

A wide-angle, high-angle photograph of the Helsinki skyline at night. The city is illuminated with warm yellow and white lights, reflecting on the water of the harbor. The sky is a deep blue. The text 'uponor' is in the top right corner.

uponor

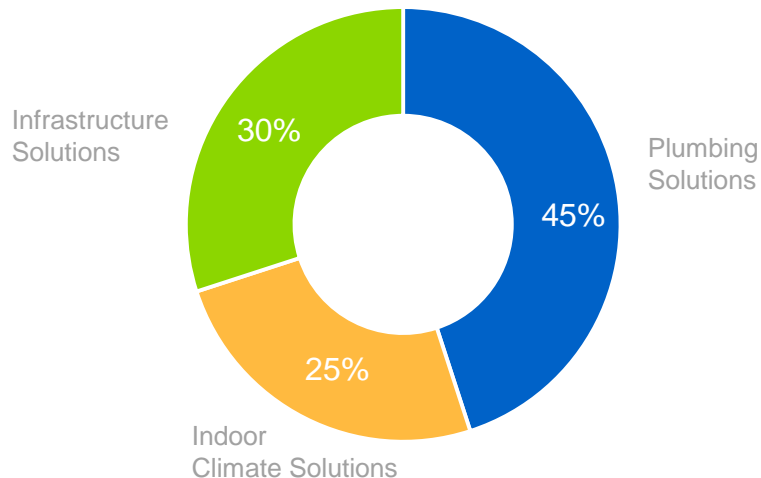
Enriching people's way of life

Roadshow presentation
Jyri Luomakoski, President and CEO
Riitta Palomäki, CFO
October 2016

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.



FACTS & FIGURES

1.05

billion euro
Net sales 2015

30

countries with
Uponor operations

14

production
sites worldwide

3,700

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 solutions enrich people's way of life

Our people

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

Our values

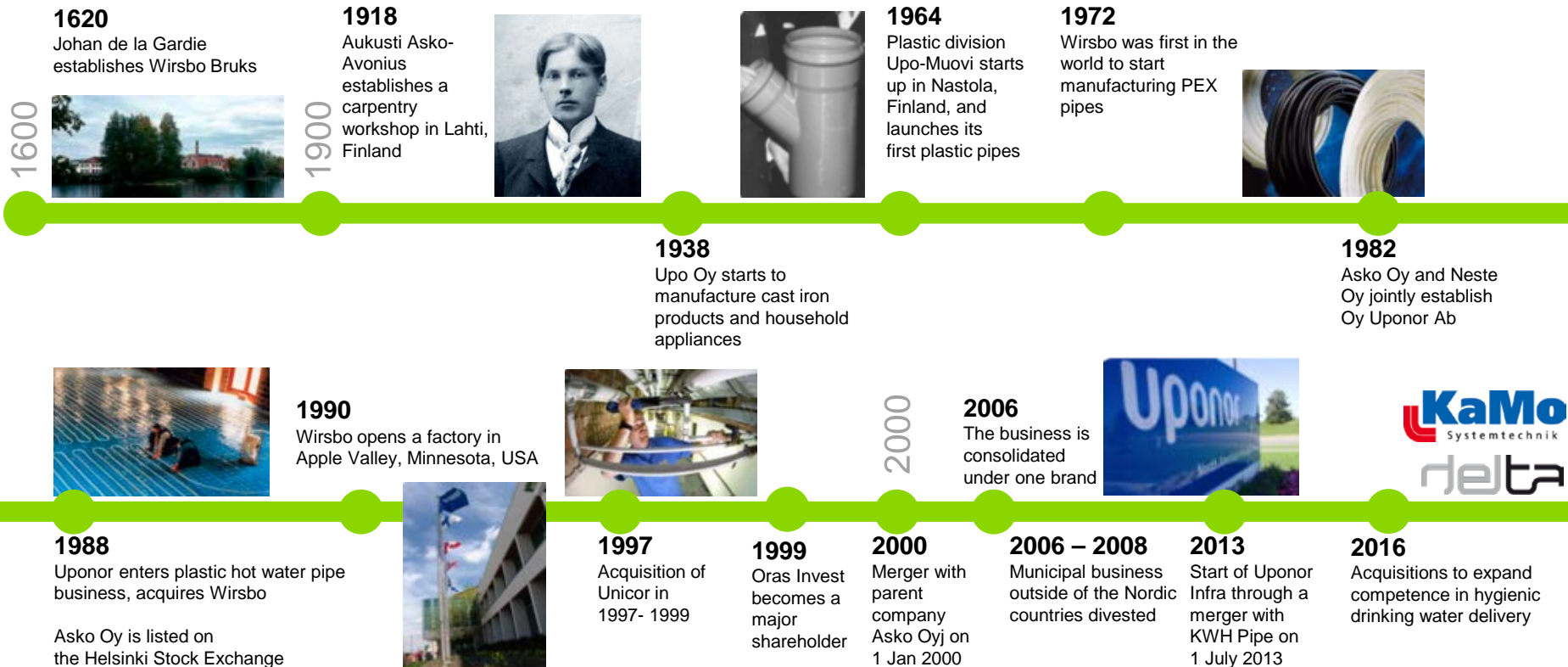
Connect. Build. Inspire.

Our brand promise

Let's build confidence!



Uponor milestones

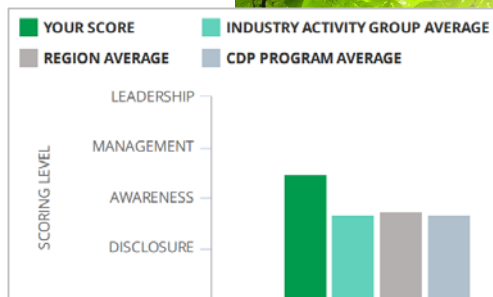


Sustainability is a foundation of our business

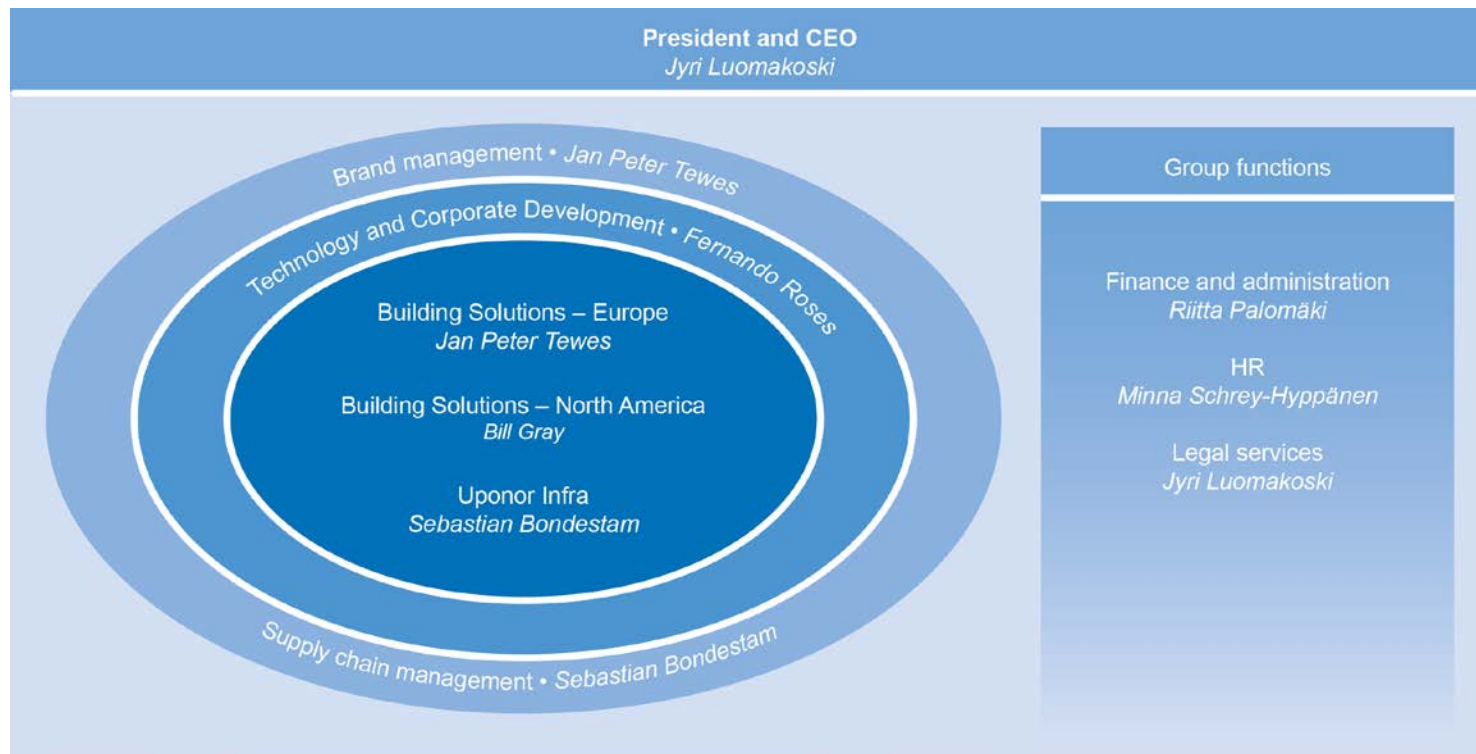
Sustainability is linked to our vision and mission and demonstrated by actions throughout the organisation

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
-
- Reporting through CDP Climate Change Nordic programme since 2010, Uponor has consistently improved performance and reached level B in 2016



Group structure



The chart shows the Executive Committee members' responsibilities

Business groups

Plumbing solutions

45% *)



Indoor climate solutions

25%



Infrastructure solutions

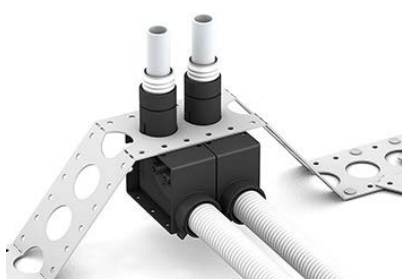
30%



*) percentage of 2015 net sales by business group

Uponor's Plumbing offering

For efficient and hygienic drinking water delivery



Flexible pipe systems



Multilayer pipe systems



Risers



Press fittings



RTM fittings



Quick & Easy fittings



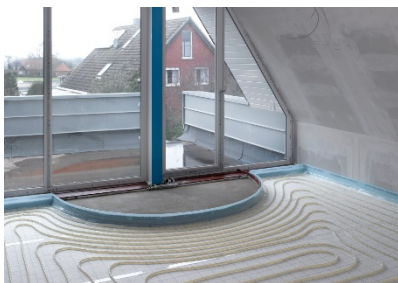
Tools



Intelligent water and hygiene

Uponor's Indoor Climate offering

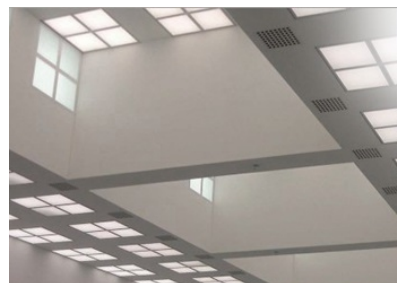
The basis for a comfortable and energy-efficient ambiance



Radiant heating and cooling



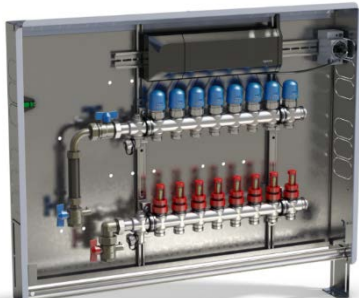
Thermally active slabs



Ceiling cooling



Geothermal energy stations



Manifold stations



Controls



Local heat distribution



Ventilation



Uponor's infrastructure offering

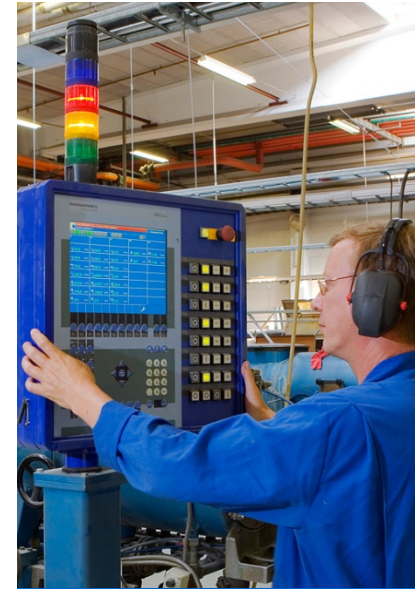
Transporting water, air, electricity, telecommunications and data



Standard Solutions

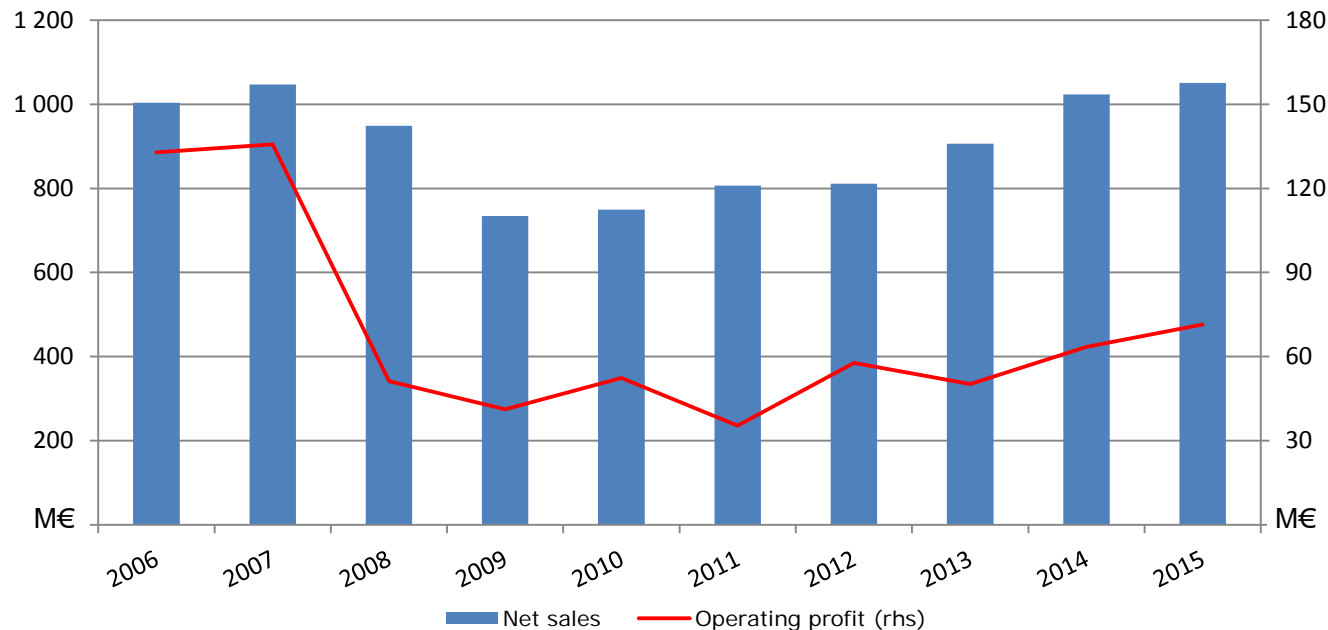


360° Project Services



Technology

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 Feb 2013

- Help develop Uponor globally in a manner that secures faster than average industry growth and funding for future initiatives.
- Based on earlier criteria, now reflecting the 'new normal' business landscape.
- The emphasis is on growth, which is clearly influenced by the flat outlook of European building markets.



Long-term financial targets

Announced in February 2013

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

EBIT margin
to exceed
10%

ROI
to exceed
20%

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

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

Actual 2015

5.2%
(target 4.8%)

7.2%
w/o NRI

15.5%

86%

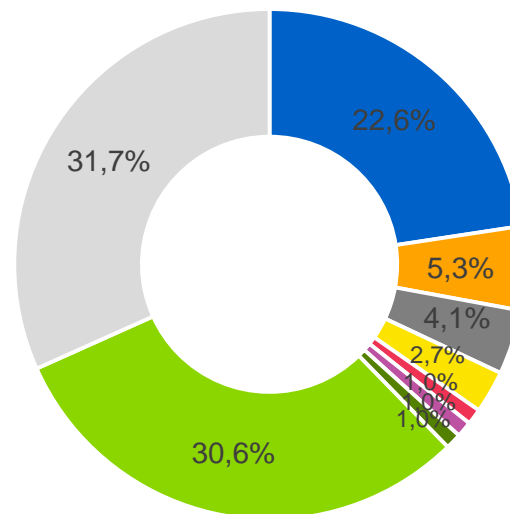
40.4

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

Major shareholders

31 December 2015

- Oras Invest Oy 22,6%
- Varma Mutual Pension Insurance Company 5,3%
- Nordea Nordic Small Cap Fund 4,1%
- Ilmarinen Mutual Pension Insurance Company 2,7%
- Nordea Fennia Fund 1,0%
- The State Pension Fund 1,0%
- Nordea Pro Finland Fund 1,0%
- Nominee registrations 30,6%
- Others 31,7%



Currently valid foreign notifications:

15 September 2016: the holdings of Franklin Resources, Inc. went down to 9.55%

- 14,539 shareholders at the end of Dec 2015
- Foreign shareholding was 31.5% at the end of Dec 2015, up from 28.3% in Dec 2014

A photograph of a modern building with a distinctive architectural style. The building features large, cantilevered upper floors that create a sense of depth and shadow. The facade is composed of a grid-like structure, possibly a metal mesh or perforated metal, which allows light to filter through. The building is set against a clear blue sky, and the lighting suggests it might be late afternoon or early morning, as the lower parts of the building are illuminated with a warm, golden light.

Financial results 1-6 2016

Q2/2016: European demand picks up, savings from transformation programmes visible

April - June, M€	4-6/ 2015	4-6/ 2016	Change
Net sales	277.6	299.5	7.9%
Operating profit	22.5	26.5	18.0%
Comparable operating profit	23.2	30.7	31.8%

Net sales

- Demand picking up in parts of Europe, Building Solutions grew by double-digit numbers in several countries
 - Non-organic growth at €8.6 million
- Strong tailwinds supported the U.S. growth: Building Solutions - North America reports over five years of y-o-y growth
- Despite emerging stability in Europe, Uponor Infra declined, mainly due to weak North America and Poland

Operating profit

- Building Solutions – Europe benefited from higher net sales and savings from the ongoing transformation programme
- Building Solutions – North America's performance at prior year level, curbed by fittings transition and JV transaction costs
- Uponor Infra benefited from transformation savings and changes in product/channel mix

Market overview: second quarter 2016



Nordic countries

- Sweden continues to outpace its neighbours, especially in the new residential segment
- Other markets are generally stable, with signs of a fragile recovery in Finland

Central Europe

- The regions largest market, Germany, continues to see improvements in the construction market
- In the Netherlands, activity has moderated

Southern Europe

- A dynamic situation, with a recovery in Spain, continued stagnation in Italy and significant uncertainty surrounding the UK

North America

- The U.S. construction market has continued to improve across nearly every building segment, but at a reduced pace
- In Canada, weak energy markets hold back non-residential activity while house building is more resilient

Developments by segment: Building Solutions – Europe

- Positive signals from a number of European markets support marketing initiatives
- Transformation programme advances as planned in most markets
 - Jobs reduced by 140 by end of June (116 in Q1)
- The KaMo/Delta integration progressing
- Good market response of recent product launches continues (such as Smatrix Aqua, prefabricated assembly units, seamless composite pipe Uni Pipe Plus)



Developments by segment: Building Solutions – North America

- Strong sales growth in a healthy market maintained across the U.S.; Canadian demand softened in Q2
- Sales driven by the lively U.S. plumbing market
- Financial performance burdened by costs related to the temporary EP fittings replacement by metal fittings, the Canadian currency impact and costs related to the joint venture transaction



Developments by segment: Uponor Infra

- Emerging stability in much of Europe
- Net sales declined as a result of
 - Weak North America due to poor PE pipe market
 - Poland suffers from delayed EU funding
- Changes in product/channel mix supported performance development
- Manufacturing footprint optimisation and cost savings progressing as planned. In Finland, reinstallation of 3 out of 8 lines in progress.



January – June 2016: Key figures

M€	1-6 2015	1-6 2016	Change Y/Y	1-12 2015	All numbers in M€, unless otherwise noted
Net sales, continuing operations	514.7	546.4	+6.2%	1,050.8	
Operating profit, continuing operations	33.8	38.4	+13.6%	71.4	
Comparable operating profit	34.6	45.6	+31.7%	75.8	
Comparable operating profit margin	6.7%	8.3%	1.6% pts	7.2%	
Earnings per share (diluted), continuing operations, €	0.23	0.28	+21.7%	0.51	
Return on equity, % (p.a.)	11.6%	13.9%	2.3% pts	12.1%	
Return on investment, % (p.a.)	14.0%	15.3%	1.3% pts	15.5%	
Net interest bearing liabilities	138.8	175.1	+26.2%	91.3	
Gearing, %	47.8%	58.5%	+10.7% pts	29.3%	
Net working capital of Net sales, % (p.a.)	11.9%	11.9%	+0.0% pts	8.1%	-1.5% excluding German acquisitions
Number of employees, end of period, continuing operations	3,906	3,964	+1.5%	3,735	

January – June 2016: Income statement

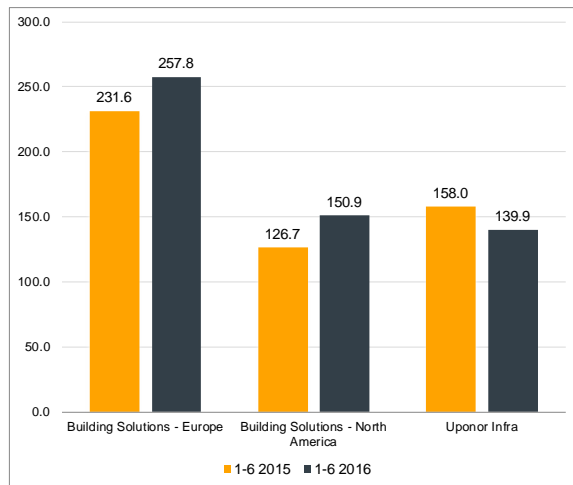
M€	1-6 2015	1-6 2016	Change Y/Y	1-12 2015
Continuing operations				
Net sales	514.7	546.4	+6.2%	1,050.8
Cost of goods sold	330.9	353.1	+6.7%	680.6
Gross profit	183.8	193.3	+5.2%	370.2
% of net sales	35.7%	35.4%	-0.3% pts	35.2%
Other operating income	0.7	2.0	+180.7%	2.4
Expenses	150.7	156.9	+4.1%	301.2
Operating profit	33.8	38.4	+13.6%	71.4
% of net sales	6.6%	7.0%	+0.5% pts	6.8%
Financial expenses, net	6.4	5.5	-14.0%	8.9
Share of result in associated companies	0.1	0.1	+0.0%	0.3
Profit before taxes	27.5	33.0	+20.0%	62.8
Profit for the period	17.3	20.8	+20.1%	37.1
EBITDA	52.1	57.9	+11.2%	110.5

- **Comparable gross profit** at €194.8m (35.7%) against €184.2m (35.8%) in 2015
- **Comparable operating profit** at €45.6m (8.3%) against €34.6m (6.7%) in 2015, up €11m

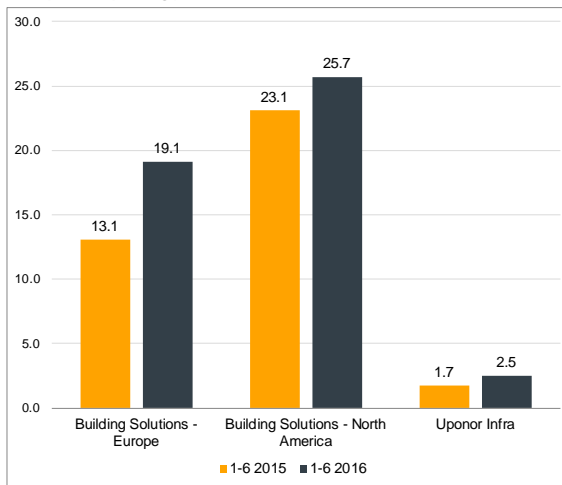
January – June 2016: Net sales & comparable operating profit by segment

Currency: M€

Net sales

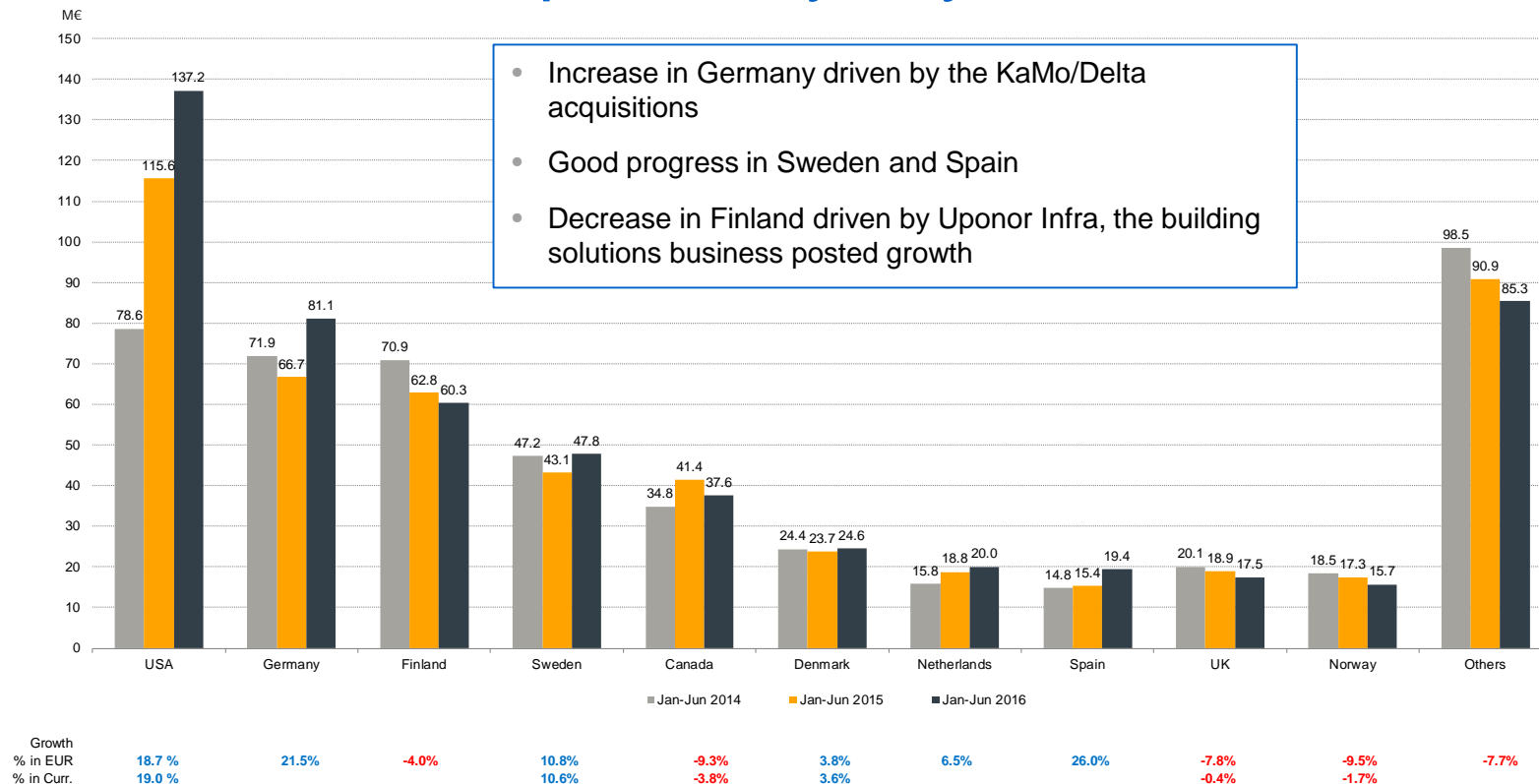


Comparable operating profit



- Building Solutions – Europe: net sales growth driven by the German acquisitions. Comparable operating profit margin at 7.4%, up from 5.7%
- Building Solutions – North America: strong sales growth continued, +19% in euro terms. Comparable operating profit margin 17.0%, down by 1.2%-pts from the very high level in 2015
- Uponor Infra: net sales down by 11.5%. Improved comparable operating profit driven by reduced operational cost levels in Finland

January – June 2016: Net sales development by key markets



January – June 2016: Balance sheet

M€	30 Jun 2015	30 Jun 2016	Change Y/Y	31 Dec 2015
Property, plant and equipment	209.5	221.7	+12.2	221.4
Intangible assets	96.3	121.4	+25.1	94.7
Securities and long-term investments	10.8	21.6	+10.8	21.0
Inventories	131.2	133.6	+2.4	112.4
Cash and cash equivalents	16.5	24.8	+8.3	49.2
Other current and non-current assets	252.5	269.4	+16.9	209.1
Total equity	290.6	299.2	+8.6	311.7
Non-current interest-bearing liabilities	100.4	139.1	+38.7	91.2
Provisions	17.4	26.4	+9.0	25.0
Current non-interest-bearing liabilities	253.5	267.0	+13.5	231.6
Current interest-bearing liabilities	54.9	60.8	+5.9	48.3
Balance sheet total	716.8	792.5	+75.7	707.8

- Increase in the balance sheet driven by the German acquisitions and a growing business in Building Solutions - North America
- Non-controlling interest represents €63.8m of the total equity at €299.2m

January – June 2016: Cash flow

M€	1-6 2015	1-6 2016	Change Y/Y	1-12 2015
Net cash from operations	+47.1	+55.1	+8.0	+105.6
Change in NWC	-50.2	-41.9	+8.3	-15.0
Net payment of income tax and interest	-16.7	-16.6	+0.1	-32.4
Cash flow from operations	-19.8	-3.4	+16.4	+58.2
Cash flow from investments	-12.5	-44.4	-31.9	-41.7
Cash flow before financing	-32.3	-47.8	-15.5	+16.5
Dividends and buy backs	-30.7	-32.2	-1.5	-30.7
Other financing	+18.5	+56.5	+38.0	+2.3
Cash flow from financing	-12.2	+24.3	+36.5	-28.4
Conversion differences	+0.8	+0.1	-0.7	-0.1
Change in cash and cash equivalents	-43.7	-23.4	+20.3	-12.0





















- Improved cash flow from operations
- Cash flow from investments includes cash flow-out related to the German acquisitions (€31.4m)
- Gross CapEx (€15.7m) below depreciation and slightly down year-on-year
- Cash flow from investments in the comparison period includes a net cash flow effect of €+5.9m from the divestments of Uponor Infra's Thai business and Extron Engineering Oy in Finland

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Outlook for the future



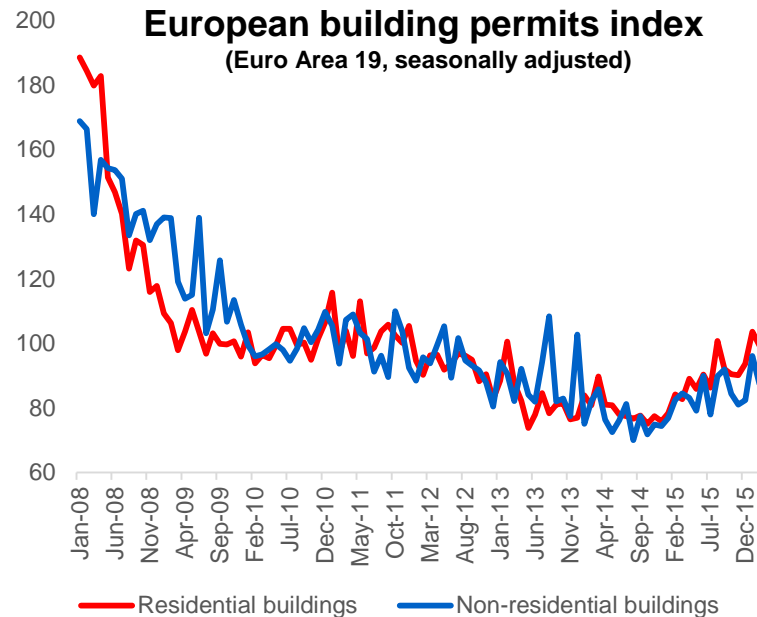
Leading indicators: stable market outlook overall

	Indicator	YTD % Change	Rolling 12-month % Change	Data through	Trend since Q1 update
 USA	Housing starts ¹⁾	-2%	N/A	June 2016	
 Germany	Housing permits	+29%	+18%	May 2016	
 Finland	Housing permits	+10%	+7%	April 2016	
 Sweden	Housing starts	+47%	+30%	Q1 2016	
 Canada	Housing starts ¹⁾	+14%	N/A	June 2016	
 Denmark	Housing starts	+13%	-11%	March 2016	
 Netherlands	Housing permits	-42%	-15%	April 2016	
 Spain	Housing permits	+42%	+32%	April 2016	
 UK	Housing starts ²⁾	-9%	+2%	Q1 2016	
 Norway	Housing starts	+11%	+14%	May 2016	

¹⁾ Seasonally adjusted, annualised rate vs. same month in 2015 ²⁾ England only

Building permits in Europe have continued to make gains from all-time lows

- Permit activity has continued to slowly trend upwards in both the residential and non-residential segments (data through February 2016)
- Comparing the first months of 2016 to 2015, the largest gains were made in Germany, Spain, and Norway



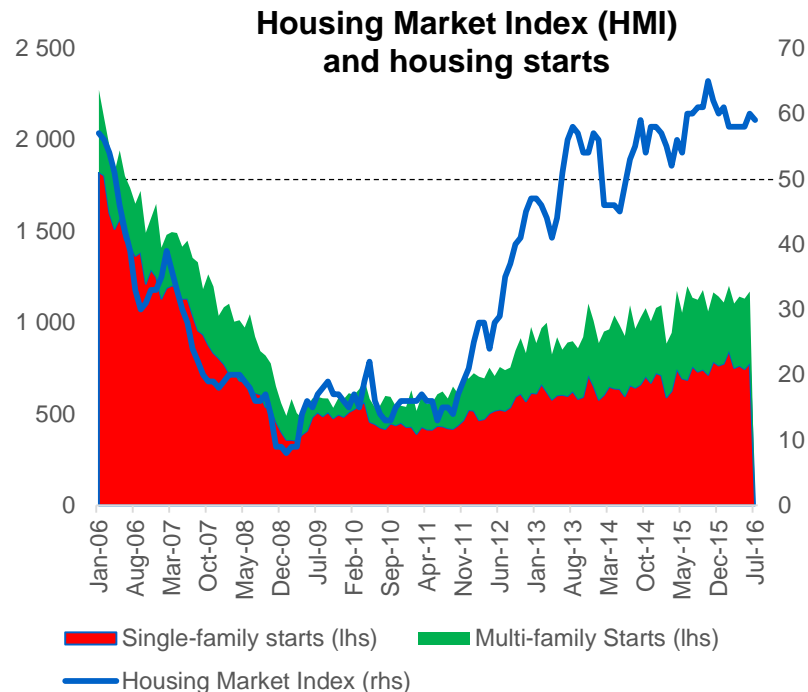
Source: Eurostat (Base year = 2010)

Country overview- USA

The economy continues to post modest growth, but at significantly reduced rates from last autumn

Within the construction industry:

- Housing starts are on a similar level as last year, having lost some momentum from earlier in the year
- Residential builder confidence has softened, but remains clearly in expansionary territory
- Construction spending has risen across nearly all residential and non-residential building segments compared to the same period in 2015



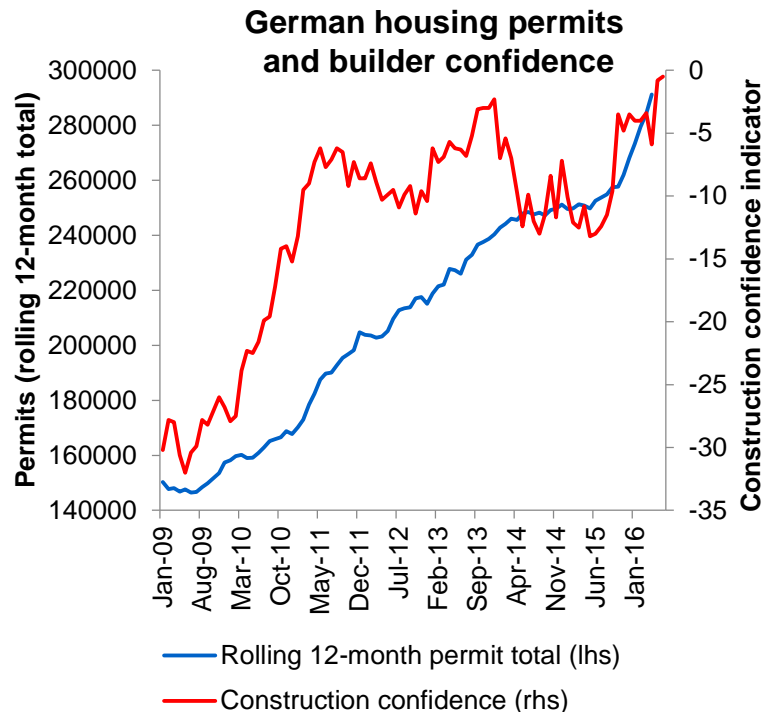
Source: US Census, NAHB/Wells Fargo

Country overview- Germany

The economy has so far continued to brush off external uncertainties, with households driving economic growth

Within the construction industry:

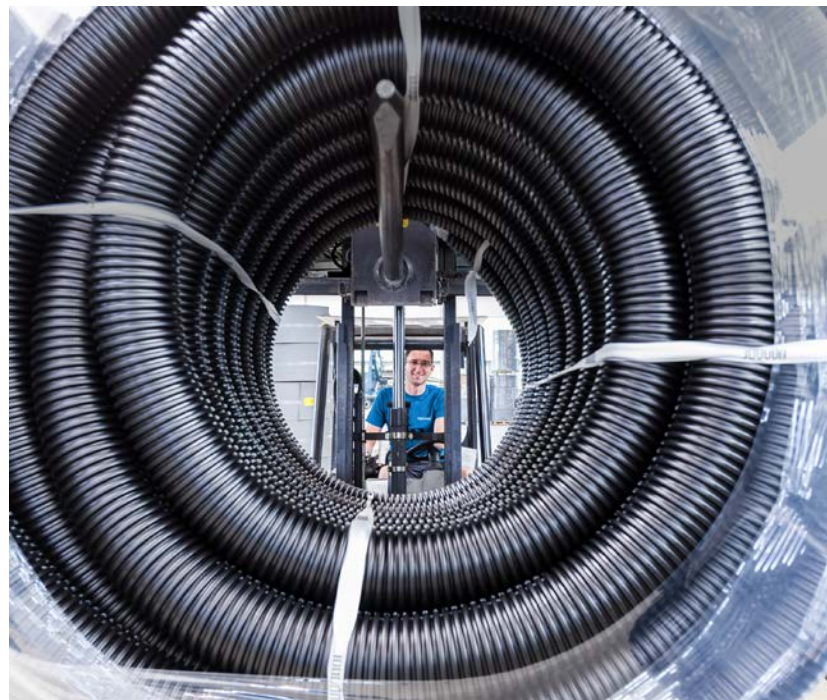
- Builder confidence has reached another post-reunification high
- Order book development has remained generally positive in both the residential and non-residential segments
- Permit levels continue to develop positively across most building segments



Source: Destatis and Eurostat

Management agenda for 2016 – No change in focus since Q1

- Complete the broad-based transformation in Europe, including manufacturing footprint optimisation, targeting a clear growth in net sales
- Start the manufacture of indoor climate and plumbing products in China
- Uphold customer satisfaction and sales growth in North America, while continuously upgrading manufacturing capacity
- Boost investment in research, technology and corporate development in order to maintain lead in sustainable building technology



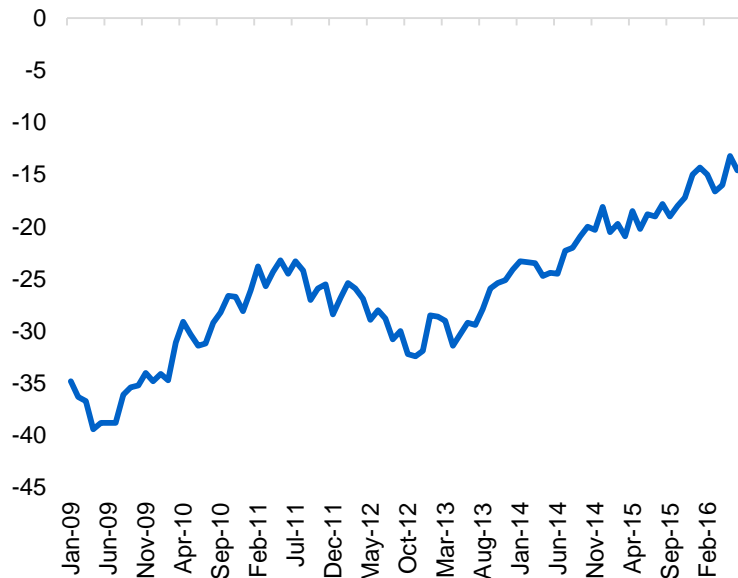
Guidance 2016

- Despite recent encouraging stability, volatility in the market is expected to continue
- No sign of changes in the market place in the near future, which could materially affect demand in 2016 from our earlier forecast
 - Direct impact of 'Brexit' not meaningful due to Uponor's low exposure to the UK market
 - Wider political and economic repercussions remain to be seen
- In 2016, the Group's capital expenditure will temporarily increase from that experienced in the last few years and reach circa €58 million, against €50 million in 2015 (excluding any investment in shares)
- Assuming that economic development in Uponor's key geographies continues undisturbed, Uponor reiterates earlier guidance from February 2016:

**The Group's net sales and comparable operating profit
are expected to improve from 2015**

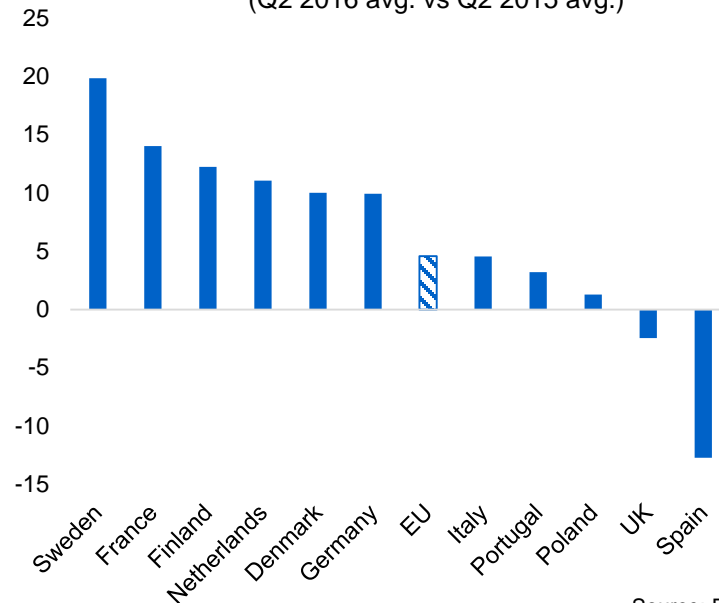
Builder confidence in Europe has strengthened in most markets compared to last year

EU construction confidence



Change in construction confidence

(Q2 2016 avg. vs Q2 2015 avg.)



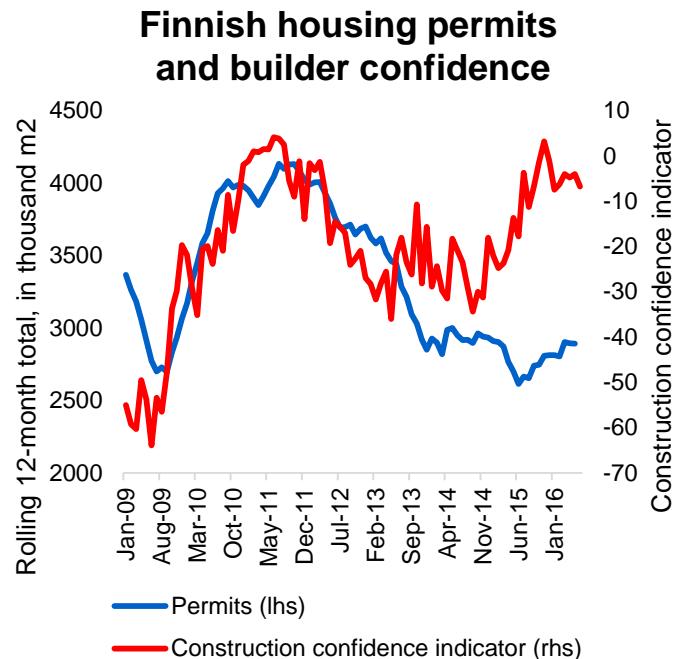
Source: Eurostat

Country overview- Finland

While the economy has likely returned to growth, significant challenges continue to be present

Within the construction industry:

- Construction volumes and permit activity have increased compared to last year (from a very low base)
- However, the positive trend witnessed in builder confidence has halted during recent months



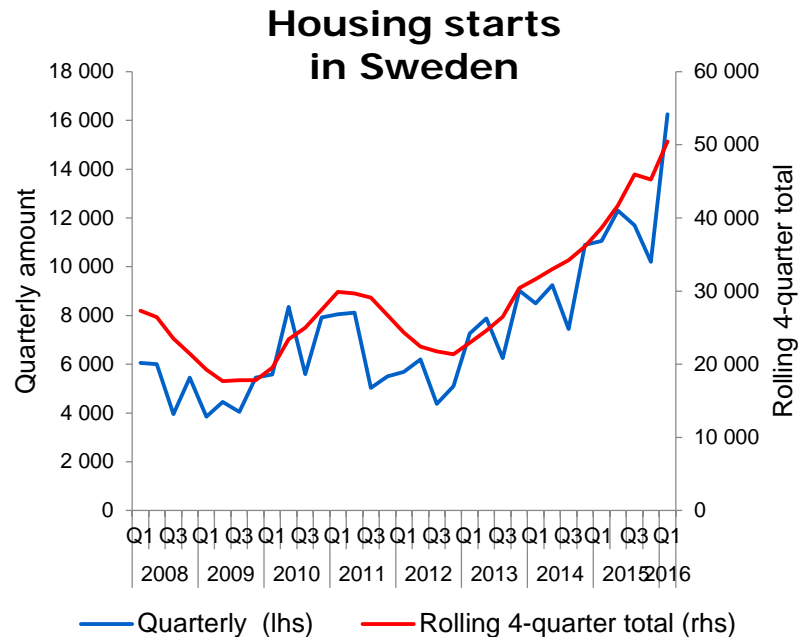
Source: Statistics Finland & Eurostat

Country overview- Sweden

While some measures of trade have slowed, nearly every component of the economy continues to grow

Within the construction industry:

- The residential new-build segment continues to grow significantly, reaching a 25-year high
- However, builder confidence has moderated in recent months and non-residential and civil engineering activity remain more constrained




Source: Statistics Sweden

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