Enriching people’s way of life

Roadshow presentation H1/2017
Jyri Luomakoski, President & CEO
Maija Strandberg, CFO
August 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

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.

**FACTS & FIGURES**

<table>
<thead>
<tr>
<th>1,1</th>
<th>30</th>
<th>14</th>
<th>3,900</th>
</tr>
</thead>
<tbody>
<tr>
<td>billion euro</td>
<td>countries with Uponor operations</td>
<td>production sites worldwide</td>
<td>worldwide staff</td>
</tr>
<tr>
<td>Net sales 2016</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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
Uponor milestones

- 1620: Johan de la Gardie establishes Wirbo Bruks
- 1918: Aukusti Asko-Avonius establishes a carpentry workshop in Lahti, Finland
- 1938: Upo Oy starts to manufacture cast iron products and household appliances
- 1964: Plastic division Upo-Muovi starts up in Nastola, Finland, and launches its first plastic pipes
- 1982: Asko Oy and Neste Oy jointly establish Oy Uponor Ab
- 1988: Uponor enters plastic hot water pipe business, acquires Wirbo
- 1990: Wirbo opens a factory in Apple Valley, Minnesota, USA
- 1999: Oras Invest becomes a major shareholder
- 2000: Merger with parent company Asko Oyj on 1 Jan 2000
- 2006: The business is consolidated under one brand
- 2006: Start of Uponor Infra through a merger with KWH Pipe on 1 July 2013
- 2008: Municipal business outside of the Nordic countries divested
- 2013: Acquiring competence in hygienic drinking water delivery
- 2016: Establishes joint venture Phyn with Belkin International Inc.
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
Group structure
Net sales breakdown
Consolidated net sales for 2016: €1,1 billion

BY BUSINESS GROUP

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td>34%</td>
<td>30%</td>
<td>26%</td>
</tr>
<tr>
<td>Plumbing</td>
<td>39%</td>
<td>45%</td>
<td>49%</td>
</tr>
<tr>
<td>Indoor climate</td>
<td>27%</td>
<td>25%</td>
<td>25%</td>
</tr>
</tbody>
</table>

BY SEGMENT

<table>
<thead>
<tr>
<th></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
- Press fittings
- Pre-fabricated units
- Quick & Easy fittings
- Tools
- Intelligent water and hygiene

Coming soon: phyn+
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

Standard Solutions

360° Project Services

Technology
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 & 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 & 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 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 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
30 June 2017

- Oras Invest Ltd 22.6%
- Varma Mutual Pension Insurance Company 5.3%
- Nordea Nordic Small Cap Fund 3.3%
- Ilmarinen Mutual Pension Insurance Company 2.7%
- Mandatum Life Insurance Company Ltd 1.4%
- The Local Government Pensions Institution 1.3%
- Nordea Pro Finland Fund 1.0%
- Nominee registrations 24.5%
- Others 37.9%

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

- 17,900 shareholders at the end of June 2017
- Foreign shareholding was 24.8% at the end of June 2017, down from 26.1% in Dec 2016
Q2/2017: Performance down from Q1 due to a production issue and volatility in demand

<table>
<thead>
<tr>
<th>April - June, M€</th>
<th>4-6/2016</th>
<th>4-6/2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>299.5</td>
<td>308.4</td>
<td>3.0%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>26.5</td>
<td>22.9</td>
<td>-13.6%</td>
</tr>
<tr>
<td>Comparable operating profit</td>
<td>30.7</td>
<td>23.8</td>
<td>-22.6%</td>
</tr>
</tbody>
</table>

**Net sales**
- Building Solutions – Europe suffered from weaker demand and competitive pressure in key markets
- Building solutions demand in the U.S. remained healthy, but capacity constraints and a temporary production issue curbed deliveries
- Uponor Infra benefited from improving demand in North America and Sweden

**Operating profit**
- Flat performance in Building Solutions – Europe, burdened by input costs that offset the savings achieved
- Building Solutions – North America saw a sharp decline in operating profit, mainly due to a temporary production issue
- Uponor Infra suffered from higher resin prices, sales mix and an increase in transformation spending
Developments by segment: Building Solutions – Europe

• Inconsistent sales development across the European markets
  – Austria and Eastern European countries top the list of best performers
• Transformation programme completed
  – Plan on Italian office consolidation introduced at the end of the 2\textsuperscript{nd} quarter
• Marketing efforts continued in order to promote prefabricated solutions as the future choice in several European markets
Developments by segment: Building Solutions – North America

- A healthy market demand continued across the U.S.; Canadian demand softened in Q2
- Due to capacity constraints, deliveries to customers were controlled based on allocation
  - A temporary production issue curbed output and led to lost business opportunities
- Impact of more extensive resin for EP fittings (since June 2016) still visible
- Manufacturing expansions under way to meet expected growth
  - 10th expansion in Apple Valley in progress
  - Acquisition of a Hutchinson, Minn. facility announced in July
Developments by segment: Uponor Infra

- Increasing stability in the market place in much of Europe, with Sweden and North America booming
- Profitability affected by sales growth in lower margin markets as well as higher cost of resin
  - Price increases take effect from Q3/2017 onwards
- Transformation programme, including optimisation of manufacturing footprint in Finland and cost savings, finalised
  - Targets fully met but with slightly higher than planned temporary costs due to lively demand
Uponor’s European transformation programmes completed with nearly expected results

Launched in November 2015 in Building Solutions – Europe and Uponor Infra, in order to:

− strengthen the basis for profitable growth, increase agility, reduce costs and address weak performance in Building Solutions – Europe
− consolidate Finnish manufacturing operations in Uponor Infra
Transformation programme: Building Solutions – Europe key deliverables

• Implemented leaner management structure with central function hubs in Frankfurt (DE); Vantaa (FI); and Warsaw (PL)
• Optimised warehouse, administrative and sales office network Europe-wide
• Transferred PEX and Ecoflex pipe production to Sweden
• Started consultation in Italy on office footprint optimisation (Q2/2017)
  – European-wide, a total of 10 consolidated offices and one relocated
• Total workforce reduction to reach 246 by end of 2017 (target 250)
Transformation programme: Uponor Infra key deliverables

- Completed consolidation of pipe manufacturing to Nastola and chamber manufacturing to Tuusula (FI)
- Launched further rationalisation in Denmark and Canada (not within original scope)
- Total manpower reduction at 65 (target 71)
  - Temporarily missing the target slightly due to delays caused by high demand and knowhow transfer
Uponor’s European transformation: The realised savings are close to plans

<table>
<thead>
<tr>
<th>€ million</th>
<th>Building Solutions - Europe</th>
<th>Uponor Infra</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Target</td>
<td>Outcome</td>
<td>Target</td>
</tr>
<tr>
<td>Annual operational savings</td>
<td>20</td>
<td>✔️</td>
<td>5</td>
</tr>
<tr>
<td>Total items affecting comparability (non-cash items)</td>
<td>21 (5)</td>
<td>✔️</td>
<td>11 (8)</td>
</tr>
</tbody>
</table>

- Close to half of the savings in 2016 and the other half in 2017; total net IAC at €24.5m
- Building Solutions – Europe lags behind, owing to smaller HR cost savings as well as changes in plans with regard to marketing initiatives and indirect sourcing
- Uponor Infra’s IAC includes a gain of €1.9m from the sale of unused premises in Vaasa, Finland
January – June 2017:

**Key figures**

<table>
<thead>
<tr>
<th>Uponor Group - continuing operations</th>
<th>1-6 2016</th>
<th>1-6 2017</th>
<th>Change Y/Y</th>
<th>1-12 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>M€</td>
<td>M€</td>
<td>+5.0%</td>
<td>1,099.4</td>
</tr>
<tr>
<td>Operating profit</td>
<td>M€</td>
<td>M€</td>
<td>-2.3%</td>
<td>71.0</td>
</tr>
<tr>
<td>Comparable operating profit</td>
<td>M€</td>
<td>M€</td>
<td>-15.0%</td>
<td>90.7</td>
</tr>
<tr>
<td>Comparable operating profit margin</td>
<td>%</td>
<td>%</td>
<td>-1.6% pts</td>
<td>8.2%</td>
</tr>
<tr>
<td>Earnings per share (diluted)</td>
<td>€</td>
<td>€</td>
<td>+3.6%</td>
<td>0.57</td>
</tr>
<tr>
<td>Return on equity (p.a.)</td>
<td>%</td>
<td>%</td>
<td>-0.3% pts</td>
<td>13.1%</td>
</tr>
<tr>
<td>Return on investment (p.a.)</td>
<td>%</td>
<td>%</td>
<td>-1.7% pts</td>
<td>14.1%</td>
</tr>
<tr>
<td>Net interest bearing liabilities</td>
<td>M€</td>
<td>M€</td>
<td>+19.3%</td>
<td>159.5</td>
</tr>
<tr>
<td>Gearing</td>
<td>%</td>
<td>%</td>
<td>+9.1% pts</td>
<td>48.8%</td>
</tr>
<tr>
<td>Net working capital of net sales (p.a.)</td>
<td>%</td>
<td>%</td>
<td>+1.6% pts</td>
<td>10.2%</td>
</tr>
<tr>
<td>Number of employees, end of period</td>
<td>FTE</td>
<td>FTE</td>
<td>+2.9%</td>
<td>3,868</td>
</tr>
</tbody>
</table>
April – June 2017:

Income statement

<table>
<thead>
<tr>
<th>Uponor Group - continuing operations, M€</th>
<th>4-6 2016</th>
<th>4-6 2017</th>
<th>Change Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>299.5</td>
<td>308.4</td>
<td>+3.0%</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>194.0</td>
<td>210.0</td>
<td>+8.3%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>105.5</td>
<td>98.4</td>
<td>-6.8%</td>
</tr>
<tr>
<td>Gross profit margin (%)</td>
<td>35.2%</td>
<td>31.9%</td>
<td>-3.3% pts</td>
</tr>
<tr>
<td>Other operating income</td>
<td>1.4</td>
<td>2.3</td>
<td>+56.8%</td>
</tr>
<tr>
<td>Expenses</td>
<td>80.4</td>
<td>77.8</td>
<td>-3.5%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>26.5</td>
<td>22.9</td>
<td>-13.6%</td>
</tr>
<tr>
<td>Operating profit margin (%)</td>
<td>8.8%</td>
<td>7.4%</td>
<td>-1.4% pts</td>
</tr>
<tr>
<td>Financial expenses, net</td>
<td>2.1</td>
<td>1.2</td>
<td>-40.6%</td>
</tr>
<tr>
<td>Share of result in associated companies</td>
<td>0.0</td>
<td>-0.6</td>
<td>-976.0%</td>
</tr>
<tr>
<td>Profit before taxes</td>
<td>24.4</td>
<td>21.1</td>
<td>-13.7%</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>15.4</td>
<td>14.3</td>
<td>-6.8%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>36.2</td>
<td>33.1</td>
<td>-8.4%</td>
</tr>
</tbody>
</table>

- **Net sales** growth +2.4% in constant currency terms – a positive currency impact of €1.7m mainly originating in USD and CAD
- **Comparable gross profit margin** 32.1% (35.5%) due to increased raw material prices and a temporary production issue in Building Solutions – North America
- **Comparable operating profit** reached €23.8m (€30.7m), a drop of 22.6%
- **Items affecting comparability** amounted to €0.9m (€4.2m), including a €1.9 million gain from the sale of unused office and manufacturing space in Uponor Infra’s premises in Vaasa, Finland
**January – June 2017: Income statement**

<table>
<thead>
<tr>
<th>Uponor Group - continuing operations, M€</th>
<th>1-6 2016</th>
<th>1-6 2017</th>
<th>Change Y/Y</th>
<th>1-12 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>546.4</td>
<td>573.5</td>
<td>+5.0%</td>
<td>1,099.4</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>353.1</td>
<td>383.7</td>
<td>+8.7%</td>
<td>723.4</td>
</tr>
<tr>
<td>Gross profit</td>
<td>193.3</td>
<td>189.8</td>
<td>-1.8%</td>
<td>376.0</td>
</tr>
<tr>
<td>Gross profit margin (%)</td>
<td>35.4%</td>
<td>33.1%</td>
<td>-2.3% pts</td>
<td>34.2%</td>
</tr>
<tr>
<td>Other operating income</td>
<td>2.0</td>
<td>2.6</td>
<td>+25.4%</td>
<td>4.2</td>
</tr>
<tr>
<td>Expenses</td>
<td>156.9</td>
<td>154.9</td>
<td>-1.4%</td>
<td>309.2</td>
</tr>
<tr>
<td>Operating profit</td>
<td>38.4</td>
<td>37.5</td>
<td>-2.3%</td>
<td>71.0</td>
</tr>
<tr>
<td>Operating profit margin (%)</td>
<td>7.0%</td>
<td>6.5%</td>
<td>-0.5% pts</td>
<td>6.5%</td>
</tr>
<tr>
<td>Financial expenses, net</td>
<td>5.5</td>
<td>4.0</td>
<td>-27.1%</td>
<td>10.0</td>
</tr>
<tr>
<td>Share of result in associated companies</td>
<td>0.1</td>
<td>-1.1</td>
<td>-974.2%</td>
<td>-0.6</td>
</tr>
<tr>
<td>Profit before taxes</td>
<td>33.0</td>
<td>32.4</td>
<td>-1.8%</td>
<td>60.4</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>20.8</td>
<td>21.7</td>
<td>+4.4%</td>
<td>41.5</td>
</tr>
<tr>
<td>EBITDA</td>
<td>57.9</td>
<td>57.1</td>
<td>-1.3%</td>
<td>112.6</td>
</tr>
</tbody>
</table>

- **Net sales** growth +4.5% in constant currency terms – a positive currency impact of €2.5m mainly driven by USD.
- **Comparable gross profit margin** 33.3% (35.5%), mainly burdened by a temporary production issue in North America and competitive price pressure, particularly in the European building solutions business.
- **Comparable operating profit** €38.8m which is 15.0% less than last year (€45.6m).
January – June 2017:
Net sales & comparable operating profit by segment

- **Building Solutions – Europe:** Modest net sales growth (+0.8%), while comparable operating profit declined (-3.9%) due to higher raw material prices and start-up expenses related to Asian operations

- **Building Solutions – North America:** Despite strong Q1, a temporary production issue in Q2 had a measurable impact on net sales (+4.3%) and operating profit (-17.9%)

- **Uponor Infra:** Strong net sales growth (+12.5%) but comparable operating profit stayed below last year (-46.9%) mainly due to higher resin costs and temporary inefficiencies related to production transfers
January – June 2017

Net sales development by key markets

- YTD net sales grew in key markets, with the exception of Germany, Norway and the UK
- Growth driven by USA, Sweden and Canada
- After headwinds experienced in Q1, net sales in Germany were flat in Q2
January – June 2017:

**Balance sheet**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>221.7</td>
<td>233.8</td>
<td>+12.1</td>
<td>240.9</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>121.4</td>
<td>117.3</td>
<td>-4.1</td>
<td>119.0</td>
</tr>
<tr>
<td>Securities and long-term investments</td>
<td>21.6</td>
<td>31.9</td>
<td>+10.3</td>
<td>34.7</td>
</tr>
<tr>
<td>Inventories</td>
<td>133.6</td>
<td>146.7</td>
<td>+13.1</td>
<td>139.3</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>24.8</td>
<td>24.3</td>
<td>-0.5</td>
<td>16.3</td>
</tr>
<tr>
<td>Other current and non-current assets</td>
<td>269.4</td>
<td>271.9</td>
<td>+2.5</td>
<td>217.3</td>
</tr>
<tr>
<td><strong>Assets total</strong></td>
<td>792.5</td>
<td>825.9</td>
<td>+33.4</td>
<td>767.5</td>
</tr>
<tr>
<td>Total equity</td>
<td>299.2</td>
<td>309.0</td>
<td>+9.8</td>
<td>326.9</td>
</tr>
<tr>
<td>Non-current interest-bearing liabilities</td>
<td>139.1</td>
<td>77.5</td>
<td>-61.6</td>
<td>158.2</td>
</tr>
<tr>
<td>Provisions</td>
<td>26.5</td>
<td>28.0</td>
<td>+1.5</td>
<td>28.8</td>
</tr>
<tr>
<td>Non-interest-bearing liabilities</td>
<td>266.9</td>
<td>255.7</td>
<td>-11.2</td>
<td>236.0</td>
</tr>
<tr>
<td>Current interest-bearing liabilities</td>
<td>60.8</td>
<td>155.7</td>
<td>+94.9</td>
<td>17.6</td>
</tr>
<tr>
<td><strong>Shareholders' equity and liabilities total</strong></td>
<td>792.5</td>
<td>825.9</td>
<td>+33.4</td>
<td>767.5</td>
</tr>
</tbody>
</table>

- Property, plant and equipment increased mainly due to investments in capacity expansion and efficiency improvement.
- Non-controlling interest represents €64.3m of the equity at €309.0m.
- €80m bond maturing in June 2018 – refinancing was arranged during Q2 by signing a committed 5-year bilateral loan agreement of €100m. None of the loan was drawn on 30 June 2017.
January – June 2017:

Cash flow

<table>
<thead>
<tr>
<th>Uponor Group, M€</th>
<th>1-6 2016</th>
<th>1-6 2017</th>
<th>Change Y/Y</th>
<th>1-12 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash from operations</td>
<td>+55.1</td>
<td>+59.2</td>
<td>+4.1</td>
<td>+105.3</td>
</tr>
<tr>
<td>Change in NWC</td>
<td>-41.9</td>
<td>-45.9</td>
<td>-4.0</td>
<td>-16.6</td>
</tr>
<tr>
<td>Net payment of income tax and interest</td>
<td>-16.6</td>
<td>-11.8</td>
<td>+4.8</td>
<td>-28.8</td>
</tr>
<tr>
<td>Cash flow from operations</td>
<td>-3.4</td>
<td>+1.5</td>
<td>+4.9</td>
<td>+59.9</td>
</tr>
<tr>
<td>Cash flow from investments</td>
<td>-44.4</td>
<td>-16.8</td>
<td>+27.6</td>
<td>-91.8</td>
</tr>
<tr>
<td>Cash flow before financing</td>
<td>-47.8</td>
<td>-15.3</td>
<td>+32.5</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>+56.5</td>
<td>+57.3</td>
<td>+0.8</td>
<td>+32.0</td>
</tr>
<tr>
<td>Cash flow from financing</td>
<td>+24.3</td>
<td>+23.7</td>
<td>-0.6</td>
<td>-0.2</td>
</tr>
<tr>
<td>Conversion differences</td>
<td>+0.1</td>
<td>-0.4</td>
<td>-0.5</td>
<td>+0.2</td>
</tr>
<tr>
<td>Change in cash and cash equivalents</td>
<td>-23.4</td>
<td>+8.0</td>
<td>+31.4</td>
<td>-31.9</td>
</tr>
</tbody>
</table>

- Gross investments came to €19.3 (15.7) million, remaining slightly below depreciation
- Cash flow from investments in the comparison period includes a net cash flow effect of -€31.4m from the acquisition of KaMo & Delta Group
Outlook for the future
Jyri Luomakoski – President and CEO
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 Q1 update</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>Housing starts</td>
<td>+2%&lt;sup&gt;1)&lt;/sup&gt;</td>
<td>N/A</td>
<td>June 2017</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>Housing permits</td>
<td>-5%</td>
<td>+7%</td>
<td>May 2017</td>
<td></td>
</tr>
<tr>
<td>Finland</td>
<td>Housing permits</td>
<td>+4%</td>
<td>+10%</td>
<td>April 2017</td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td>Housing starts</td>
<td>+45%</td>
<td>+34%</td>
<td>March 2017</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>Housing starts</td>
<td>-3%&lt;sup&gt;1)&lt;/sup&gt;</td>
<td>N/A</td>
<td>June 2017</td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>Housing starts</td>
<td>-29%</td>
<td>-1%</td>
<td>March 2017</td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>Housing permits</td>
<td>-5%</td>
<td>-5%</td>
<td>December 2016</td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>Housing permits</td>
<td>+12%</td>
<td>+15%</td>
<td>April 2017</td>
<td></td>
</tr>
<tr>
<td>Norway</td>
<td>Housing starts</td>
<td>+7%</td>
<td>+16%</td>
<td>May 2017</td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>Housing starts&lt;sup&gt;2)&lt;/sup&gt;</td>
<td>+21%</td>
<td>+14%</td>
<td>March 2017</td>
<td></td>
</tr>
</tbody>
</table>

<sup>1)</sup> Seasonally adjusted, annualised rate vs. same month in 2016  <sup>2)</sup> England only
Building permit activity in Europe points towards broad-based strengthening in the residential segment

- Data through March 2017 shows continued growth in residential building permits across Europe compared to the same time last year
  - One notable exception is in Germany, where permit levels have fallen compared to 2016

- Developments in the non-residential segment have been mixed, with about half of all markets making gains while the other half have fallen since the same time last year

Source: Eurostat (Base year = 2010)
USA - Continued expansion, but with some reason for caution

The economy continues to expand, but labour shortages in some industries and rising interest rates are tempering growth

Within the construction industry:

- While the housing starts rate has slowed in recent months, residential construction spending continues to grow
- Non-residential spending is flat overall compared to 2016, but has grown in the office and commercial segments
- Home builder confidence has moderated, but remains high

Source: US Census, NAHB/Wells Fargo
Germany - A strong labour market is supporting residential investment

With unemployment at a record low and business confidence at a record high, the economy continues to expand at a moderate pace.

Within the construction industry:

- Builders continue to be very positive with regard to the evolution of order books and current building activity.
- Growth remains concentrated in the new, multi-family segment, while the renovation segment is essentially flat.
- Residential building permits have moderated from their 2016 highs.

![German housing permits and builder confidence](source: Destatis and Eurostat)
Management agenda for 2017

- Speed up the rollout of the strategic offerings in Building Solutions – Europe while fully utilising the renewed operational setup and market presence
- Satisfy the consistently high demand of pipe and fittings among the customers in North America, while securing smooth operations and increasing manufacturing capacity
- Establish stronger foothold in Asia with the new Chinese factory operational
- Promote Uponor’s digital transformation and launch new ground-breaking digital offerings
Guidance 2017

• No sign of changes visible in the market place, which could materially change demand forecasts for 2017

• Subject to the acquisition of the U.S. manufacturing facility and real estate, announced on 20 July 2017, the Group's capital expenditure is estimated to exceed €60 million (excluding any investment in shares) in 2017

• Assuming that economic development in Uponor's key geographies continues undisturbed, Uponor reiterates earlier guidance from February 2017:

  The Group’s net sales and comparable operating profit are expected to improve from 2016
New & improved version of Uponor’s IR app available!

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