COMPANY PRESENTATION
Uponor Corporation
29 October 2015
Uponor in brief

Leading provider of plumbing and indoor climate solutions for residential and commercial building markets across Europe and North America. In northern Europe, Uponor is also a prominent supplier of infrastructure pipe systems

- Net sales 2014: €1,023.9 million
- Operations in 30 countries, 14 production sites
- Personnel ca 4,000

Plumbing Solutions (39%)
- Potable water and radiator connections for residential and non-residential building

Indoor Climate Solutions (27%)
- Hydronic heating and cooling for residential and non-residential building

Infrastructure Solutions (34%)
- Water, sewer and wastewater systems for utilities and non-urban areas
Uponor milestones

1620
Johan de la Gardie establishes Wirsbo Bruks

1600

1918
Aukusti Asko-Avoni established a carpentry workshop in Lahti, Finland

1900

1920

1938
Upo Oy starts to manufacture cast iron products and household appliances

1940

1964
Plastic division Upo-Muovi starts up in Nastola, Finland, and launches its first plastic pipes

1970

1972
In Sweden, Wirsbo was the world’s first company to start manufacturing PEX pipes

1980

1982
Asko and Neste jointly establish Oy Uponor Ab

1988
Uponor enters plastic hot water pipe business, acquires Hewing and Wirsbo

Askö Oy is listed on the Helsinki Stock Exchange

1990
Wirsbo opens a factory in Apple Valley, Minnesota, USA

1997
Acquisition of Unicor in 1997-1999

2000

2006 – 2013
The business is consolidated under one brand

2006
Uponor merges with its parent company Asko Oyj on 1 January 2000

2006 – 2013
Municipal business outside of the Nordic countries divested

2013
Uponor Infra established through a merger with KWH Pipe on 1 July 2013
Uponor’s Indoor climate offering

Uponor’s solutions create the basis for a healthy and pleasant indoor climate.

Radiant heating and cooling
Thermally active building structures (TABS)
Ground energy
Controls
Outdoor surfaces
Local heat distribution
Ventilation
Seamless aluminium composite pipe
Uponor’s Plumbing offering
Uponor’s systems help transport water to its destination by efficient, sustainable and hygienic installation.
Uponor Infra offering
With more than 60 years of experience Uponor’s solutions help transport water, air, electricity, telecommunications and data.
Global megatrends drive strategy and innovation

- Growing and aging population
- Urbanisation
- Energy demand and climate change
- Globalisation and developing markets

- Health and comfort
- Renovation, prefabrication and lifestyle
- Green building, water quality and water management
- Geographical expansion

29 October 2015
Sustainability shapes the future of building

• One third of the world’s energy consumption is associated with heating, cooling, ventilation and lighting → the energy performance of buildings plays a major role

• Uponor radiant systems can reduce CO₂ emissions for any building type

• Uponor plumbing and wastewater systems and installation technologies meet stringent water quality requirements

• Plastic pipe solutions boast a good ‘cradle to grave’ life-cycle performance
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

Organic net sales growth to exceed annual GDP growth* by 3 ppts
* GDP growth based on a weighted average growth in the top 10 countries

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
Our Goals for 2019

- Secured and extended leading position in plumbing and indoor climate solutions in Europe
- Brand standard for PEX systems in the commercial and residential sectors in North America
- Leading infrastructure and extrusion technology supplier in selected markets
Financial statements
FY 2014
Full year 2014: Sustained positive progress despite diverse challenges

<table>
<thead>
<tr>
<th>Uponor Group</th>
<th>1-12/2014</th>
<th>1-12/2013</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,023.9</td>
<td>906.0</td>
<td>13.0%</td>
<td></td>
</tr>
<tr>
<td>Building Solutions – Europe</td>
<td>479.1</td>
<td>479.5</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Building Solutions – North America</td>
<td>200.8</td>
<td>171.5</td>
<td>17.1%</td>
</tr>
<tr>
<td>Uponor Infra</td>
<td>351.3</td>
<td>261.4</td>
<td>34.4%</td>
</tr>
<tr>
<td><strong>Operating profit</strong> (without NRI)</td>
<td>67.7</td>
<td>55.2</td>
<td>22.6%</td>
</tr>
<tr>
<td>Building Solutions – Europe</td>
<td>38.7</td>
<td>32.7</td>
<td>18.3%</td>
</tr>
<tr>
<td>Building Solutions – North America</td>
<td>31.5</td>
<td>24.7</td>
<td>27.4%</td>
</tr>
<tr>
<td>Uponor Infra</td>
<td>0.1</td>
<td>2.7</td>
<td>n/m</td>
</tr>
</tbody>
</table>

- Building Solutions – Europe reported growth in profits despite flattish markets and the softer German market in particular
- Building Solutions – North America stayed steady on the growth path, thanks to advances in both the residential and commercial markets and the expanded geographical presence across the U.S.
- Uponor Infra, consolidated for the first full year, declined in like-for-like terms, mainly driven by a currency impact but also due to plummeting demand and sales in some key markets
January – December 2014
Net sales development by key markets

Note: Countries are sorted by FY2014 net sales

FX additionally supporting the strong growth in the USA
Q4/2014 Germany and Finland continue to decline

USA 145.8 144.3 135.1
Germany 145.8 144.3 135.1
Finland 93.8 93.8 93.8
Sweden 79.96 36.6 81.5
Canada 55.1 55.1 55.1
Denmark 43.3 33.4 48.6
Norway 39.35 39.35 39.35
UK 30.9 30.9 30.9
Netherlands 32.1 32.1 32.1
Russia 22.6 22.6 22.6
Others 183.1 185.4 206.2

Growth % in EUR  25.7 24.8 -1.8 8.3 8.9 51.6 10.4 2.8 19.6 8.2 9.5 11.2
% in Curr.  14.6 61.1 10.3 9.7 13.0 33.5

Note: Countries are sorted by FY2014 net sales

29 October 2015 ©Uponor
Major shareholders
31 Dec 2014

- Oras Invest Ltd 22.6%
- Varma Mutual Pension Insurance Co 5.3%
- Nordea Nordic Small Cap Fund 4.3%
- Ilmarinen Mutual Pension Insurance Co 2.2%
- Nordea Fennia Fund 1.2%
- Sigrid Juselius Foundation 1.1%
- State Pension Fund 1.0%
- Nominee registrations 27.2%
- Others 35.1%

Currently valid foreign notifications
12 March 2013: the holdings of Franklin Resources, Inc. reached 10.0%
2 Jan 2014: the Capital Group Companies Inc.’s ownership fell below 5.0%

- 15,846 shareholders at the end of Dec 2014
- Foreign shareholding was 28.3%, down from 33.9% in Dec 2013
Financial statements
Q3 2015
Q3/2015 market overview

• **Nordics**
  — Construction activity in Sweden continues to be brisk. Meanwhile, civil engineering in Norway shows signs of strengthening, Denmark and Finland remain subdued

• **Central Europe**
  — Markets are generally stable, with the German market essentially flat while the recovery in the Netherlands continues

• **Southern Europe**
  — Construction activity has slowed in the UK, while most other markets have stabilised at low levels

• **North America**
  — The U.S. construction market has continued to improve. The Canadian residential segment remains healthy, while the non-residential segment is softening
Q3/2015: Strong U.S. growth not enough to offset European weaknesses

### July – September

<table>
<thead>
<tr>
<th></th>
<th>7-9/2015</th>
<th>7-9/2014</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>274.1</td>
<td>277.0</td>
<td>-1.0%</td>
</tr>
<tr>
<td></td>
<td>(Org. +1.6%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>23.6</td>
<td>29.2</td>
<td>-18.8%</td>
</tr>
<tr>
<td>- Operating profit w/o non-recurring items</td>
<td>24.6</td>
<td>29.3</td>
<td>-15.8%</td>
</tr>
</tbody>
</table>

### Net sales
- Building Solutions – North America picks up growth through successful penetration in a healthy market
- Building Solutions – Europe and Infra net sales impacted by weak trends in Europe, divestments and tighter competition
- Currency influence from mainly the USD was €5.6m

### Operating profit
- Building Solutions – North America’s performance boosted from the previous quarters due to business growth and careful cost management
- Negative leverage in Building Solutions – Europe as a result of declining net sales, especially in high fixed-cost markets
- Uponor Infra burdened by lack of volume and resin supply and price issues
Developments by segment:

Building Solutions – Europe

- Markets remain stagnant in most of Europe, with only a couple of brighter spots
- Demand for Uponor’s indoor climate solutions challenged by low energy prices, flat non-residential markets and increasing share of lower-end standard products
- First Russian manufacturing unit, located close to St. Petersburg
- New product offerings to support premier positioning
- New management structure, and a programme to adjust cost to volume ongoing
Developments by segment:

Building Solutions – North America

• Net sales growth picks up as markets remain healthy
• Continued success for Uponor’s PEX solutions in commercial plumbing projects
• Manufacturing expansion on plan, completion expected during Q4/2015
Developments by segment:
Uponor Infra

- Challenging business environment in Europe and Canada
- Resin availability in spring and summer followed by price volatility impacted short-term performance
- Recent decline in resin prices helps regain competitiveness for plastic solutions
## Interim January – September 2015: Key figures

<table>
<thead>
<tr>
<th></th>
<th>1-9 2015</th>
<th>1-9 2014</th>
<th>Change Y/Y</th>
<th>1-12 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales, continuing operations</strong></td>
<td>788.8 M€</td>
<td>772.4 M€</td>
<td>+2.1%</td>
<td>1,023.9 M€</td>
</tr>
<tr>
<td><strong>Operating profit, continuing operations</strong></td>
<td>57.4 M€</td>
<td>51.6 M€</td>
<td>+11.4%</td>
<td>63.4 M€</td>
</tr>
<tr>
<td><strong>Operating profit margin, continuing operations</strong></td>
<td>7.3%</td>
<td>6.7%</td>
<td>0.6% pts</td>
<td>6.2%</td>
</tr>
<tr>
<td><strong>Earnings per share (diluted), €</strong></td>
<td>0.44</td>
<td>0.38</td>
<td>+15.8%</td>
<td>0.50</td>
</tr>
<tr>
<td><strong>Return on equity, % (p.a.)</strong></td>
<td>14.4%</td>
<td>12.8%</td>
<td>1.6% pts</td>
<td>12.3%</td>
</tr>
<tr>
<td><strong>Return on investment, % (p.a.)</strong></td>
<td>17.3%</td>
<td>14.8%</td>
<td>2.5% pts</td>
<td>14.2%</td>
</tr>
<tr>
<td><strong>Net interest bearing liabilities</strong></td>
<td>114.8 M€</td>
<td>122.9 M€</td>
<td>-6.6%</td>
<td>82.0 M€</td>
</tr>
<tr>
<td><strong>Gearing, %</strong></td>
<td>37.9%</td>
<td>41.7%</td>
<td>-3.8% pts</td>
<td>27.6%</td>
</tr>
<tr>
<td><strong>Net working capital of Net sales, % (p.a.)</strong></td>
<td>6.6%</td>
<td>11.2%</td>
<td>-4.6% pts</td>
<td>7.1%</td>
</tr>
<tr>
<td><strong>Average number of employees, continuing operations</strong></td>
<td>3,872</td>
<td>4,161</td>
<td>-6.9%</td>
<td>4,127</td>
</tr>
<tr>
<td><strong>Number of employees, end of period, continuing operations</strong></td>
<td>3,777</td>
<td>4,091</td>
<td>-7.7%</td>
<td>3,982</td>
</tr>
</tbody>
</table>

29 October 2015 ©Uponor
# July – September 2015: Income statement

<table>
<thead>
<tr>
<th>M€</th>
<th>7-9 2015</th>
<th>7-9 2014</th>
<th>Change Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Continuing operations</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>274.1</td>
<td>277.0</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>179.1</td>
<td>184.8</td>
<td>-3.1%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>95.0</td>
<td>92.2</td>
<td>+3.2%</td>
</tr>
<tr>
<td>- % of net sales</td>
<td>34.7%</td>
<td>33.3%</td>
<td>+1.4% pts</td>
</tr>
<tr>
<td>Other operating income</td>
<td>0.2</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>Expenses</td>
<td>71.6</td>
<td>64.0</td>
<td>+11.8%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>23.6</td>
<td>29.2</td>
<td>-18.8%</td>
</tr>
<tr>
<td>- % of net sales</td>
<td>8.6%</td>
<td>10.5%</td>
<td>-1.9% pts</td>
</tr>
<tr>
<td>Financial expenses, net</td>
<td>-0.7</td>
<td>1.4</td>
<td></td>
</tr>
<tr>
<td>Share of result in associated companies</td>
<td>0.1</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>Profit before taxes</td>
<td>24.4</td>
<td>27.8</td>
<td>-12.3%</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>15.4</td>
<td>16.8</td>
<td>-8.8%</td>
</tr>
</tbody>
</table>

- **Net sales** change includes currency translation impact of €5.6m (mainly coming from the USD)
- **Gross profit margin** improvement driven by an increased share of Building Solutions – North America and a more favourable product mix there
- Increase in **expenses** driven by Building Solutions – North America, additionally inflated by the dollar-to-euro translation
- **Operating profit** w/o non-recurring items at €24.6m (comparison year €29.3m). A non-recurring cost of €1.0m in operating profit relates to the streamlining programme in Building Solutions – Europe.

29 October 2015
Interim January – September 2015: Income statement

<table>
<thead>
<tr>
<th></th>
<th>1-9</th>
<th>1-9</th>
<th>Change</th>
<th>1-12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2014</td>
<td>Y/Y</td>
<td>2014</td>
</tr>
<tr>
<td><strong>Continuing operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>788.8</td>
<td>772.4</td>
<td>+2.1%</td>
<td>1,023.9</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>510.0</td>
<td>515.4</td>
<td>-1.1%</td>
<td>683.8</td>
</tr>
<tr>
<td>Gross profit</td>
<td>278.8</td>
<td>257.0</td>
<td>+8.5%</td>
<td>340.1</td>
</tr>
<tr>
<td>- % of net sales</td>
<td>35.3%</td>
<td>33.3%</td>
<td>+2.0% pts</td>
<td>33.2%</td>
</tr>
<tr>
<td>Other operating income</td>
<td>0.9</td>
<td>2.1</td>
<td>-58.5%</td>
<td>2.4</td>
</tr>
<tr>
<td>Expenses</td>
<td>222.3</td>
<td>207.5</td>
<td>+7.1%</td>
<td>279.1</td>
</tr>
<tr>
<td>Operating profit</td>
<td>57.4</td>
<td>51.6</td>
<td>+11.4%</td>
<td>63.4</td>
</tr>
<tr>
<td>- % of net sales</td>
<td>7.3%</td>
<td>6.7%</td>
<td>+0.6% pts</td>
<td>6.2%</td>
</tr>
<tr>
<td>Financial expenses, net</td>
<td>5.7</td>
<td>7.2</td>
<td>-20.1%</td>
<td>7.4</td>
</tr>
<tr>
<td>Share of result in associated companies</td>
<td>0.2</td>
<td>0.1</td>
<td></td>
<td>0.3</td>
</tr>
<tr>
<td>Profit before taxes</td>
<td>51.9</td>
<td>44.5</td>
<td>+16.6%</td>
<td>56.3</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>32.7</td>
<td>28.0</td>
<td>+16.7%</td>
<td>36.3</td>
</tr>
<tr>
<td>EBITDA</td>
<td>84.7</td>
<td>78.5</td>
<td>+7.9%</td>
<td>99.9</td>
</tr>
</tbody>
</table>

- **Net sales** growth 4.3% in organic terms; currency impact totalled €27.8 million, mainly from the USD
- Increase in **expenses** mainly due to Building Solutions - North America, also driven by the dollar-to-euro translation
- **Operating profit** in 2015 includes €1.8m in NRI related to the streamlining programme in Building Solutions - Europe. Operating profit w/o NRI at €59.2m (€55.0m), up 7.8% y-on-y. Operating profit improvement includes a translation impact of €6.3m
Interim January – September 2015: Net sales & operating profit by segment

- **Building Solutions – Europe**: operating profit margin (w/o non-recurring items) down from 9.1% to 6.4% driven by declining net sales in high fixed-cost markets.

- **Building Solutions – North America**: continued profit improvement, profit margin up from 15.3% to 19.2%, driven by solid sales growth and careful management of discretionary expenses.

- **Uponor Infra**: weaker sales volumes in key markets; also the extreme resin price volatility had a short-term adverse effect on profits.

29 October 2015
Interim January – September 2015: Net sales development in key markets

Strong, favourable development continues in North America. The Netherlands was Europe’s bright spot.

<table>
<thead>
<tr>
<th>Country</th>
<th>Jan-Sep 2015</th>
<th>Jan-Sep 2014</th>
<th>Jan-Sep 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>184.5 M€</td>
<td>130.2 M€</td>
<td>105.0 M€</td>
</tr>
<tr>
<td>Germany</td>
<td>130.6 M€</td>
<td>103.9 M€</td>
<td>92.0 M€</td>
</tr>
<tr>
<td>Finland</td>
<td>106.2 M€</td>
<td>93.8 M€</td>
<td>83.0 M€</td>
</tr>
<tr>
<td>Sweden</td>
<td>70.7 M€</td>
<td>66.3 M€</td>
<td>63.2 M€</td>
</tr>
<tr>
<td>Canada</td>
<td>77.3 M€</td>
<td>67.9 M€</td>
<td>63.1 M€</td>
</tr>
<tr>
<td>Denmark</td>
<td>67.3 M€</td>
<td>56.3 M€</td>
<td>49.5 M€</td>
</tr>
<tr>
<td>UK</td>
<td>28.3 M€</td>
<td>21.5 M€</td>
<td>16.2 M€</td>
</tr>
<tr>
<td>Netherlands</td>
<td>27.6 M€</td>
<td>26.5 M€</td>
<td>22.6 M€</td>
</tr>
<tr>
<td>Norway</td>
<td>27.4 M€</td>
<td>22.3 M€</td>
<td>21.1 M€</td>
</tr>
<tr>
<td>Spain</td>
<td>21.3 M€</td>
<td>22.3 M€</td>
<td>22.3 M€</td>
</tr>
<tr>
<td>Others</td>
<td>140.0 M€</td>
<td>140.4 M€</td>
<td>157.0 M€</td>
</tr>
</tbody>
</table>

Growth % in EUR: 41.7 -6.2 -12.0 -6.3 3.1 -4.1 2.2 21.3 -14.8 4.1 -10.5

Growth % in Curr.: 16.8 -3.1 -1.6 -3.1 -1.6 -4.1 -8.3 21.3 -8.9 -10.5

Note: Countries are sorted by YTD 2015 net sales sales.
## Interim January – September 2015: Balance sheet

<table>
<thead>
<tr>
<th></th>
<th>30 Sep 2015</th>
<th>30 Sep 2014</th>
<th>Change Y/Y</th>
<th>31 Dec 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>211.3</td>
<td>201.6</td>
<td>+9.7</td>
<td>207.8</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>95.1</td>
<td>99.7</td>
<td>-4.6</td>
<td>98.4</td>
</tr>
<tr>
<td>Securities and long-term investments</td>
<td>10.8</td>
<td>11.4</td>
<td>-0.6</td>
<td>11.2</td>
</tr>
<tr>
<td>Inventories</td>
<td>119.2</td>
<td>119.8</td>
<td>-0.6</td>
<td>117.4</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>41.1</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>20.7</td>
<td>21.2</td>
<td>-0.5</td>
<td>60.2</td>
</tr>
<tr>
<td>Other current and non-current assets</td>
<td>241.8</td>
<td>248.0</td>
<td>-6.2</td>
<td>186.8</td>
</tr>
<tr>
<td>Total equity</td>
<td>302.5</td>
<td>294.7</td>
<td>+7.8</td>
<td>297.9</td>
</tr>
<tr>
<td>Non-current interest-bearing liabilities</td>
<td>100.4</td>
<td>129.9</td>
<td>-29.5</td>
<td>126.3</td>
</tr>
<tr>
<td>Provisions</td>
<td>17.7</td>
<td>20.6</td>
<td>-2.9</td>
<td>16.2</td>
</tr>
<tr>
<td>Non-interest-bearing liabilities</td>
<td>284.3</td>
<td>242.3</td>
<td>+42.0</td>
<td>225.5</td>
</tr>
<tr>
<td>Current interest-bearing liabilities</td>
<td>35.1</td>
<td>14.2</td>
<td>+20.9</td>
<td>15.9</td>
</tr>
<tr>
<td>Balance sheet total</td>
<td>740.0</td>
<td>701.7</td>
<td>+38.3</td>
<td>681.8</td>
</tr>
</tbody>
</table>

- The **restricted cash** relates mainly to cash inflows into an escrow account from parties contributing to the funding of Uponor, Inc.’s pending U.S. class action settlements. These amounts are expected to be used later this year, after court approval of the settlements has been obtained.
## Interim January – September 2015: Cash flow

<table>
<thead>
<tr>
<th></th>
<th>1-9 2015</th>
<th>1-9 2014</th>
<th>Change Y/Y</th>
<th>1-12 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash from operations</td>
<td>+82.9</td>
<td>+74.2</td>
<td>+8.7</td>
<td>+99.0</td>
</tr>
<tr>
<td>Change in NWC</td>
<td>-41.4</td>
<td>-36.2</td>
<td>-5.2</td>
<td>-3.5</td>
</tr>
<tr>
<td>Net payment of income tax and interest</td>
<td>-24.5</td>
<td>-18.7</td>
<td>-5.8</td>
<td>-19.8</td>
</tr>
<tr>
<td><strong>Cash flow from operations</strong></td>
<td><strong>+17.0</strong></td>
<td><strong>+19.3</strong></td>
<td><strong>-2.3</strong></td>
<td><strong>+75.7</strong></td>
</tr>
<tr>
<td>Cash flow from investments</td>
<td>-24.3</td>
<td>-16.5</td>
<td>-7.8</td>
<td>-30.6</td>
</tr>
<tr>
<td><strong>Cash flow before financing</strong></td>
<td><strong>-7.3</strong></td>
<td><strong>+2.8</strong></td>
<td><strong>-10.1</strong></td>
<td><strong>+45.1</strong></td>
</tr>
<tr>
<td>Dividends and buy backs</td>
<td>-30.7</td>
<td>-27.8</td>
<td>-2.9</td>
<td>-27.8</td>
</tr>
<tr>
<td>Other financing</td>
<td>-1.3</td>
<td>-7.6</td>
<td>+6.3</td>
<td>-9.9</td>
</tr>
<tr>
<td>Cash flow from financing</td>
<td>-32.0</td>
<td>-35.4</td>
<td>+3.4</td>
<td>-37.7</td>
</tr>
<tr>
<td>Change in cash and cash equivalents</td>
<td>-39.5</td>
<td>-32.5</td>
<td>-7.0</td>
<td>+6.5</td>
</tr>
</tbody>
</table>

- Gross CapEx (€30.4m) slightly higher than depreciation and up €9.0m from LY, driven by the investments in Building Solutions – North America.

- Cash flow from investments includes a cash flow effect of €+5.9m from the divestments of the Thai infrastructure business and Extron Engineering Oy in Finland. The comparison year includes €4.4m in proceeds from the sale of fixed assets in Finland related to Uponor Infra’s integration.
Outlook for the future
Leading indicators in major markets

<table>
<thead>
<tr>
<th>Indicator</th>
<th>% change YTD</th>
<th>Data through</th>
<th>Trend since Q4 update</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA Housing starts</td>
<td>+18%</td>
<td>September 2015</td>
<td>←</td>
</tr>
<tr>
<td>Germany Housing permits</td>
<td>+2%</td>
<td>August 2015</td>
<td>←</td>
</tr>
<tr>
<td>Finland Housing starts</td>
<td>+0%</td>
<td>July 2015</td>
<td>←</td>
</tr>
<tr>
<td>Sweden Housing starts</td>
<td>+36%</td>
<td>June 2015</td>
<td>←</td>
</tr>
<tr>
<td>Canada Housing starts</td>
<td>+17%</td>
<td>September 2015</td>
<td>←</td>
</tr>
<tr>
<td>Denmark Housing starts</td>
<td>-23%</td>
<td>June 2015</td>
<td>←</td>
</tr>
<tr>
<td>UK Housing starts</td>
<td>+1%</td>
<td>June 2015</td>
<td>←</td>
</tr>
<tr>
<td>Netherlands Housing permits</td>
<td>+78%</td>
<td>July 2015</td>
<td>←</td>
</tr>
<tr>
<td>Norway Housing permits</td>
<td>+7%</td>
<td>August 2015</td>
<td>←</td>
</tr>
<tr>
<td>Spain Housing permits</td>
<td>+28%</td>
<td>May 2015</td>
<td>←</td>
</tr>
</tbody>
</table>

1) Seasonally adjusted, annualised rate vs. same month in 2014; 2) England only
Country overview – USA

- The economy continues to expand at a measured rate while consumer confidence and the labour market are sound.

- Within the construction industry:
  - Housing starts are slowly trending higher.
  - Builder confidence has reach a 10-year high.
  - Construction spending continues to rise across nearly all residential and non-residential building segments.
Housing starts in USA
(Seasonally adjusted, annual rate)

September 2015: 1,306,000
Change from 2014: +18%

Source: U.S. Census Bureau
U.S. starts continue to trend higher while builder confidence is at a 10-year high

Source: US Census, NAHB/Wells Fargo
Country overview – Germany

• Despite growing downside risks created largely by external factors, the German economy remains generally sound, supported by internal demand

• Within the construction industry:
  
  — Residential building activity is largely on par with last year’s level, with the multi-family segment outperforming the single-family segment
  
  — Builder confidence strengthened late in the summer, with business expectations rising
  
  — Non-residential spending continues to be restrained
Germany: Both builder confidence and permit levels strengthened during the summer.
Germany

Housing permits in Germany

Jan-Aug 2015: 171,099
Change vs. 2014: +2%

Source: Destatis

29 October 2015
©Uponor
European housing permits

Year-to-date percent change compared to 2014

- Growth < -5%
- -5% < Growth < +5%
- +5% < Growth < +15%
- +15% < Growth
- No data

Source: National statistics agencies and Uponor estimates
Management agenda for the near term

• Building Solutions – Europe turnaround plan needed to focus on revenue growth opportunities and to align the cost base to a realistic market opportunity

• Continue penetration into the commercial market segment in Building Solutions – North America and further leverage our strong position in the growing residential market

• Uponor Infra will continue efforts to improve profitability by various actions
  — Shift of focus to higher added-value solutions in contrast to non-differentiating commodity offering
  — Management changes implemented in some units to drive the strategy forward
Guiding forward

- The building industry lacks vigour as Europe is held captive by economic and political challenges
- Stable growth is expected for the U.S. building markets
- Supply issues that disturbed especially Uponor Infra’s business in spring and summer are likely to turn more favourable after Q4

- A new guidance issued on 30 September 2015:

  The Group’s net sales for 2015, based on organic growth, are expected to exceed those of the prior year while operating profit, excluding any non-recurring items, remains somewhat below that of 2014
Building permits in Europe

- Building permits through June improved in both the residential and non-residential segments compared to a year ago.
- Non-residential permits improved in nearly every country, while developments in residential permits were more mixed.

**European building permits index**
*(Euro Area 19, seasonally adjusted)*

Source: Eurostat (Base year = 2010)
Construction confidence in Europe

- Despite a drop in September, construction confidence in Europe improved or remained unchanged from Q2 to Q3 in all major markets except the UK.
- The mood has darkened in the UK, where sentiment has retreated from the multi-year high witnessed in the spring.

**European construction confidence indicator**

*(European Union, seasonally adjusted)*

Source: Eurostat
Housing starts in Finland
(volume in m³)

Jan-Jul 2015: 6,122,299
Change vs. 2014: +0%

Source: Statistics Finland

29 October 2015
Housing starts in Sweden

Jan-Jun 2015: 23,600
Change vs. 2014: +33%
Canada

Housing starts in Canada
(Seasonally adjusted, annual rate)

September 2015: 230,701
Change vs. 2014: +17%

Source: CMHC/ Statistics Canada
Housing starts in Denmark
(Seasonally adjusted)

Jan-Jun 2015: 4,397
Change vs. 2014: -23%

Source: Statistics Denmark
Norway

Housing permits in Norway

Source: Statistics Norway

Jan-Aug 2015: 19,362
Change vs. 2014: +7%