Enriching people’s way of life

Roadshow presentation

Jyri Luomakoski, President and CEO
Riitta Palomäki, CFO
March 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

1620
Johan de la Gardie establishes Wirsbo Bruks

1918
Aukusti Asko-Avonius establishes a carpentry workshop in Lahti, Finland

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

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

1972
Wirsbo was first in the world to start manufacturing PEX pipes

1982
Asko Oy and Neste Oy jointly establish Oy Uponor Ab

1988
Uponor enters plastic hot water pipe business, acquires Wirsbo

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

1997
Acquisition of Unicor in 1997-1999

1999
Oras Invest becomes a major shareholder

2000
Merger with parent company Asko Oy on 1 Jan 2000

2006
The business is consolidated under one brand

2006 – 2008
Municipal business outside of the Nordic countries divested

2006
Acquisitions to expand competence in hygienic drinking water delivery

2013
Start of Uponor Infra through a merger with KWH Pipe on 1 July 2013

2016
Acquisitions to expand competence in hygienic drinking water delivery
Sustainability is a foundation of our business

At Uponor, 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
Megatrends bring opportunities to improve living environments

Megatrends affect societies fundamentally and over a long period of time

- Climate change & scarcity or resources
- Urbanisation
- Digital transformation
- Shift of economic power towards emerging markets
- Demographic split to aging and growing populations

...raising new requirements and opportunities to improve living environments

- Sustainability and energy efficiency
- Quality and management of water
- Plastic taking share from metal
- Pre-fabrication
- BIM
- Shift from manufacturing to services
- Expanding middle class
- Increasing need for comfort
Uponor solutions improve living environments and enhance people’s life

Uponor is in the business of providing solutions for indoor climate and water management

Comfort
- Invisible and silent comfort for living and working environments
- Enhanced architectural freedom with seamless integration into buildings and infrastructure

Health
- Clean water for drinking, cooking and bathing
- Avoiding draught, moist walls, dust circulation and pollution

Efficiency
- Pre-fabrication to speed up construction process
- Ease and speed for design and installation

Sustainability
- Driving down our environmental impact
- Reduce water and energy consumption
- Solutions designed to last for a lifetime

Safety
- Reliable during installation and operation
Group structure 1 September 2015

The chart shows the Executive Committee members’ responsibilities.
Business groups

Plumbing solutions 45% *)

Indoor climate solutions 25%

Infrastructure solutions 30%

*) percentage of 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
Hygiene monitoring

Coming soon
Uponor’s Indoor Climate offering
The basis for a comfortable and energy-efficient ambiance
Uponor Infra offering
Transporting water, air, electricity, telecommunications and data
Uponor Infra offering
With more than 60 years of experience

Tailor made constructions
Project service
Technologies
Market overview 2015

Nordic countries
Swedish residential construction activity remains brisk, other segments not as strong. Norway has some minor gains, Denmark remains subdued, and Finland shows some early signs of stabilising.

Central Europe
Slight year-over-year gains have been posted in Germany, while the Netherlands continues to perform well.

Southern Europe
Construction activity has slowed further in the UK. Signs of building activity improvement from a low base in Spain and southeast Europe.

North America
The U.S. construction market has continued to improve. The Canadian residential segment may be softening, while non-residential construction and civil engineering have slowed.
### Full year 2015: Continued good progress in Building Solutions – North America

<table>
<thead>
<tr>
<th>Uponor Group, in M€</th>
<th>1-12/2014</th>
<th>1-12/2015</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building Solutions – Europe</td>
<td>479.1</td>
<td>467.1</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Building Solutions – North America</td>
<td>200.8</td>
<td>275.8</td>
<td>37.4%</td>
</tr>
<tr>
<td>Uponor Infra</td>
<td>351.3</td>
<td>312.0</td>
<td>-11.2%</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building Solutions – Europe</td>
<td>35.0</td>
<td>24.0</td>
<td>-31.4%</td>
</tr>
<tr>
<td>Building Solutions – North America</td>
<td>31.5</td>
<td>51.0</td>
<td>61.9%</td>
</tr>
<tr>
<td>Uponor Infra</td>
<td>-0.5</td>
<td>0.2</td>
<td>142.0%</td>
</tr>
</tbody>
</table>

- Building Solutions – Europe: largely subdued markets
- Building Solutions – North America continued to post strong numbers
- Uponor Infra’s net sales down due to divestments and weak demand in Canada and Poland, restructuring turns operating profit positive
- NRIs burdening Building Solutions – Europe and Uponor Infra
Developments by segment:

**Building Solutions – Europe**

- Markets largely flat, full-year net sales down by 2.5%
- The Netherlands, Sweden, and Spain as brighter spots
- New Central European distribution centre opened at the end of Q1/2015
- New production unit inaugurated in Annolovo, close to St. Petersburg, Russia 1 Oct 2015
- Announced a plan to start manufacturing in China in late 2016
- New leadership and operational structure as of 1 September, targeting a boost in growth while streamlining operations
Developments by segment:

Building Solutions – North America

- Favourable business conditions continue to prevail in the U.S., whereas Canada was rather flat
- Good progress throughout the regions and customer segments
- Main growth driver was plumbing
- Manufacturing expansion progressing on time and on plan
- Engineered polymer resin shortage continues to curb sales of fittings in the shorter term
Developments by segment:

Uponor Infra

- Thai and Extron business units as well as OmegaLiner® relining business divested as part of strategic focussing
- Good progress in the strategically important designed solutions sales
- Overall, business suffered from weak or declining markets, especially in Canada and Poland
- Transformation programme started in Finland to rationalise manufacturing footprint, and initiatives will continue throughout 2016
Human resources

• Continued to focus on developing performance and leadership competences
• Created a new learning portfolio across the company
  – The aim is to strengthen capability to lead the business and the organisation in changing business environments
• Renewed the learning portfolio includes four different training programmes
• Introduced a new engagement survey to replace the existing employee satisfaction survey

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Corporate responsibility

• Further integration of sustainability into company strategy
• Reduced CO₂ emissions from 2009 baseline
  – By 14.6% in absolute tonnes CO₂ emitted
  – By 37.9% in relation to production volumes, against a target of 15%
  – New target set: a further reduction of 20% relative to net sales from 2015 to 2020
• Started to implement an Energy Management System based on ISO 50001 in two factories in Germany, both are now certified
  – The target is to have all production units ISO 50001 compliant by 2017
• In 2015, launched Smatrix, a new room controls portfolio for indoor climate that enables energy savings and more comfort at home
### January – December 2015: Key figures

<table>
<thead>
<tr>
<th>Net sales, continuing operations</th>
<th>1-12 2014</th>
<th>1-12 2015</th>
<th>Change Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,023.9</td>
<td>1,050.8</td>
<td>+2.6%</td>
</tr>
<tr>
<td>Operating profit, continuing operations</td>
<td>63.4</td>
<td>71.4</td>
<td>+12.6%</td>
</tr>
<tr>
<td>Operating profit margin, continuing operations</td>
<td>6.2%</td>
<td>6.8%</td>
<td>+0.6% pts</td>
</tr>
<tr>
<td>Earnings per share (diluted), €</td>
<td>0.50</td>
<td>0.51</td>
<td>+2.0%</td>
</tr>
<tr>
<td>Return on equity, % (p.a.)</td>
<td>12.3%</td>
<td>12.1%</td>
<td>-0.2% pts</td>
</tr>
<tr>
<td>Return on investment, % (p.a.)</td>
<td>14.2%</td>
<td>15.5%</td>
<td>1.3% pts</td>
</tr>
<tr>
<td>Net interest bearing liabilities</td>
<td>82.0</td>
<td>91.3</td>
<td>+11.3%</td>
</tr>
<tr>
<td>Gearing, %</td>
<td>27.6%</td>
<td>29.3%</td>
<td>+1.7% pts</td>
</tr>
<tr>
<td>Net working capital of Net sales, % (p.a.)</td>
<td>7.1%</td>
<td>8.1%</td>
<td>+1.0% pts</td>
</tr>
<tr>
<td>Average number of employees, continuing operations</td>
<td>4,127</td>
<td>3,842</td>
<td>-6.9%</td>
</tr>
<tr>
<td>Number of employees, end of period, continuing operations</td>
<td>3,982</td>
<td>3,735</td>
<td>-6.2%</td>
</tr>
</tbody>
</table>

In M€, unless otherwise noted.
October – December 2015

Income statement

<table>
<thead>
<tr>
<th>M€</th>
<th>10-12 2014</th>
<th>10-12 2015</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>251.5</td>
<td>262.0</td>
<td>+4.2%</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>168.3</td>
<td>170.6</td>
<td>+1.3%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>83.2</td>
<td>91.4</td>
<td>+10.0%</td>
</tr>
<tr>
<td>% of net sales</td>
<td>33.1%</td>
<td>34.9%</td>
<td>+1.8% pts</td>
</tr>
<tr>
<td>Other operating income</td>
<td>0.3</td>
<td>1.5</td>
<td></td>
</tr>
<tr>
<td>Expenses</td>
<td>71.7</td>
<td>78.9</td>
<td>+10.2%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>11.8</td>
<td>14.0</td>
<td>+18.0%</td>
</tr>
<tr>
<td>% of net sales</td>
<td>4.7%</td>
<td>5.3%</td>
<td>+0.6% pts</td>
</tr>
<tr>
<td>Financial expenses, net</td>
<td>0.2</td>
<td>3.2</td>
<td>n/m</td>
</tr>
<tr>
<td>Share of result in associated companies</td>
<td>0.2</td>
<td>0.1</td>
<td>-20.5%</td>
</tr>
<tr>
<td>Profit before taxes</td>
<td>11.8</td>
<td>10.9</td>
<td>-7.5%</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>8.3</td>
<td>4.4</td>
<td>-46.0%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>21.3</td>
<td>25.7</td>
<td>+20.7%</td>
</tr>
</tbody>
</table>

- **Net sales** growth in constant currency +1.3%
- **Operating profit** w/o NRI €17.0m, 6.5% (Q4 2014: €12.8m, 5.1%)
- Increase in net financial expenses due to fluctuation between quarters (Q3 2015 -€0.7m, Q3 2014 +€1.4m)
## January – December 2015

### Income statement

<table>
<thead>
<tr>
<th>M€</th>
<th>1-12 2014</th>
<th>1-12 2015</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>1,023.9</td>
<td>1,050.8</td>
<td>+2.6%</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>683.8</td>
<td>680.6</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>340.1</td>
<td>370.2</td>
<td>+8.9%</td>
</tr>
<tr>
<td>% of net sales</td>
<td>33.2%</td>
<td>35.2%</td>
<td>+2.0% pts</td>
</tr>
<tr>
<td>Other operating income</td>
<td>2.4</td>
<td>2.4</td>
<td>-3.5%</td>
</tr>
<tr>
<td>Expenses</td>
<td>279.1</td>
<td>301.2</td>
<td>+7.9%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>63.4</td>
<td>71.4</td>
<td>+12.6%</td>
</tr>
<tr>
<td>% of net sales</td>
<td>6.2%</td>
<td>6.8%</td>
<td>+0.6% pts</td>
</tr>
<tr>
<td>Financial expenses, net</td>
<td>7.4</td>
<td>8.9</td>
<td>+20.8%</td>
</tr>
<tr>
<td>Share of result in associated companies</td>
<td>0.3</td>
<td>0.3</td>
<td>+10.3%</td>
</tr>
<tr>
<td>Profit before taxes</td>
<td>56.3</td>
<td>62.8</td>
<td>+11.5%</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>36.3</td>
<td>37.1</td>
<td>+2.3%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>99.9</td>
<td>110.5</td>
<td>+10.6%</td>
</tr>
</tbody>
</table>

- **Net sales** growth 5.2% in organic terms; currency impact totalled €35.0 million, mainly from the USD

- **Gross profit margin** improvement driven by the larger relative share of Building Solutions - North America, and sales growth of designed solutions and satisfactory management of the resin price volatility in Uponor Infra

- Increase in **expenses** mainly due to Building Solutions - North America, also driven by the dollar-to-euro translation

- **Operating profit** w/o NRI €75.8m, 7.2% (2014: €67.7m, 6.6%). Operating profit improvement includes a translation impact of €7.5m

- **Tax rate** at 40.9% (2014: 35.5%), includes taxes paid and deferred in Estonia corresponding to a one-time effective tax rate increase of 3.3 %-pts
Building Solutions – Europe: operating profit margin (w/o non-recurring items) down from 8.1% to 5.9% driven by declining net sales in high fixed-cost markets.

Building Solutions – North America: continued profit improvement, profit margin up from 15.7% to 18.5%, driven by solid sales growth and careful management of discretionary expenses.

Uponor Infra: weaker sales volumes in key markets, Nordic countries, Poland and Canada. Operating profit (w/o non-recurring items) is again in the black.

Cost savings from European transformation programmes not yet material.
Net sales development by key markets

Building solutions: five largest markets show a clear increase in net sales in Q4 y-o-y, measured in local currency.
### Balance sheet

<table>
<thead>
<tr>
<th>M€</th>
<th>31 Dec 2014</th>
<th>31 Dec 2015</th>
<th>Change Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>207.8</td>
<td>221.4</td>
<td>+13.6</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>98.4</td>
<td>94.7</td>
<td>-3.7</td>
</tr>
<tr>
<td>Securities and long-term investments</td>
<td>11.2</td>
<td>21.0</td>
<td>+9.8</td>
</tr>
<tr>
<td>Inventories</td>
<td>117.4</td>
<td>112.4</td>
<td>-5.0</td>
</tr>
<tr>
<td>Cash and cash equivalents *)</td>
<td>60.2</td>
<td>49.2</td>
<td>-11.0</td>
</tr>
<tr>
<td>Other current and non-current assets</td>
<td>186.8</td>
<td>209.1</td>
<td>+22.3</td>
</tr>
<tr>
<td>Total equity</td>
<td>297.9</td>
<td>311.7</td>
<td>+13.8</td>
</tr>
<tr>
<td>Non-current interest-bearing liabilities</td>
<td>126.3</td>
<td>91.2</td>
<td>-35.1</td>
</tr>
<tr>
<td>Provisions</td>
<td>16.2</td>
<td>25.0</td>
<td>+8.8</td>
</tr>
<tr>
<td>Non-interest-bearing liabilities</td>
<td>225.5</td>
<td>231.6</td>
<td>+6.1</td>
</tr>
<tr>
<td>Current interest-bearing liabilities</td>
<td>15.9</td>
<td>48.3</td>
<td>+32.4</td>
</tr>
<tr>
<td>Balance sheet total</td>
<td>681.8</td>
<td>707.8</td>
<td>+26.0</td>
</tr>
</tbody>
</table>

*) In 2015, cash and cash equivalents include €1.0 million restricted cash.

- Accounts receivable at €154.5m, up €17.2m from 2014. The increase driven by higher sales in Q4/2015. The amount of bad debt remained low, at €0.6m (2014: €0.7m)
- Decrease in non–current interest-bearing liabilities and increase in current interest-bearing liabilities driven by a €20m bond maturing in 2016
- Non-controlling interest represents €63.7m of the total equity at €311.7m
January – December 2015
Cash flow

<table>
<thead>
<tr>
<th>M€</th>
<th>1-12 2014</th>
<th>1-12 2015</th>
<th>Change Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash from operations</td>
<td>+99.0</td>
<td>+105.6</td>
<td>+6.6</td>
</tr>
<tr>
<td>Change in NWC</td>
<td>-3.5</td>
<td>-15.0</td>
<td>-11.5</td>
</tr>
<tr>
<td>Net payment of income tax and interest</td>
<td>-19.8</td>
<td>-32.4</td>
<td>-12.6</td>
</tr>
<tr>
<td>Cash flow from operations</td>
<td>+75.7</td>
<td>+58.2</td>
<td>-17.5</td>
</tr>
<tr>
<td>Cash flow from investments</td>
<td>-30.6</td>
<td>-41.7</td>
<td>-11.1</td>
</tr>
<tr>
<td>Cash flow before financing</td>
<td>+45.1</td>
<td>+16.5</td>
<td>-28.6</td>
</tr>
<tr>
<td>Dividends and buy backs</td>
<td>-27.8</td>
<td>-30.7</td>
<td>-2.9</td>
</tr>
<tr>
<td>Other financing</td>
<td>-9.9</td>
<td>+2.3</td>
<td>+12.2</td>
</tr>
<tr>
<td>Cash flow from financing</td>
<td>-37.7</td>
<td>-28.4</td>
<td>+9.3</td>
</tr>
<tr>
<td>Conversion differences</td>
<td>-0.9</td>
<td>-0.1</td>
<td>+0.8</td>
</tr>
<tr>
<td>Change in cash and cash equivalents</td>
<td>+6.5</td>
<td>-12.0</td>
<td>-18.5</td>
</tr>
</tbody>
</table>

- Gross CapEx (€50.1m) up €14.4m year-on-year and clearly above depreciation level (€39.1m). A total of €18.6m related to the manufacturing expansion ongoing in North America
- Cash flow from investments includes a net cash flow effect of €+7.6m from the divestments of the Thai infrastructure business, Extron Engineering Oy in Finland and the Omega-Liner® pipeline renovation business, all in Uponor Infra. The comparison year includes €4.4m in proceeds from the sale of fixed assets in Finland related to Uponor Infra’s integration
January – December 2015
Capital structure development

- Average gearing across quarters at 40.4, down from 45.8 in 2014 and in line with the long-term target between 30 and 70
January – December 2015

Dividends and payout ratio

The dividend for 2015: €0.44 per share
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:
12 March 2013: the holdings of Franklin Resources, Inc. reached 10.0%

- 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
Uponor has a strategy to generate sustainable growth in the shorter and longer term

- **We defend** our strong position in the distribution business and the residential markets.
- **We expand** in commercial markets with an aim to significantly grow designed solution sales.
- **We build options** for future growth, e.g. sustainable hygienic solutions, digitalisation and new production technologies.
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
Outlook
### Leading indicators: stable market outlook overall

<table>
<thead>
<tr>
<th>Country</th>
<th>Indicator</th>
<th>% Change YTD</th>
<th>Data through</th>
<th>Trend since Q4 update</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>Housing starts ¹)</td>
<td>+14%</td>
<td>December 2015</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>Housing permits</td>
<td>+5%</td>
<td>November 2015</td>
<td></td>
</tr>
<tr>
<td>Finland</td>
<td>Housing permits</td>
<td>-8%</td>
<td>November 2015</td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td>Housing starts</td>
<td>+35%</td>
<td>September 2015</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>Housing starts ¹)</td>
<td>-3%</td>
<td>December 2015</td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>Housing starts</td>
<td>-25%</td>
<td>September 2015</td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>Housing permits</td>
<td>+50%</td>
<td>October 2015</td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>Housing starts ²)</td>
<td>+2%</td>
<td>September 2015</td>
<td></td>
</tr>
<tr>
<td>Norway</td>
<td>Housing permits</td>
<td>+14%</td>
<td>December 2015</td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>Housing permits</td>
<td>+22%</td>
<td>October 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 grow, with household spending expanding while businesses carry on cautiously increasing investments.

Within the construction industry:

- Housing starts, though volatile, are slowly trending higher.
- Builder confidence fell in November, but remains at a 10-year high.
- Construction spending continues to rise across nearly all residential and non-residential building segments.

Source: US Census, NAHB/Wells Fargo
Construction confidence in Europe improved

- Most countries witnessed improved confidence measures during the quarter, with Sweden leading the way
- The largest gains were made in the Netherlands, Sweden, and Spain
- The notable exception was the UK, where the sentiment continued to deteriorate
Despite increased political and economic uncertainty in Europe, record-low unemployment and interest rates have continued to drive private consumption and support the economy.

Within the construction industry:

- Builder sentiment gave up some of the gains from the summer, but remains generally positive.
- Residential building permits strengthened in the second half of the year, while non-residential permits remained flat vs. 2014.
- Similarly, residential investment has grown marginally, while commercial investment has been stagnant.

Source: Destatis and Eurostat
European housing starts/permits
Year-to-date percent change compared to 2014

Growth
- Less than -5%
- Between -5% and +5%
- Between +5% and +15%
- More than +15%
- No data

Source: National statistics agencies and Uponor estimates
Guidance

- Uponor announced extensive transformation initiatives in 2015, including manufacturing footprint optimisation and a plan to establish a greenfield factory in China.

- The Group's capital expenditure will temporarily increase from that experienced in the last few years and reach circa €58 million in 2016, against €50 million in 2015, excluding any investment in shares.

- Due to favourable weather and extemporary customer behaviour, the last quarter of 2015 was particularly lively, which together with harsh weather is likely to affect demand in the first quarter 2016.

- Assuming that economic development in Uponor's key geographies otherwise continues undisturbed, Uponor issues the following guidance for 2016:
  
  the Group’s net sales and operating profit (excluding any non-recurring items) are expected to improve from 2015.
Thank you

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