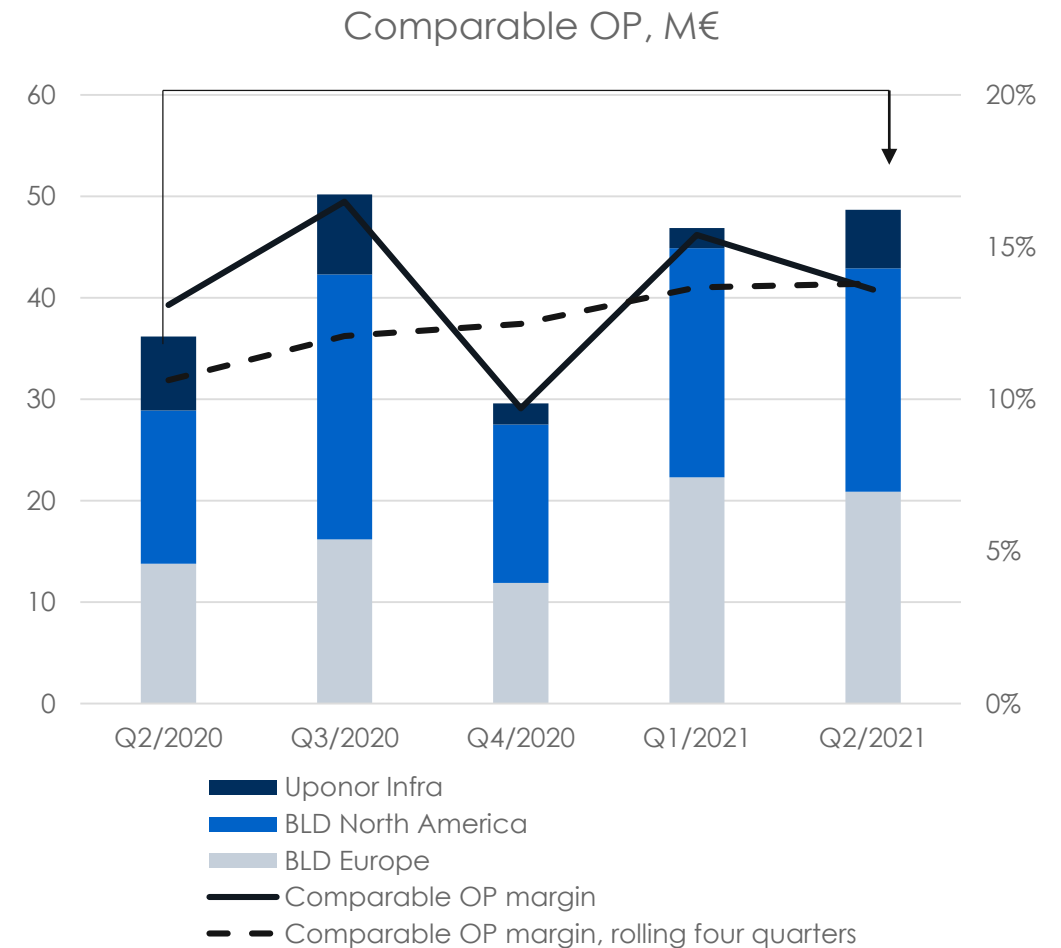
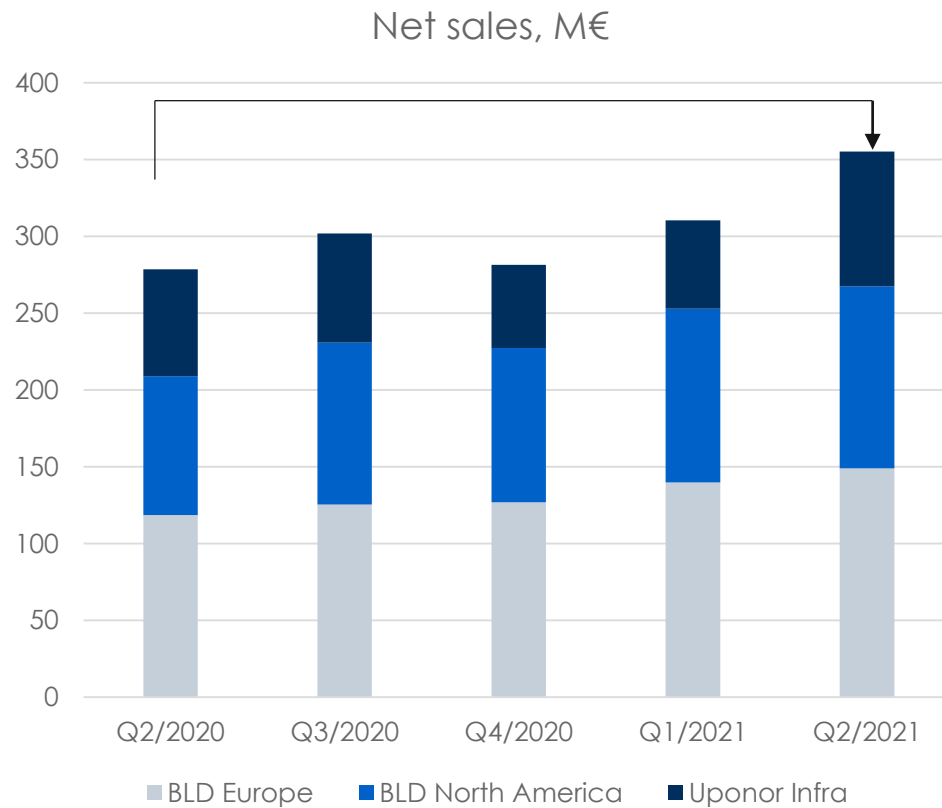
uponor

## Highlights of Q2: Strong quarter for building solutions divisions

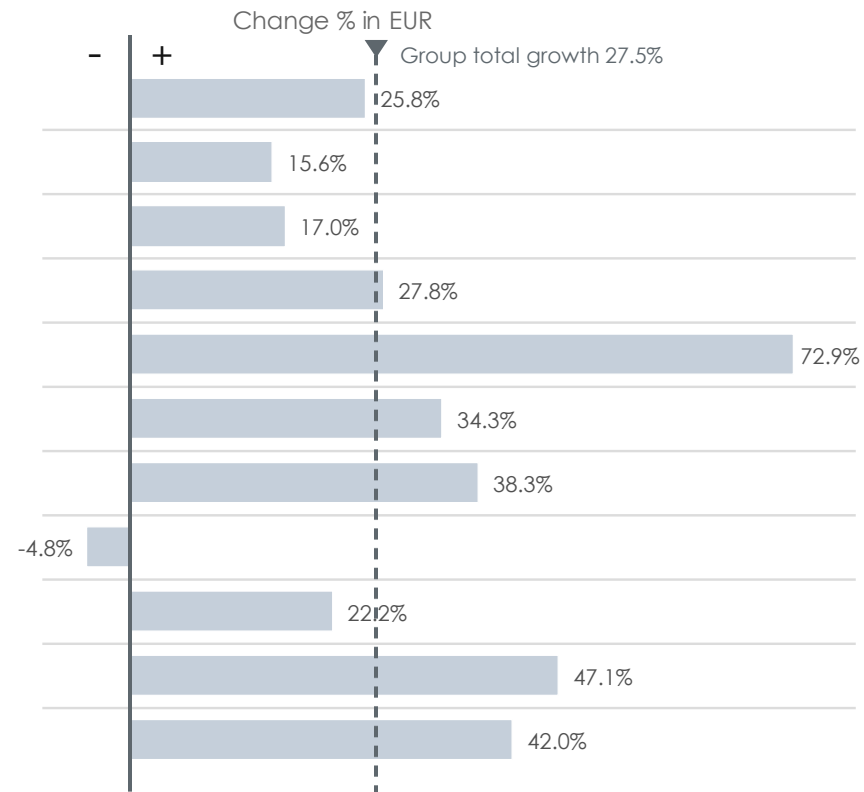
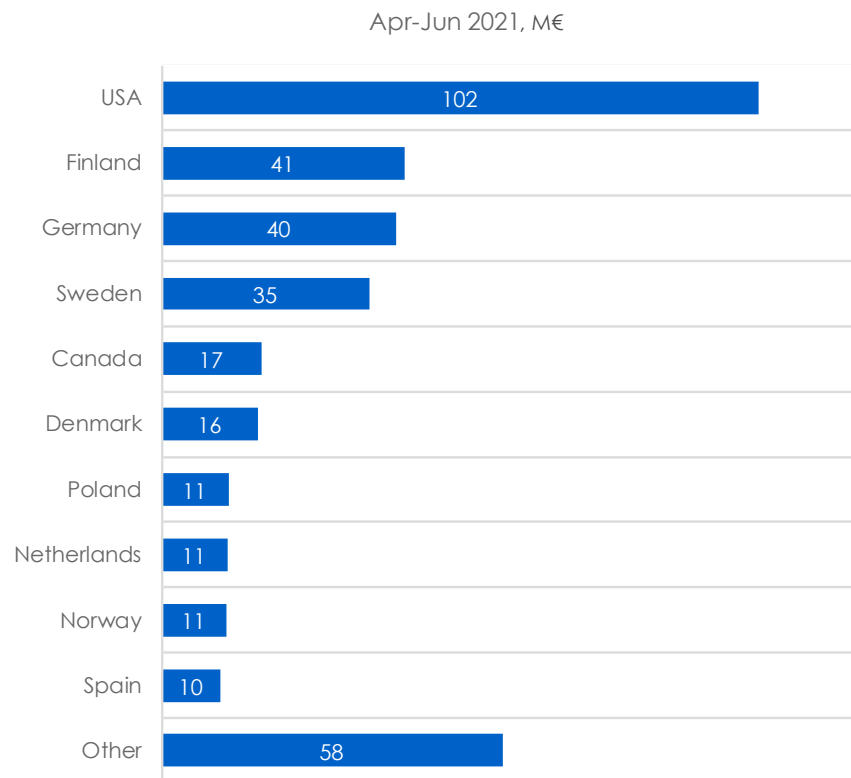
- Net sales were €353.3 million, an organic growth of 30.4%
- Comparable operating profit was €48.2 million, a growth of 33.1%
- Net sales and comparable operating profit increased in both building solutions divisions
- Uponor Infra's net sales increased, while operating profit decreased slightly



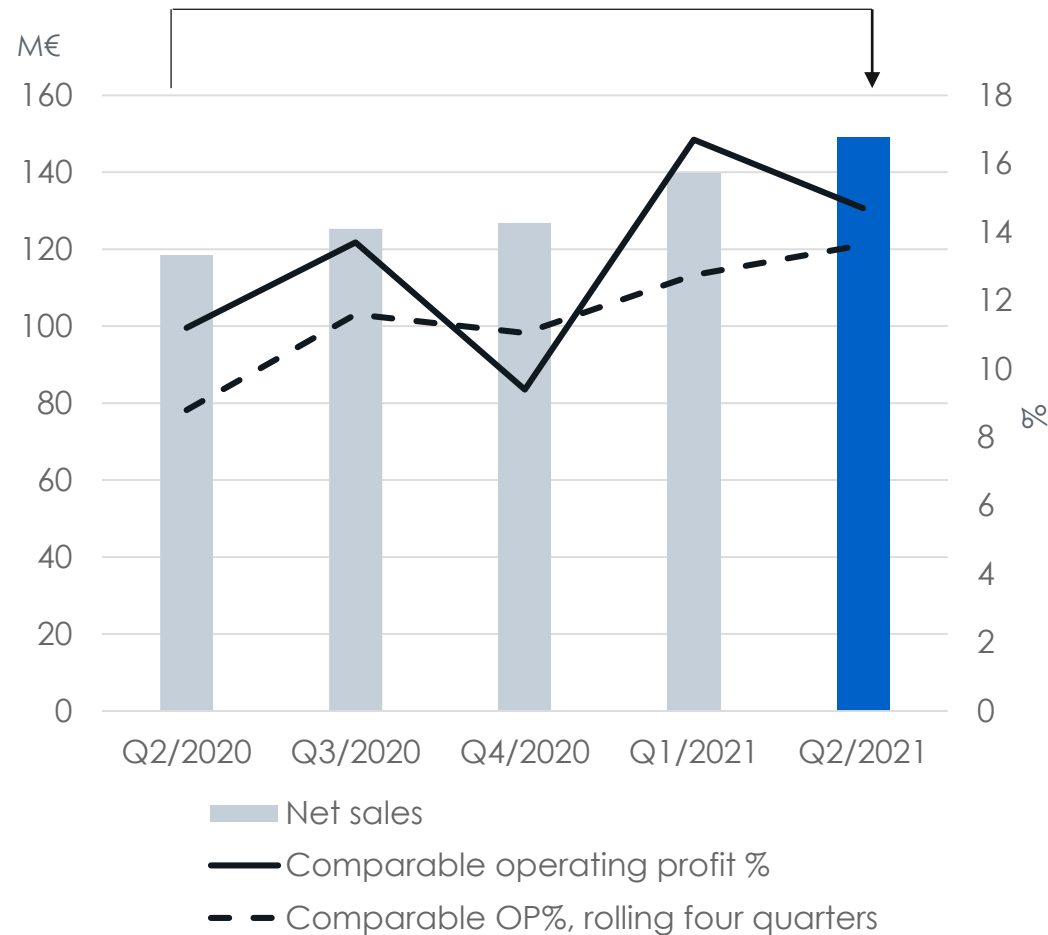
# Net sales and comparable operating profit: Both key figures improved



# Net sales growth continued in all key markets except for the Netherlands



# Building Solutions – Europe: Development in Q2

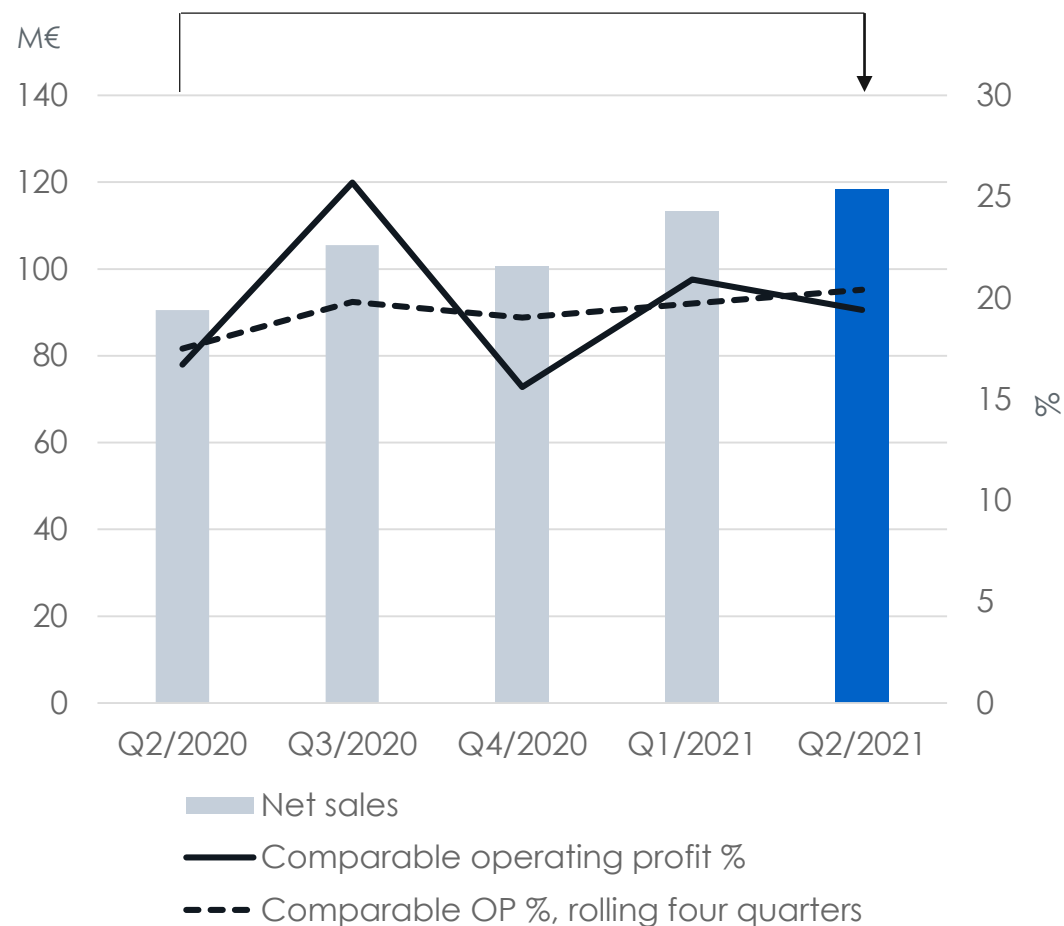


- Good demand in most key markets and product groups
- Higher sales volumes, well-managed pricing, and good progress in operational excellence programme improved profitability





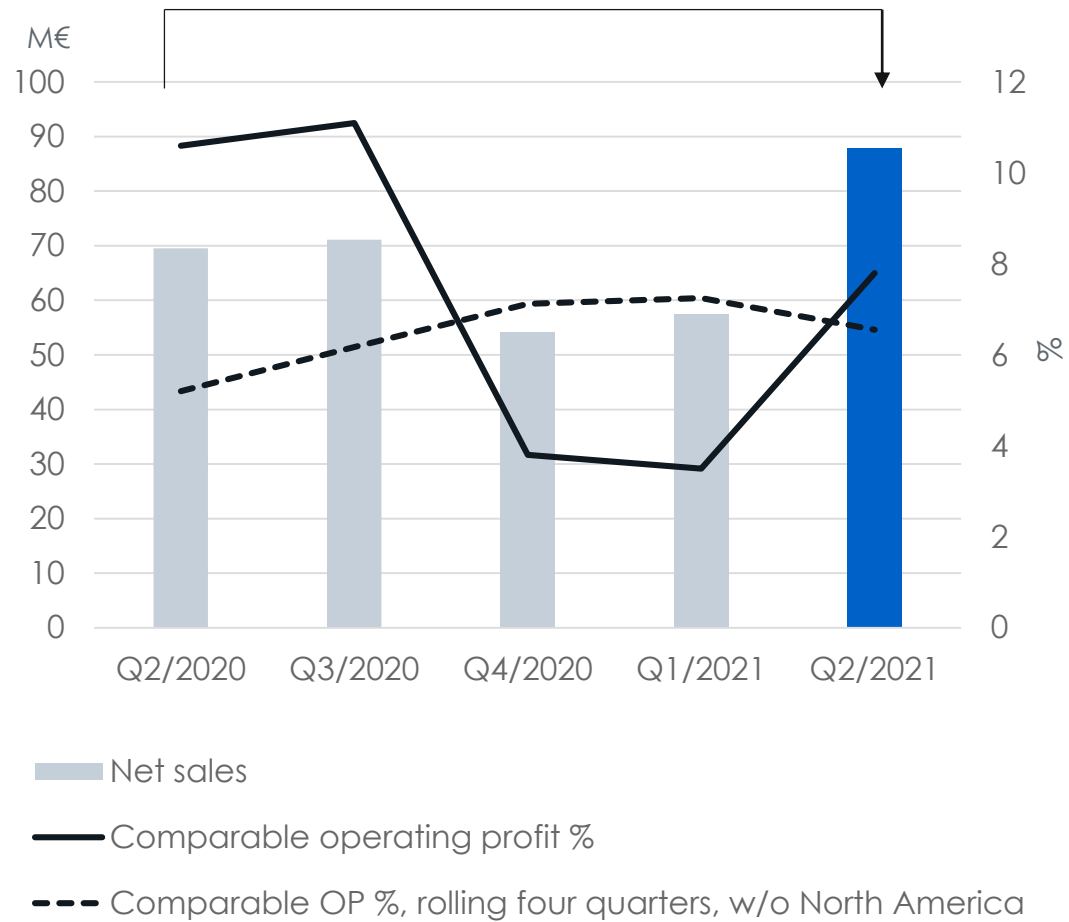
# Building Solutions – North America: Development in Q2



- Strong demand in residential markets in both the U.S. and Canada
- Commercial markets have also picked up
- Higher sales volumes, well-managed pricing, and strong operational performance supported the profitability development



# Uponor Infra: Development in Q2

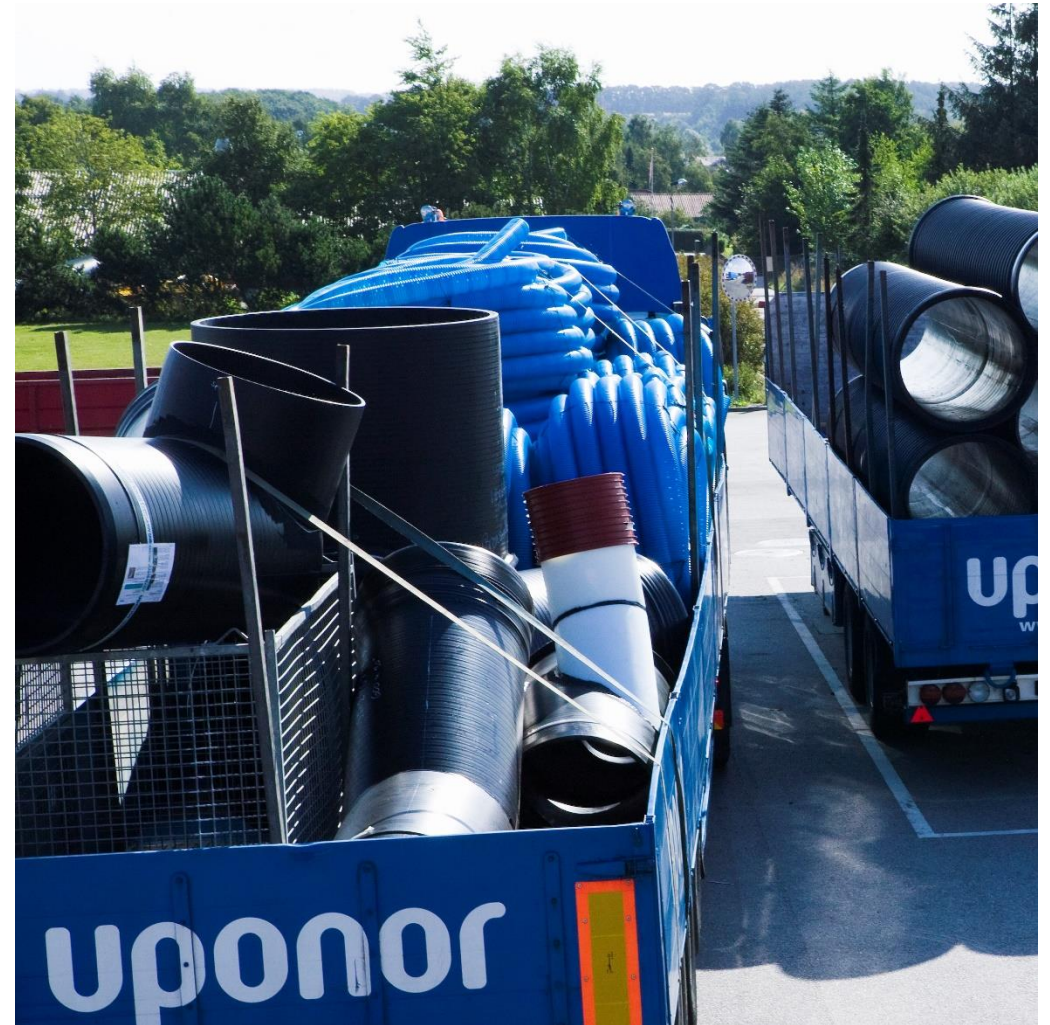


- Good demand drove the positive net sales development
- Designed solutions sales is picking up, especially in Norway
- Increased input costs decreased the operating profit



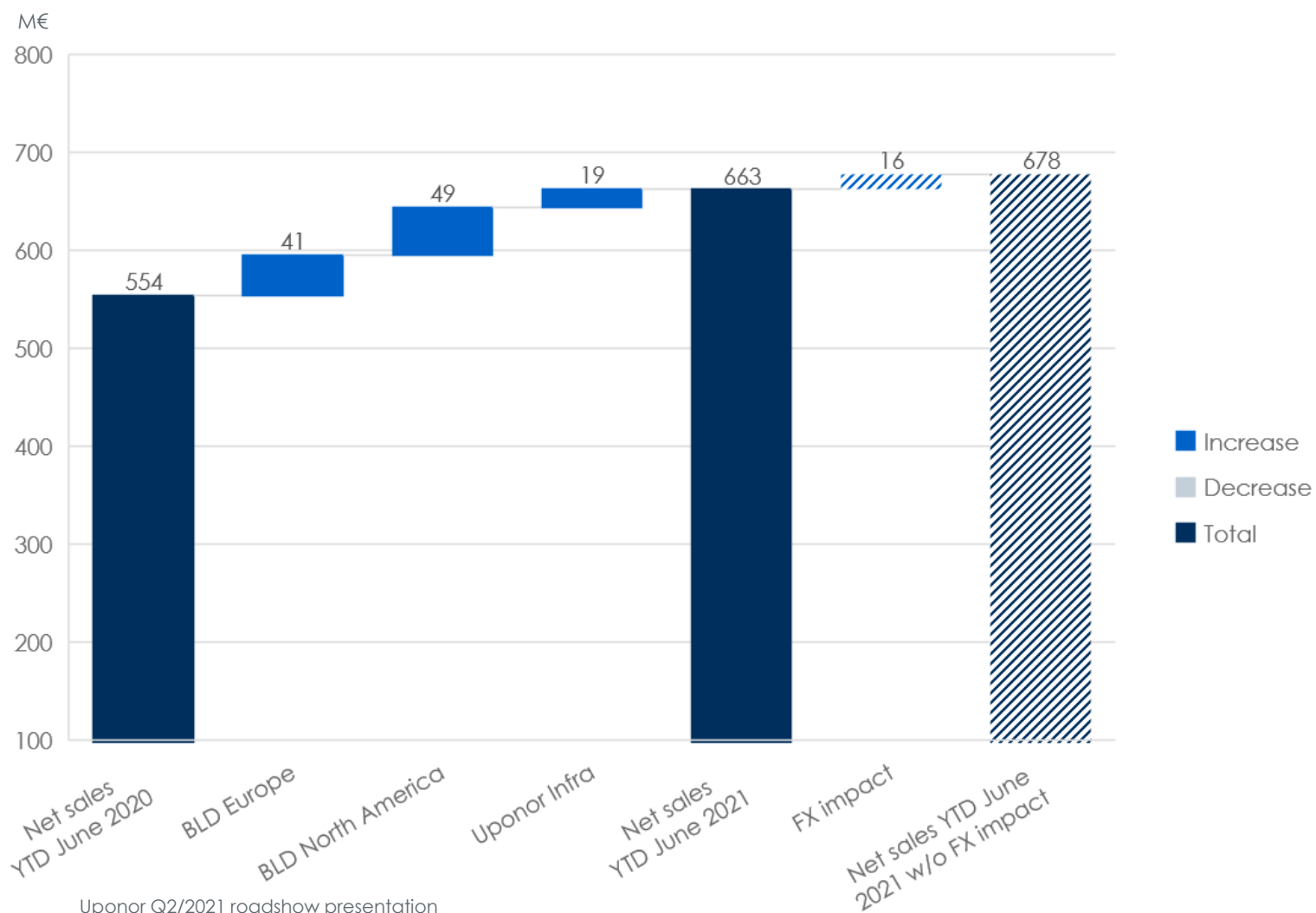
# Progress of operational excellence programme

- During the second quarter of 2021, the programme generated savings of approximately €3 million
  - The total generated savings under the programme are approximately €15 million
- During the second quarter of 2021, €1.2 million was recorded as items affecting comparability
  - In total, €13.6. million IAC's since the launch of the programme

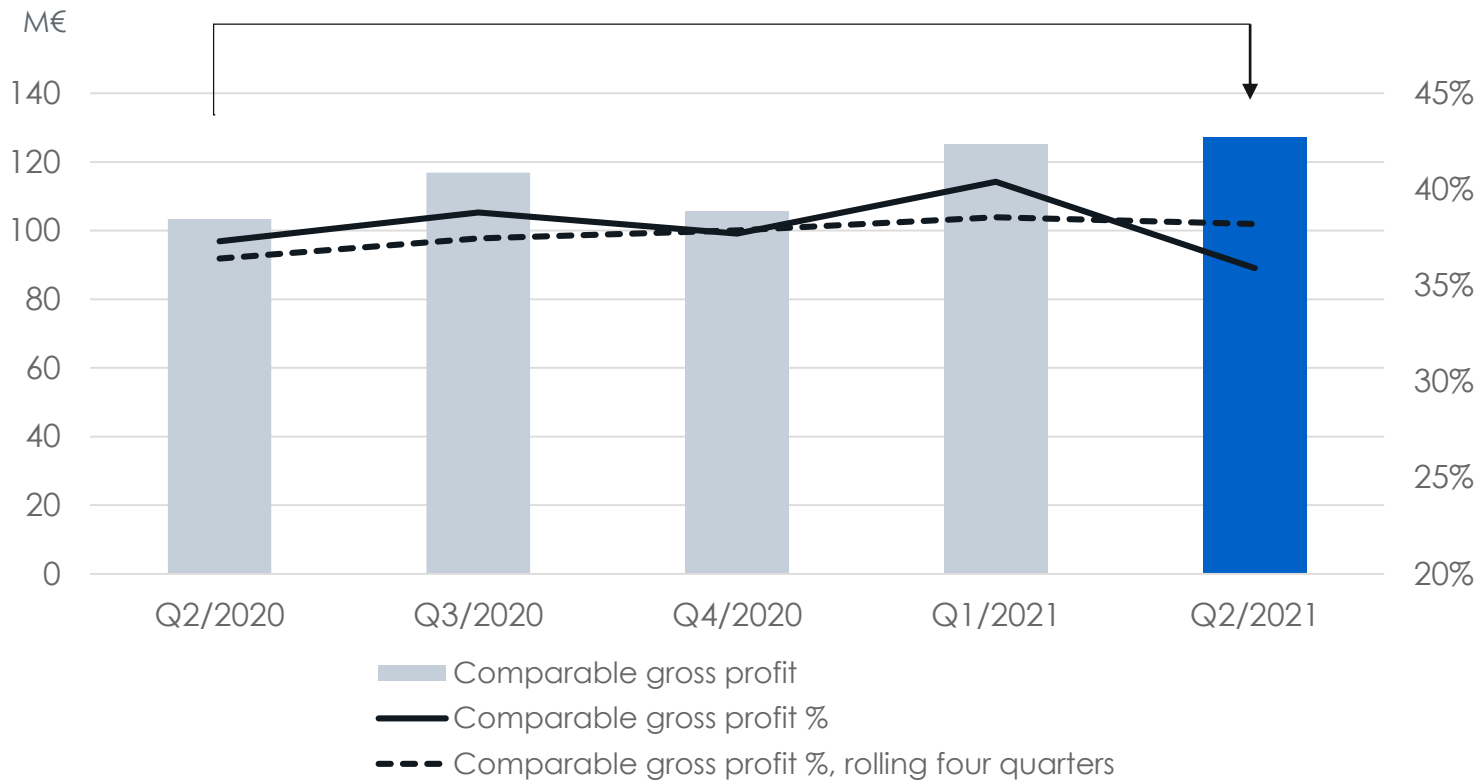


# Financial statements

# The increase in net sales was driven by strong demand in all divisions

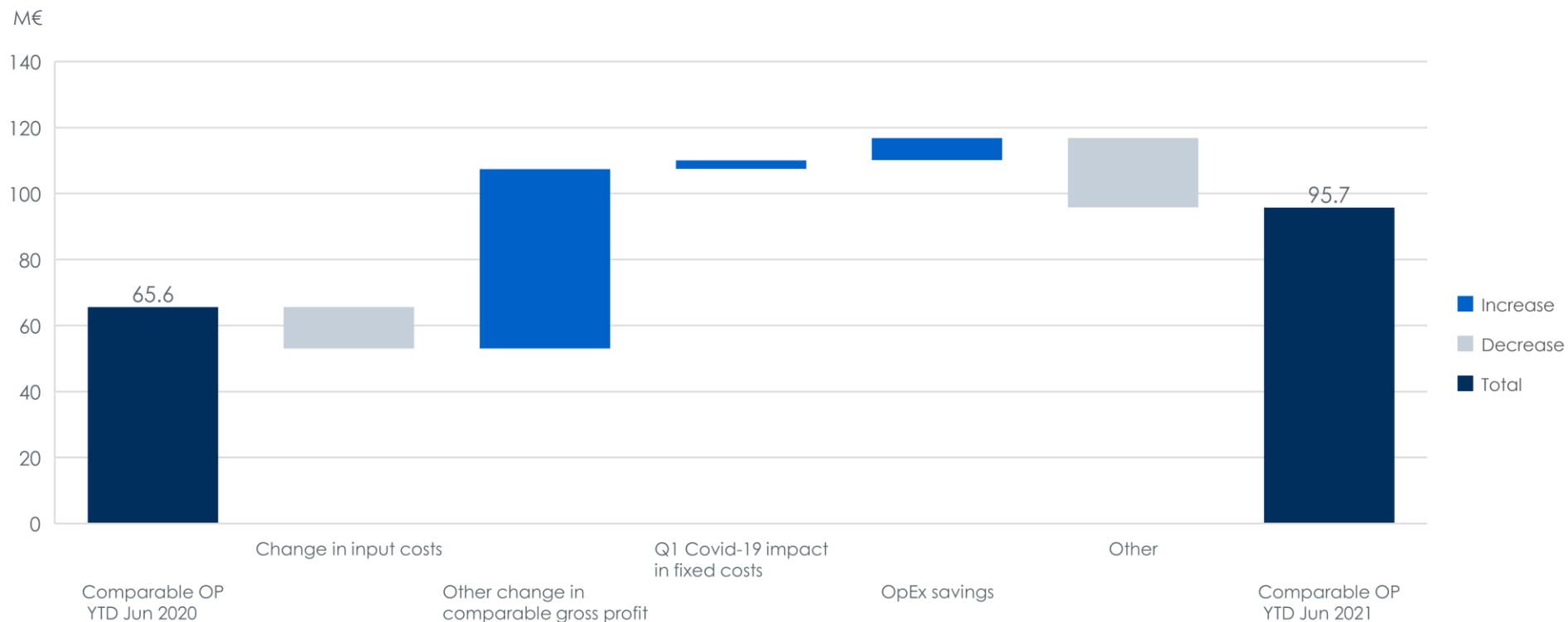


# Volume growth supported the comparable gross profit development yet higher raw material prices impacted margin

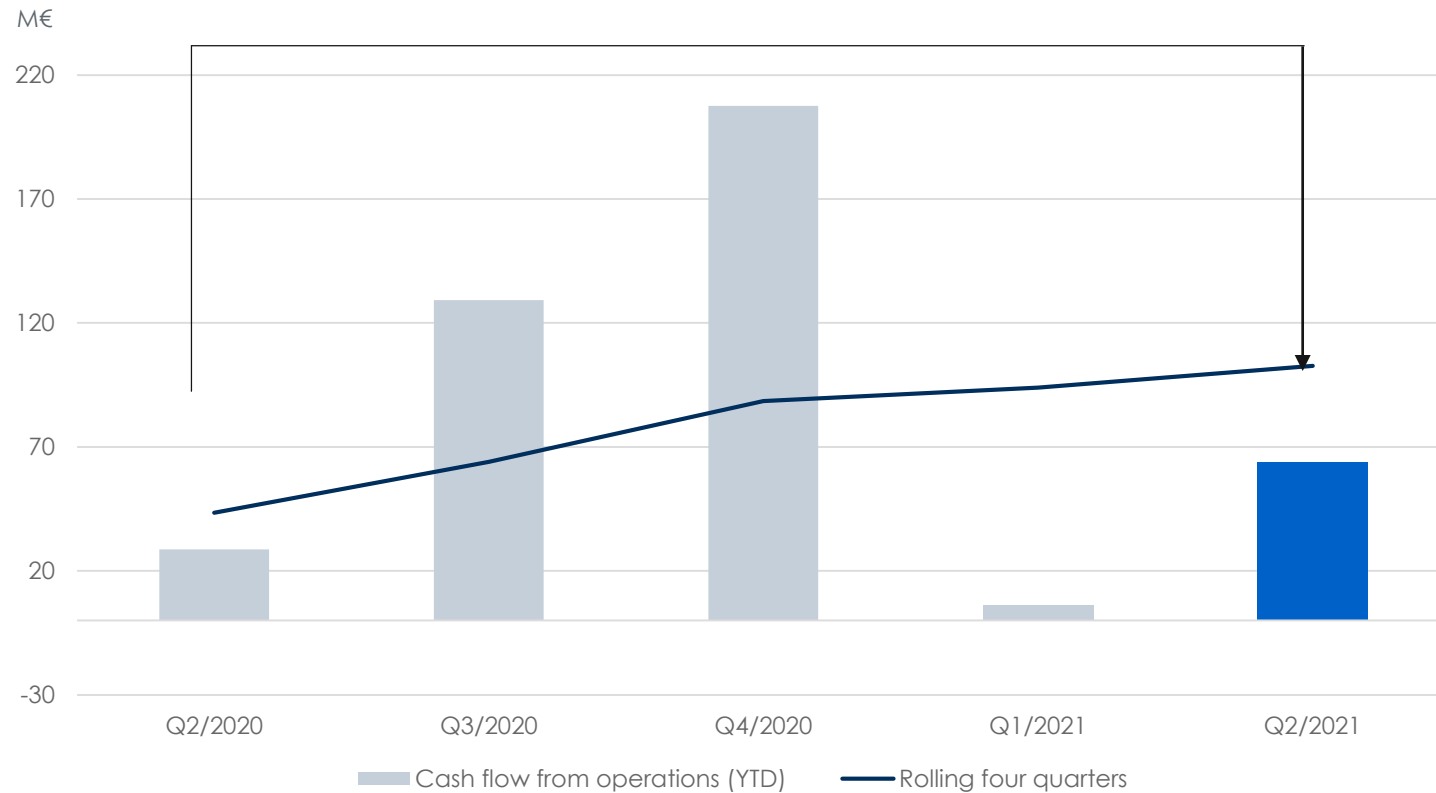




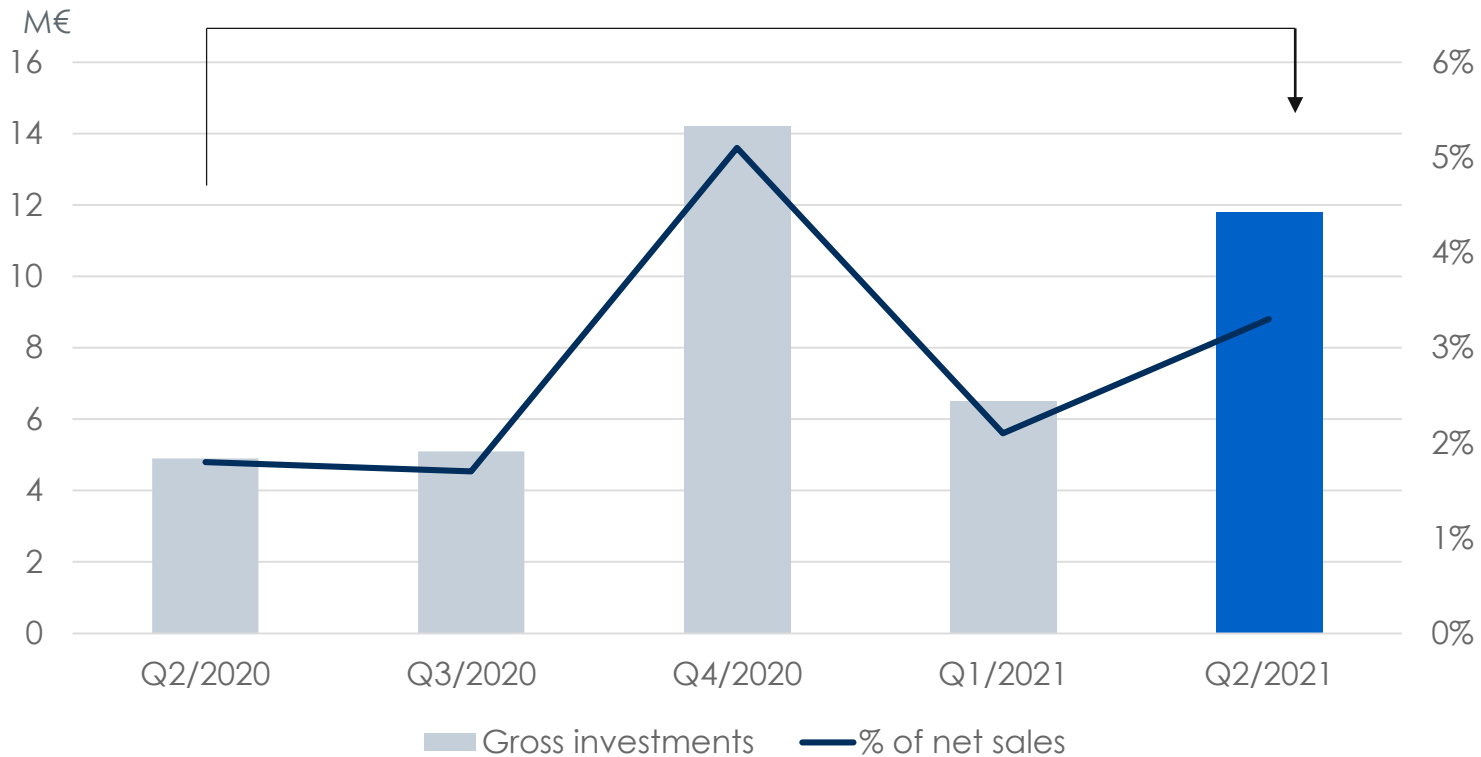
# The increase in comparable operating profit was mainly driven by volume growth



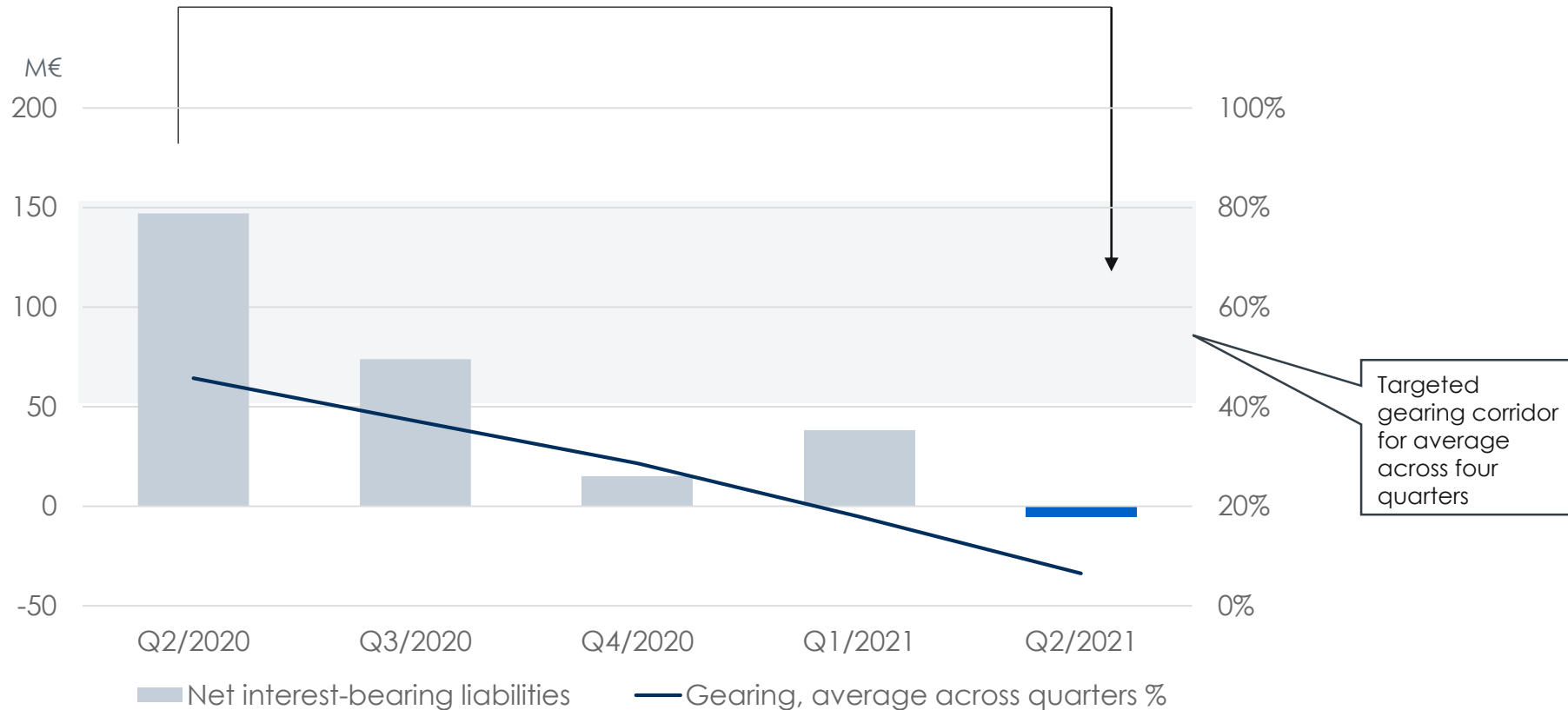
# Cash flow from operations exceeded last year's level driven by higher operating profit



# Investments were mainly related to maintenance, efficiency improvements and North American capacity expansions



# Strong cash flow led to positive net cash position – Average gearing across quarters at 7.5%



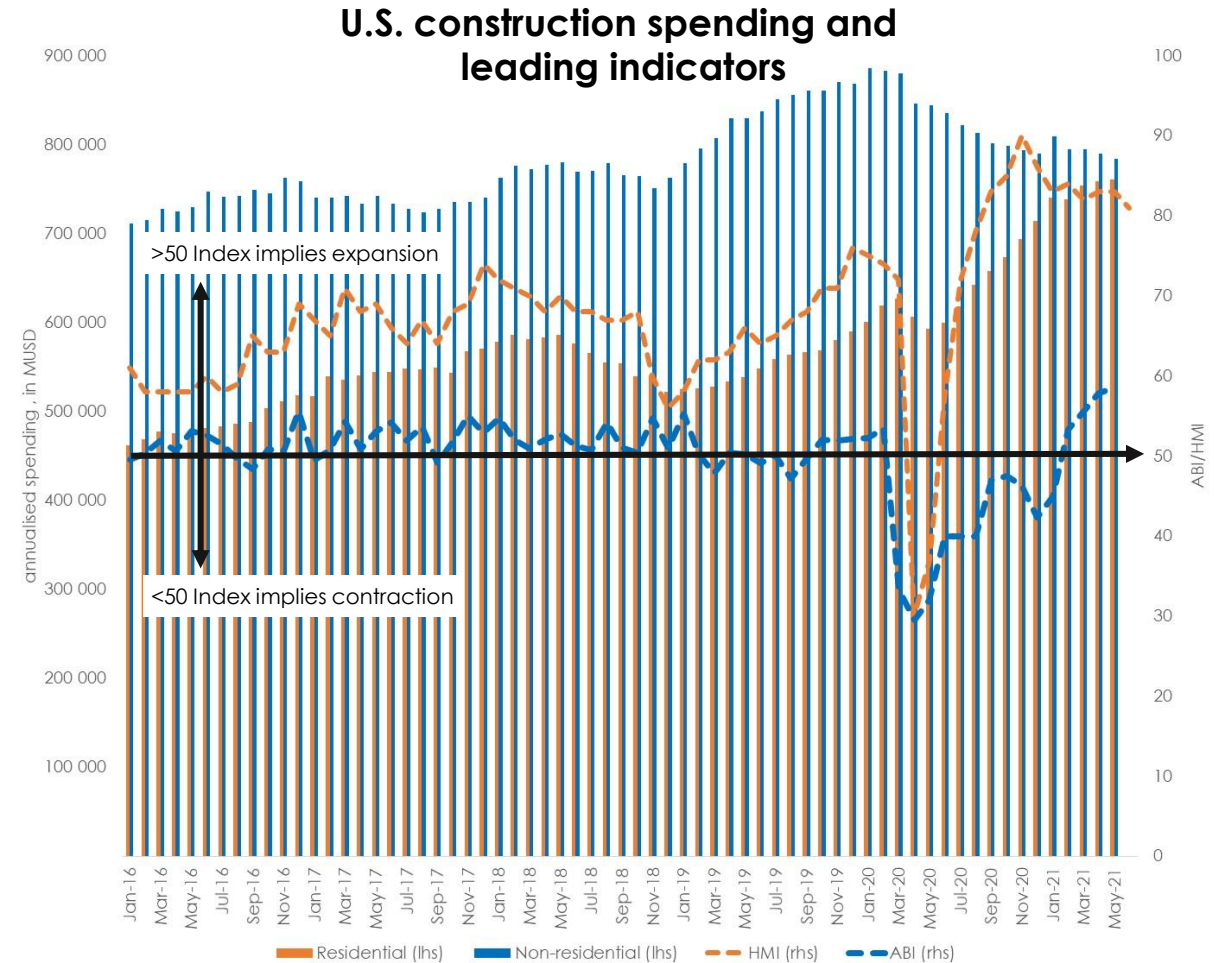
# Outlook for future

# U.S.: Continued strong residential demand

The economy maintained strong momentum, with businesses and consumers confident

In construction:

- Residential spending was very strong, non-residential softer
- Homebuilder confidence healthy, despite cost concerns
- Architecture Billings Index at a near all-time-high



Source: Census Bureau, AIA, NAHB

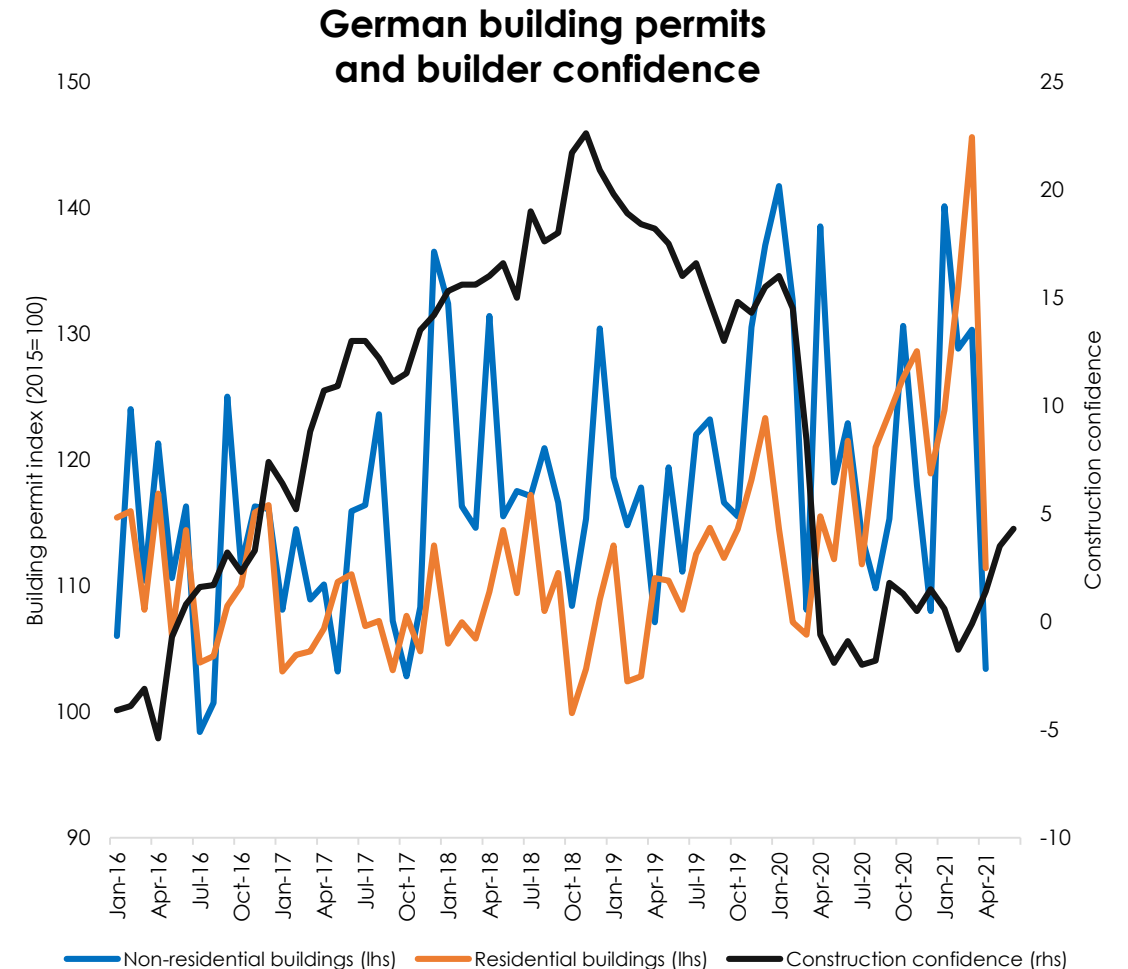


# Germany: Material shortages limiting construction activity

The economy continued to recover despite supply bottlenecks in industry

In the construction industry:

- Residential permits stalled in April, but still up for the year
- Builder confidence rose, but well below pre-pandemic levels
- Significant building material shortages and price rises

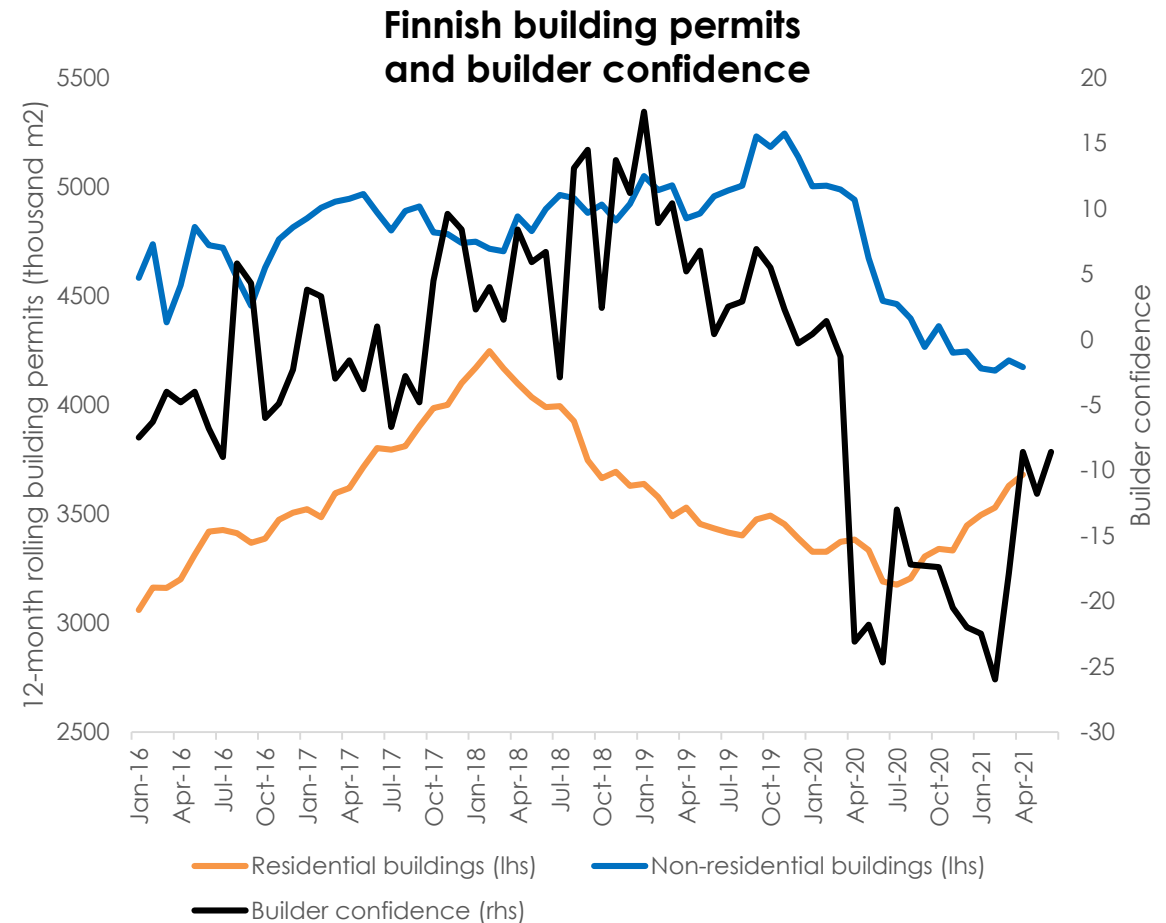


# Finland: Growth in the residential segment, other segments flatter

Economy recovering, with industrial turnover and consumer spending growing

Within the construction industry:

- Residential permits improved, non-residential permits stabilising
- Builder confidence improved from Q1
- Construction turnover improved from last year



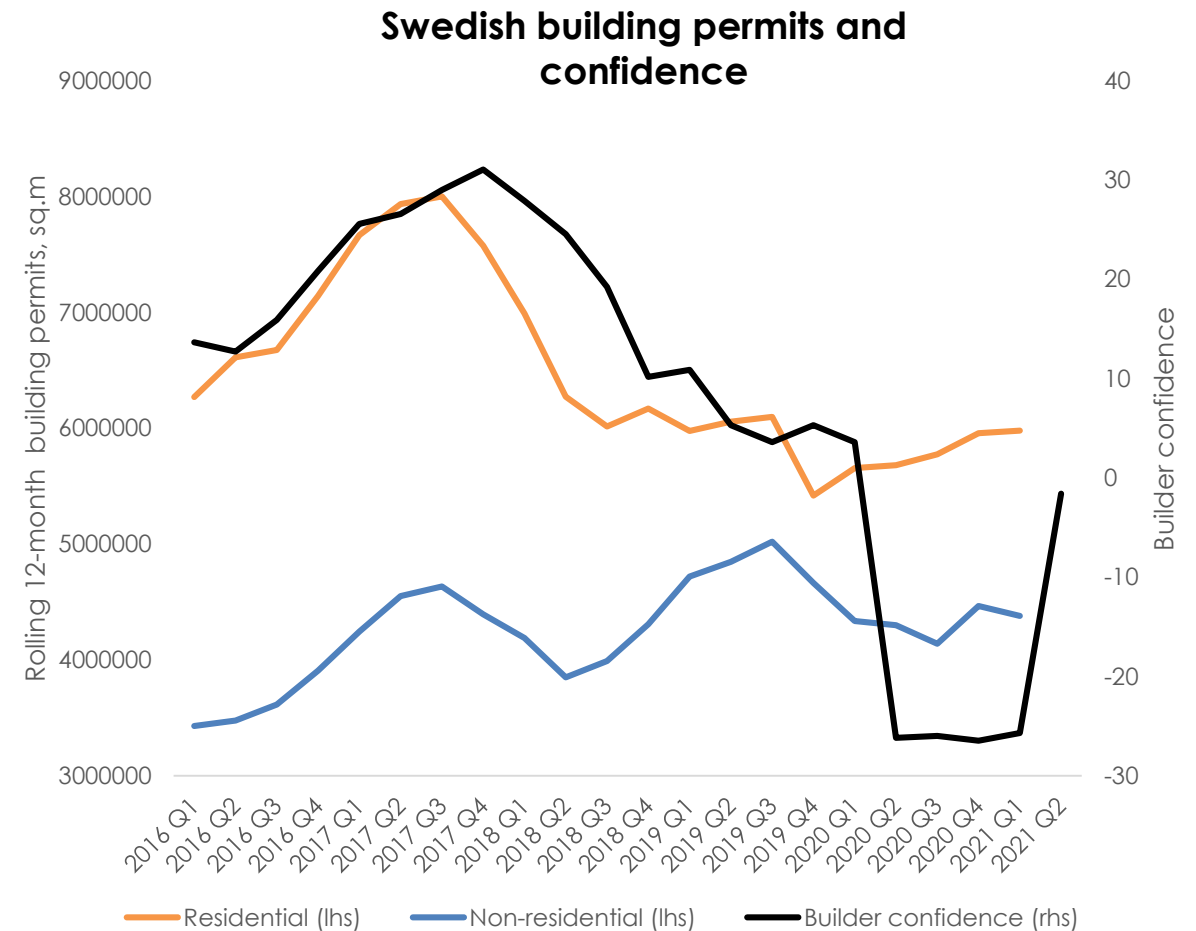
Source: Statistics Finland and Eurostat

# Sweden: Residential building leading the way

Domestic demand, together with strong exports, are driving growth in the economy

Within the construction industry:

- Building permits are trending upwards
- Housing starts rose
- Builder confidence strengthened significantly



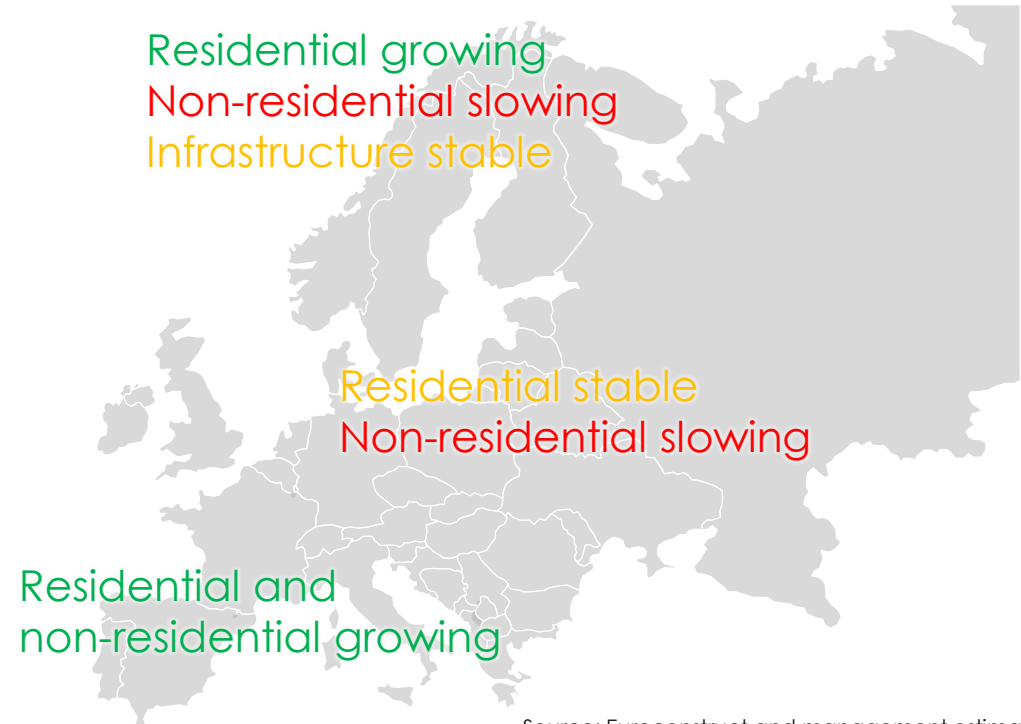
Source: Statistics Sweden and Eurostat

# Market outlook for Q3

## Guidance statement for 2021, updated on 11 June:

Excluding the impact of currencies, Uponor expects its net sales and comparable operating profit to increase from year 2020.

*Increase indicates a growth of 2.5% or more.*



Source: Euroconstruct and management estimates

The logo features a large, light blue 'V' shape in the background. In the center of the 'V' is a dark blue circle. The word 'uponor' is written in white, lowercase, sans-serif font across the middle of the dark blue circle.

uponor

**Moving** › **Forward**

# Appendix

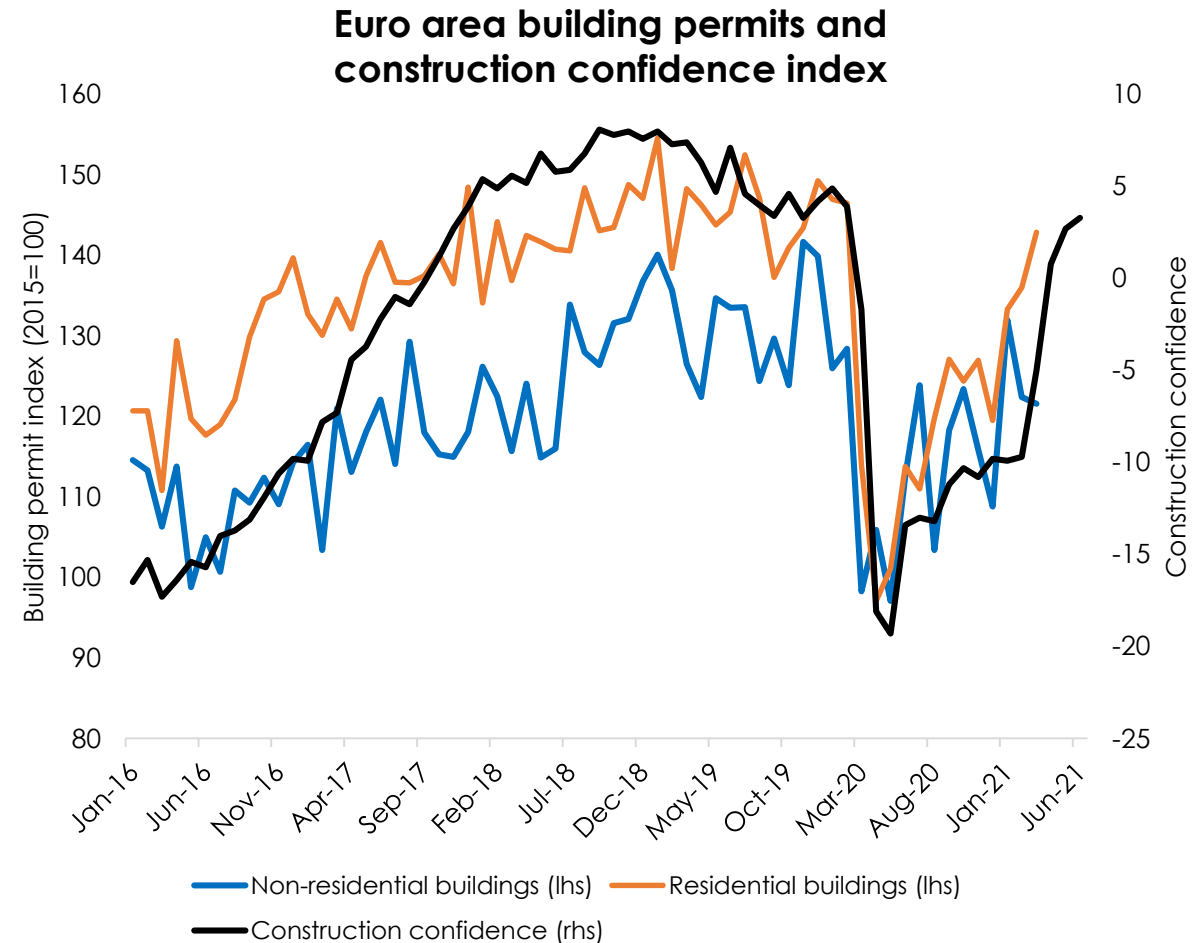


# Europe: Trends moving in the right direction

Economies fairly resilient despite Covid restrictions











Within the construction industry:

- Residential permits and builder confidence are approaching pre-pandemic levels
- Non-residential permits are slower



Source: Eurostat

# Leading residential indicators: Permits and starts have strengthened

|  | Indicator           | YTD % Change      | Rolling 12-month % Change | Data through | Trend since Q1 update |
|--|---------------------|-------------------|---------------------------|--------------|-----------------------|
|  <b>USA</b>         | Housing starts      | +29 <sup>1)</sup> | N/A                       | June 2021    | ↗                     |
|  <b>Germany</b>     | Housing permits     | +14%              | +7%                       | April 2021   | →                     |
|  <b>Finland</b>     | Housing permits     | +22%              | +8%                       | April 2021   | ↗                     |
|  <b>Sweden</b>      | Housing starts      | +19%              | +14%                      | March 2021   | →                     |
|  <b>Denmark</b>     | Construction index  | +8%               | N/A                       | April 2021   | →                     |
|  <b>Netherlands</b> | Housing permits     | +23%              | +19%                      | April 2021   | ↗                     |
|  <b>Canada</b>      | Housing starts      | +41 <sup>1)</sup> | N/A                       | May 2021     | ↗                     |
|  <b>Poland</b>      | Housing completions | +9%               | +10%                      | May 2021     | →                     |
|  <b>Spain</b>     | Housing permits     | +16%              | -7%                       | April 2021   | ↗                     |
|  <b>Norway</b>    | Housing starts      | +7%               | +3%                       | May 2021     | →                     |

<sup>1)</sup> Seasonally adjusted, annualised rate vs. same month in previous year

Source: National Statistics Offices

# Apr-Jun 2021: Income statement

| Uponor Group, M€                        | 4-6<br>2020 | 4-6<br>2021 | Change<br>Y/Y |
|---|-------------|-------------|---------------|
| Net sales                               | 277.1       | 353.3       | +27.5%        |
| Cost of goods sold                      | 174.8       | 226.5       | +29.6%        |
| Gross profit                            | 102.3       | 126.9       | +24.1%        |
| Gross profit margin (%)                 | 36.9%       | 35.9%       | -1.0% pts     |
| Other operating income                  | 0.5         | 0.4         | -24.0%        |
| Expenses                                | 72.5        | 80.2        | +10.7%        |
| Operating profit                        | 30.3        | 47.0        | +55.4%        |
| Operating profit margin (%)             | 10.9%       | 13.3%       | +2.4% pts     |
| Comparable operating profit             | 36.2        | 48.2        | +33.1%        |
| Comparable operating profit margin (%)  | 13.1%       | 13.6%       | +0.6% pts     |
| Financial expenses, net                 | 4.9         | 3.0         | -39.2%        |
| Share of result in associated companies | -1.1        | -6.5        | -483.0%       |
| Profit before taxes                     | 24.2        | 37.6        | +55.0%        |
| Profit for the period                   | 17.8        | 25.9        | +45.3%        |
| EBITDA                                  | 43.4        | 59.2        | +36.4%        |

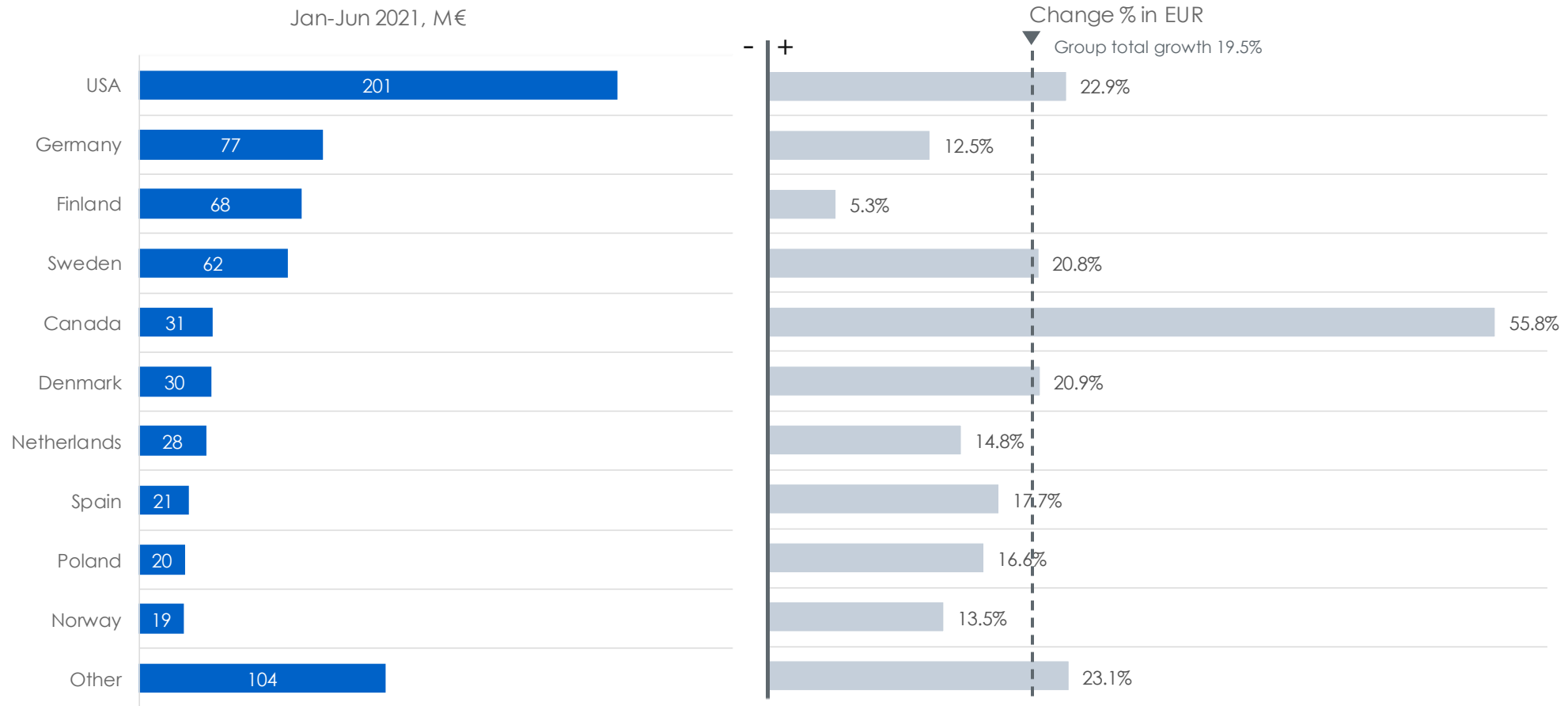
# Jan-Jun 2021: Income statement

| Uponor Group, M€                        | 1-6<br>2020 | 1-6<br>2021 | Change<br>Y/Y | 1-12<br>2020 |
|---|-------------|-------------|---------------|--------------|
| Net sales                               | 554.5       | 662.5       | +19.5%        | 1,136.0      |
| Cost of goods sold                      | 348.0       | 410.6       | +18.0%        | 706.6        |
| Gross profit                            | 206.5       | 251.9       | +22.0%        | 429.4        |
| Gross profit margin (%)                 | 37.2%       | 38.0%       | +0.8% pts     | 37.8%        |
| Other operating income                  | 0.5         | 0.6         | +9.4%         | 1.0          |
| Expenses                                | 148.2       | 158.5       | +6.9%         | 298.1        |
| Operating profit                        | 58.8        | 94.0        | +59.7%        | 132.3        |
| Operating profit margin (%)             | 10.6%       | 14.2%       | +3.6% pts     | 11.6%        |
| Comparable operating profit             | 65.6        | 95.7        | +45.9%        | 142.7        |
| Comparable operating profit margin (%)  | 11.8%       | 14.5%       | +2.6% pts     | 12.6%        |
| Financial expenses, net                 | 1.8         | 5.8         | +219.0%       | 6.3          |
| Share of result in associated companies | -2.4        | -7.4        | -210.6%       | -4.2         |
| Profit before taxes                     | 54.6        | 80.7        | +47.8%        | 121.8        |
| Profit for the period                   | 40.1        | 57.6        | +43.6%        | 96.1         |
| EBITDA                                  | 85.4        | 118.4       | +38.7%        | 185.0        |

# Jun 2021: Balance sheet

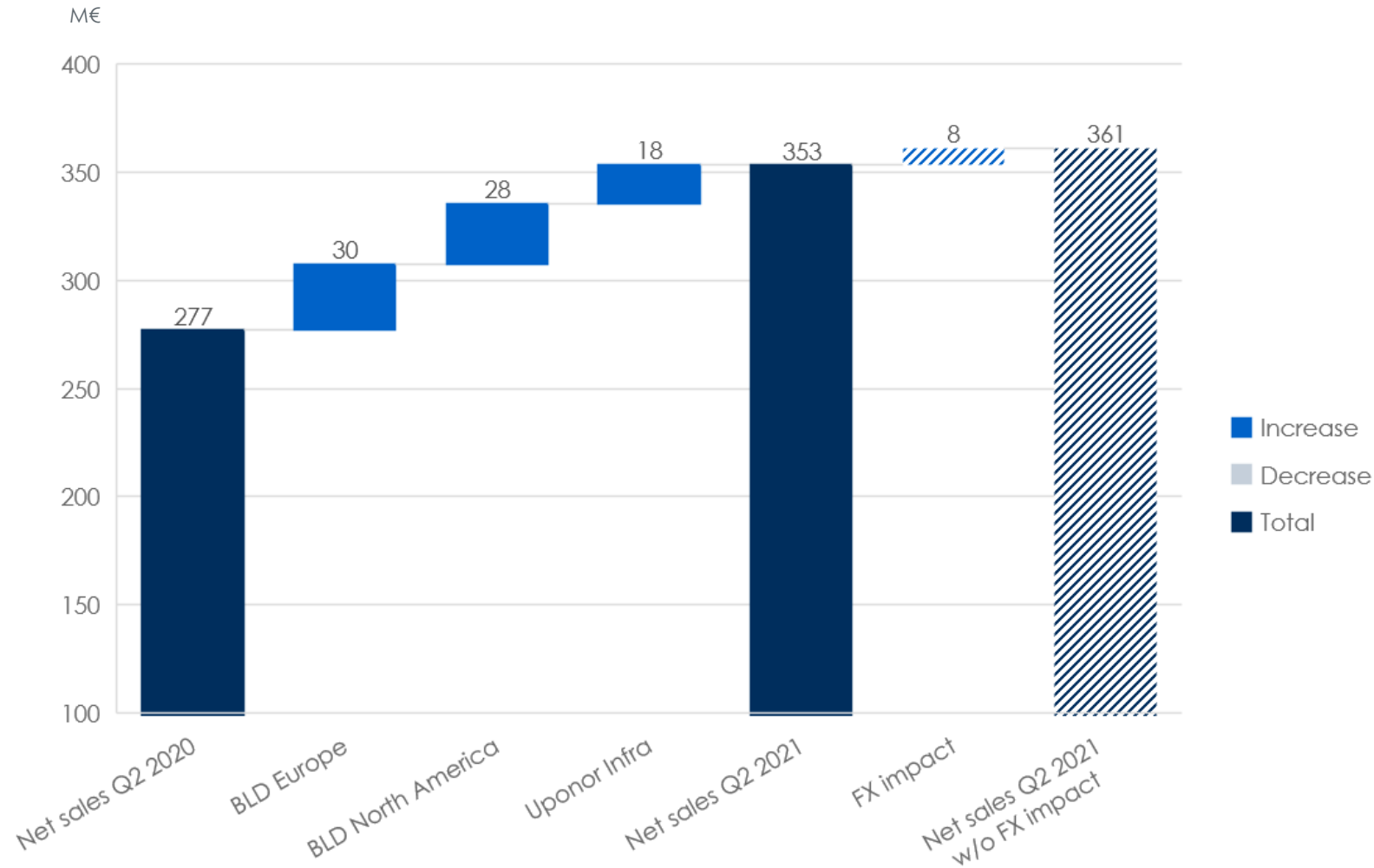
| Uponor Group, M€                           | 31 Mar<br>2020 | 31 Mar<br>2021 | Change<br>Y/Y | 31 Dec<br>2020 |
|--|----------------|----------------|---------------|----------------|
| Property, plant and equipment              | 274.4          | 262.8          | -11.6         | 264.7          |
| Intangible assets                          | 94.1           | 96.2           | 2.1           | 95.9           |
| Securities and long-term investments       | 19.7           | 8.0            | -11.7         | 14.2           |
| Inventories                                | 152.4          | 138.3          | -14.1         | 128.7          |
| Cash and cash equivalents                  | 94.4           | 208.1          | 113.7         | 138.0          |
| Other current and non-current assets       | 271.6          | 308.5          | 36.9          | 226.9          |
| Assets total                               | 906.6          | 1,021.9        | 115.3         | 868.4          |
| Total equity                               | 366.1          | 440.2          | 74.1          | 421.9          |
| Non-current interest-bearing liabilities   | 129.9          | 192.1          | 62.2          | 124.1          |
| Provisions                                 | 36.3           | 40.2           | 3.9           | 37.1           |
| Non-interest-bearing liabilities           | 262.6          | 338.6          | 76.0          | 256.4          |
| Current interest-bearing liabilities       | 111.6          | 10.7           | -100.9        | 29.0           |
| Shareholders' equity and liabilities total | 906.6          | 1,021.9        | 115.3         | 868.4          |

# Net sales development by key markets, Jan-Jun 2021





# Net sales bridge, Apr-Jun 2021



# Comparable operating profit bridge, Apr-Jun 2021

