Investor presentation
SEB Nordic Seminar
7 January 2020

Jyri Luomakoski – President and CEO
Minna Yrjönmäki – CFO
Uponor today

- 1.2 billion euro net sales in 2018
- 16 manufacturing facilities worldwide
- 4,000 employees worldwide

Net sales by business group:
- Plumbing solutions: 52%
- Infrastructure solutions: 24%
- Indoor climate solutions: 24%

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Megatrends create opportunities to improve our living environments

Megatrends affect societies fundamentally and over a long period of time

- Climate change and scarcity or resources
- Urbanisation
- Digital transformation

...raising new requirements and opportunities to Uponor

- Sustainability and energy efficiency
- Quality and management of water
- Multi-family homes
- Offsite construction and pre-fabrication
- Building Information Modelling (BIM)
- Shift from manufacturing to services
Reviewed purpose, vision and strategic pillars give a direction for our profitable growth.

**PURPOSE**
- Rethinking water for future generations

**VISION**
- Recognized leader in sustainable building solutions

**STRATEGIC PILLARS**

1. Our employees are empowered and engaged
2. Customer experience drives brand preference and loyalty
3. Innovative products and services add value and enable our customers to work more efficiently
4. Operational excellence is the foundation
An operational excellence programme to improve processes and increase efficiencies

- On 25 Oct 2019, Uponor announced an operational excellence programme to improve processes and increase efficiencies.
- The aim is to deliver cost improvements of around €20 million with full effects realised by the end of 2021.
- The estimated costs of the programme are expected to be around €20 million, majority of which is expected to realise during 2020, and they will be recorded as items affecting comparability.
Embedding sustainability into our daily operations

Our sustainability strategy is built on UN’s sustainable development goals:

<table>
<thead>
<tr>
<th>SDG</th>
<th>Our main activities:</th>
<th>SDG</th>
<th>Our main activities:</th>
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</thead>
</table>
| Clean Water and Sanitation | • We improve water efficiency & quality  
• We mitigate water risk | Decent Work and Economic Growth | • We build sustainable and transparent value chain  
• Employee safety and wellbeing is our number one priority |
| Responsible Consumption and Production | • We aim for zero waste  
• Our products are sustainable  
• We aim to reduce the amount of packaging | Climate Action | • We aim for carbon neutrality in production |
Group net sales and comparable operating profit

Net sales, M€


Comparative operating profit, M€


X% = change from the previous year without the divested Uponor Infra's North American business and Zent-Frenger
Net sales development by key markets
Jan-Sep 2019

Growth (%)
10% 2% -2% -9% -2% 15% 3% 4% 6% -4% -11%
Note: change from previous year without the divested Uponor Infra’s North American business and Zent-Frenger

= Share of Uponor Infra’s North American business and Zent-Frenger

<table>
<thead>
<tr>
<th>Country</th>
<th>Jan-Sep 2017 M€</th>
<th>Jan-Sep 2018 M€</th>
<th>Jan-Sep 2019 M€</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>141</td>
<td>122</td>
<td>142</td>
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<tr>
<td>Germany</td>
<td>221</td>
<td>209</td>
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<tr>
<td>Denmark</td>
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<tr>
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<td>Norway</td>
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<tr>
<td>Poland</td>
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<td>23</td>
<td>22</td>
</tr>
<tr>
<td>Other</td>
<td>141</td>
<td>150</td>
<td>134</td>
</tr>
</tbody>
</table>

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How are we prepared for a possible slow down

1. Renovation business is less cyclical than new construction

2. Geographies experience different phases in the economic cycle

3. Uponor has launched an operational excellence programme
Renovation business is larger and less cyclical than the new build segment

Share of European construction spending (2019)

- New residential: 21%
- New non-residential: 17%
- Residential renovation: 26%
- Non-residential renovation: 15%
- New civil engineering: 12%
- Civil engineering renovation: 9%

Building construction spending in Europe (% change from previous year)

Source: Euroconstruct
Uponor’s largest market, Europe, will contract in 2020

2019: Weighted by sales in Uponor’s eight largest European countries, building construction growth in Europe will be about 0.7% in 2019.

2020: Sales-weighted construction growth will slow to about 0.4% in 2020. Germany and Finland will contract slightly, while Sweden will contract more significantly. Meanwhile, Eastern Europe and Iberia will continue to expand.

Source: Euroconstruct 11/2019
North American markets are expected to expand slightly

**2019:** Although the US residential market has stabilised during H2, the weak start to the year will keep total construction in negative territory for the year as a whole, while Canada will register a slight gain overall.

**2020:** Low single-digit growth is expected, with residential segments growing marginally while non-residential segments expand at a slightly faster rate.
Thank you!

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Appendix
Uponor repeats its full-year guidance announced on 13 February 2019:
Excluding the impact of currencies, Uponor expects its net sales to reach the level of the year 2018 net sales excluding the divested Uponor Infra’s North American business and Zent-Frenger (€1,107.7 million), and comparable operating profit to improve from the year 2018 comparable operating profit excluding the divested Uponor Infra’s North American business and Zent-Frenger (€83.5 million).
Major shareholders
30 September 2019

- Oras Invest Ltd 24.6%
- Varma Mutual Pension Insurance Company 5.3%
- Nordea Nordic Small Cap Fund 4.3%
- Mandatum Life Insurance Company Ltd 2.9%
- Ilmarinen Mutual Pension Insurance Company 2.6%
- Nordea Bank Ltd 1.9%
- Pekka Paasikivi 1.2%
- The State Pension Fund 0.9%
- Nordea Pro Finland Fund 0.8%
- Nominee registrations 22.5%
- Others 33.6%

- 19,776 shareholders at the end of September 2019
- Foreign shareholding was 22.5% at the end of September 2019 vs 23.5% at the end of December 2018
## Long-term financial targets
Since 13 February 2019

<table>
<thead>
<tr>
<th>Target</th>
<th>Achievement in 2018</th>
</tr>
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<tbody>
<tr>
<td>Organic net sales growth to exceed annual GDP growth* by 3 ppts</td>
<td>4.9% (target 5.4%*)</td>
</tr>
<tr>
<td>EBIT margin to exceed 10%</td>
<td>8.3% (comparable EBIT 8.3%)</td>
</tr>
<tr>
<td>ROI to exceed 20%</td>
<td>17.2%</td>
</tr>
<tr>
<td>Gearing to stay within 40 to 80 as an annual average of the quarters</td>
<td>53.0</td>
</tr>
<tr>
<td>Dividend pay-out to be at least 50% of annual earnings (considering the gearing target)</td>
<td>70.8%</td>
</tr>
</tbody>
</table>

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

The business: sustainable building and infrastructure solutions

- Safe drinking water delivery and energy-efficient heating and cooling continue to be essential needs in built environments
- Uponor mitigates the cyclicality of construction industry by operating in European and North American markets and serving both new construction and renovation projects

The company: An industry innovator building on a century of experience

- A leading supplier for residential and commercial construction for drinking water delivery and radiant heating and cooling systems; and a strong position in infrastructure piping systems in northern Europe.
- Established brand with a broad and loyal customer base
- Well maintained manufacturing network with capacity to grow
- Continuous material and production technology development to support operational efficiency
- Committed long-term key ownership with a clear understanding of the industry’s dynamics