Uponor celebrates its centenary in 2018

SHK Essen
Germany

Aquatherm
Moscow, Russia

Nordbygg
Stockholm, Sweden

100-year anniversary celebration:
Bucharest, Romania

100-year anniversary celebration:
Budapest, Hungary

Annual General Meeting 2018
Helsinki, Finland
Uponor at a glance

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

As of January 2018, Uponor is listed in the Large Cap category on Nasdaq Helsinki

FACTS & FIGURES 2017

1.2 billion euro Net sales

30 countries with Uponor operations

15 production sites worldwide

4,000 worldwide staff
Uponor globally

- 15 production sites
- Countries with Uponor operations
- Countries where Uponor operates through partners
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 4,000 committed employees in 30 countries, Uponor is at your service all over the world.
Throughout the world, our solutions enrich people’s way of life

- MLC riser system for a cruise ship, cutting installation time to a bare minimum: Carnival Cruises
- PE pressure pipes and prefabricated fittings for the Copenhagen metro: Copenhagen, Denmark
- Radiant heating & cooling, snowmelt and plumbing: football team Vikings headquarters and practice facility, Minnesota, USA
- Uponor heating & cooling solutions - winner of Diamond & Gold awards from German Sustainable Building Council (DGNB): 50Hertz headquarters, Berlin, Germany
- Radiant cooling solution to create the most advanced learning environment: New campus for the International School of Kuala Lumpur (ISKL), Kuala Lumpur
- Reducing energy consumption with Uponor TABS – shortlisted for a prestigious H&V News award: Dudley College, UK
- First villa project in China - radiant heating & cooling to save energy and ensure high comfort: Changjia Villa, Kunshan, China
- Weholite stormwater tank to attenuate runoffs at the new Children’s Hospital: Helsinki, Finland
Our business groups

- Plumbing solutions: 49% (*)
- Indoor climate solutions: 24% (*)
- Infrastructure solutions: 27% (*)

*) share of Group 2017 net sales
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
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
The year 2017 marked another year of historically high R&D expenditure, with a total expenditure at €23.2 million or 2.0% of net sales

- Key projects steered by Group Technology function, established in 2016
- Investment in digitalisation and hygienic initiatives continued
- New smart water offering, Phyn Plus
- Uponor online water quality monitoring, market entry through Uponor Infra
- Hygienic fresh water stations
- Prefabricated offering development
Phyn Plus smart water assistant with nationwide installer network being built up in North America

- Introduced in the U.S. market in January 2018 at leading trade shows
- Won a number of ‘Smart Home’ awards
- Commercial sales started in Q2/2018
- European introduction planned for ISH 2019
- Authorised network of installers, the Uponor Pro Squad
- In February 2018, Uponor invested an additional USD10 million to boost Phyn expansion, bringing total investment to USD25 million, or 50%
The Uponor online water quality monitoring

- The Uponor online water quality monitoring technology was acquired in Dec 2015
- The innovative online technology will make the potable water distribution safer
- Uponor currently pioneering in infrastructure applications for potable water networks
- The flexible technology can be applied to industry, residential and public premises, such as hospitals, nursing homes and hotels
Uponor’s sustainability statement

Uponor is committed to addressing the key issues of our time through innovations that help reduce environmental impact. Through partnerships, we strive to provide leadership in sustainable solutions for the mutual well-being of both people and the planet, while ensuring the long-term viability of our operations.

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
Uponor’s non-financial performance

- Overall sustainability performance supported by operational streamlining, including production concentration to fewer sites
- Exceeded our goal of reducing GHG emissions by 20% per net sales by 2020 (from the 2015 levels)
- Renewed sustainability section in the Annual report 2017 following the EU guidelines on non-financial reporting
- Uponor has been reporting through CDP Climate change survey since 2010
### Development of environmental indicators

<table>
<thead>
<tr>
<th>Measure</th>
<th>Unit</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total energy consumption</strong></td>
<td>1,000 MWh</td>
<td>198.5</td>
<td>198.5</td>
<td>185.1</td>
<td>184.2</td>
<td>149.3</td>
</tr>
<tr>
<td>- Electricity purchased</td>
<td>1,000 MWh</td>
<td>157.3</td>
<td>149.6</td>
<td>138.3</td>
<td>130.6</td>
<td>101.7</td>
</tr>
<tr>
<td>- of which, certified green electricity</td>
<td>1,000 MWh</td>
<td>20.7</td>
<td>14.5</td>
<td>11.5</td>
<td>11.1</td>
<td>2.2</td>
</tr>
<tr>
<td>- Self-generated electricity</td>
<td>1,000 MWh</td>
<td>0.4</td>
<td>0.9</td>
<td>1.1</td>
<td>1.0</td>
<td>1.2</td>
</tr>
<tr>
<td>- Fossil fuels used</td>
<td>1,000 MWh</td>
<td>41</td>
<td>48.9</td>
<td>48.8</td>
<td>53.6</td>
<td>47.6</td>
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<tr>
<td>- Heating</td>
<td>1,000 MWh</td>
<td>26.5</td>
<td>33.7</td>
<td>31.6</td>
<td>35.9</td>
<td>33.1</td>
</tr>
<tr>
<td>- of which renewable</td>
<td>%</td>
<td>17.1</td>
<td>14.7</td>
<td>13.4</td>
<td>12.9</td>
<td>3.5</td>
</tr>
<tr>
<td>- Own fleet vehicles (including leasing)</td>
<td>1,000 MWh</td>
<td>14.6</td>
<td>15.2</td>
<td>15.2</td>
<td>17.7</td>
<td>14.5</td>
</tr>
<tr>
<td>Raw materials used</td>
<td>1,000 tonnes</td>
<td>140.8</td>
<td>132.7</td>
<td>127.1</td>
<td>122.5</td>
<td>84.6</td>
</tr>
<tr>
<td>Water consumption</td>
<td>1,000 m³</td>
<td>156.4</td>
<td>168.4</td>
<td>190.9</td>
<td>190.0</td>
<td>111.4</td>
</tr>
<tr>
<td>Total GHG emissions (Scope 1)</td>
<td>1,000 tonnes</td>
<td>7.5</td>
<td>8.7</td>
<td>8.5</td>
<td>9.6</td>
<td>9.3</td>
</tr>
<tr>
<td>Total GHG emissions (Scope 2)</td>
<td>1,000 tonnes</td>
<td>32.1</td>
<td>32.2</td>
<td>33.5</td>
<td>31.1</td>
<td>24.3</td>
</tr>
<tr>
<td>Total waste</td>
<td>1,000 tonnes</td>
<td>18.8</td>
<td>16.4</td>
<td>16.4</td>
<td>15.1</td>
<td>11.1</td>
</tr>
<tr>
<td>- Waste recycled</td>
<td>%</td>
<td>92.4</td>
<td>97.4</td>
<td>97.5</td>
<td>95.3</td>
<td>95.9</td>
</tr>
<tr>
<td>- Waste to landfills</td>
<td>%</td>
<td>7.6</td>
<td>2.6</td>
<td>2.5</td>
<td>4.7</td>
<td>4.1</td>
</tr>
<tr>
<td>Hazardous waste, of total waste</td>
<td>%</td>
<td>4.5</td>
<td>1.5</td>
<td>1.1</td>
<td>1.1</td>
<td>1.5</td>
</tr>
</tbody>
</table>
Major shareholders
31 March 2018

- Oras Invest Ltd 22.6%
- Varma Mutual Pension Insurance Company 5.3%
- Nordea Nordic Small Cap Fund 3.8%
- Ilmarinen Mutual Pension Insurance Company 2.5%
- Mandatum Life Insurance Company Ltd 1.4%
- The Local Government Pensions Institution 1.3%
- OP-Finland Value Fund 1.2%
- Nordea Pro Finland Fund 1.0%
- Nominee registrations 25.1%
- Others 35.8%

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

- 19,603 shareholders at the end of March 2018
- Foreign shareholding at 25.5%, vs 26.4% at the end of December 2017
Shareholder value development
1997 - 2017

*FAS
Market Cap 31 Dec
Dividends
Total Shareholder Return (rhs)
# Long-term financial targets

Since 12 February 2013

<table>
<thead>
<tr>
<th>Organic net sales growth to exceed annual GDP growth* by 3 ppts</th>
<th>EBIT margin to exceed 10%</th>
<th>ROI to exceed 20%</th>
<th>Gearing to stay within 30 to 70 as an annual average of the quarters</th>
<th>Dividend pay-out to be at least 50% of annual earnings (considering the gearing target)</th>
</tr>
</thead>
</table>

**Achievement in 2017**

| | | | | |
|---|---|---|---|
| 6.5% (target 5.4%*) | 8.2% (comparable EBIT 8.3%) | 16.3% | 43.5 | 59.0% |

* GDP growth based on a weighted average growth in the top 10 countries
Share price development
2002 – 2017

Uponor, €
OMX Helsinki CAP PI rebased
Interim results briefing
1-3/2018
Jyri Luomakoski – President and CEO, Uponor Corporation
Maija Strandberg – CFO, Uponor Corporation
Q1/2018: Strong net sales of North American businesses drove performance improvement

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>265.1</td>
<td>276.9</td>
<td>4.5%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>14.6</td>
<td>17.0</td>
<td>16.1%</td>
</tr>
<tr>
<td>Comparable operating profit</td>
<td>15.0</td>
<td>17.0</td>
<td>13.0%</td>
</tr>
</tbody>
</table>

Net sales
- Building Solutions – Europe reported small growth which was unevenly distributed geographically
- Solid growth in Building Solutions – North America in healthy markets, supply stabilised after 2017 challenges
- Uponor Infra reported strong growth in net sales in North America and Sweden; sales in much of Europe stalled

Operating profit
- Group operating profit driven by operational leverage, despite continued investments; negative translation impact
- Building Solutions – Europe affected by start-up costs in Asia and by weak net sales in some European markets
- Building Solutions – North America grew in local currency, profits were burdened by manufacturing expansion, higher freight costs and increases in material costs
- Uponor Infra profits improved thanks to significant sales growth in North America and Sweden
Developments by segment: Building Solutions – Europe

- Markets are not growing in step with the positive sentiment that prevails
- Our prefab initiatives continue to progress in line with expectations
  - solutions are genuinely helping customers to improve technical quality and offset the impact of labour shortage
- Prolonged winter hindered construction in key markets
- The start-up costs of Asian operations (part of this segment) burdened results
Developments by segment: Building Solutions – North America

- Positive start into the year, recovering well from the supply bottlenecks witnessed last year as a consequence of a production outage in Q2/2017
- Reported numbers affected by adverse development in the EUR/USD rate
- Annex II expansion in Apple Valley, a €16.3 million investment, was opened in January 2018
- 2nd factory in Hutchinson, Minnesota is targeted to be in use in summer 2018
Developments by segment: Uponor Infra

- The overall growth was driven by strong net sales development in North America
- In Europe, Sweden performed strongly, followed by Poland and much of eastern Europe
- Other Nordic countries declined, thus not showing any benefits from the transformation programme
## January – March 2018: Key figures

<table>
<thead>
<tr>
<th>Uponor Group</th>
<th>1-3 2017</th>
<th>1-3 2018</th>
<th>Change Y/Y</th>
<th>1-12 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales (M€)</td>
<td>265.1</td>
<td>276.9</td>
<td>+4.5%</td>
<td>1,170.4</td>
</tr>
<tr>
<td>Operating profit (M€)</td>
<td>14.6</td>
<td>17.0</td>
<td>+16.1%</td>
<td>95.9</td>
</tr>
<tr>
<td>Comparable operating profit (M€)</td>
<td>15.0</td>
<td>17.0</td>
<td>+13.0%</td>
<td>97.2</td>
</tr>
<tr>
<td>Comparable operating profit margin (%)</td>
<td>5.7%</td>
<td>6.1%</td>
<td>0.5% pts</td>
<td>8.3%</td>
</tr>
<tr>
<td>Earnings per share (diluted) (€)</td>
<td>0.11</td>
<td>0.11</td>
<td>+0.0%</td>
<td>0.83</td>
</tr>
<tr>
<td>Return on equity (p.a.) (%)</td>
<td>9.4%</td>
<td>11.1%</td>
<td>+1.7% pts</td>
<td>19.4%</td>
</tr>
<tr>
<td>Return on investment (p.a.) (%)</td>
<td>9.9%</td>
<td>9.9%</td>
<td>+0.0% pts</td>
<td>16.3%</td>
</tr>
<tr>
<td>Net interest bearing liabilities (M€)</td>
<td>224.0</td>
<td>211.9</td>
<td>-5.4%</td>
<td>151.5</td>
</tr>
<tr>
<td>Gearing (%)</td>
<td>74.5%</td>
<td>66.3%</td>
<td>-8.2% pts</td>
<td>43.5%</td>
</tr>
<tr>
<td>Net working capital of net sales (p.a.) (%)</td>
<td>14.5%</td>
<td>13.8%</td>
<td>-0.7% pts</td>
<td>10.4%</td>
</tr>
<tr>
<td>Number of employees, end of period (FTE)</td>
<td>3,866</td>
<td>4,189</td>
<td>+8.4%</td>
<td>4,075</td>
</tr>
</tbody>
</table>
January – March 2018: Income statement

<table>
<thead>
<tr>
<th>Uponor Group, M€</th>
<th>1-3 2017</th>
<th>1-3 2018</th>
<th>Change Y/Y</th>
<th>1-12 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>265.1</td>
<td>276.9</td>
<td>+4.5%</td>
<td>1,170.4</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>173.7</td>
<td>183.7</td>
<td>+5.8%</td>
<td>776.3</td>
</tr>
<tr>
<td>Gross profit</td>
<td>91.4</td>
<td>93.2</td>
<td>+2.0%</td>
<td>394.1</td>
</tr>
<tr>
<td>Gross profit margin (%)</td>
<td>34.5%</td>
<td>33.7%</td>
<td>-0.8% pts</td>
<td>33.7%</td>
</tr>
<tr>
<td>Other operating income</td>
<td>0.3</td>
<td>0.1</td>
<td>-80.9%</td>
<td>3.1</td>
</tr>
<tr>
<td>Expenses</td>
<td>77.1</td>
<td>76.3</td>
<td>-1.1%</td>
<td>301.2</td>
</tr>
<tr>
<td>Operating profit</td>
<td>14.6</td>
<td>17.0</td>
<td>+16.1%</td>
<td>95.9</td>
</tr>
<tr>
<td>Operating profit margin (%)</td>
<td>5.5%</td>
<td>6.1%</td>
<td>+0.6% pts</td>
<td>8.2%</td>
</tr>
<tr>
<td>Financial expenses, net</td>
<td>2.8</td>
<td>1.7</td>
<td>-38.5%</td>
<td>5.4</td>
</tr>
<tr>
<td>Share of result in associated companies</td>
<td>-0.5</td>
<td>-2.1</td>
<td>-286.8%</td>
<td>-2.3</td>
</tr>
<tr>
<td>Profit before taxes</td>
<td>11.3</td>
<td>13.2</td>
<td>+16.4%</td>
<td>88.2</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>7.4</td>
<td>9.2</td>
<td>+25.5%</td>
<td>65.4</td>
</tr>
<tr>
<td>EBITDA</td>
<td>24.0</td>
<td>26.5</td>
<td>+10.5%</td>
<td>135.1</td>
</tr>
</tbody>
</table>

- **Net sales**: Negative translation impact from USD, CAD and SEK vs last year. In comparable currency terms, net sales growth was 10.7%.

- **Comparable gross profit** came to €93.2 (91.6) million, with the comparable gross profit margin declining slightly to 33.7% (34.6%).

- **Comparable operating profit** came to €17.0 (15.0) million, a change of 13.0%.
January – March 2018:
Net sales & comparable operating profit by segment

Net sales
- Strong net sales development in Uponor Infra (+19.3%) from North America and Sweden, in contrast to much of Europe
- Building Solutions – North America’s satisfactory progress in local currency hidden behind EUR/USD translation
- Building Solutions – Europe flat in a low-growth market environment

Operating profit
- Uponor Infra benefited from booming sales in North America
- Building Solutions – North America’s operating profit close to prior year despite costs from manufacturing expansion, higher freight and material costs
- Building Solutions – Europe suffered from flat sales, while also burdened by investment into composite pipe and prefab manufacturing expansion as well as entry into Asia
Net sales development by key markets
Jan-Mar 2018

Net sales growth driven by USA, Sweden, Canada and Poland
January – March 2018: 
Balance sheet

<table>
<thead>
<tr>
<th>Uponor Group, M€</th>
<th>31 Mar 2017</th>
<th>31 Mar 2018</th>
<th>Change Y/Y</th>
<th>31 Dec 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>239.3</td>
<td>248.3</td>
<td>+9.0</td>
<td>252.2</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>118.5</td>
<td>114.7</td>
<td>-3.8</td>
<td>116.0</td>
</tr>
<tr>
<td>Securities and long-term investments</td>
<td>33.7</td>
<td>25.7</td>
<td>-8.0</td>
<td>20.2</td>
</tr>
<tr>
<td>Inventories</td>
<td>152.4</td>
<td>151.3</td>
<td>-1.1</td>
<td>132.7</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>18.0</td>
<td>46.9</td>
<td>+28.9</td>
<td>107.0</td>
</tr>
<tr>
<td>Other current and non-current assets</td>
<td>251.0</td>
<td>268.6</td>
<td>+17.6</td>
<td>237.7</td>
</tr>
<tr>
<td>Assets total</td>
<td>812.9</td>
<td>855.5</td>
<td>+42.6</td>
<td>865.8</td>
</tr>
<tr>
<td>Total equity</td>
<td>300.7</td>
<td>319.4</td>
<td>+18.7</td>
<td>348.4</td>
</tr>
<tr>
<td>Non-current interest-bearing liabilities</td>
<td>157.7</td>
<td>174.7</td>
<td>+17.0</td>
<td>176.6</td>
</tr>
<tr>
<td>Provisions</td>
<td>27.2</td>
<td>27.3</td>
<td>+0.1</td>
<td>28.9</td>
</tr>
<tr>
<td>Non-interest-bearing liabilities</td>
<td>243.0</td>
<td>250.1</td>
<td>+7.1</td>
<td>230.0</td>
</tr>
<tr>
<td>Current interest-bearing liabilities</td>
<td>84.3</td>
<td>84.0</td>
<td>-0.3</td>
<td>81.9</td>
</tr>
<tr>
<td>Shareholders’ equity and liabilities total</td>
<td>812.9</td>
<td>855.5</td>
<td>+42.6</td>
<td>865.8</td>
</tr>
</tbody>
</table>

- Investments addressing growth in demand:
  - building up manufacturing capacity in the U.S.
  - increasing seamless aluminium composite pipe (SACP) and prefab capacity in Europe

- Uponor invested a further USD 10m (€8.1m) in Phyn in Feb 2018, bringing total to USD25m

- €35.8m in dividends was declared
  - Two instalments: 1st part was paid in March, 2nd scheduled for September

- Gearing at 66.3% (74.5%),
  four-quarter rolling gearing at 56.4% (59.6%)
January – March 2018:
Cash flow

<table>
<thead>
<tr>
<th>Uponor Group, M€</th>
<th>1-3 2017</th>
<th>1-3 2018</th>
<th>Change Y/Y</th>
<th>1-12 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash from operations</td>
<td>+22.5</td>
<td>+30.5</td>
<td>+8.0</td>
<td>+141.8</td>
</tr>
<tr>
<td>Change in NWC</td>
<td>-40.6</td>
<td>-46.4</td>
<td>-5.8</td>
<td>-7.2</td>
</tr>
<tr>
<td>Net payment of income tax and interest</td>
<td>-4.9</td>
<td>-9.1</td>
<td>-4.2</td>
<td>-33.1</td>
</tr>
<tr>
<td>Cash flow from operations</td>
<td>-23.0</td>
<td>-25.0</td>
<td>-2.0</td>
<td>+101.5</td>
</tr>
<tr>
<td>Cash flow from investments</td>
<td>-7.8</td>
<td>-17.6</td>
<td>-9.8</td>
<td>-59.5</td>
</tr>
<tr>
<td>Cash flow before financing</td>
<td>-30.8</td>
<td>-42.6</td>
<td>-11.8</td>
<td>+42.0</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>-33.6</td>
<td>-17.6</td>
<td>+16.0</td>
<td>-33.6</td>
</tr>
<tr>
<td>Other financing</td>
<td>+66.1</td>
<td>+0.3</td>
<td>-65.8</td>
<td>+82.6</td>
</tr>
<tr>
<td>Cash flow from financing</td>
<td>+32.5</td>
<td>-17.3</td>
<td>-49.8</td>
<td>+49.0</td>
</tr>
<tr>
<td>Conversion differences</td>
<td>+0.0</td>
<td>-0.2</td>
<td>-0.2</td>
<td>-0.3</td>
</tr>
<tr>
<td>Change in cash and cash equivalents</td>
<td>+1.7</td>
<td>-60.1</td>
<td>-61.8</td>
<td>+90.7</td>
</tr>
</tbody>
</table>

- Gross investments came to €9.9 (7.8) million
- Cash flow from operations came to €-25.0 million, partly due to higher inventories
- Cash flow from financing includes the first dividend instalment of a total of €35.8 million
Outlook for the future

Jyri Luomakoski – President and CEO, Uponor Corporation
Leading indicators: Still solid, but growth is slowing

<table>
<thead>
<tr>
<th>Indicator</th>
<th>YTD % Change</th>
<th>Rolling 12-month % Change</th>
<th>Data through</th>
<th>Trend since Q4 update</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA Housing starts</td>
<td>+11%</td>
<td>N/A</td>
<td>March 2018</td>
<td></td>
</tr>
<tr>
<td>Germany Housing permits</td>
<td>-2%</td>
<td>-6%</td>
<td>January 2018</td>
<td></td>
</tr>
<tr>
<td>Sweden Housing starts</td>
<td>+8%</td>
<td>+8%</td>
<td>December 2017</td>
<td></td>
</tr>
<tr>
<td>Finland Housing permits</td>
<td>+32%</td>
<td>+14%</td>
<td>January 2018</td>
<td></td>
</tr>
<tr>
<td>Canada Housing starts</td>
<td>-10%</td>
<td>N/A</td>
<td>March 2018</td>
<td></td>
</tr>
<tr>
<td>Netherlands Housing permits</td>
<td>+8%</td>
<td>+25%</td>
<td>January 2018</td>
<td></td>
</tr>
<tr>
<td>Spain Housing permits</td>
<td>+7%</td>
<td>+24%</td>
<td>January 2018</td>
<td></td>
</tr>
<tr>
<td>Denmark Housing starts</td>
<td>+4%</td>
<td>N/A</td>
<td>January 2018</td>
<td></td>
</tr>
<tr>
<td>Norway Housing starts</td>
<td>-12%</td>
<td>-7%</td>
<td>February 2018</td>
<td></td>
</tr>
<tr>
<td>Poland Housing completions</td>
<td>+10%</td>
<td>+10%</td>
<td>February 2018</td>
<td></td>
</tr>
</tbody>
</table>

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

Source: National Statistics Offices
Building permit activity in Europe points towards broad-based, but uneven improvement

- Data through November 2017 shows continued growth in residential building permits in Europe as a whole compared to the same time last year, driven by the multi-family segment.

- Developments in the more volatile non-residential segment have been mixed, but permit activity is trending upward.

Source: Eurostat (Base year = 2010)
Builder confidence in Europe remains solid and has been stable overall since October 2018.

**EU construction confidence index**

**Change in construction confidence index**
(Q1 2018 avg. vs Q1 2017 avg.)

Source: Eurostat
Growth in the economy remains robust, supported by significant expansionary fiscal measures, while the fallout from the introduction of new trade barriers has had minimal impact to-date.

Within the construction industry:

- Homebuilder sentiment remains strong, having reached an 18-year high in December.
- Construction activity rose in both the residential and non-residential segments during the quarter.
- However, labour shortages and increasing material costs continue to hamper growth.

Source: US Census, NAHB/Wells Fargo
Germany - A strong labour market is supporting residential investment

With employment levels at a post-reunification high and industrial production expanding, the economy has continued to grow at a healthy rate

Within the construction industry:

- Although residential permit levels have retreated from their 2016 highs, new multi-family construction has continued to increase
- Builder confidence remains near all-time-highs
- Order books and construction volumes have continued to trend upward
- Activity in the significantly larger renovation segment remained steady

German housing permits and builder confidence

Rolling 12-month permit total (lhs) – Construction confidence (rhs)

Source: Destatis and Eurostat
Management agenda for 2018

• Continue commercial penetration, prefab and digital offerings in Building Solutions - Europe
• Stabilise Uponor Infra’s production inefficiencies resulting from the relocations in 2017
• Enhance customer experience by segment-specific sales & marketing initiatives while simultaneously securing an industry-leading supply of products in Building Solutions – North America
• Help transform the HVAC trade by capitalising on the Phyn smart water offering, and pave the way for the European launch in 2019
• Uponor is continuing to execute its historically high capital expenditure programme, with capex (excluding investment in shares) estimated to remain at roughly the same level as in 2017 (€63.4m), mainly driven by the capacity expansion programme in North America.

• Despite increased political tensions and volatility, there are no signs of major changes in the markets, which could materially alter the business environment from what it is today.

• Assuming that economic and political developments in Uponor’s key geographies otherwise continue undisturbed, Uponor repeats its earlier full-year guidance for 2018:

  Excluding the impact of currencies, Uponor expects its organic net sales and comparable operating profit to grow from 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: https://investors.uponor.com
New & improved version of Uponor’s IR app available!

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  Watch our quarterly release webcasts live or recorded via the app

- **Create a watchlist**
  Monitor our stock performance against other listed companies globally

- **Share content with your network**
  Share content with your connections via social media channels or through email

- **Be the first to know**
  Turn on the push notifications to stay posted on our current news and events

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