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

1.2 billion euro
Net sales 2017

30 countries with
Uponor operations

15 production
sites worldwide

4,000 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 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 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
Uponor’s infrastructure offering
Transporting water, air, electricity, telecommunications and data

Standard Solutions
360° Project Services
Technology
Investment in R&D and technology

After 2016, 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
- UWater online monitoring maturing into market entry through Uponor Infra
- Hygienic fresh water stations
- Prefabricated offering development
Phyn Plus, smart water assistant + shutoff

- Introduced in the U.S. market in January 2018 at CES and IBS trade shows
- Won a number of ‘Smart Home’ awards
- Pilot programme started in 2017 coming to an end and pilot units are being swapped to finalised products
- Building up of the network of trained installers, the Uponor Pro Squad, well underway, focusing 30 metro areas in the U.S.
- February 2018, invested an additional USD10 million, bringing total investment in Phyn to USD25 million, with Uponor and Belkin both having a 50% ownership
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
  - Maintained ‘Level B – Management’ in 2017

![Graph showing GHG emissions relative to target from 2009 to 2017](image)
# 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>Environmental indicators</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total energy consumption</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>46.8</td>
<td>53.6</td>
<td>47.6</td>
</tr>
<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 December 2017

- 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 1.1%
- Nordea Pro Finland Fund 1.0%
- Nominee registrations 25.6%
- Others 35.4%

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

- 19,191 shareholders at the end of December 2017
- Foreign shareholding was 26.4% at the end of December 2017, up from 24.8% in June 2017
Shareholder value development
1997 - 2017

*FAS
Market Cap 31 Dec
Dividends
Total Shareholder Return (rhs)
Long-term financial targets
Since 12 February 2013

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

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
Financial results briefing
1-12/2017
Jyri Luomakoski – President and CEO, Uponor Corporation
Maija Strandberg – CFO, Uponor Corporation
Q4/2017: Building and construction markets were lively in North America, more flat in Europe

<table>
<thead>
<tr>
<th>October - December, M€</th>
<th>10-12/2016</th>
<th>10-12/2017</th>
<th>Change</th>
<th>OP margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>268.9</td>
<td>279.4</td>
<td>3.9%</td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>7.5</td>
<td>18.0</td>
<td>141.4%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Comparable operating profit</td>
<td>16.1</td>
<td>18.0</td>
<td>12.5%</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

Net sales
- Building Solutions – Europe saw a pick-up in sales in several markets, but reported an overall flat development due softer cooling market in Germany and a weaker development of distribution business in the Nordics
- In Building Solutions – North America, net sales growth continued healthy, supported by a pick-up in Canada and an increase in manufacturing capacity which helped to return to normal lead time schedules
- Uponor Infra reported lively net sales in Canada and Sweden, the rest of Europe remained flat except for some EU-funded projects

Operating profit
- Building Solutions – Europe’s comparable operating profit improved driven by efficiency gains from the transformation programme
- Building Solutions – North America’s profitability remained strong, although burdened by manufacturing and workforce expansion
- Uponor Infra’s performance improved clearly thanks to lively North America; in Europe, flat markets, high resin prices earlier in the year as well as inefficiencies resulting from the production transfer in Finland affected operating profit negatively
1-12/2017: Overall net sales and financial performance continued steady

<table>
<thead>
<tr>
<th>January - December, M€</th>
<th>1-12/2016</th>
<th>1-12/2017</th>
<th>Change</th>
<th>OP margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>1,099.4</td>
<td>1,170.4</td>
<td>6.5%</td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>71.0</td>
<td>95.9</td>
<td>35.2%</td>
<td>8.2%</td>
</tr>
<tr>
<td>Comparable operating profit</td>
<td>90.7</td>
<td>97.2</td>
<td>7.2%</td>
<td>8.3%</td>
</tr>
</tbody>
</table>

Net sales
- Net sales grew organically, currency neutral growth at 7.4%
- A modest increase in Building Solutions – Europe, with country to country variations in net sales trends
- Building Solutions – North America’s net sales grew by 10.7% in local currency, same as in 2016, the growth inhibited mainly by challenges in production and supply as well as more intense competition in pipes and fittings
- Uponor Infra’s net sales improvement driven by lively sales in North America and in Sweden

Operating profit
- Building Solutions – Europe reported an improvement thanks to operational leverage and efficiency gains from the transformation programme
- Building Solutions – North America’s performance remained behind 2016, mainly due to costs related to the April manufacturing challenge and building up capacity
- A brisk improvement in comparable operating profit in Uponor Infra, driven by net sales growth and improved margins mainly in North America
Developments by segment: Building Solutions – Europe

- Solid improvement in comparable operating profit, with net sales also rising
- Positive progress in several countries, e.g. Eastern Europe, Russia and Spain
- In Germany, lack of cooling projects inhibited growth
- In Finland, market growth strongest in building types and in urban areas, which offer less value for Uponor
- Favourable progress achieved in the strategic areas of new hygienic solutions and prefab technology which will offer compelling value to professional sectors on the market

- The business in Asia (reported as part of this segment) continued to grow, but still in start-up phase burdening the segment results
Developments by segment: Building Solutions – North America

• Apart from the challenges experienced earlier in production and resin availability, sales are developing steady and Uponor has discontinued allocations and returned to a committed lead time promise in customer orders.

• In order to respond to growth in demand and to return capacity utilisation to a long-term sustainable level, Uponor implemented two investments:
  – Purchased a facility and real estate in Hutchinson, Minnesota, targeted to be in use in summer 2018. The total investment by end 2018 will be circa $30 million; of this, $8.6 million has been used in 2017.

• While the outlook in building and construction remains strong, the competition is increasing.
Developments by segment: Uponor Infra

• Most of the growth came from North America and Sweden, where the markets were flourishing
• Project activity picked up especially in Poland, supported by EU-funded projects
• Brisk improvement in performance, mainly as a result of a cyclical improvement in North America
• Operations in Europe, where the overall markets remained soft, did not meet acceptable levels in 2017
### Uponor Group - continuing operations

<table>
<thead>
<tr>
<th></th>
<th>1-12 2016</th>
<th>1-12 2017</th>
<th>Change Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales M€</td>
<td>1,099.4</td>
<td>1,170.4</td>
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<tr>
<td>Operating profit M€</td>
<td>71.0</td>
<td>95.9</td>
<td>+35.2%</td>
</tr>
<tr>
<td>Comparable operating profit M€</td>
<td>90.7</td>
<td>97.2</td>
<td>+7.2%</td>
</tr>
<tr>
<td>Comparable operating profit margin %</td>
<td>8.2%</td>
<td>8.3%</td>
<td>0.1% pts</td>
</tr>
<tr>
<td>Earnings per share (diluted) €</td>
<td>0.57</td>
<td>0.83</td>
<td>+45.6%</td>
</tr>
<tr>
<td>Return on equity (p.a.) %</td>
<td>13.1%</td>
<td>19.4%</td>
<td>+6.3% pts</td>
</tr>
<tr>
<td>Return on investment (p.a.) %</td>
<td>14.1%</td>
<td>16.3%</td>
<td>+2.2% pts</td>
</tr>
<tr>
<td>Net interest bearing liabilities M€</td>
<td>159.5</td>
<td>151.5</td>
<td>-5.0%</td>
</tr>
<tr>
<td>Gearing %</td>
<td>48.8%</td>
<td>43.5%</td>
<td>-5.3% pts</td>
</tr>
<tr>
<td>Net working capital of net sales (p.a.) %</td>
<td>10.2%</td>
<td>10.4%</td>
<td>+0.2% pts</td>
</tr>
<tr>
<td>Number of employees, end of period FTE</td>
<td>3,868</td>
<td>4,075</td>
<td>+5.4%</td>
</tr>
</tbody>
</table>

January – December 2017: Key figures
### Net sales

Net sales included a negative currency impact, mainly originating in the USD and SEK, which decreased consolidated net sales by €2.6m and therefore, net sales growth was 4.9% in constant currency terms.

### Comparable gross profit

Comparable gross profit totalled to €95.0m (€91.4m). The comparable gross profit margin remained stable at 34.0% (34.0%).

### Comparable operating profit

Comparable operating profit reached €18.0m (€16.1m), an increase of 12.5%.

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#### Uponor Group - continuing operations, M€

<table>
<thead>
<tr>
<th></th>
<th>10-12 2016</th>
<th>10-12 2017</th>
<th>Change Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>268.9</td>
<td>279.4</td>
<td>+3.9%</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>183.0</td>
<td>184.4</td>
<td>+0.8%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>85.9</td>
<td>95.0</td>
<td>+10.6%</td>
</tr>
<tr>
<td>Gross profit margin (%)</td>
<td>31.9%</td>
<td>34.0%</td>
<td>+2.1% pts</td>
</tr>
<tr>
<td>Other operating income</td>
<td>1.8</td>
<td>0.3</td>
<td>-84.0%</td>
</tr>
<tr>
<td>Expenses</td>
<td>80.2</td>
<td>77.3</td>
<td>-3.8%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>7.5</td>
<td>18.0</td>
<td>+141.4%</td>
</tr>
<tr>
<td>Operating profit margin (%)</td>
<td>2.8%</td>
<td>6.5%</td>
<td>+3.7% pts</td>
</tr>
<tr>
<td>Financial expenses, net</td>
<td>2.8</td>
<td>2.5</td>
<td>-7.9%</td>
</tr>
<tr>
<td>Share of result in associated companies</td>
<td>-0.8</td>
<td>-0.7</td>
<td>+6.0%</td>
</tr>
<tr>
<td>Profit before taxes</td>
<td>3.9</td>
<td>14.8</td>
<td>+273.4%</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>5.9</td>
<td>15.1</td>
<td>+155.1%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>17.5</td>
<td>28.2</td>
<td>+61.3%</td>
</tr>
</tbody>
</table>
**January – December 2017: Income statement**

<table>
<thead>
<tr>
<th>Uponor Group - continuing operations, M€</th>
<th>1-12 2016</th>
<th>1-12 2017</th>
<th>Change Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>1,099.4</td>
<td>1,170.4</td>
<td>+6.5%</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>723.4</td>
<td>776.3</td>
<td>+7.3%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>376.0</td>
<td>394.1</td>
<td>+4.8%</td>
</tr>
<tr>
<td>Gross profit margin (%)</td>
<td>34.2%</td>
<td>33.7%</td>
<td>-0.5% pts</td>
</tr>
<tr>
<td>Other operating income</td>
<td>4.2</td>
<td>3.1</td>
<td>-27.4%</td>
</tr>
<tr>
<td>Expenses</td>
<td>309.2</td>
<td>301.3</td>
<td>-2.6%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>71.0</td>
<td>95.9</td>
<td>+35.2%</td>
</tr>
<tr>
<td>Operating profit margin (%)</td>
<td>6.5%</td>
<td>8.2%</td>
<td>+1.7% pts</td>
</tr>
<tr>
<td>Financial expenses, net</td>
<td>10.0</td>
<td>5.4</td>
<td>-45.5%</td>
</tr>
<tr>
<td>Share of result in associated companies</td>
<td>-0.6</td>
<td>-2.3</td>
<td>-301.1%</td>
</tr>
<tr>
<td>Profit before taxes</td>
<td>60.4</td>
<td>88.2</td>
<td>+45.9%</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>41.5</td>
<td>65.4</td>
<td>+57.6%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>112.6</td>
<td>135.1</td>
<td>+20.1%</td>
</tr>
</tbody>
</table>

- **Net sales** grew 7.4% in constant currency terms – A negative currency impact of €10.9m mainly driven by the USD.
- **Comparable gross profit margin** decreased slightly from last year and came to 33.8% (34.9%).
- **Comparable operating profit reached** €97.2m, which is 7.2% above last year (€90.7m).
- **Financial expenses** include a €3.6m positive impact from the Supreme Administrative Court's decision concerning Uponor’s 2016 tax appeals in Finland.
January – December 2017: Net sales & comparable operating profit by segment

- **Building Solutions – Europe**: Improvement in comparable operating profit was the result of an increase in net sales and the savings achieved by the transformation programme, mainly relating to the enhanced production network.

- **Building Solutions – North America**: Brisk expansion of production capacity and strengthening the organisation were the main reasons why operating profit in USD grew only slightly and came to $56.5m ($55.2m). Operating profit in EUR declined from last year due to an unfavourable exchange rate development.

- **Uponor Infra**: Strong growth both in net sales and comparable operating profit were mainly driven by North America.
• Growth of net sales was driven by USA, Sweden and Canada
• Net sales in Germany declined from last year mainly due to lower sales in the ceiling cooling business
January – December 2017: Balance sheet

<table>
<thead>
<tr>
<th>Uponor Group, M€</th>
<th>31 Dec 2016</th>
<th>31 Dec 2017</th>
<th>Change Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>240.9</td>
<td>252.2</td>
<td>+11.3</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>119.0</td>
<td>116.0</td>
<td>-3.0</td>
</tr>
<tr>
<td>Securities and long-term investments</td>
<td>34.7</td>
<td>20.2</td>
<td>-14.5</td>
</tr>
<tr>
<td>Inventories</td>
<td>139.3</td>
<td>132.7</td>
<td>-6.6</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>16.3</td>
<td>107.0</td>
<td>+90.7</td>
</tr>
<tr>
<td>Other current and non-current assets</td>
<td>217.3</td>
<td>237.7</td>
<td>+20.4</td>
</tr>
<tr>
<td>Assets total</td>
<td>767.5</td>
<td>865.8</td>
<td>+98.3</td>
</tr>
<tr>
<td>Total equity</td>
<td>326.9</td>
<td>348.4</td>
<td>+21.5</td>
</tr>
<tr>
<td>Non-current interest-bearing liabilities</td>
<td>158.2</td>
<td>176.6</td>
<td>+18.4</td>
</tr>
<tr>
<td>Provisions</td>
<td>28.8</td>
<td>28.9</td>
<td>+0.1</td>
</tr>
<tr>
<td>Non-interest-bearing liabilities</td>
<td>236.0</td>
<td>230.0</td>
<td>-6.0</td>
</tr>
<tr>
<td>Current interest-bearing liabilities</td>
<td>17.6</td>
<td>81.9</td>
<td>+64.3</td>
</tr>
<tr>
<td>Shareholders’ equity and liabilities total</td>
<td>767.5</td>
<td>865.8</td>
<td>+98.3</td>
</tr>
</tbody>
</table>

- Property, plant and equipment increased mainly due to investments in capacity expansion and efficiency improvement
- Non-controlling interest represents €68.2m of the equity at €348.4m
- A loan of €100 million was withdrawn in 2017 mainly to repay the €80 million bond maturing in June 2018
- Gearing came to 43.5% (48.8%), with the four-quarter rolling gearing at 58.4% (56.7%)
January – December 2017:
Cash flow

<table>
<thead>
<tr>
<th>Uponor Group, M€</th>
<th>1-12 2016</th>
<th>1-12 2017</th>
<th>Change Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash from operations</td>
<td>+105.3</td>
<td>+141.8</td>
<td>+36.5</td>
</tr>
<tr>
<td>Change in NWC</td>
<td>-16.6</td>
<td>-7.2</td>
<td>+9.4</td>
</tr>
<tr>
<td>Net payment of income tax and interest</td>
<td>-28.8</td>
<td>-33.1</td>
<td>-4.3</td>
</tr>
<tr>
<td>Cash flow from operations</td>
<td>+59.9</td>
<td>+101.5</td>
<td>+41.6</td>
</tr>
<tr>
<td>Cash flow from investments</td>
<td>-91.8</td>
<td>-59.5</td>
<td>+32.3</td>
</tr>
<tr>
<td>Cash flow before financing</td>
<td>-31.9</td>
<td>+42.0</td>
<td>+73.9</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>-32.2</td>
<td>-33.6</td>
<td>-1.4</td>
</tr>
<tr>
<td>Other financing</td>
<td>+32.0</td>
<td>+82.6</td>
<td>+50.6</td>
</tr>
<tr>
<td>Cash flow from financing</td>
<td>-0.2</td>
<td>+49.0</td>
<td>+49.2</td>
</tr>
<tr>
<td>Conversion differences</td>
<td>+0.2</td>
<td>-0.3</td>
<td>-0.5</td>
</tr>
<tr>
<td>Change in cash and cash equivalents</td>
<td>-31.9</td>
<td>+90.7</td>
<td>+122.6</td>
</tr>
</tbody>
</table>

- Gross investments in fixed assets came to €63.4m (€50.7m)
- Cash flow from investments in the comparison period includes a cash flow effect of -€31.4m from the acquisition of KaMo & Delta Group and -€13.5m from the investment in the joint venture Phyn
January – December 2017:
Capital structure development

- Net interest-bearing liabilities totalled €151.5m (€159.5m)
- Average gearing across quarters at 58.4%, up from 56.7% in 2016, and in line with the long-term target between 30 and 70
January – December 2017:
Dividends and payout ratio

- The Board’s dividend proposal is €0.49 (0.46) per share, of which 24c is paid in March 2018 and 25c in September 2018.
- When making the proposal, the Board considered the solvency of the company, the company’s dividend policy, the business outlook and planned investments, recognising the high availability of external funding for the company’s growth plans.
Outlook for the future

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

<table>
<thead>
<tr>
<th>Country</th>
<th>Indicator</th>
<th>YTD % Change</th>
<th>Rolling 12-month % Change</th>
<th>Data through</th>
<th>Trend since Q3 update</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>Housing starts</td>
<td>-6%¹</td>
<td>N/A</td>
<td>December 2017</td>
<td>🔄</td>
</tr>
<tr>
<td>Germany</td>
<td>Housing permits</td>
<td>-6%</td>
<td>-4%</td>
<td>November 2017</td>
<td>🔄</td>
</tr>
<tr>
<td>Finland</td>
<td>Housing permits</td>
<td>+10%</td>
<td>+11%</td>
<td>November 2017</td>
<td>🔄️</td>
</tr>
<tr>
<td>Sweden</td>
<td>Housing starts</td>
<td>+11%</td>
<td>+13%</td>
<td>September 2017</td>
<td>🔄️</td>
</tr>
<tr>
<td>Canada</td>
<td>Housing starts</td>
<td>+5%¹</td>
<td>N/A</td>
<td>December 2017</td>
<td>🔄</td>
</tr>
<tr>
<td>Denmark</td>
<td>Construction index</td>
<td>+6%</td>
<td>N/A</td>
<td>November 2017</td>
<td>🔄️</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Housing permits</td>
<td>+33%</td>
<td>+33%</td>
<td>November 2017</td>
<td>🔄️</td>
</tr>
<tr>
<td>Spain</td>
<td>Housing permits</td>
<td>+28%</td>
<td>+35%</td>
<td>October 2017</td>
<td>🔄️</td>
</tr>
<tr>
<td>Norway</td>
<td>Housing starts</td>
<td>-3%</td>
<td>-3%</td>
<td>December 2017</td>
<td>🔄️</td>
</tr>
<tr>
<td>Russia</td>
<td>Construction output</td>
<td>-2%</td>
<td>-2%</td>
<td>September 2017</td>
<td>🔄️</td>
</tr>
</tbody>
</table>

¹ Seasonally adjusted, annualised rate vs. same month in previous year
Builder confidence has continued to strengthen throughout Europe

![EU construction confidence index](chart)

![Change in construction confidence index](chart)

Source: Eurostat
USA - Continued expansion

The economy continues to expand, with sustained growth in consumer consumption now being accompanied by increased business investments.

Within the construction industry:

- Homebuilder sentiment reached an 18-year high in December.
- Spending in both the residential and non-residential segments is trending higher.
- 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:

• Builder confidence remains near all-time-highs

• Although residential permit levels have retreated from their 2016 highs, new housing production has continued to increase

• The non-residential segment has seen a slight uptick in activity

• Skilled labour shortages are likely restraining growth across the industry

Source: Destatis and Eurostat
Finland - Fundamentals continue to improve, but construction growth is uneven

Significant expansion in exports and consumer consumption have fuelled the economy and driven GDP growth

Within the construction industry:
- Building permit levels continue to improve overall, driven by multi-family projects in urban growth areas
- Construction turnover has expanded in the buildings segment and remains stable in civil engineering
- Builders continue to be optimistic, but note increasing skilled labour shortages
Management agenda for 2018

• Execution, with a focus on the customer
  − After the transformation programmes, Uponor’s European segments are more focussed, aligned and agile to satisfy customer needs
  − Targeting growth, utilising the strategic new offerings

• Integrate the manufacturing expansions into daily operations and secure a smooth supply of products to customers in Building Solutions – North America

• Capitalise on the new Phyn smart water offering, and pave the way for the European launch in 2019

• Continue determined efforts on digitalised offering and services development
Guidance 2018

- Despite increasing volatility and unpredictability, there are no signs of major changes in the markets, which could materially alter the business environment from what it is today.

- Uponor’s capital expenditure, excluding investment in shares, is expected to remain at roughly the same level as in 2017, mainly driven by the capacity expansion programme in North America.

- Assuming that economic and political developments in Uponor’s key geographies otherwise continue undisturbed, Uponor issues the following 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

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