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: http://investors.uponor.com
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.

2016 FACTS & FIGURES

1,1 billion euro Net sales 2016

30 countries with Uponor operations

14 production sites worldwide

3,900 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 3,900 committed employees in 30 countries, Uponor is at your service all over the world

OUR VALUES

CONNECT  BUILD  INSPIRE
Uponor milestones

1620
Johan de la Gardie establishes Wirsbo Bruks

1918
Aukusti Askon Avonius establishes a carpentry workshop in Lahti, Finland

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

1972
Wirsbo is the first company to start manufacturing PEX pipe

1982
Asko Oy and Neste Oy jointly establish Oy Uponor Ab

1988
Uponor enters plastic hot water pipe business, acquires Wirsbo

Asko Oy is listed on the Helsinki Stock Exchange

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

1997
Uponor acquires Unicor in 1997-1999

1999
Oras Invest becomes a major shareholder

2000
Uponor consolidates businesses under one brand

2006
Uponor merges with parent company Asko Oy on 1 Jan 2000

2006 – 2008
Municipal business outside of the Nordic countries is divested

2006
Uponor Infra starts through a merger with KWH Pipe on 1 July 2013

2008
Uponor establishes joint venture, Phyn, with Belkin

2013
Uponor acquires competence in hygienic drinking water delivery

2016
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

![Graph showing net sales and GHG emissions over years]
Group structure, March 2017
Net sales breakdown
Consolidated net sales for 2016: €1,1 billion

<table>
<thead>
<tr>
<th>BY BUSINESS GROUP</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure solutions</td>
<td>39%</td>
<td>45%</td>
<td>49%</td>
</tr>
<tr>
<td>Plumbing solutions</td>
<td>27%</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>Indoor climate solutions</td>
<td>27%</td>
<td>25%</td>
<td>25%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BY SEGMENT</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uponor Infra</td>
<td>34%</td>
<td>30%</td>
<td>26%</td>
</tr>
<tr>
<td>Building Solutions - North America</td>
<td>19%</td>
<td>26%</td>
<td>28%</td>
</tr>
<tr>
<td>Building Solutions - Europe</td>
<td>47%</td>
<td>44%</td>
<td>46%</td>
</tr>
</tbody>
</table>
Uponor’s Plumbing offering
For efficient and hygienic drinking water delivery

- Flexible pipe systems
- Multilayer pipe systems
- Risers
- Pre-fabricated units
- Quick & Easy fittings
- Tools
- Press fittings
- Intelligent water and hygiene

Coming soon: phynt
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
Investment in R&D and technology

- In 2016, Uponor’s R&D expenditure exceeded €20 million for the first time
  - New Group Technology function
  - Investment in digitalisation initiatives
  - New product, application and materials development

- Strategic focus on hygiene, safety and sustainability
  - UWater online monitoring – Dec 2015
  - KaMo/Delta fresh water stations - Jan 2016
  - Joint venture Phyn with Belkin to pioneer in intelligent water - July 2016
Throughout the world, our solutions enrich people’s way of life

- First renovation project involving radiant ceiling cooling in tropical climate: Seng Choon Office Building, Singapore
- Water supply in demanding terrain: Glomfjord, Norway
- Restoring old-world charm to an iconic hotel: The Cavalier Hotel, Virginia, USA
- Radiant heating and cooling in European Central Bank: Frankfurt, Germany
- Water supply in extreme weather conditions: Gabriel de Castilla research station, Antarctica
- Securing safe transportation of waste water: Borås, Sweden
- Radiant heating and cooling in an underground women’s university: Seoul, South Korea
- Ice-free pavement throughout the year: Lahti, Finland
Business gradually picking up after the global financial crisis
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 build options for future growth, e.g. sustainable hygienic solutions, digitalisation and new production technologies

We expand in commercial markets with an aim to significantly grow designed solution sales
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 2016

2.0% (target 4.7%*)
6.5% (comparable EBIT 8.2%)
14.1%
56.7
79.3%

* GDP growth based on a weighted average growth in the top 10 countries
Dividends and payout ratio

Dividend for 2016: €0.46 per share
Major shareholders
31 March 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 2.7%
- Mandatum Life Insurance Company Ltd 1.4%
- KEVA Pensions Institution 1.3%
- Nordea Nordic Fund 1.0%
- Nominee registrations 24.2%
- Others 37.7%

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

- 16,957 shareholders at the end of March 2017
- Foreign shareholding was 24.6% at the end of March 2017, down from 26.1% in Dec 2016
Q1/2017: Net sales grows in all segments driven by several key markets picking up from Q1 2016

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>246.9</td>
<td>265.1</td>
<td>7.4%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>11.9</td>
<td>14.6</td>
<td>22.8%</td>
</tr>
<tr>
<td>Comparable operating profit</td>
<td>14.9</td>
<td>15.0</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

**Net sales**
- Building Solutions – Europe grows firmly in most key markets, offset only by weak German and UK sales
- Growth continues steady in Building Solutions – North America despite the strong comparison numbers
- Uponor Infra reports two-digit net sales growth boosted by Canada and the Nordic countries

**Operating profit**
- Operating profit slightly improving, suppressed by gross margin pressures
- Building Solutions – Europe affected by German sales decline, higher marketing costs and start-up costs in Asia
- Building Solutions – North America solid, but burdened by sales mix and repercussions from the EP resin issue
- Uponor Infra profits improve as a result of increased sales and transformation programme savings
Developments by segment: Building Solutions – Europe

- Broad-based recovery in net sales in key European markets – with the exception of Germany and the UK
- At the biennial ISH trade fair in late March, Uponor presented its solutions under the concept “Build on innovation”, including the technologies acquired in early 2016
- Transformation programme finalisation still pending, expected to close in Q2
  - Transfer of PEX production to Sweden completed successfully
- Business growth and production start-up in China progress well, despite a one-off machine issue
Developments by segment: Building Solutions – North America

- Overall demand stable in the U.S., but with monthly variations; Canada faces a strong, temporary drop compared to lively Q1 2016
- Net sales growth remains healthy but behind the strong comparison period
- Sales trends impacted by irregular order patterns, sales mix and weather issues
Developments by segment: Uponor Infra

- Recovery in market demand in Canada and in the Nordic countries supports growth in net sales and operating profit
- Transformation programme carried through as planned and with planned savings
- Recent upward trend in plastic resins likely to impact cost of goods sold from Q2 onwards, although materially offset by price increases after a delay
### January – March 2017:

**Key figures**

<table>
<thead>
<tr>
<th>Uponor Group - continuing operations</th>
<th>1-3 2016</th>
<th>1-3 2017</th>
<th>Change Y/Y</th>
<th>1-12 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales M€</td>
<td>246.9</td>
<td>265.1</td>
<td>+7.4%</td>
<td>1,099.4</td>
</tr>
<tr>
<td>Operating profit M€</td>
<td>11.9</td>
<td>14.6</td>
<td>+22.8%</td>
<td>71.0</td>
</tr>
<tr>
<td>Comparable operating profit M€</td>
<td>14.9</td>
<td>15.0</td>
<td>+0.8%</td>
<td>90.7</td>
</tr>
<tr>
<td>Comparable operating profit margin %</td>
<td>6.0%</td>
<td>5.7%</td>
<td>-0.4% pts</td>
<td>8.2%</td>
</tr>
<tr>
<td>Earnings per share (diluted) €</td>
<td>0.09</td>
<td>0.11</td>
<td>+22.2%</td>
<td>0.57</td>
</tr>
<tr>
<td>Return on equity (p.a.) %</td>
<td>7.9%</td>
<td>9.4%</td>
<td>+1.5% pts</td>
<td>13.1%</td>
</tr>
<tr>
<td>Return on investment (p.a.) %</td>
<td>8.9%</td>
<td>9.9%</td>
<td>+1.0% pts</td>
<td>14.1%</td>
</tr>
<tr>
<td>Net interest bearing liabilities M€</td>
<td>176.5</td>
<td>224.0</td>
<td>+26.9%</td>
<td>159.5</td>
</tr>
<tr>
<td>Gearing %</td>
<td>62.4%</td>
<td>74.5%</td>
<td>+12.1% pts</td>
<td>48.8%</td>
</tr>
<tr>
<td>Net working capital of net sales (p.a.) %</td>
<td>11.8%</td>
<td>14.5%</td>
<td>+2.7% pts</td>
<td>10.2%</td>
</tr>
<tr>
<td>Number of employees, end of period FTE</td>
<td>3,810</td>
<td>3,866</td>
<td>+1.5%</td>
<td>3,868</td>
</tr>
</tbody>
</table>
January – March 2017: 
Income statement

Uponor Group - continuing operations, M€

<table>
<thead>
<tr>
<th></th>
<th>1-3 2016</th>
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<tbody>
<tr>
<td>Net sales</td>
<td>246.9</td>
<td>265.1</td>
<td>+7.4%</td>
<td>1,099.4</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>159.1</td>
<td>173.7</td>
<td>+9.1%</td>
<td>723.4</td>
</tr>
<tr>
<td>Gross profit</td>
<td>87.8</td>
<td>91.4</td>
<td>+4.2%</td>
<td>376.0</td>
</tr>
<tr>
<td>Gross profit margin (%)</td>
<td>35.5%</td>
<td>34.5%</td>
<td>-1.1% pts</td>
<td>34.2%</td>
</tr>
<tr>
<td>Other operating income</td>
<td>0.6</td>
<td>0.3</td>
<td>-47.9%</td>
<td>4.2</td>
</tr>
<tr>
<td>Expenses</td>
<td>76.5</td>
<td>77.1</td>
<td>+0.8%</td>
<td>309.2</td>
</tr>
<tr>
<td>Operating profit</td>
<td>11.9</td>
<td>14.6</td>
<td>+22.8%</td>
<td>71.0</td>
</tr>
<tr>
<td>Operating profit margin (%)</td>
<td>4.8%</td>
<td>5.5%</td>
<td>+0.7% pts</td>
<td>6.5%</td>
</tr>
<tr>
<td>Financial expenses, net</td>
<td>3.4</td>
<td>2.8</td>
<td>-18.9%</td>
<td>10.0</td>
</tr>
<tr>
<td>Share of result in associated companies</td>
<td>0.1</td>
<td>-0.5</td>
<td>-972.3%</td>
<td>-0.6</td>
</tr>
<tr>
<td>Profit before taxes</td>
<td>8.6</td>
<td>11.3</td>
<td>+32.2%</td>
<td>60.4</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>5.4</td>
<td>7.4</td>
<td>+36.4%</td>
<td>41.5</td>
</tr>
<tr>
<td>EBITDA</td>
<td>21.7</td>
<td>24.0</td>
<td>+10.5%</td>
<td>112.6</td>
</tr>
</tbody>
</table>

- **Net sales** growth +5.8% in constant currency terms – a positive currency impact of €3.7m mainly driven by USD and CAD
- **Comparable gross profit margin** 34.6% (35.8%)
- **Comparable operating profit** €15.0m which is slightly above prior year (€14.9m)
January – March 2017

Net sales development by key markets

Net sales grew in key markets in all segments, with the clear exception of Germany and the UK.
January – March 2017: Balance sheet

- Property, plant and equipment increased mainly due to investments in capacity expansion and efficiency improvement.
- Non-controlling interest represents €62.9m of the equity at €300.7m.
- Net interest-bearing liabilities were €224.0m (€176.5m), the increase mainly being driven by the acquisition of the minority holding in the joint venture Phyn in the summer of 2016 as well as an increase in net working capital.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>219.0</td>
<td>239.3</td>
<td>+20.3</td>
<td>240.9</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>123.3</td>
<td>118.5</td>
<td>-4.8</td>
<td>119.0</td>
</tr>
<tr>
<td>Securities and long-term investments</td>
<td>20.7</td>
<td>33.7</td>
<td>+13.0</td>
<td>34.7</td>
</tr>
<tr>
<td>Inventories</td>
<td>130.8</td>
<td>152.4</td>
<td>+21.6</td>
<td>139.3</td>
</tr>
<tr>
<td>Cash and cash equivalents *</td>
<td>20.9</td>
<td>18.0</td>
<td>-2.9</td>
<td>16.3</td>
</tr>
<tr>
<td>Other current and non-current assets</td>
<td>234.0</td>
<td>251.0</td>
<td>+17.0</td>
<td>217.3</td>
</tr>
<tr>
<td>Assets total</td>
<td>748.7</td>
<td>812.9</td>
<td>+64.2</td>
<td>767.5</td>
</tr>
<tr>
<td>Total equity</td>
<td>282.9</td>
<td>300.7</td>
<td>+17.8</td>
<td>326.9</td>
</tr>
<tr>
<td>Non-current interest-bearing liabilities</td>
<td>144.6</td>
<td>157.7</td>
<td>+13.1</td>
<td>158.2</td>
</tr>
<tr>
<td>Provisions</td>
<td>24.5</td>
<td>27.2</td>
<td>+2.7</td>
<td>28.8</td>
</tr>
<tr>
<td>Non-interest-bearing liabilities</td>
<td>243.9</td>
<td>243.0</td>
<td>-0.9</td>
<td>236.0</td>
</tr>
<tr>
<td>Current interest-bearing liabilities</td>
<td>52.8</td>
<td>84.3</td>
<td>+31.5</td>
<td>17.6</td>
</tr>
<tr>
<td>Shareholders’ equity and liabilities total</td>
<td>748.7</td>
<td>812.9</td>
<td>+64.2</td>
<td>767.5</td>
</tr>
</tbody>
</table>

*) On 31 March 2016, cash and cash equivalents include €1.0 million in restricted cash.
### January – March 2017: Cash flow

<table>
<thead>
<tr>
<th>Uponor Group, M€</th>
<th>1-3 2016</th>
<th>1-3 2017</th>
<th>Change Y/Y</th>
<th>1-12 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash from operations</td>
<td>+21.5</td>
<td>+22.5</td>
<td>+1.0</td>
<td>+105.3</td>
</tr>
<tr>
<td>Change in NWC</td>
<td>-26.2</td>
<td>-40.6</td>
<td>-14.4</td>
<td>-16.6</td>
</tr>
<tr>
<td>Net payment of income tax and interest</td>
<td>-9.8</td>
<td>-4.9</td>
<td>+4.9</td>
<td>-28.8</td>
</tr>
<tr>
<td>Cash flow from operations</td>
<td>-14.5</td>
<td>-23.0</td>
<td>-8.5</td>
<td>+59.9</td>
</tr>
<tr>
<td>Cash flow from investments</td>
<td>-34.5</td>
<td>-7.8</td>
<td>+26.7</td>
<td>-91.8</td>
</tr>
<tr>
<td>Cash flow before financing</td>
<td>-49.0</td>
<td>-30.8</td>
<td>+18.2</td>
<td>-31.9</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>-32.2</td>
<td>-33.6</td>
<td>-1.4</td>
<td>-32.2</td>
</tr>
<tr>
<td>Other financing</td>
<td>+54.0</td>
<td>+66.1</td>
<td>+12.1</td>
<td>+32.0</td>
</tr>
<tr>
<td>Cash flow from financing</td>
<td>+21.8</td>
<td>+32.5</td>
<td>+10.7</td>
<td>-0.2</td>
</tr>
<tr>
<td>Conversion differences</td>
<td>-0.1</td>
<td>+0.0</td>
<td>+0.1</td>
<td>+0.2</td>
</tr>
<tr>
<td>Change in cash and cash equivalents</td>
<td>-27.3</td>
<td>+1.7</td>
<td>+29.0</td>
<td>-31.9</td>
</tr>
</tbody>
</table>

- Gross investments came to €7.8m (€5.3m), remaining clearly below depreciation.
- Cash flow from investments in the comparison period includes a net cash flow effect of -€31.4m from the acquisition of Delta & KaMo Group.
Outlook for the future

Jyri Luomakoski – President and CEO
## Leading indicators: confirming a positive outlook

<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><strong>USA</strong> Housing starts</td>
<td>+9%&lt;sup&gt;1)&lt;/sup&gt;</td>
<td>N/A</td>
<td>March 2017</td>
<td>▶️</td>
</tr>
<tr>
<td><strong>Germany</strong> Housing permits</td>
<td>+3%</td>
<td>+19%</td>
<td>January 2017</td>
<td>▶️</td>
</tr>
<tr>
<td><strong>Finland</strong> Housing permits</td>
<td>+4%</td>
<td>+13%</td>
<td>January 2017</td>
<td>▶️</td>
</tr>
<tr>
<td><strong>Sweden</strong> Housing starts</td>
<td>+28</td>
<td>+34</td>
<td>December 2016</td>
<td>▶️</td>
</tr>
<tr>
<td><strong>Canada</strong> Housing starts</td>
<td>+25&lt;sup&gt;1)&lt;/sup&gt;</td>
<td>N/A</td>
<td>March 2017</td>
<td>▶️</td>
</tr>
<tr>
<td><strong>Denmark</strong> Housing starts</td>
<td>+20%</td>
<td>+20%</td>
<td>December 2016</td>
<td>▶️</td>
</tr>
<tr>
<td><strong>Netherlands</strong> Housing permits</td>
<td>-5%</td>
<td>-5%</td>
<td>December 2016</td>
<td>▶️</td>
</tr>
<tr>
<td><strong>Spain</strong> Housing permits</td>
<td>+26%</td>
<td>+28%</td>
<td>January 2017</td>
<td>▶️</td>
</tr>
<tr>
<td><strong>UK</strong> Housing starts&lt;sup&gt;2)&lt;/sup&gt;</td>
<td>+5%</td>
<td>+5%</td>
<td>December 2016</td>
<td>▶️</td>
</tr>
<tr>
<td><strong>Norway</strong> Housing starts</td>
<td>+14%</td>
<td>+18%</td>
<td>February 2017</td>
<td>▶️</td>
</tr>
</tbody>
</table>

1) Seasonally adjusted, annualised rate vs. same month in 2016  
2) England only
USA - Continued expansion but at more moderate levels

The economy continues to expand, driven by sustained job growth and very solid consumer confidence. However, lacklustre business investments, labour shortages in some industries and rising interest rates are tempering growth.

Within the construction industry:

- Private residential construction spending has reached its highest level since August 2007.
- Builder confidence (HMI) reached its highest level since 2005.
- Many non-residential building segments, such as offices and commercial space, continue to expand.

Source: US Census, NAHB/Wells Fargo

Interim report results briefing 3-3 / 2017
Germany - A strong labour market is supporting residential investment

Private consumption and government expenditures, combined with buoyant business confidence, have continued to boost the economy

Within the construction industry:

- Order books have improved compared to the same time in 2016
- Multi-family building permits continue to drive gains in the residential segment
- Construction sentiment stumbled in the last months of 2016, but remains encouraging
Management agenda for 2017

• Complete the broad-based transformation in Building Solutions – Europe and return to growth path in Germany
  – Continue with the expansion in Asia
• Maintain higher than the market average sales growth in North America and secure smooth supply of products as demand grows
• Boost the strategic initiatives in Uponor Infra to grow designed solutions sales and the segment’s profitability
• Carry through the strategic investments in research, technology and corporate development to maintain lead in sustainable building technology and hygienic plumbing
Guidance

• In February 2017, Uponor estimated that the Group's capital expenditure would be in the range of €50-60 million, excluding any investment in shares. With new, planned additions included, the capital expenditure is expected to be close to €60 million in 2017
• Encouraging improvement in demand in the European markets, influencing both building solutions and infrastructure solutions, and supported by improving confidence, attractive credit terms, immigration and pent up demand
• Volatility in the market is expected to continue and political risks remain
• Assuming that economic development in Uponor's key geographies continues undisturbed, Uponor repeats earlier guidance from February 2017:

The Group’s net sales and comparable operating profit are expected to improve from 2016