

▶ Q1

Q1 2022 Roadshow presentation

Michael Rauterkus,
President and CEO

Markus Melkko,
Chief Financial Officer



With its new PEX Pipe Blue line, based on renewable raw materials, Uponor features an up to 90 per cent lower product carbon footprint compared to fossil-based PEX pipes on the market.

uponor

Why invest in Uponor

THE BUSINESS

Sustainable building and infrastructure solutions

Well positioned to benefit from the megatrends of net zero, productivity and clean water

Uponor mitigates the cyclical nature of construction industry by operating in European and North American markets and serving both new construction and renovation projects

THE COMPANY

An industry innovator building on a century of tradition

International presence and leading market positions

Great brand and customer loyalty

Strong culture and leading team of professionals

Continuous innovation, technology and sustainability development

Well maintained manufacturing network with capacity to grow

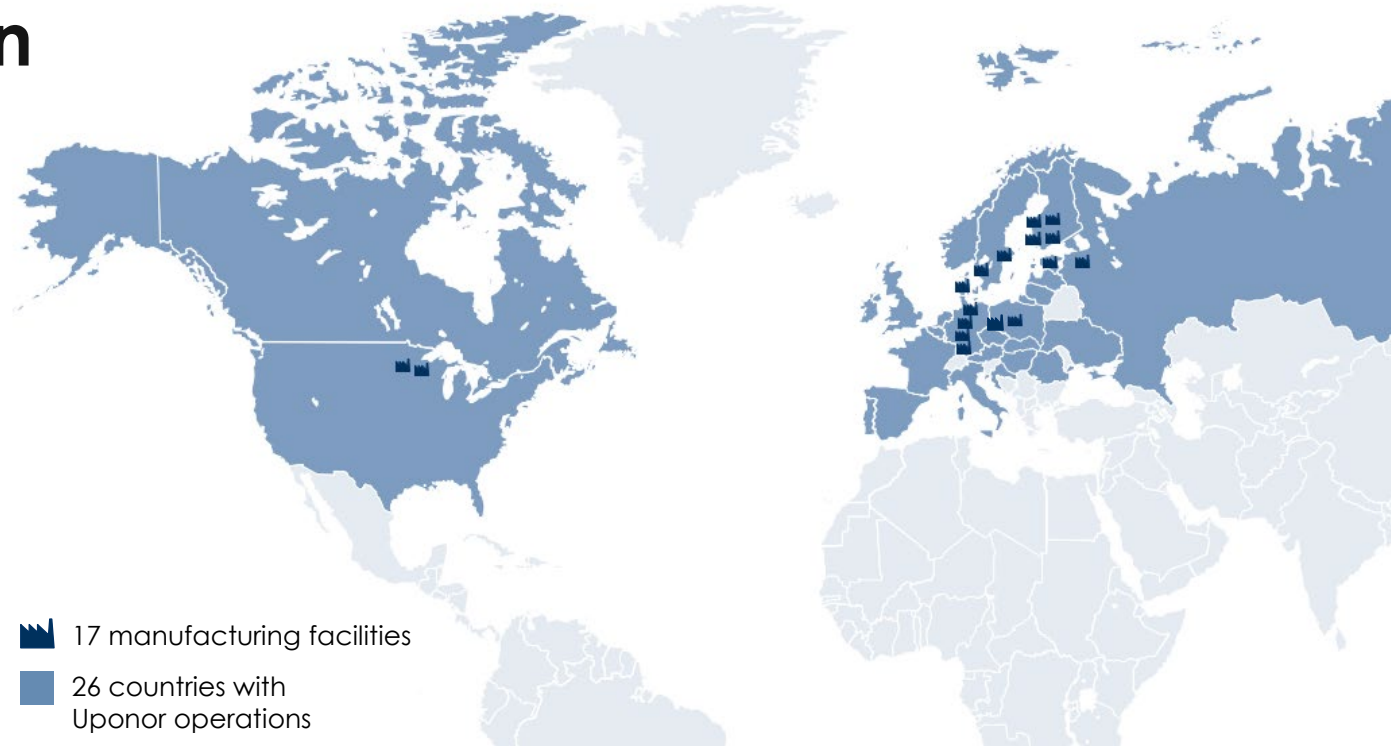
Committed long-term key ownership with a clear understanding of the industry's dynamics



Uponor in brief

Uponor – a global leader in sustainable water systems and indoor climate

A leading global provider of safe drinking water delivery, energy-efficient radiant heating and cooling systems for residential and commercial construction; and a strong position in reliable infrastructure piping systems in northern Europe. We are listed on Nasdaq Helsinki.



Key figures 2021

3,900

personnel
on average

€1.3

billion
net sales

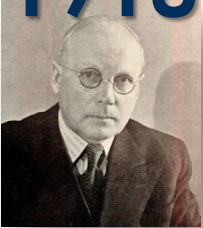
~80

Countries where our
products are sold

More than 100 years of game-changing innovations

Aukusti Asko-Avonius establishes a carpentry workshop in Lahti, Finland.

1918



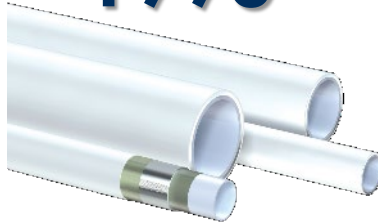
Uponor introduces the unique structured wall pipe construction called Ultra Rib.

1986



First overlapped welded multi-layer composite pipe (MLCP) is invented and patented

1990



The world's first press fitting for MLCP is launched

1993



Uponor consolidates all business under one brand

2006

uponor



1965

The first plastic factory, Upo-Muovi starts in Nastola, Finland



1972

First in world, Wirsbo in Sweden starts to manufacture PEX pipes



1987–88

Acquisitions of plastic hot water pipe businesses Hewing in Germany and Wirsbo in Sweden



1991

Wirsbo opens a factory in Apple Valley, Minnesota, USA.



1994

Launch of the unique and revolutionary Quick & Easy fitting system



2022

Uponor launches world's first PEX Pipe based on renewable raw materials

PURPOSE

Rethinking water for future generations

VISION

To become a recognised leader in sustainable building and infrastructure solutions



We deliver high-quality solutions for selected customer segments

Applications



Competitive advantages

Quality
Lead time
Offering range
Easy-to-use
Expert services

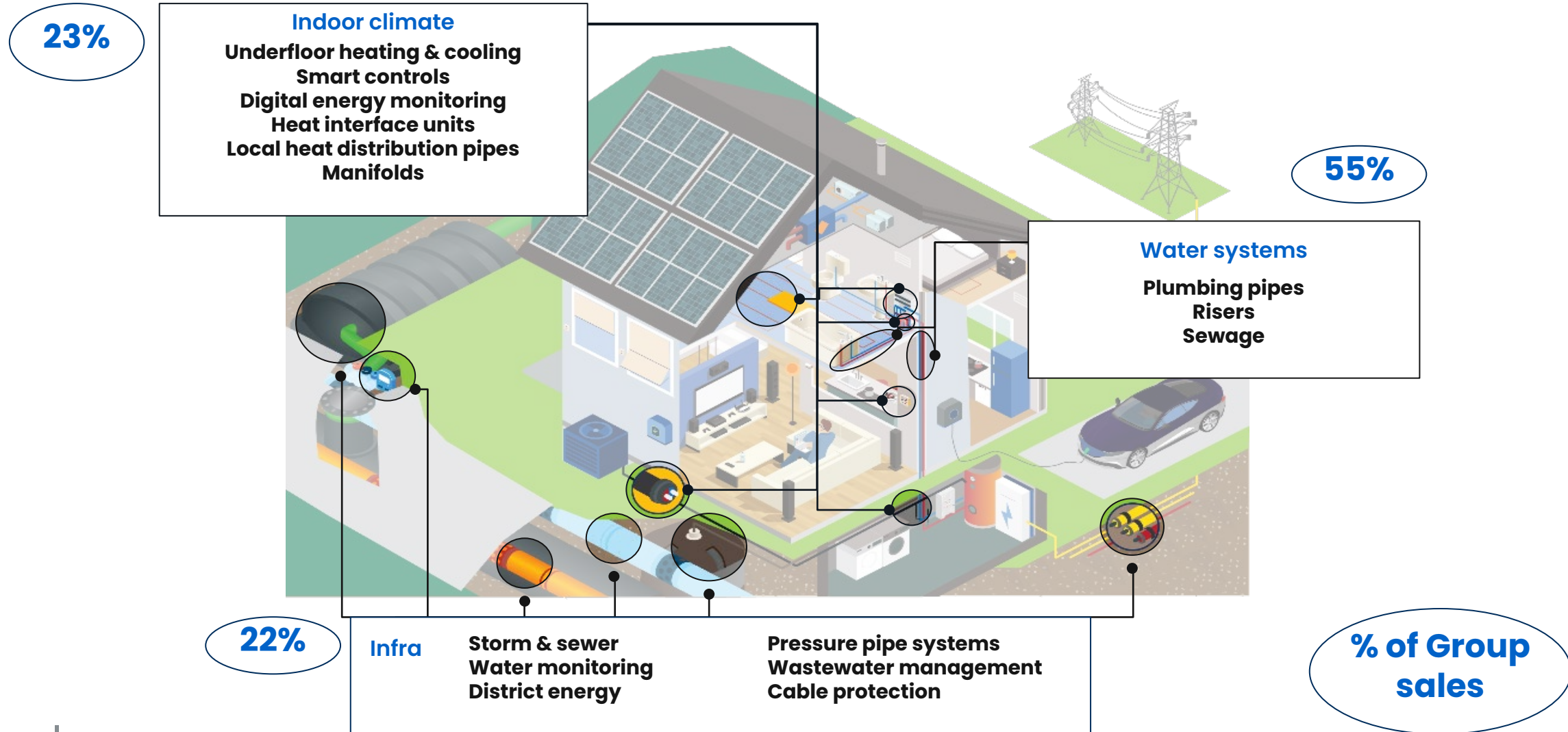
Main sales channel

Distributor chains

Key customer segments



Sustainable water systems is our largest product category



Key figures 2021

Our three synergistic business divisions in brief



43%
of Group
Sales

Building Solutions – Europe

Net sales €564.2 million

Comparable operating profit €72.0 million

Personnel 1,880

Market area Europe

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



35%
of Group
Sales

Building Solutions – North America

Net sales €467.5 million

Comparable operating profit €84.7 million

Personnel 890

Market area United States and Canada

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



22%
of Group
Sales

Uponor Infra

Net sales €286.8 million

Comparable operating profit €16.3 million

Personnel 840

Market area Baltic Sea area

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

Uponor Executive Committee



Michael Rauterkus
President and CEO



Markus Melkko
CFO



Jennifer Hauschildt
CHRO



Karsten Hoppe
President, Building
Solutions – Europe



Sebastian Bondestam
President, Uponor Infra

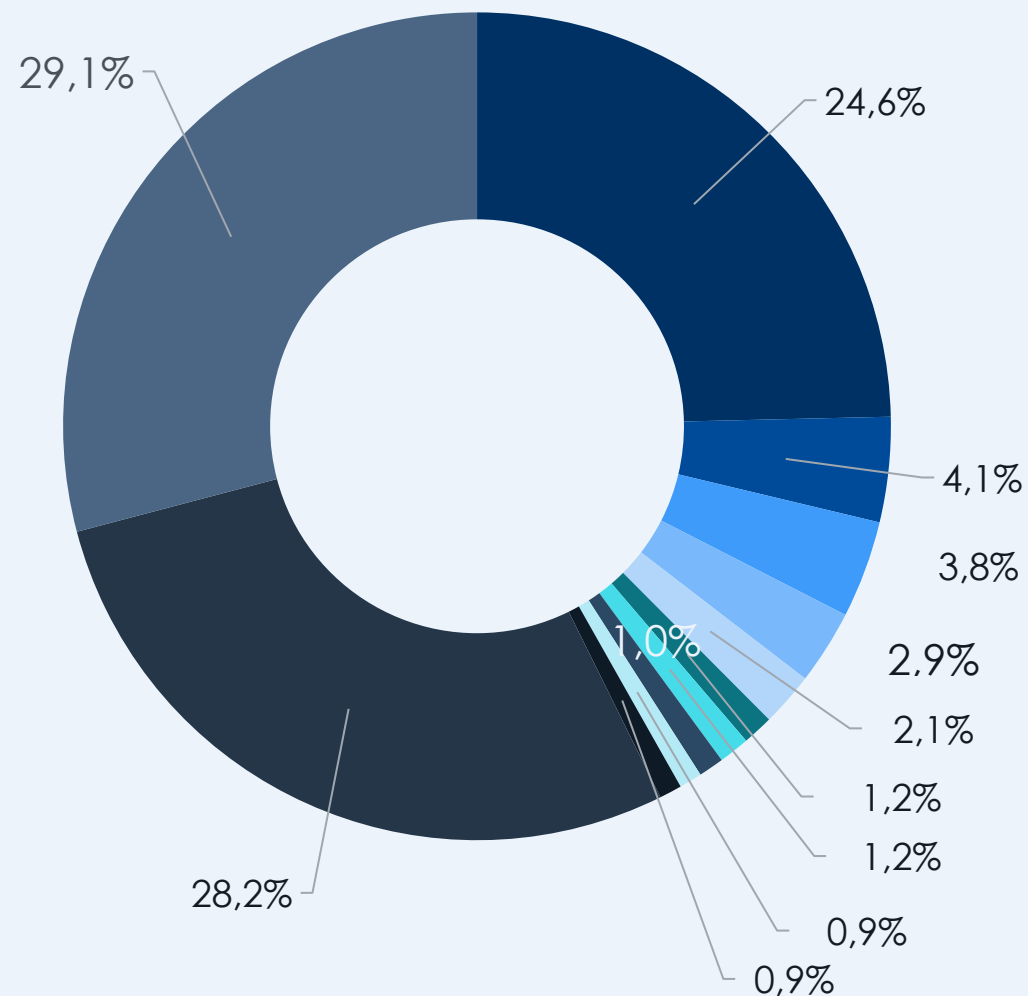


John Reutter
Interim President, Building
Solutions – North America

Major shareholders as of 30 April 2022

- Oras Invest Ltd 24.6%
- Nordea Nordic Small Cap Fund 3.8%
- Varma Mutual Pension Insurance Company 3.3%
- Ilmarinen Mutual Pension Insurance Company 2.9%
- Mandatum Life Insurance Company Ltd. 2.1%
- Sigrid Jusélius Foundation 1.2%
- Pekka Paasikivi 1.2%
- Elo Mutual Pension Insurance Company 1.0%
- The State Pension Fund 0,9%
- Danske Invest Finnish Equity Fund 0.9%
- Nominee registrations 28.2%
- Others 29.1%

Uponor had 19,071 (17,834) shareholders on 31 December 2021.





Profitable growth strategy and financial targets

We are well positioned to drive profitable growth by maximizing the core and driving sustainable innovation

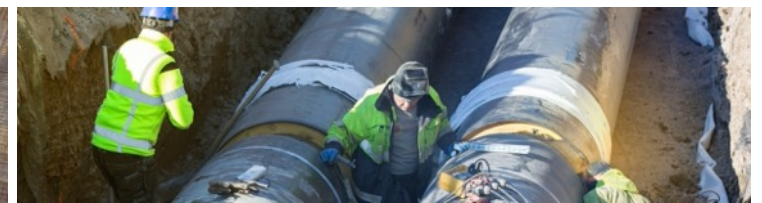
Uponor Group Strategy



Building Solutions – Europe



Building Solutions – North America



Uponor Infra

Maximize core with systematic growth plan and commercial excellence

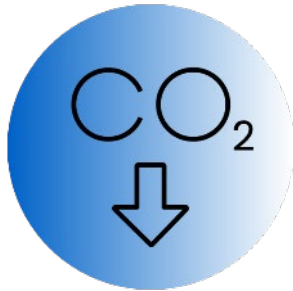
Drive growth through **innovation** of integrated systems and sustainability solutions

Lead construction industry towards **net zero**

Instill performance mindset with **People First** initiative

Three main megatrends shape our industry and support our growth ambition

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

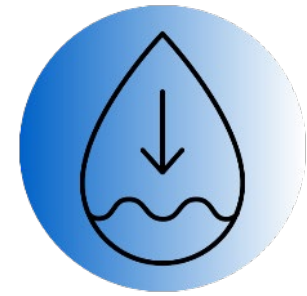


Labor shortages and raising costs drive need for efficiency



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

Demand for safe and clean water

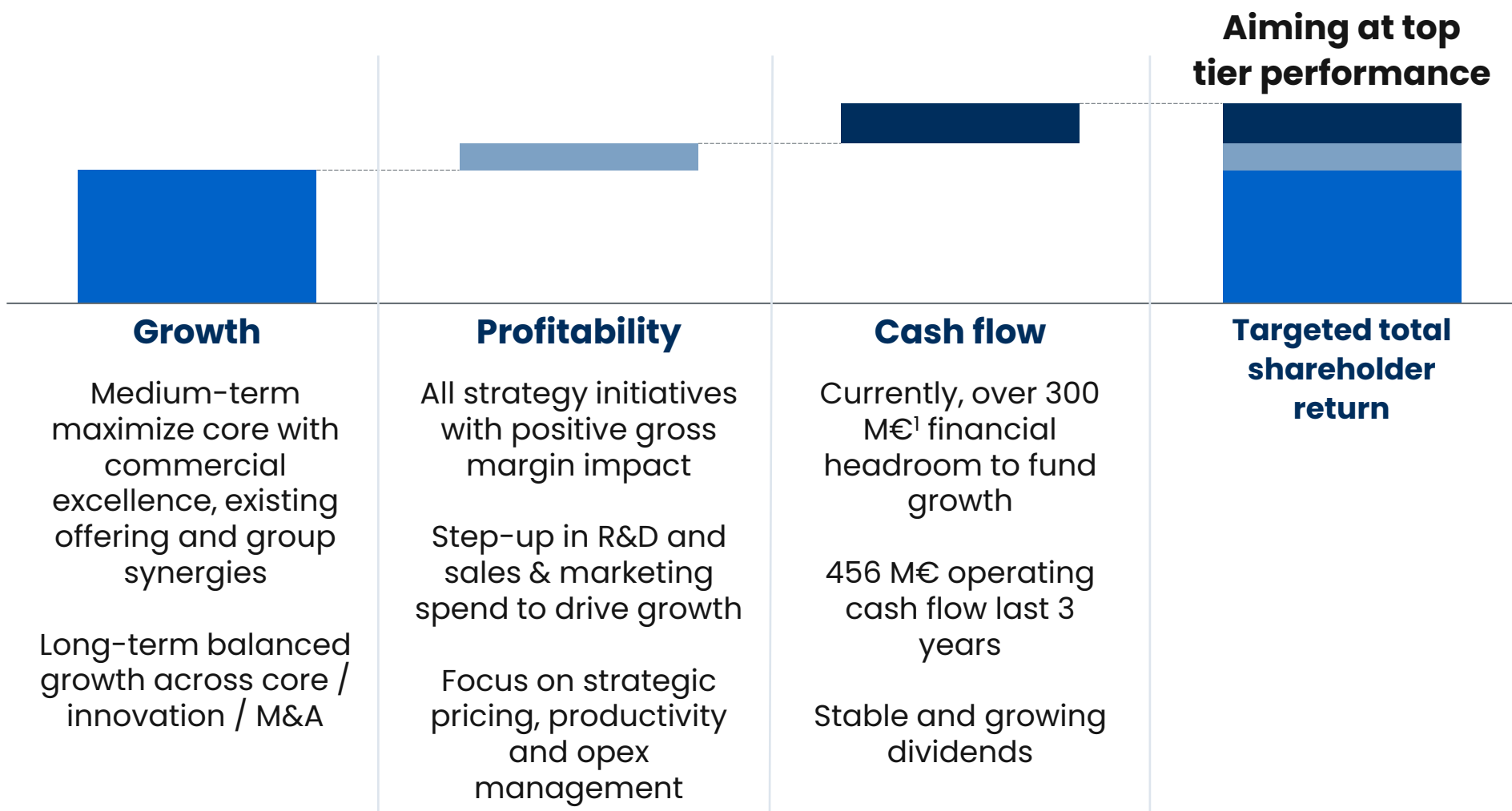


Expectation for high water quality under all circumstances



Demand for plastic pipes and systems as safe & clean solution

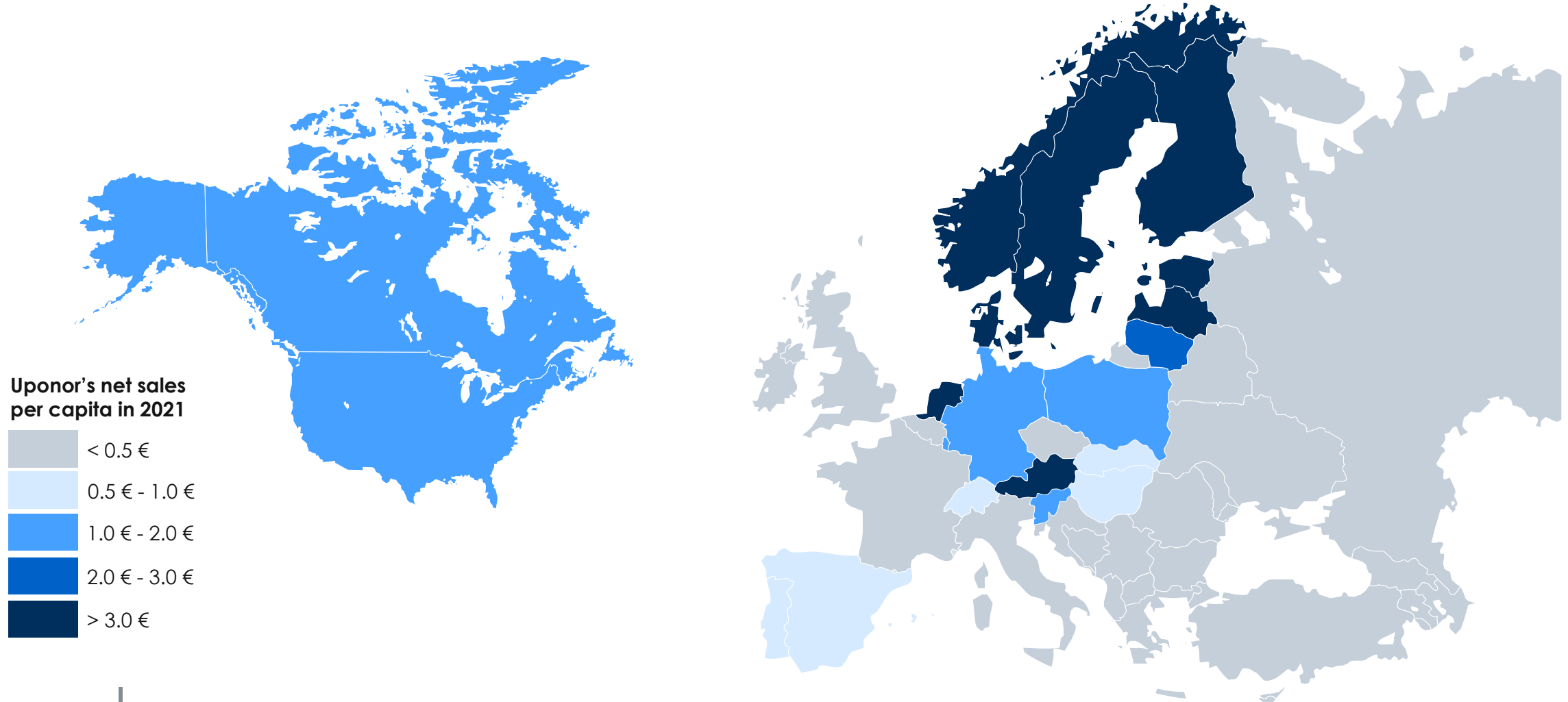
Growth drives our long-term value creation



Maximizing the core

	WATER SYSTEMS	INDOOR CLIMATE	INFRA
EUROPE	7% organic CAGR since 2019. Significant opportunity to grow ahead of market by maximizing opportunities by country, customer, channel and category		8% CAGR since 2019. Significant opportunity to improve our market position across Nordics
NORTH AMERICA	12% CAGR since 2019. Continued room to grow share in core PEX products by accelerating focus on commercial plumbing and radiant segments.		

We have growth opportunities in multiple markets



We are strengthening 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



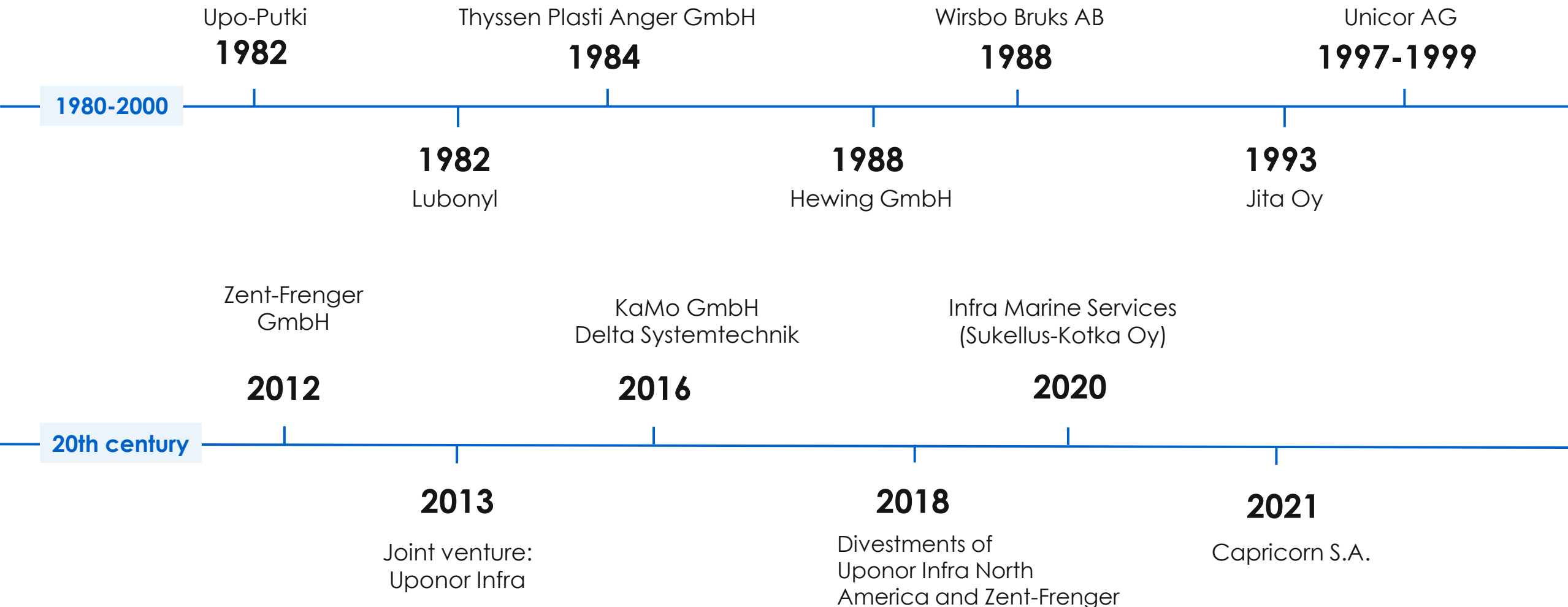
Combi Port E

Long-term financial targets to drive profitable growth

	Q1 2022	FINANCIAL TARGETS: 2022-2024	AMBITION: 2025-
ORGANIC GROWTH	+10%	Organic growth >4%	Ambition to accelerate growth rate
PROFITABILITY OP-%	13.4%	>12 OP-%	Ambition to increase OP-% further
GEARING	18.4%	40-80%	
DIVIDEND PAYOUT RATIO		Growing	

The new financial targets were introduced at the Capital Markets Day on 14 March 2022.

Uponor has a long history with M&As



Uponor's ESG targets

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

Our new renewable products

- In Q3/2021, Uponor Infra launched its first sewer pipe utilising renewable material
- In Q1/2022, Uponor launched the world's first PEX pipes based on renewable material
- These products are the first results of a collaboration with Borealis, and are based on replacing a significant share of fossil raw materials by renewable alternatives



We help customers achieve their CO2 emission reduction targets



Sewer pipe

Up to 70%* lower carbon footprint in comparison to traditional Ultra Rib 2



Aqua pipe
Combi pipe
Comfort pipe PLUS

Up to 90%* lower carbon footprint compared to standard PEX pipe in the market



The supply chain of Uponor Blue products is ISCC certified ensuring full traceability and transparency of raw materials

Uponor's Q1 2022 Results

Q1 22 in brief : Sales grew, operating profit stable at previous year's level

**Net sales
(+13.0%)**

349.5 M€
(309.2)

**Comparable operating
profit (Margin 13.5%)**

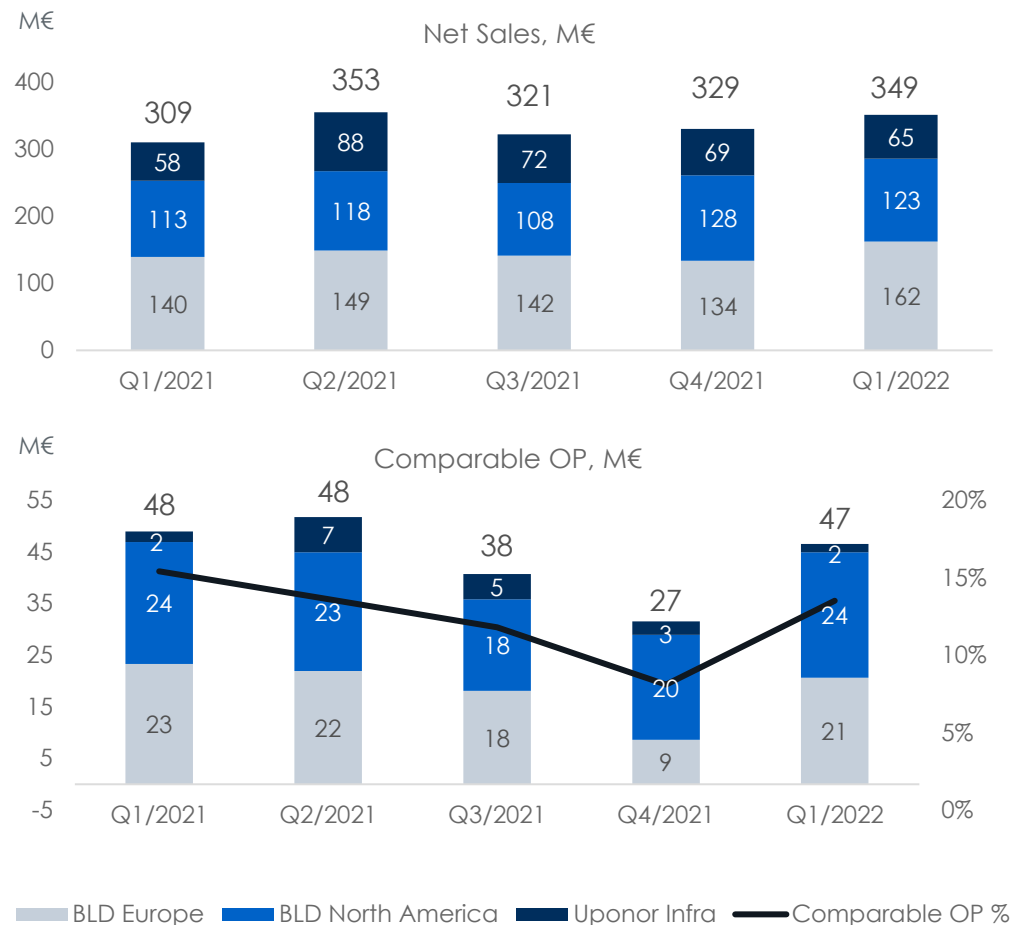
47.2 M€
(47.6)

Strategy

- Our safety performance improved with an LTIF rate of 6.4 (9.1)
- New strategy and financial targets launched at CMD in March
- New CHRO joins the Executive committee to drive People First agenda
- Uponor launched world's first bio-based PEX pipes
- Exports to and imports from Russia suspended; Uponor is exploring options related to its Russian operations

Uponor Group

Net sales growth in all divisions, Group operating profit margin 13.5%



➤ Group net sales growth +13%, organic growth +10%

- Improved flexibility in passing on sales price increases

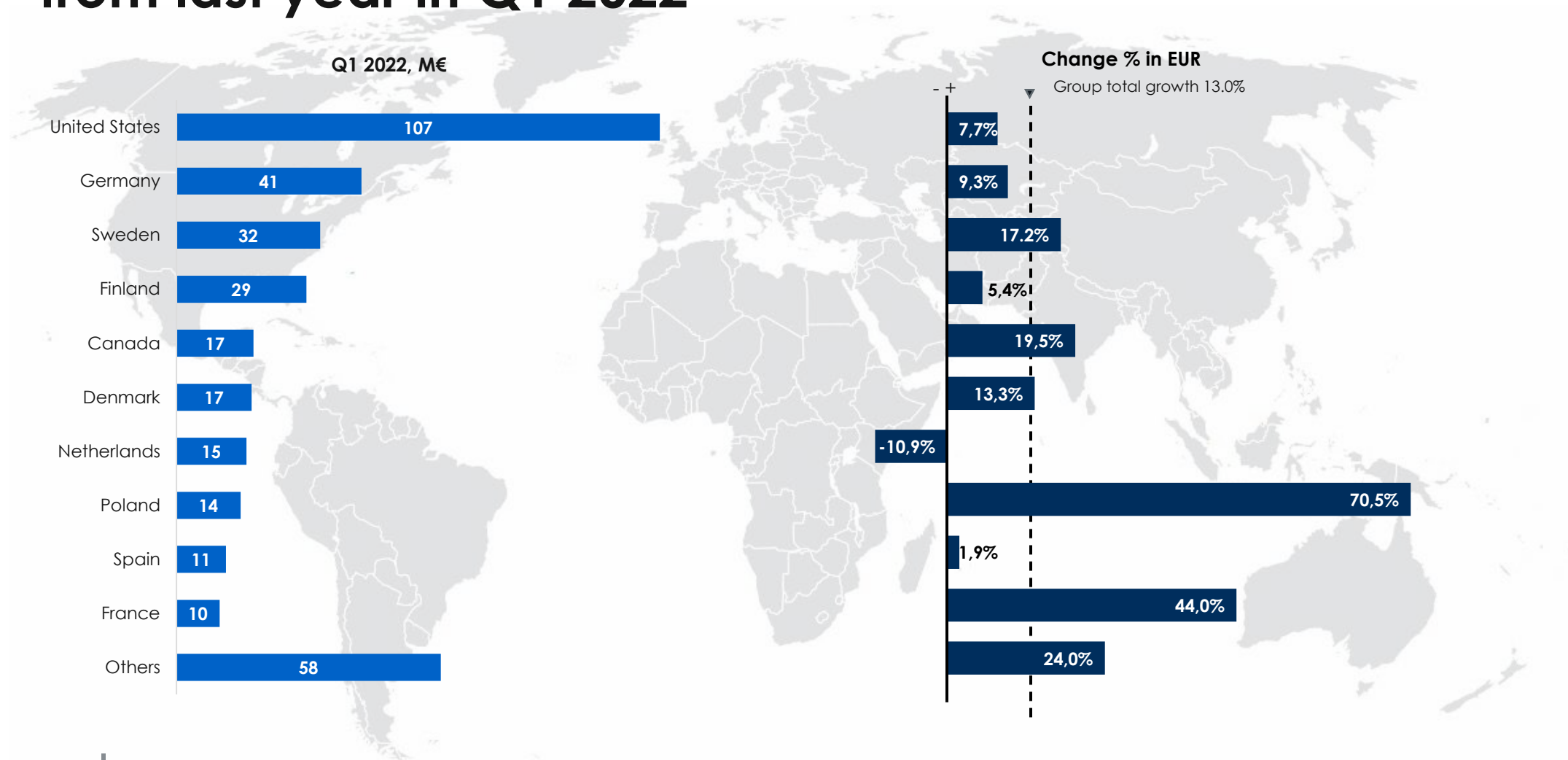
➤ Group comparable operating profit -0.7%

- Pricing actions compensated for higher input costs
- Exceptionally low cost level in the comparison period caused by Covid-19

➤ Comparable operating margin 13.5 % (15.4)

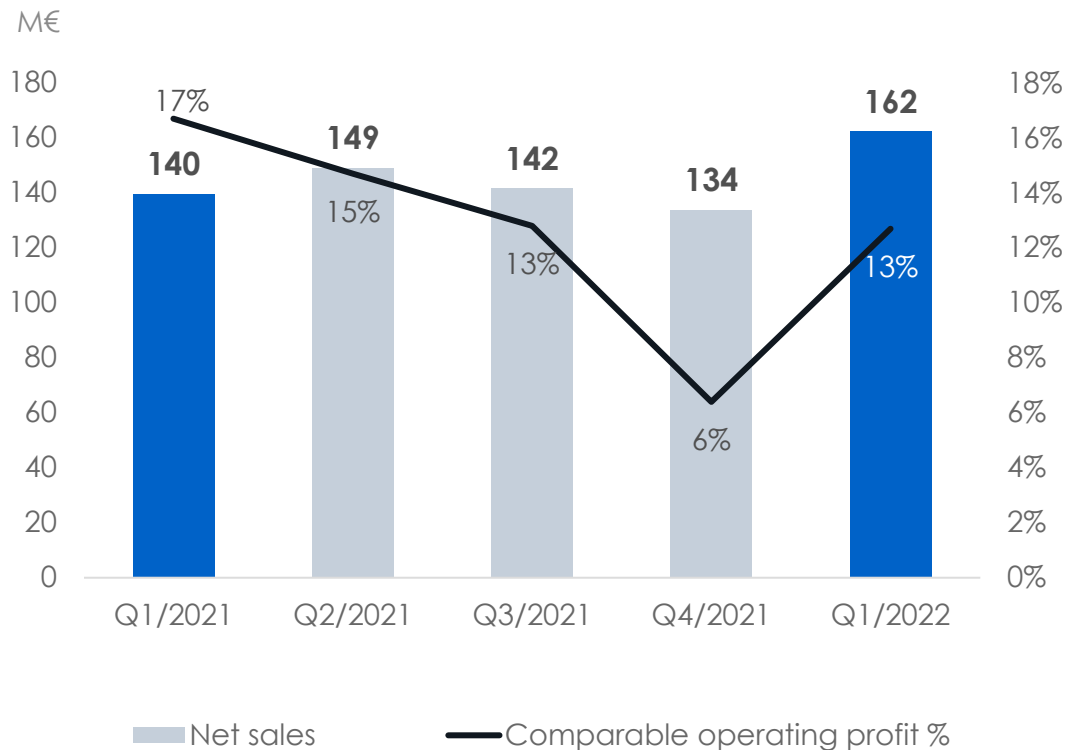
➤ Guidance statement for 2022 unchanged

All key markets except for the Netherlands increased sales from last year in Q1 2022



Building Solutions – Europe

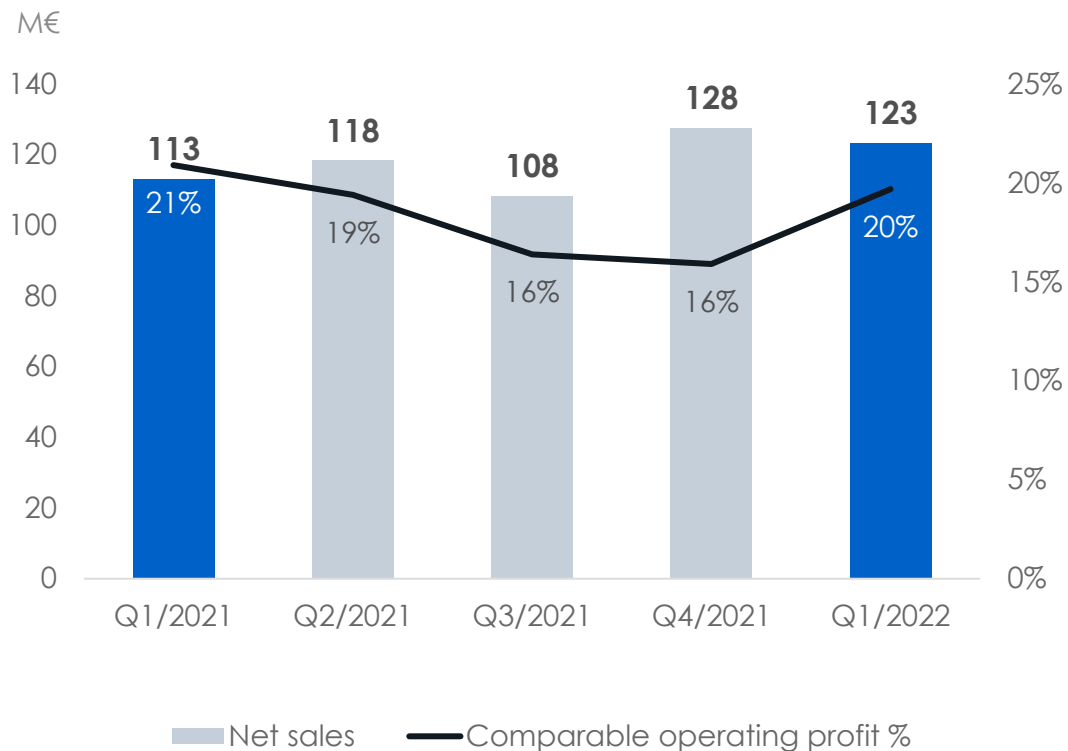
Volumes grew in most countries



- **Record high net sales level in a quarter: net sales growth +16%, organic growth +10%**
 - Mainly driven by sales price increases and the acquisition of Capricorn S.A.
- **Comparable operating profit decreased by -12%**
 - Pricing actions compensated for higher input prices
 - Exceptionally low overhead costs in the comparison period due to Covid-19
- **Integration of Capricorn acquisition on track**
- **World's first PEX Pipes, based on renewable raw materials, launched in Norway, Sweden and Finland**

Building Solutions – North America

Strong operational performance and price actions supported profitability



➤ Net sales growth +9%

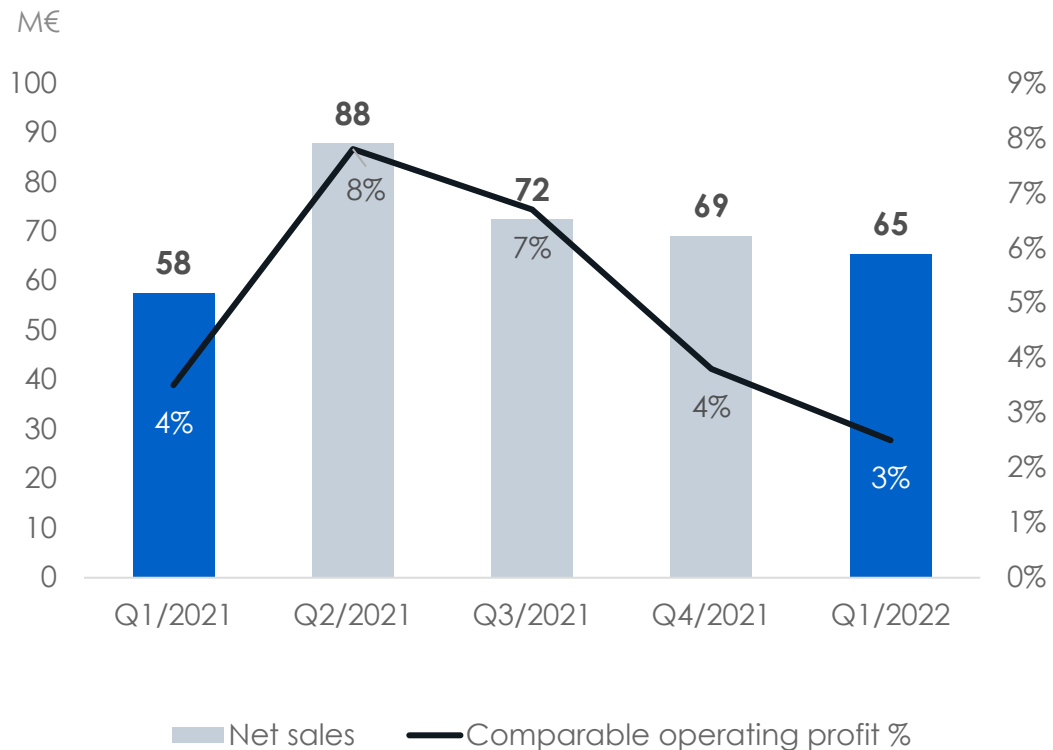
- Good progress in sales price increases in both the U.S. and Canada
- Currency movements had a positive impact on net sales

➤ Operating profit increased by +3%

- Strong operational performance and price increases contributed positively
- Exceptionally low cost level in the comparison period caused by the Covid-19 situation
- Currency movements also had a positive impact on operating profit

Uponor Infra

Sales grew, operating profit close to previous year's level



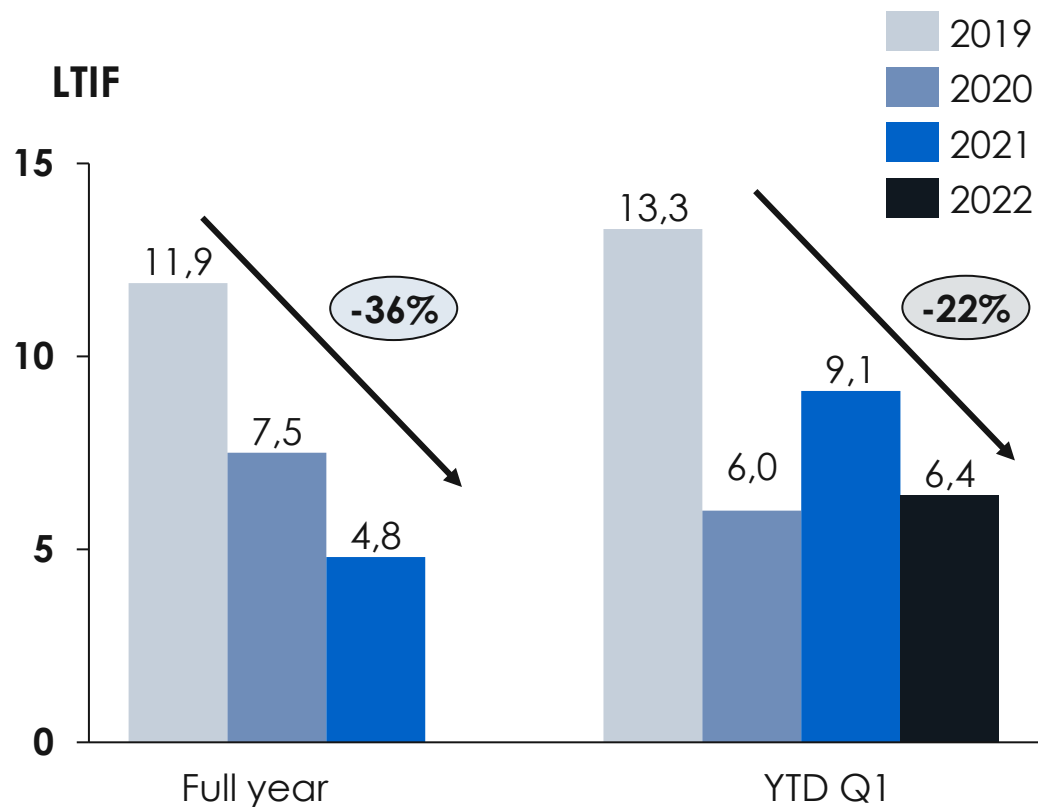
➤ Net sales grew by +14%

- Growth was driven by sales price increases in all markets

➤ Comparable operating profit €1.6 (2.0) million

- Unfavorable sales mix and higher extraordinary costs related to new Group strategy launch

Our safety performance improved



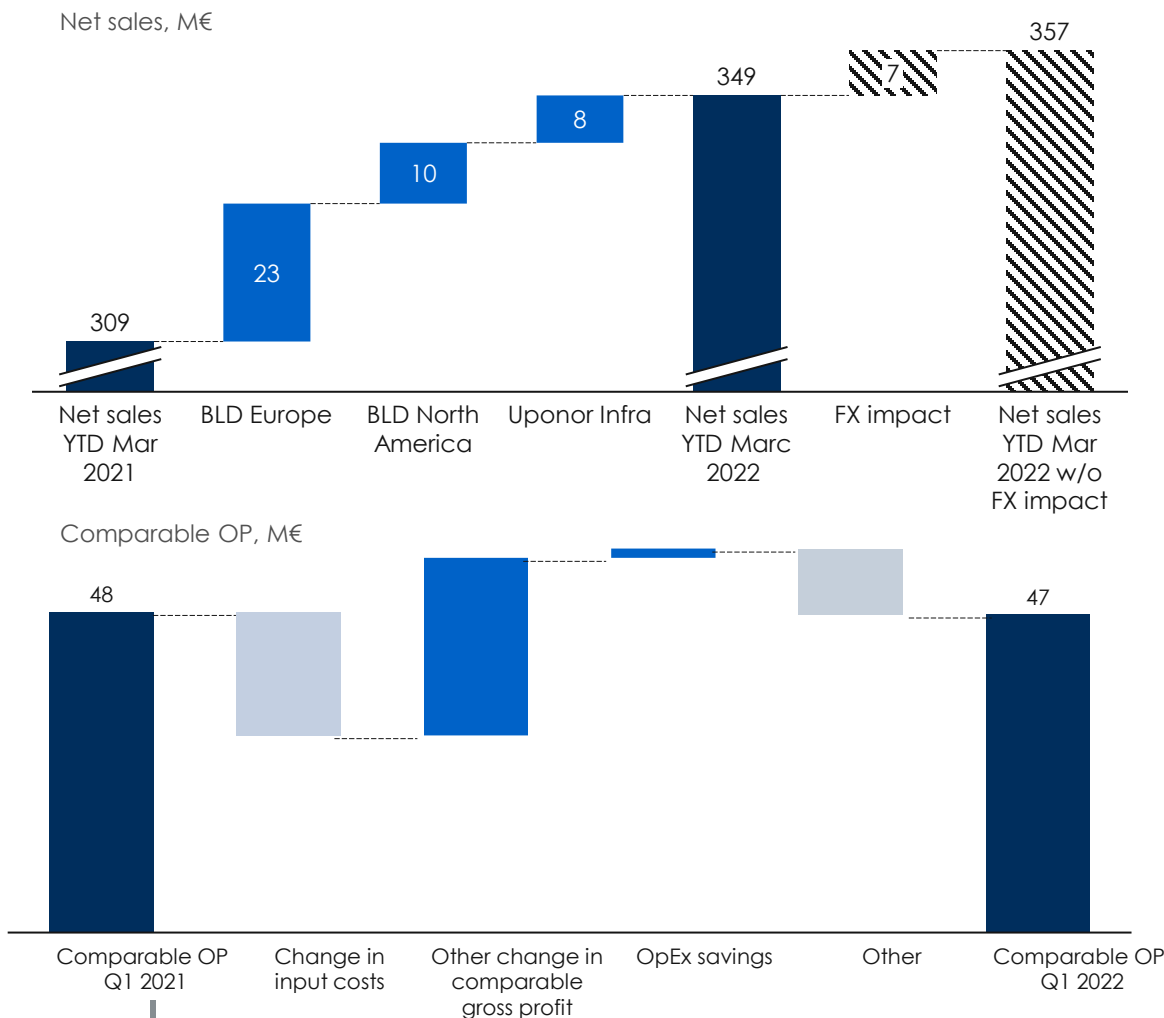
Uponor's target is zero accidents

Key operative focus areas

- Maximizing the core - improving pricing power
- Continuing to add flexibility to terms and conditions of customer agreements
- Reducing product costs and improving productivity
- Managing challenging supply chain environment and securing component availability and service levels
- Driving differentiation with our value-added systems and solutions

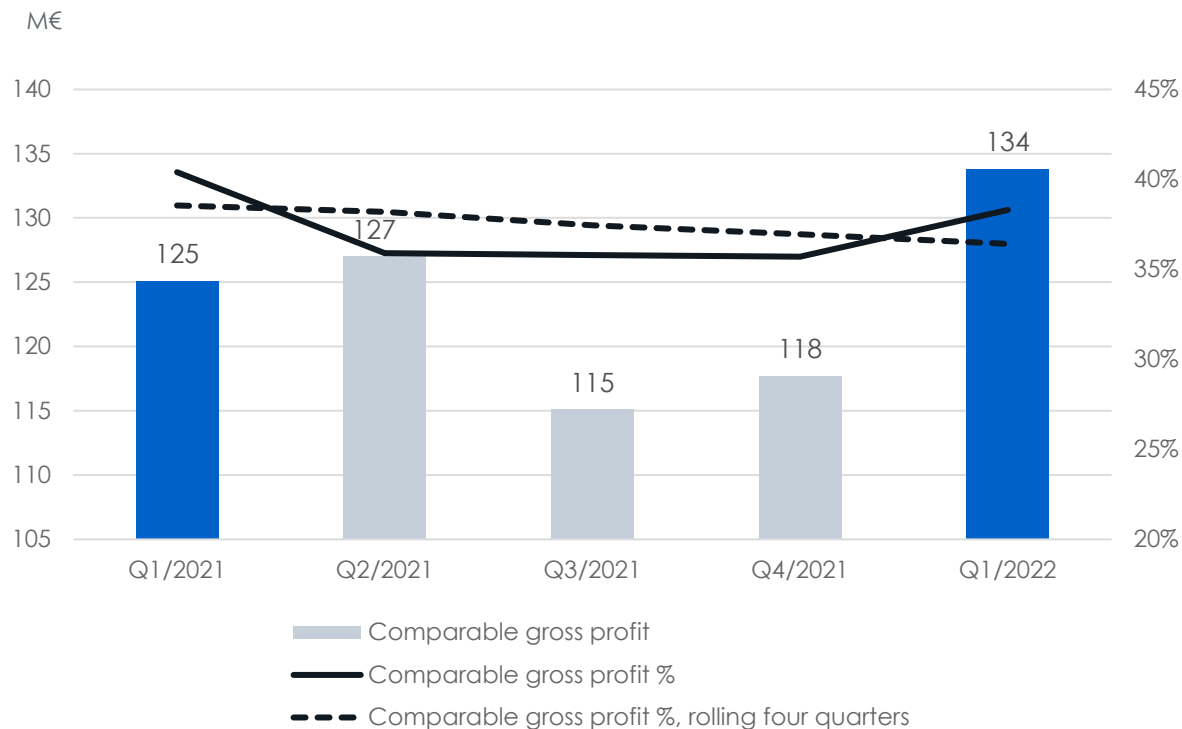


Strong net sales growth driven by sales price increases



- Net sales were €349.5 (309.2) million, a growth of 13.0%
- Net sales grew in all three divisions and was mainly driven by sales price increases
- Comparable operating profit was €47.2 (47.6) million, a decrease of 0.7%
 - Profitability was burdened by higher costs overall compared to the extraordinary low cost level caused by the Covid-19 situation in the comparison period

Increased input costs continued to impact gross profit margin



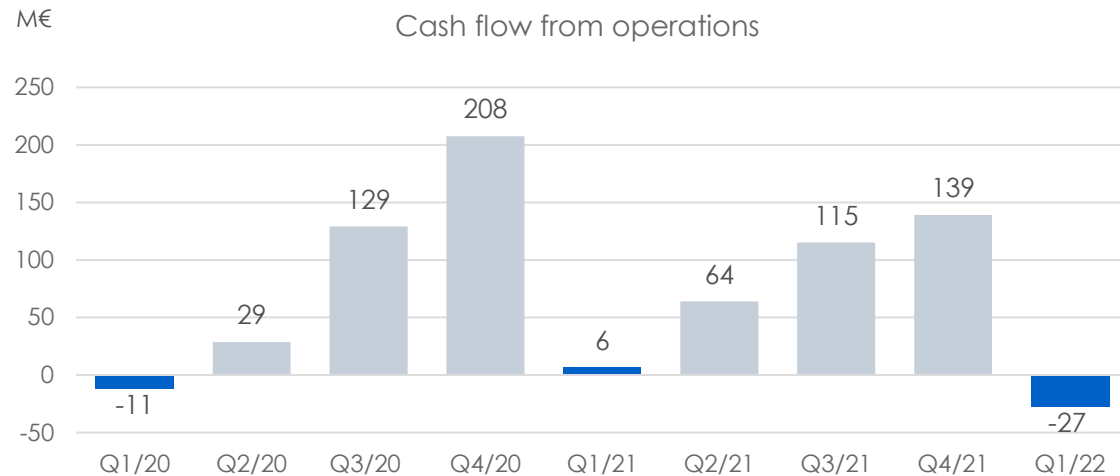
- Gross profit in the first quarter was €133.7 (125.0) million
- Gross profit margin at 38.3% (40.4)
- Increased input costs were driven by higher raw material and freight costs combined with slightly higher conversion costs

Operational excellence programme nearing completion

- During Q1 2022, the programme generated savings of approximately €1 million
 - The total generated savings under the programme are approximately €22 million
- Items affecting comparability was €0.4 million in Q1 2022
 - In total, €17.6 million IAC's since the launch of the programme
- The programme is expected to generate savings of approximately €25 million by the end of H1/2022



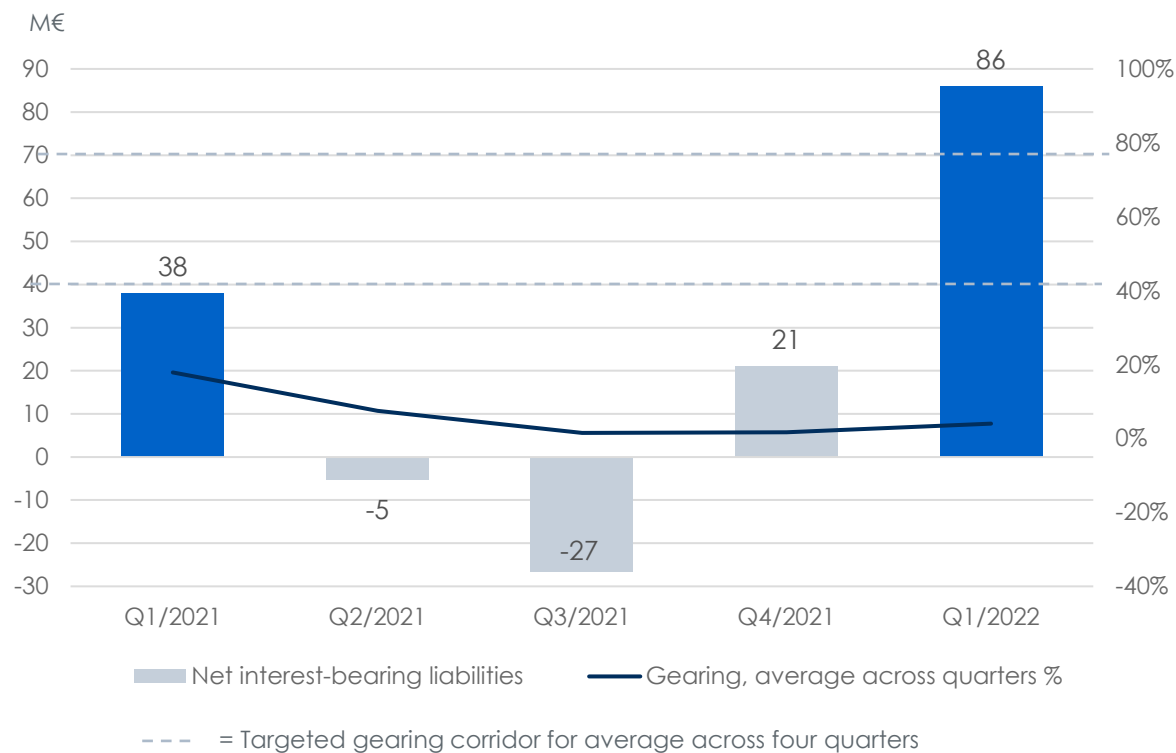
Higher investments and ONWC impacted operative cash flow



- Cash flow from operations decreased from year end and was €-27.2 (6.1) million
- Cash flow decrease was driven by higher raw material prices impacting inventory levels and increasing net working capital
- Cash flow from financing was impacted by first instalment of dividend payments
- Investments in Q1 2022 were related to maintenance, efficiency improvements and capacity expansions

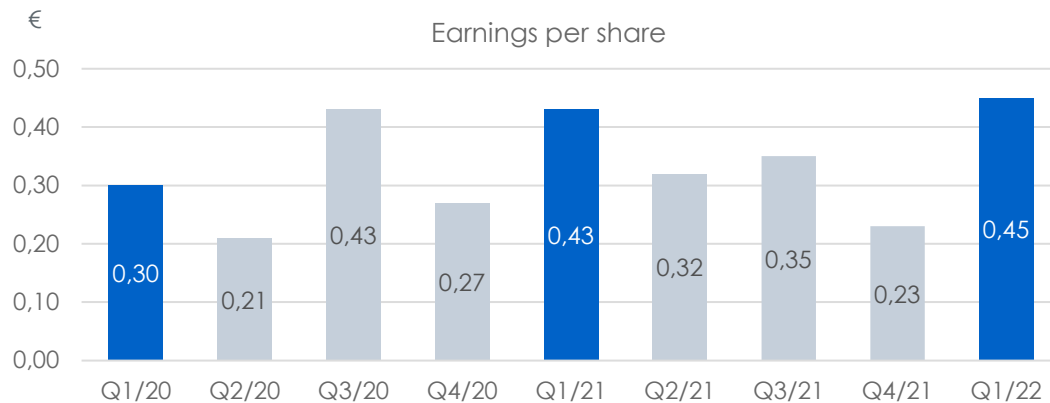
Cash flow YTD, M€	Q1 2022	Q1 2021	Q4 2021
Cash flow from operations	-27.2	6.1	139.2
Cash flow from investments	-9.7	-7.2	-64.2
Cash flow from financing	-30.7	31.3	-115.4
Total cash flow movements	-67.5	30.2	-40.4

Net interest-bearing liabilities higher than last year



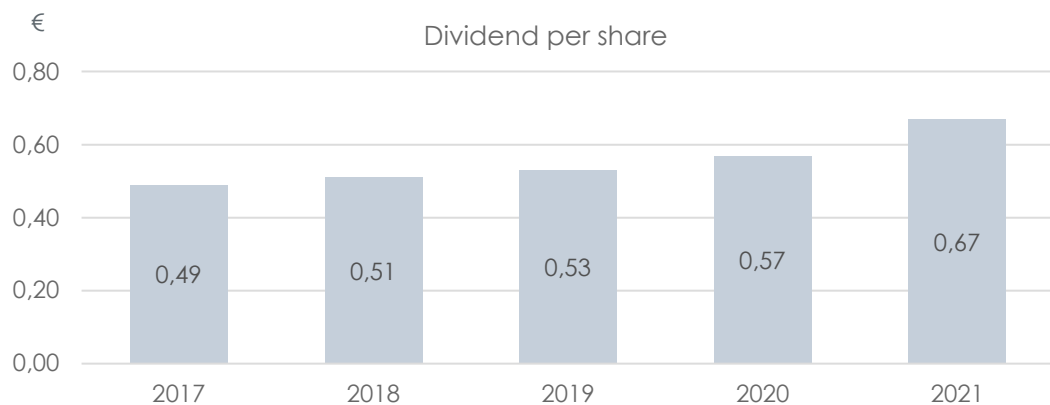
- Gearing at 18.4% (9.2) with the four-quarter rolling gearing being at 4.0% (17.9)
- Increased net interest-bearing liabilities was driven by decreased cash flow
- Financing on previous year-end level

EPS increased slightly, DPS on upward trend



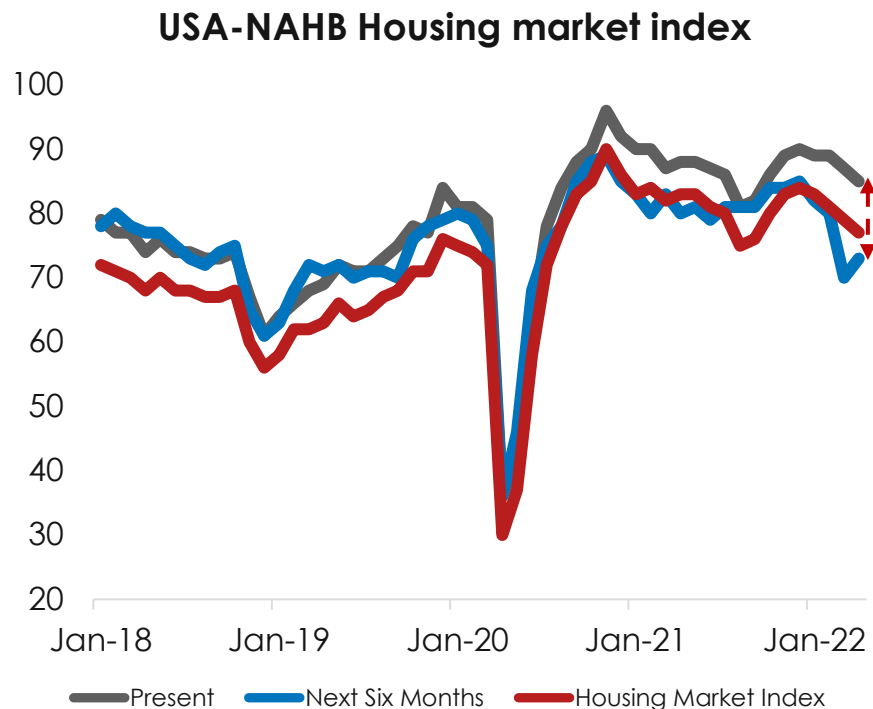
➤ Earnings per share, EPS, rose to €0.45 (0.43)

➤ The first instalment of the dividend for financial year 2021 €0.33 was paid in March 2022. The second instalment of €0.34 shall be paid in September 2022

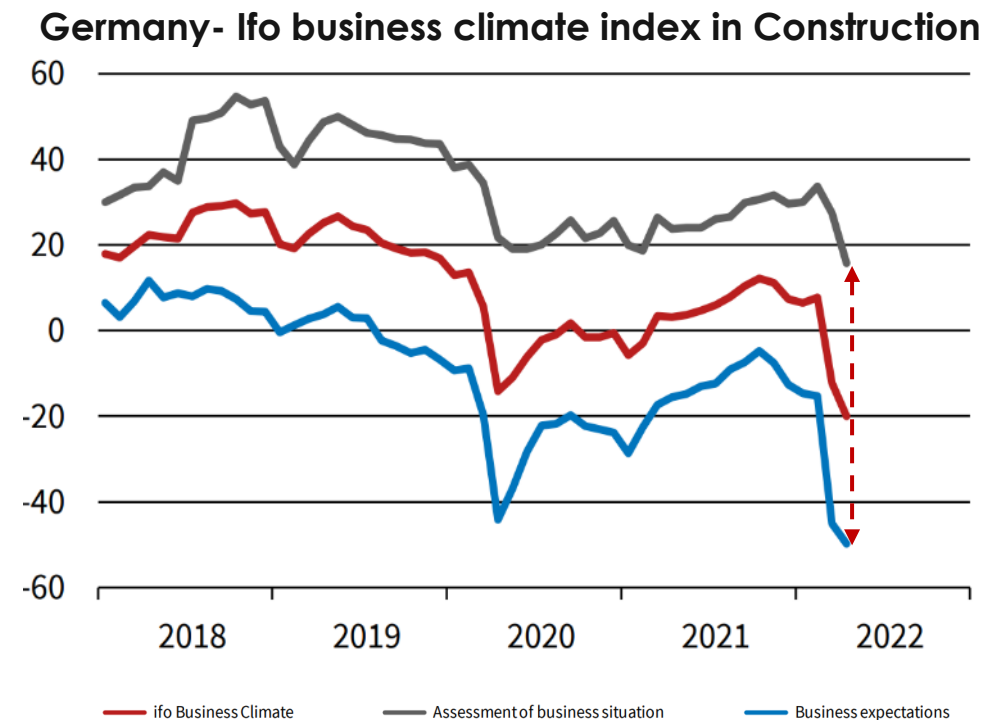


Builders' assessment of their current activity levels remains positive, while expectations for the future have weakened

According to Ifo Business Climate Index for Germany, the construction business climate plunged to its lowest value since May 2010. Business in this sector is burdened especially by bottlenecks in the materials supply



Source: The National Association of Home Builders, NAHB



Source: Ifo Institute

Short-term market outlook for Q2/2022

- Residential markets having solid levels of activity
- Non-residential markets stable
- Supply chain, labor, input costs and interest rate pressures
- Downside risks to the outlook have increased, due to geopolitical and monetary policy uncertainties

Guidance statement for 2022 (unchanged):

Excluding the impact of currencies, Uponor expects its net sales and comparable operating profit to increase from year 2021.

Increase indicates a growth of 2.5% or more.



The logo graphic consists of a central blue circle. Two large, dark blue, semi-transparent triangular shapes overlap the circle, forming a stylized 'X' or diamond shape that points towards the corners of the frame.

uponor

Moving > **Forward**

Appendix

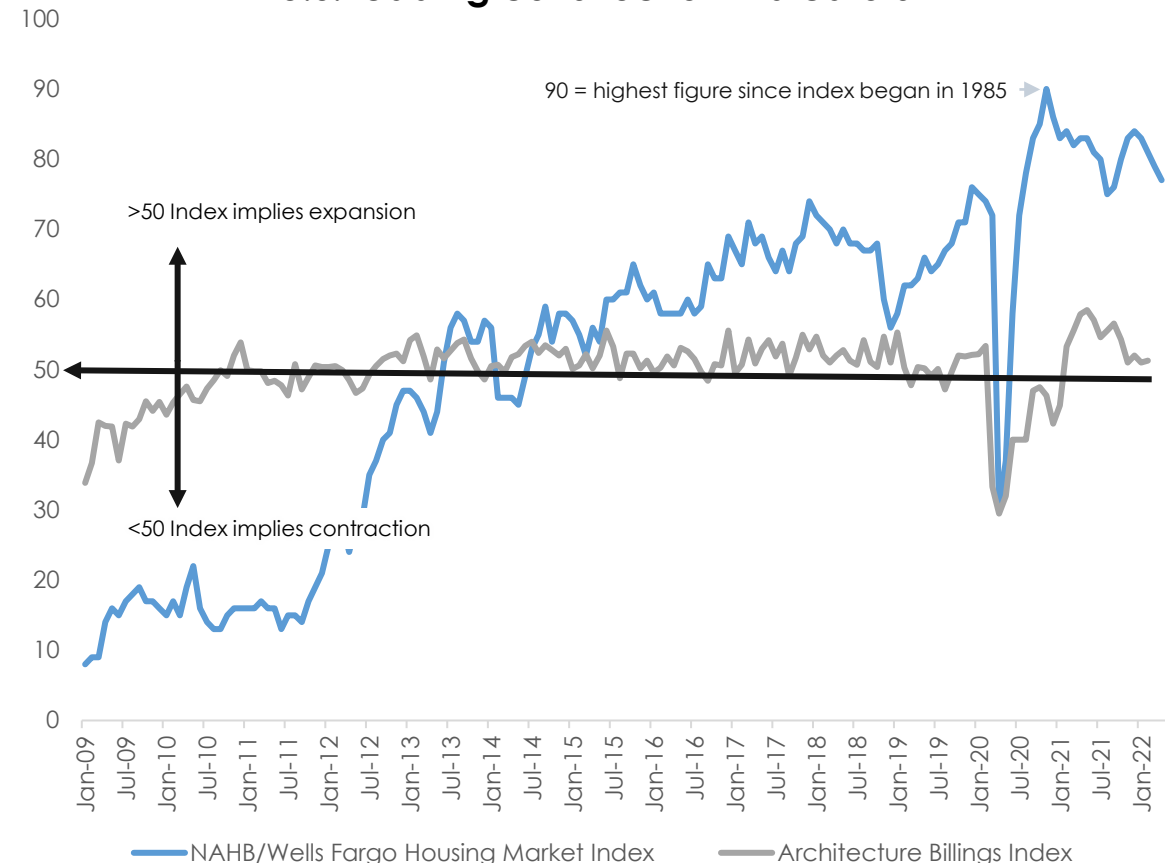
U.S.: Construction activity remained strong despite growing inflation and supply challenges

Supply bottlenecks and raw material shortages are driving inflation and dampening growth

In construction:

- Leading indicators remain positive, but have moderated
- Housing starts above 2021 levels
- Non-residential mixed, with lodging segment weak but commercial and offices strong

U.S. leading construction indicators

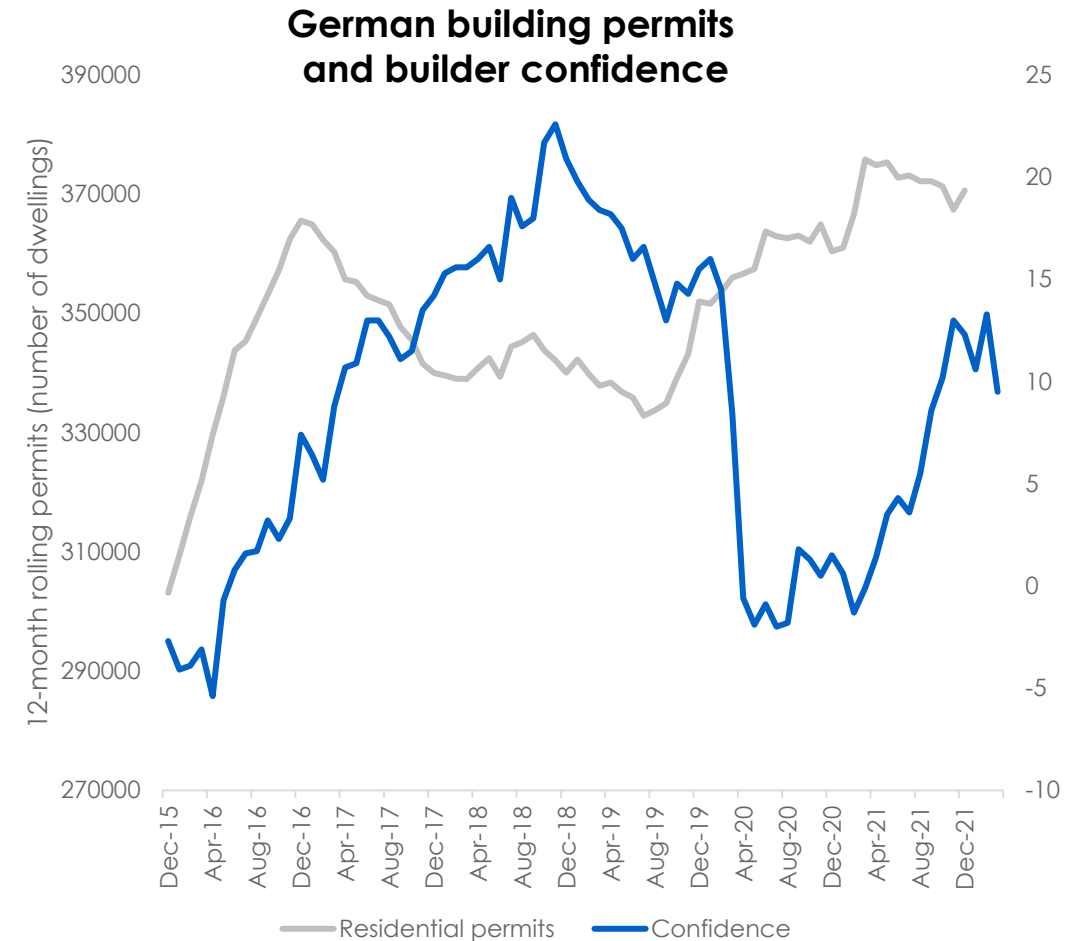


Germany: Construction activity still solid despite new and prevailing industry challenges

Supply chain challenges in the manufacturing industry have led to a slowing in the economy

In the construction industry:

- Residential building permit levels remain high
- Building activity and order books are solid
- Builder confidence weakened late in Q1 on increased uncertainty and price pressures



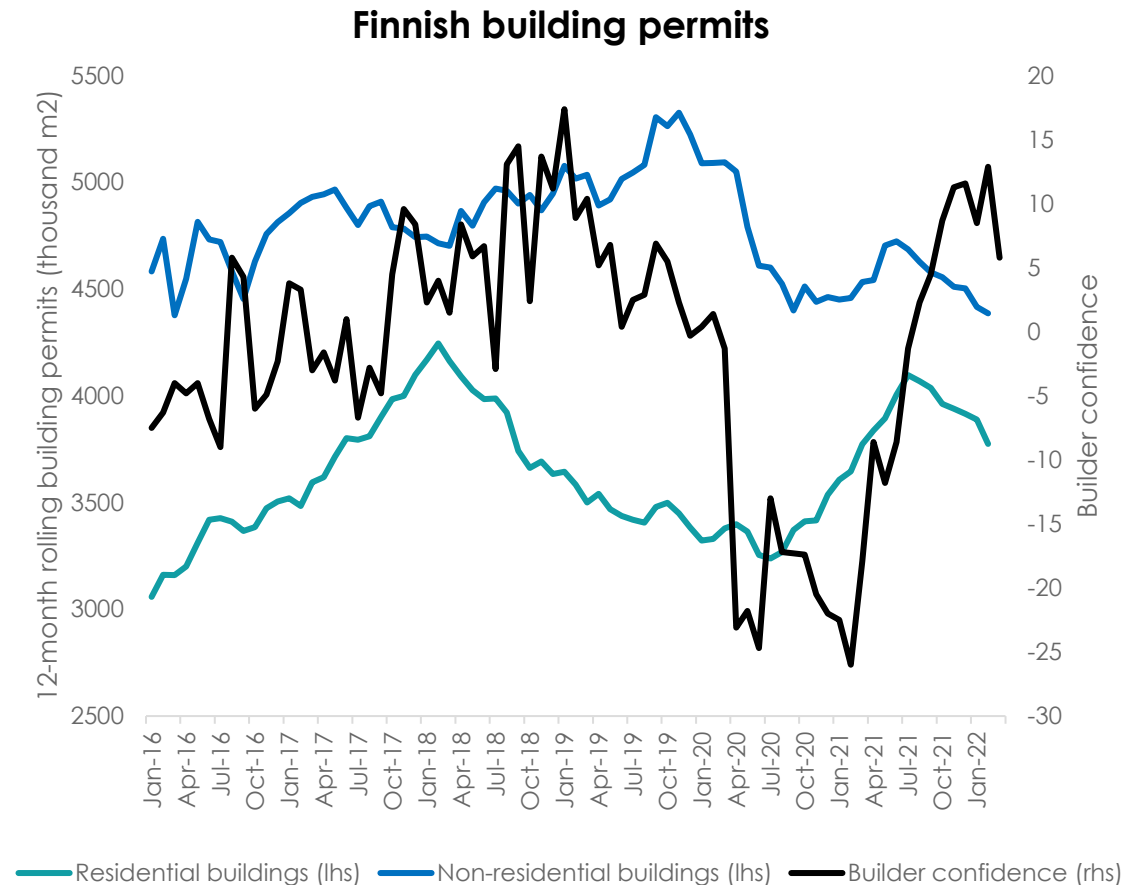
Source: Eurostat and Federal Statistical Office of Germany

Finland: Construction stable despite new era of uncertainty

The labour market is still solid but downside risks to the economy have risen substantially

Within the construction industry:

- Building activity and order books stronger than a year ago
- Building permit levels weaker in recent months
- Construction confidence high despite moderation in March



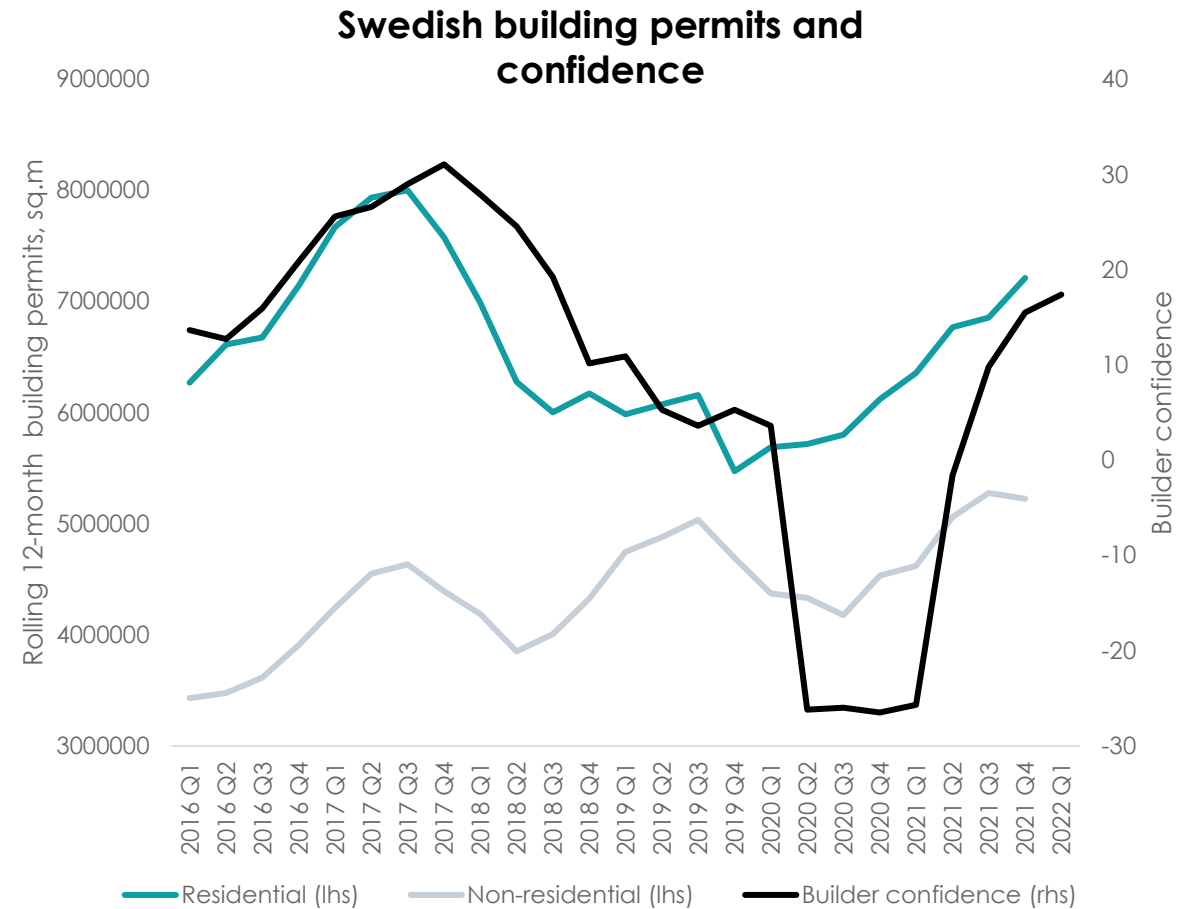
Source: Statistics Finland and Eurostat

Sweden: Solid construction activity despite headwinds

Economic growth solid but challenged by high core inflation and tightening monetary policy

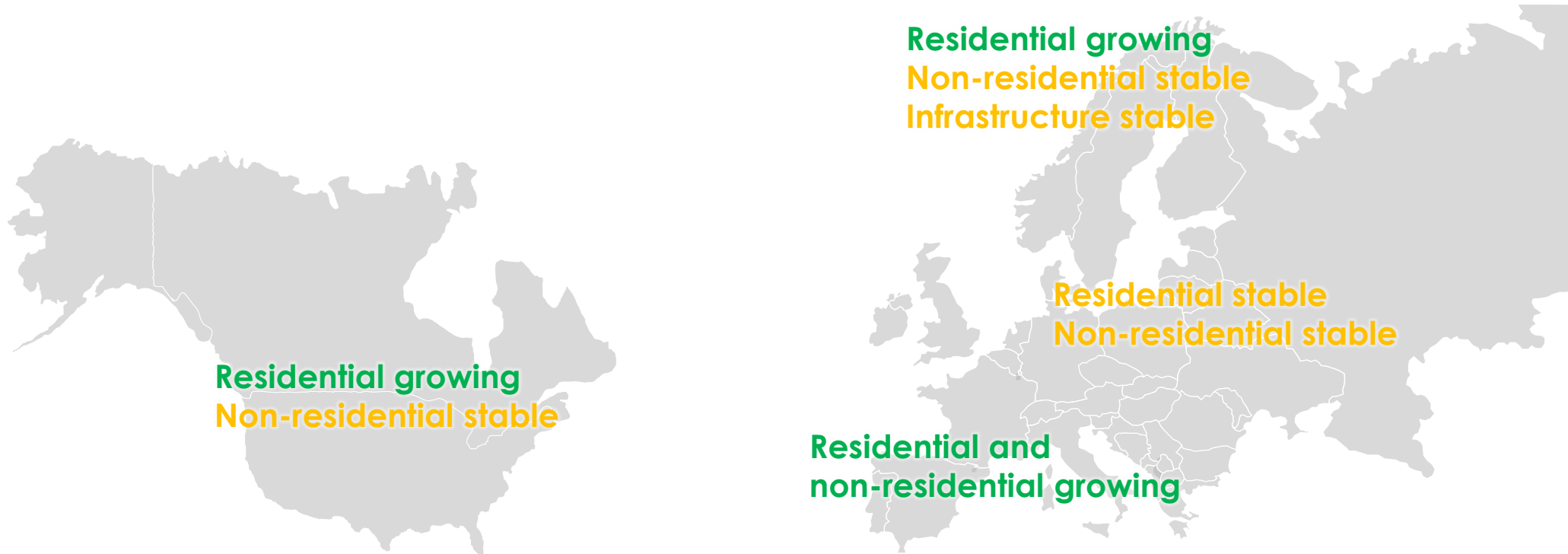
Within the construction industry:

- Residential and non-residential building permits solid
- Housing starts trending upward
- Builder confidence improved further despite inflation on labour constraints













Source: Statistics Sweden and Eurostat

Market outlook for Q2 2022



Q1 22: Leading residential indicators: Still solid overall, but some markets moderating from very high levels

	Indicator	YTD % Change	Rolling 12-month % Change	Data through	Trend since Q4 update
 USA	Housing starts	+4% ¹⁾	N/A	March 2022	↗
 Germany	Housing permits	+3%	+3%	December 2021	→
 Finland	Housing permits	-13%	+7%	January 2022	↘
 Sweden	Housing permits	+16%	+16%	December 2021	→
 Canada	Housing starts	-25% ¹⁾	N/A	March 2022	↘ Starts still high, but lower than 2021
 Netherlands	Housing permits	-15%	+10%	January 2022	→
 Denmark	Construction index	+8%	N/A	January 2022	→
 Poland	Housing completions	+0%	+6%	February 2022	→
 Spain	Housing permits	+20%	+30%	January 2022	→
 Norway	Housing starts	+4%	0%	February 2022	→

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

Source: National Statistics Offices

Q1 2022: Income statement

Uponor Group, M€	1-3 2021	1-3 2022	Change Y/Y	1-12 2021
Net sales	309.2	349.5	+13.0%	1,313.2
Cost of goods sold	184.2	215.8	+17.2%	828.5
Gross profit	125.0	133.7	+7.0%	484.7
Gross profit margin (%)	40.4%	38.3%	-2.2% pts	36.9%
Other operating income	0.2	0.1	-61.3%	0.9
Expenses	78.2	86.9	+11.1%	331.4
Operating profit	47.0	46.8	-0.3%	154.1
Operating profit margin (%)	15.2%	13.4%	-1.8% pts	11.7%
Comparable operating profit	48.8	47.2	-3.2%	161.7
Comparable operating profit margin (%)	15.8%	13.5%	-2.3% pts	12.3%
Financial expenses, net	2.8	1.0	-66.0%	7.9
Share of result in associated companies	-1.0	0.1	-107.5%	-6.4
Profit before taxes	43.2	45.9	+6.4%	139.8
Profit for the period	31.7	33.3	+4.9%	103.4
EBITDA	59.2	59.8	+0.9%	203.3

Q1 2022: Balance sheet

Uponor Group, M€	31 Mar 2021	31 Mar 2022	Change Y/Y
Property, plant and equipment	264.1	295.6	31.5
Intangible assets	96.1	113.0	16.9
Securities and long-term investments	14.4	7.9	-6.6
Inventories	141.4	210.4	69.0
Cash and cash equivalents	168.6	31.0	-137.6
Other current and non-current assets	279.2	309.3	30.1
Assets total	963.8	967.2	3.4
Total equity	414.2	466.8	52.6
Non-current interest-bearing liabilities	193.0	101.7	-91.3
Provisions	39.3	45.5	6.2
Non-interest-bearing liabilities	303.8	337.9	34.1
Current interest-bearing liabilities	13.5	15.2	1.7
Shareholders' equity and liabilities total	963.8	967.2	3.4