



uponor

Half-year results briefing 1–6/2021

27 July 2021

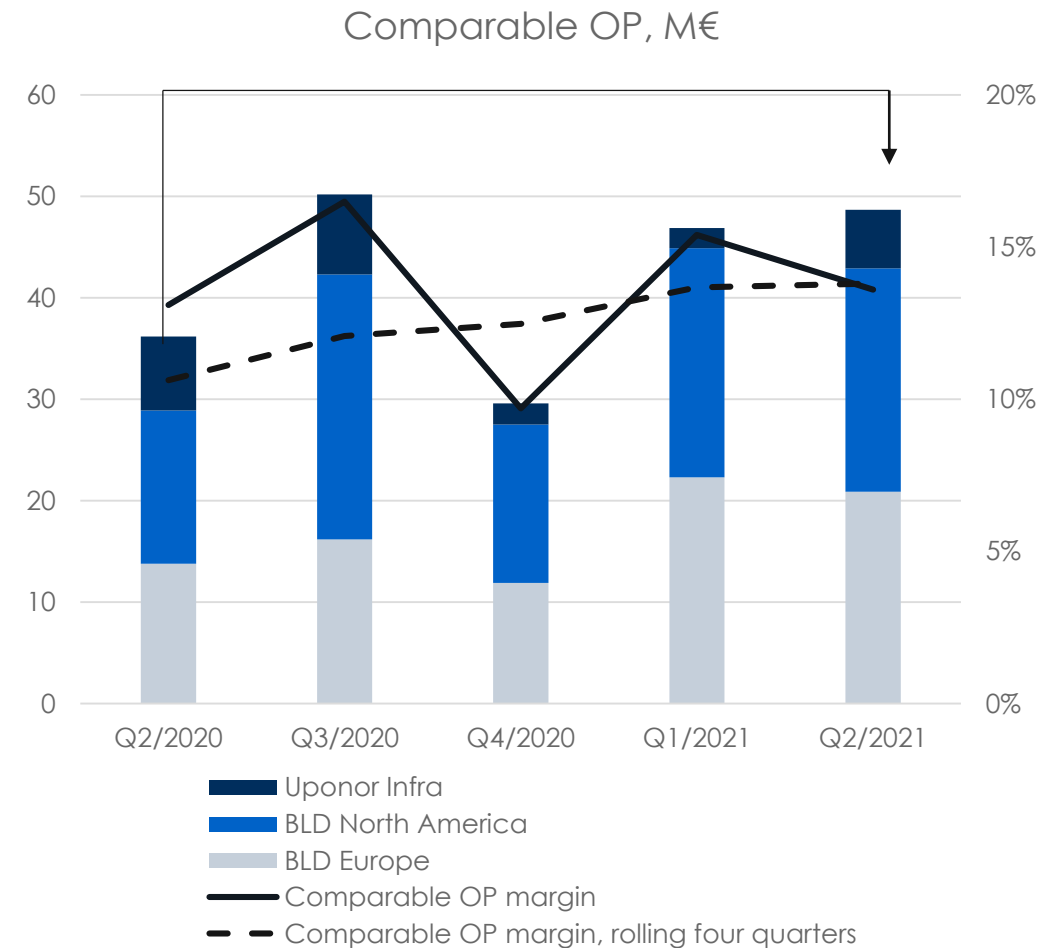
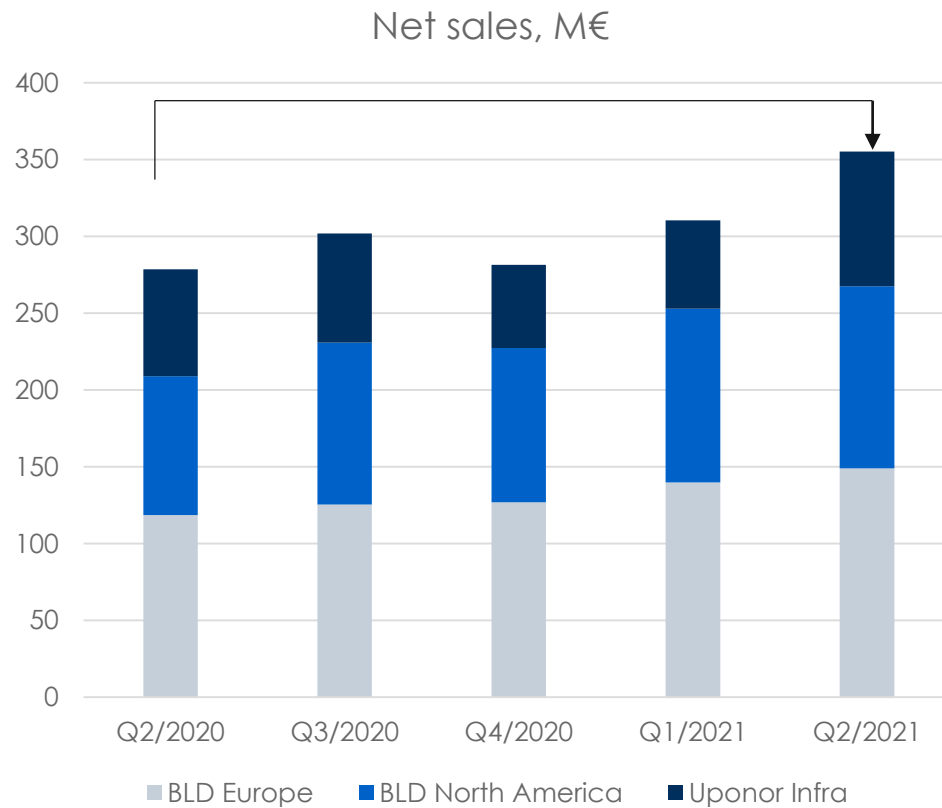
Jyri Luomakoski, President & CEO
Minna Yrjönmäki, CFO

Highlights of Q2: Strong quarter for building solutions divisions

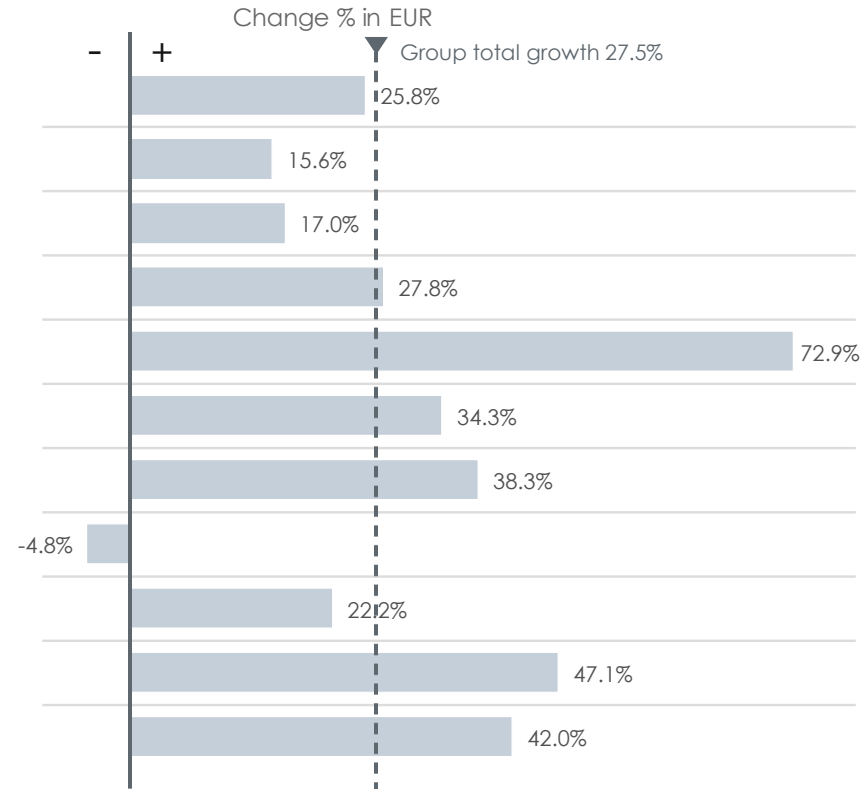
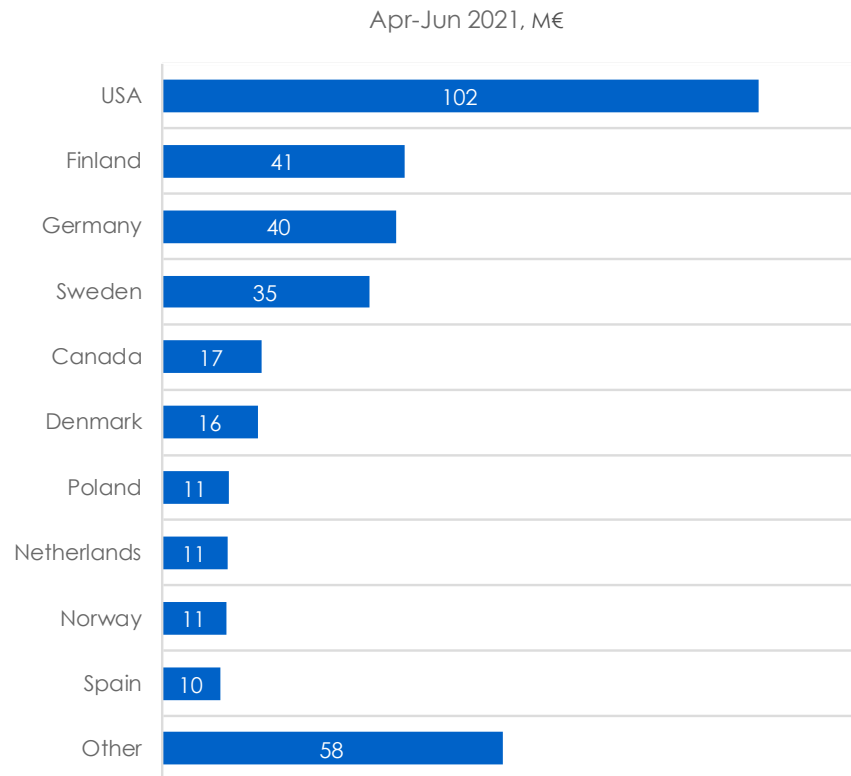
- Net sales were €353.3 million, an organic growth of 30.4%
- Comparable operating profit was €48.2 million, a growth of 33.1%
- Net sales and comparable operating profit increased in both building solutions divisions
- Uponor Infra's net sales increased, while operating profit decreased slightly



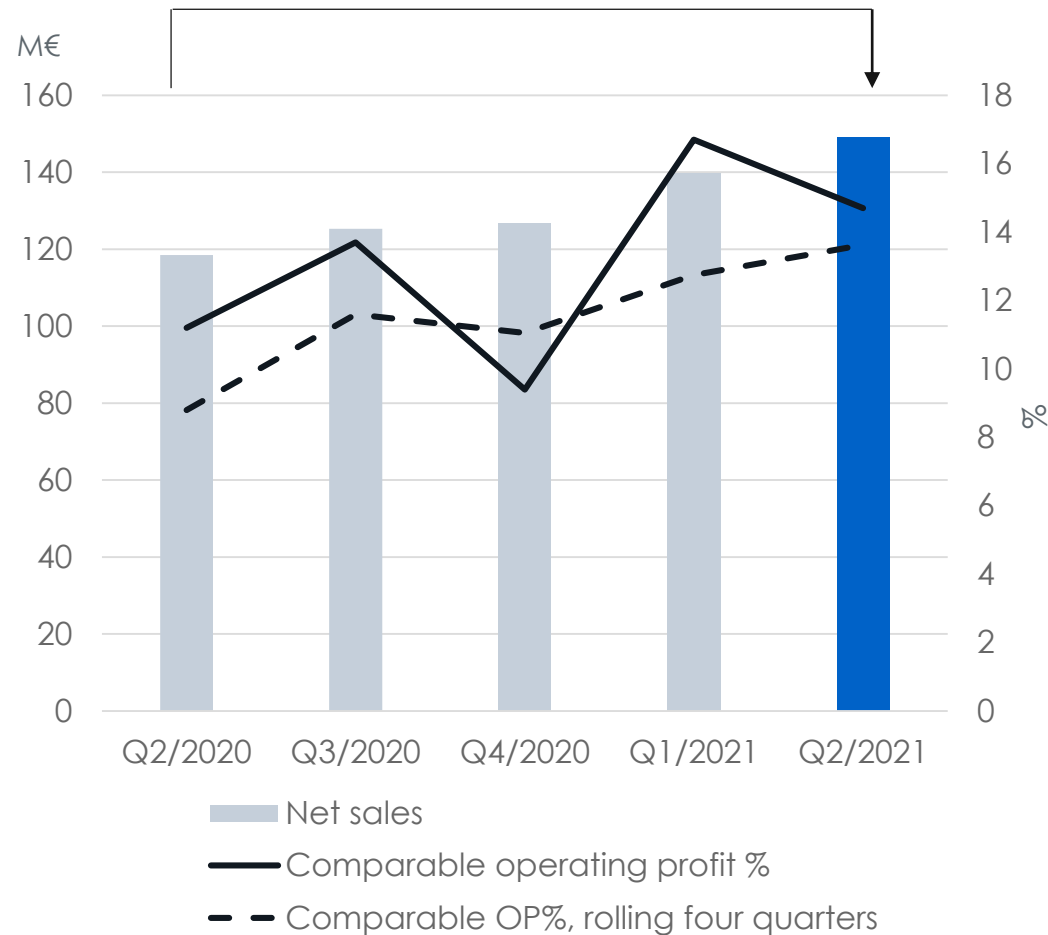
Net sales and comparable operating profit: Both key figures improved



Net sales growth continued in all key markets except for the Netherlands



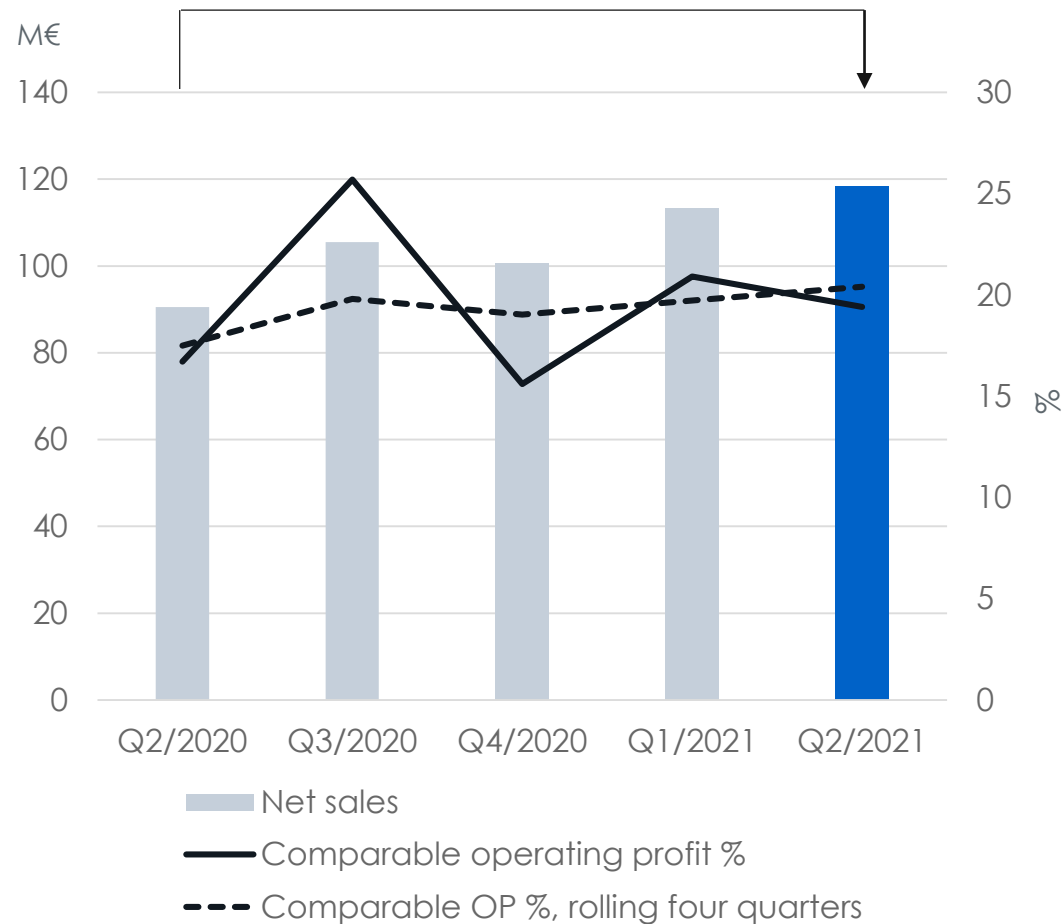
Building Solutions – Europe: Development in Q2



- Good demand in most key markets and product groups
- Higher sales volumes, well-managed pricing, and good progress in operational excellence programme improved profitability



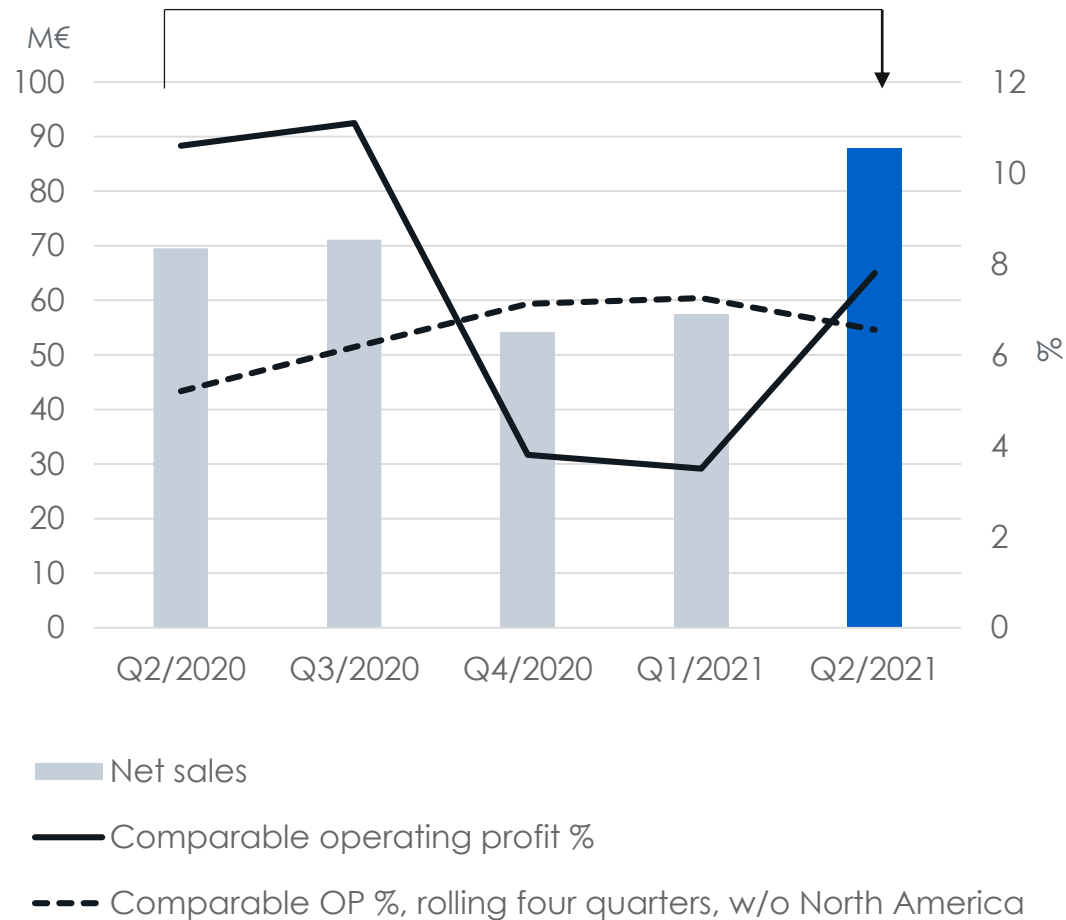
Building Solutions – North America: Development in Q2



- Strong demand in residential markets in both the U.S. and Canada
- Commercial markets have also picked up
- Higher sales volumes, well-managed pricing, and strong operational performance supported the profitability development



Uponor Infra: Development in Q2

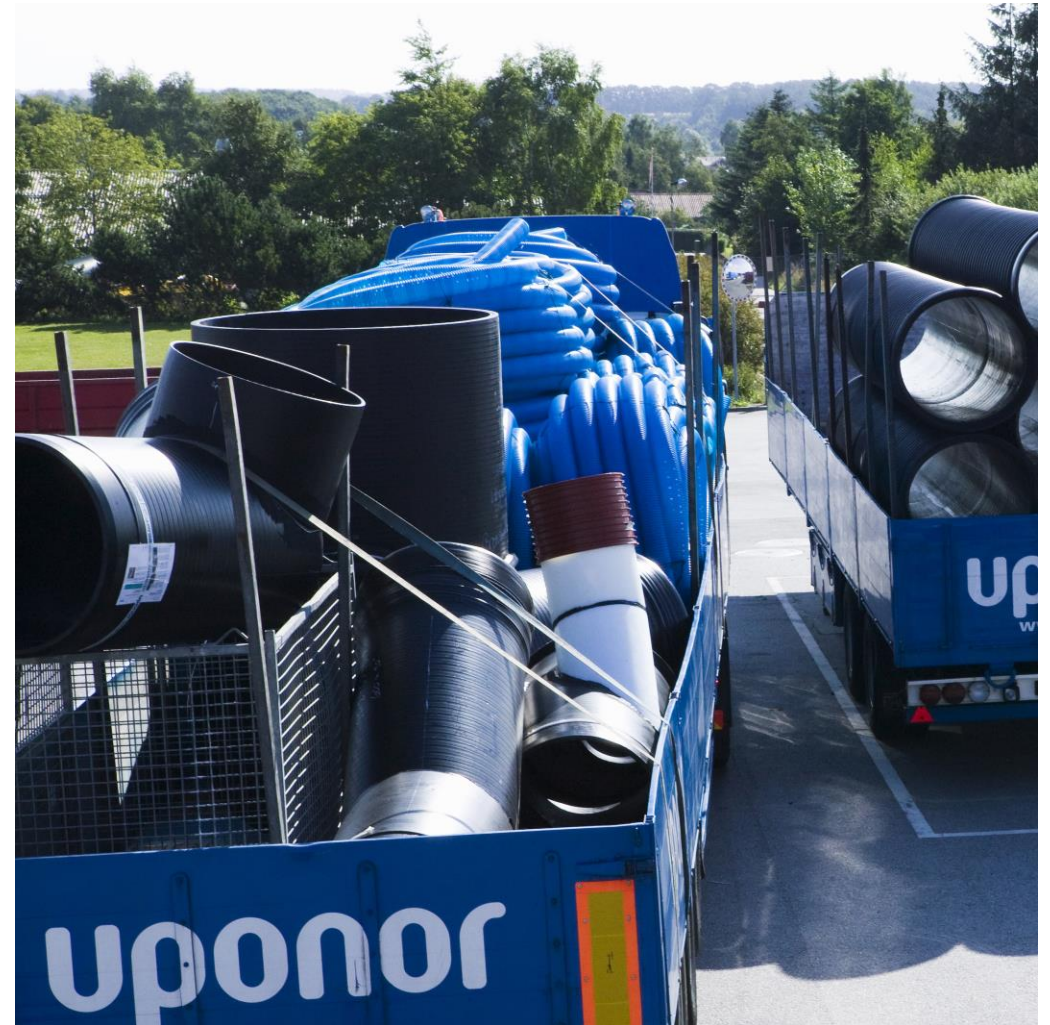


- Good demand drove the positive net sales development
- Designed solutions sales is picking up, especially in Norway
- Increased input costs decreased the operating profit



Progress of operational excellence programme

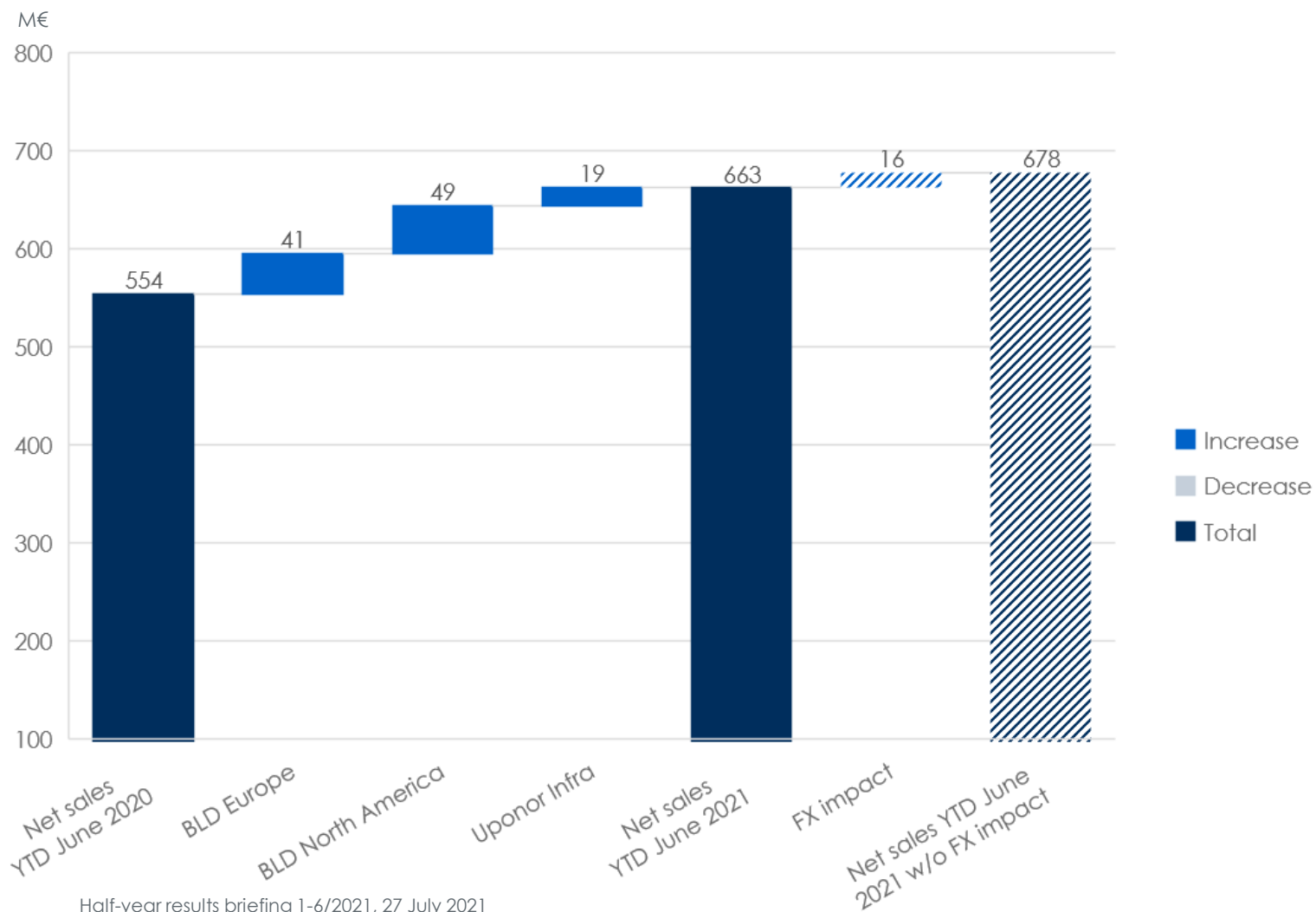
- During the second quarter of 2021, the programme generated savings of approximately €3 million
 - The total generated savings under the programme are approximately €15 million
- During the second quarter of 2021, €1.2 million was recorded as items affecting comparability
 - In total, €13.6. million IAC's since the launch of the programme



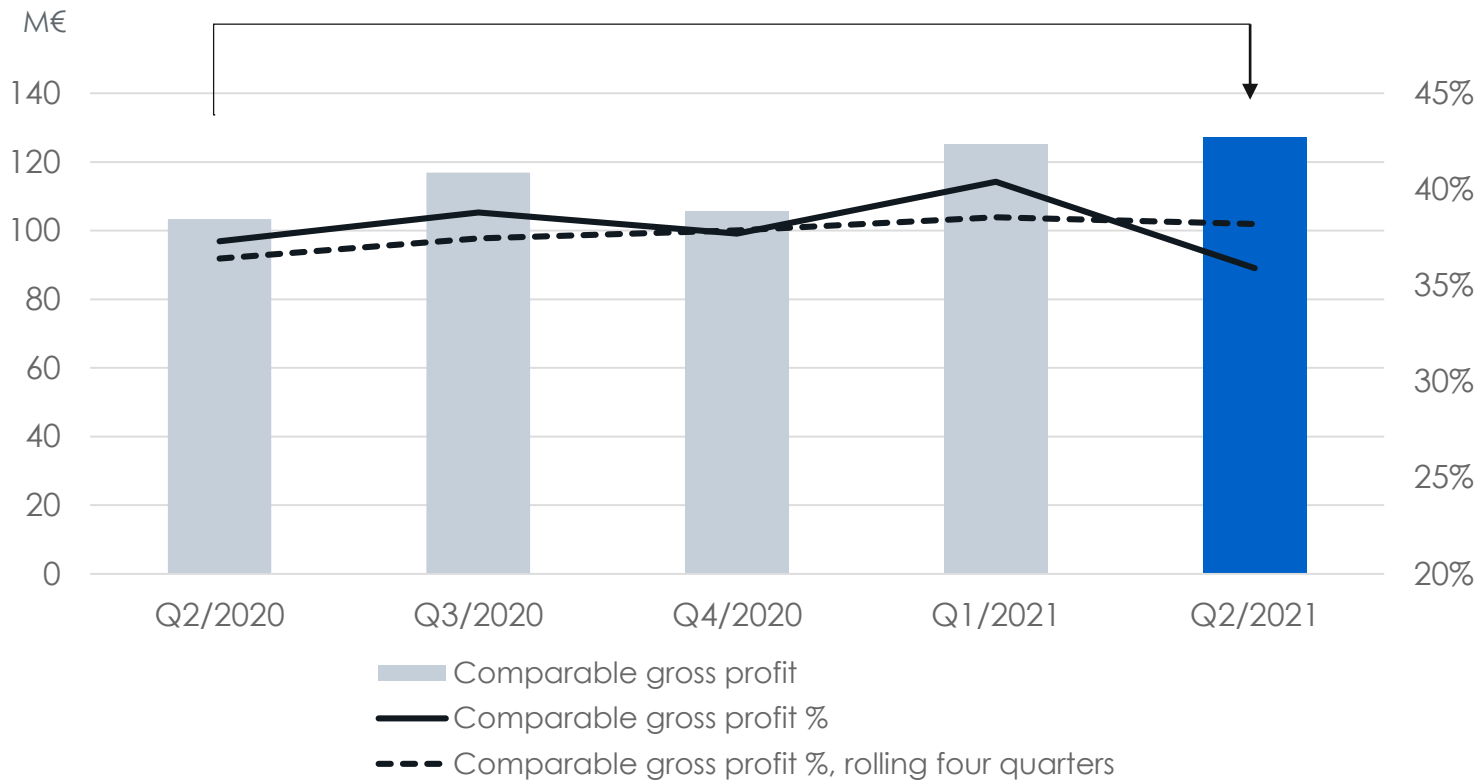
Minna Yrjönmäki, CFO

Financial statements

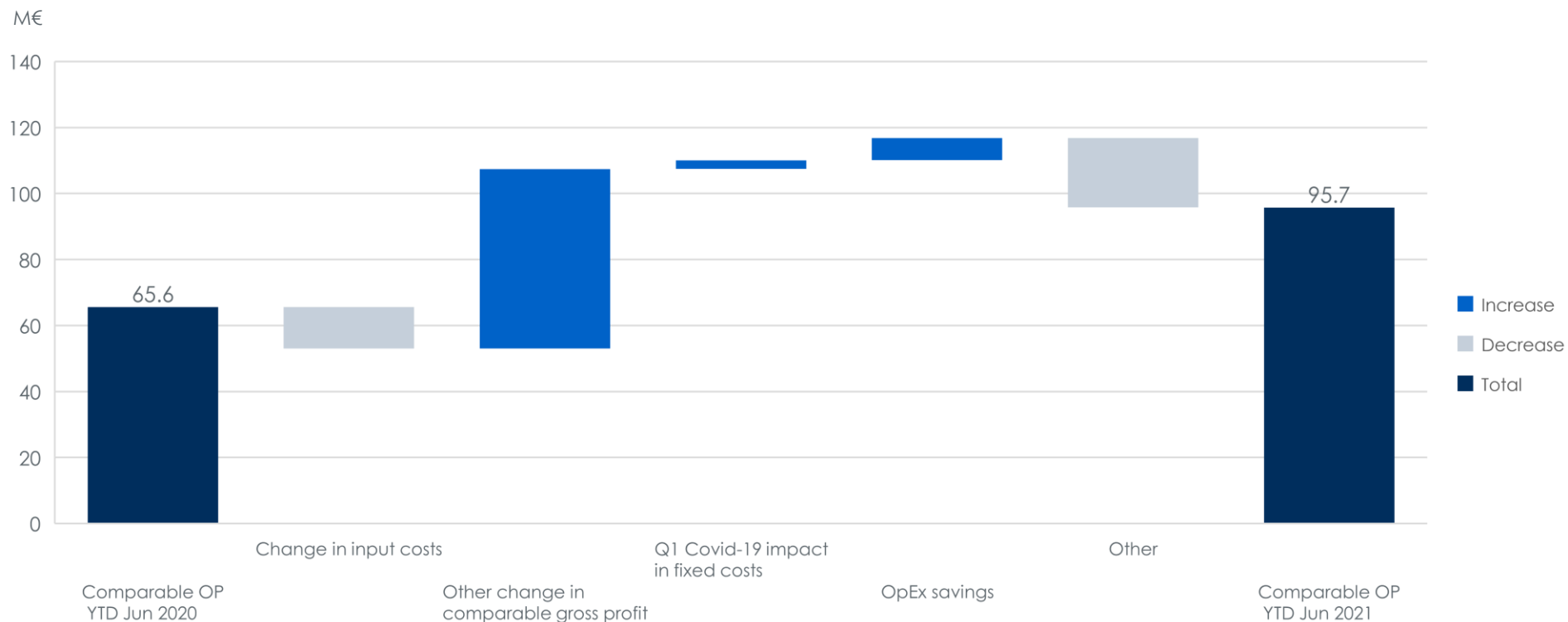
The increase in net sales was driven by strong demand in all divisions



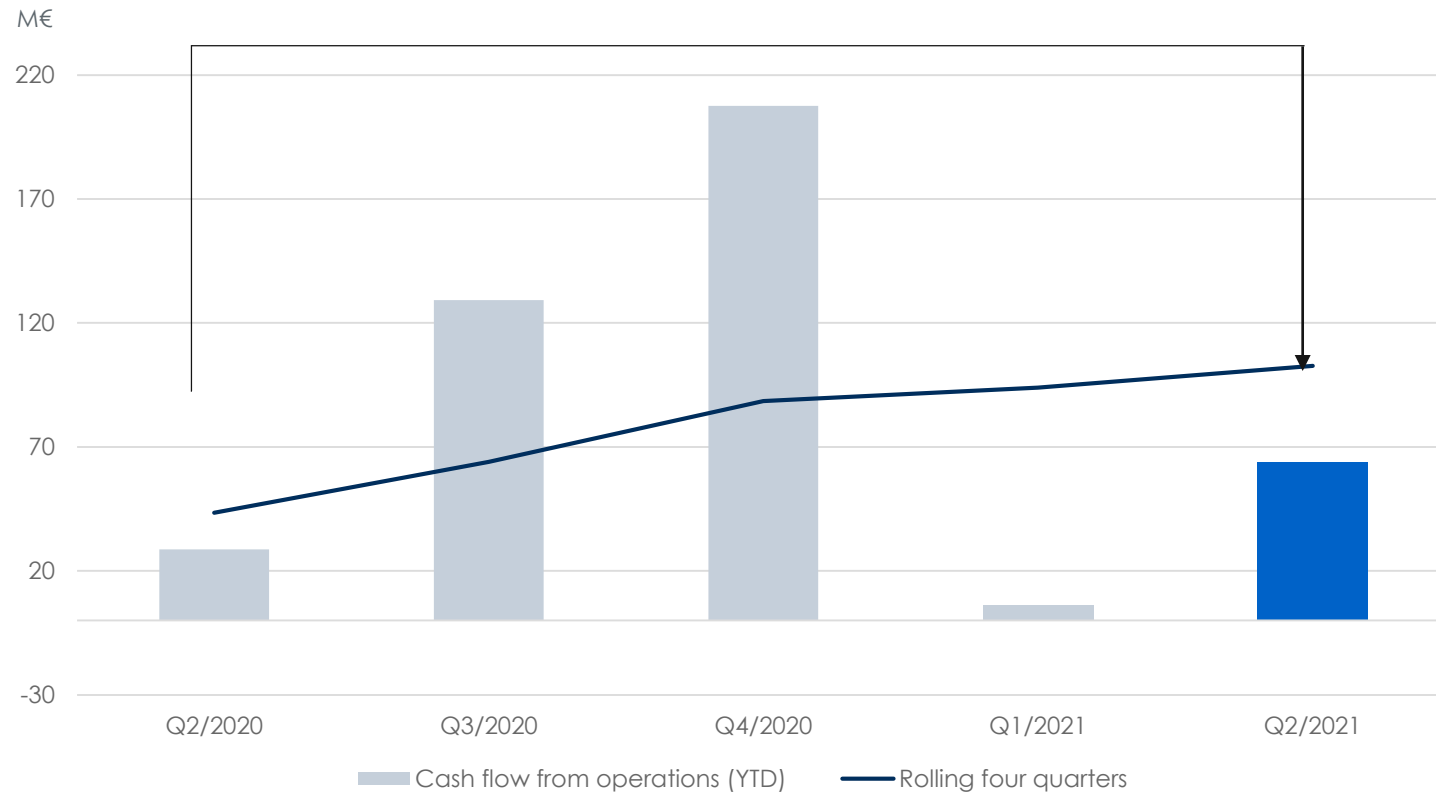
Volume growth supported the comparable gross profit development yet higher raw material prices impacted margin



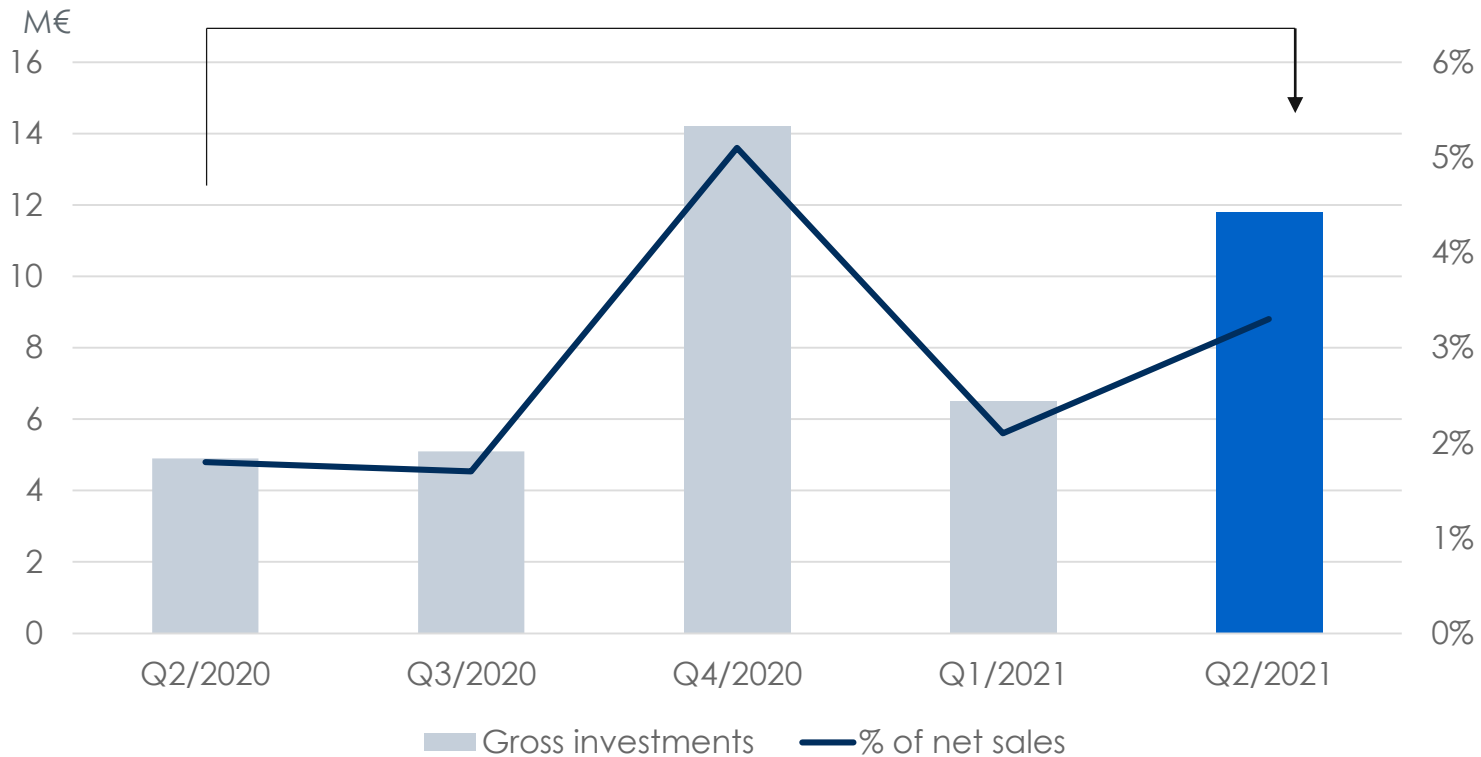
The increase in comparable operating profit was mainly driven by volume growth



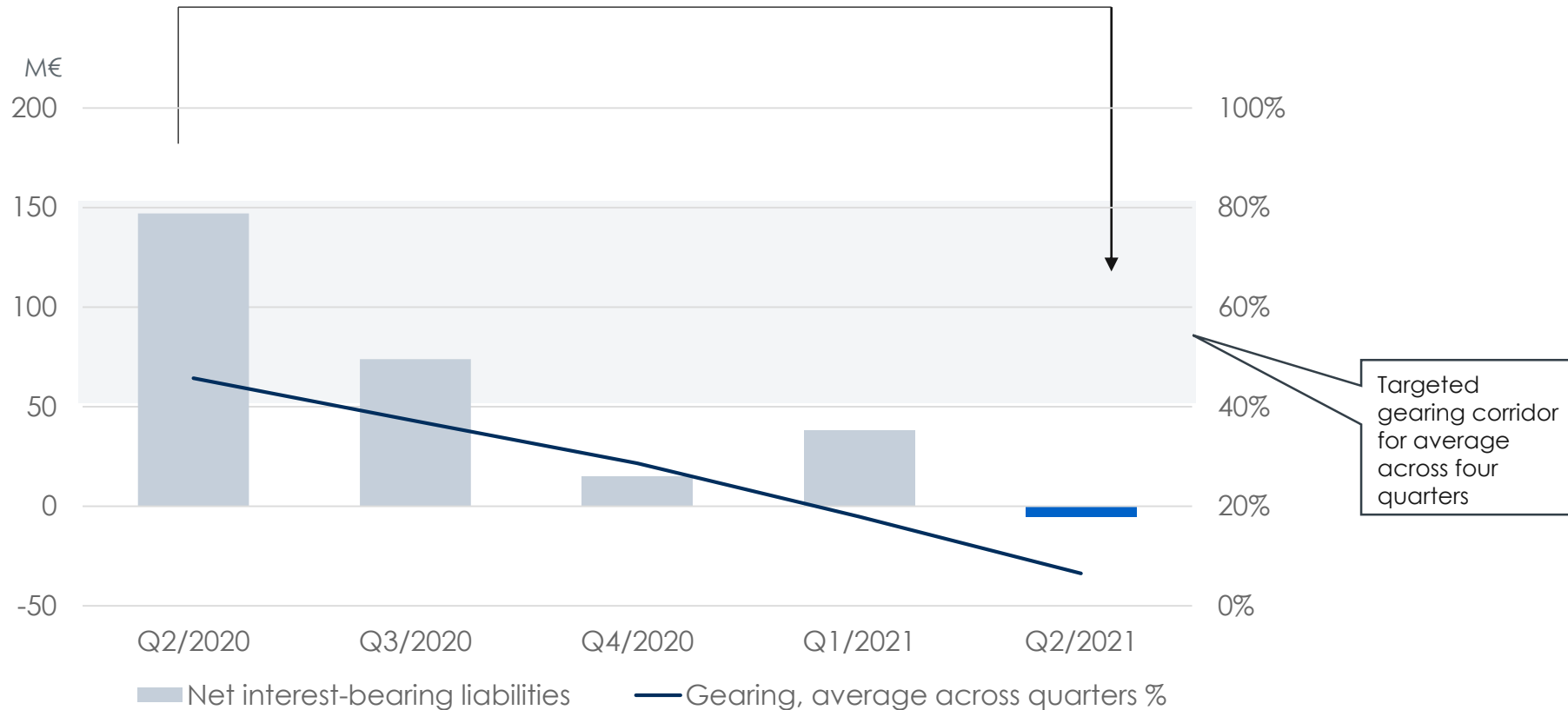
Cash flow from operations exceeded last year's level driven by higher operating profit



Investments were mainly related to maintenance, efficiency improvements and North American capacity expansions



Strong cash flow led to positive net cash position – Average gearing across quarters at 7.5%



Jyri Luomakoski, President & CEO

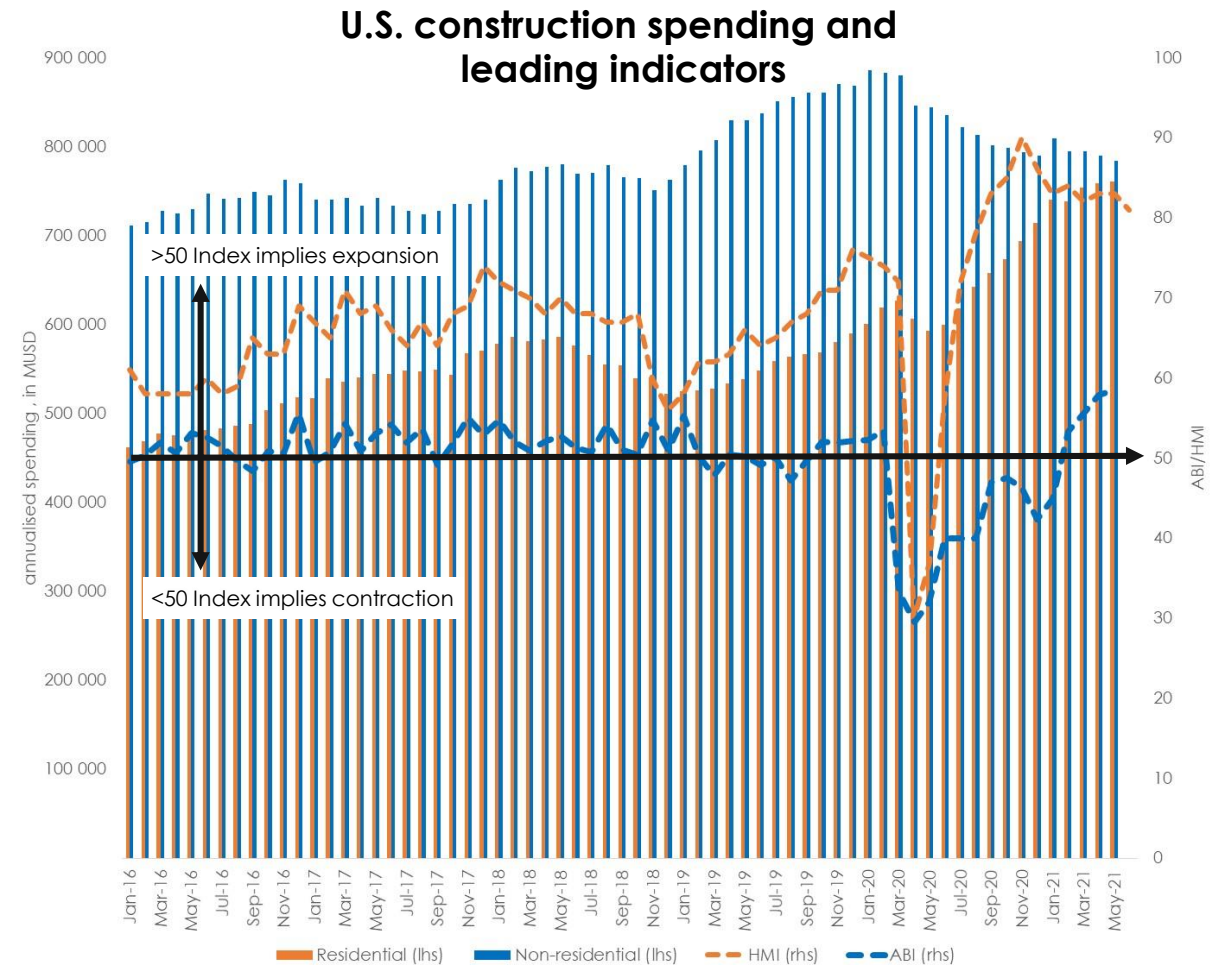
Outlook for future

U.S.: Continued strong residential demand

The economy maintained strong momentum, with businesses and consumers confident

In construction:

- Residential spending was very strong, non-residential softer
- Homebuilder confidence healthy, despite cost concerns
- Architecture Billings Index at a near all-time-high



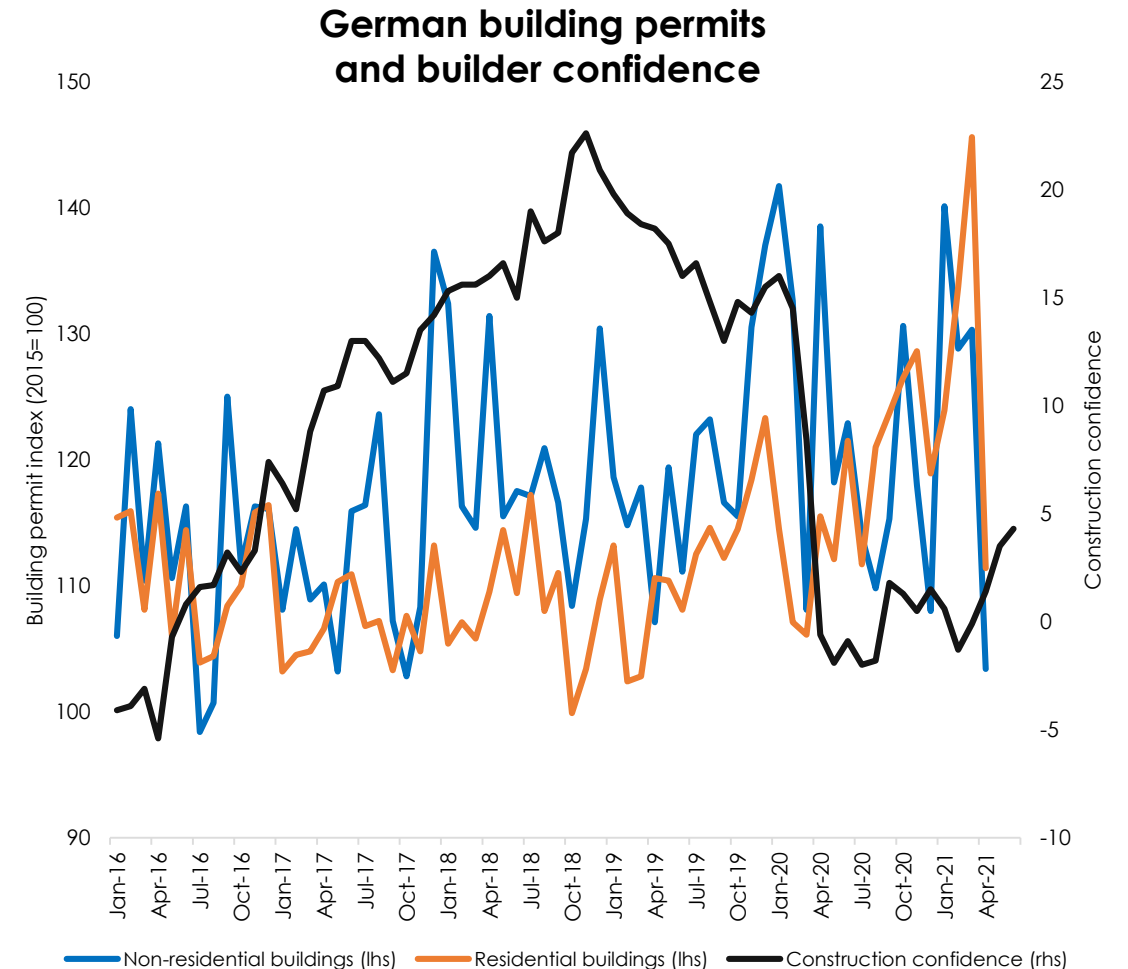
Source: Census Bureau, AIA, NAHB

Germany: Material shortages limiting construction activity

The economy continued to recover despite supply bottlenecks in industry

In the construction industry:

- Residential permits stalled in April, but still up for the year
- Builder confidence rose, but well below pre-pandemic levels
- Significant building material shortages and price rises



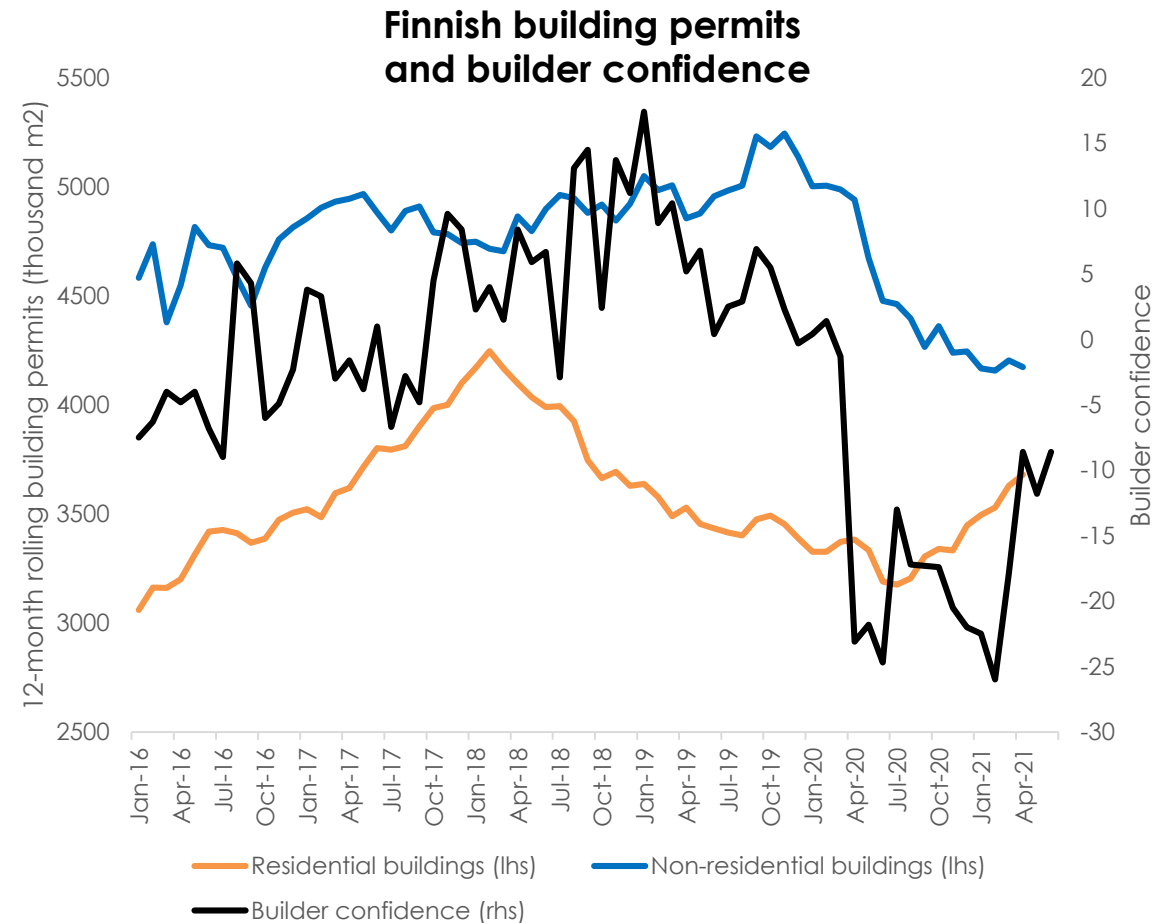
Source: Eurostat

Finland: Growth in the residential segment, other segments flatter

Economy recovering, with industrial turnover and consumer spending growing

Within the construction industry:

- Residential permits improved, non-residential permits stabilising
- Builder confidence improved from Q1
- Construction turnover improved from last year



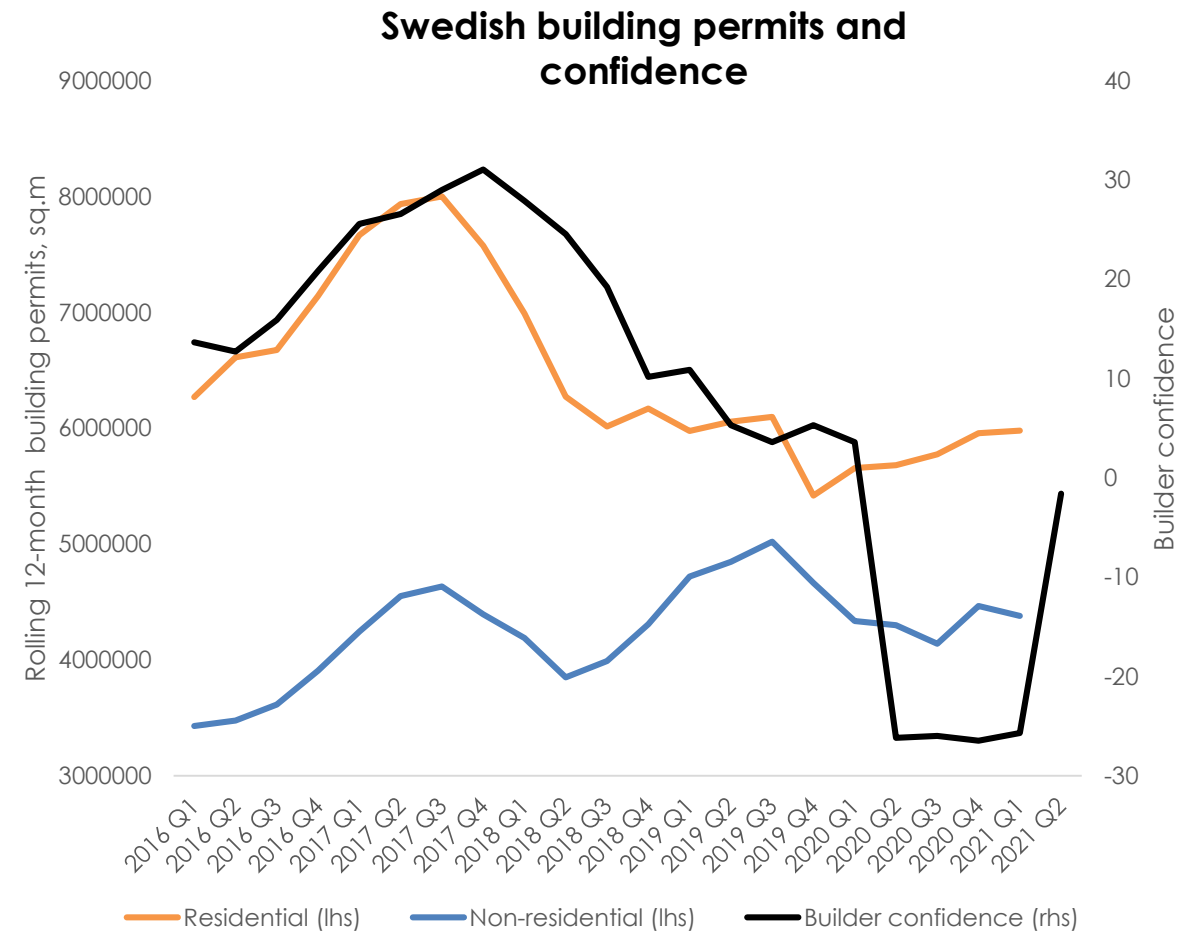
Source: Statistics Finland and Eurostat

Sweden: Residential building leading the way

Domestic demand, together with strong exports, are driving growth in the economy

Within the construction industry:

- Building permits are trending upwards
- Housing starts rose
- Builder confidence strengthened significantly



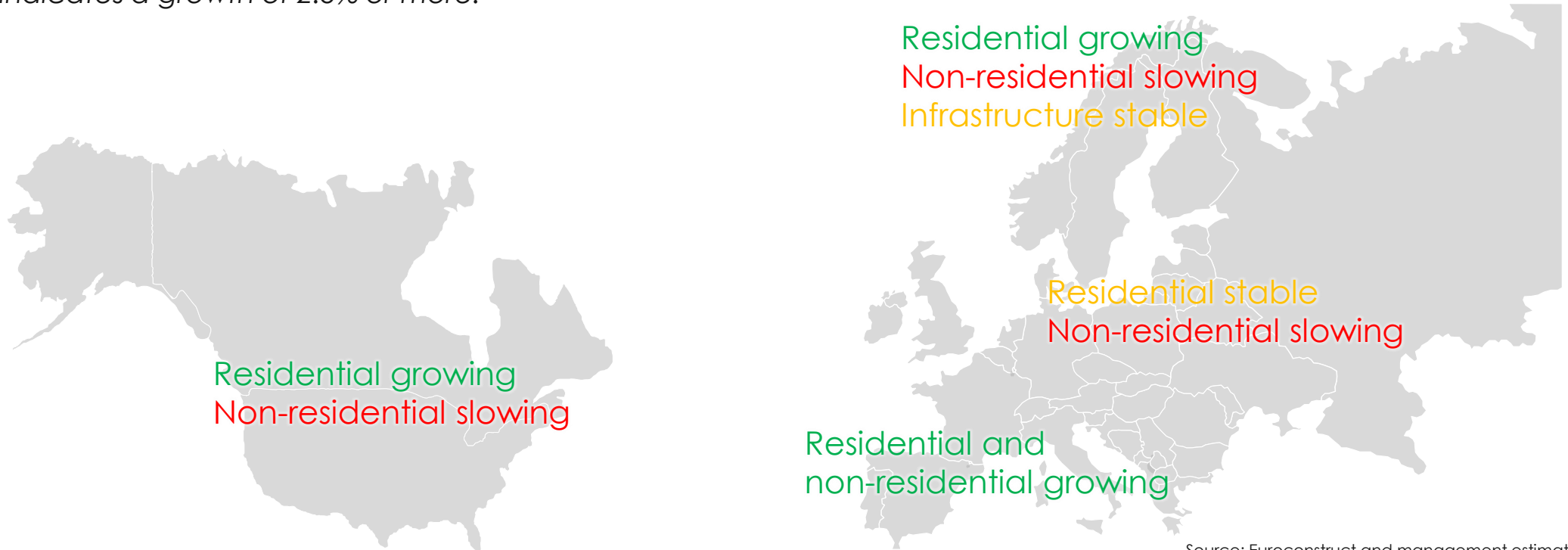
Source: Statistics Sweden and Eurostat

Market outlook for Q3

Guidance statement for 2021, updated on 11 June:

Excluding the impact of currencies, Uponor expects its net sales and comparable operating profit to increase from year 2020.

Increase indicates a growth of 2.5% or more.



Source: Euroconstruct and management estimates

The logo features a large, light blue 'V' shape in the background. In the center of the 'V' is a dark blue circle. The word 'uponor' is written in white, lowercase, sans-serif font inside this circle.

uponor

Moving › **Forward**

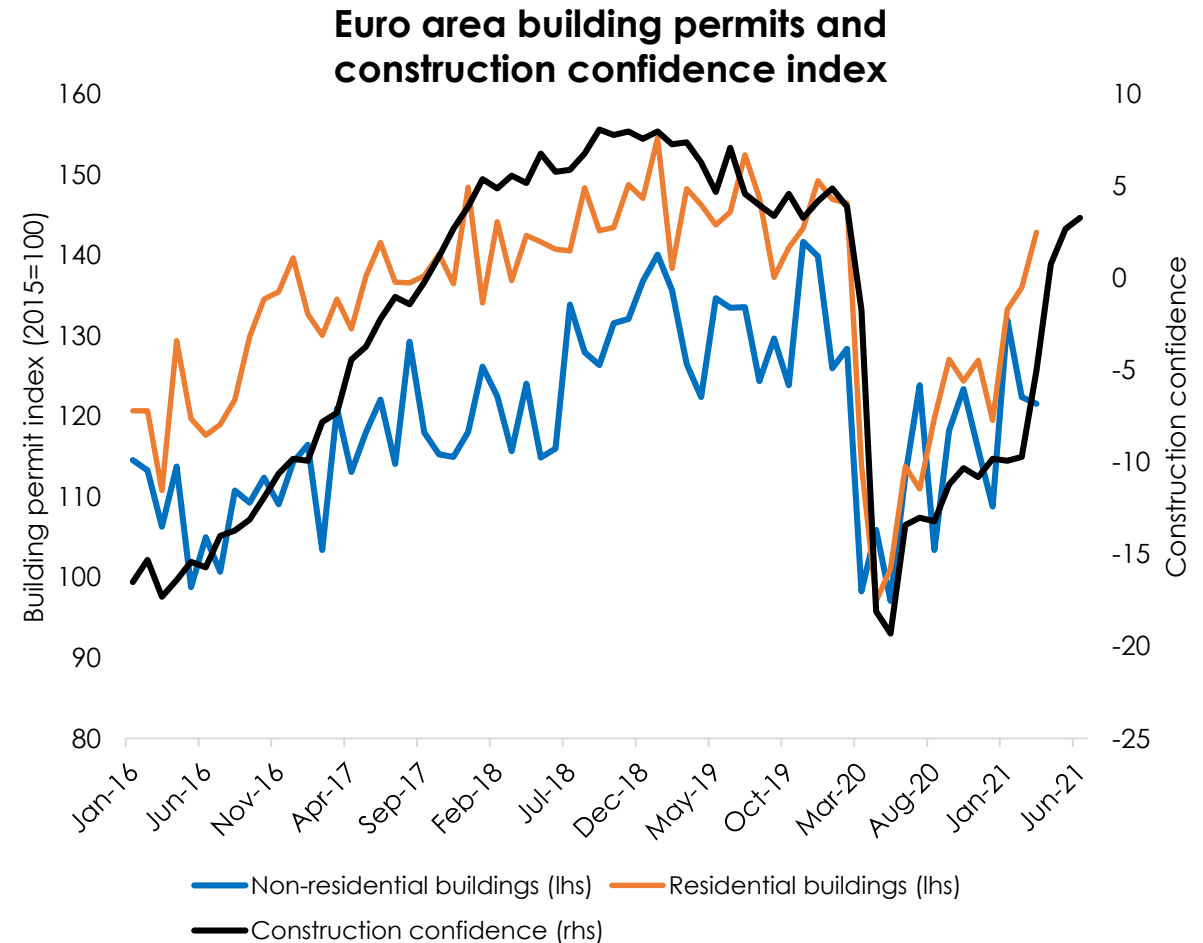
Appendix

Europe: Trends moving in the right direction

Economies fairly resilient despite Covid restrictions











Within the construction industry:

- Residential permits and builder confidence are approaching pre-pandemic levels
- Non-residential permits are slower



Source: Eurostat

Leading residential indicators: Permits and starts have strengthened

	Indicator	YTD % Change	Rolling 12-month % Change	Data through	Trend since Q1 update
 USA	Housing starts	+29 ¹⁾	N/A	June 2021	↗
 Germany	Housing permits	+14%	+7%	April 2021	→
 Finland	Housing permits	+22%	+8%	April 2021	↗
 Sweden	Housing starts	+19%	+14%	March 2021	→
 Denmark	Construction index	+8%	N/A	April 2021	→
 Netherlands	Housing permits	+23%	+19%	April 2021	↗
 Canada	Housing starts	+41 ¹⁾	N/A	May 2021	↗
 Poland	Housing completions	+9%	+10%	May 2021	→
 Spain	Housing permits	+16%	-7%	April 2021	↗
 Norway	Housing starts	+7%	+3%	May 2021	→

¹⁾ Seasonally adjusted, annualised rate vs. same month in previous year

Source: National Statistics Offices

Apr-Jun 2021: Income statement

Uponor Group, M€	4-6 2020	4-6 2021	Change Y/Y
Net sales	277.1	353.3	+27.5%
Cost of goods sold	174.8	226.5	+29.6%
Gross profit	102.3	126.9	+24.1%
Gross profit margin (%)	36.9%	35.9%	-1.0% pts
Other operating income	0.5	0.4	-24.0%
Expenses	72.5	80.2	+10.7%
Operating profit	30.3	47.0	+55.4%
Operating profit margin (%)	10.9%	13.3%	+2.4% pts
Comparable operating profit	36.2	48.2	+33.1%
Comparable operating profit margin (%)	13.1%	13.6%	+0.6% pts
Financial expenses, net	4.9	3.0	-39.2%
Share of result in associated companies	-1.1	-6.5	-483.0%
Profit before taxes	24.2	37.6	+55.0%
Profit for the period	17.8	25.9	+45.3%
EBITDA	43.4	59.2	+36.4%

Jan-Jun 2021: Income statement

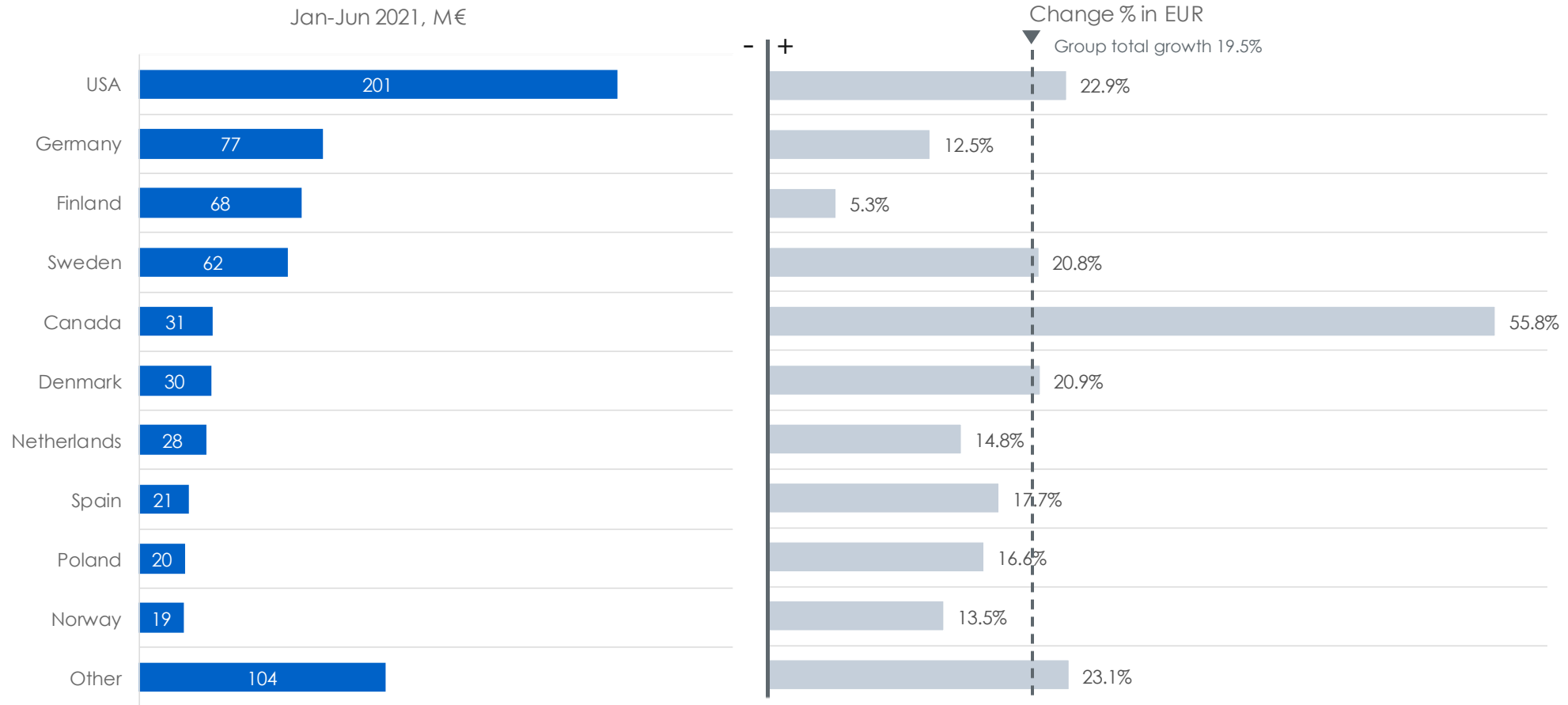
Uponor Group, M€	1-6 2020	1-6 2021	Change Y/Y	1-12 2020
Net sales	554.5	662.5	+19.5%	1,136.0
Cost of goods sold	348.0	410.6	+18.0%	706.6
Gross profit	206.5	251.9	+22.0%	429.4
Gross profit margin (%)	37.2%	38.0%	+0.8% pts	37.8%
Other operating income	0.5	0.6	+9.4%	1.0
Expenses	148.2	158.5	+6.9%	298.1
Operating profit	58.8	94.0	+59.7%	132.3
Operating profit margin (%)	10.6%	14.2%	+3.6% pts	11.6%
Comparable operating profit	65.6	95.7	+45.9%	142.7
Comparable operating profit margin (%)	11.8%	14.5%	+2.6% pts	12.6%
Financial expenses, net	1.8	5.8	+219.0%	6.3
Share of result in associated companies	-2.4	-7.4	-210.6%	-4.2
Profit before taxes	54.6	80.7	+47.8%	121.8
Profit for the period	40.1	57.6	+43.6%	96.1
EBITDA	85.4	118.4	+38.7%	185.0

Jun 2021:

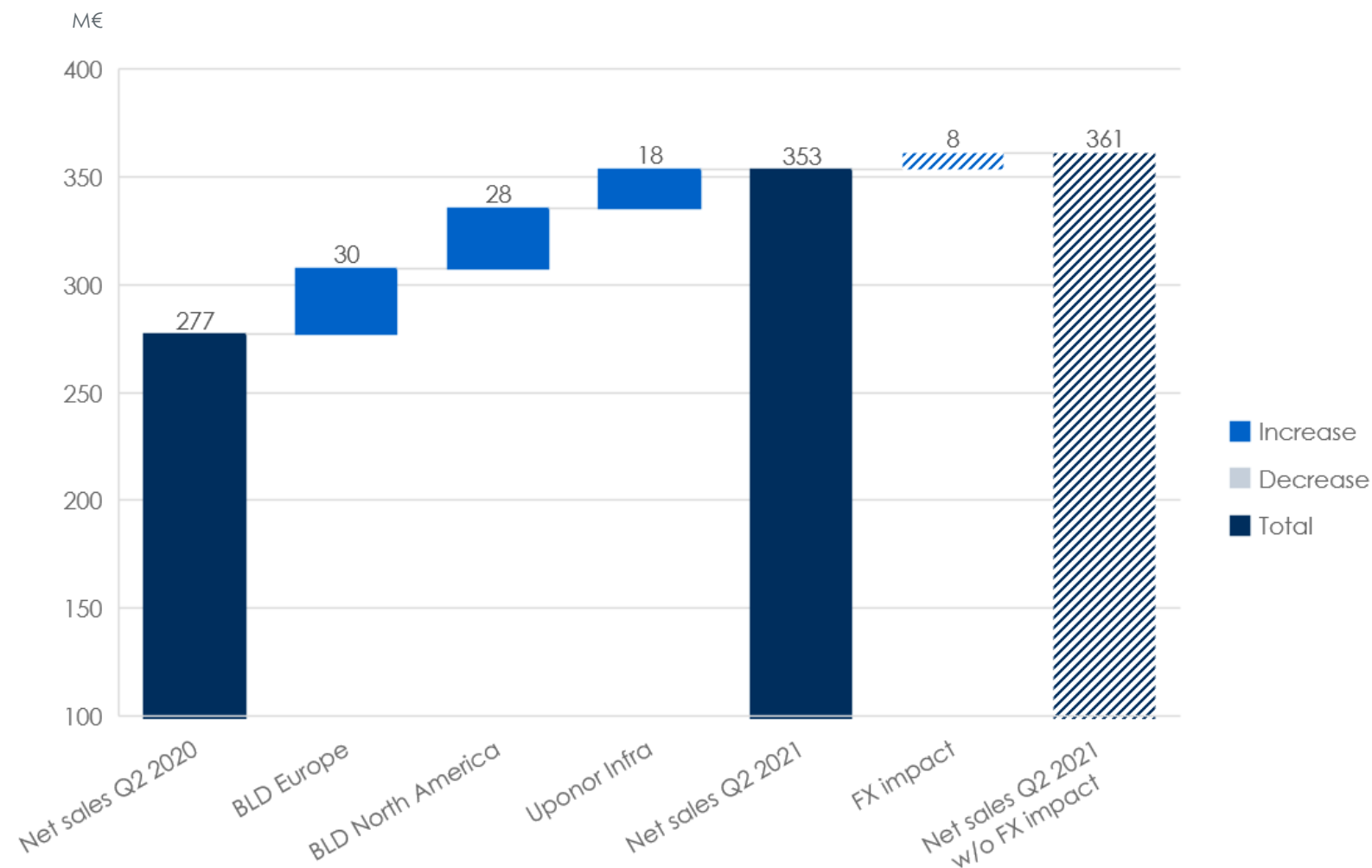
Balance sheet

Uponor Group, M€	31 Mar 2020	31 Mar 2021	Change Y/Y	31 Dec 2020
Property, plant and equipment	274.4	262.8	-11.6	264.7
Intangible assets	94.1	96.2	2.1	95.9
Securities and long-term investments	19.7	8.0	-11.7	14.2
Inventories	152.4	138.3	-14.1	128.7
Cash and cash equivalents	94.4	208.1	113.7	138.0
Other current and non-current assets	271.6	308.5	36.9	226.9
Assets total	906.6	1,021.9	115.3	868.4
Total equity	366.1	440.2	74.1	421.9
Non-current interest-bearing liabilities	129.9	192.1	62.2	124.1
Provisions	36.3	40.2	3.9	37.1
Non-interest-bearing liabilities	262.6	338.6	76.0	256.4
Current interest-bearing liabilities	111.6	10.7	-100.9	29.0
Shareholders' equity and liabilities total	906.6	1,021.9	115.3	868.4

Net sales development by key markets, Jan-Jun 2021



Net sales bridge, Apr-Jun 2021



Comparable operating profit bridge, Apr-Jun 2021

