

A close-up photograph of a person wearing a dark lab coat, focused on a task. They are holding a white pipette tip and are in the process of transferring a red liquid into a multi-well plate. The plate has several wells, some of which already contain the red liquid. The background is slightly blurred, showing more of the lab equipment and the person's face in profile.

uponor

Interim results briefing 1–3/2021

5 May 2021

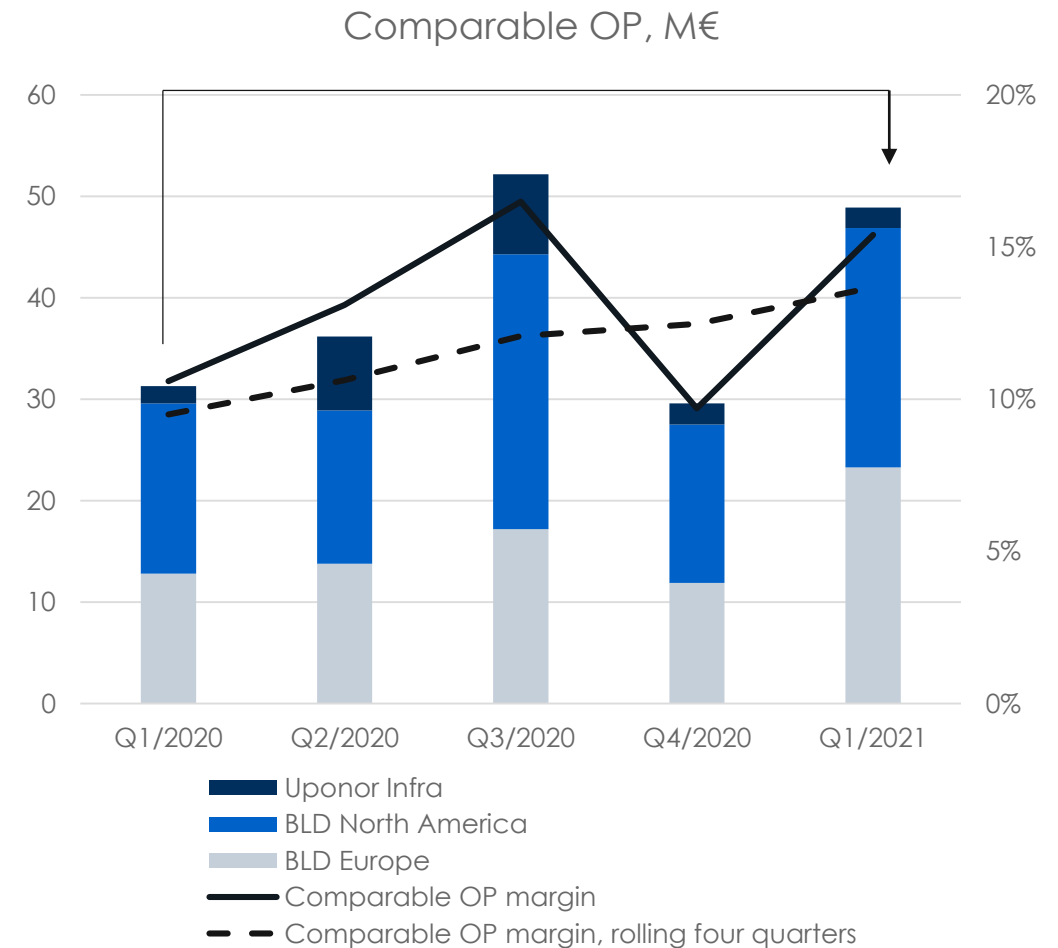
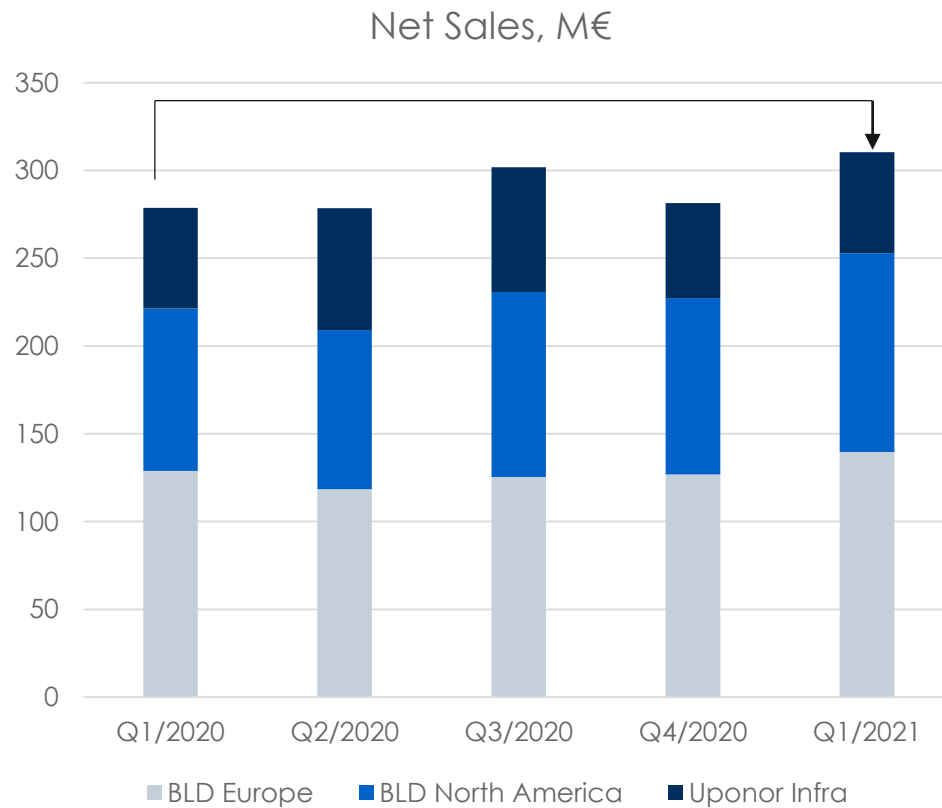
Jyri Luomakoski, President & CEO
Minna Yrjönmäki, CFO

Highlights of Q1: Strong demand continued

- Net sales were €309.2 million, an organic growth of 14.4%
- Comparable operating profit was €47.6 million, a growth of 61.5%
- Net sales and comparable operating profit increased in all divisions

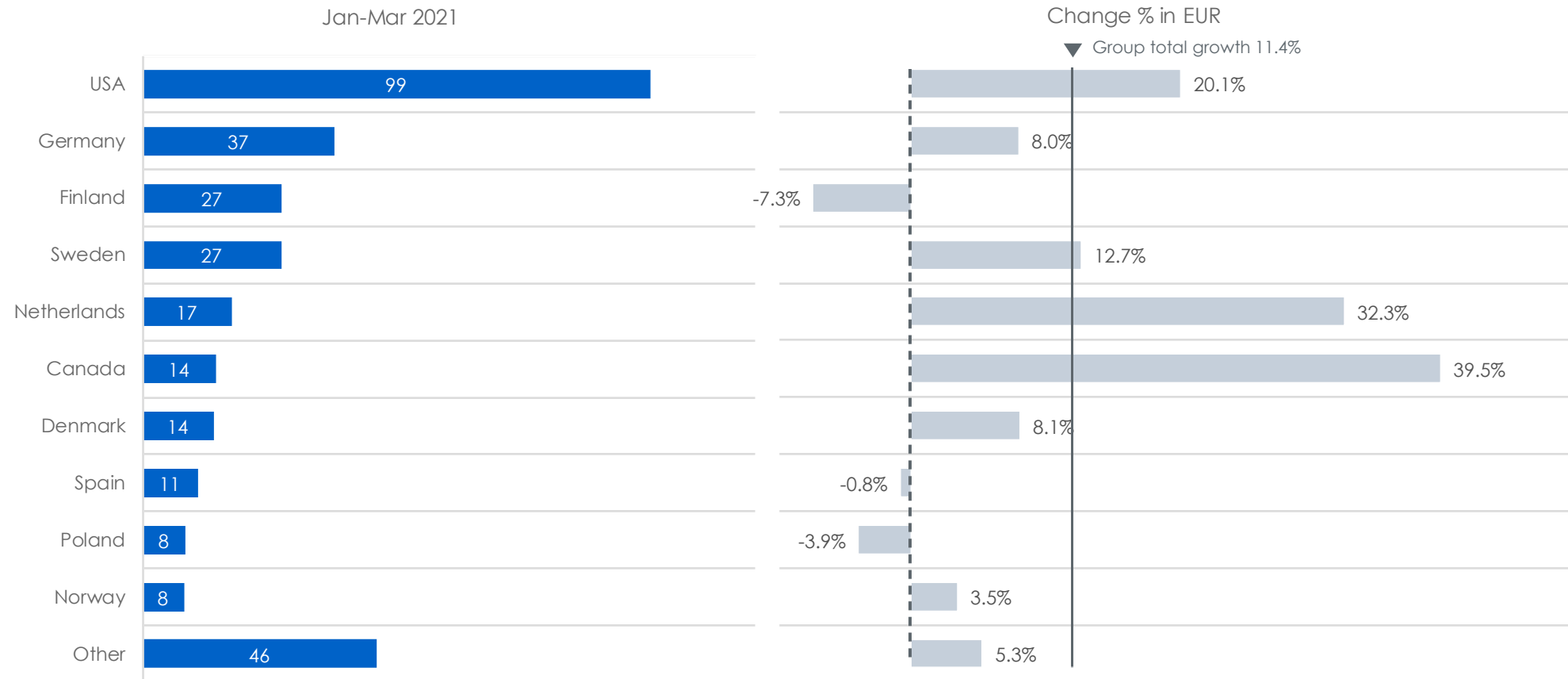


Net sales and comparable operating profit: Good development in both key figures

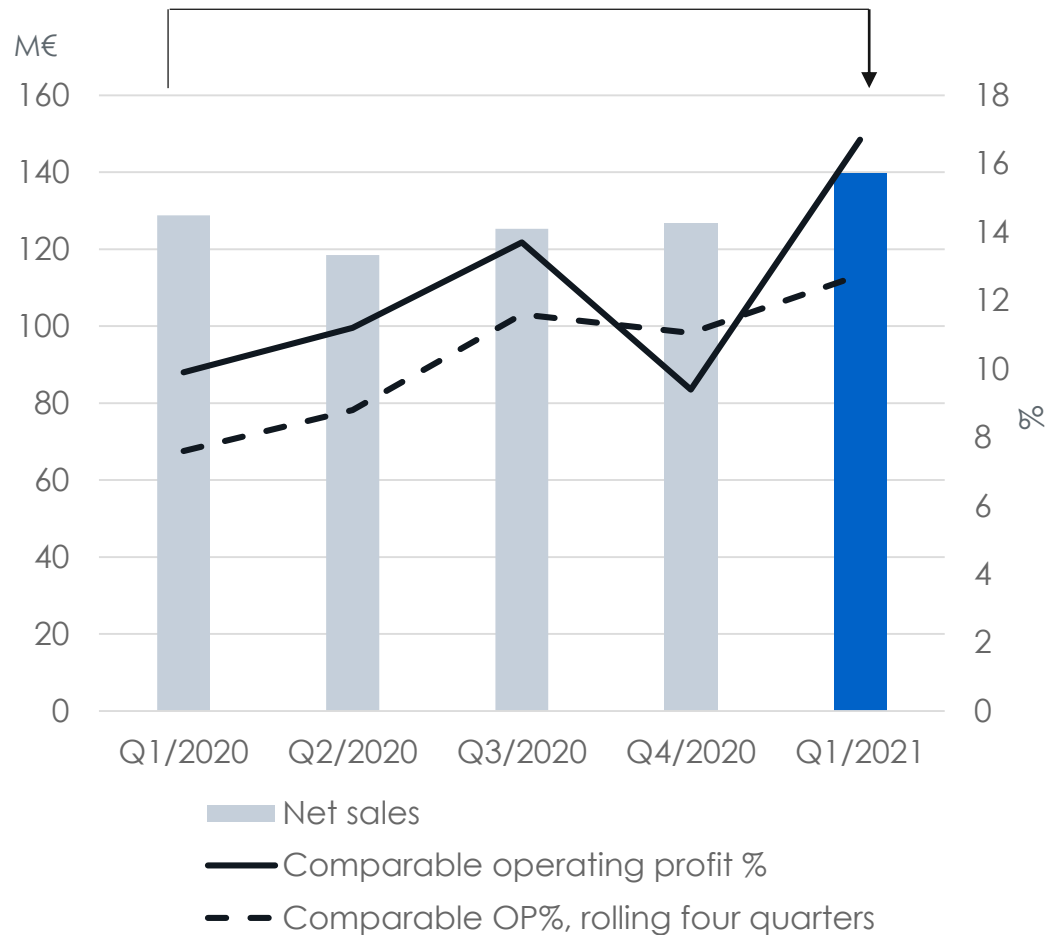


Net sales development by key markets:

Net sales grew in most countries



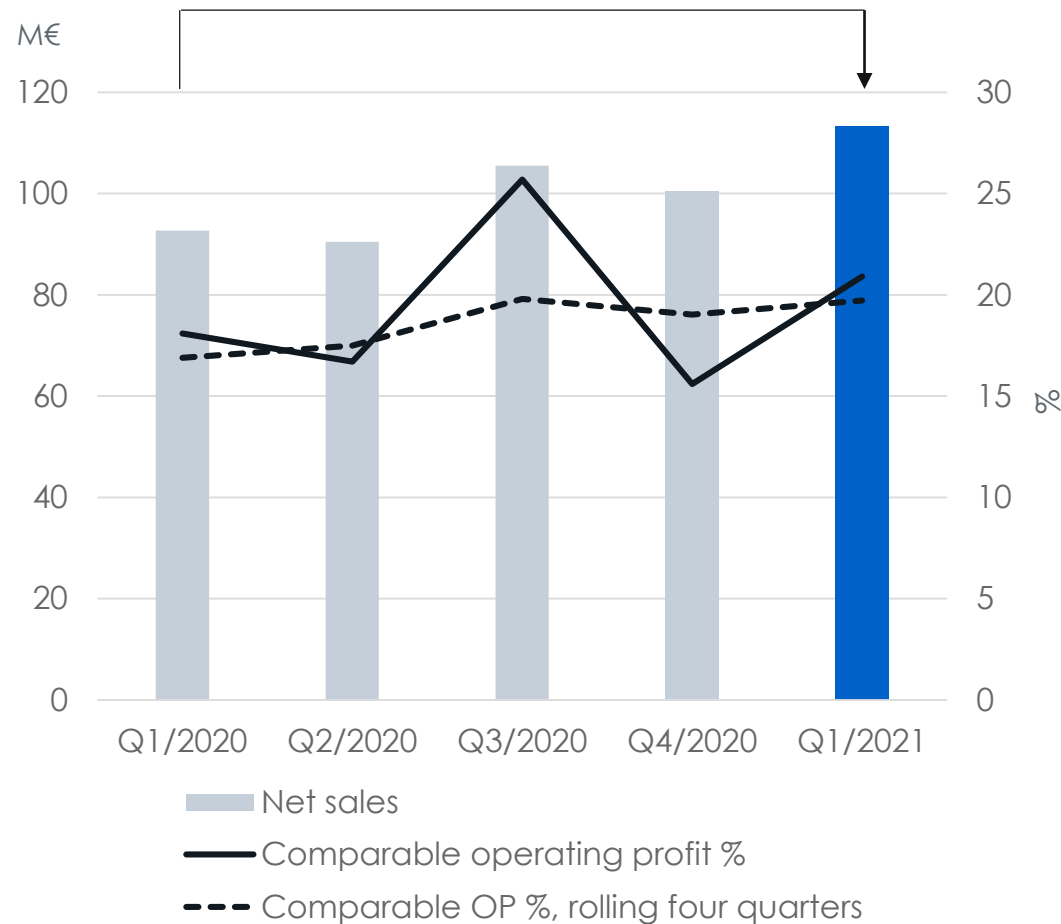
Building Solutions – Europe: Development in Q1



- Demand in key markets was at a good level
- Volume growth supported profitability development together with favourable sales mix and price increases
- Initiatives of operational excellence programme are progressing according to the plan



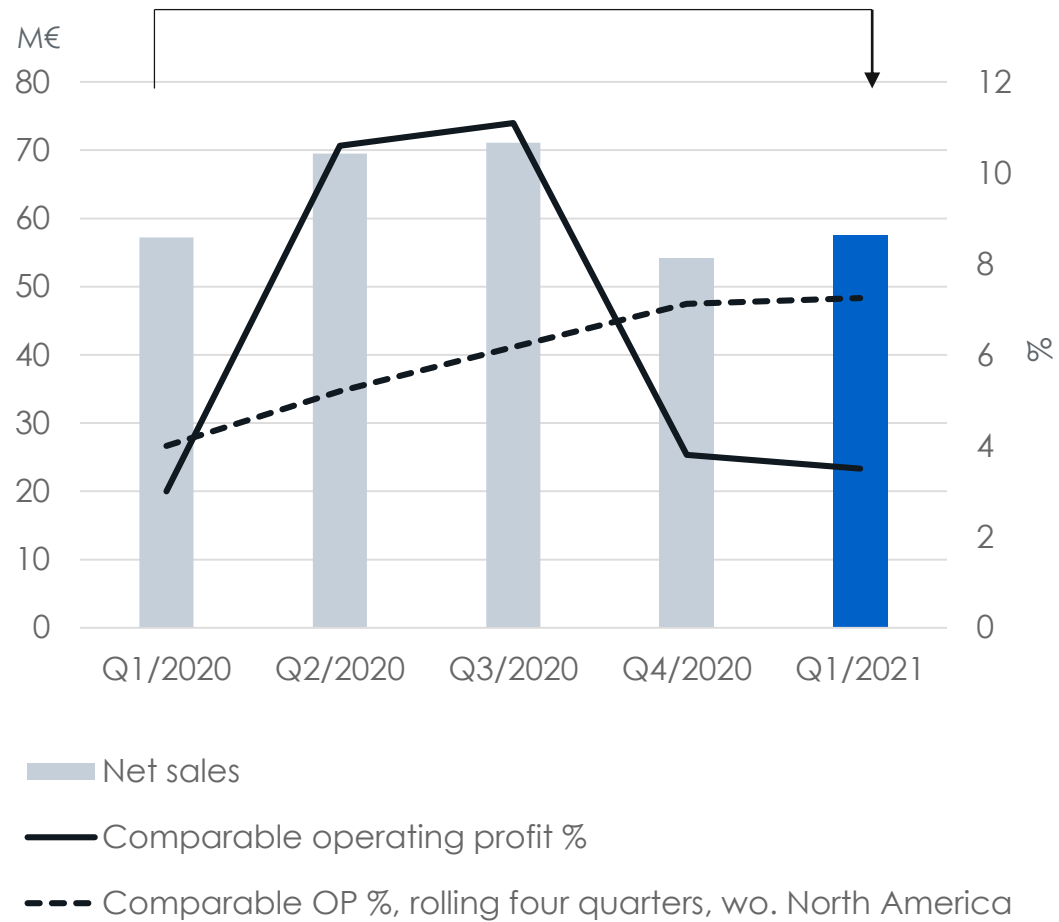
Building Solutions – North America: Development in Q1



- Demand in the residential markets was at a high level, but also commercial segment contributed to volume growth
- Higher volumes drove the profitability development, while there were some increases in input and freight costs
- Focus on building healthy inventory levels, capacity expansion investments planned for 2021



Uponor Infra: Development in Q1



- Solid performance in both net sales and profitability
- Sales of designed solutions sales showing signs of picking up
- Profitability development driven by good progress in Sweden and Norway



Progress of operational excellence programme

- Updated target and schedule:
 - Annual savings of €25 million
 - By the end of H1/2022
 - With around €22 million one-time costs
- Original target of annual savings of €20 million to be reached by the end of 2021



Uponor's new GHG emission reduction targets

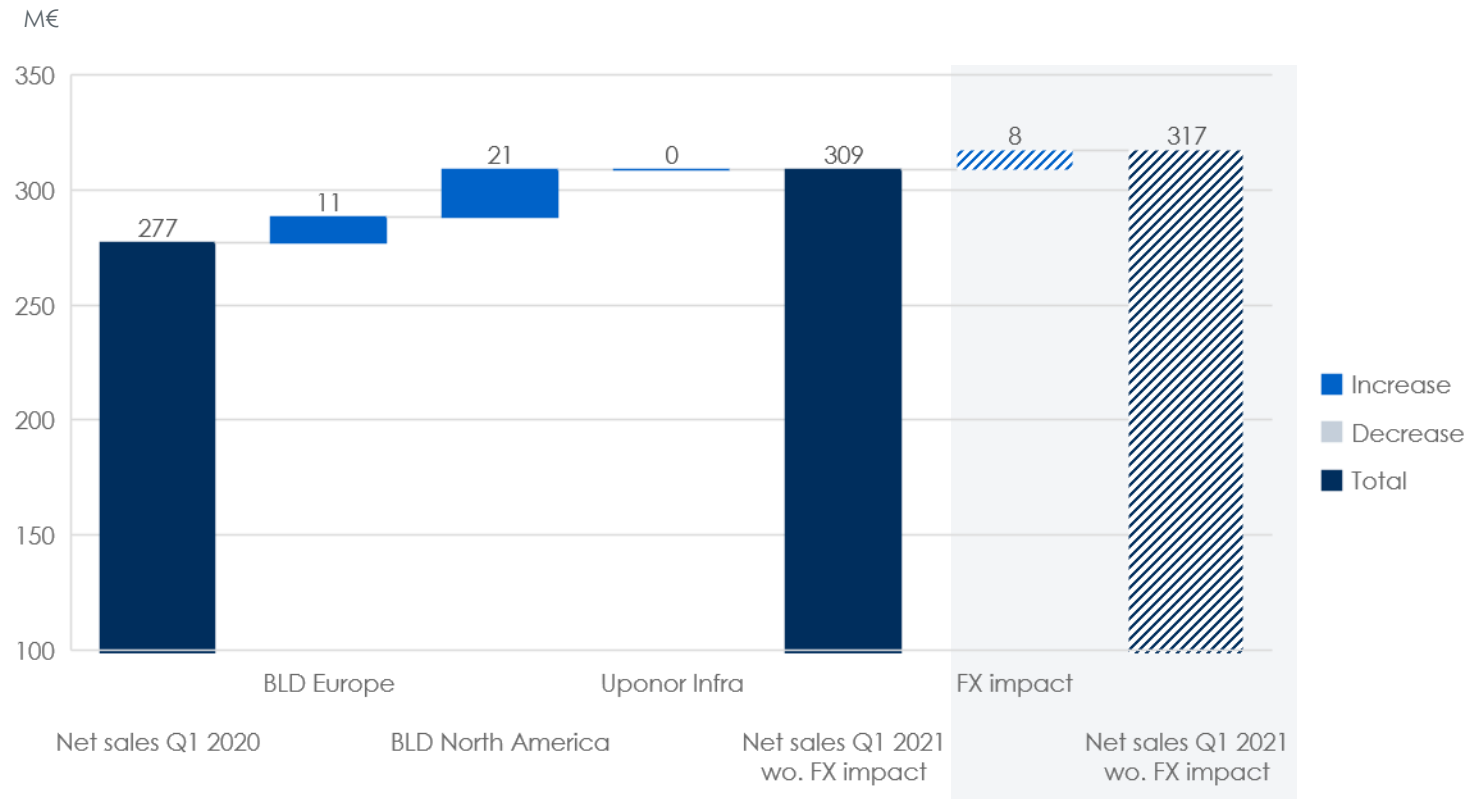
- Uponor received approval from the Science Based Targets initiative in April
- New GHG emission reduction targets (baseline year 2019):
 - Reduce absolute scope 1 and 2 GHG emissions by 46% by 2030
 - Reduce absolute scope 3 GHG emissions from purchased goods and services and upstream transportation and distribution by 14% by 2030
 - All purchased electricity to be renewable by 2025



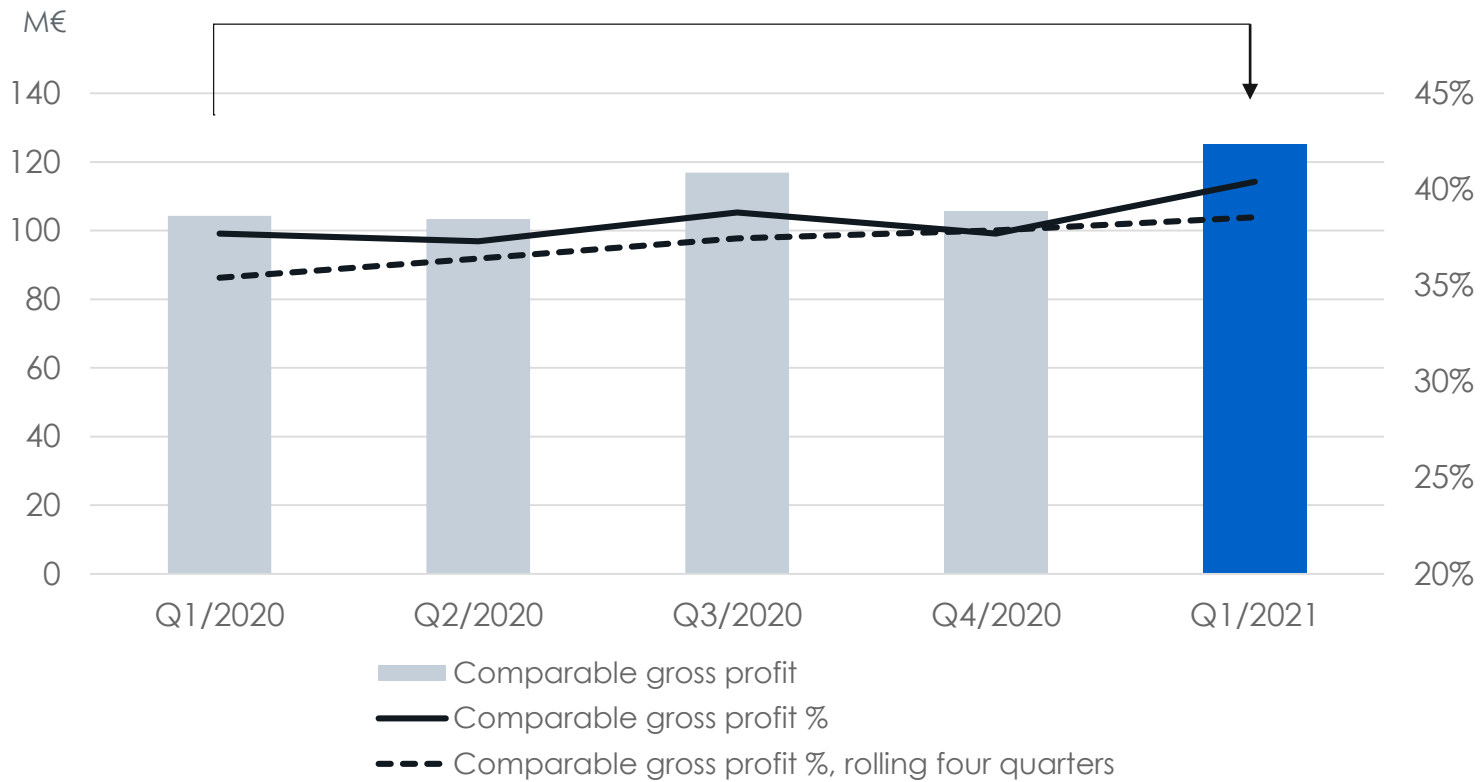
Minna Yrjönmäki, CFO

Financial statements

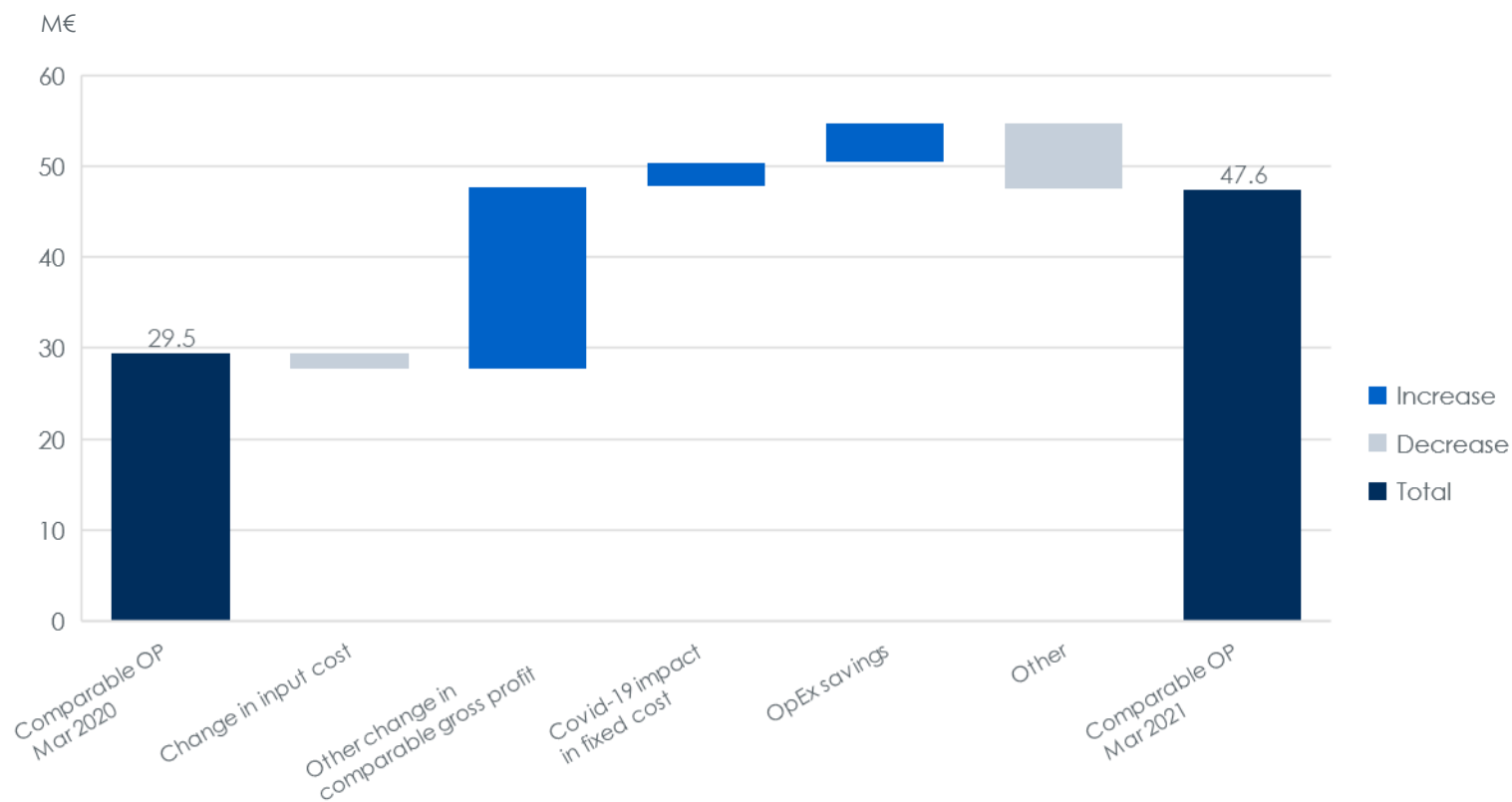
The increase in net sales was driven by strong demand in both building solutions segments



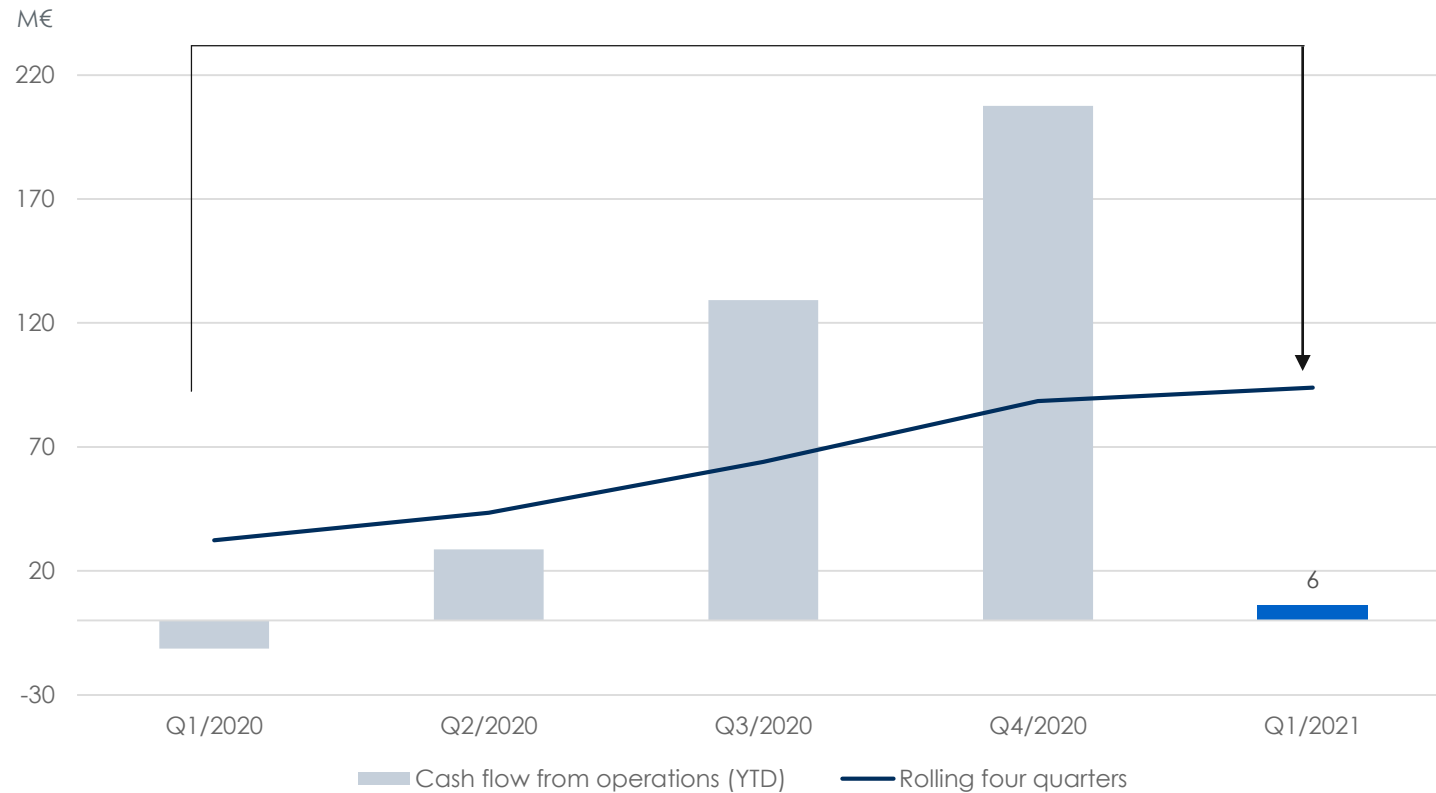
Volume growth supported the positive comparable gross profit development



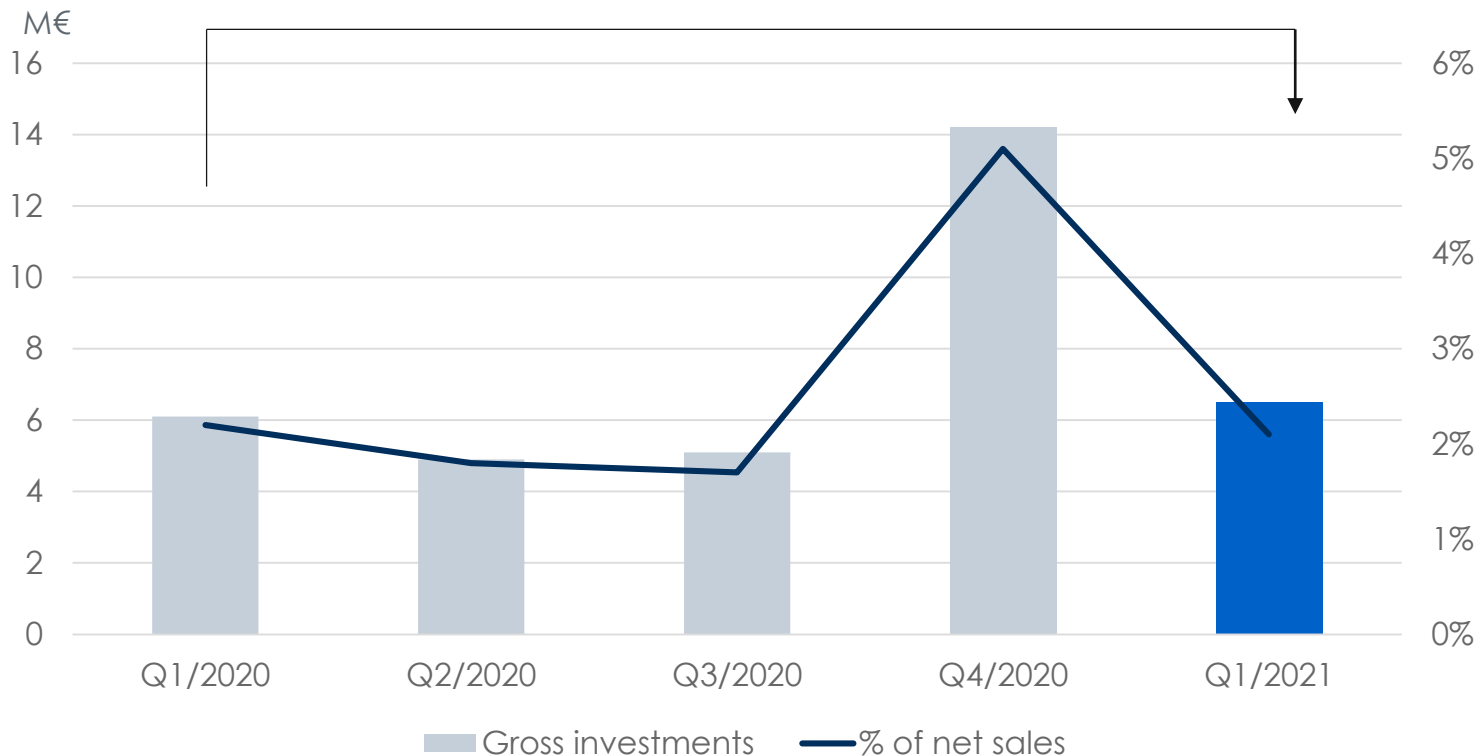
The increase in comparable operating profit was mainly driven by volume growth



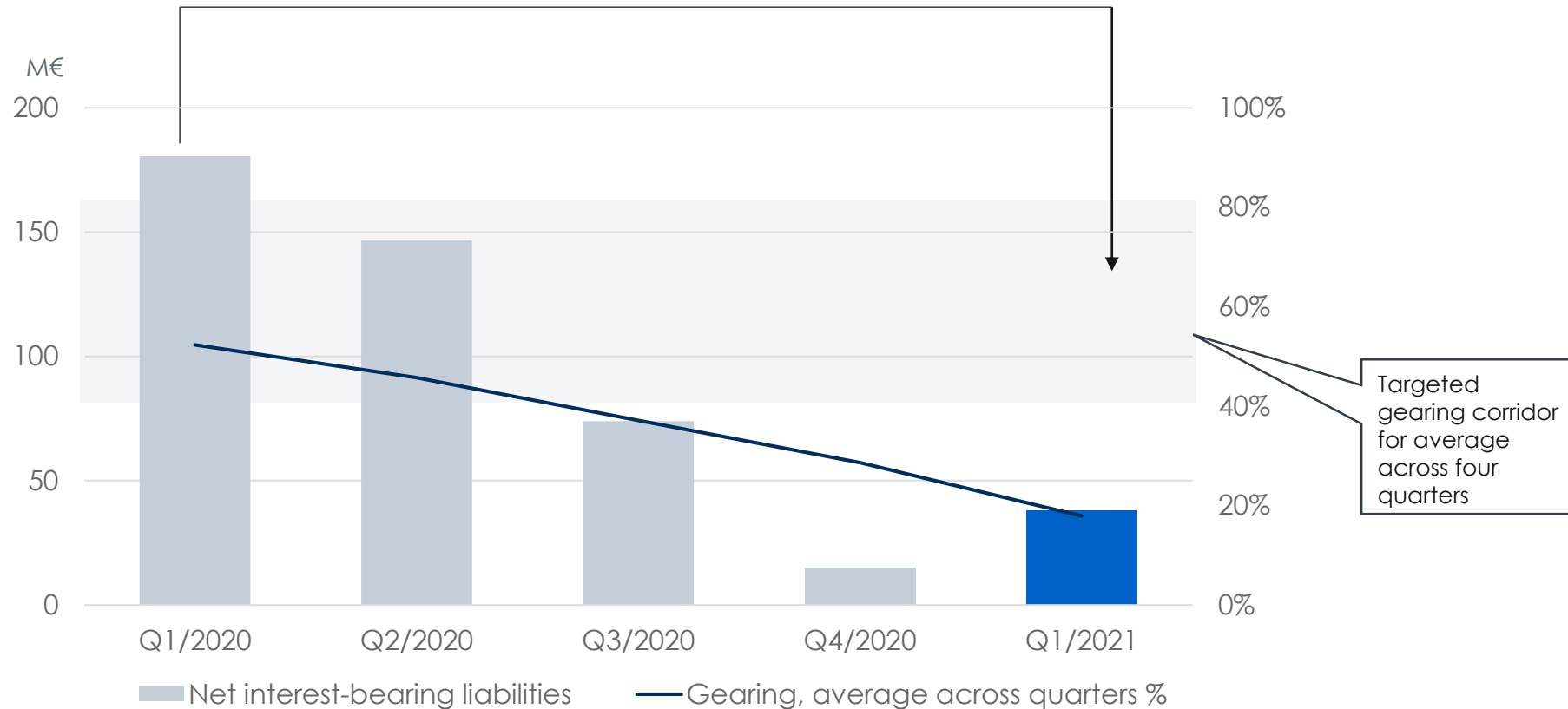
Cash flow from operations exceeded last years level driven by higher operating profit



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



Net interest-bearing liabilities were lower than last year – average gearing continued to decrease to 17.9%



Jyri Luomakoski, President & CEO

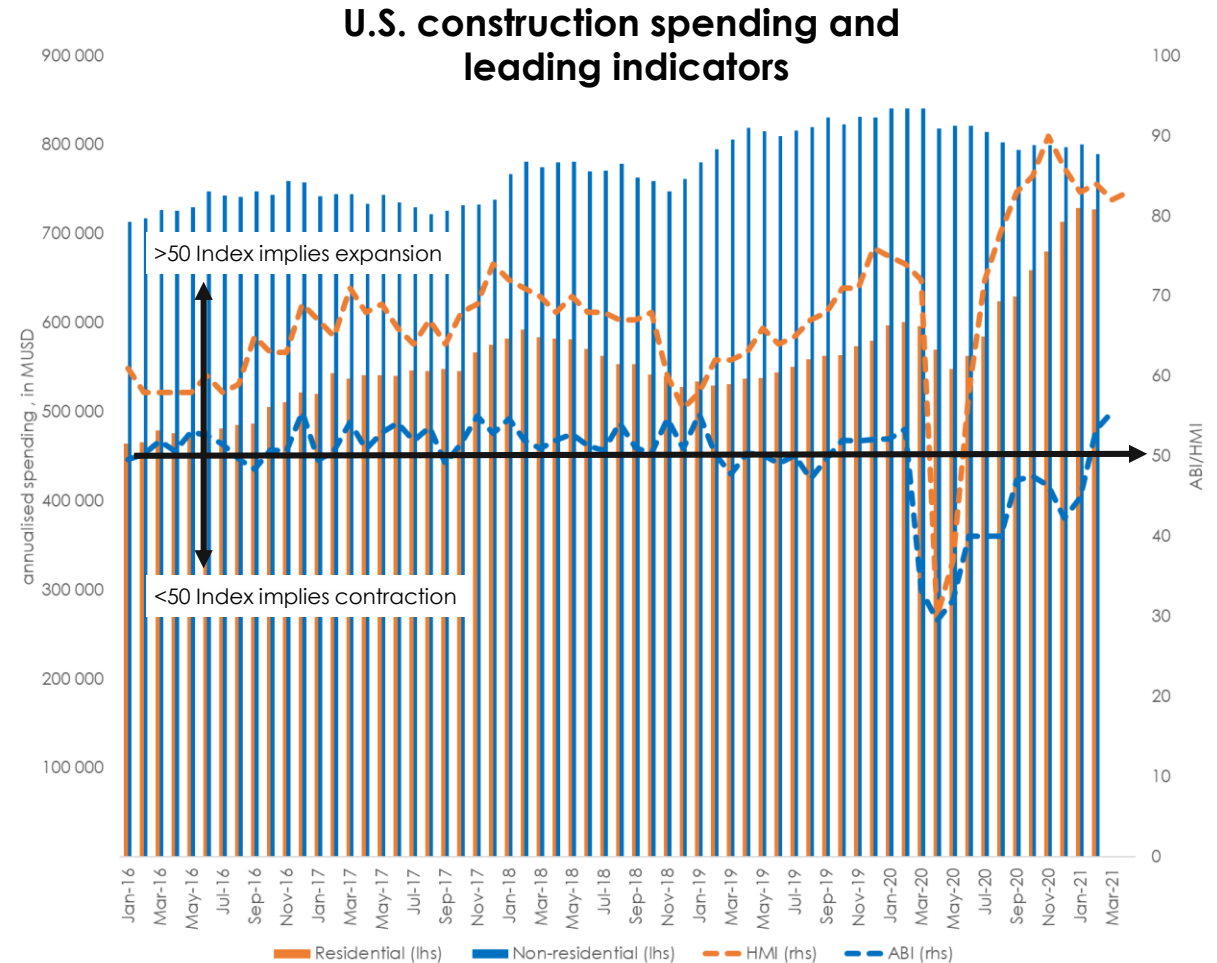
Outlook for future

U.S.: Residential construction was very strong

Stimulus and pent-up demand are driving growth in the economy

In construction:

- Residential spending was growing, non-residential relatively soft
- Homebuilder confidence was strong, despite rising costs
- Architecture firm billings returned to positive territory



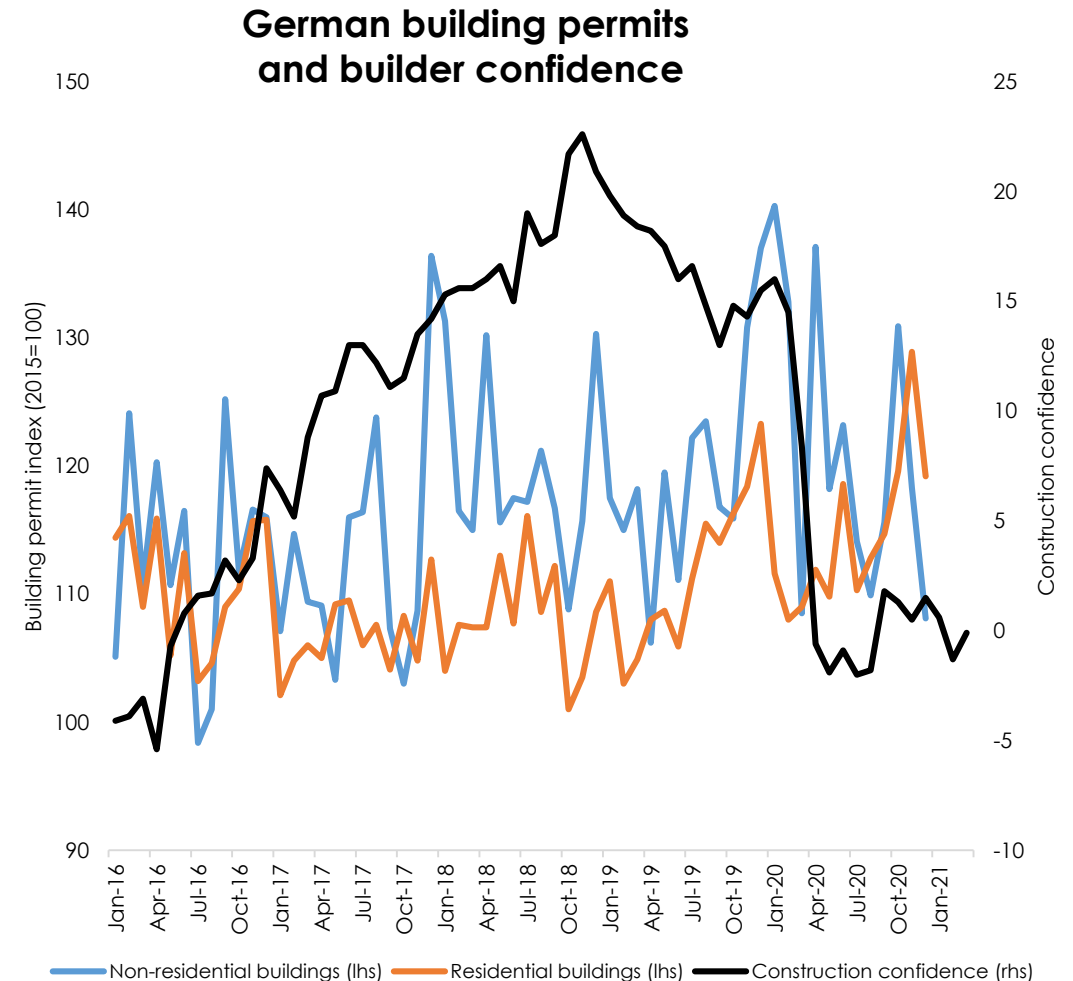
Source: Census Bureau, AIA, NAHB

Germany: Strong underlying demand offset by constraints

Manufacturers and consumers are upbeat despite continued COVID-19 challenges

In the construction industry:

- Builder confidence was held back by weather and cost concerns
- Residential building permits are still solid
- Building material and labour shortages are creating challenges



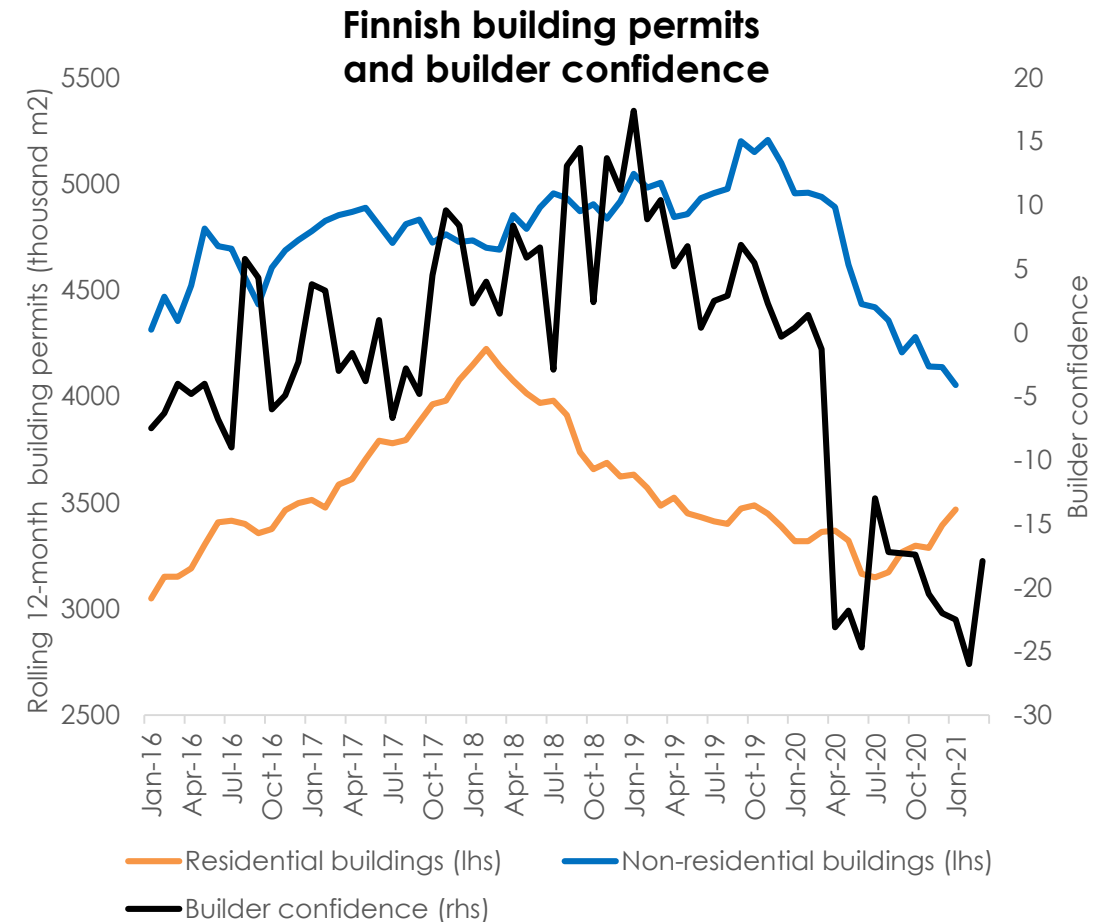
Source: Eurostat

Finland: Building construction slower, while civil engineering expanded

Industrial output has risen from last year and consumers are upbeat

Within the construction industry:

- Builder confidence remains below pre-pandemic levels
- Residential permits no longer slowing, non-residential still in decline
- Civil engineering segment continued to expand



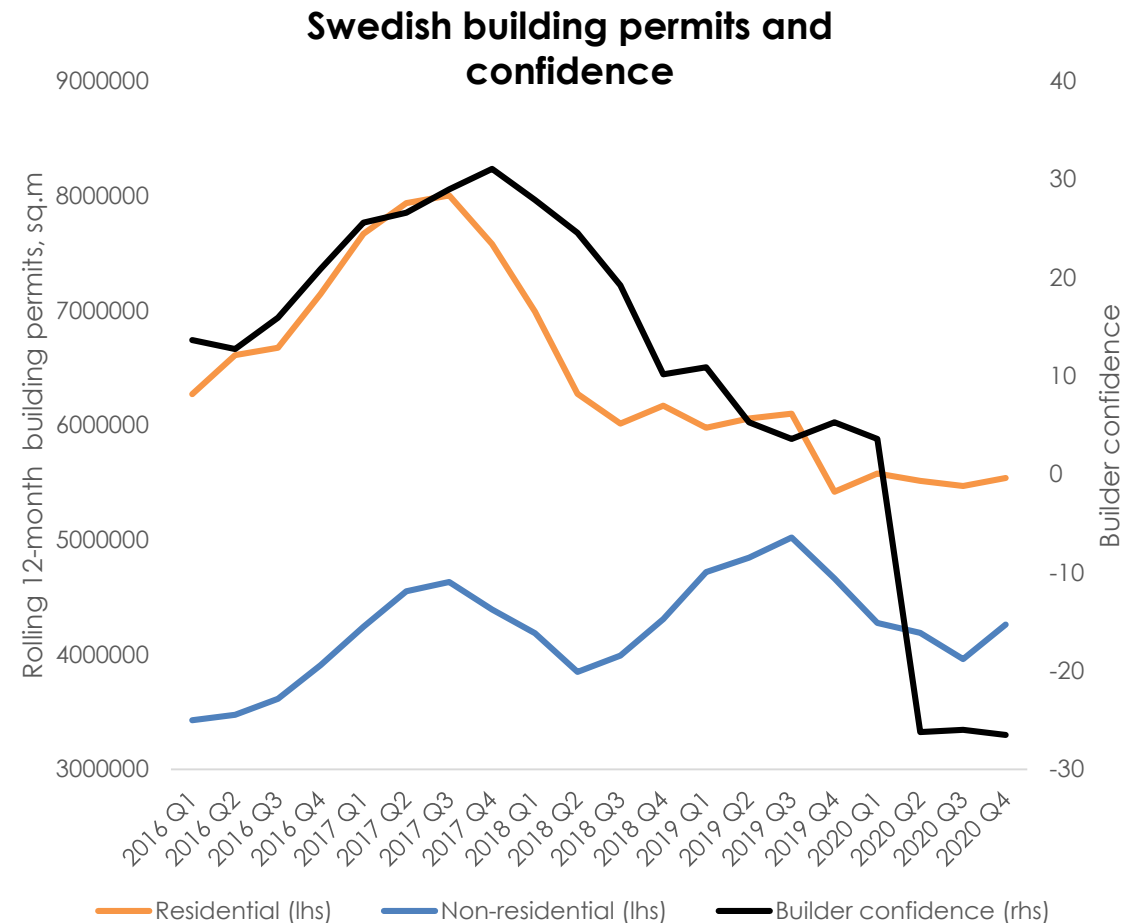
Source: Statistics Finland and Eurostat

Sweden: Demand is outstripping supply in the residential market

A broad recovery is taking hold in the economy

Within the construction industry:

- House prices are up significantly, while FY2020 housing starts were up 6%
- Residential and non-residential permit levels have stabilised
- However, builder confidence has not recovered



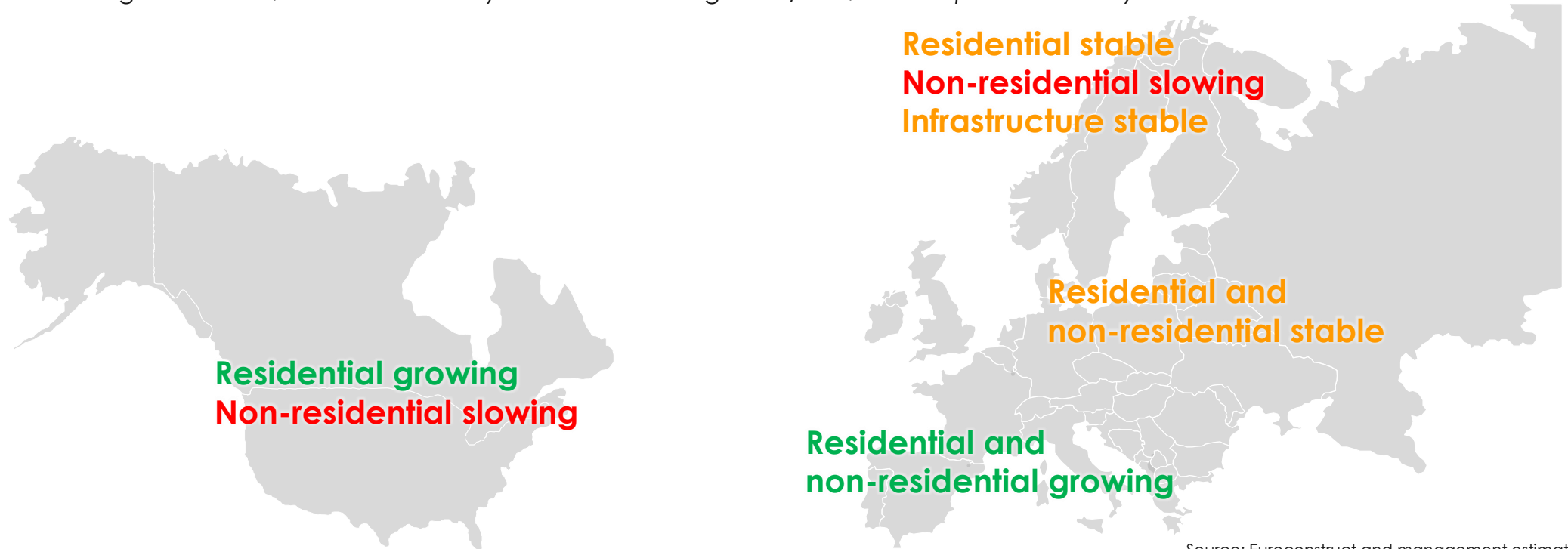
Source: Statistics Sweden and Eurostat

Market outlook for Q2

Guidance statement for 2021, updated on 16 April:

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

Increase indicates a growth of 2.5% or more and stay at the level a range of +/- 2.5% in comparison to the year 2020.



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**

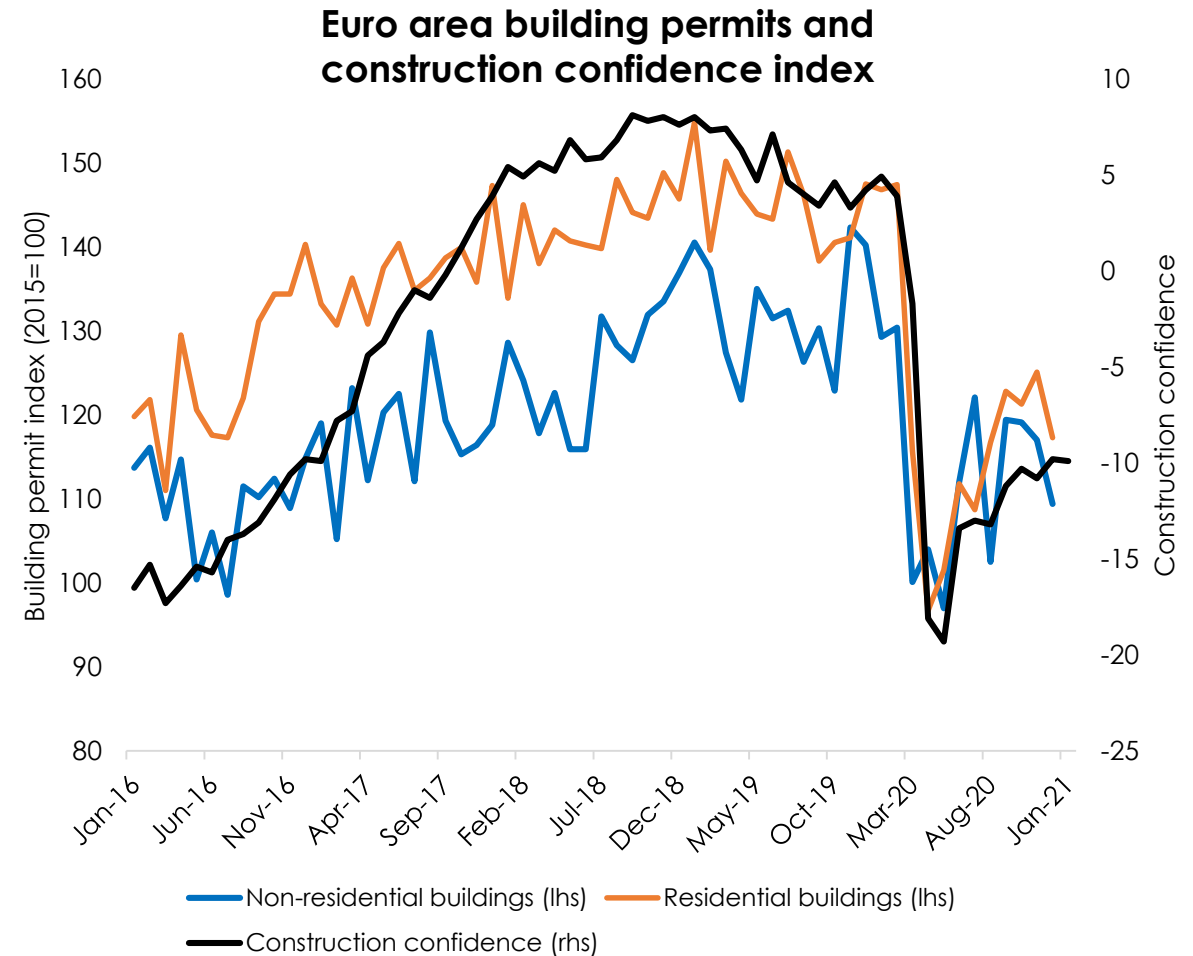
Appendix

Europe: Trends moving in the right direction

Economies fairly resilient despite COVID-19 restrictions











Within the construction industry:

- Residential and non-residential permits improving, but below pre-pandemic levels
- Builder confidence trending higher, but has not completely recovered



Source: Eurostat

Leading residential indicators: Generally positive

	Indicator	YTD % Change	Rolling 12-month % Change	Data through	Trend since Q4 update
 USA	Housing starts	+37 ¹⁾	N/A	March 2021	↗
 Germany	Housing permits	+12%	+6%	February 2021	→
 Finland	Housing permits	+0%	+0%	February 2021	↗
 Sweden	Housing starts	+6%	+6%	December 2020	→
 Denmark	Construction index	+7%	N/A	January 2021	→
 Netherlands	Housing permits	-3%	+12%	January 2021	→
 Canada	Housing starts	+17 ¹⁾	N/A	February 2021	→
 Poland	Housing completions	+0%	+6%	February 2021	→
 Spain	Housing permits	-12%	-19%	January 2021	→
 Norway	Housing starts	+10%	-1%	February 2021	↗

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

Source: National Statistics Offices

Jan-March 2021: Income statement

Uponor Group, M€	1-3 2020	1-3 2021	Change Y/Y	1-12 2020
Net sales	277.4	309.2	+11.4%	1,136.0
Cost of goods sold	173.2	184.2	+6.4%	706.6
Gross profit	104.3	125.0	+19.9%	429.4
Gross profit margin (%)	37.6%	40.4%	+2.8% pts	37.8%
Other operating income	0.1	0.2	+274.8%	1.0
Expenses	75.8	78.2	+3.3%	298.1
Operating profit	28.6	47.0	+64.4%	132.3
Operating profit margin (%)	10.3%	15.2%	+4.9% pts	11.6%
Comparable operating profit	29.5	47.6	+61.4%	142.7
Comparable operating profit margin (%)	10.6%	15.4%	+4.8% pts	12.6%
Financial expenses, net	-3.1	2.8	+191.2%	6.3
Share of result in associated companies	-1.3	-1.0	+25.4%	-4.2
Profit before taxes	30.4	43.2	+42.1%	121.8
Profit for the period	22.3	31.7	+42.1%	96.1
EBITDA	42.0	59.2	+41.0%	185.0

Jan-March 2021: Balance sheet

Uponor Group, M€	31 Mar 2020	31 Mar 2021	Change Y/Y	31 Dec 2020
Property, plant and equipment	280.3	264.1	-16.2	264.7
Intangible assets	95.3	96.1	0.8	95.9
Securities and long-term investments	20.3	14.4	-5.9	14.2
Inventories	153.9	141.4	-12.5	128.7
Cash and cash equivalents	63.0	168.6	105.6	138.0
Other current and non-current assets	260.0	279.2	19.2	226.9
Assets total	872.8	963.8	91.0	868.4
Total equity	346.1	414.2	68.1	421.9
Non-current interest-bearing liabilities	201.7	193.0	-8.7	124.1
Provisions	30.7	39.3	8.6	37.1
Non-interest-bearing liabilities	252.4	303.7	51.3	256.4
Current interest-bearing liabilities	41.8	13.5	-28.3	29.0
Shareholders' equity and liabilities total	872.8	963.8	91.0	868.4