

The background of the slide is a wide-angle, high-angle photograph of a city at night. The city is illuminated with warm yellow and white lights, reflecting on a large body of water in the foreground. A multi-arched bridge spans across the water. In the distance, a dense skyline of skyscrapers is visible against a dark blue twilight sky. The overall mood is professional and modern.

uponor

Financial results briefing

Jyri Luomakoski – President and CEO
Riitta Palomäki – CFO

1–12 / 2015

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

Q4/2015: Additional boost in performance from late season pick-up in Europe

Uponor Group, in M€	10-12/ 2014	10-12/ 2015	Change
Net sales	251.5	262.0	4.2%
Building Solutions – Europe	112.7	114.3	1.5%
Building Solutions – North America	56.1	74.0	31.9%
Uponor Infra	84.9	75.0	-11.7%
Operating profit	11.8	14.0	18.0%
Building Solutions – Europe	4.7	3.3	-29.8%
Building Solutions – North America	9.3	12.2	30.8%
Uponor Infra	-0.9	-1.2	-22.9%

- Strong performance in Building Solutions – North America continued
- European segments benefited from mild weather and customer prestocking
- Volatility putting pressure on planning and price management
- Currency impact reasonably strong vs 2014 (€7.1m on net sales)
- €3.0m in NRIs burdening operating profit (2014: €0.9m)

Full year 2015: Continued good progress in Building Solutions – North America

Uponor Group, in M€	1-12/2014	1-12/2015	Change
Net sales	1,023.9	1,050.8	2.6%
Building Solutions – Europe	479.1	467.1	-2.5%
Building Solutions – North America	200.8	275.8	37.4%
Uponor Infra	351.3	312.0	-11.2%
Operating profit	63.4	71.4	12.6%
Building Solutions – Europe	35.0	24.0	-31.4%
Building Solutions – North America	31.5	51.0	61.9%
Uponor Infra	-0.5	0.2	142.0%

- 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

- Apart from late Q4, markets largely flat, full-year net sales down by 2.5%
- The Netherlands, Sweden, Spain as brighter spots
- New Central European distribution centre opened at the end of Q1/2015
- New production unit in Annolovo, close to St. Petersburg, Russia
- New leadership and operational structure as of 1 September
- Launched programmes to boost growth and streamline operations, they progress on plan
- Announced a plan to start manufacturing in China in late 2016



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
- Apart from the strategically important designed solutions, ongoing business suffered from declining markets, especially Canada and Poland
- Transformation programme started in Finland to rationalise manufacturing footprint, 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



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



Savings and performance improvement targeted through European transformation programmes

Building Solutions – Europe launched a streamlining programme in July 2015

- Targeted €3 million in savings and a reduction of 100 man years of work, NRI costs estimated at €4-5 million
- Programmes completed in Sweden and the UK – Germany ongoing

Building Solutions – Europe launched a transformation programme in November 2015

- Targets a minimum of €20 million in savings by end 2017, with an expected headcount reduction at 300 persons, NRI costs estimated to be around €21 million
- Aims at changes both in sales and marketing as well as manufacturing and distribution footprint

Uponor Infra's transformation and manufacturing footprint programme

- After successful integration and streamlining programmes since 2013, Uponor Infra started strategic adjustment which resulted in two divestments and an exit from the OmegaLiner® relining business
- Manufacturing footprint optimisation in Finland ongoing, will be completed in 2016

The Uponor logo is positioned in the top right corner of the slide. It consists of the word "uponor" in a white, lowercase, sans-serif font. The background of the slide is a photograph of a modern building with a prominent cantilevered section and a glass facade, set against a clear blue sky.

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Financial statements

Riitta Palomäki – CFO

1–12 / 2015

January – December 2015:

Key figures

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

In M€, unless otherwise noted

October – December 2015

Income statement

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

- **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

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

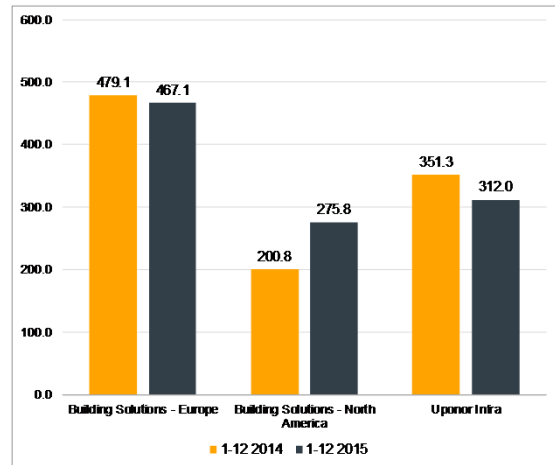
- **Net sales** growth 5.2% in organic terms; currency impact totalled €35.0 million, mainly from the USD
- **Gross profit margin** improvement driven by the larger relative share of Building Solutions - North America, and sales growth of designed solutions and satisfactory management of the resin price 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

January – December 2015

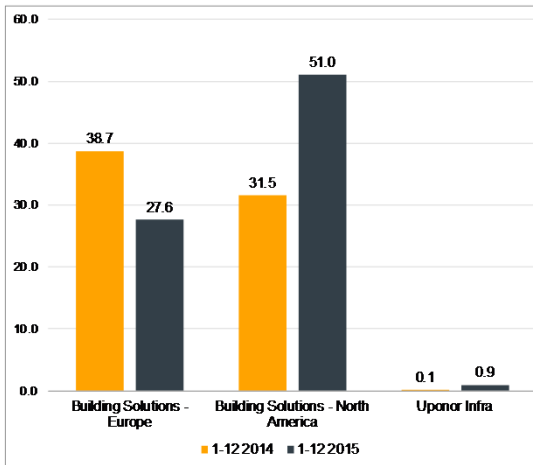
Net sales & operating profit by segment

Currency: M€

Net sales



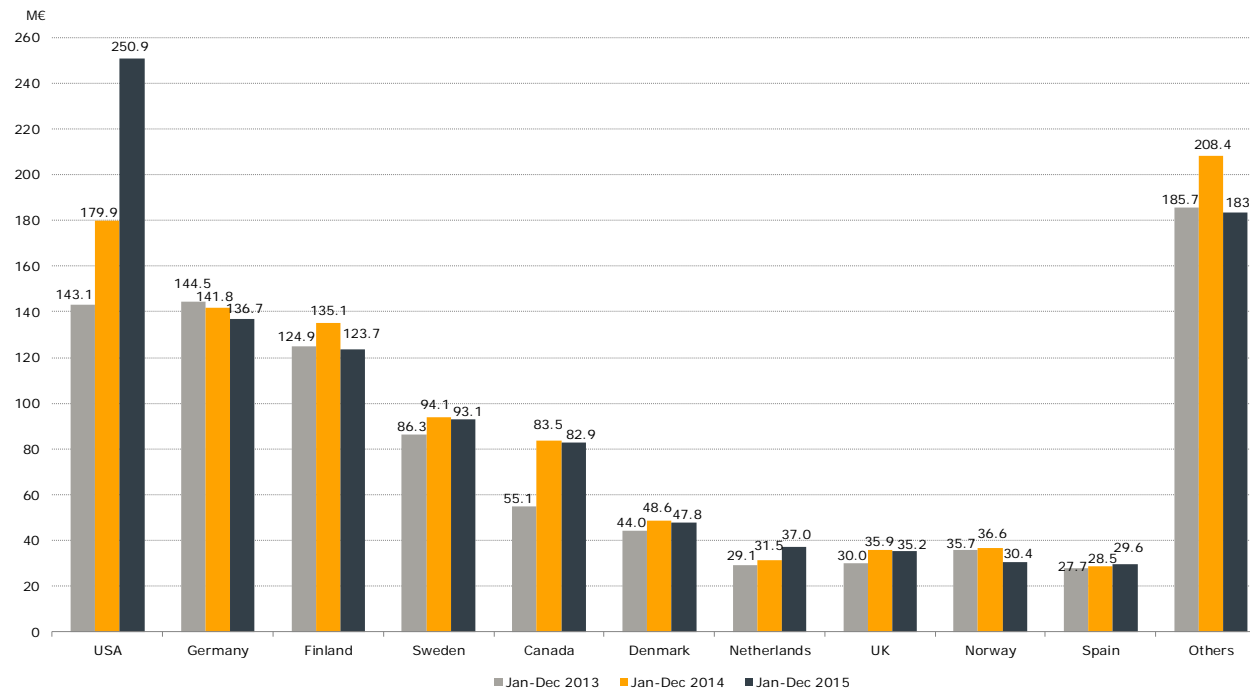
Operating profit, w/o non-recurring items



- 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

January – December 2015

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

Growth	USA	Germany	Finland	Sweden	Canada	Denmark	Netherlands	UK	Norway	Spain	Others
% in EUR	39.5	-3.6	-8.4	-1.1	-0.7	-1.6	17.5	-1.7	-16.9	3.7	-12.0
% in Curr.	16.6			1.3	-3.4	-1.6		-11.3	-11.0		

January – December 2015

Balance sheet

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

- 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

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

January – December 2015

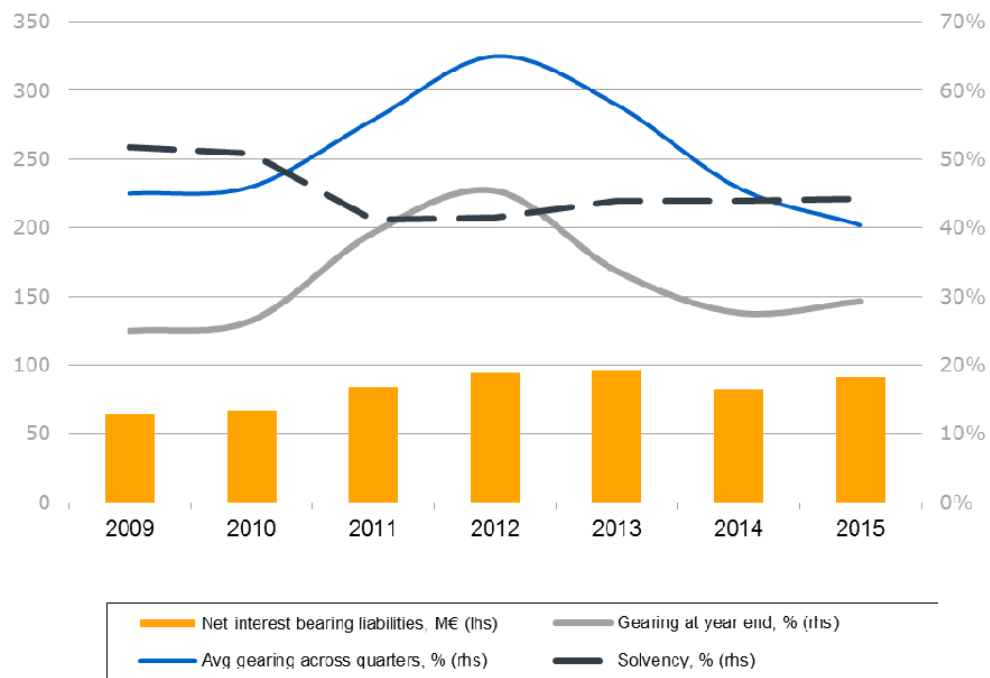
Cash flow

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

- 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

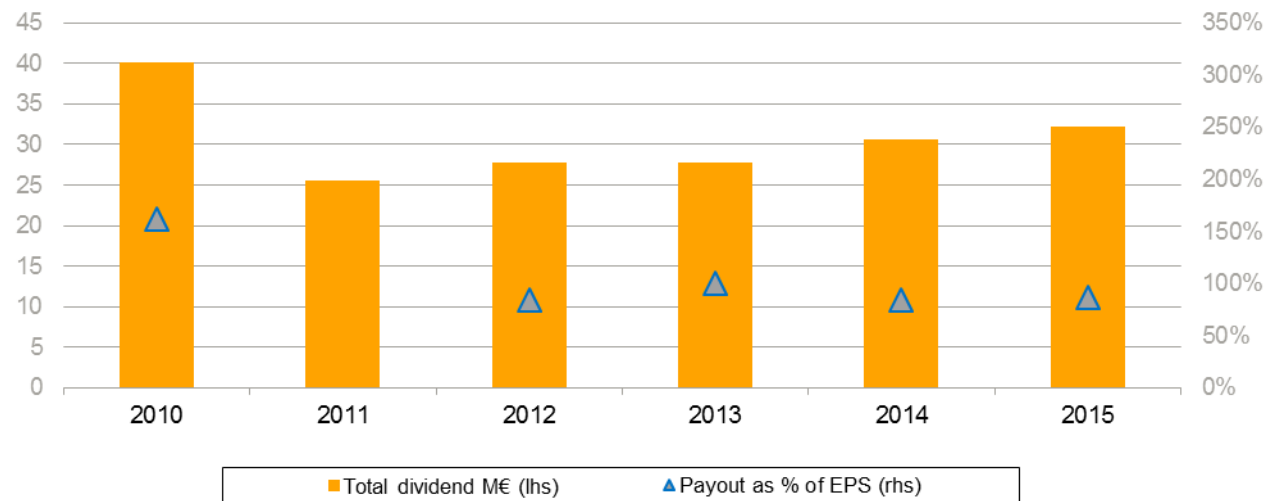
Capital structure development



- 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

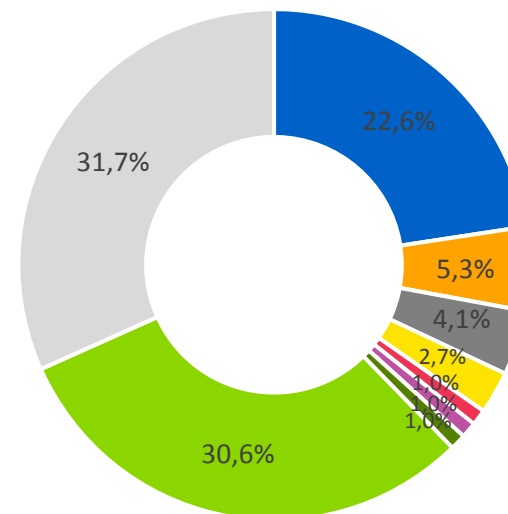


The Board's dividend proposal for 2015: €0.44 per share

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























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Outlook for the future

Jyri Luomakoski – President and CEO

Leading indicators: stable market outlook overall

	Indicator	% Change YTD	Data through	Trend since Q4 update
 USA	Housing starts ¹⁾	+14%	December 2015	
 Germany	Housing permits	+5%	November 2015	
 Finland	Housing permits	-8%	November 2015	
 Sweden	Housing starts	+35%	September 2015	
 Canada	Housing starts ¹⁾	-3%	December 2015	
 Denmark	Housing starts	-25%	September 2015	
 Netherlands	Housing permits	+50%	October 2015	
 UK	Housing starts ²⁾	+2%	September 2015	
 Norway	Housing permits	+14%	December 2015	
 Spain	Housing permits	+22%	October 2015	

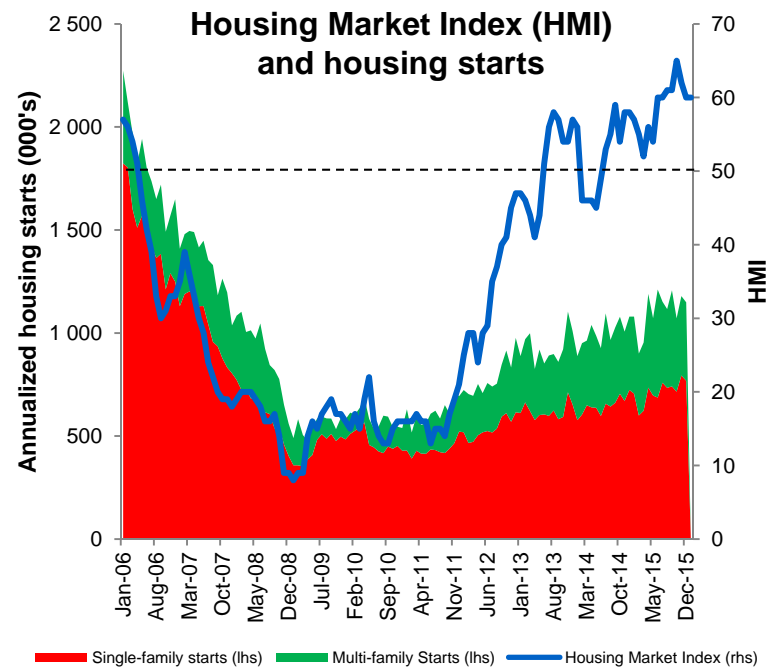
*: Seasonally adjusted, annualised rate vs. same month in 2014; **: England only

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

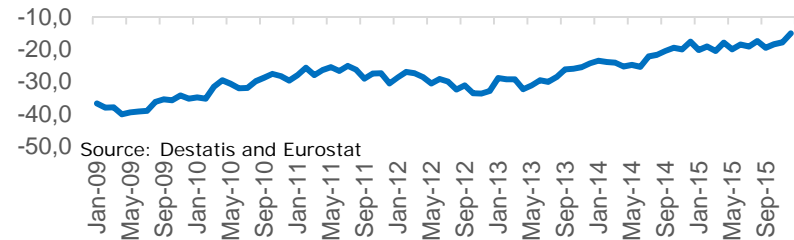


Source: US Census, NAHB/Wells Fargo

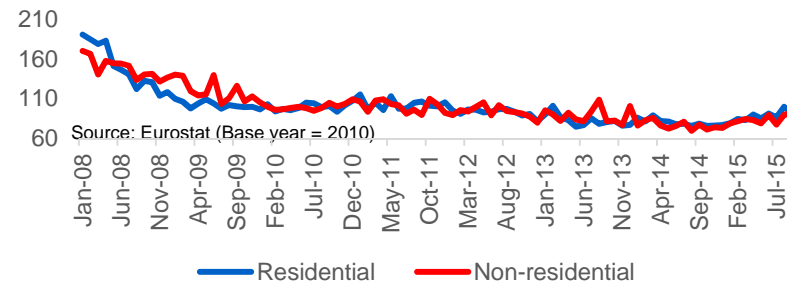
Construction confidence in Europe improved

- 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

European construction confidence indicator
(European Union, seasonally adjusted)



European building permits index
(Euro Area 18, seasonally adjusted)

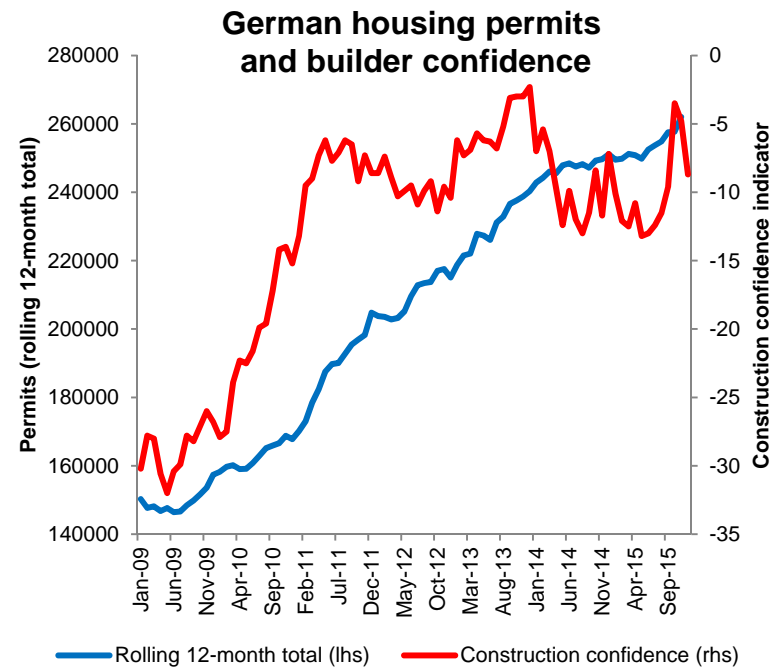


Country overview - Germany

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



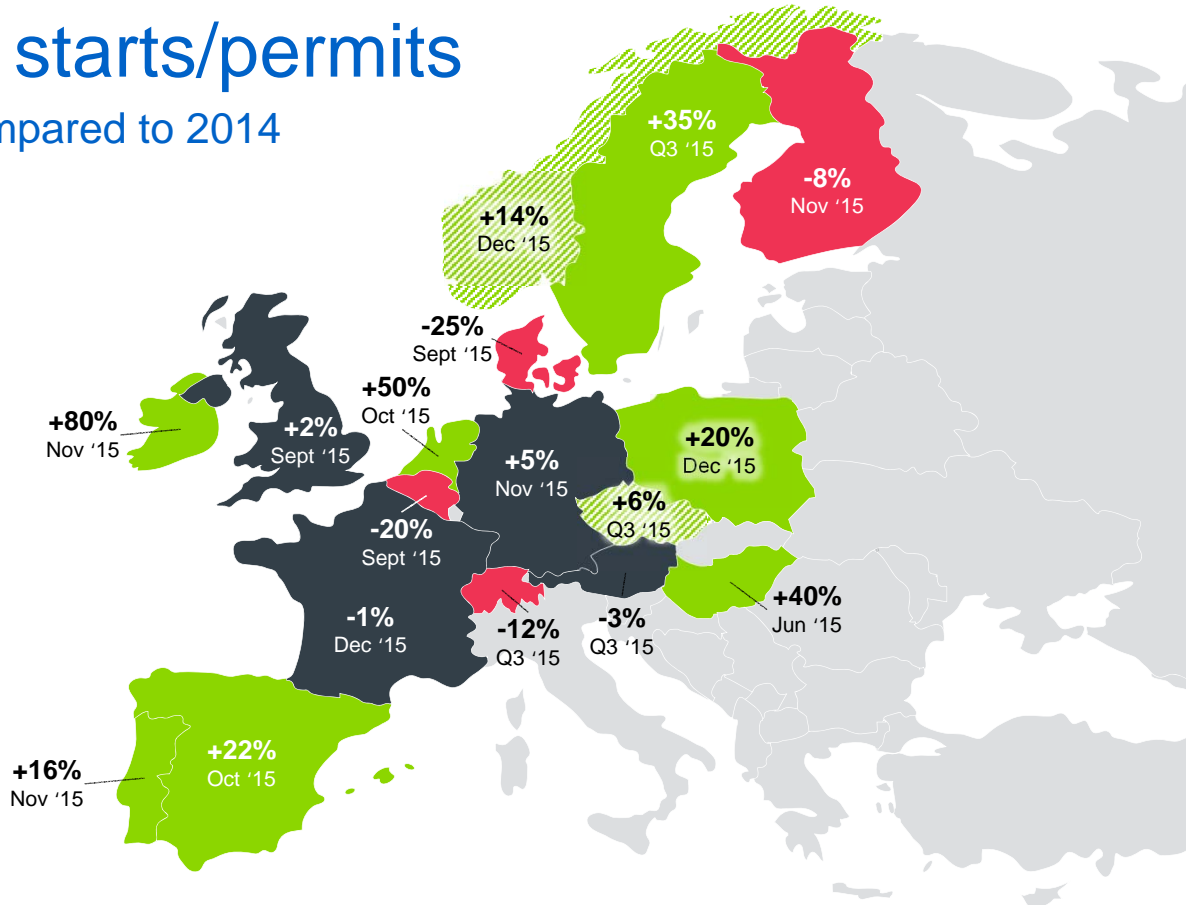
Source: Destatis and Eurostat

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

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Q&A

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