

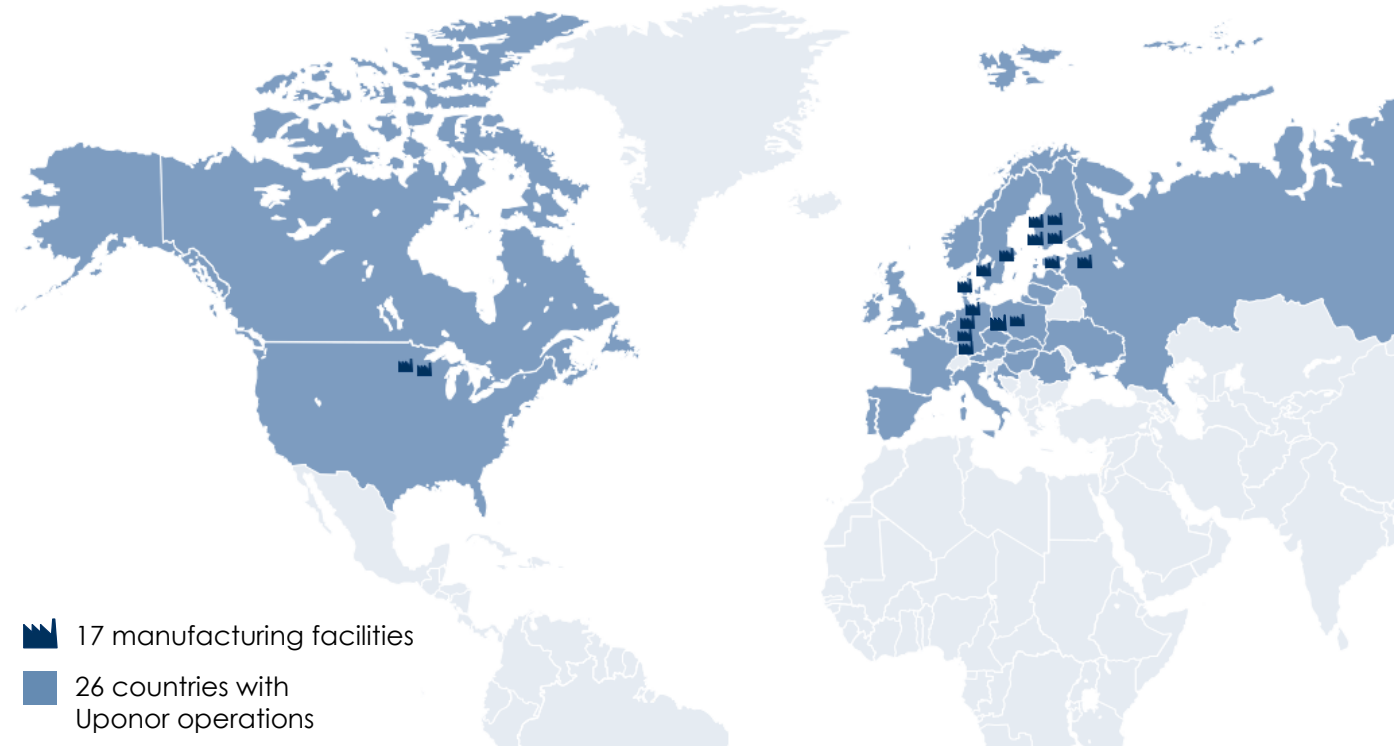
Uponor roadshow presentation FY2021

uponor

Michael Rauterkus, President and CEO
Markus Melkko, CFO

Uponor in a minute

Uponor is rethinking water for future generations. Our offering, including safe drinking water delivery, energy-efficient radiant heating and cooling and reliable infrastructure, enables a more sustainable living environment. We are listed on Nasdaq Helsinki.



Key figures 2021

3,900 — personnel on average

€1.3 — billion net sales

~75 — Countries where our products are sold

Meeting today's challenges with game-changing innovations – for more than 100 years

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

1918



Swedish Wirsbo starts to manufacture the unique and innovative PEX pipe for heating and plumbing applications first in the world.

1972



Uponor enters the plastic hot water pipe business by acquiring German company Hewing and Swedish company Wirsbo.

1987–88



Uponor consolidates all business under one brand.

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2006

The first plastic factory, Upo-Muovi starts in Nastola, Finland, and launches its first plastic pipes and fittings.



1965



1986

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



1991

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

PURPOSE

Rethinking water for future generations



VISION

To become a recognised leader in sustainable building and infrastructure solutions



Our strategy of profitable growth is based on four pillars

Employees	Customers	Innovations	Operational excellence
<p>We invest in competence development and creating equal opportunities.</p> <p>Our employee engagement survey eNPS (employee Net Promoter Score) was 36, which is among the top 10% in the manufacturing industry.</p>	<p>We are creating new digital ways of interacting with our customers, such as virtual product launches and training academy.</p>	<p>Innovative products and services add value and enable our customers to work more efficiently.</p> <p>New products like Ecoflex VIP, Ultra Rib 2 sewer system and total polymer offering, demonstrate our passion for driving the business forward.</p>	<p>Our operational excellence programme has generated savings worth €21 million by the end of Q4/2021.</p> <p>The programme has reduced complexity and harmonised processes.</p>

Our business

Megatrends transform our markets and support our growth ambition

Megatrends	Climate change, scarcity of resources	Urbanisation	Digital transformation
Implications to Uponor	Energy and raw material efficiency Hygiene and quality of water Management of water	Demand for multi-family homes Offsite construction with prefabricated solutions	Shift from manufacturing to services and solutions Building information modeling (BIM)
Example indicators	Short term: Building permits and starts, builder confidence index, GDP development Long term: Population growth, building stock, government policies		

We deliver high-quality solutions for selected customer segments

Applications



Competitive advantages

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

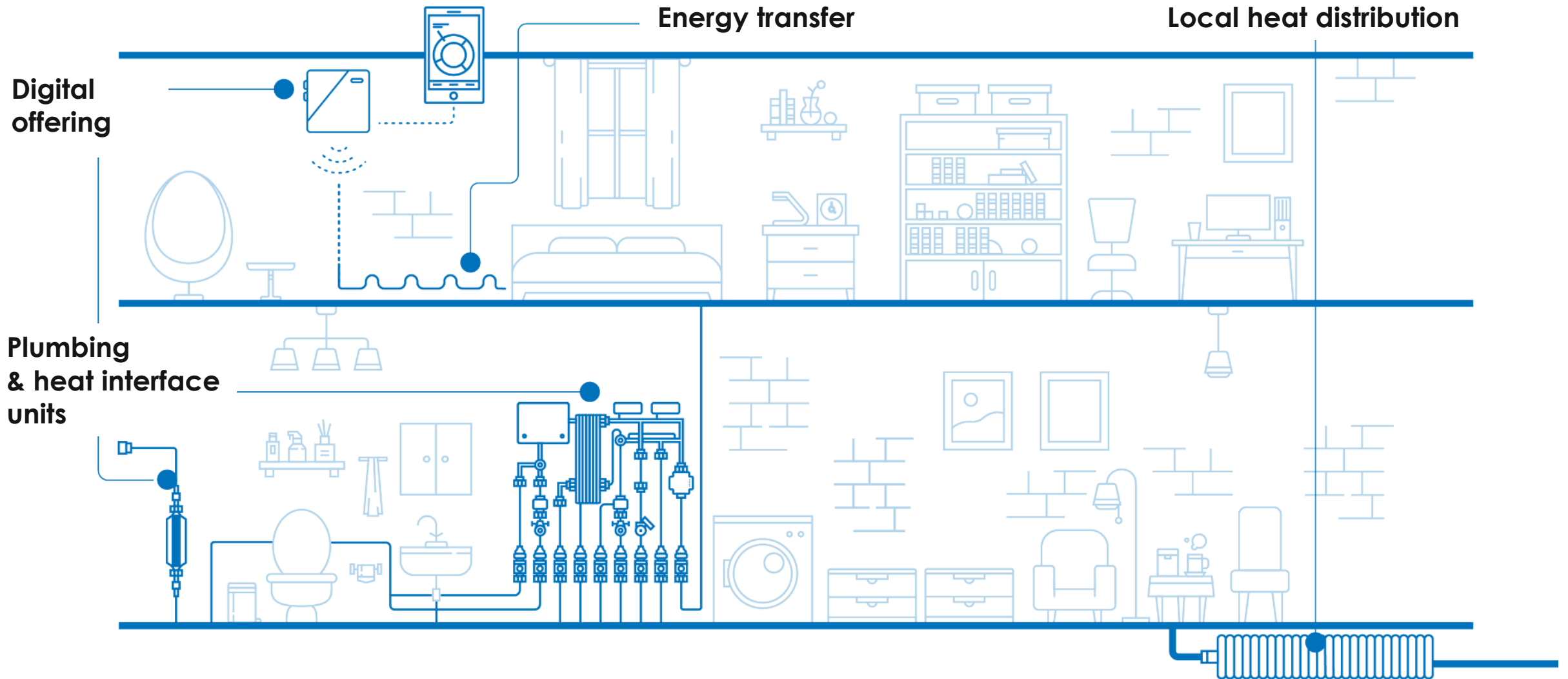
Main sales channel

Distributor chains

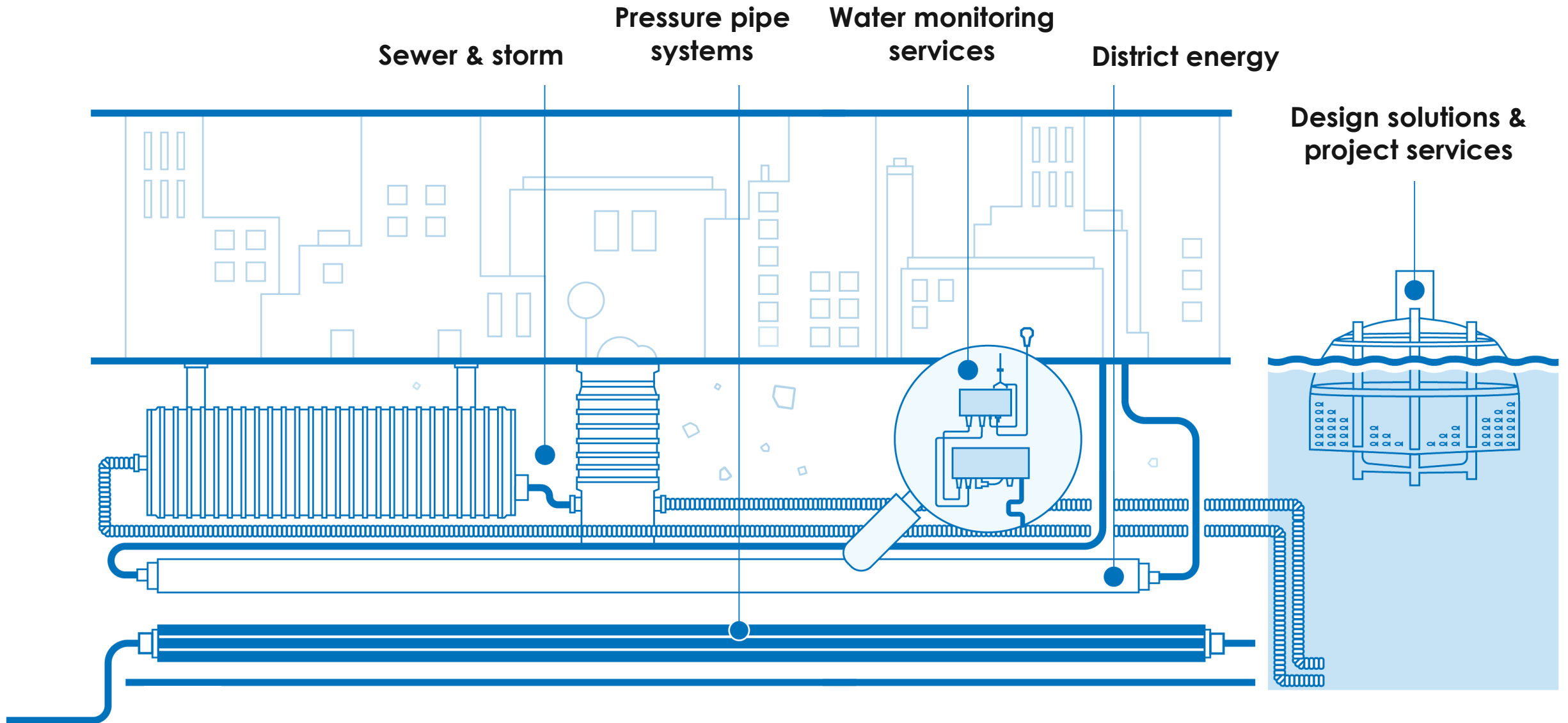
Key customer segments



Sustainable building solutions



Sustainable infrastructure solutions



Our approach to sustainability

Our sustainability agenda is built on selected UN SDG's



Conserve water

- We safeguard water quality
- We improve water management
- We reduce the use of fresh water
- We increase the utilization of secondary water



Value people

- We strive towards zero accident
- We promote diversity and inclusion
- We give our employees opportunities to learn and grow
- We increase transparency in the supply chain



Protect and reuse resources

- We support the transition to a circular economy
- We lead our industry in the transition to renewable, waste-based and recycled raw materials
- We provide full transparency on the environmental footprint of our products.



Act for climate

- Reduce absolute scope 1 and 2 GHG emissions by 46% by 2030
- Reduce absolute scope 3 GHG emissions from purchased goods and services and upstream transportation and distribution by 14% by 2030
- All purchased electricity to be renewable by 2025

Moving our sustainability agenda forward

	Unit	2020	2021	Change
Net sales	M€	1,136.0	1,313.2	+15.6%
Total energy consumption	1,000 MWh	206.6	227.0	+9.9%
Raw materials	1,000 tonnes	157.1	163.1	+3.8%
Water consumption	1,000 m3	139.0	146.9	+5.7%
Total GHG emissions (Scope 1)	1,000 tonnes CO2	6.4	6.3	-1.6%
Total GHG emissions (Scope 2)	1,000 tonnes CO2	14.8	4.1	-72.3%
Total waste	1,000 tonnes	15.9	18.0	+13.2%
Incident rate (LTIF)	per million work hours	7.5	4.8	-36.0%

- Growth in production volumes impacted energy consumption, raw materials and the amount of total waste
- The decrease in Scope 2 was driven by an increase in the purchase of green electricity
- Good progress in LTIF



Our new renewable products

- In Q3/2021, Uponor Infra launched its first sewer pipe utilising renewable material
- In Q1/2022, Uponor will launch its first PEX pipes utilising renewable material in Europe
- 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

BLUE
IS THE NEW
GREEN

We support our customers to 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 86%* 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

Invest in Uponor

Why invest in Uponor

THE BUSINESS

Sustainable building and infrastructure solutions

Safe drinking water delivery and energy-efficient heating and cooling continue to be essential needs in built environments

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

A leading supplier for residential and commercial construction for drinking water delivery and radiant heating and cooling systems; and a strong position in infrastructure piping systems in northern Europe

Established brand with a broad and loyal customer base

Well maintained manufacturing network with capacity to grow

Continuous material and production technology development to support operational efficiency

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



Financial performance in line with long-term targets

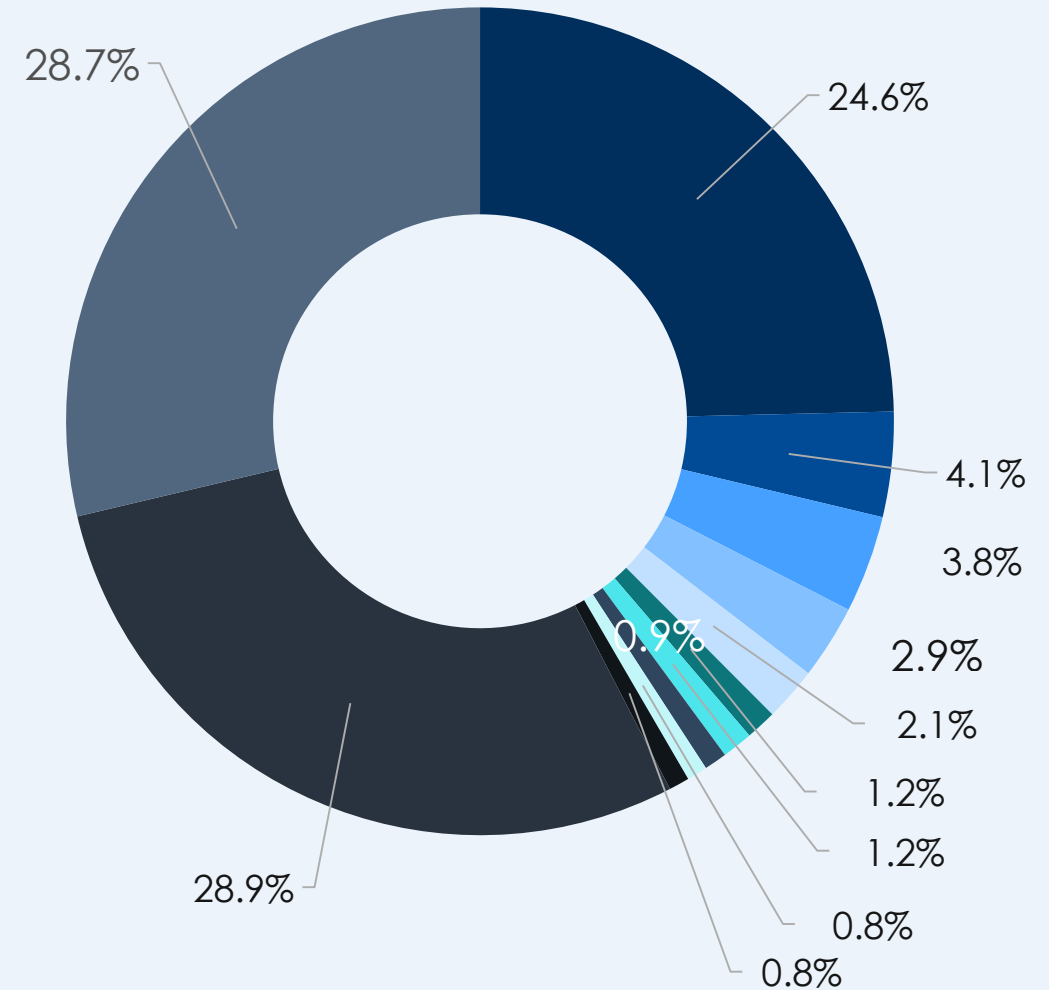
	Target	Achievement in 2021
Growth	Organic net sales growth to exceed annual GDP growth* by 3 ppt <i>* (GDP growth based on a weighted average growth in the top 10 countries)</i>	15.6% (GDP growth 2021E: 7.5%)
Comparable operating profit margin	To exceed 10%	12.2%
Dividend pay-out	To be at least 50% of annual earnings	50.4%
Gearing	To stay within 40-80% As an annual average of the quarters	4.3%
Return on investment	To exceed 20%	24.7%



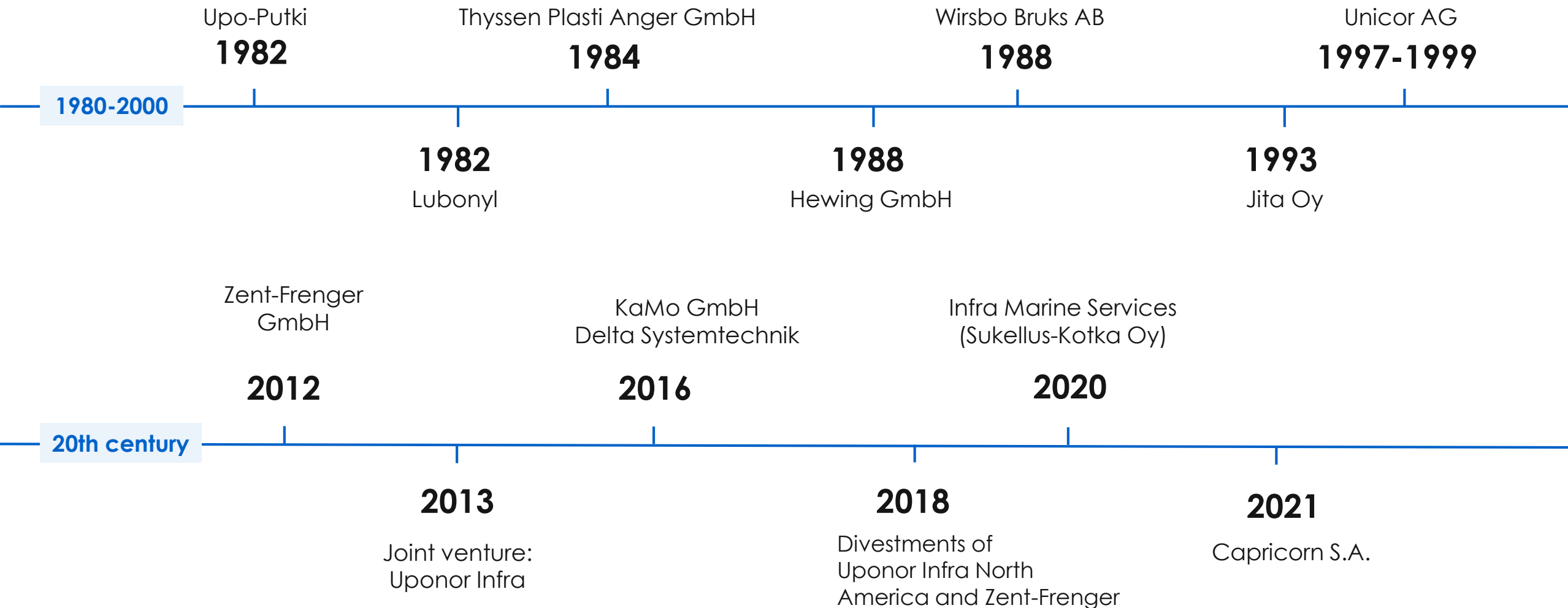
Major shareholders as of 31 December 2021

- Oras Invest Ltd 24.6%
- Varma Mutual Pension Insurance Company 4.1%
- Nordea Nordic Small Cap Fund 3.8%
- Ilmarinen Mutual Pension Insurance Company 2.9%
- Mandatum Life Insurance Company Ltd. 2.1%
- Sigrid Jusélius Foundation 1.2%
- Pekka Paasikivi 1.2%
- The State Pension Fund 0.9%
- Jukka Paasikivi 0.8%
- Pertti Paasikivi 0.8%
- Nominee registrations 28.9%
- Others 27.7%

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



Uponor has a long history with M&As



Our business divisions



Building Solutions – Europe

Net sales €499.5 million

Personnel 1,880

Market area Europe and European Russia

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



Building Solutions – North America

Net sales €389.1 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



Uponor Infra

Net sales €252.0 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

Financial results briefing 1–12/2021

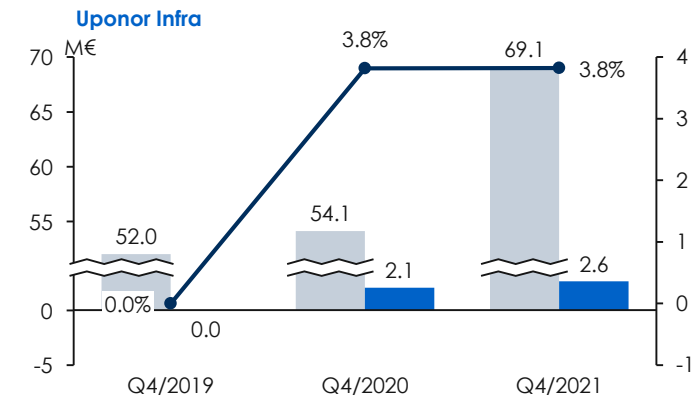
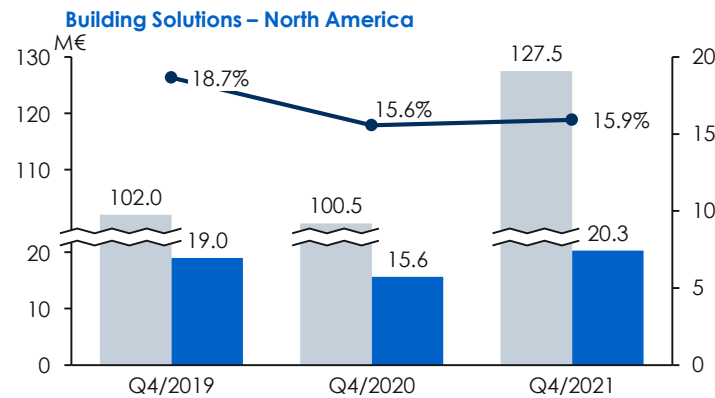
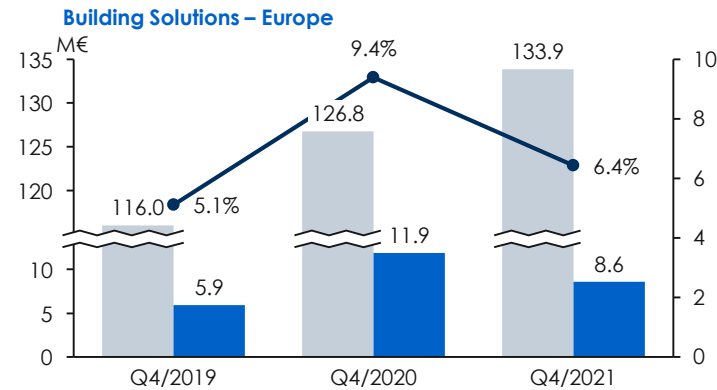
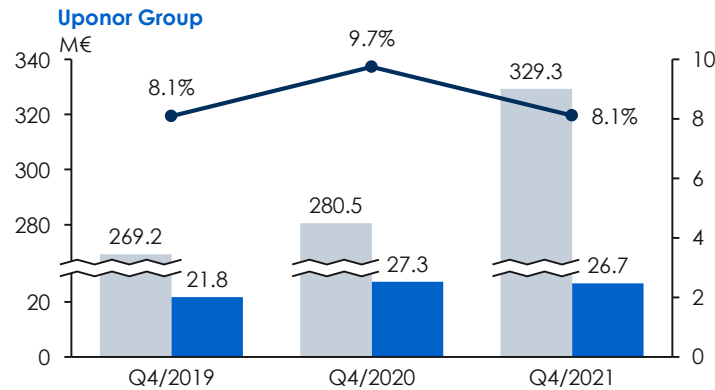
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Highlights of Q4

- Net sales were €329.3 (280.5) million, a growth of 17.4%.
- Comparable operating profit was €26.7 (27.3) million, a decrease of 2.3%.
- Building Solutions – North America and Uponor Infra increased both net sales and comparable operating profit.
- Building Solutions – Europe's comparable operating profit decreased, which was due to higher input costs, decreased sales volumes, phasing of maintenance and repair as well as investments in marketing activation.

Q4 2021: Group's net sales growth was strong at +17.4%, profitability was burdened by higher input costs



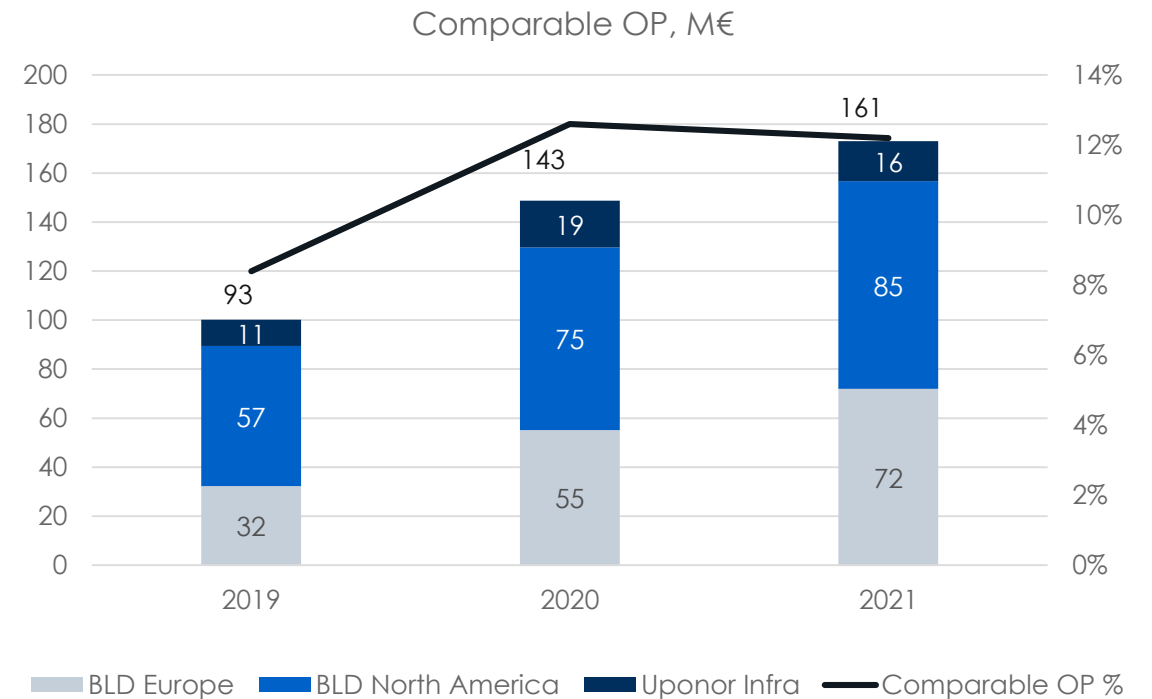
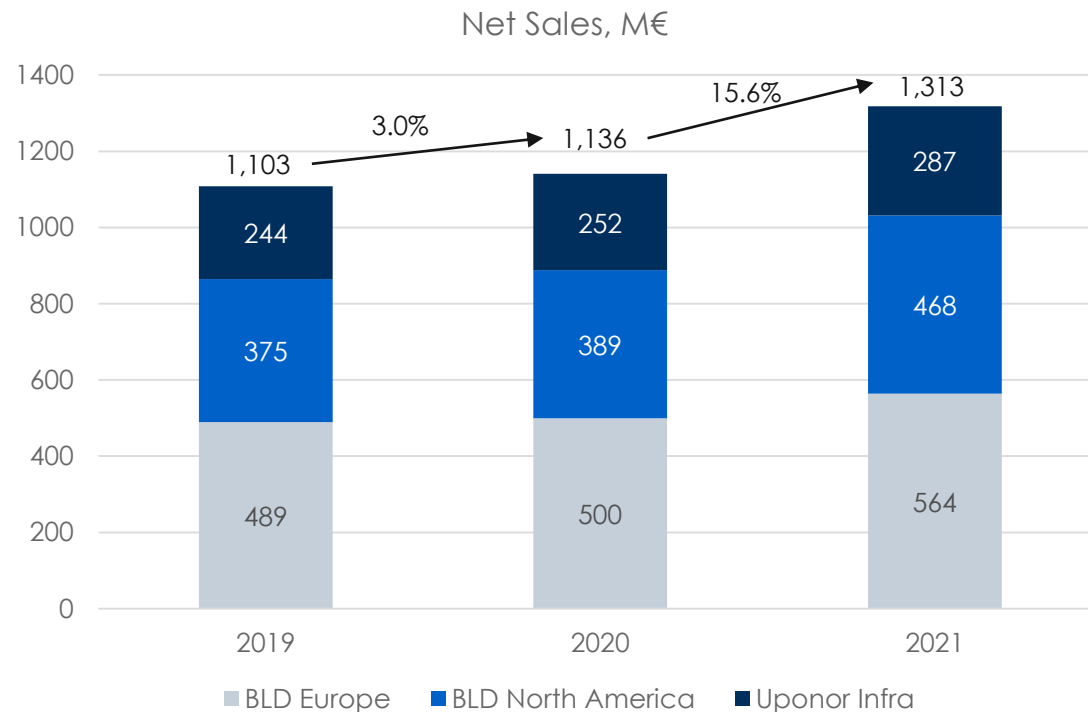
■ Net Sales, M€ ■ Comparable operating profit, M€ ● Comparable OP margin (%)

2021: Strong net sales growth in all divisions

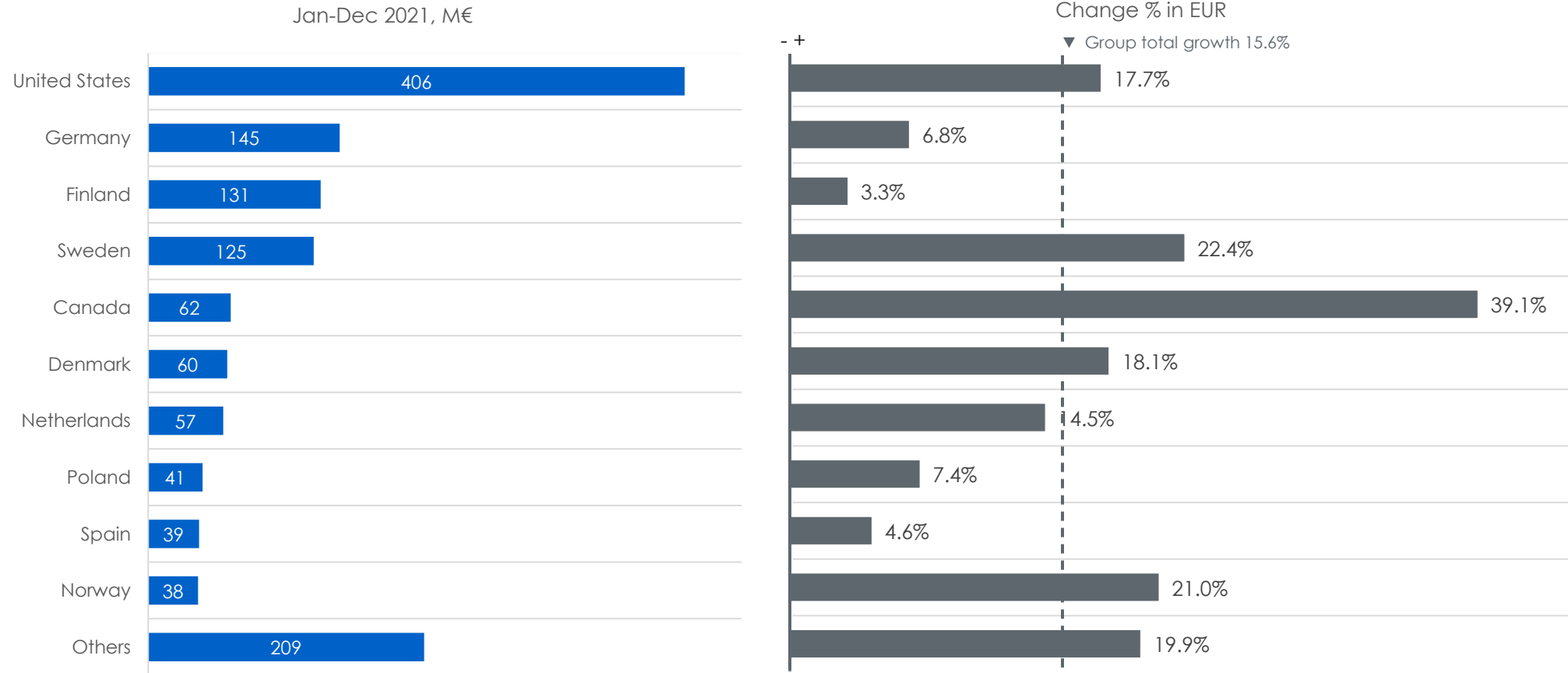
- Net sales were €1,313.2 (1,136.0) million, a growth of 15.6%.
- Comparable operating profit was €160.5 (142.7) million, a growth of 12.5%.
- Building Solutions divisions increased their comparable operating profits.
- The one of the first building material company to receive approval from the Science Based Targets initiative for GHG emission reduction targets in April.
- The acquisition of Capricorn S.A., a Polish manufacturer of components for heating and sanitary installations, was completed in October.



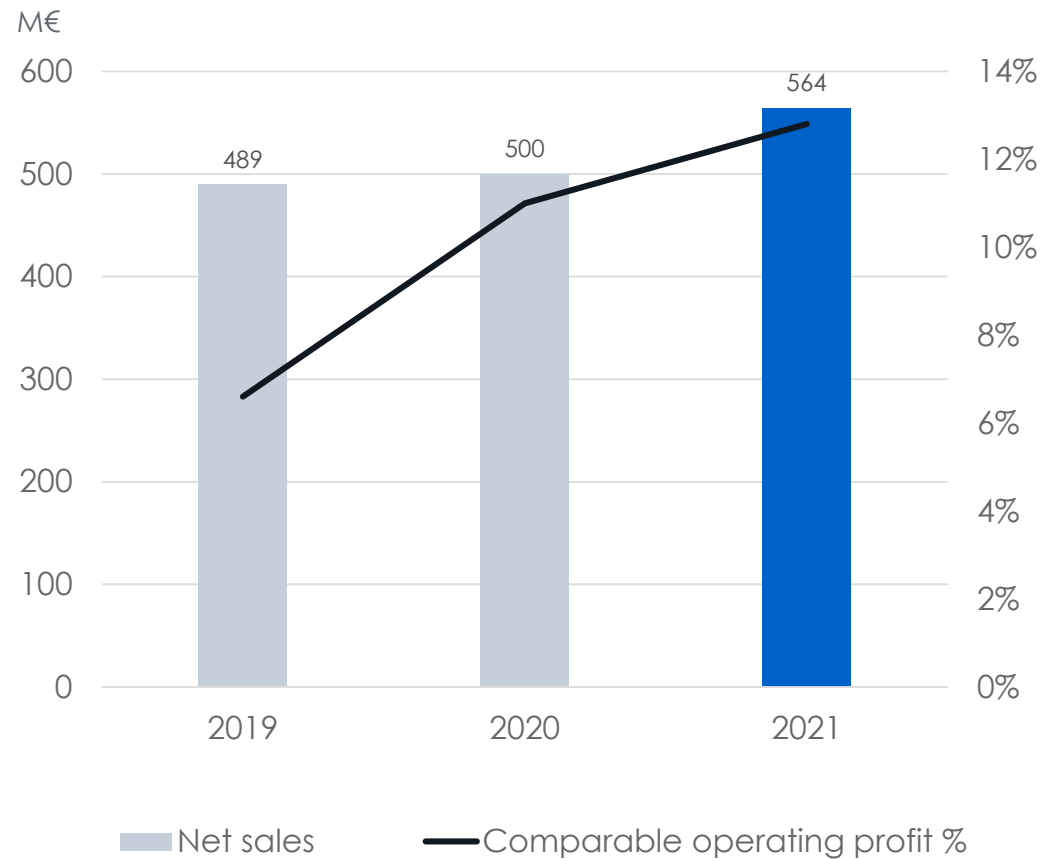
A record year in both net sales and operating profit in a very volatile market environment



Net sales grew in all key markets in 2021



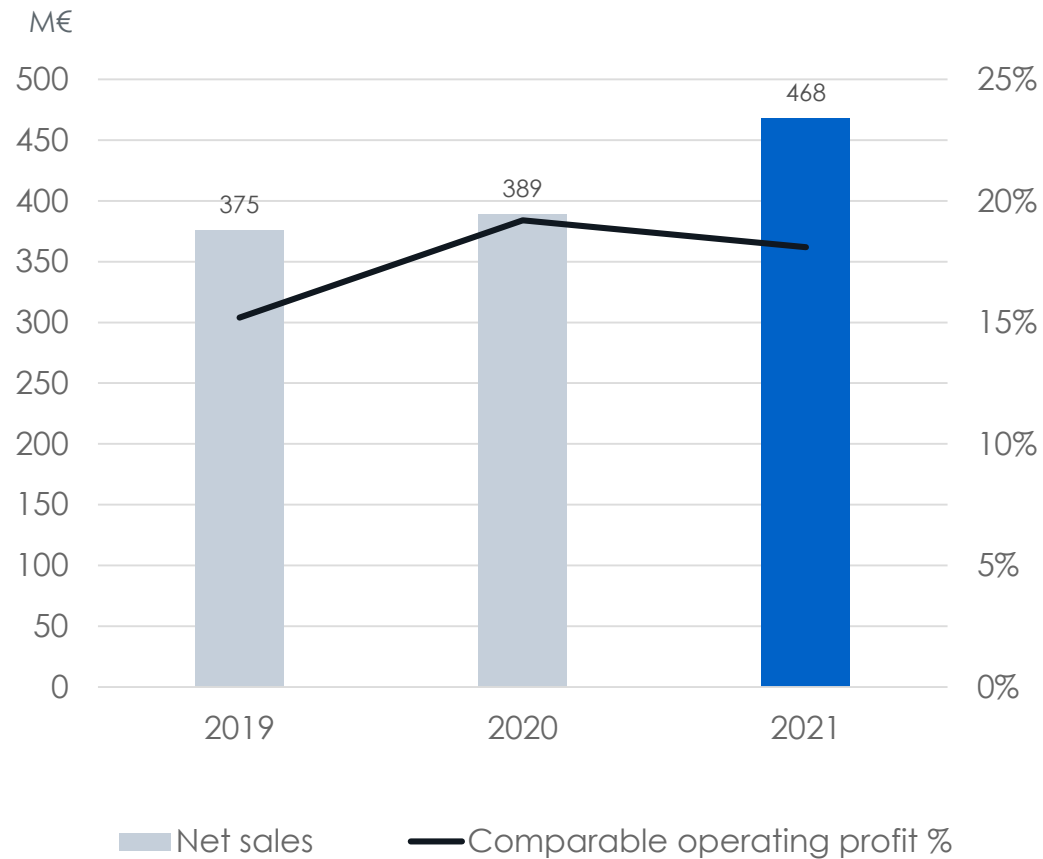
Building Solutions – Europe: Development in 2021



- Despite the decrease in Q4, the full year resulted in a growth of 30.6% in comparable OP.
- Improvements were driven by higher volumes, price increases and savings generated by the operational excellence programme.
- Positive net sales development was driven by growth in Germany, the Netherlands and Sweden.



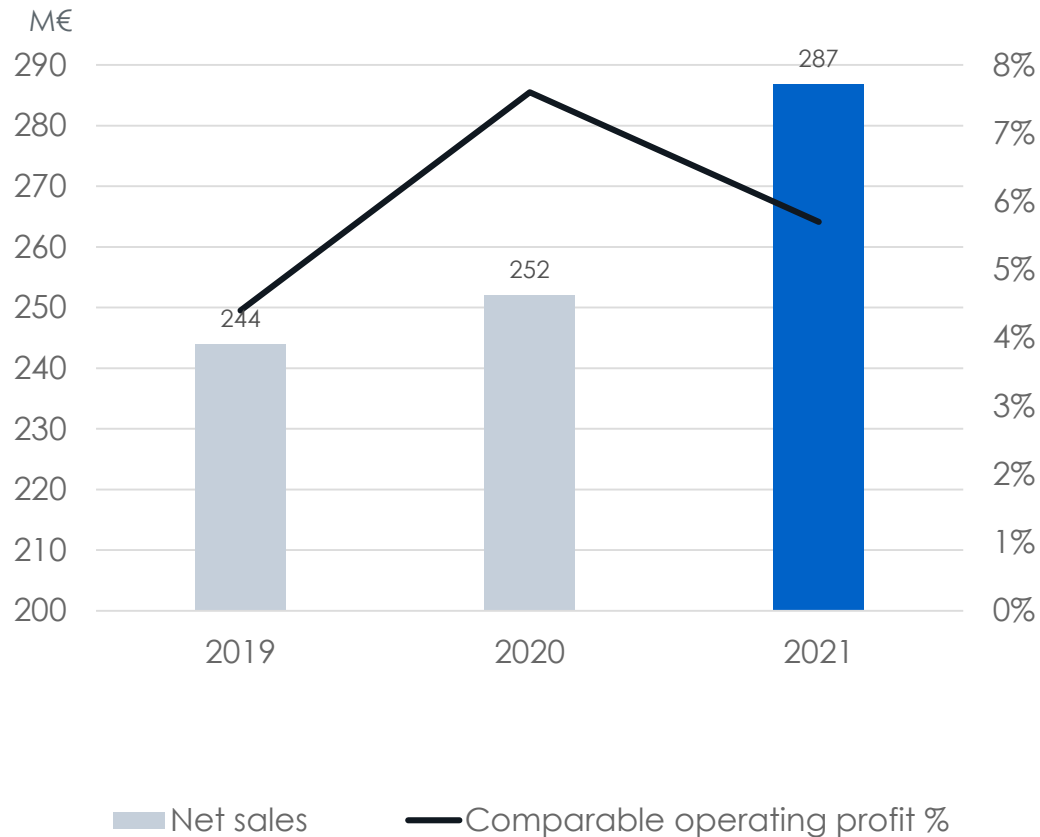
Building Solutions – North America: Development in 2021



- The growth of net sales was driven by volume growth and price increases in both the U.S. and Canada.
- Strong operational performance, higher volumes and price increases all contributed to the increase in operating profit despite higher input costs and supply shortages.



Uponor Infra: Development in 2021



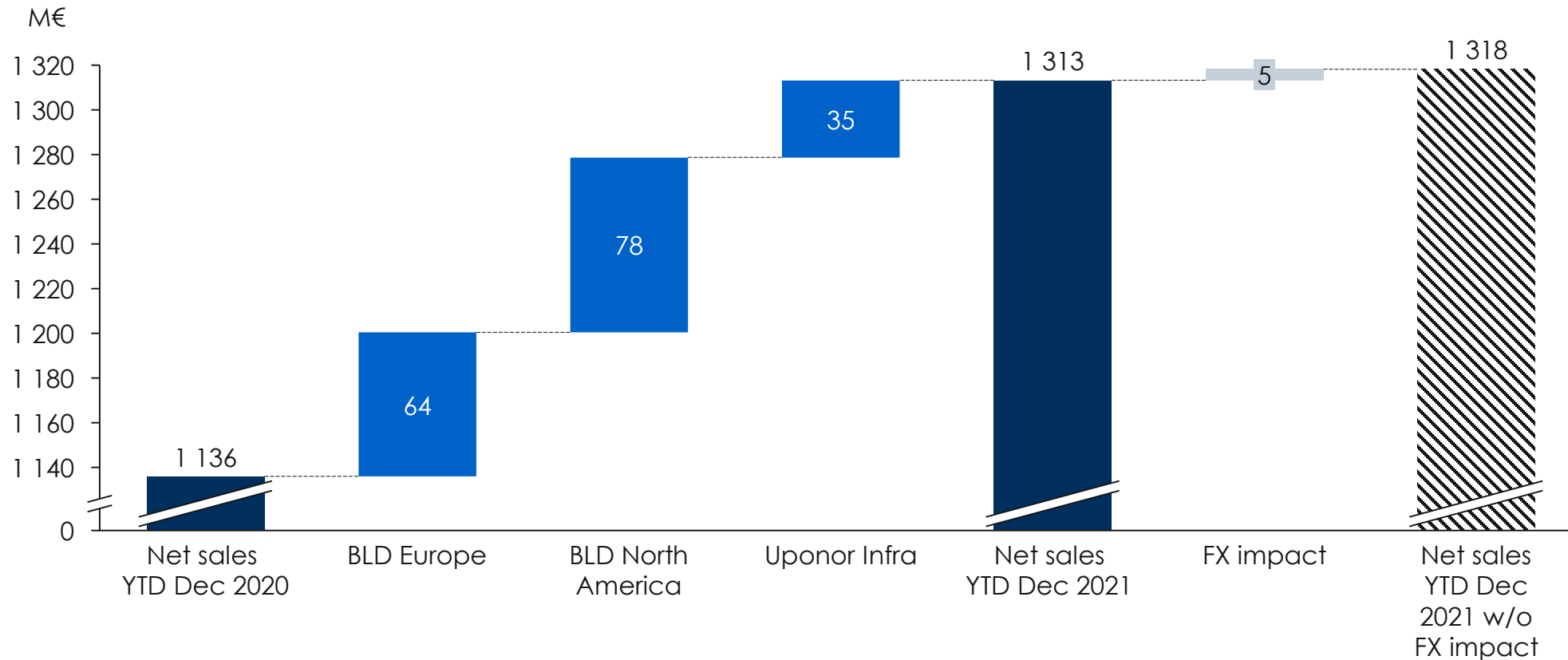
- Net sales increased in Finland, Norway and Sweden, in particular. Net sales increased slightly in designed solutions sales.
- The profitability decrease was due to higher input costs, which were not fully compensated by price increases.



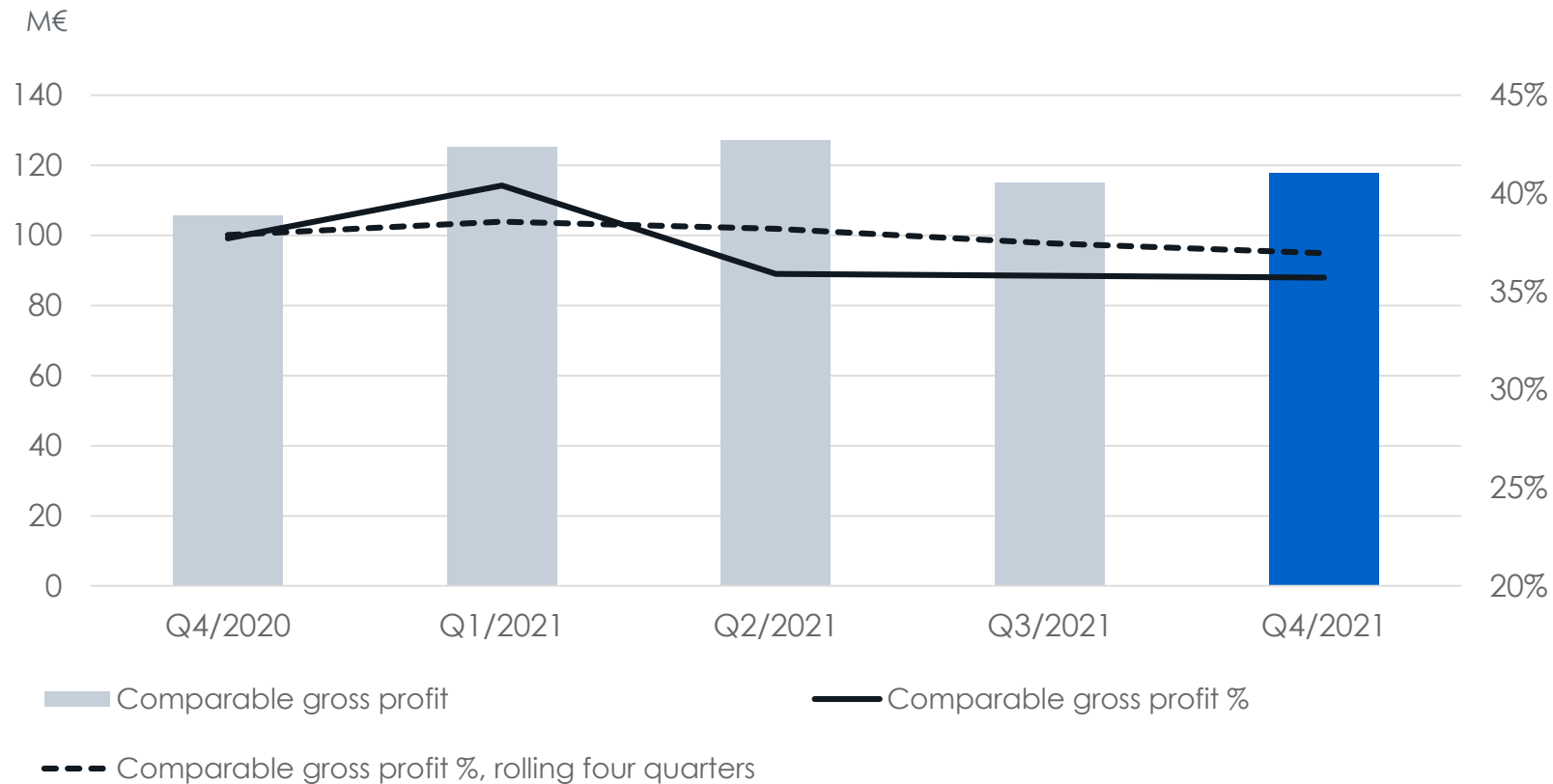
Markus Melkko, CFO

Financial statements

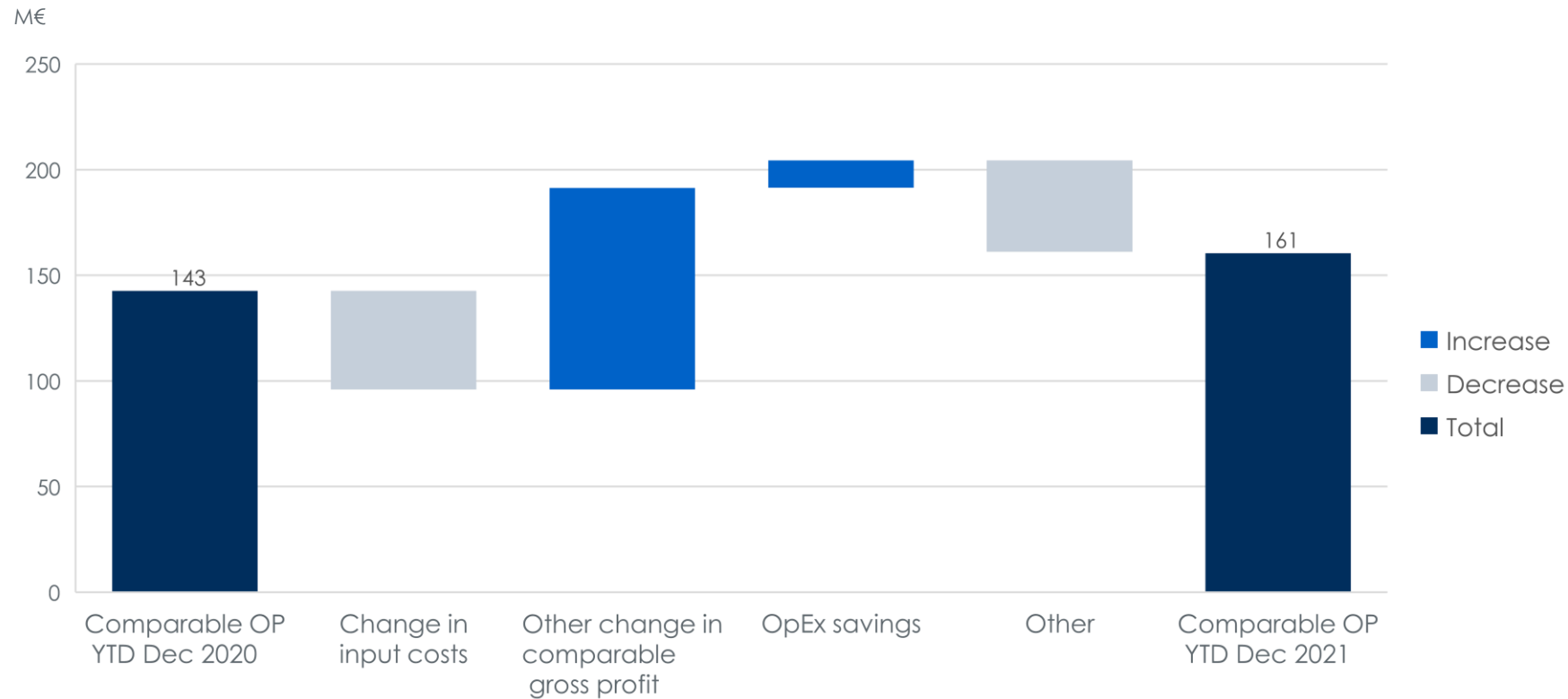
Strong net sales was driven by increases in sales volumes and prices



Increased input costs continued to impact gross profit margin

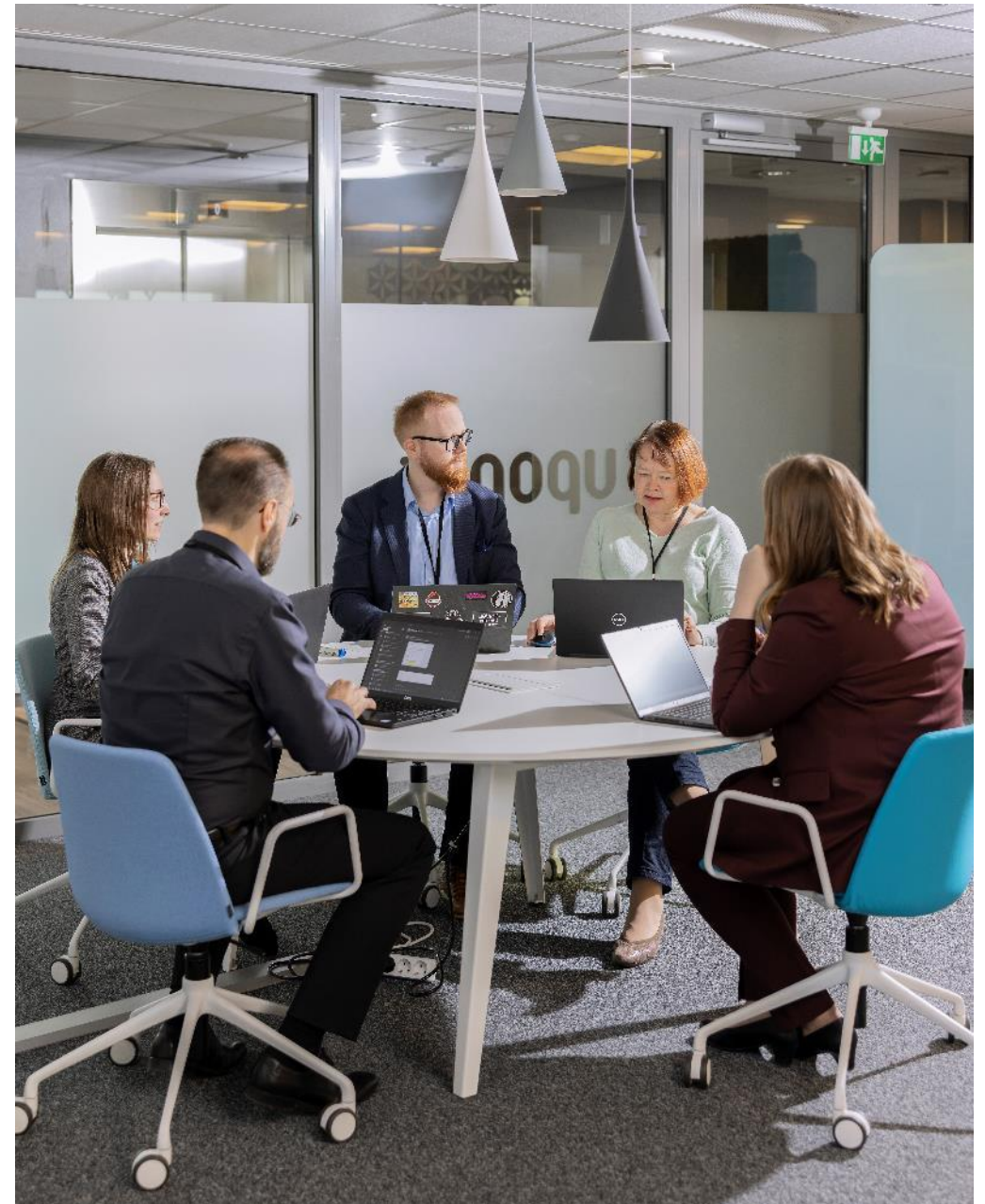


Sales volumes, good operational performance and price increases drove the positive development in comparable operating profit

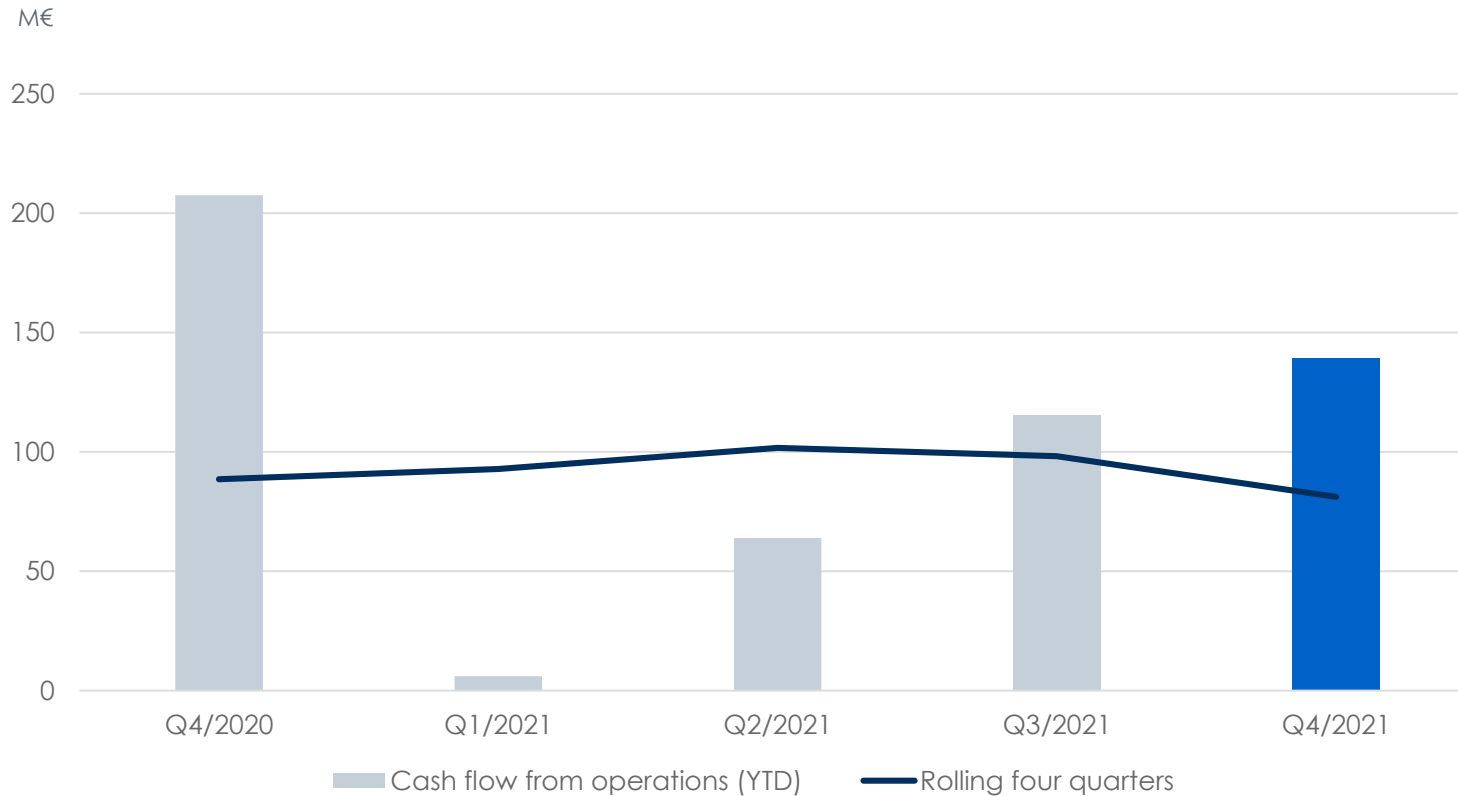


Progress of the operational excellence programme

- During 2021, the programme generated savings of approximately €13 million.
 - The total generated savings under the programme are approximately €21 million by the year end.
- During 2021, €5.4 million was recorded as items affecting comparability.
 - In total, €17.2 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.



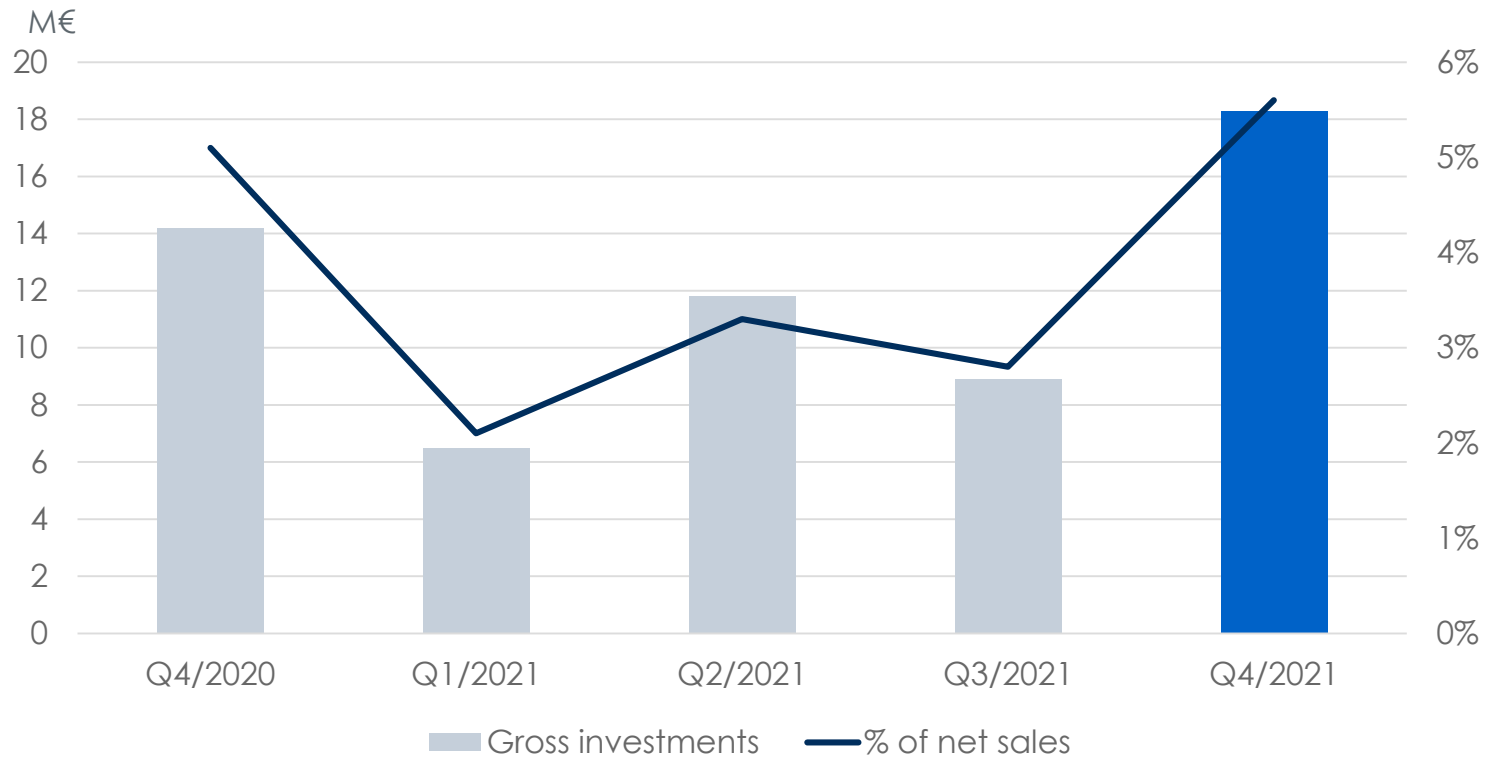
Operative cash flow strong, but higher investments and operative net working capital impacted the y-o-y comparison



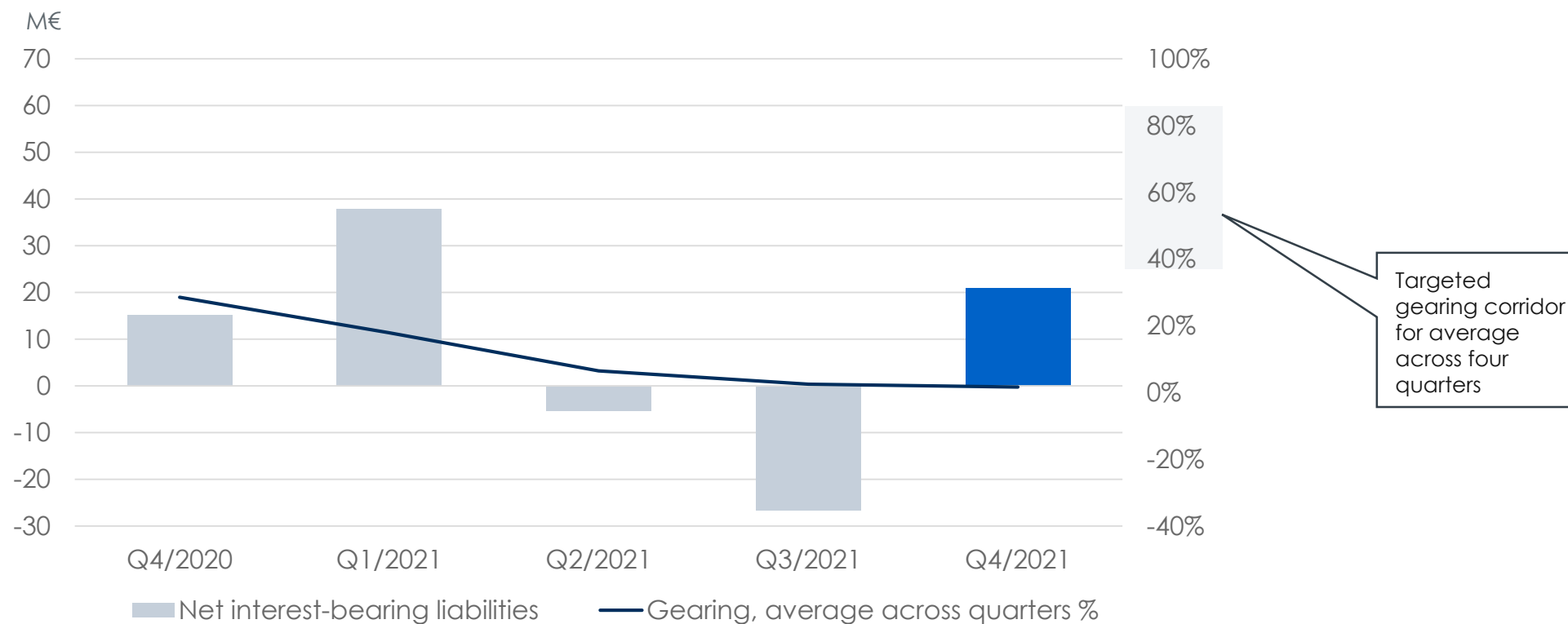
► Operative net working capital highlights:

- During 2021, inventory levels have returned to healthier levels.
- Trade receivables increased due to net sales growth.
- Payables increased along with growth and inflation.

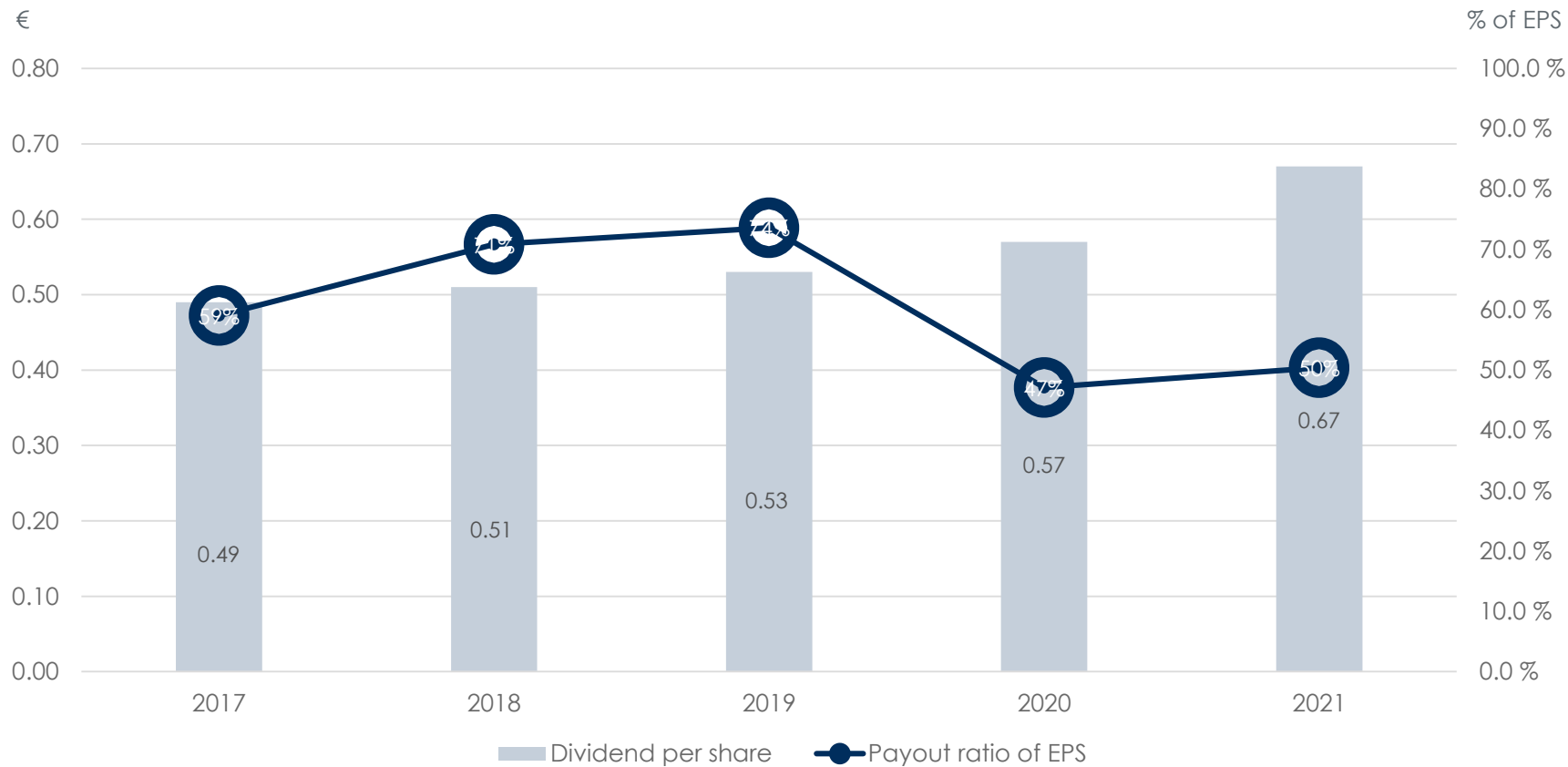
Investments were mainly related to North American capacity expansions, maintenance and efficiency improvements



Net interest-bearing liabilities were higher than last year – average gearing continued to decrease to 1.7%



Dividends and payout ratio



The Board's dividend proposal: €0.67 (0.57) per share, of which €0.33 will be paid in March 2022 and €0.34 is planned to be paid in September 2022.

Michael Rauterkus, President & CEO

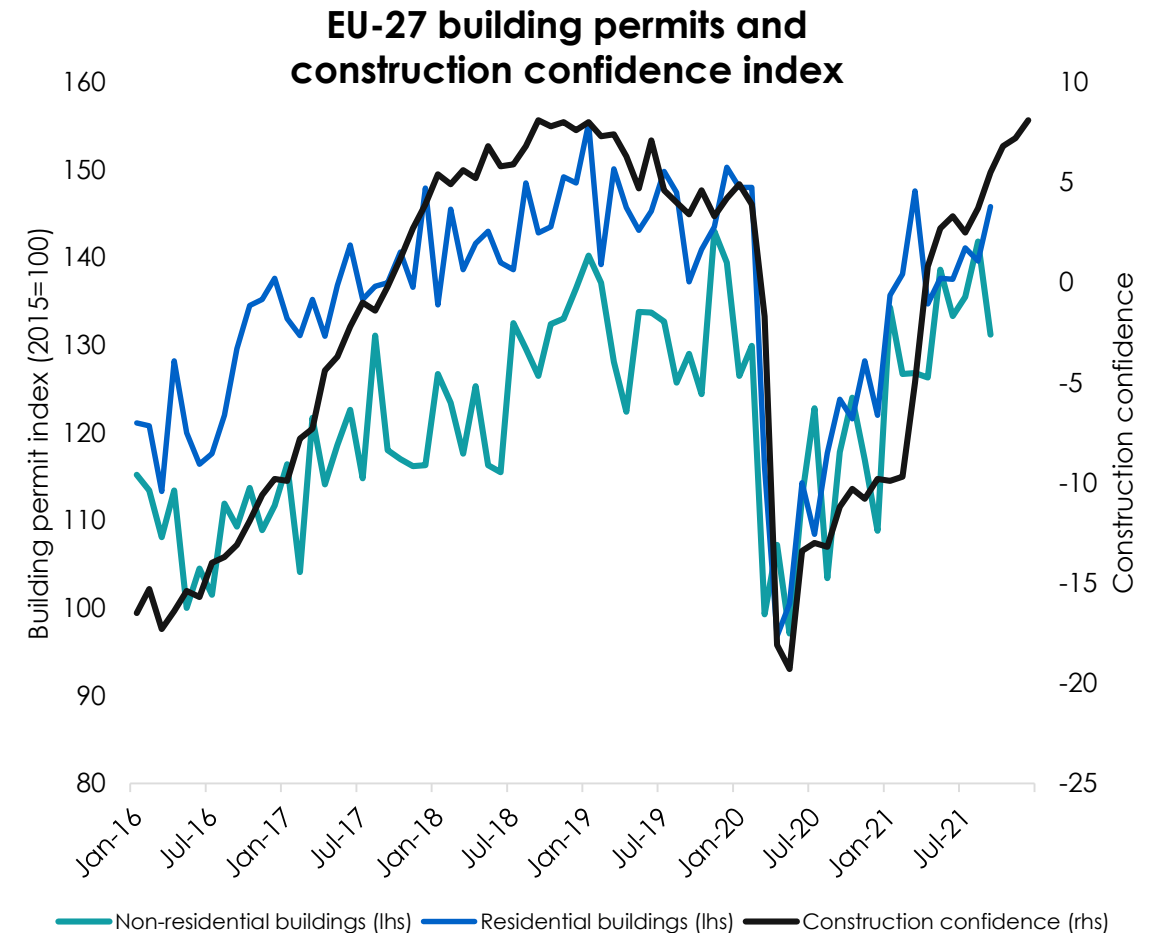
Outlook for 2022

Europe: Leading indicators continued to move in a positive direction

Despite challenges with COVID-19 and supply chains as the year came to an end, economic growth was solid for the year as a whole.

Within the construction industry:

- Construction confidence surpassed pre-pandemic levels
- Both residential and non-residential building permits have trended upward overall



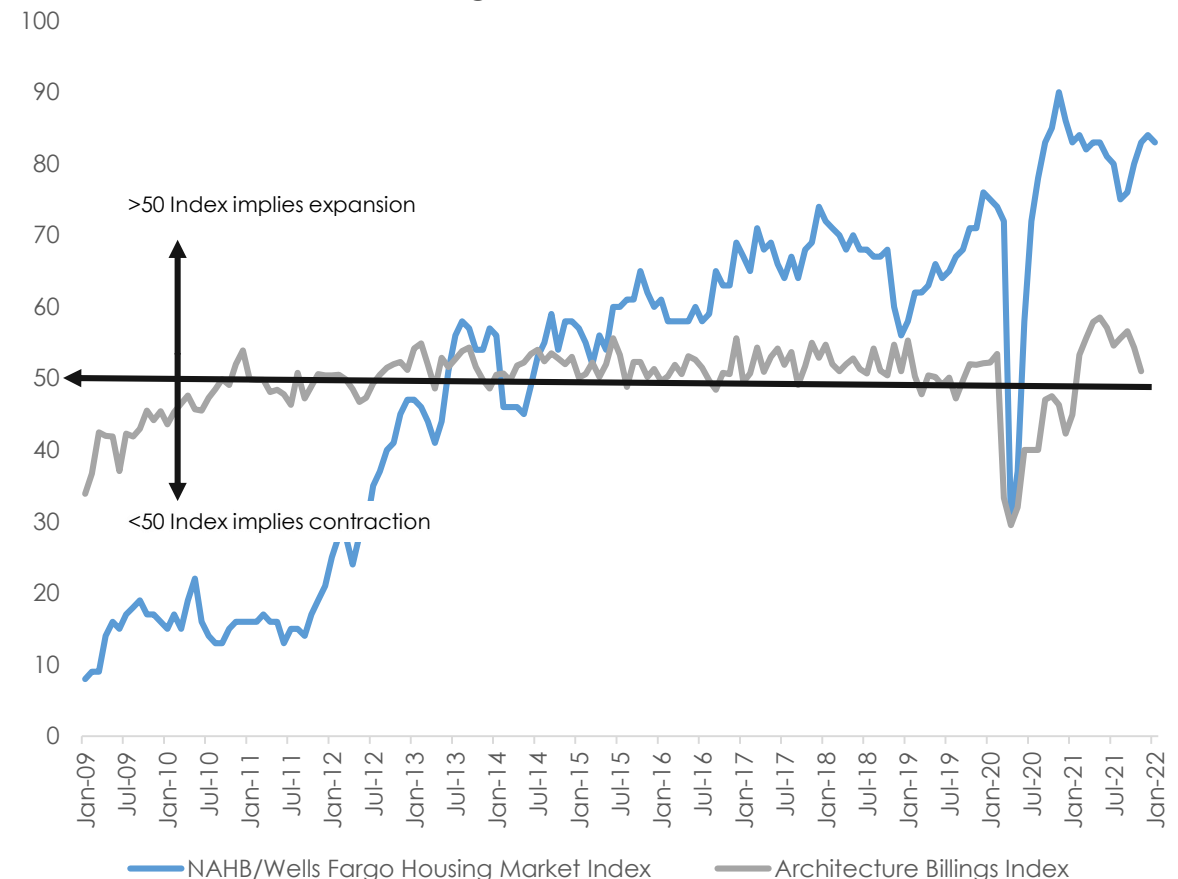
U.S.: Residential construction still strong, while non-residential segment mixed

Supply chain, labour and inflation challenges moderating otherwise strong economic growth.

In construction:

- Residential construction grew further, non-residential segments mixed
- Home builder confidence, housing permits and housing starts still solid
- Architectural billings still positive, but less so than earlier in the year

U.S. leading construction indicators



Source: NAHB, AIA

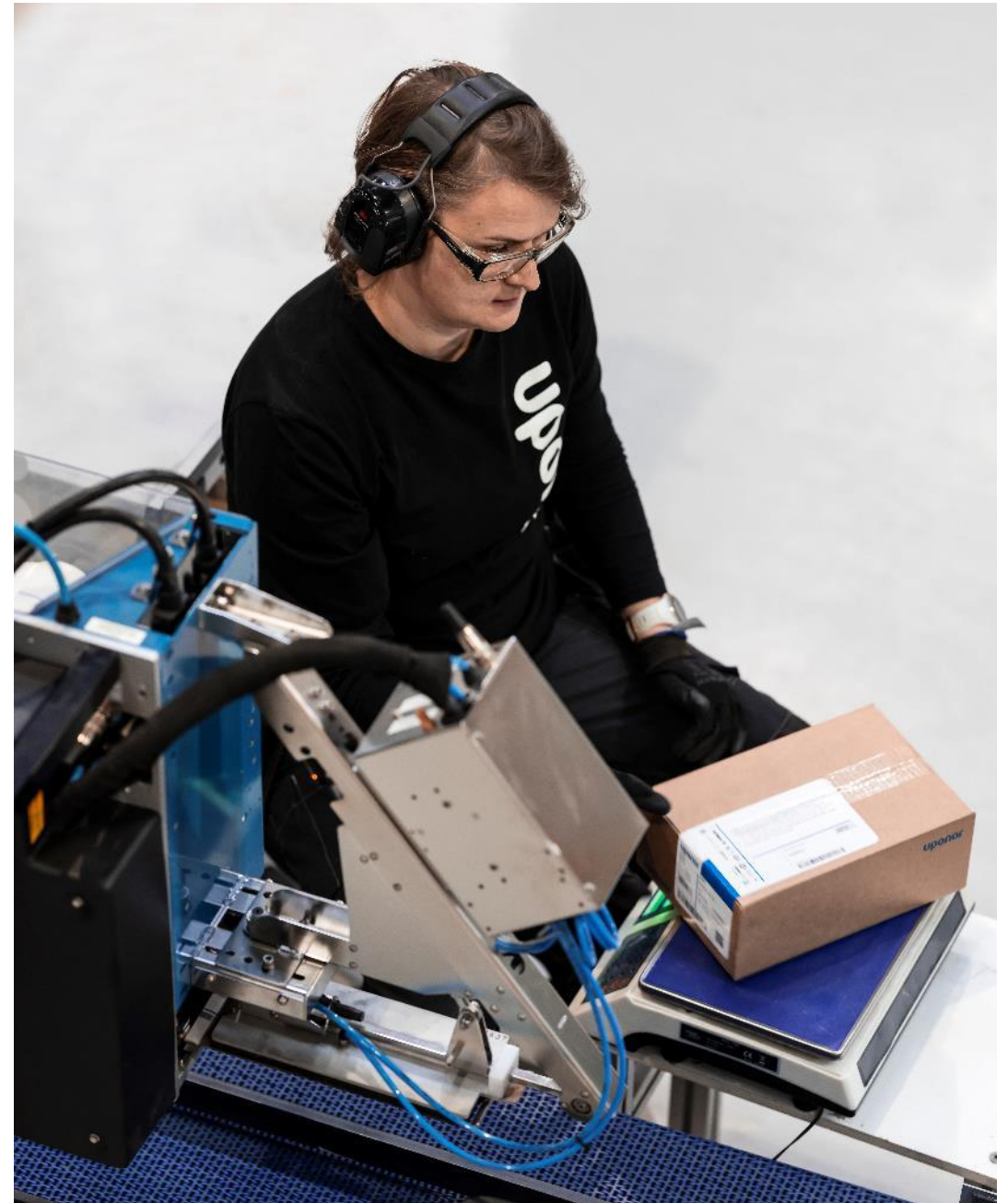
Short-term market outlook for Q1/2022

- Residential markets remain upbeat
- Non-residential markets stabilise further
- Supply chain and labour challenges persist
- Input costs still volatile

Guidance statement for 2022:

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.



Virtual Capital Markets Day 2022

Date: 14 March 2022
Time: 15:00 EET

uponor

The logo features a large, light blue 'V' shape in the background. In the center of the 'V' is a dark blue circle. The word 'uponor' is written in white, lowercase, sans-serif font inside this circle.

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Moving › **Forward**

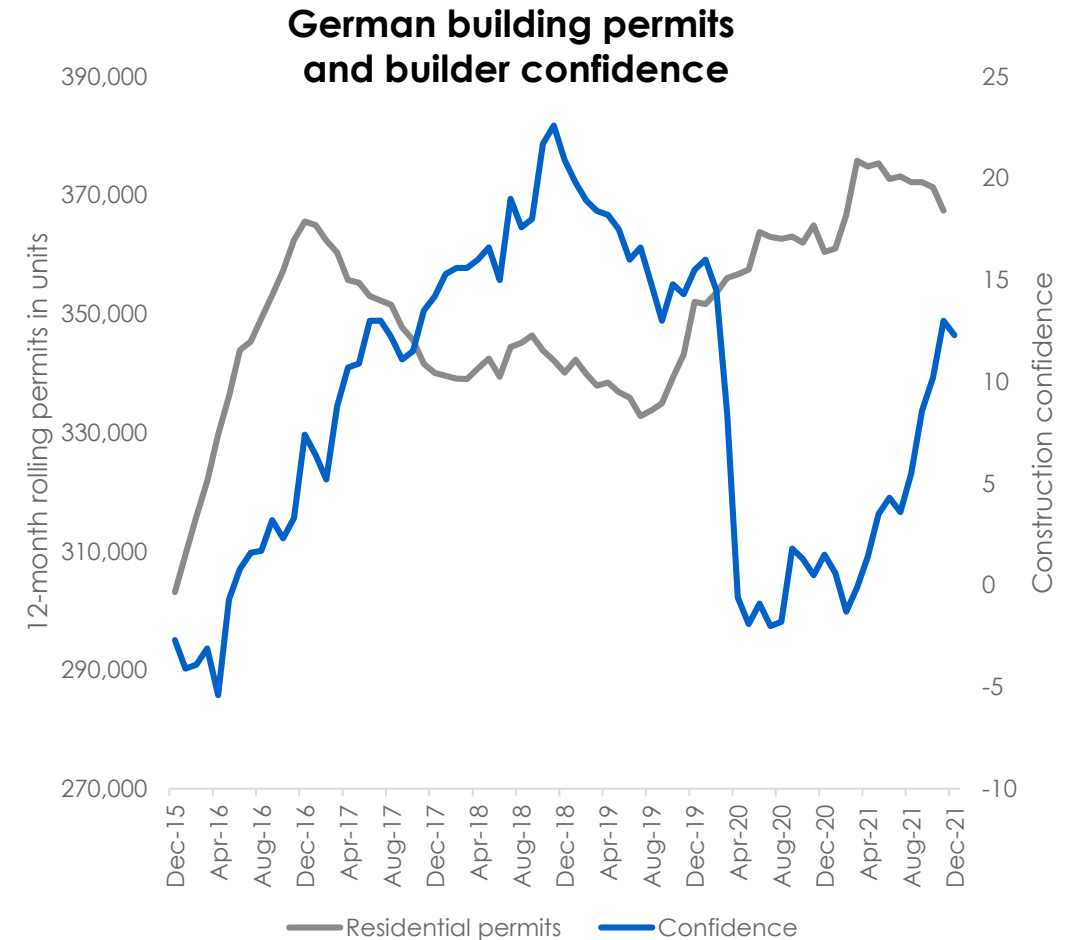
Appendix

Germany: Residential construction activity solid despite ongoing supply-side challenges

Supply bottlenecks and hesitant spending by consumers is holding back the economy.

In the construction industry:

- Building activity challenged by labour and material constraints, though material availability improved somewhat
- Residential permits still at elevated levels, renovation solid
- Non-residential building subdued



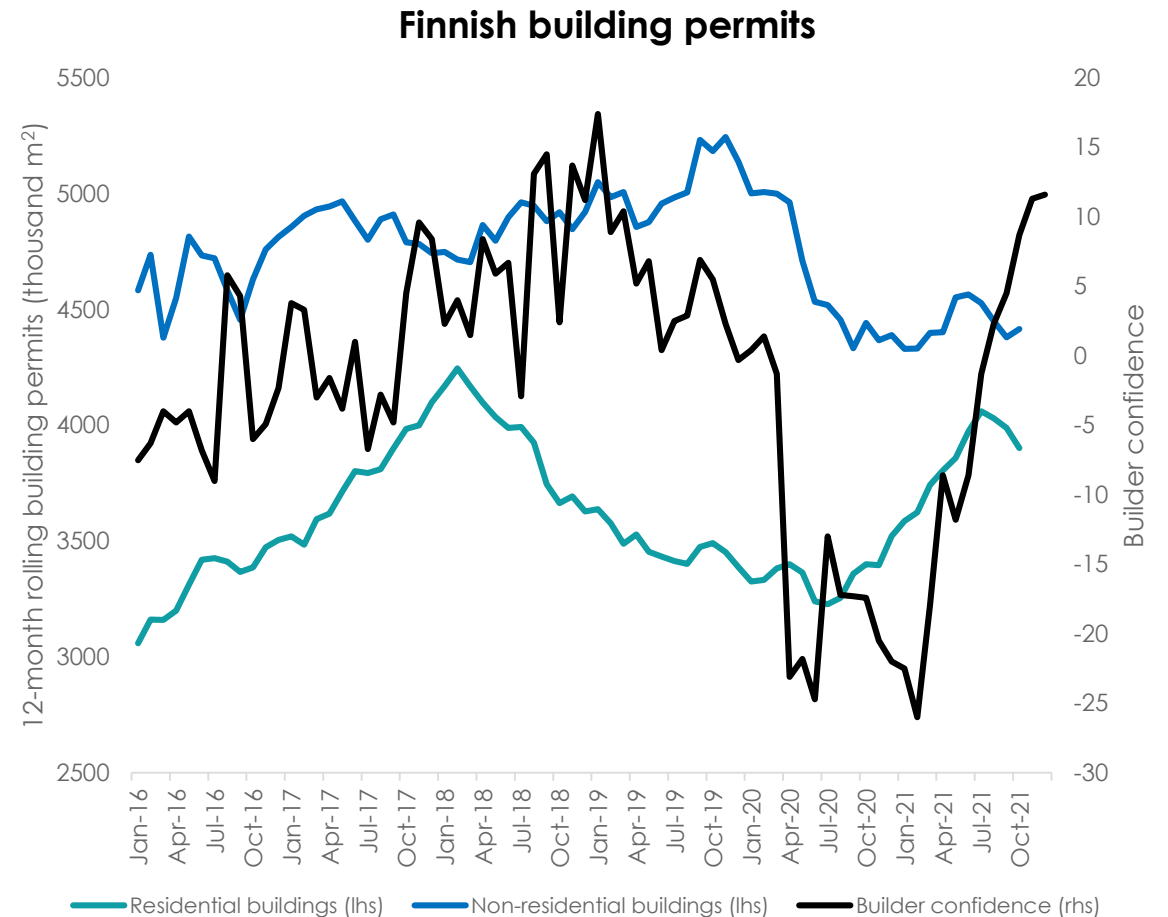
Source: Eurostat and Federal Statistical Office of Germany

Finland: Residential market remains very strong, other segments relatively weaker

Economy continued to strengthen, though labour shortages across industries are creating challenges.

Within the construction industry:

- Construction turnover expanded, though civil engineering slowed in real terms
- Non-residential permits stable but low, residential permits have moderated
- Builder confidence up significantly from early 2021 despite labour issues



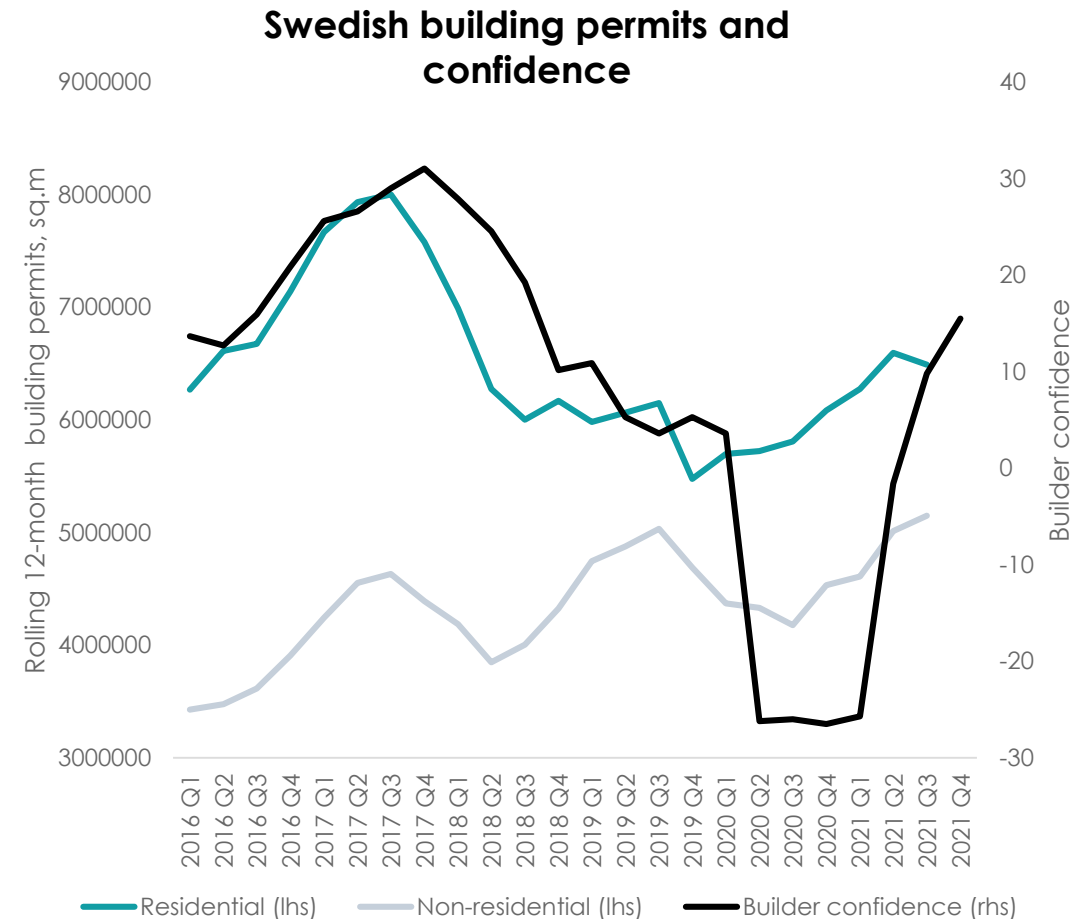
Source: Statistics Finland and Eurostat

Sweden: Residential and civil engineering growing, non-residential building mixed

Improved business investment and household consumption have driven significant growth in the economy.











Within the construction industry:

- Builder confidence surpassed pre-pandemic levels
- Building permits still trending higher, but remain below earlier peaks
- Housing starts through Q3 up 17% compared to 2021
- Civil engineering expanding



Source: Statistics Sweden and Eurostat

Leading residential indicators: Still solid overall, but growing at a slower rate than earlier in 2021

	Indicator	YTD % Change	Rolling 12-month % Change	Data through	Trend since Q3 update
 USA	Housing starts	+3% ¹⁾	N/A	December 2021	➡
 Germany	Housing permits	+2%	+1%	November 2021	➡
 Finland	Housing permits	+13%	+15%	October 2021	⬇
 Sweden	Housing permits	+12%	+12%	September 2021	➡
 Netherlands	Housing permits	+12%	+13%	November 2021	➡
 Canada	Housing starts	+3% ¹⁾	N/A	December 2021	➡
 Denmark	Construction index	+2%	N/A	October 2021	⬇
 Poland	Housing completions	+5%	+5%	November 2021	➡
 Spain	Housing permits	+28%	+24%	October 2021	➡
 Norway	Housing starts	+0%	+0%	December 2021	➡

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

Source: National Statistics Offices

Oct-Dec 2021: Income statement

Uponor Group, M€	10-12 2020	10-12 2021	Change Y/Y
Net sales	280.5	329.3	+17.4%
Cost of goods sold	174.5	211.6	+21.2%
Gross profit	106.0	117.7	+11.1%
Gross profit margin (%)	37.8%	35.8%	-2.0% pts
Other operating income	0.3	0.1	-80.1%
Expenses	82.4	95.0	+15.2%
Operating profit	23.8	22.8	-4.2%
Operating profit margin (%)	8.5%	6.9%	-1.6% pts
Comparable operating profit	27.3	26.7	-2.3%
Comparable operating profit margin (%)	9.7%	8.1%	-1.6% pts
Financial expenses, net	3.5	1.0	-71.5%
Share of result in associated companies	-0.9	0.0	-103.8%
Profit before taxes	19.4	21.9	+12.6%
Profit for the period	20.8	18.4	-11.2%
EBITDA	37.3	35.4	-5.0%

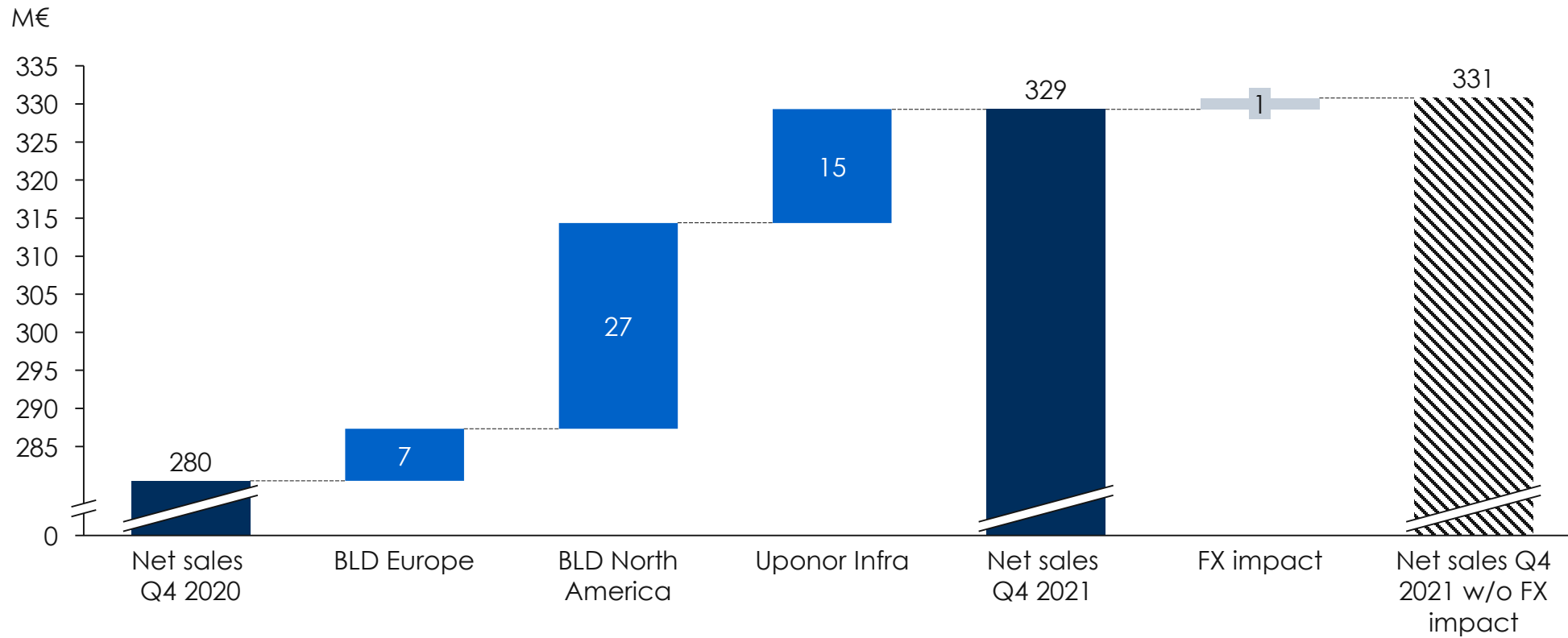
Dec 2021: Balance sheet

Uponor Group, M€	31 Dec 2020	31 Dec 2021	Change Y/Y
Property, plant and equipment	264.7	295.5	30.8
Intangible assets	95.9	113.2	17.3
Securities and long-term investments	14.2	6.9	-7.3
Inventories	128.7	174.4	45.7
Cash and cash equivalents	138.0	98.1	-39.8
Other current and non-current assets	226.9	279.1	52.3
Assets total	868.4	967.2	98.8
Total equity	421.9	483.4	61.5
Non-current interest-bearing liabilities	124.1	106.7	-17.4
Provisions	37.1	43.2	6.1
Non-interest-bearing liabilities	256.4	321.5	65.1
Current interest-bearing liabilities	29.0	12.4	-16.6
Shareholders' equity and liabilities total	868.4	967.2	98.8

Jan-Dec 2021: Income statement

Uponor Group, M€	1-12 2020	1-12 2021	Change Y/Y
Net sales	1 136.0	1 313.2	+15.6%
Cost of goods sold	706.6	828.5	+17.3%
Gross profit	429.4	484.7	+12.9%
Gross profit margin (%)	37.8%	36.9%	-0.9% pts
Other operating income	1.0	0.9	-6.7%
Expenses	298.1	331.4	+11.2%
Operating profit	132.3	154.1	+16.5%
Operating profit margin (%)	11.6%	11.7%	+0.1% pts
Comparable operating profit	142.7	160.5	+12.5%
Comparable operating profit margin (%)	12.6%	12.2%	-0.3% pts
Financial expenses, net	6.3	7.9	+26.9%
Share of result in associated companies	-4.2	-6.4	+50.8%
Profit before taxes	121.8	139.8	+14.8%
Profit for the period	96.1	103.4	+7.6%
EBITDA	185.0	203.3	+9.9%

Oct-Dec 2021: Net sales bridge



Oct-Dec 2021: Comparable operating profit bridge

