Enriching people’s way of life

Roadshow presentation
Jyri Luomakoski, President and CEO
Riitta Palomäki, CFO
October 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!
Sustainability is a foundation of our business

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

• Reporting through CDP Climate Change Nordic programme since 2010, Uponor has consistently improved performance and reached level B in 2016
Group structure

The chart shows the Executive Committee members’ responsibilities.

President and CEO
Jyrki Luomakoski

Group functions

- Finance and administration
  Riitta Palomäki

- HR
  Minna Schrey-Hyppänen

- Legal services
  Jyrki Luomakoski

Brand management • Jan Peter Tewes

Technology and Corporate Development • Fernando Rosés

Building Solutions – Europe
Jan Peter Tewes

Building Solutions – North America
Bill Gray

Uponor Infra
Sebastian Bondestam

Supply chain management • Sebastian Bondestam
Business groups

Plumbing solutions  
45% *)

Indoor climate solutions  
25%

Infrastructure solutions  
30%

*) percentage of 2015 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
Intelligent water and hygiene
Uponor’s Indoor Climate offering
The basis for a comfortable and energy-efficient ambiance

- Radiant heating and cooling
- Thermally active slabs
- Ceiling cooling
- Geothermal energy stations
- Manifold stations
- Controls
- Local heat distribution
- Ventilation
Uponor’s infrastructure offering
Transporting water, air, electricity, telecommunications and data
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 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

<table>
<thead>
<tr>
<th>Target</th>
<th>2015 Actual</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic net sales growth to exceed annual GDP growth* by 3 ppts</td>
<td>5.2% (target 4.8%)</td>
<td>GDP growth based on a weighted average growth in the top 10 countries</td>
</tr>
<tr>
<td>EBIT margin to exceed 10%</td>
<td>7.2% w/o NRI</td>
<td></td>
</tr>
<tr>
<td>ROI to exceed 20%</td>
<td>15.5%</td>
<td></td>
</tr>
<tr>
<td>Dividend pay-out to be at least 50% of annual earnings (considering the gearing target)</td>
<td>86%</td>
<td></td>
</tr>
<tr>
<td>Gearing to stay within 30 to 70 as an annual average of the quarters</td>
<td>40.4</td>
<td></td>
</tr>
</tbody>
</table>

* GDP growth based on a weighted average growth in the top 10 countries
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:
15 September 2016: the holdings of Franklin Resources, Inc. went down to 9.55%

- 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
Q2/2016: European demand picks up, savings from transformation programmes visible

### Net sales
- Demand picking up in parts of Europe, Building Solutions grew by double-digit numbers in several countries
  - Non-organic growth at €8.6 million
- Strong tailwinds supported the U.S. growth: Building Solutions - North America reports over five years of y-o-y growth
- Despite emerging stability in Europe, Uponor Infra declined, mainly due to weak North America and Poland

### Operating profit
- Building Solutions – Europe benefited from higher net sales and savings from the ongoing transformation programme
- Building Solutions – North America’s performance at prior year level, curbed by fittings transition and JV transaction costs
- Uponor Infra benefited from transformation savings and changes in product/channel mix

### April - June, M€

<table>
<thead>
<tr>
<th></th>
<th>4-6/ 2015</th>
<th>4-6/ 2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>277.6</td>
<td>299.5</td>
<td>7.9%</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>22.5</td>
<td>26.5</td>
<td>18.0%</td>
</tr>
<tr>
<td><strong>Comparable operating profit</strong></td>
<td>23.2</td>
<td>30.7</td>
<td>31.8%</td>
</tr>
</tbody>
</table>

July 2016 | © Uponor | Roadshow presentation
Market overview: second quarter 2016

Nordic countries
- Sweden continues to outpace its neighbours, especially in the new residential segment
- Other markets are generally stable, with signs of a fragile recovery in Finland

Southern Europe
- A dynamic situation, with a recovery in Spain, continued stagnation in Italy and significant uncertainty surrounding the UK

Central Europe
- The regions largest market, Germany, continues to see improvements in the construction market
- In the Netherlands, activity has moderated

North America
- The U.S. construction market has continued to improve across nearly every building segment, but at a reduced pace
- In Canada, weak energy markets hold back non-residential activity while house building is more resilient
Developments by segment: Building Solutions – Europe

- Positive signals from a number of European markets support marketing initiatives
- Transformation programme advances as planned in most markets
  - Jobs reduced by 140 by end of June (116 in Q1)
- The KaMo/Delta integration progressing
- Good market response of recent product launches continues (such as Smatrix Aqua, prefabricated assembly units, seamless composite pipe Uni Pipe Plus)
Developments by segment: Building Solutions – North America

- Strong sales growth in a healthy market maintained across the U.S.; Canadian demand softened in Q2
- Sales driven by the lively U.S. plumbing market
- Financial performance burdened by costs related to the temporary EP fittings replacement by metal fittings, the Canadian currency impact and costs related to the joint venture transaction
Developments by segment: Uponor Infra

- Emerging stability in much of Europe
- Net sales declined as a result of
  - Weak North America due to poor PE pipe market
  - Poland suffers from delayed EU funding
- Changes in product/channel mix supported performance development
- Manufacturing footprint optimisation and cost savings progressing as planned. In Finland, reinstallation of 3 out of 8 lines in progress.
### January – June 2016: Key figures

<table>
<thead>
<tr>
<th>M€</th>
<th>1-6 2015</th>
<th>1-6 2016</th>
<th>Change Y/Y</th>
<th>1-12 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales, continuing operations</td>
<td>514.7</td>
<td>546.4</td>
<td>+6.2%</td>
<td>1,050.8</td>
</tr>
<tr>
<td>Operating profit, continuing operations</td>
<td>33.8</td>
<td>38.4</td>
<td>+13.6%</td>
<td>71.4</td>
</tr>
<tr>
<td>Comparable operating profit</td>
<td>34.6</td>
<td>45.6</td>
<td>+31.7%</td>
<td>75.8</td>
</tr>
<tr>
<td>Comparable operating profit margin</td>
<td>6.7%</td>
<td>8.3%</td>
<td>1.6% pts</td>
<td>7.2%</td>
</tr>
<tr>
<td>Earnings per share (diluted), continuing operations, €</td>
<td>0.23</td>
<td>0.28</td>
<td>+21.7%</td>
<td>0.51</td>
</tr>
<tr>
<td>Return on equity, % (p.a.)</td>
<td>11.6%</td>
<td>13.9%</td>
<td>2.3% pts</td>
<td>12.1%</td>
</tr>
<tr>
<td>Return on investment, % (p.a.)</td>
<td>14.0%</td>
<td>15.3%</td>
<td>1.3% pts</td>
<td>15.5%</td>
</tr>
<tr>
<td>Net interest bearing liabilities</td>
<td>138.8</td>
<td>175.1</td>
<td>+26.2%</td>
<td>91.3</td>
</tr>
<tr>
<td>Gearing, %</td>
<td>47.8%</td>
<td>58.5%</td>
<td>+10.7% pts</td>
<td>29.3%</td>
</tr>
<tr>
<td>Net working capital of Net sales, % (p.a.)</td>
<td>11.9%</td>
<td>11.9%</td>
<td>+0.0% pts</td>
<td>8.1%</td>
</tr>
<tr>
<td>Number of employees, end of period, continuing operations</td>
<td>3,906</td>
<td>3,964</td>
<td>+1.5%</td>
<td>3,735</td>
</tr>
</tbody>
</table>

All numbers in M€, unless otherwise noted.
January – June 2016: Income statement

<table>
<thead>
<tr>
<th>M€</th>
<th>1-6 2015</th>
<th>1-6 2016</th>
<th>Change Y/Y</th>
<th>1-12 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Continuing operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>514.7</td>
<td>546.4</td>
<td>+6.2%</td>
<td>1,050.8</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>330.9</td>
<td>353.1</td>
<td>+6.7%</td>
<td>680.6</td>
</tr>
<tr>
<td>Gross profit</td>
<td>183.8</td>
<td>193.3</td>
<td>+5.2%</td>
<td>370.2</td>
</tr>
<tr>
<td>% of net sales</td>
<td>35.7%</td>
<td>35.4%</td>
<td>-0.3% pts</td>
<td>35.2%</td>
</tr>
<tr>
<td>Other operating income</td>
<td>0.7</td>
<td>2.0</td>
<td>+180.7%</td>
<td>2.4</td>
</tr>
<tr>
<td>Expenses</td>
<td>150.7</td>
<td>156.9</td>
<td>+4.1%</td>
<td>301.2</td>
</tr>
<tr>
<td>Operating profit</td>
<td>33.8</td>
<td>38.4</td>
<td>+13.6%</td>
<td>71.4</td>
</tr>
<tr>
<td>% of net sales</td>
<td>6.6%</td>
<td>7.0%</td>
<td>+0.5% pts</td>
<td>6.8%</td>
</tr>
<tr>
<td>Financial expenses, net</td>
<td>6.4</td>
<td>5.5</td>
<td>-14.0%</td>
<td>8.9</td>
</tr>
<tr>
<td>Share of result in associated companies</td>
<td>0.1</td>
<td>0.1</td>
<td>+0.0%</td>
<td>0.3</td>
</tr>
<tr>
<td>Profit before taxes</td>
<td>27.5</td>
<td>33.0</td>
<td>+20.0%</td>
<td>62.8</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>17.3</td>
<td>20.8</td>
<td>+20.1%</td>
<td>37.1</td>
</tr>
<tr>
<td>EBITDA</td>
<td>52.1</td>
<td>57.9</td>
<td>+11.2%</td>
<td>110.5</td>
</tr>
</tbody>
</table>

- **Comparable gross profit** at €194.8m (35.7%) against €184.2m (35.8%) in 2015
- **Comparable operating profit** at €45.6m (8.3%) against €34.6m (6.7%) in 2015, up €11m
January – June 2016: Net sales & comparable operating profit by segment

Currency: M€

<table>
<thead>
<tr>
<th>Segment</th>
<th>1-6 2015</th>
<th>1-6 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Solutions - Europe</td>
<td>231.6</td>
<td>257.8</td>
</tr>
<tr>
<td>Building Solutions - North America</td>
<td>126.7</td>
<td>150.9</td>
</tr>
<tr>
<td>Uponor Infra</td>
<td>158.0</td>
<td>139.9</td>
</tr>
</tbody>
</table>

- Building Solutions – Europe: net sales growth driven by the German acquisitions. Comparable operating profit margin at 7.4%, up from 5.7%

- Building Solutions – North America: strong sales growth continued, +19% in euro terms. Comparable operating profit margin 17.0%, down by 1.2%-pts from the very high level in 2015

- Uponor Infra: net sales down by 11.5%. Improved comparable operating profit driven by reduced operational cost levels in Finland
January – June 2016: Net sales development by key markets

- Increase in Germany driven by the KaMo/Delta acquisitions
- Good progress in Sweden and Spain
- Decrease in Finland driven by Uponor Infra, the building solutions business posted growth
January – June 2016: Balance sheet

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>209.5</td>
<td>221.7</td>
<td>+12.2</td>
<td>221.4</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>96.3</td>
<td>121.4</td>
<td>+25.1</td>
<td>94.7</td>
</tr>
<tr>
<td>Securities and long-term investments</td>
<td>10.8</td>
<td>21.6</td>
<td>+10.8</td>
<td>21.0</td>
</tr>
<tr>
<td>Inventories</td>
<td>131.2</td>
<td>133.6</td>
<td>+2.4</td>
<td>112.4</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>16.5</td>
<td>24.8</td>
<td>+8.3</td>
<td>49.2</td>
</tr>
<tr>
<td>Other current and non-current assets</td>
<td>252.5</td>
<td>269.4</td>
<td>+16.9</td>
<td>209.1</td>
</tr>
<tr>
<td>Total equity</td>
<td>290.6</td>
<td>299.2</td>
<td>+8.6</td>
<td>311.7</td>
</tr>
<tr>
<td>Non-current interest-bearing liabilities</td>
<td>100.4</td>
<td>139.1</td>
<td>+38.7</td>
<td>91.2</td>
</tr>
<tr>
<td>Provisions</td>
<td>17.4</td>
<td>26.4</td>
<td>+9.0</td>
<td>25.0</td>
</tr>
<tr>
<td>Current non-interest-bearing liabilities</td>
<td>253.5</td>
<td>267.0</td>
<td>+13.5</td>
<td>231.6</td>
</tr>
<tr>
<td>Current interest-bearing liabilities</td>
<td>54.9</td>
<td>60.8</td>
<td>+5.9</td>
<td>48.3</td>
</tr>
<tr>
<td>Balance sheet total</td>
<td>716.8</td>
<td>792.5</td>
<td>+75.7</td>
<td>707.8</td>
</tr>
</tbody>
</table>

- Increase in the balance sheet driven by the German acquisitions and a growing business in Building Solutions - North America
- Non-controlling interest represents €63.8m of the total equity at €299.2m
### January – June 2016: Cash flow

<table>
<thead>
<tr>
<th></th>
<th>1-6 2015</th>
<th>1-6 2016</th>
<th>Change Y/Y</th>
<th>1-12 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net cash from operations</strong></td>
<td>+47.1</td>
<td>+55.1</td>
<td>+8.0</td>
<td>+105.6</td>
</tr>
<tr>
<td><strong>Change in NWC</strong></td>
<td>-50.2</td>
<td>-41.9</td>
<td>+8.3</td>
<td>-15.0</td>
</tr>
<tr>
<td><strong>Net payment of income tax and interest</strong></td>
<td>-16.7</td>
<td>-16.6</td>
<td>+0.1</td>
<td>-32.4</td>
</tr>
<tr>
<td><strong>Cash flow from operations</strong></td>
<td>-19.8</td>
<td>-3.4</td>
<td>+16.4</td>
<td>+58.2</td>
</tr>
<tr>
<td><strong>Cash flow from investments</strong></td>
<td>-12.5</td>
<td>-44.4</td>
<td>-31.9</td>
<td>-41.7</td>
</tr>
<tr>
<td><strong>Cash flow before financing</strong></td>
<td>-32.3</td>
<td>-47.8</td>
<td>-15.5</td>
<td>+16.5</td>
</tr>
<tr>
<td><strong>Dividends and buy backs</strong></td>
<td>-30.7</td>
<td>-32.2</td>
<td>-1.5</td>
<td>-30.7</td>
</tr>
<tr>
<td><strong>Other financing</strong></td>
<td>+18.5</td>
<td>+56.5</td>
<td>+38.0</td>
<td>+2.3</td>
</tr>
<tr>
<td><strong>Cash flow from financing</strong></td>
<td>-12.2</td>
<td>+24.3</td>
<td>+36.5</td>
<td>-28.4</td>
</tr>
<tr>
<td><strong>Conversion differences</strong></td>
<td>+0.8</td>
<td>+0.1</td>
<td>-0.7</td>
<td>-0.1</td>
</tr>
<tr>
<td><strong>Change in cash and cash equivalents</strong></td>
<td>-43.7</td>
<td>-23.4</td>
<td>+20.3</td>
<td>-12.0</td>
</tr>
</tbody>
</table>

- Improved cash flow from operations
- Cash flow from investments includes cash flow-out related to the German acquisitions (€31.4m)
- Gross CapEx (€15.7m) below depreciation and slightly down year-on-year
- Cash flow from investments in the comparison period includes a net cash flow effect of €+5.9m from the divestments of Uponor Infra’s Thai business and Extron Engineering Oy in Finland
Outlook for the future
## Leading indicators: stable market outlook overall

<table>
<thead>
<tr>
<th>Indicator</th>
<th>YTD % Change</th>
<th>Rolling 12-month % Change</th>
<th>Data through</th>
<th>Trend since Q1 update</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA Housing starts¹)</td>
<td>-2%</td>
<td>N/A</td>
<td>June 2016</td>
<td></td>
</tr>
<tr>
<td>Germany Housing permits</td>
<td>+29%</td>
<td>+18%</td>
<td>May 2016</td>
<td></td>
</tr>
<tr>
<td>Finland Housing permits</td>
<td>+10%</td>
<td>+7%</td>
<td>April 2016</td>
<td></td>
</tr>
<tr>
<td>Sweden Housing starts</td>
<td>+47%</td>
<td>+30%</td>
<td>Q1 2016</td>
<td></td>
</tr>
<tr>
<td>Canada Housing starts¹)</td>
<td>+14%</td>
<td>N/A</td>
<td>June 2016</td>
<td></td>
</tr>
<tr>
<td>Denmark Housing starts</td>
<td>+13%</td>
<td>-11%</td>
<td>March 2016</td>
<td></td>
</tr>
<tr>
<td>Netherlands Housing permits</td>
<td>-42%</td>
<td>-15%</td>
<td>April 2016</td>
<td></td>
</tr>
<tr>
<td>Spain Housing permits</td>
<td>+42%</td>
<td>+32%</td>
<td>April 2016</td>
<td></td>
</tr>
<tr>
<td>UK Housing starts²)</td>
<td>-9%</td>
<td>+2%</td>
<td>Q1 2016</td>
<td></td>
</tr>
<tr>
<td>Norway Housing starts</td>
<td>+11%</td>
<td>+14%</td>
<td>May 2016</td>
<td></td>
</tr>
</tbody>
</table>

¹) Seasonally adjusted, annualised rate vs. same month in 2015  
²) England only
Building permits in Europe have continued to make gains from all-time lows

- Permit activity has continued to slowly trend upwards in both the residential and non-residential segments (data through February 2016)

- Comparing the first months of 2016 to 2015, the largest gains were made in Germany, Spain, and Norway

Source: Eurostat (Base year = 2010)
Country overview- USA

The economy continues to post modest growth, but at significantly reduced rates from last autumn.

Within the construction industry:

- Housing starts are on a similar level as last year, having lost some momentum from earlier in the year.
- Residential builder confidence has softened, but remains clearly in expansionary territory.
- Construction spending has risen across nearly all residential and non-residential building segments compared to the same period in 2015.

Source: US Census, NAHB/Wells Fargo.
Country overview- Germany

The economy has so far continued to brush off external uncertainties, with households driving economic growth.

Within the construction industry:

- Builder confidence has reached another post-reunification high.
- Order book development has remained generally positive in both the residential and non-residential segments.
- Permit levels continue to develop positively across most building segments.

Source: Destatis and Eurostat
Management agenda for 2016 –
No change in focus since Q1

• Complete the broad-based transformation in Europe, including manufacturing footprint optimisation, targeting a clear growth in net sales
• Start the manufacture of indoor climate and plumbing products in China
• Uphold customer satisfaction and sales growth in North America, while continuously upgrading manufacturing capacity
• Boost investment in research, technology and corporate development in order to maintain lead in sustainable building technology
Guidance 2016

• Despite recent encouraging stability, volatility in the market is expected to continue

• No sign of changes in the market place in the near future, which could materially affect demand in 2016 from our earlier forecast
  – Direct impact of ‘Brexit’ not meaningful due to Uponor’s low exposure to the UK market
  – Wider political and economic repercussions remain to be seen

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

• Assuming that economic development in Uponor's key geographies continues undisturbed, Uponor reiterates earlier guidance from February 2016:

  The Group’s net sales and comparable operating profit are expected to improve from 2015
Builder confidence in Europe has strengthened in most markets compared to last year.

Source: Eurostat

EU construction confidence

Change in construction confidence (Q2 2016 avg. vs Q2 2015 avg.)
Country overview- Finland

While the economy has likely returned to growth, significant challenges continue to be present.

Within the construction industry:

• Construction volumes and permit activity have increased compared to last year (from a very low base)

• However, the positive trend witnessed in builder confidence has halted during recent months.

Source: Statistics Finland & Eurostat
Country overview - Sweden

While some measures of trade have slowed, nearly every component of the economy continues to grow.

Within the construction industry:

- The residential new-build segment continues to grow significantly, reaching a 25-year high.
- However, builder confidence has moderated in recent months and non-residential and civil engineering activity remain more constrained.

Housing starts in Sweden

Source: Statistics Sweden