



uponor

Review of business in 2015

Jyri Luomakoski – President and CEO

Annual General Meeting 2016

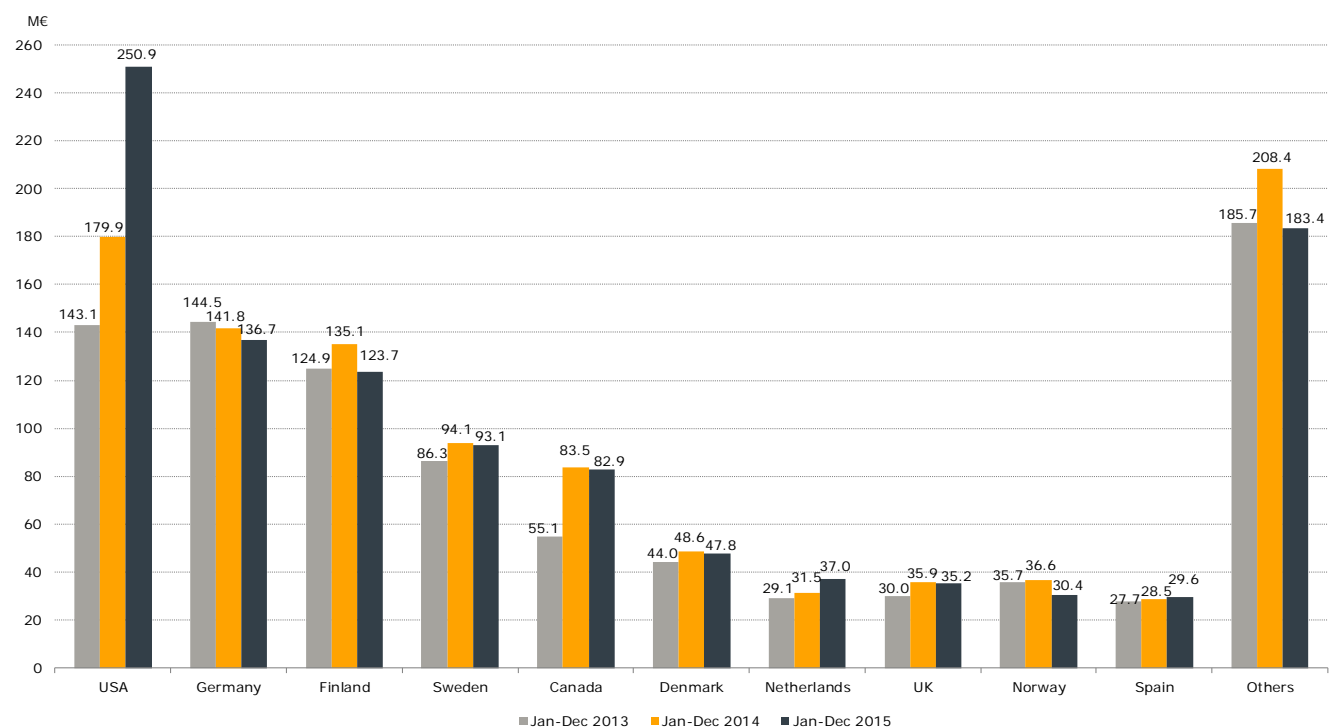
Net sales

Uponor Group, in M€	2014	2015	Change
Net sales	1,023.9	1,050.8	2.6%

- Organic growth of 5.2%, excluding divested businesses with net sales of €28.6 million in 2014
- Currency impact of €35 million, mainly from the USD
- Building Solutions – Europe – down by 2.5%
- Building Solutions – North America – up by 37.4% (14.8% in local currency)
- Uponor Infra – down by 11.2%, mainly driven by divestments; comparable net sales down by 4.4%
- The announced acquisitions in Germany will contribute to net sales from early 2016 onwards

January – December 2015

Net sales development by key markets



Developments by segment:

Building Solutions – Europe

- Markets largely flat, full-year net sales down by 2.5%
- The Netherlands, Sweden, and Spain as brighter spots
- New Central European distribution centre opened at the end of Q1/2015
- New production unit inaugurated in Annolovo, close to St. Petersburg, Russia 1 Oct 2015
- Announced a plan to start manufacturing in China in late 2016
- New leadership and operational structure as of 1 September, targeting a boost in growth while streamlining operations



Developments by segment:

Building Solutions – North America

- Favourable business conditions continue to prevail in the U.S., whereas in Canada development was rather flat
- The amount of new residential housing projects in the U.S. grew by 10.8% y-o-y
- Uponor made good progress throughout the regions and customer segments
- Penetration into the commercial sector is proceeding successfully





Uponor, Inc. manufacturing expansion
progressing on time and as planned

Developments by segment:


Uponor Infra

- Thai and Extron business units as well as OmegaLiner® relining business divested as part of strategic focussing
- Good progress in the strategically important designed solutions sales
- Overall, business suffered from weak or declining markets, especially in Canada and Poland
- Transformation programme started in Finland to rationalise manufacturing footprint, and initiatives will continue throughout 2016



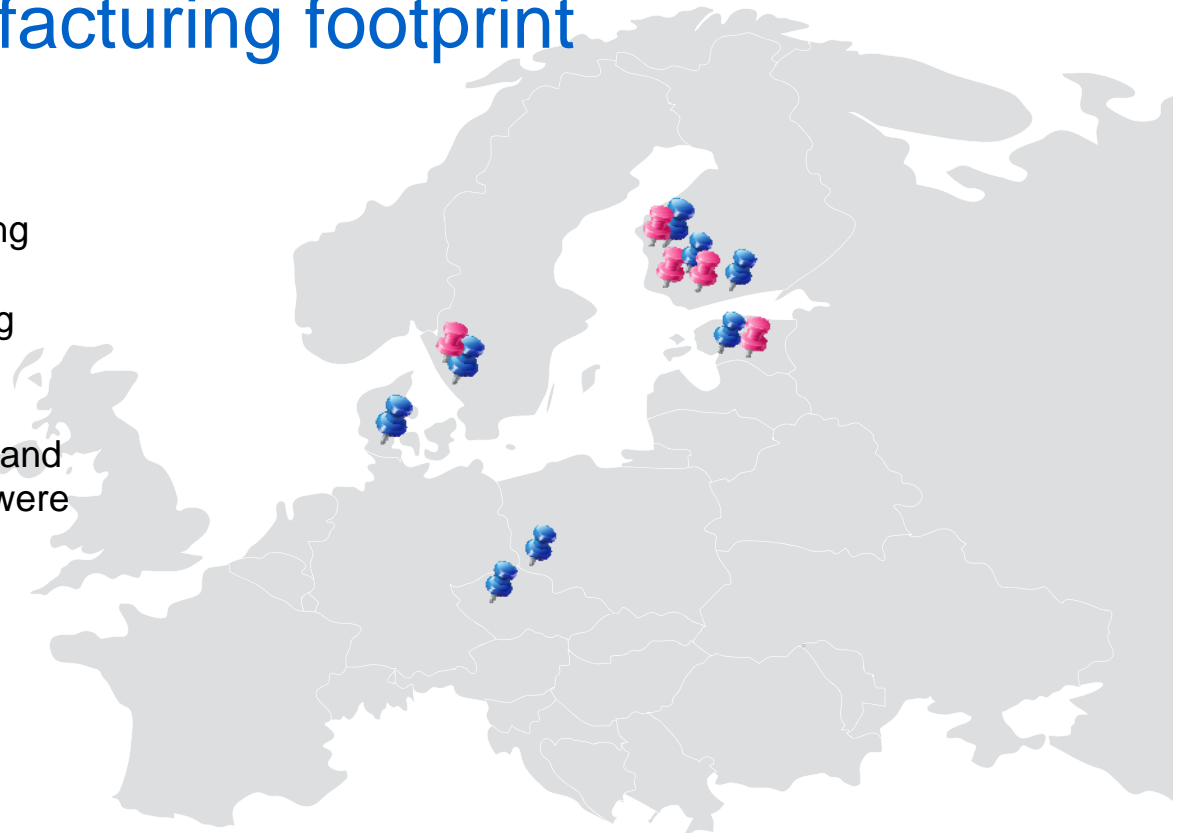
Developments by segment:

Uponor Infra manufacturing footprint

 Existing Uponor Infra manufacturing

 Closed Uponor Infra manufacturing

Further, Extron Engineering in Finland and the business unit in Thailand were divested in Q1/2015

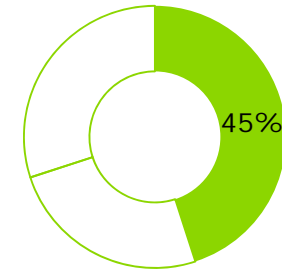


Corporate responsibility

- Further integration of sustainability into company strategy
- Reduced CO₂ emissions from 2009 baseline
 - By 14.6% in absolute tonnes CO₂ emitted
 - By 37.9% in relation to production volumes, against a target of 15%
 - Our new target for 2020: a further reduction of 20% relative to net sales of 2015
- First production units have been certified with ISO 50001, and the target is to have all production units ISO 50001 compliant by 2017



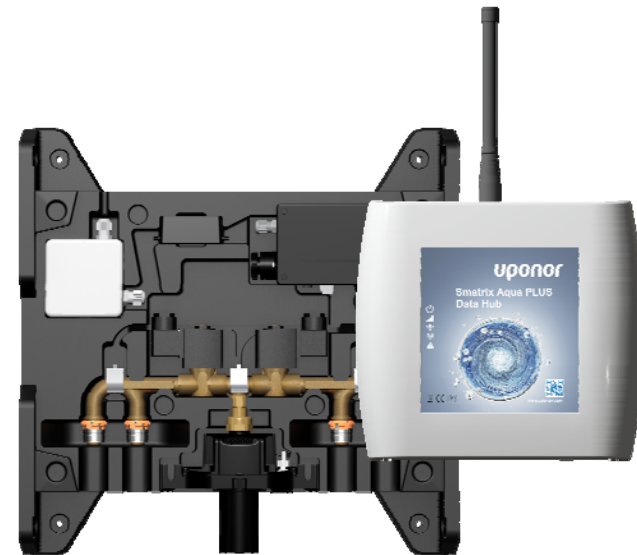
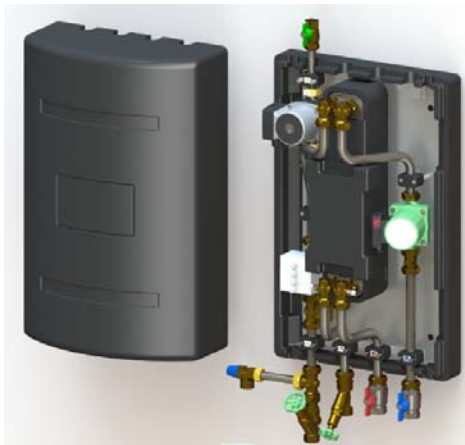
Plumbing



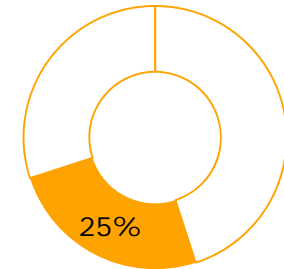
Increased need for fresh water
Higher demand for hygiene
Ease of installation and reliability



Demands are driven by megatrends that change our way of life: urbanisation, higher standards of living, prefabrication...



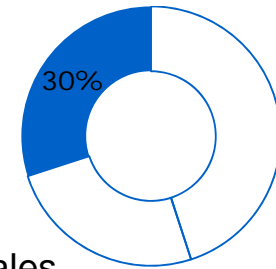
Indoor climate



- Uponor Smatrix, the intelligent control system for radiant heating and cooling, giving more comfort for less energy, equipped with mobile access
- Comfort Pipe Plus, a more flexible pipe satisfying more demanding needs

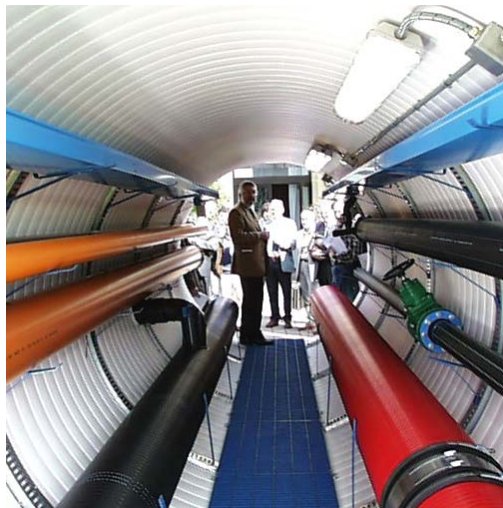


Infrastructure solutions



In line with corporate strategy, Uponor Infra's focus is on adding designed solutions sales

- Increase significantly designed solution sales
- Focus on selected growth segments
- Leverage global competence



Megatrends bring business opportunities

Megatrends affect societies fundamentally and over a long period of time



Climate change and scarcity of resources



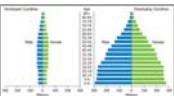
Urbanisation



Digital transformation



Shift of economic power towards emerging markets



Demographic split to aging and growing populations

...raising new requirements and opportunities to improve living environments

- ➡ Sustainability and energy efficiency
- ➡ Quality and management of water
- ➡ Plastic taking share from metal
- ➡ Pre-fabrication
- ➡ BIM (Building Information Modelling)
- ➡ Shift from manufacturing to services
- ➡ Expanding middle class
- ➡ Increasing need for comfort

Uponor solutions improve living environments and enhance people's way of life

Uponor is in the business of providing solutions for water management and indoor climate



Comfort

- Invisible and silent comfort for living and working environments
- Enhanced architectural freedom with seamless integration into buildings and infrastructure



Health

- Clean water for drinking, cooking and bathing
- Avoiding draught, moist walls, dust circulation and pollution



Efficiency

- Pre-fabrication to speed up construction process
- Ease and speed for design and installation



Sustainability

- Driving down our environmental impact
- Reduce water and energy consumption
- Solutions designed to last for a lifetime



Safety

- Reliable during installation and operation

Uponor has a strategy to generate sustainable growth in the shorter and longer term



Outlook for 2016

- Europe – no support from the markets; Uponor has announced transformation initiatives, including manufacturing footprint optimisation
 - North America – continued promising outlook
 - Asia – Uponor has announced a plan to establish a factory in China in 2016
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- Uponor's guidance for 2016:
the Group's net sales and operating profit (excluding any non-recurring items) are expected to improve from 2015






Thank you

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