



Review of business in 2017

Jyri Luomakoski – President and CEO



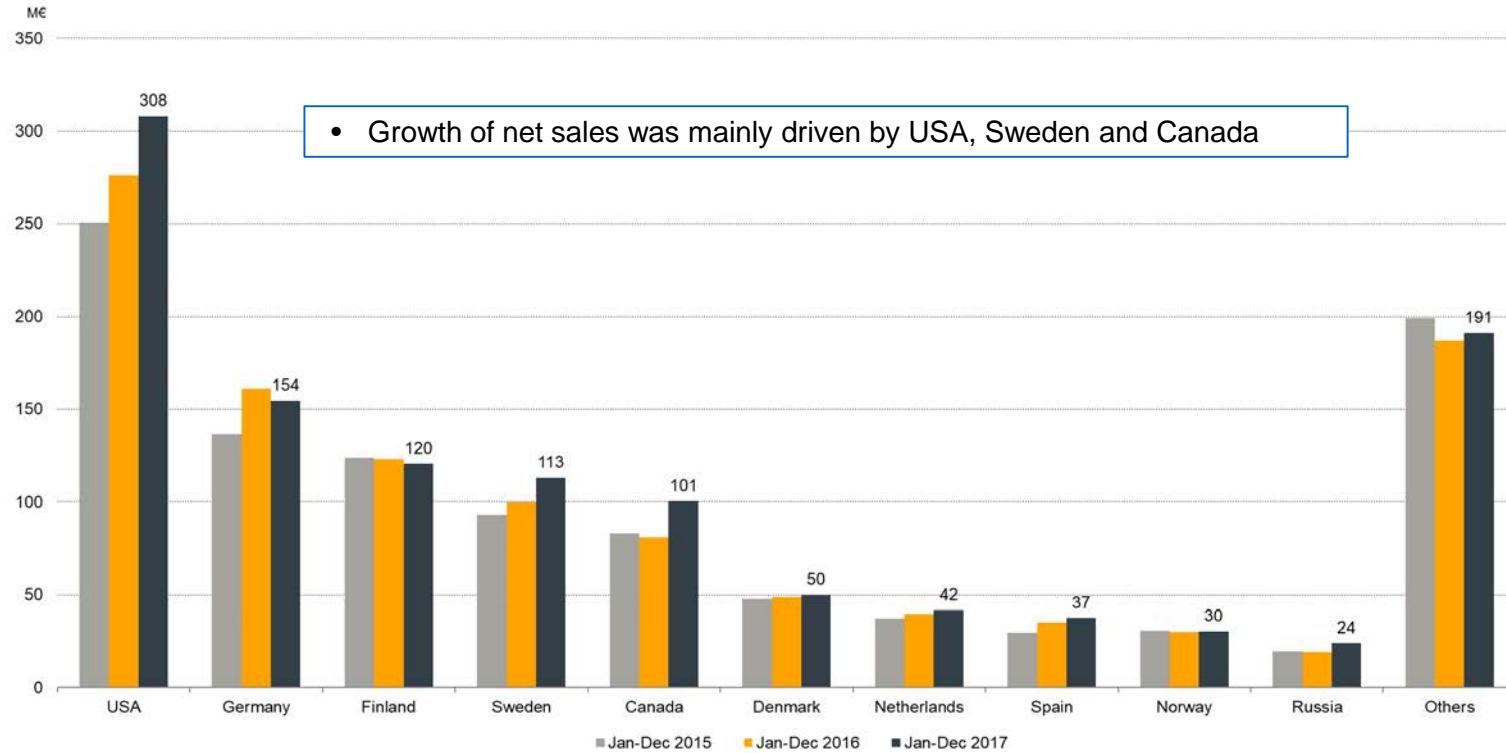
Annual General Meeting 2018

Overview of the year 2017

Uponor Group, M€	2016	2017	Change
Net sales	1,099.4	1,170.4	6.5%
Comparable operating profit	90.7	97.2	7.2%
EPS	0.58	0.83	

- Group's net sales and performance grew organically
- Supported by higher net sales, effectivity enhancements due to the transformation programmes helped to improve comparable operating profit in Building Solutions – Europe and Uponor Infra in 2017
- Operating profit in Building Solutions – North America remained strong and improved modestly in USD, but due to the impact of currencies operating profit declined slightly measured in Euro

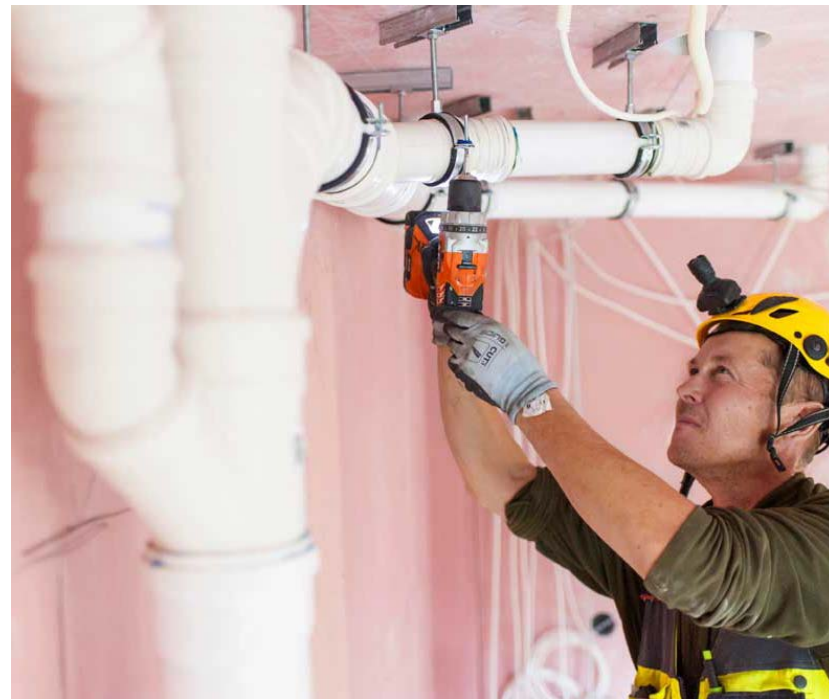
Net sales development by key markets



Developments by segment:

Building Solutions – Europe

- Solid improvement in comparable operating profit, with net sales also rising
- Positive progress in several countries, e.g. Eastern Europe, Russia and Spain
- In Germany, lack of cooling projects inhibited growth
- In Finland, market growth strongest in building types and in urban areas, which offer less value for Uponor
- Favourable progress achieved in the strategic areas of new hygienic solutions and prefab technology which will offer compelling value to professional sectors on the market
- The business in Asia (reported as part of this segment) continued to grow, but still in start-up phase burdening the segment results



Developments by segment:

Building Solutions – North America

- Apart from the challenges experienced earlier in production and resin availability, sales are developing steady and Uponor has discontinued allocations and returned to a committed lead time promise in customer orders
- In order to respond to growth in demand and to return capacity utilisation to a long-term sustainable level, Uponor implemented two investments:
 - Annex II building in Apple Valley, a €16.3 million investment, completed in January 2018
 - Purchased a facility and real estate in Hutchinson, Minnesota, targeted to be in use in summer 2018. The total investment by end 2018 will be circa \$30 million; of this, \$8.6 million has been used in 2017
- While the outlook in building and construction remains strong, the competition is increasing



Developments by segment: Uponor Infra

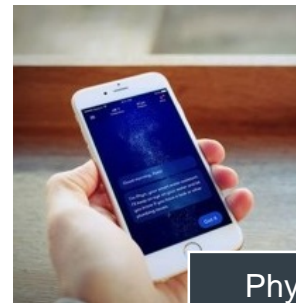
- Most of the growth came from North America and Sweden, where the markets were flourishing
- Project activity picked up especially in Poland, supported by EU-funded projects
- Brisk improvement in performance, mainly as a result of a cyclical improvement in North America
- Operations in Europe, where the overall markets remained soft, did not meet acceptable levels in 2017



Investment in R&D and technology

After 2016, another year of historically high R&D expenditure, with a total expenditure at €23.2 million or 2.0% of net sales

- Key projects steered by Group Technology function, established in 2016
- Investment in digitalisation and hygienic initiatives continued
- New smart water offering, Phyn Plus
- UWater online monitoring maturing into market entry through Uponor Infra
- Hygienic fresh water stations
- Prefabricated offering development



Phyn Plus



Uponor Smatrix Style

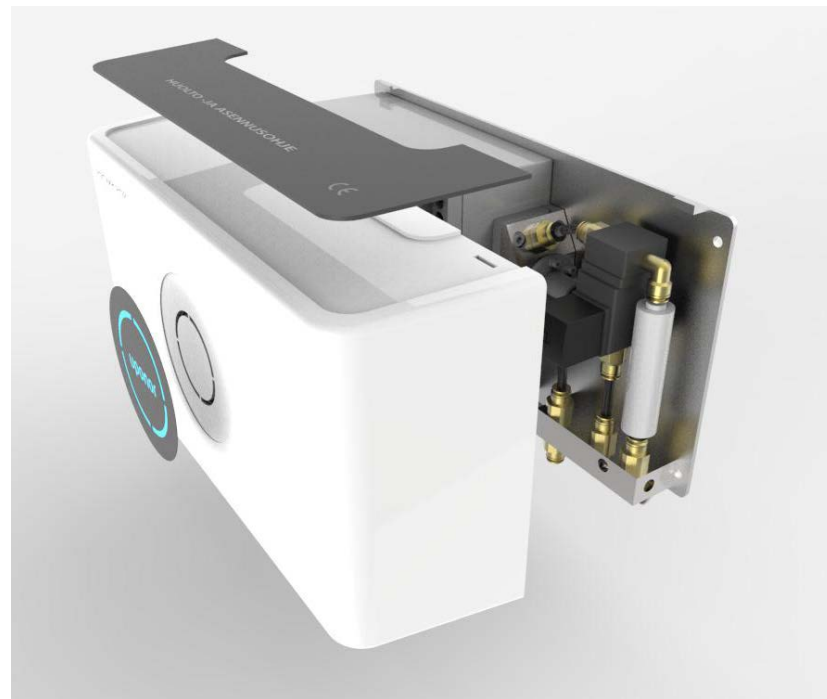
Phyn Plus, smart water assistant + shutoff

- Introduced in the U.S. market in January 2018 at CES and IBS trade shows
- Won a number of 'Smart Home' awards
- Pilot programme started in 2017 coming to an end and pilot units are being swapped to finalised products
- Building up of the network of trained installers, the Uponor Pro Squad, well underway, focusing 30 metro areas in the U.S.
- February 2018, invested an additional USD10 million, bringing total investment in Phyn to USD25 million, with Uponor and Belkin both having a 50% ownership



The Uponor online water quality monitoring

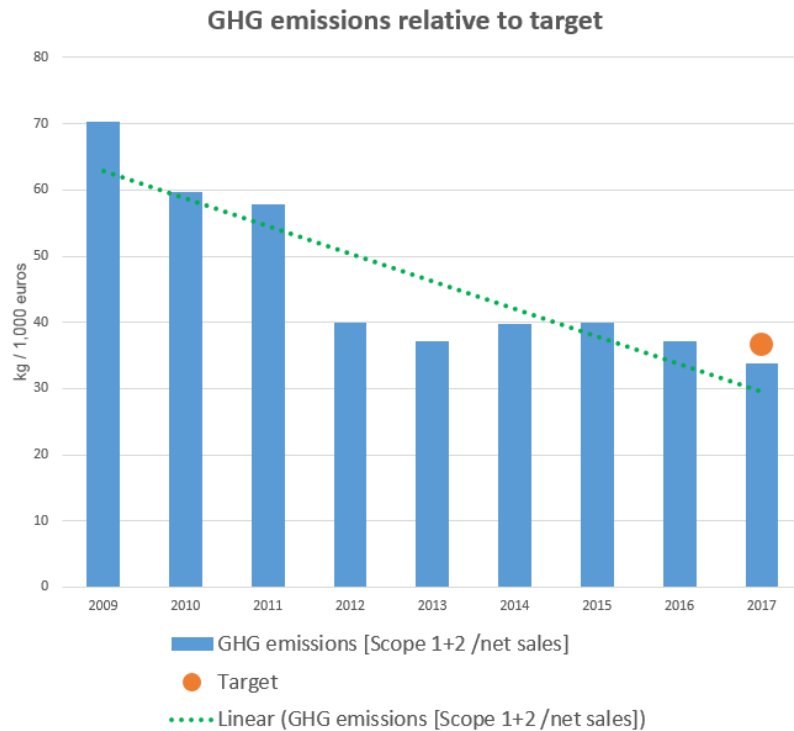
- The Uponor online water quality monitoring technology was acquired in 2015
- The innovative online technology will make the potable water distribution safer
- The technology is ideal for potable water networks, but also applicable for applications in industry, in residential buildings and in public buildings, such as hospitals, nursing homes and hotels



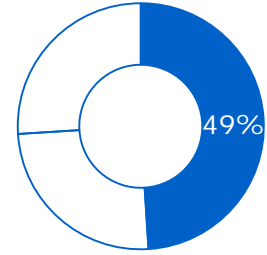
Uponor's non-financial performance

“Uponor is committed to addressing the key issues of our time through innovations that help to reduce environmental impact. Through partnerships, we strive to provide leadership in sustainable solutions for the mutual well-being of both people and the planet, while ensuring the long-term viability of our operations”

- Overall sustainability performance supported by operational streamlining, including production concentration to fewer sites
- Exceeded our goal of reducing GHG emissions by 20% per net sales by 2020 (from the 2015 levels)
- Renewed sustainability section in the Annual report 2017 following the EU guidelines on non-financial reporting



Plumbing solutions



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

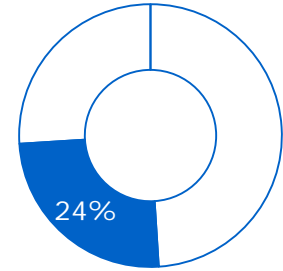


Demands are driven by megatrends that change our way of life: urbanisation, higher standards of living, prefabrication...

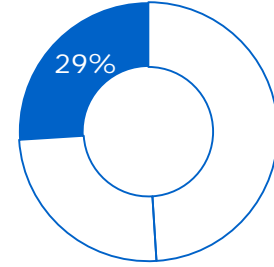


Indoor climate solutions

- 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



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



Agenda for 2018

- Execution, with a focus on the customer
 - After the transformation programmes, Uponor's European segments are more focussed, aligned and agile to satisfy customer needs
 - Targeting growth, utilising the strategic new offerings
- Integrate the manufacturing expansions into daily operations and secure a smooth supply of products to customers in Building Solutions – North America
- Capitalise on the new Phyn smart water offering, and pave the way for the European launch in 2019
- Continue determined efforts on digitalised offering and services development



The year 2018 marks Uponor's 100-year anniversary

Today, we are building a bridge from a successful past to a sustainable future.

- **With the same innovative spirit** that brought next-generation alternatives to concrete, iron and copper as piping materials, we are moving forward to ever-more intelligent solutions.
- **With a focus on sustainability,** we promote innovation in energy saving and smarter water usage for the benefit of our customers and the world we live in.



Thank you

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