



Creating value through maximizing the core and sustainable innovation

Uponor Capital Markets Day
14 March 2022

uponor



Agenda EET

15:00 Opening remarks, Franciska Janzon, SVP, Communications and IR

Presentations (short Q&A after each presentation)

15:05 Michael Rauterkus, President and CEO

15:45 Karsten Hoppe, President, Building Solutions – Europe Division

16:00 Sebastian Bondestam, President, Uponor Infra Division

16:20 John Reutter, Interim President, Building Solutions – North America Division

16:40 Markus Melkko, Chief Financial Officer

17.05 Q&A with all presenters

17.25 Closing remarks

~ 17:30 Event ends



Q&A via webcast platform

How to post a question

Questions can be submitted through the form in the webcast window during the presentations. Questions are only visible to the moderator.



Disclaimer

This presentation includes, or may be deemed to include, forward-looking statements. These statements relate to expected future events or expected future financial performance, including, but not limited to, strategic plans, potential growth, planned operational changes, expected capital expenditure and future cash sources and requirements. These events involve known and unknown risks, uncertainties and other factors that may cause Uponor Corporation's or its businesses' actual results of operations, levels of activity, performance or achievements to be materially different from those expressed or implied by any forward-looking statements. In some cases, such forward-looking statements can be identified by terminology such as "may," "will," "could," "would," "should," "expect," "plan," "aim," "target," "anticipate," "intend," "believe," "estimate," "predict," "potential," or "continue," or the negative of those terms or other comparable terminology. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Future results may vary from the results expressed in, or implied by, the forward-looking statements contained in this presentation, possibly to a material degree. All forward-looking statements made in this presentation are based on information presently available to management and Uponor Corporation assumes no obligation to update any forward-looking statements, unless obligated to do so under applicable law or regulation. Viewers should understand that this presentation does not constitute an offer to buy or subscribe Uponor's securities. Potential investors are instructed to familiarize themselves with Uponor's financial reports available on the company's website in order to form a comprehensive picture of Uponor Corporation and its securities. Uponor Corporation publishes inside information according to the Market Abuse Regulation (MAR, 596/2014/EU) and the Nordic Main Market Rulebook for Issuers of Shares and the other rules of Nasdaq Helsinki.



Agenda

Uponor's new strategy

Building Solutions – Europe

Uponor Infra

Building Solutions – North America

New financial targets

Closing remarks

Maximizing the core and sustainable innovation

Well positioned to benefit from market trends – Net zero, productivity and clean water

Maximizing the core – Country, customer, channel and categories

Step change in innovation, technology and people

Starting position – this is Uponor

2021

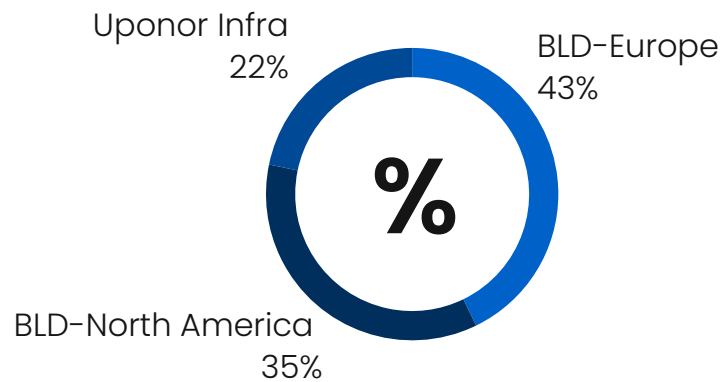
1,313 M€
Net sales

160.5 M€
Operating profit
(comparable)

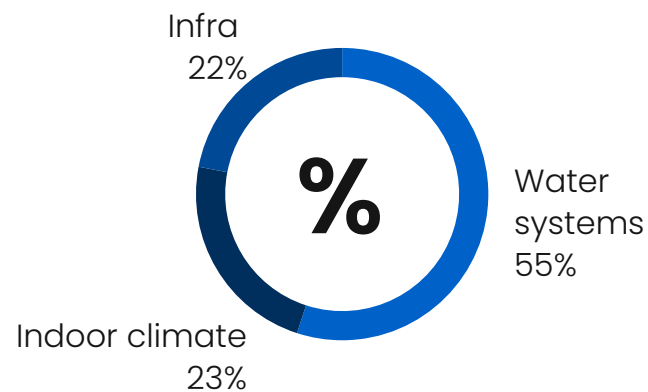
4,234
of Employees
(31st Dec 2021)

17
manufacturing sites

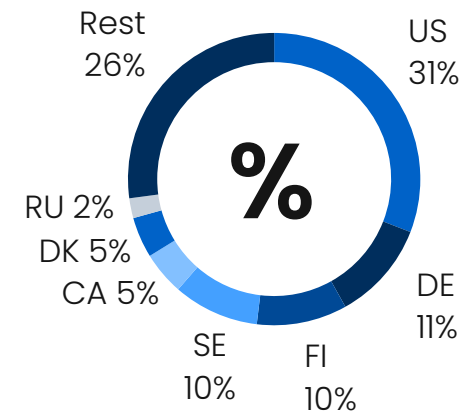
Sales by division



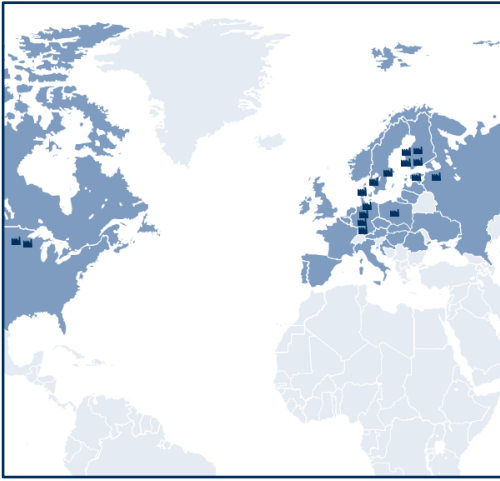
Sales by business



Sales by country



Strong foundations for growth



➤ International presence and leading positions



➤ Innovation, technology and sustainability



➤ Great brand & customer loyalty



➤ Strong culture & leading team

Highly experienced global team



Michael Rauterkus
President and CEO

- Former CEO of Grohe
- Several executive and managerial positions at Grohe, Hasbro, Levi Strauss & Co and Kraft Jacobs Suchard



Karsten Hoppe
President, Building Solutions – Europe

- Former CEO of MTD Products EMEA
- Executive roles at Hilti Group
- Former Principal of Boston Consulting Group



Sebastian Bondestam
President, Uponor Infra

- Member of Uponor's Executive Committee since 2007, responsible for Infrastructure and Supply Chain
- Several executive and managerial positions at Tetra Pak



John Reutter
Interim President, Building Solutions – North America

- Former Vice President, Finance of Ecolab's Global Healthcare
- Other executive and managerial positions at Ecolab and Deloitte



Markus Melkko
CFO

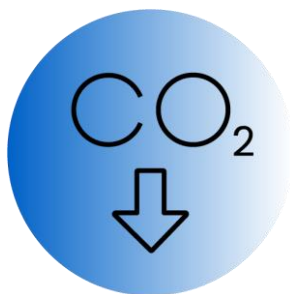
- Former interim CEO & CFO of Tikkurila
- Former CFO of Unisport Saltex
- Former CFO of Ekokem
- Executive positions at Cleantech Industries and Fazer Food Services

Heritage of innovation, manufacturing and sustainability



Three main megatrends shape our industry

Demand for solutions contributing to net zero



~30% of carbon emissions from buildings, need for sustainable heating solutions



Demand for sustainable products and systems to lower emissions

Demand for systems to improve productivity

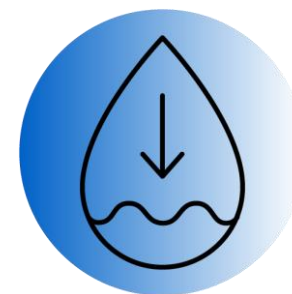


Labor shortages and raising costs drive need for efficiency



Strong demand for easy-to-install and pre-fabricated systems

Demand for safe and clean water



Expectation for high water quality under all circumstances



Demand for plastic pipes and systems as safe & clean solution

Increasing demand for low temperature radiant technologies



**New buildings
100% fossil-free**

Starting today



**2x today's building
renovation rate**

1.5%-2% of buildings per year



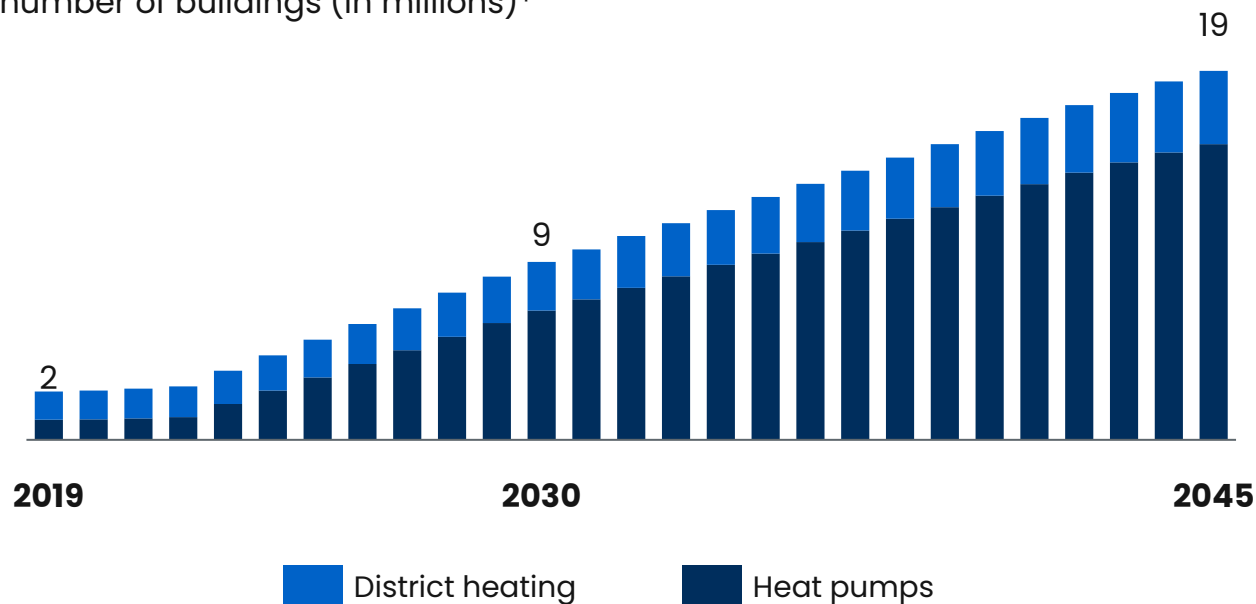
**No new oil or gas
boilers after 2025**

Including replacements



Low temperature radiant technologies in Germany

Primary heating solution by building in Germany 2019-2045,
number of buildings (in millions)*



Systems for water, indoor climate and infrastructure

23%

Indoor climate

Underfloor heating & cooling
Smart controls
Digital energy monitoring
Heat interface units
Local heat distribution pipes
Manifolds

55%

Water systems

Plumbing pipes
Risers
Sewage

22%

Infra

Storm & sewer
Water monitoring
District energy

Pressure pipe systems
Wastewater management
Cable protection

% of sales

Ambition to accelerate and win market share



	PREVIOUS TARGETS	FINANCIAL TARGETS: 2022-2024	AMBITION: 2025-
GROWTH	> Annual GDP growth by 3ppts	Organic growth >4%	Ambition to accelerate growth rate
PROFITABILITY	>10 OP-%	>12 OP-%	Ambition to increase OP-% further
GEARING	40-80%	40-80%	
DIVIDEND	Min 50% of annual earnings	Growing	

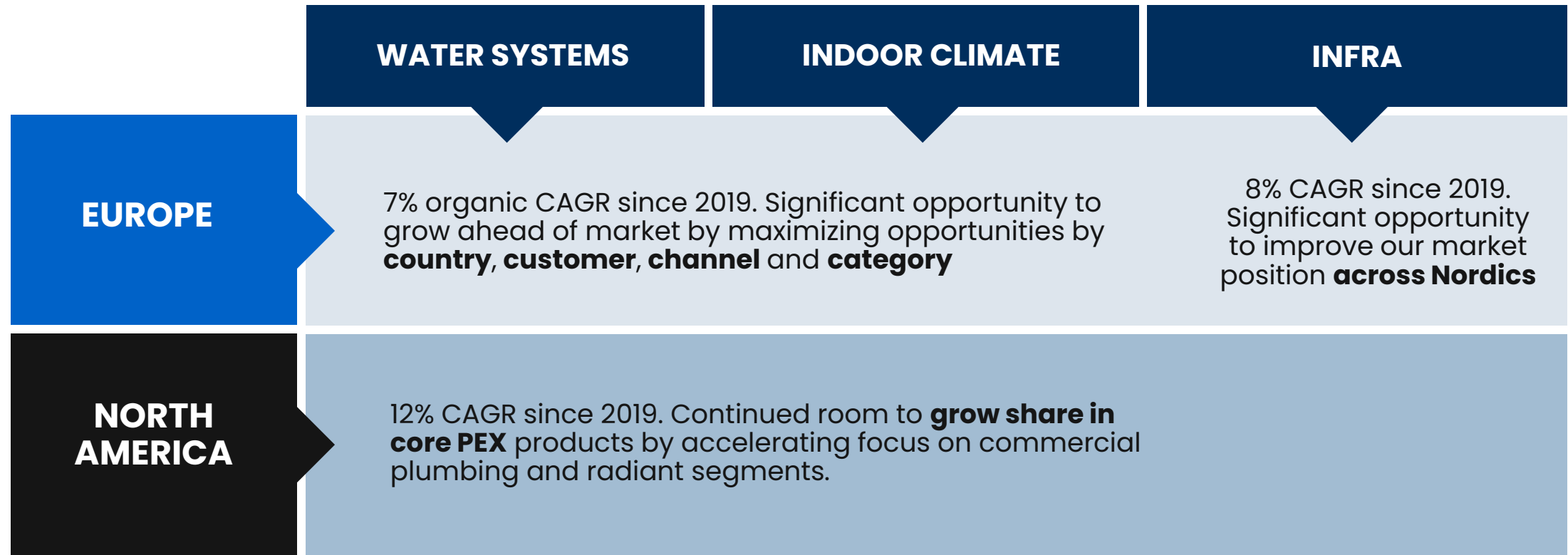
New strategic focus and higher financial performance

More active growth agenda supported by organic growth, commercial excellence and M&A

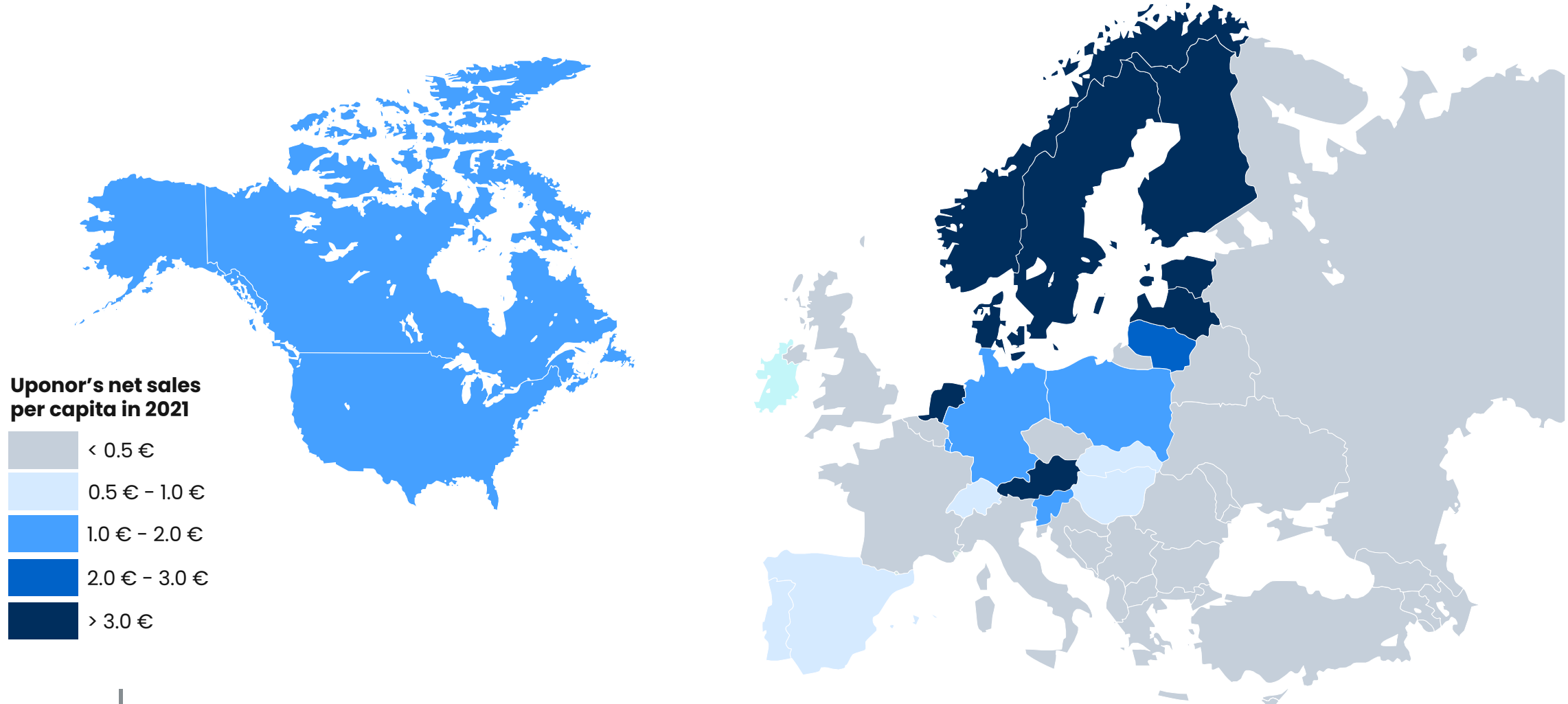
Increased investment in our focus areas innovation, technology, net zero and people to increase gross margin and drive productivity

More active group role in collaboration, synergies and strengthening core competences, e.g. strategic pricing

Maximize the core



Growth opportunities in multiple markets



Strengthen our pipeline of innovative systems, solutions and technologies

High performing systems to drive energy & water efficiency



Ecoflex VIP: Up to 60% reduction in heat loss



Ecoflex VIP

Material efficiency and transition to renewable & recycled materials



PEX Pipe Blue: 90% reduction in CO2 footprint compared to fossil-based PEX pipes



PEX Pipe Blue

Productivity, easy-to-install systems



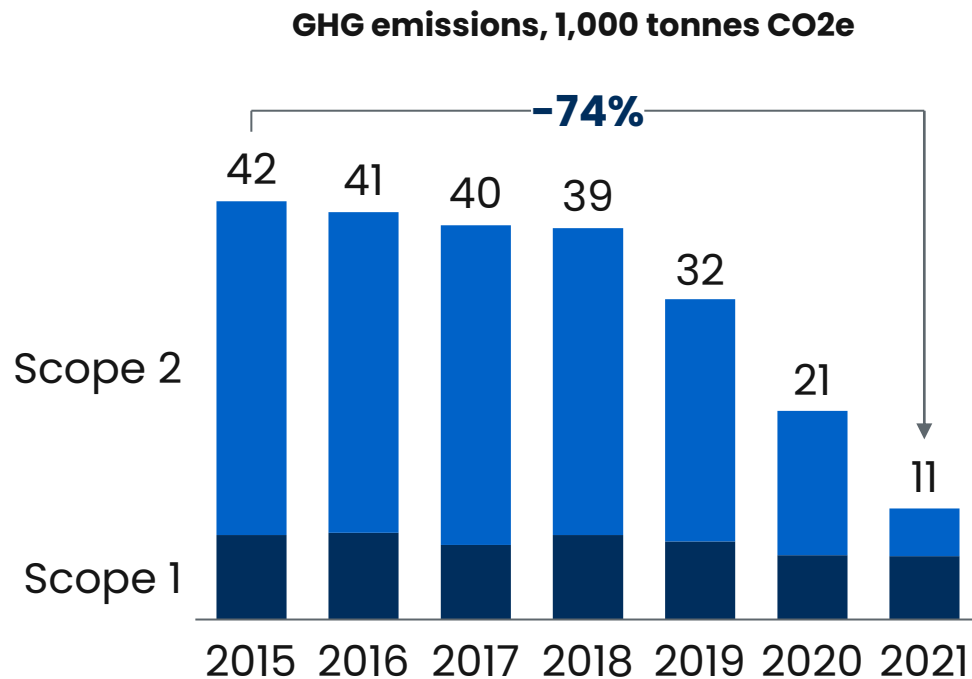
Combi Port E: prefabricated heat interface unit reduces installation time and use of energy



Combi Port E

Uponor's sustainability journey

Structurally decreasing emissions

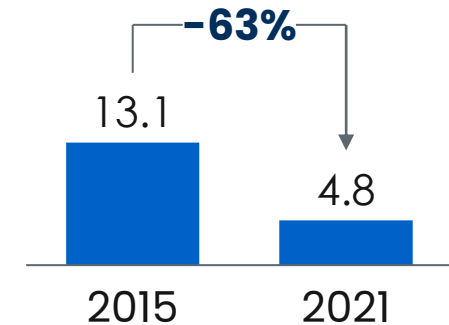


Recent advancements

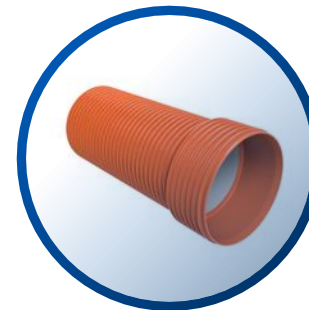
Ecoflex VIP



Safety, LTIF



Ultra Rib 2 Blue pipe



SBTi commitment¹



Our ESG targets by 2027

ENVIRONMENTAL IMPACT

Sustainability enabler and committed to SBTi net-zero targets

- GHG emissions: **70%** reduction in own operations, **20%** in supply chain from 2019 level
- Sustainable alternative for **50%** of portfolio

EMPLOYEES

People first and top employer

- **40% both male and female** in Top 50 management positions
- Top tier engagement scores
- Zero accident ambition



SOCIETY

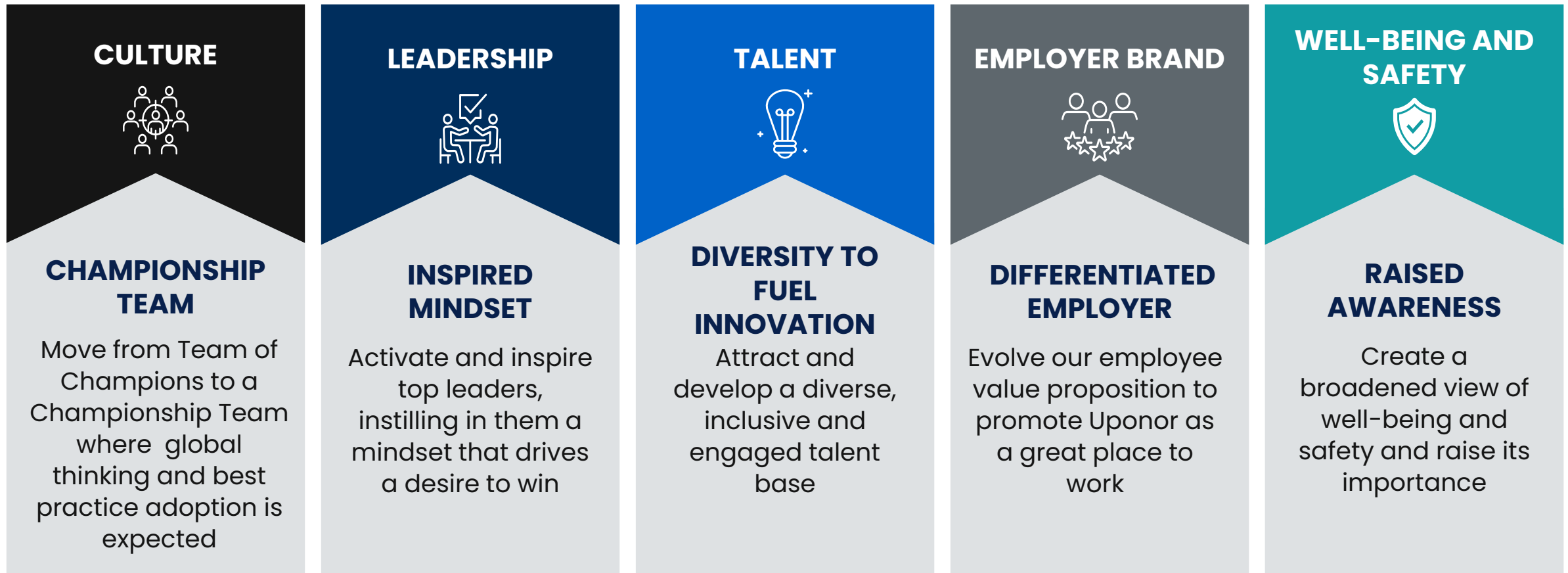
Collaboration in the industry and value for the society

- **Collaboration with top 25 customers** to strengthen impact
- Impactful social programs in all divisions we operate

Governance

ESG targets are linked to managements' STI and LTI programs

People first strategy delivers value & engagement



Creating value through maximizing the core and sustainable innovation

Well positioned to benefit from market trends – Net zero, productivity and clean water

Maximizing the core – Country, customer, channel and categories

Step change in innovation, technology and people



Agenda

Uponor's new strategy

Building Solutions – Europe

Uponor Infra

Building Solutions – North America

New financial targets

Closing remarks

Successful turnaround and multiple opportunities for profitable growth



Building Solutions – Europe

Net sales €564.2 million

Personnel 1,900

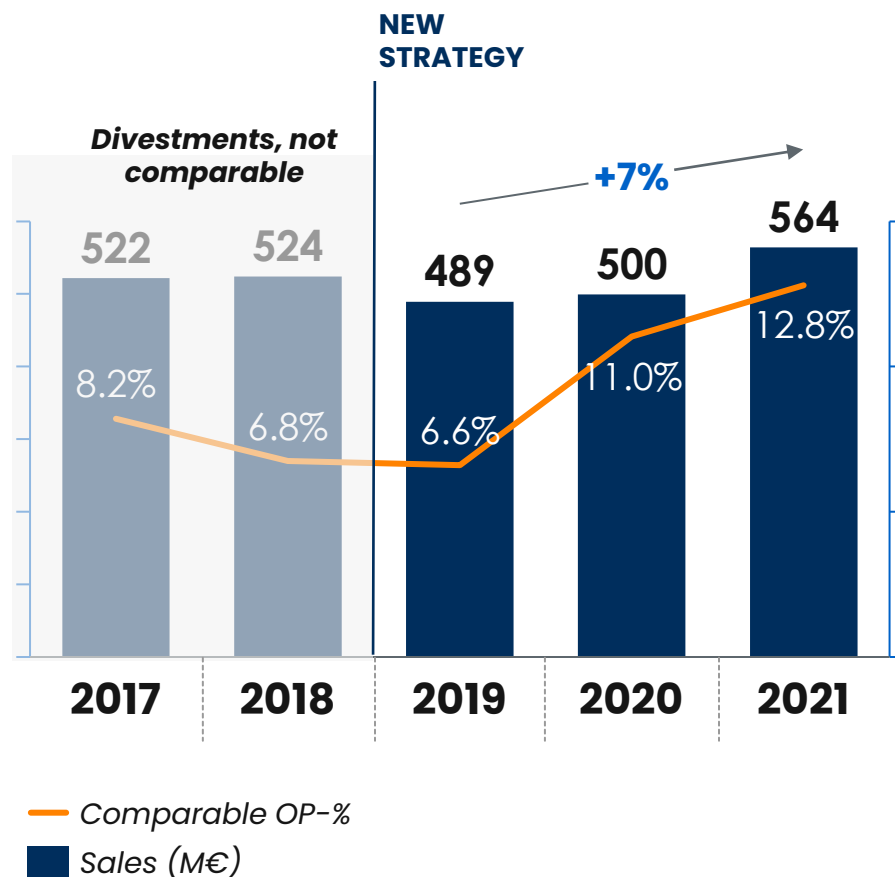
Market area Europe

Main offering Drinking water delivery, heating and cooling solutions, prefabricated solutions, control systems, pre-insulated pipes and manifolds

Strategy launched in 2019 has resulted in successful turnaround and good position today

Updated strategy to further accelerate growth with our integrated systems & innovations


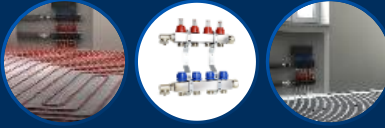


Great recent performance driven by 2019 strategy shift



Strong OP margin performance driven by successful turnaround actions: Pricing capabilities and operational excellence program

Significant acceleration of growth driven by favorable megatrends, sales & marketing excellence, customer pull, growth focused innovation

European market leader in most core categories

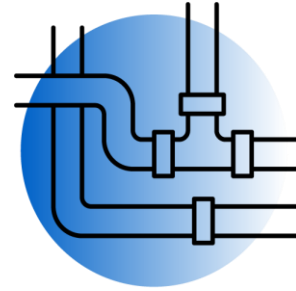
	WATER SYSTEMS	INDOOR CLIMATE		
		UNDERFLOOR HEATING & COOLING	LOCAL HEAT DISTRIBUTION	HEAT INTERFACE UNITS
European regions				
CENTRAL				
SOUTH-WEST				
NORTHERN				
EASTERN				

Leader
 Top 3
 Out of top 3

Become the European leader in integrated sustainable water and indoor climate solutions



**Ambition &
strategy**

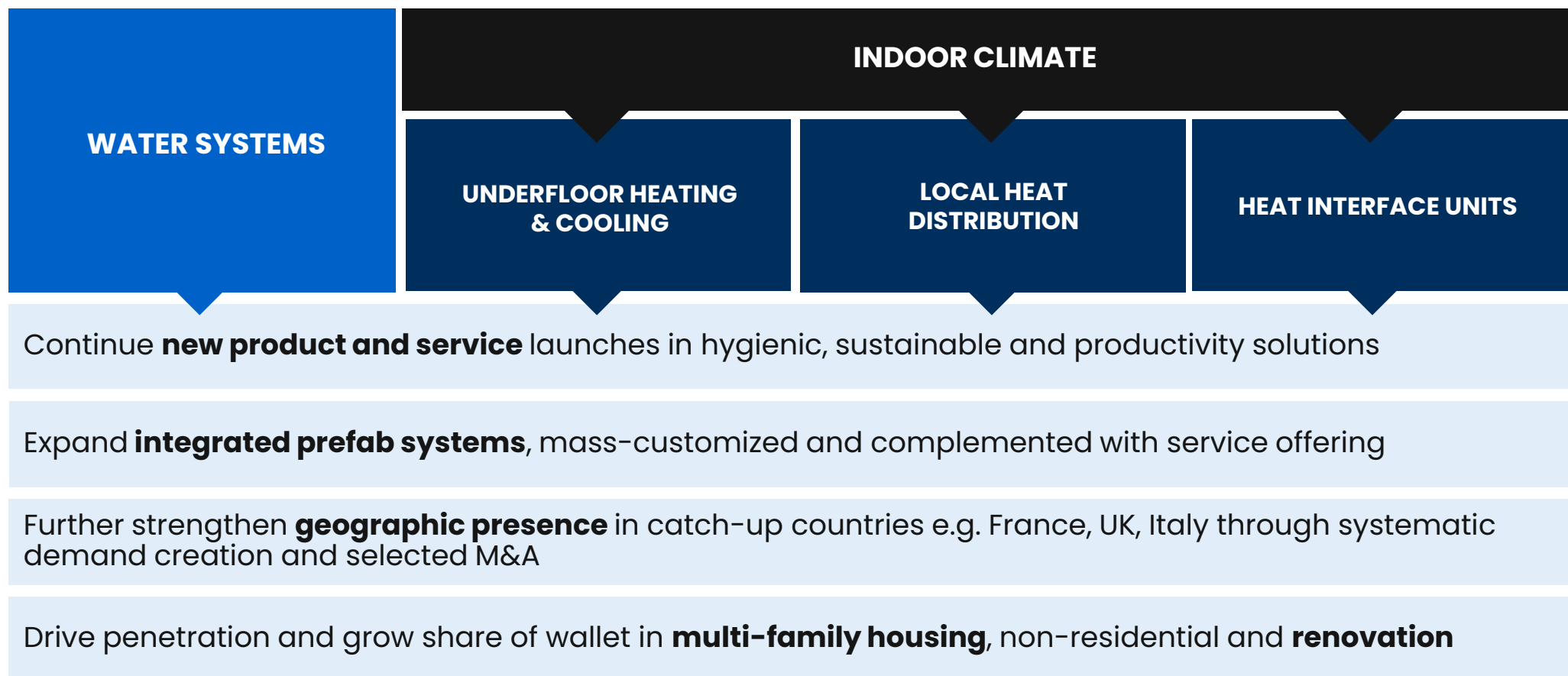


Leverage leading position to maximize growth in water systems and indoor climate through sales excellence



Drive innovation of systems & offerings to improve customers' productivity & sustainability performance

Significant room for further growth



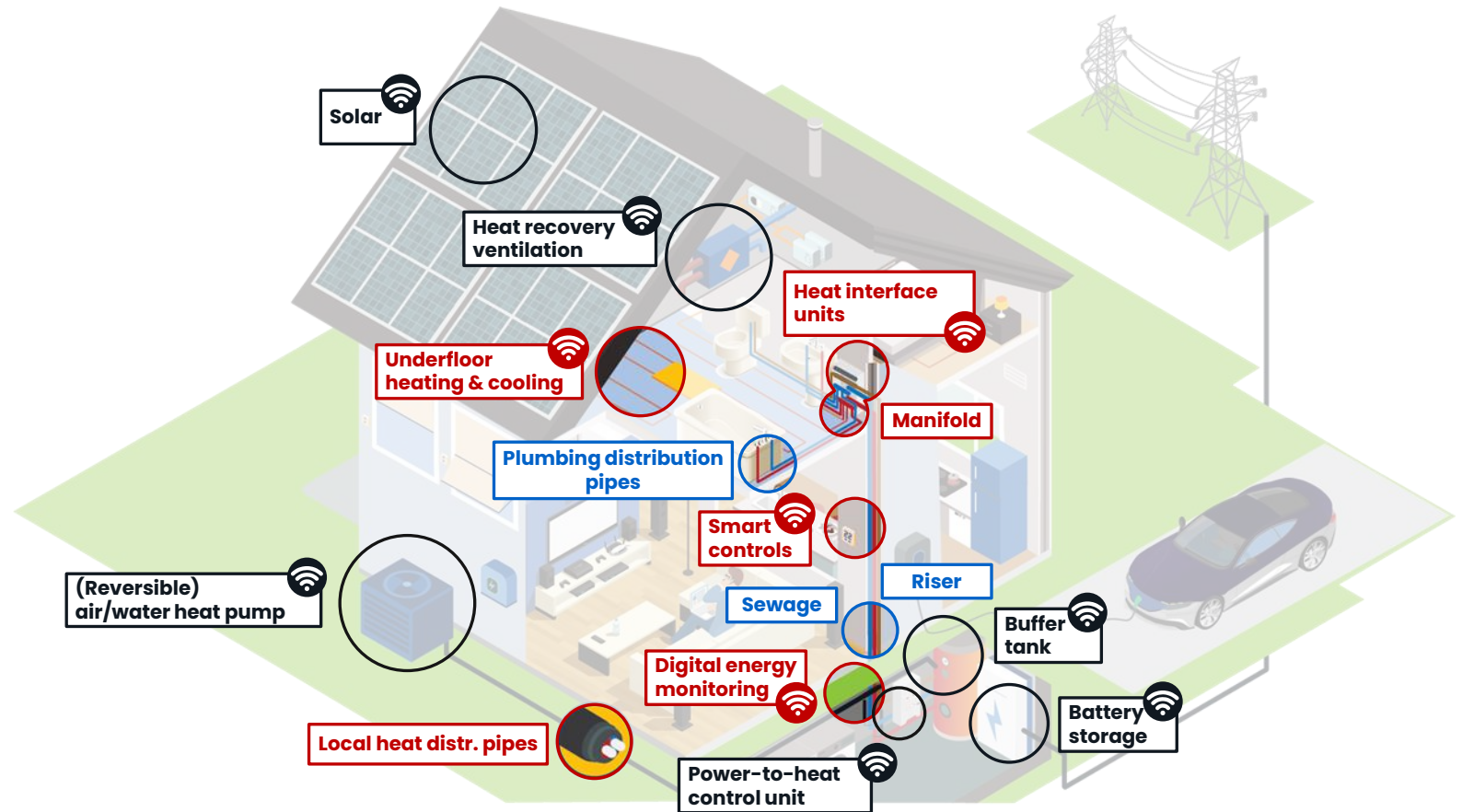
Uponor's integrated systems to drive energy transition and customer productivity

Full offering covering the two major water cycles and capability to integrate

Current offering –
water systems

Current offering –
indoor climate

Capability to integrate





Significant performance improvement and multiple opportunities for profitable growth



Strategy launched in 2019 has resulted in successful turnaround and good position today



Updated strategy to further accelerate growth with our integrated systems & innovations



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Continuing to grow where we add most value to customers – Supported by megatrends



Uponor Infra

Net sales €286.8 million

Personnel 850

Market area Baltic Sea area

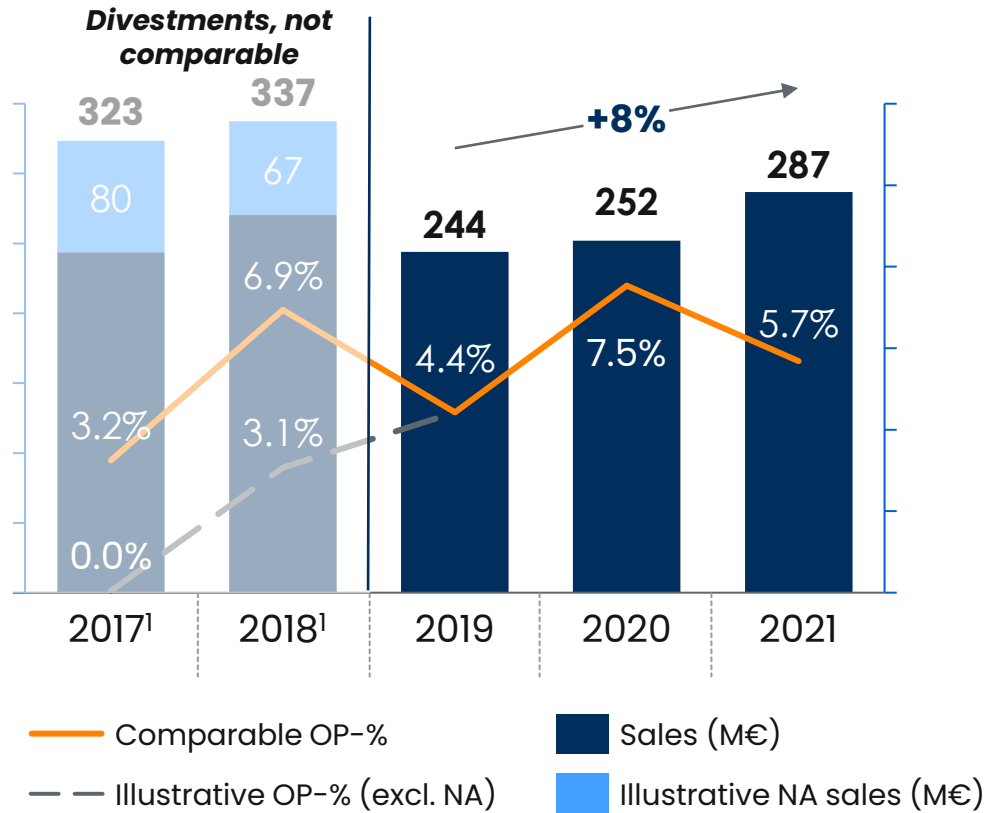
Main offering sewer and storm, pressure pipe systems, water monitoring services, district energy, design solutions and project services

Improved and stabilized performance

Strengthen position in Northern Europe by increasing solution sales

Increasing solution sales will drive profitability

Improved and stabilized performance



Strong margin improvement driven by turnaround actions

Double-digit designed solution sales growth with attractive margin profile

2021 margin decline due to record high raw material costs, price increases implemented to mitigate

1. Illustrative figures for Uponor Infra excluding divested Uponor Infra North American business;
Source: Uponor Annual reports 2017-2021, Stock exchange release 20.9.2018

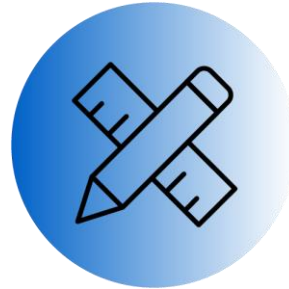
Most valued partner of sustainable solutions in infrastructure



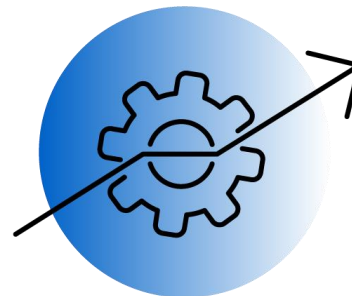
**Ambition &
strategy**



Grow profitable core –
where we can add most
value to our customers
across Nordics














Invest in solution capabilities
for growth and profitability

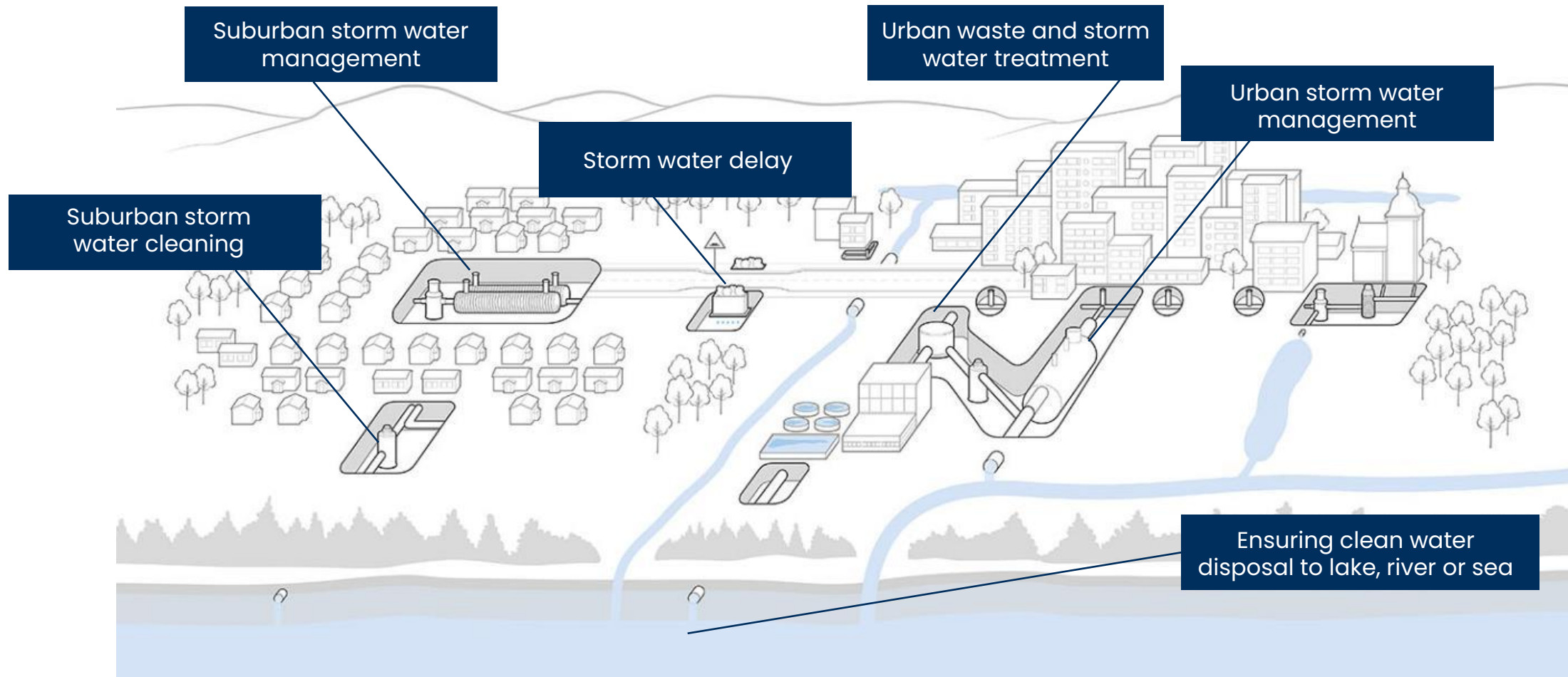


Continue productivity
improvements

Nordic leader in selected product categories

	SEWER & STORMWATER MANAGEMENT	WASTEWATER MANAGEMENT	INHOUSE DRAINAGE	CABLE PROTECTION	PRESSURE SYSTEMS	DISTRICT ENERGY
Core markets						
	Leader	Leader	Leader	Leader	Leader	Leader
	Leader	Leader	Out of top 3	Leader	Leader	Leader
	Leader	Leader	Out of top 3	Out of top 3	Leader	Out of top 3
	Out of top 3	Out of top 3	Out of top 3	Out of top 3	Out of top 3	Out of top 3
	Leader in pre-fabrication		Not present			Out of top 3
	Leader	Top 3	Out of top 3			

Growth in sustainable storm water solutions driven by climate change and urbanization



We deliver more than pipes and products to solve the customers needs with designed solutions



Uponor Filtration and Vortex chamber for storm water filtration and cleaning, suburban use

Uponor Vault for storm water flow control and cleaning, urban use

Continuing to grow where we add most value to customers – Supported by megatrends

Improved and stabilized performance

Strengthen position in Northern Europe by increasing solution sales

Increasing solution sales will drive profitability



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Proven successful formula in a growing market



Building Solutions – North America

Net sales €467.5 million

Personnel 1,000

Market area United States and Canada

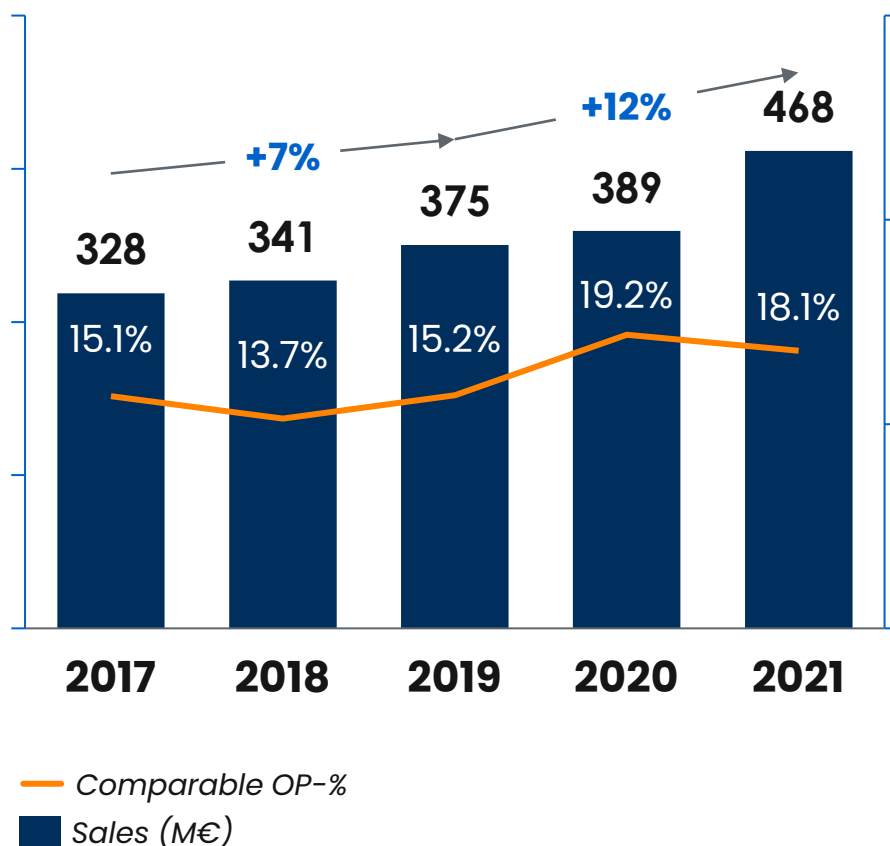
Main offering PEX plumbing, radiant heating/cooling, hydronic distribution, pre-insulated pipe and fire sprinkler systems

Track record of strong profitable growth

Well-positioned to accelerate growth in water systems and indoor climate

Opportunity to expand leadership position through new channels and new offerings

Strong, profitable growth over past five years



Uponor continues to lead in plumbing, particularly in single-family residential – where 1/3 of new homes have Uponor pipes

Growth has been supported by the boom in housing, expansion in commercial construction, and PEX continuing to take share from copper

BLD-North America has consistently delivered a strong margin over the period

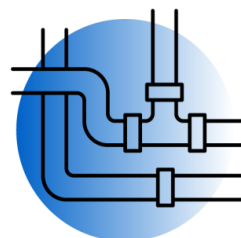
North America market leader in PEX for plumbing & indoor climate

WATER SYSTEMS		INDOOR CLIMATE		
NORTH AMERICA	WATER SYSTEMS 	RESIDENTIAL HEATING & COOLING 	LOCAL HEAT DISTRIBUTION 	HEAT INTERFACE UNITS 
	Market leader in plumbing products for residential applications with PEX pipes & fittings	Market leader in PEX in indoor climate	Ambition to expand selectively into these categories by leveraging BLD-Europe's solutions	

Maximize the core and expand leadership in water systems and indoor climate



Ambition & strategy



Continue to grow market share in core PEX products



Broaden core plumbing and indoor climate portfolio, leveraging global offerings

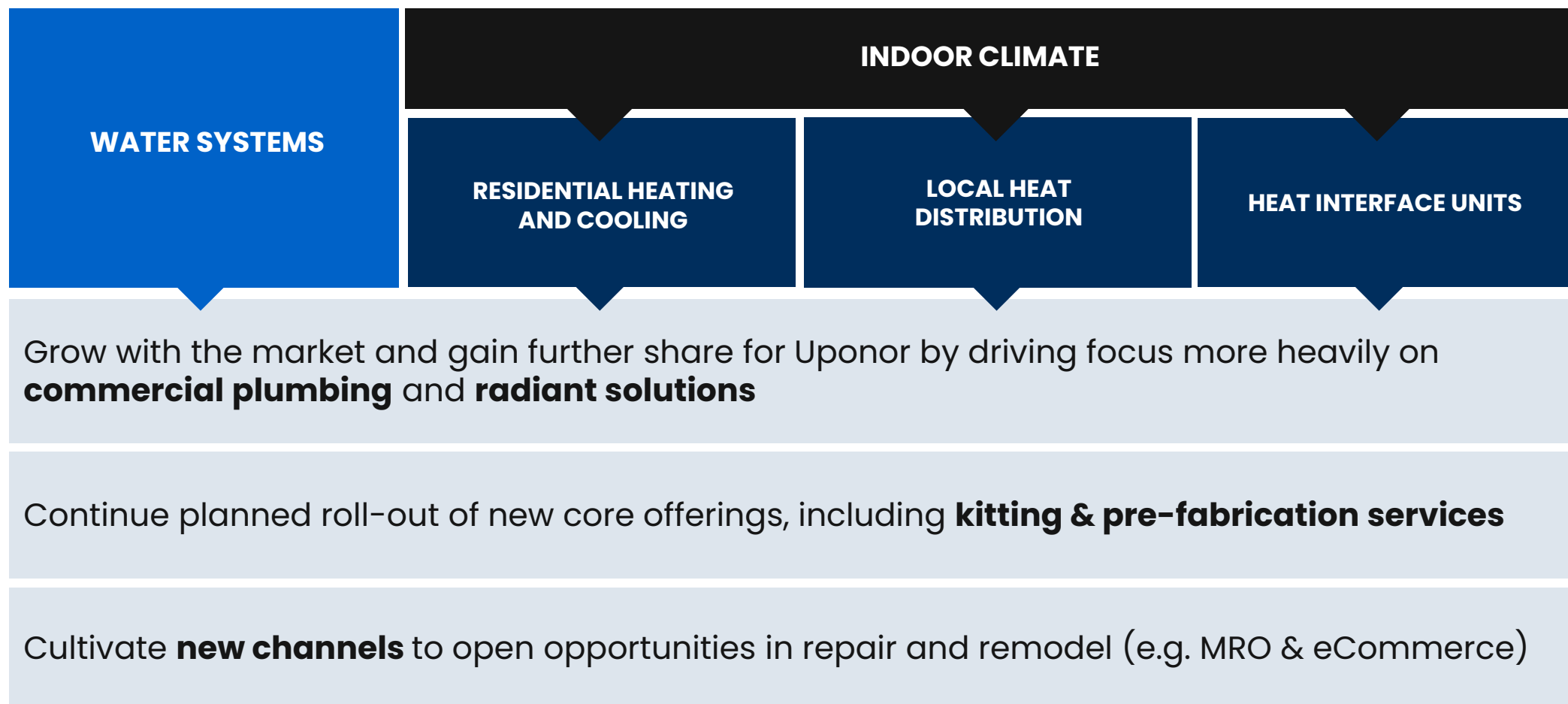


Innovate and expand into new products and services beyond PEX



Expand channel footprint to grow Uponor's reach

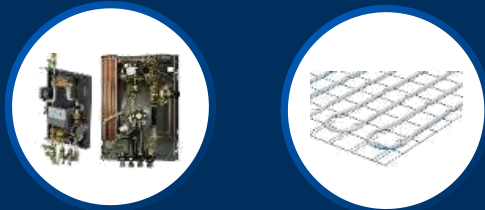
Significant room for further growth within our core...



...while innovating beyond PEX

Enhance offerings in water systems & indoor climate

Global offerings



Bring BLD-Europe technologies to North American market, e.g. Aqua Ports, Heating & cooling ceiling panels

Grow share of wallet



Complete polymer offering with PP-RCT, new fitting offerings to grow Uponor's target markets

Accelerate service offering

BIM



Accelerate design service offerings such as Building Information Modeling (BIM)



Proven successful formula in a growing market



Track record of strong profitable growth



Well-positioned to accelerate growth in water systems and indoor climate



Opportunity to expand leadership position through new channels and new offerings



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Growth ambition reflected in updated capital allocation and new financial targets

Strong financial baseline

Realistic short-term targets

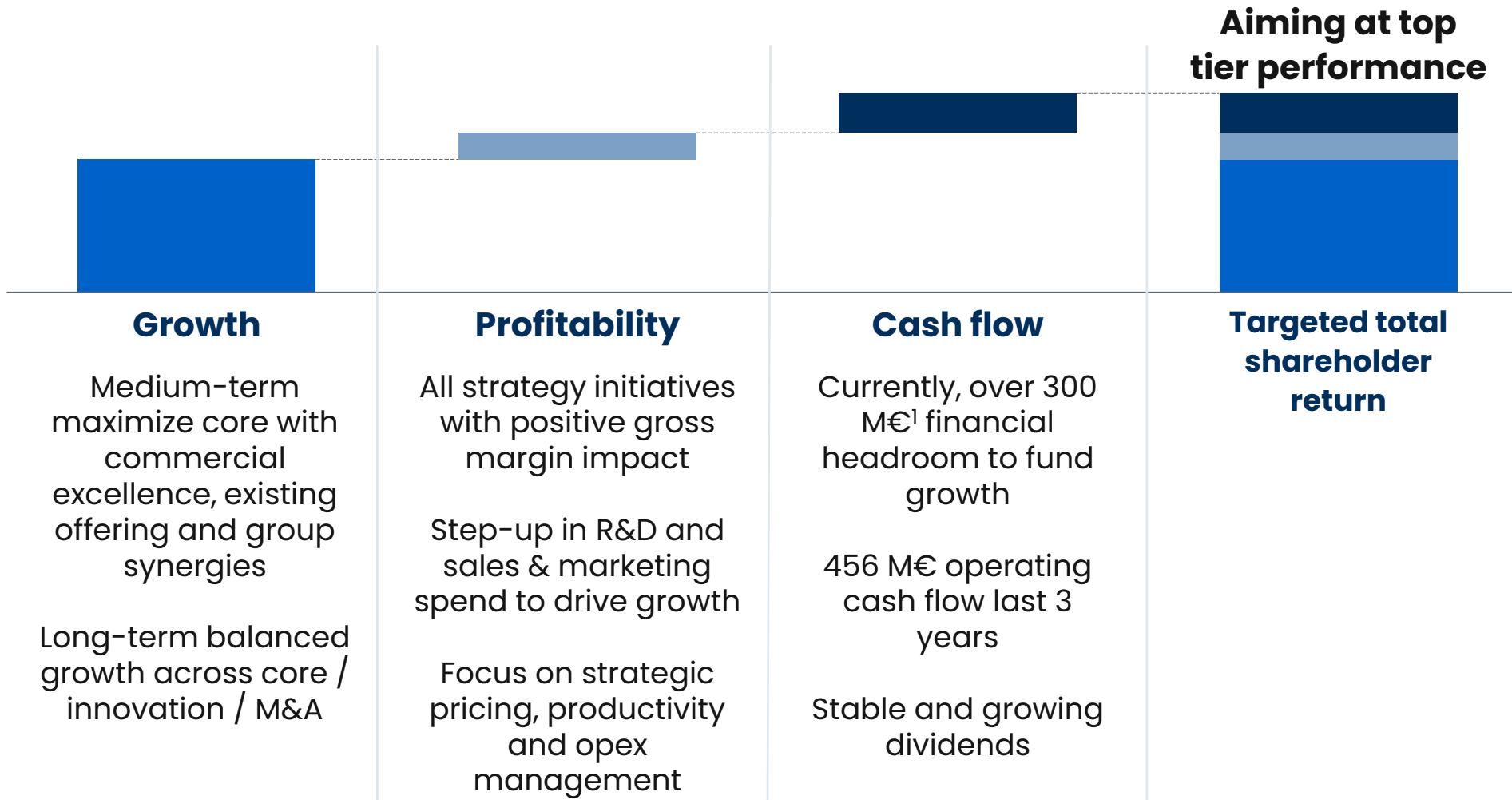
Roadmap in place to deliver

Strong 5-year cash flow used mainly to strengthen balance sheet and for dividends

SOURCES AND USES OF CASH, 2017-2021

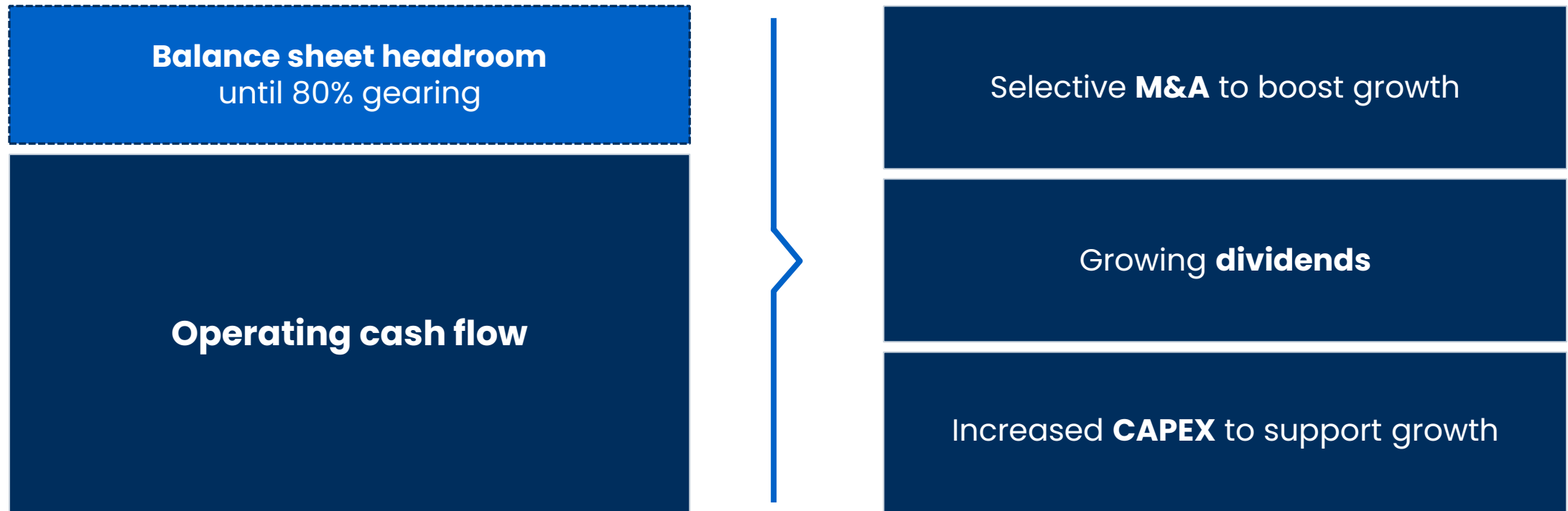


Growth drives our long-term value creation



We will shift capital deployment to support growth ambition

SOURCES AND USES OF CASH, 2022-2026 – ILLUSTRATIVE



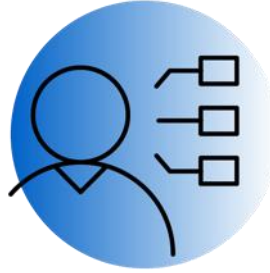
New financial targets

	PREVIOUS TARGETS	FINANCIAL TARGETS: 2022-2024	AMBITION: 2025-
GROWTH	> Annual GDP growth by 3ppts	Organic growth >4%	Ambition to accelerate growth rate
PROFITABILITY	>10 OP-%	>12 OP-%	Ambition to increase OP-% further
GEARING	40-80%	40-80%	
DIVIDEND	Min 50% of annual earnings	Growing	

Near term financial impact of the new group strategy

BUILDING SOLUTIONS-EUROPE	BUILDING SOLUTIONS-NORTH AMERICA	UPONOR INFRA	Financial impact 2022-2024			
			Growth	Margin mgmt	Opex	Capex
Maximize core with systematic growth plan and commercial excellence			×	×		×
Drive growth through innovation of integrated systems and sustainability solutions			×	×	×	×
Lead construction industry towards net zero			×		×	×
Instill growth mindset with People First initiative			×		×	

Clear roadmap to drive value creation



Pipeline of growth investments:
Innovation, sustainability and
capacity



Balance sheet strength to
accelerate with M&A



Operative plans to drive gross
margin expansion and cost
discipline



Group-level program to ensure
delivery



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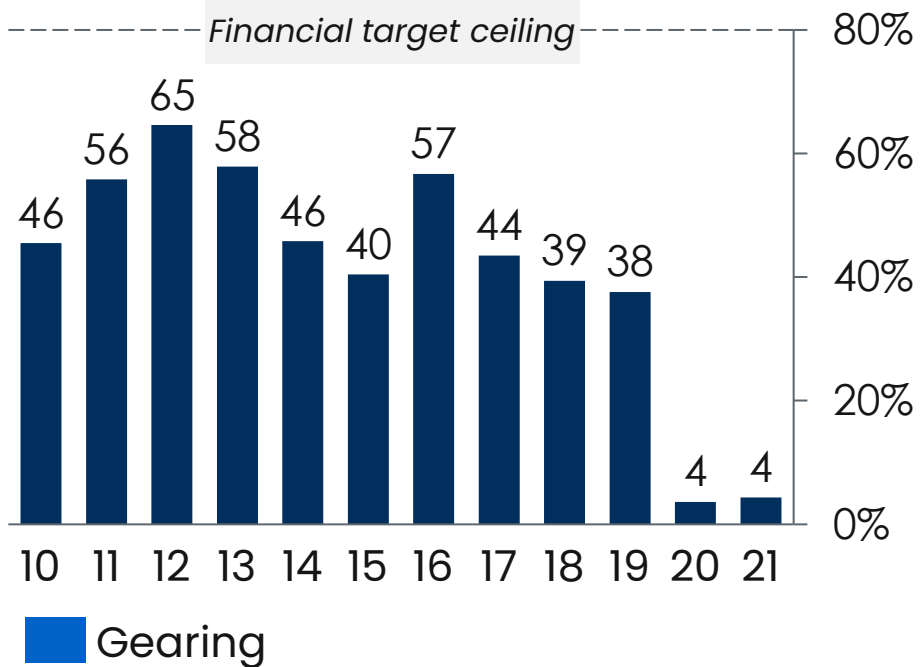
Closing remarks

Appendix

uponor

Balance sheet development

Gearing-%, 2010-2021

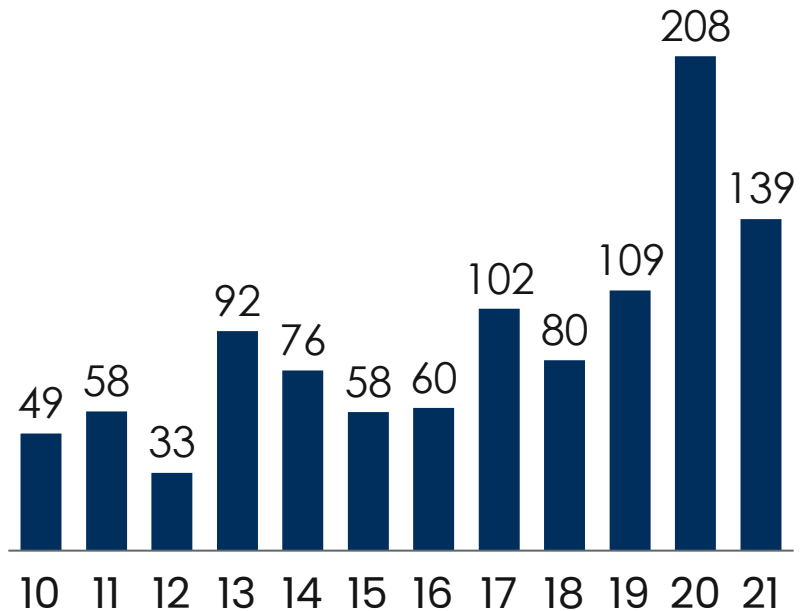


Key developments & highlights

- Significant strengthening of balance sheet during 2016-2021
- Strong cash flow as the key contributor while some divestments supporting development, e.g. NA Infra divestment
- Headroom of 366 M€ to gearing ceiling of 80% set in financial targets

Cash flow development

Operating cash flow (M€), 2010–2021



Key developments / highlights

- Strong operating cash flow development during the last years
- Strong profitability as the main cash flow driver
- Moderate leverage, low interest rates, and good working capital management supporting further

Uponor

Moving › **Forward**