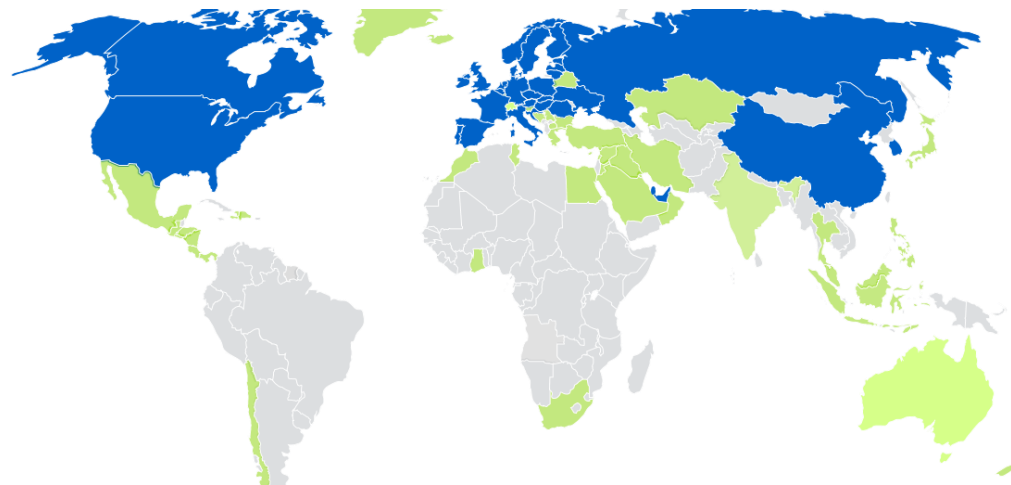


CEO's review

Annual General Meeting, 18 March 2019

Jyri Luomakoski – President and CEO, Uponor Corporation

Uponor today



1.2

billion euro
net sales in 2018

18

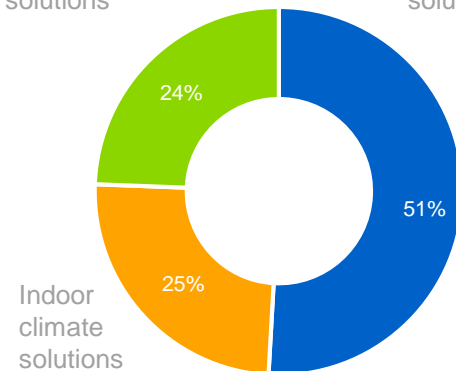
manufacturing
facilities worldwide

4,100

employees
worldwide

Infrastructure
solutions

Plumbing
solutions



**Net sales by
business group**

Throughout the world, our solutions enrich people's way of life



Award-winning district cooling, reducing electricity consumption and emissions by about 65–70%, compared to cooling from local cooling units: Helsingborg, Sweden



Prefabricated Uponor Riser Port for quick and easy installation – and quick repair, if necessary – in a 6 floor apartment building: Helsinki, Finland



Radiant cooling system for the world's largest concrete pour in the 10th tallest building in the USA: Wilshire Grand, Los Angeles, USA



Decentralised heating and cooling for the tallest residential building in Germany: Grand Tower, Frankfurt, Germany



Uponor TABS offering safe and comfortable temperatures for train maintenance teams in one of the largest rail depots in Europe: London, UK



Uponor's Contec ceiling radiant cooling system for a sustainable international school: Kuala Lumpur, Malaysia



Delivery of sustainable, easy to transport and handle fish farming pipes under harsh conditions in the North Atlantic: North Atlantic, Denmark



Durable, sustainable Weholite at a modern pulp and fine paper mill: Nymölla, Sweden

The image shows the interior of a large stadium during construction. Several tall, white, cylindrical columns support the roof. The seating area is filled with rows of white plastic chairs, each with a brown base. In the background, there are construction scaffolds and a person working. The lighting is warm, suggesting late afternoon or early morning.

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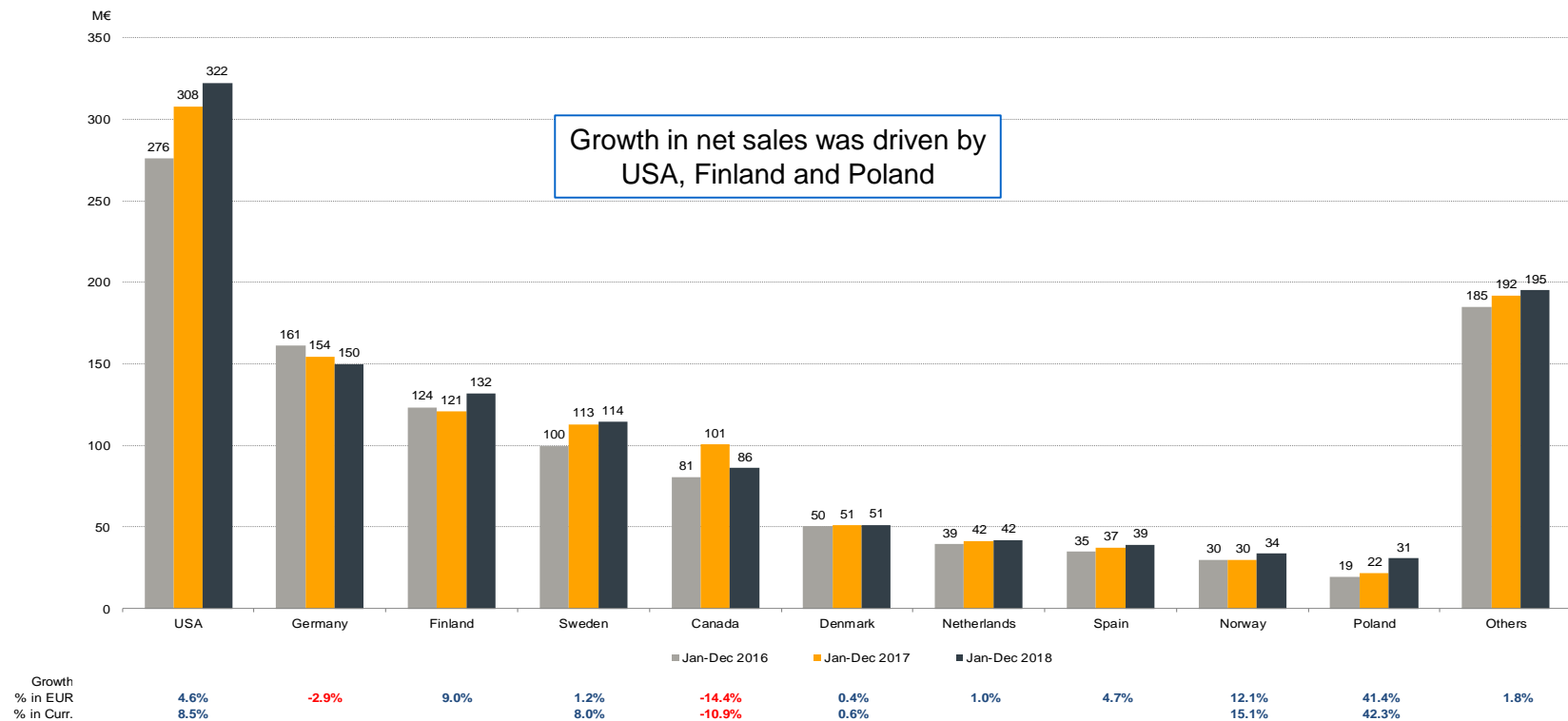
Overview of the year 2018

Key figures 2018

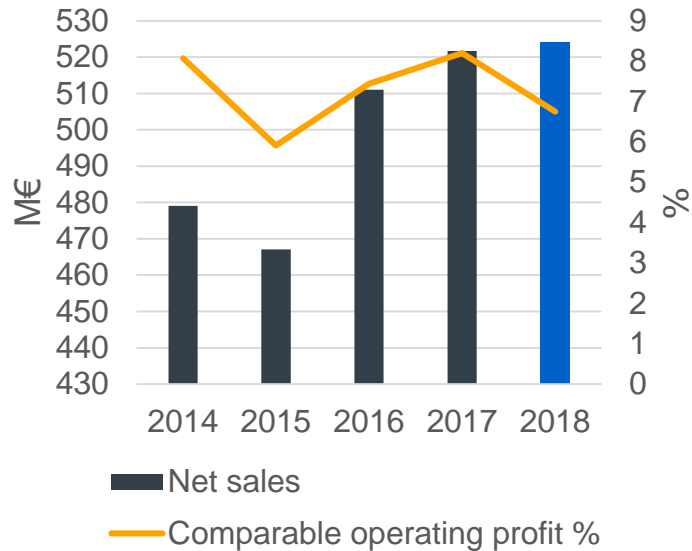
Uponor Group	2017	2018	Change
Net sales, M€	1,170.4	1,196.3	2.2%
Operating profit, M€	95.9	106.7	11.3%
Comparable operating profit, M€	97.2	99.3	2.1%
Comparable operating profit margin, %	8.3	8.3	
Cash flow from operations, M€	101.5	79.9	-21.3%
Return on equity, %	19.4	18.0	
Return on investment, %	16.3	17.2	
EPS, €	0.83	0.72	-13.3%

January–December 2018:

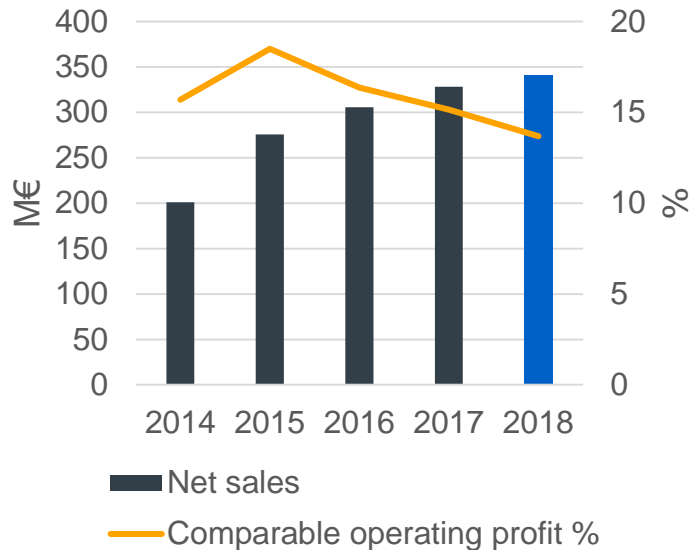
Net sales development by key markets



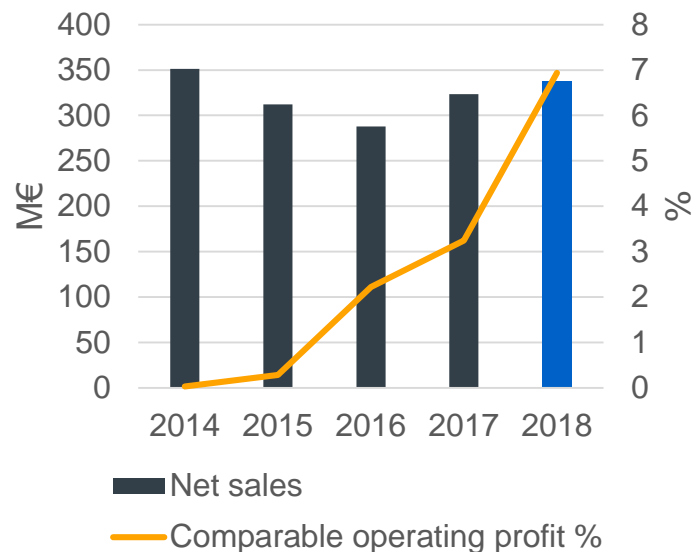
Development by segment: Building Solutions – Europe



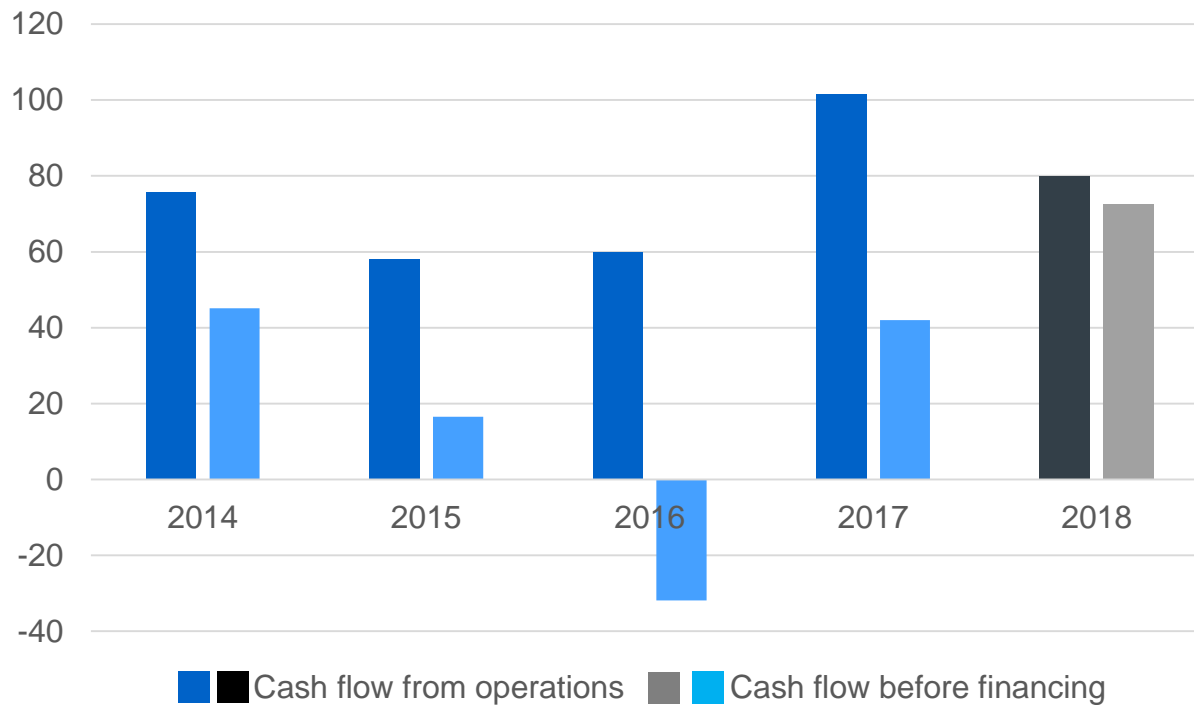
Development by segment: Building Solutions – North America



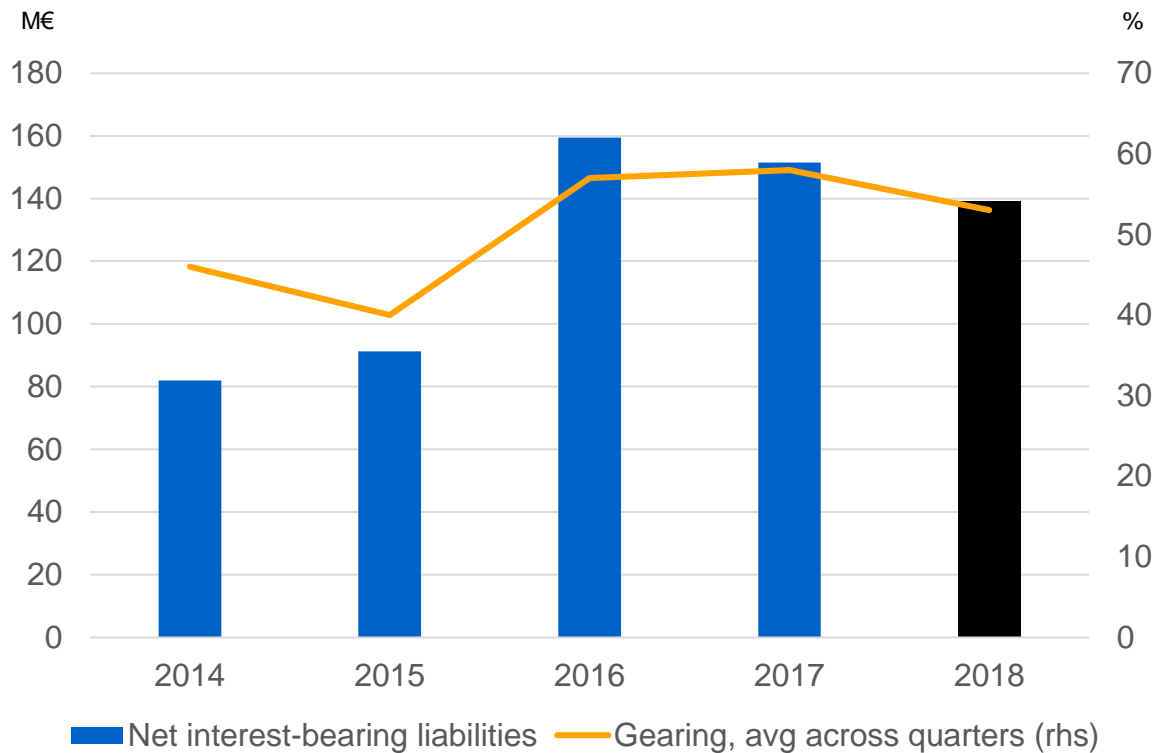
Development by segment: Uponor Infra



Cash flow



Net interest-bearing liabilities and gearing



Development in sustainability topics

- Uponor renewed its sustainability strategy and defined four focus areas from UN's sustainable development goals:



- In 2019, the work continues and more detailed action plans and targets are created.



Long-term financial targets

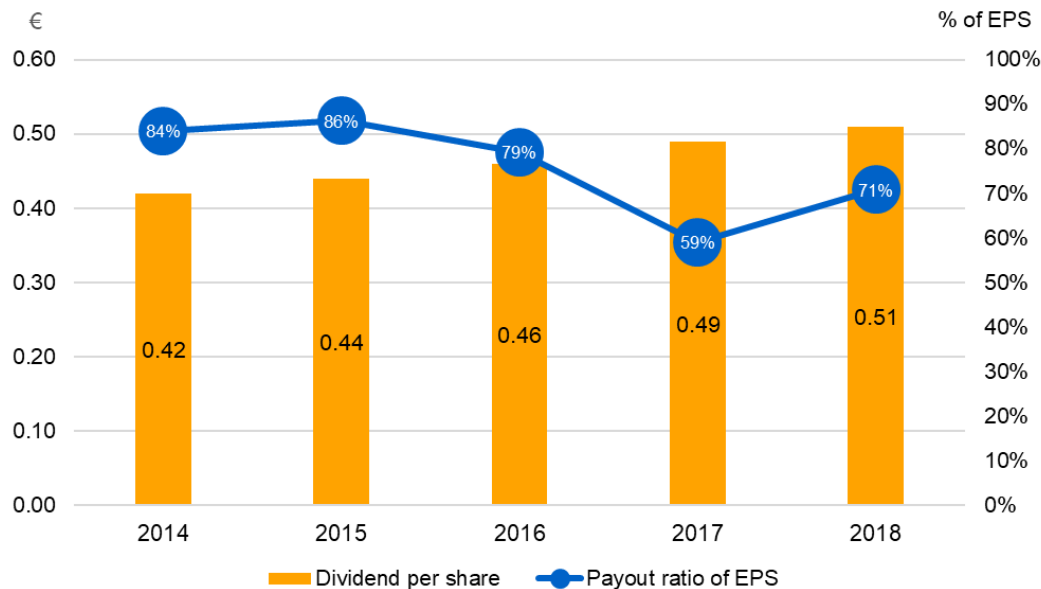
	Target	Actual 2017	Actual 2018
Organic net sales growth to exceed GDP growth ⁽¹⁾ by 3 pts	2018E: 5.4%	6.5	4.9
Comparable ⁽²⁾ EBIT margin	>10%	8.3	8.3
Return on investment, ROI (p.a.)	>20%	16.3	17.2
Gearing (annual average for the four latest quarters) ⁽³⁾	30–70	58.4	53.0
Dividend payout	> 50% of earnings	59.0	70.8

¹⁾GDP growth based on weighted average growth in the top 10 countries, measured by net sales.

²⁾ The targets issued in February 2013 referred to reported EBIT margin.

³⁾ As a result of adoption of IFRS 16 Leases standard as of 1 January 2019, Uponor converted its gearing target range from 30–70 to 40–80

January–December 2018: Dividends and payout ratio



- The Board's dividend proposal is €0.51 (0.49) per share, of which €0.25 will be paid in March 2019 and €0.26 is planned to be paid in September 2019.
- When making the proposal, the Board considered the solvency of the company, the company's dividend policy, the business outlook and planned investments, recognising the high availability of the external funding for the company's growth.

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Overview of strategy



Megatrends create opportunities to improve our living environments

Megatrends affect societies fundamentally and over a long period of time



Climate change and scarcity of resources



Urbanisation



Digital transformation

...raising new requirements and opportunities to Uponor



Sustainability and energy efficiency
Quality and management of water



Multi-family homes
Offsite construction and pre-fabrication



Building Information Modelling (BIM)
Shift from manufacturing to services

Strategic direction remains valid but a need for acceleration and further focusing is mandatory



Focus areas for 2019

We build **options** for future growth

- New product launches in Europe: smart water monitoring system, Phyn Plus, and the Smatrix Pulse cloud-based smart home control system
- Growth of Phyn Plus in North America

We **expand** in commercial markets

- Focus on offsite construction solutions and designed solutions sales

We **defend** our strong position in distribution business and residential markets

- Operational improvement initiatives continue in all manufacturing facilities
- New product launch in Europe: S-Press PLUS



Market outlook and guidance statement for 2019

Uponor expects the markets to remain at a healthy level during Q1:

- In the USA, market growth has slowed down, but a slight growth is expected to continue throughout 2019.
- The market stays at a stable level in Germany.
- Although the market is weakening in Sweden, it still remains at a good level.
- In Finland as well, the market will remain at a good level, despite signs of weakening.

Guidance statement for 2019:

Excluding the impact of currencies, Uponor expects its net sales to reach the level of the year 2018 net sales excluding the divested Uponor Infra's North American business and Zent-Frenger (€1,107.7 million), and comparable operating profit to improve from the year 2018 comparable operating profit excluding the divested Uponor Infra's North American business and Zent-Frenger (€83.5 million).



Thank you!

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Uponor IR site: investors.uponor.com

Uponor's IR app:



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