



Uponor roadshow presentation Q1/2020

Jyri Luomakoski – President and CEO
Minna Yrjönmäki – CFO

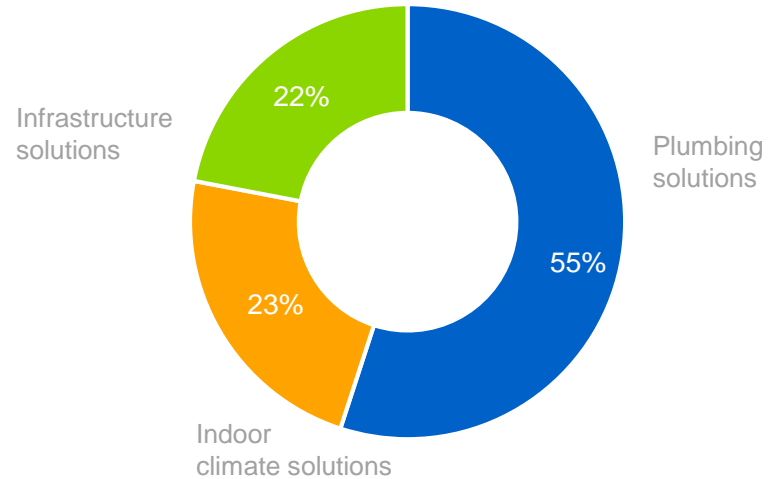


Uponor in brief

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.

We help our customers in residential and commercial construction, municipalities and utilities, as well as different industries to work faster and smarter.

Uponor Corporation is listed on Nasdaq Helsinki since 1988.



FACTS & FIGURES

1.1

billion euro
net sales in 2019

26

countries with
Uponor operations

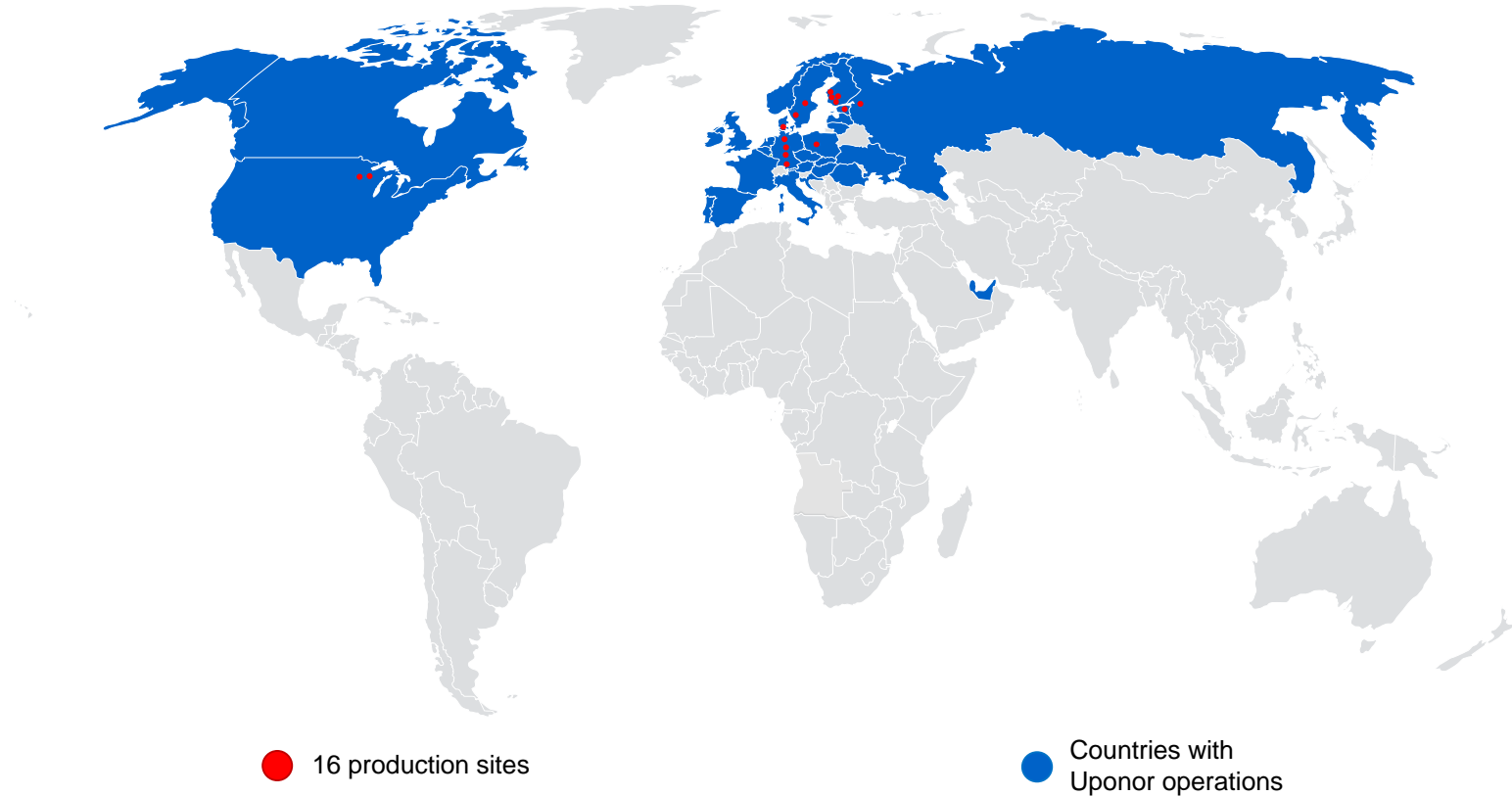
16

manufacturing
facilities worldwide

3,800

employees
worldwide

Uponor operates in 26 countries, serving customers worldwide



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

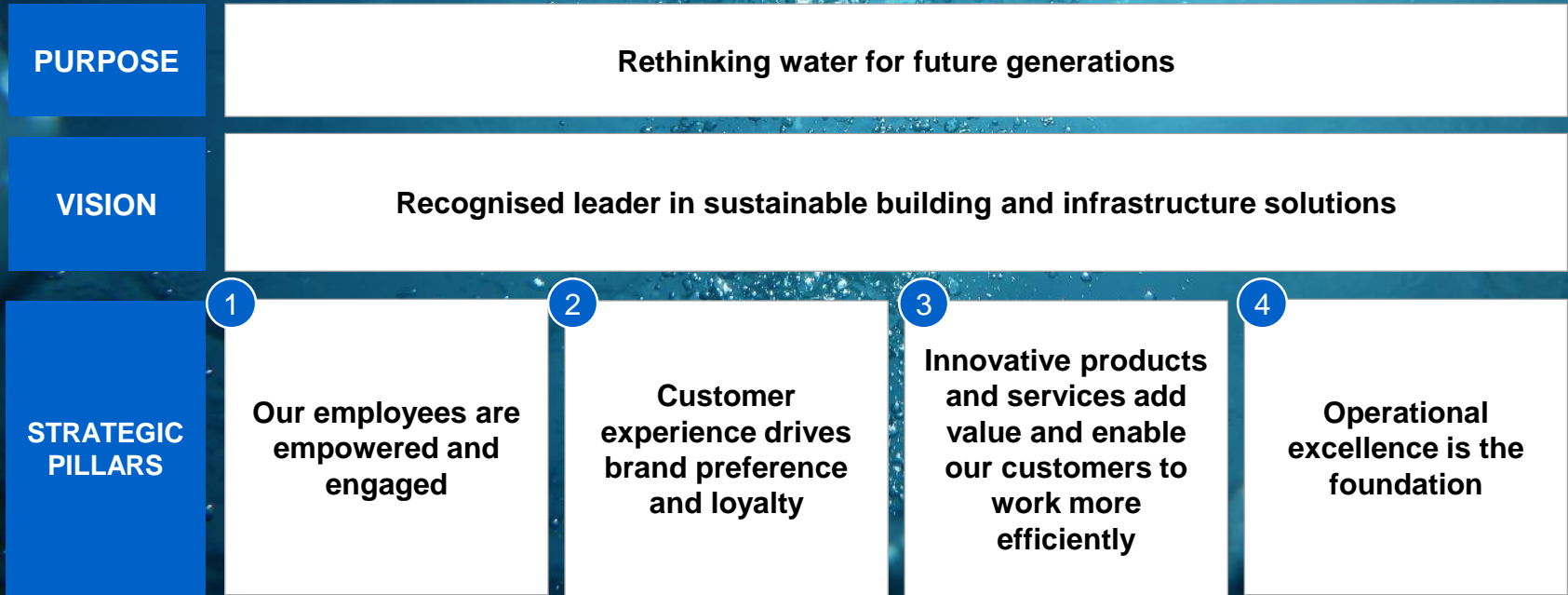


Strong and durable floating fish farming facility to withstand the harsh conditions of the Norwegian Sea
Stavanger, Norway



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

Reviewed purpose, vision and strategic pillars give a direction for our profitable growth



Sustainability embedded in our daily operations

We have a passion for innovation, engineering and technology as well as strive to safeguard water, a scarce resource, for future generations. Our durable products enable a more sustainable lifestyle.

We take climate and resource issues into consideration. We produce products and services that use less energy, reduce resource demand, perform reliably for years and are safe for installers to install.

We have investigated the water footprint of our manufacturing facilities and are analysing the results for further action.

We participate in the Carbon Disclosure Project (CDP). In 2019, we reported our first Communication on Progress as United Nations Global Compact signatory.



Sustainability at Uponor

For us, sustainability is not a trend. Our sustainability strategy is built on the **United Nations' Sustainable Development Goals (SDG)**. We support all the 17 SDG's, but have prioritised four of them: clean water and sanitation, decent work and economic growth, responsible consumption and production, as well as climate action.



More water conserving technologies are needed to ensure water is not wasted. Our innovative solutions help to ensure safe water delivery and to conserve it.



Good working place offers equal opportunities for everyone regardless of their gender, age or nationality. We want to provide a safe workplace and avenues for professional development.

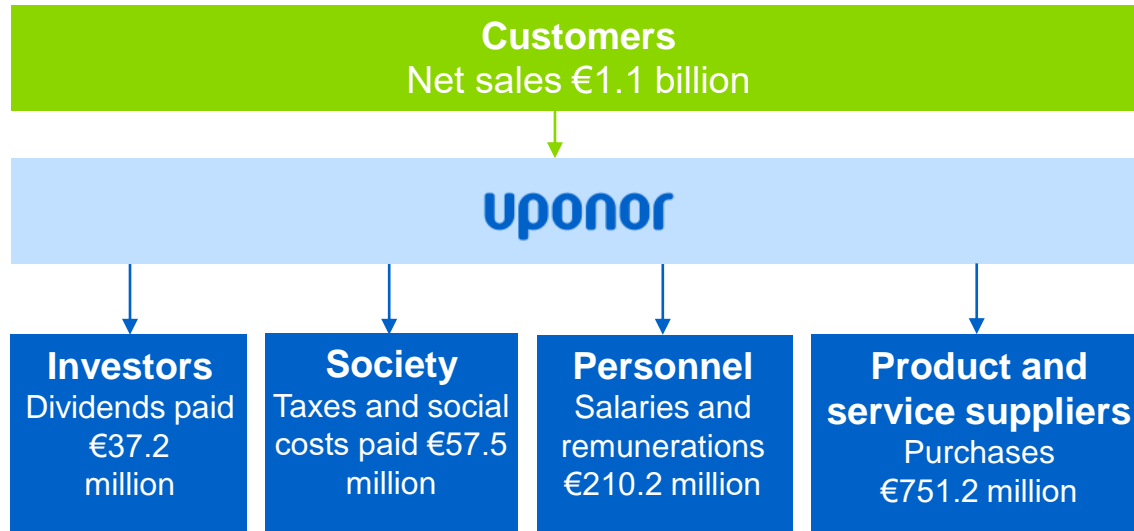


For us responsible consumption and production means durable and sustainable product and service offering. We use raw materials efficiently and we build ways to enhance the circular economy.



The effects of climate change are felt everywhere, and action needs to be taken. We continuously aim to reduce the overall impact of our business operations and increase energy efficiency.

Financial impact on stakeholders 2019



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

The image shows a vast, open industrial space during construction. The floor is covered with a dense grid of steel rebar, prepared for a concrete pour. Several tall, white cylindrical concrete pillars support the ceiling. In the background, a worker is visible near a doorway, and a large structure on the left is partially covered in blue scaffolding. The lighting is a mix of natural and artificial, creating a professional and industrial atmosphere.

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Uponor businesses

Serving customers with versatile and evolving needs

Our key customer segments



Residential



Commercial



Municipalities
and utilities



Industrial

Our business groups

Plumbing solutions 55%



Indoor climate solutions 23%

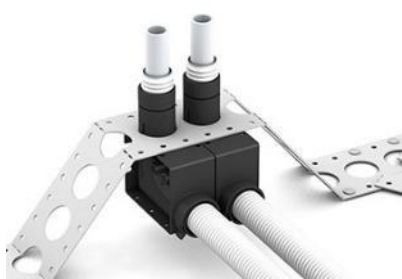


Infrastructure solutions 22%



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



Heating and cooling distribution



Manifold stations



Controls



Local heat distribution



Ventilation

Uponor's infrastructure offering

Transporting water, air, electricity, telecommunications and data



Standard Solutions



360° Project Services



Water Monitoring Services

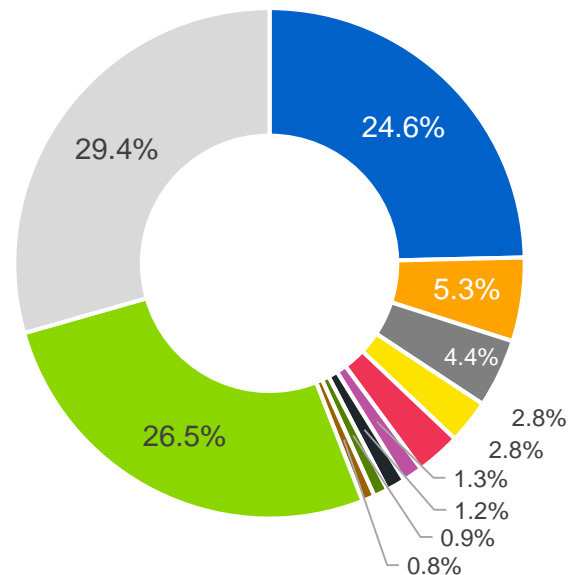


Weholite® Technology Licensing

Major shareholders

31 March 2020

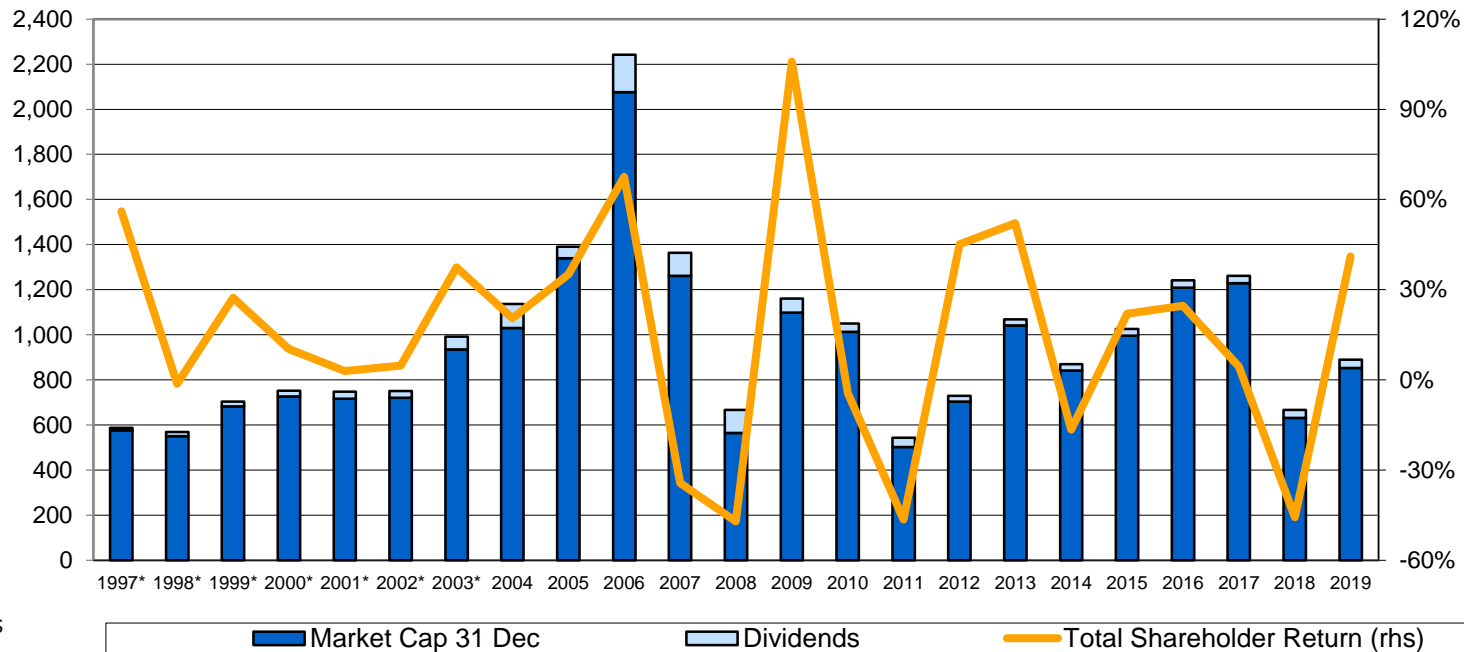
- Oras Invest Ltd 24.6%
- Varma Mutual Pension Insurance Company 5.3%
- Nordea Nordic Small Cap Fund 4.4%
- Ilmarinen Mutual Pension Insurance Company 2.8%
- Mandatum Life Insurance Company Ltd. 2.8%
- Sigríd Jusélius Foundation 1.3%
- Pekka Paasikivi 1.2%
- The State Pension Fund 0.9%
- Jukka Paasikivi 0.8%
- Nominee registrations 26.5%
- Others 29.4%



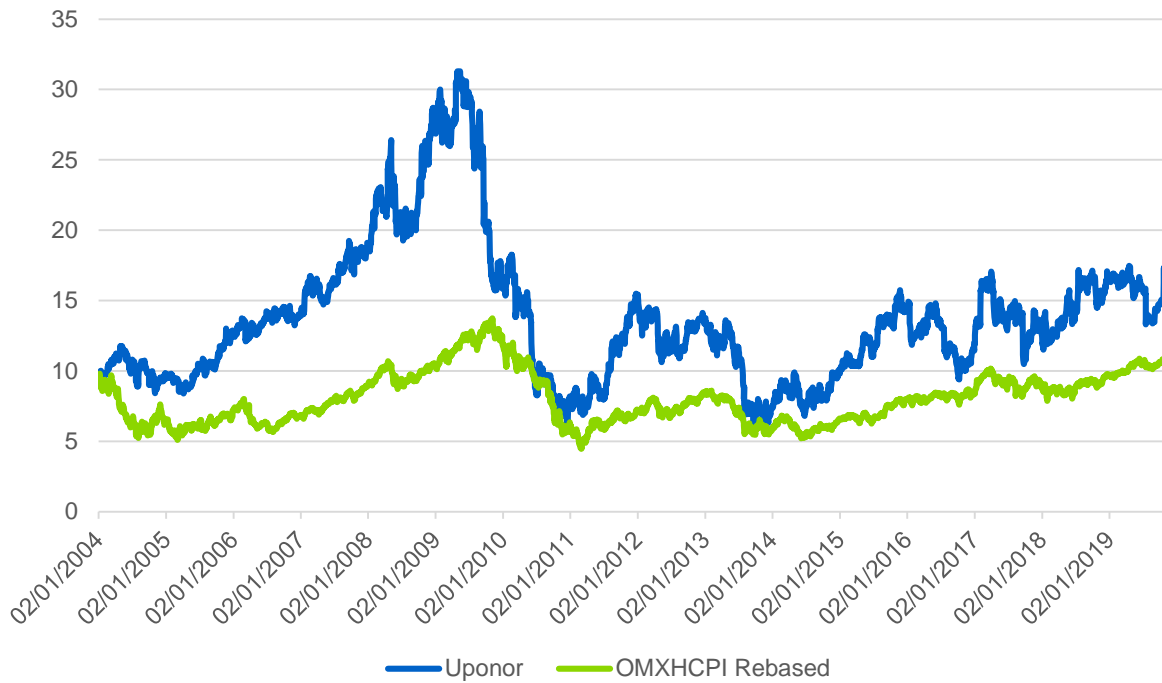
- 19,061 shareholders at the end of December 2019
- Foreign shareholding was 26.5% at the end of March 2020 vs. 23.5% at the end of December 2018

Shareholder value development

1998 – 2019



Share price development 2004 – 2019



Long-term financial targets

Since 12 February 2020

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
40 to 80
as an annual average of the quarters

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

Achievement in 2019

-0.4%
(target 4.8%*)

Comparable
EBIT 8.4%

14.4%

57.5%

73.6%

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

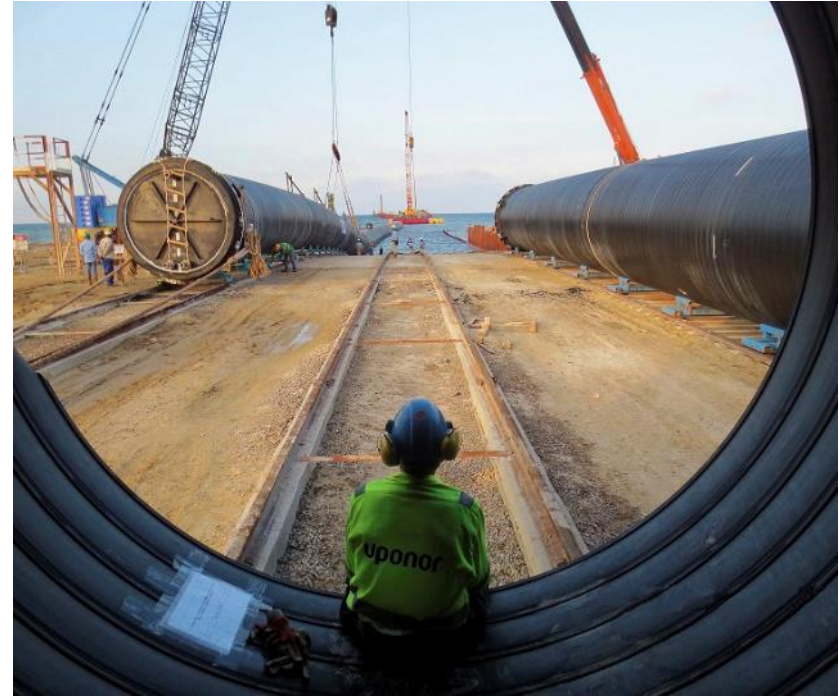
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Interim results briefing 1-3/2020

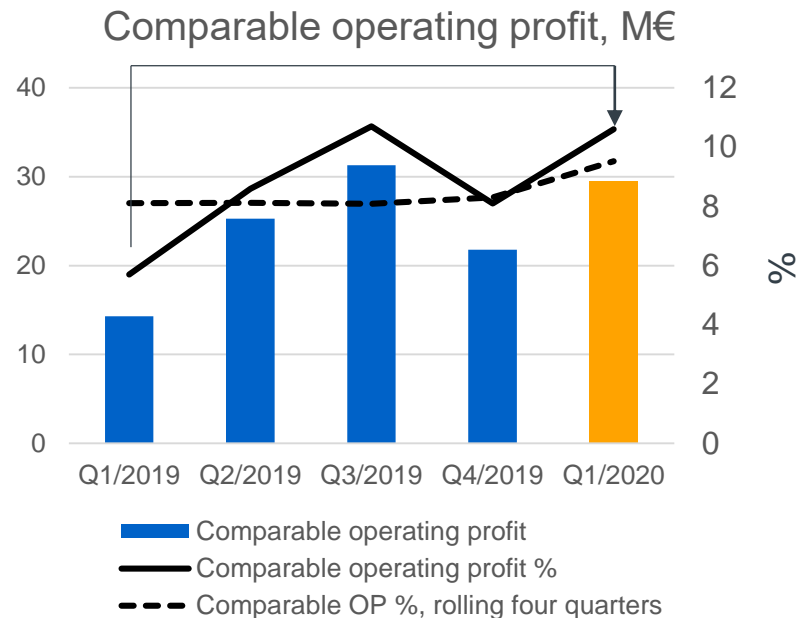
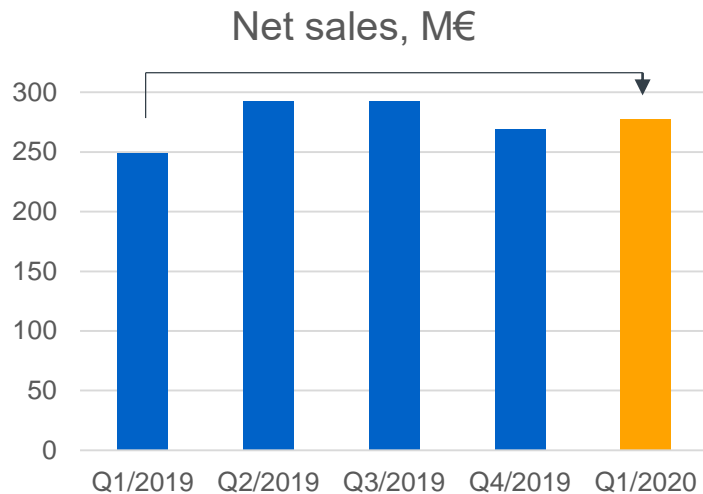


Highlights of Q1: Strong quarter for all segments

- Net sales were €277.4 (248.9) million, organic growth 11.2% in constant currency terms
- The comparable operating profit was €29.5 (14.3) million, growth 106.2%
- Net sales and operating profit increased in all segments

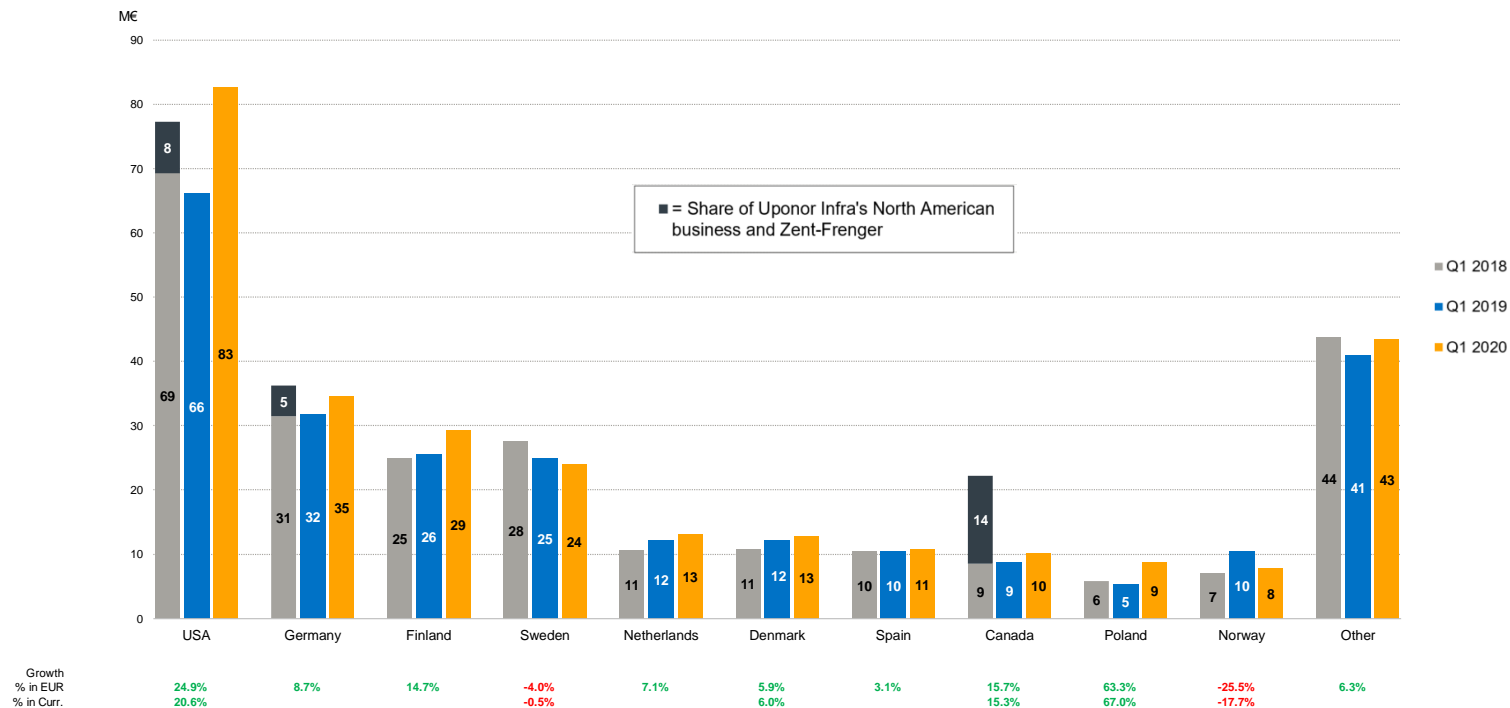


Group net sales and comparable operating profit

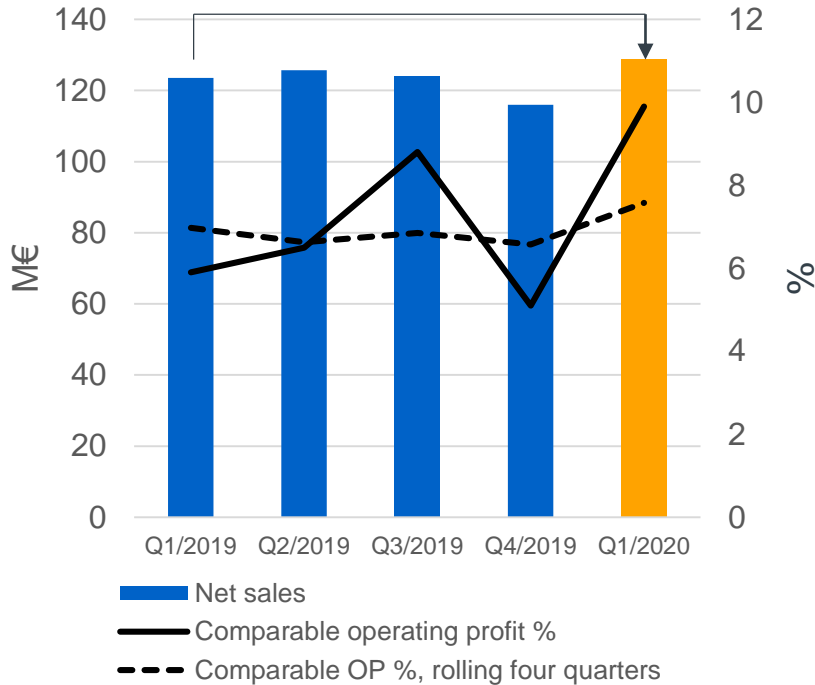


Net sales development by key markets

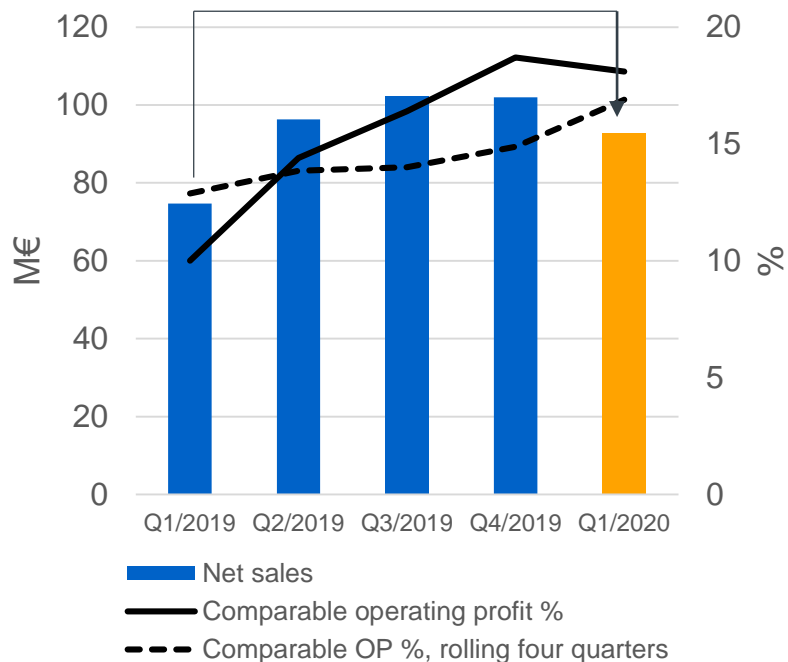
Jan-Mar 2020



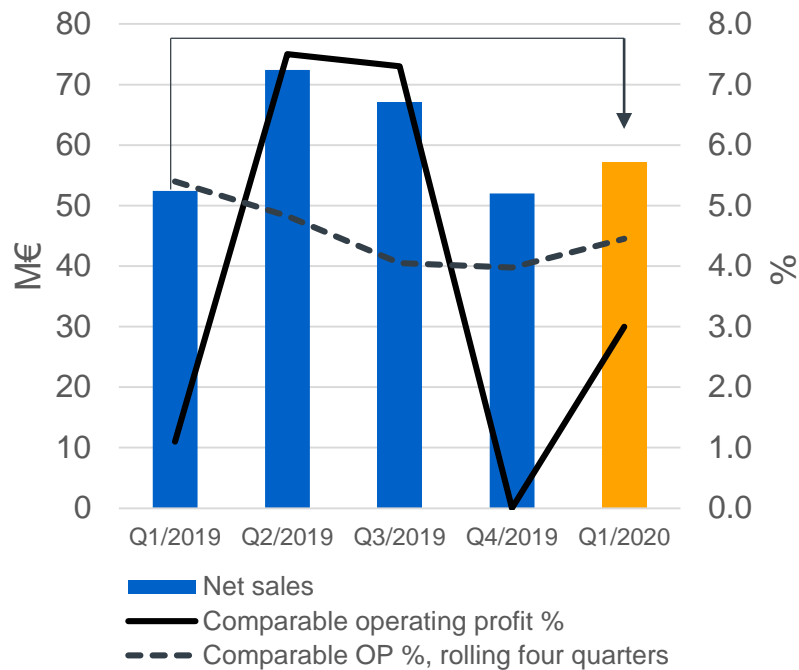
Building Solutions – Europe: Improvements from a somewhat soft comparison period



Building Solutions – North America: Strong quarter, even in light of the weak comparison period



Uponor Infra: A good start to the year



Execution of operational excellence programme continues

- Uponor confirms the target of €20 million annual cost savings by the end of 2021
- The programme is expected to reduce approximately 200 FTEs by the end of 2021
- First initiatives were started in April
- One-time costs of the programme are estimated to be around €20 million, the majority of which are expected to be recognised during 2020



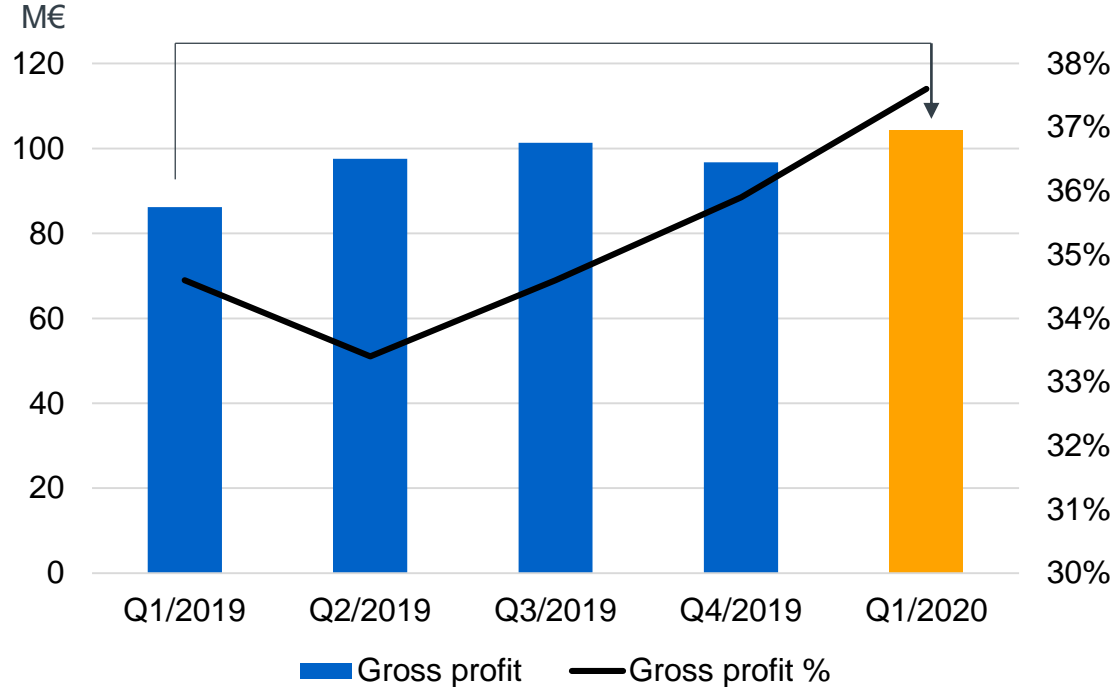
The image shows the interior of a large, modern building under construction. The space is filled with a grid of white, cylindrical columns supporting a ceiling. The floor is covered with a dense network of light-colored wooden beams, likely for a floor slab. In the background, a person is visible working near a doorway. The lighting is warm and even, highlighting the architectural details.

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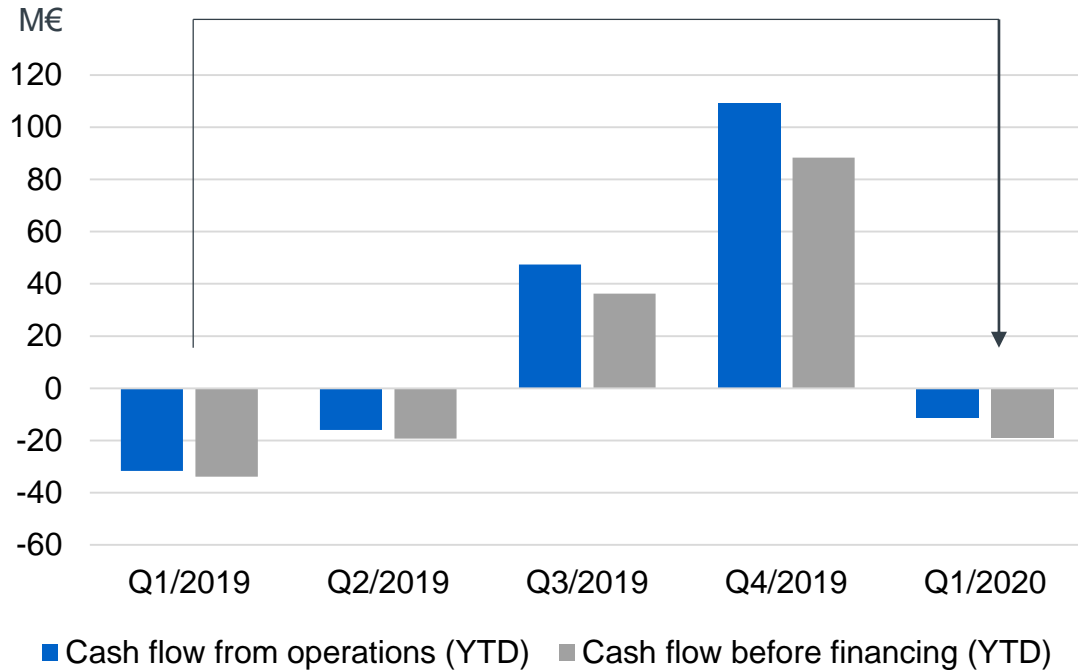
Financial statements

Minna Yrjönmäki, CFO

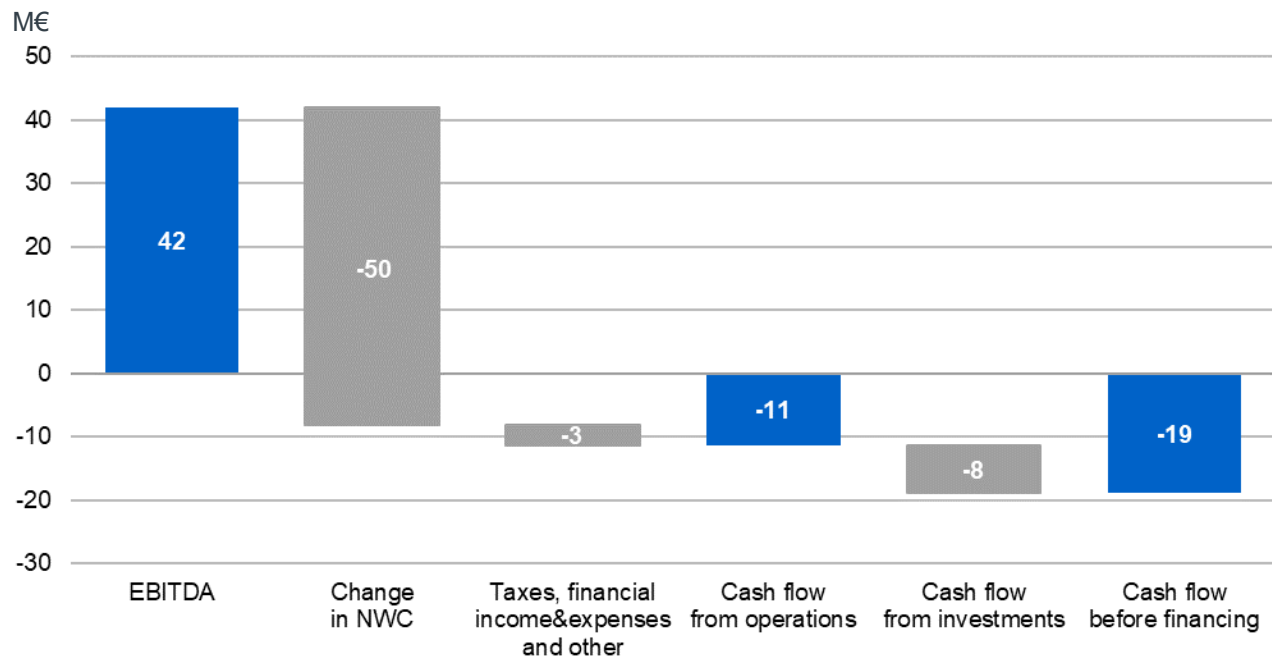
Good development with gross profit margin



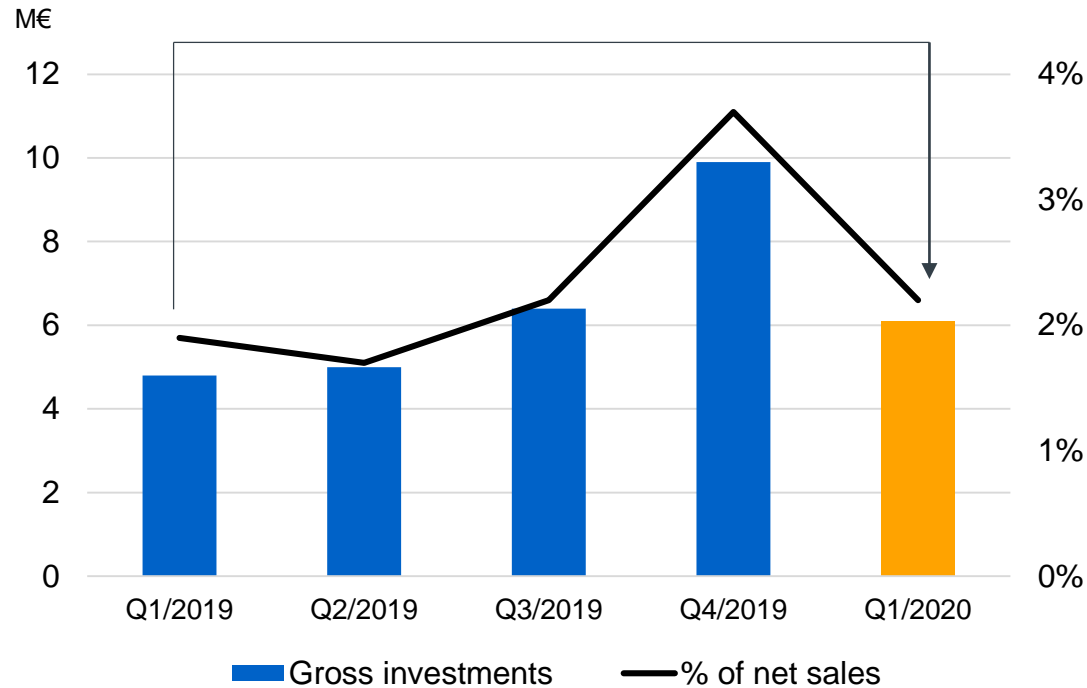
Cash flow from operations as well as cash flow before financing exceeded last year's levels



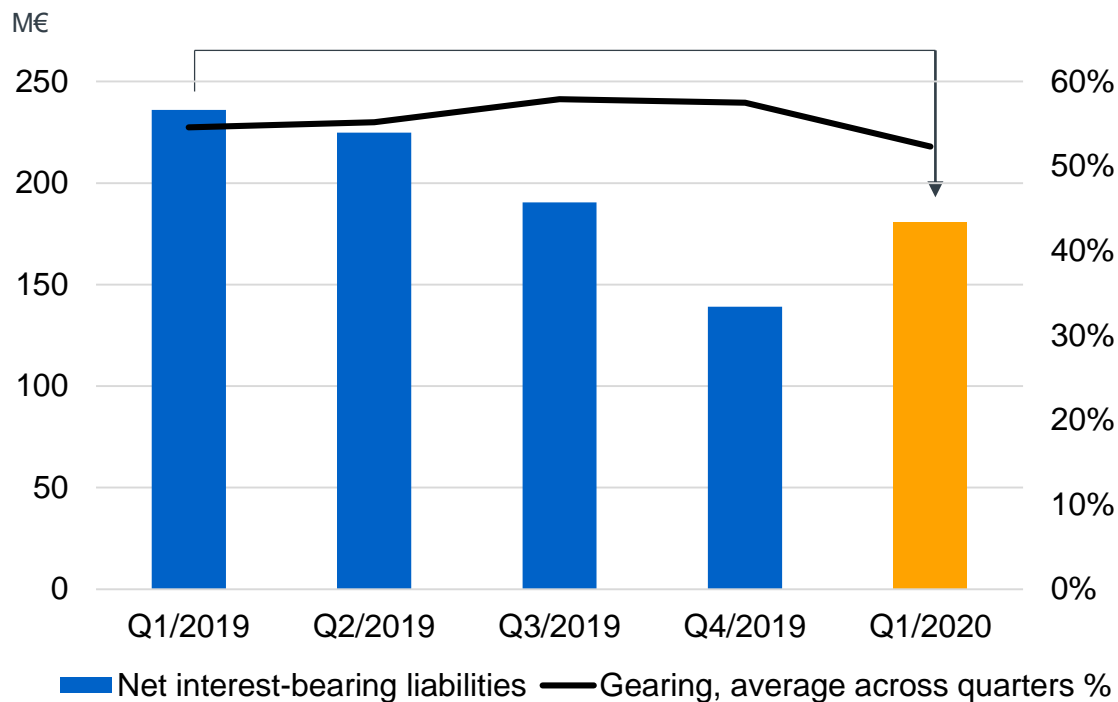
Cash flow from operations was negative mainly due to increase in operative net working capital



Gross investments were mainly related to maintenance and productivity improvements



Net interest-bearing liabilities at lower level than year ago driven by strong cash position





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Outlook for the future

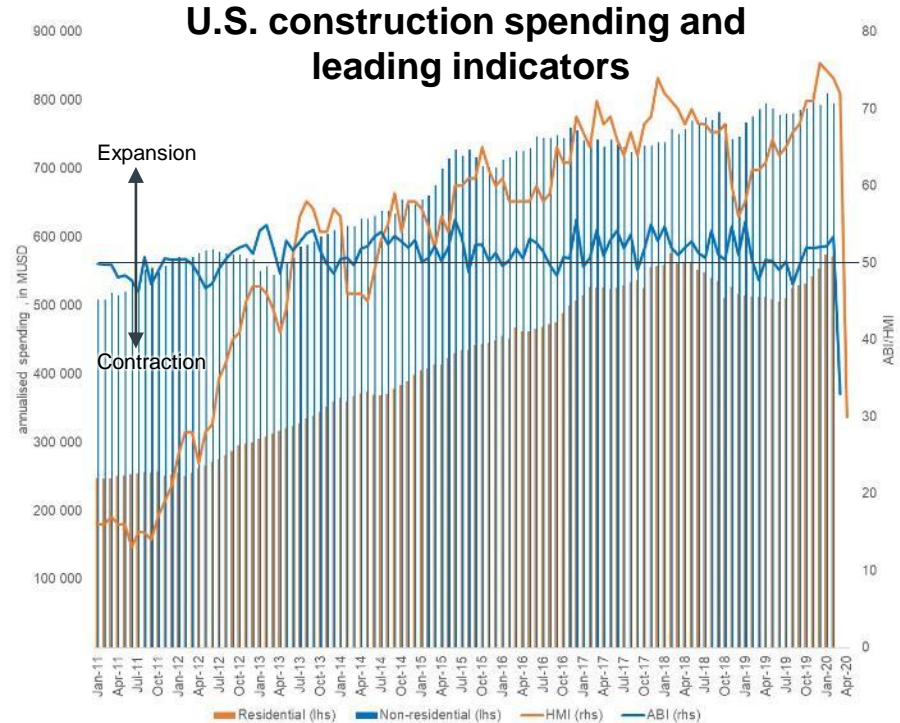
Jyri Luomakoski, President & CEO

U.S.: Builder confidence started to drop in March

The economy was showing signs of slower, yet moderate, growth in January and early February, but has suffered a record 26 million job losses over 5 weeks

Within the construction industry:

- Construction spending in February was up compared to a year earlier, with residential spending driving growth
- The ABI, a leading non-residential indicator, reached an all-time low of 33 in March
- The March housing starts rate fell 22% from February, but was on par with March 2019
- Homebuilder confidence plunged 42 points to a reading of 30 in April, the lowest point since June 2012
- Government restrictions: Construction exempted from shutdowns in most, but not all, states



Source: Census Bureau, AIA, NAHB

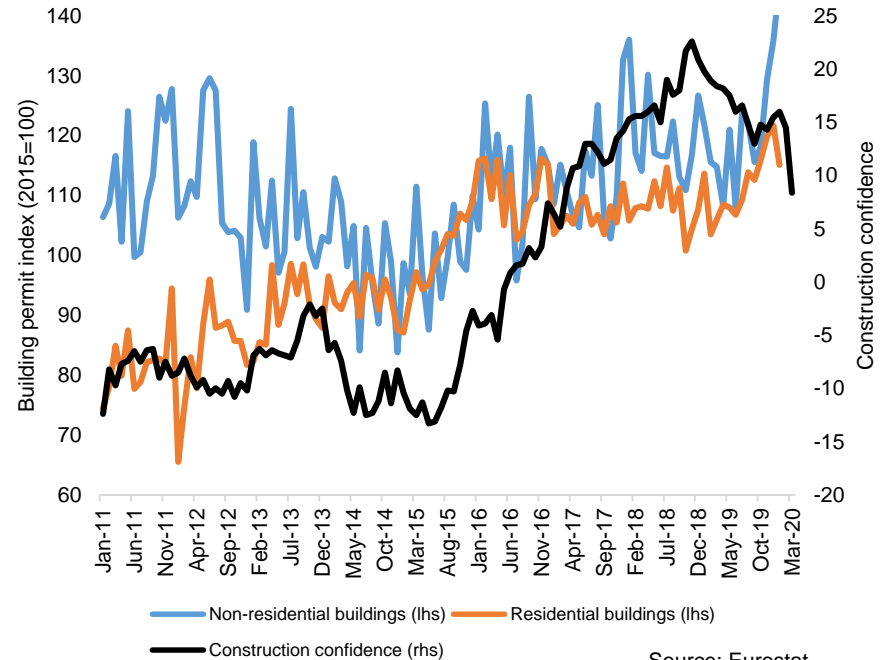
Germany: Construction activity was healthy for most of the quarter

Tentative signs of recovery in the industrial sector faded as the quarter progressed, first because of concerns about supply chain disruptions and thereafter because of concerns about domestic demand and the labour market

In the construction industry:

- Turnover in the construction industry in January was up 13% compared with January 2019
- Residential housing permits through February were up 4% compared to 2019
- New orders in February were down 1.7% compared with February 2019
- Builder confidence weakened notably in March and April, as concerns about the future became prevalent
- Government restrictions: No closures of construction sites

German building permits and builder confidence



Source: Eurostat

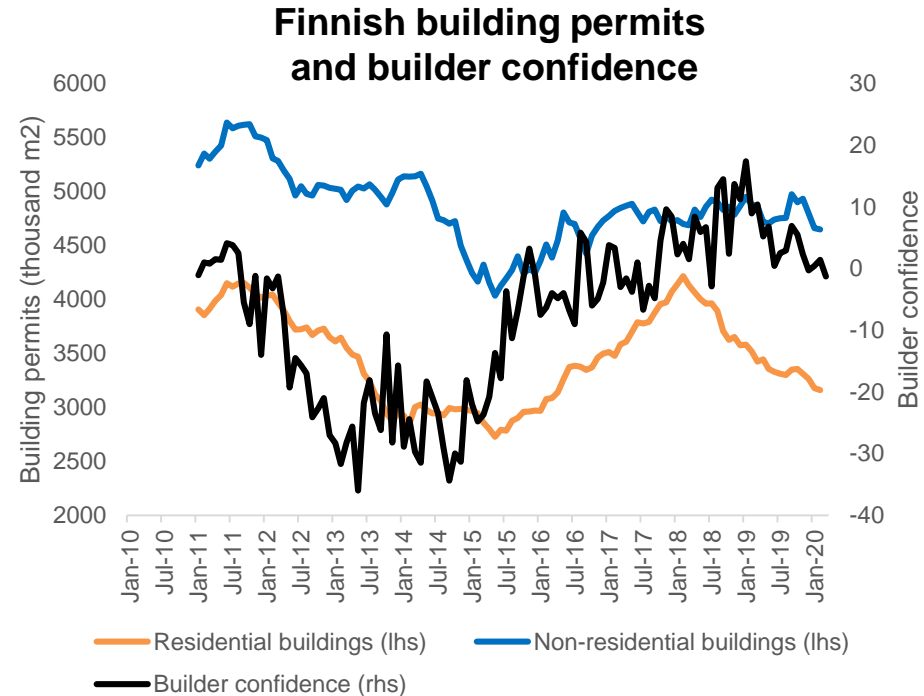


Finland: Construction activity was steady early in the quarter

Industrial production and order books weakened from a year earlier, even before March, and the introduction of Covid-19 restrictions led to a severe rise in firms furloughing employees

Within the construction industry:

- Construction turnover grew in January and February compared to a year earlier, driven by civil engineering
- Residential permits through February fell 22% compared to 2019, while non-residential permits fell 23%
- Builder confidence was below last year's levels throughout the quarter, and fell further in March
- Government restrictions: No closures of construction sites



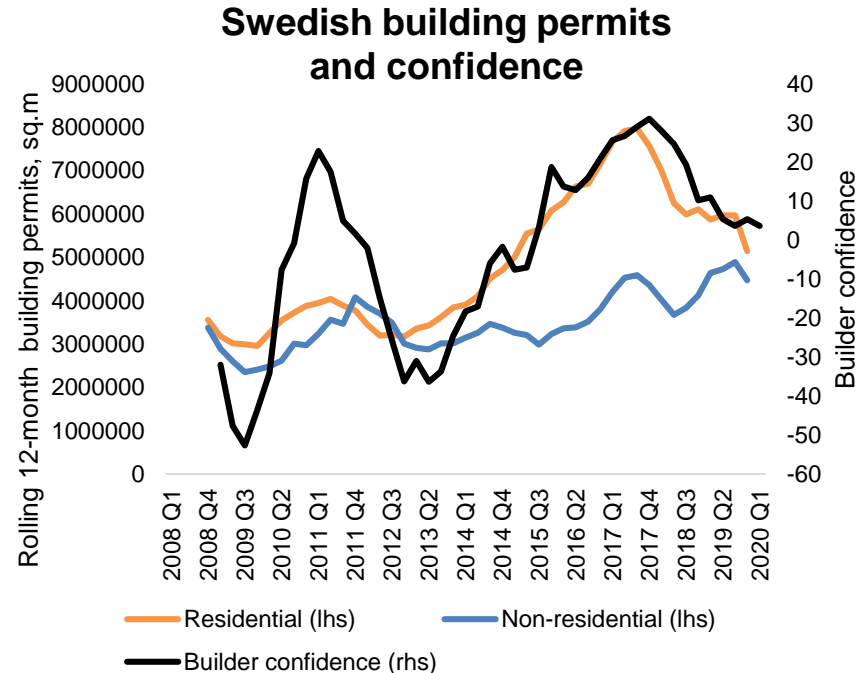
Source: Statistics Finland and Eurostat

Sweden: Residential continued to slow while non-residential lost some momentum

The economy entered the quarter on weaker footing than in previous years and March brought an unprecedented number of layoffs

Within the construction industry:

- Q4 2019 housing starts rose 4% compared to a year earlier, the first year-on-year gain since 2017
- Both residential and non-residential building permits weakened in Q4, with non-residential permits slowing for the first time since early 2018
- Builder confidence weakened during the quarter, as order books deteriorated
- Government restrictions: No closures of construction sites



Source: Statistics Sweden and Eurostat

Guidance statement and market outlook for Q2/2020

Uponor's guidance for 2020:

On 19 March 2020, Uponor withdrew its guidance for 2020 due to lack of visibility on the potential impacts of COVID-19 on comparable operating profit. Once visibility improves and the significant uncertainties have cleared, Uponor expects to update its outlook and issue a new guidance.

Due to the impacts of COVID-19 pandemic, Uponor expects that its major markets will be negatively impacted and that construction activity will contract after the first quarter, though to differing extents:

- **In the U.S.**, construction activity has been allowed to continue in most states, but builders' confidence has dropped significantly.
- **In Germany and the Nordic countries**, the building activity is expected to slow down, even though construction sites have remained open to-date.
- **In southern Europe and the UK**, where construction activity has only recently begun to resume after the easing of restrictions in some countries, the business environment will remain very challenging.

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Thank you!

communications@uponor.com

Uponor IR site: investors.uponor.com

Uponor's IR app:



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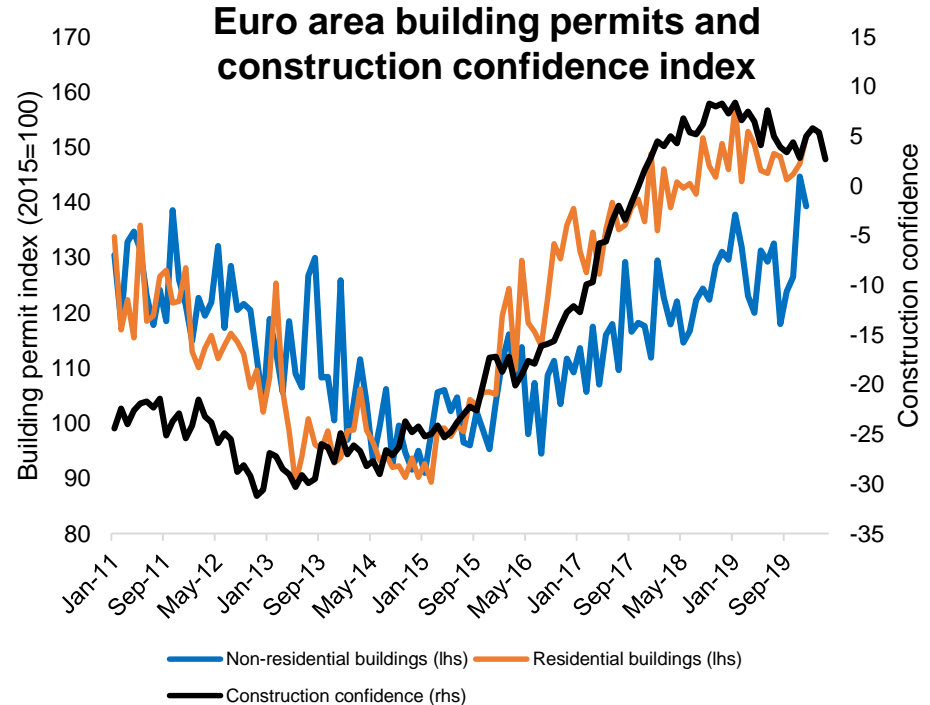
Appendix

Europe: Standstill in the south, while construction continues in Germany and the Nordics

While the receding threat of a trade war allowed for the first signs of momentum early in the quarter, these were quickly reversed with the onset of the pandemic





















Within the construction industry:

- In the months preceding the pandemic, building permits remained elevated in the residential segment and gained significant ground in the non-residential segment
- Construction confidence fell in all major markets covered by the survey
- Government restrictions: Construction was shut down in FR, IT, ES, PT and IE, and partially closed in UK, CH & AT. Few, if any, construction restrictions in Germany or the Nordics



Source: Eurostat

Leading residential indicators: Pre-COVID-19 slowing in the Nordics, steady in Germany, growth in the U.S.

	Indicator	YTD % Change	Rolling 12-month % Change	Data through	Trend since Q4 update
 USA	Housing starts	+1% ¹⁾	N/A	March 2020	
 Germany	Housing permits	+4%	+2%	February 2020	
 Finland	Housing permits	-22%	-11%	February 2020	
 Sweden	Housing starts	-7%	-7%	Q4 2019	
 Netherlands	Housing permits	-12%	-19%	January 2020	
 Denmark	Construction index	+2%	N/A	January 2020	
 Spain	Housing permits	+5%	+5%	December 2019	
 Canada	Housing starts	+1% ¹⁾	N/A	March 2020	
 Poland	Housing completions	+3%	+11%	February 2020	
 Norway	Housing starts	-20%	-3%	February 2020	

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

Source: National Statistics Offices

Income Statement

Jan-Mar 2020

Uponor Group, M€	1-3 2019	1-3 2020	Change Y/Y	1-12 2019
Net sales	248.9	277.4	+11.5%	1,103.1
Cost of goods sold	162.7	173.2	+6.5%	721.2
Gross profit	86.2	104.3	+20.9%	381.9
Gross profit margin (%)	34.6%	37.6%	+2.9% pts	34.6%
Other operating income	0.5	0.1	-88.9%	1.3
Expenses	72.5	75.8	+4.5%	291.9
Operating profit	14.3	28.6	+99.9%	91.3
Operating profit margin (%)	5.7%	10.3%	+4.6% pts	8.3%
Financial expenses, net	3.4	-3.1	-189.9%	11.6
Share of result in associated companies	-1.0	-1.3	-28.2%	-4.0
Profit before taxes	9.8	30.4	+208.4%	75.6
Profit for the period	7.1	22.3	+212.7%	55.3
EBITDA	26.7	42.0	+57.1%	143.1

Balance Sheet

March 2020

Uponor Group, M€	31 Mar 2019	31 Mar 2020	Change Y/Y	31 Dec 2019
Property, plant and equipment	296.4	280.3	-16.1	285.8
Intangible assets	99.9	95.3	-4.6	96.7
Securities and long-term investments	24.8	20.3	-4.5	19.8
Inventories	169.0	153.9	-15.1	144.4
Cash and cash equivalents	10.2	63.0	+52.8	76.1
Other current and non-current assets	248.0	260.0	+12.0	210.5
Assets total	848.3	872.8	+24.5	833.2
Total equity	324.3	346.1	+21.8	370.4
Non-current interest-bearing liabilities	206.8	201.7	-5.1	203.4
Provisions	30.6	30.7	+0.1	30.0
Non-interest-bearing liabilities	247.2	252.4	+5.2	217.7
Current interest-bearing liabilities	39.4	41.8	+2.4	11.8
Shareholders' equity and liabilities total	848.3	872.8	+24.5	833.2

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

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



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