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Uponor Corporation

Interim Report

January–March 2022



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.

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UPONOR CORPORATION INTERIM REPORT JANUARY–MARCH 2022

Sales grew and operating profit was stable at the previous year's level

January–March 2022 in brief

- Net sales were €349.5 (309.2) million, a growth of 13.0% or 10.7% in constant currency terms. The organic growth was 10.2% or 7.8% in constant currency terms.
- Operating profit was €46.8 (47.0) million or 13.4% (15.2) of net sales.
- Comparable operating profit was €47.2 (47.6) million or 13.5% (15.4) of net sales.
- Earnings per share were €0.45 (0.43).

Guidance statement for 2022 (unchanged)

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

(Increase indicates a growth of 2.5% or more.)

Short-term market outlook

Uponor expects that the trends witnessed in the first quarter of 2022 will continue, with residential markets exhibiting solid levels of activity and non-residential markets stable. However, downside risks to the outlook have clearly increased, with new geopolitical and monetary policy uncertainties adding to increasingly acute supply chain challenges and a lack of skilled labor in the construction industry as well as construction material price inflation. The ongoing war in Ukraine, raw material price inflation and interest rate hikes may dampen the underlying demand.

Michael Rauterkus, President and CEO, comments:

“Uponor's performance continued to be solid in the first quarter of 2022. The comparison period benefitted from high pent-up demand and low input prices. Uponor Group's first quarter net sales grew by 13.0%, and organically by 10.2%, supported by improved flexibility in passing on sales price increases. The Group's comparable operating profit decreased slightly by -0.7%. Our pricing actions had a positive impact on the operational profit. We were able to fully compensate cost increases caused by higher input prices. Nevertheless, higher overhead costs compared to the exceptionally low overhead costs in the comparison period, caused by Covid-19, lead to a lower profit level. Despite this, the comparable operating margin reached the level of 13.5% (15.4). Our earnings per share rose slightly to €0.45 (0.43). Our safety performance improved with an accident frequency rate (LTIF) of 6.4 (9.1). However, we are still far from Uponor's target of zero accidents.

In the Building solutions – Europe division, sales price increases impacted positively net sales growth, but higher overhead costs decreased the operating profit. In the Building Solutions - North America division, the strong operational performance as well as price increases contributed positively to the operating profit, but profitability was hampered by higher costs compared to the exceptionally low cost level caused by the Covid-19 situation in the comparison period. In the Uponor Infra division, the growth was driven by sales price increases in all markets, but an unfavourable sales mix and higher extraordinary costs decreased the operating profit.

On 3 March, we suspended all exports and imports to and from Russia due to the ongoing invasion of Ukraine and we are currently exploring options related to our Russian operations. Uponor's sales in Russia and Ukraine account for less than 2.5% of total Group sales and less than 1.5% of total Group assets.

At our Capital Markets Day in March, I was pleased to present, together with the Executive Committee, Uponor's new strategy and financial targets. Uponor's new strategy centres around maximizing the core and driving sustainable innovation. As a leading partner and a pioneer in sustainable water systems and indoor climate, we are well positioned to benefit from the megatrends of net zero, productivity and clean water. In our new strategy, maximizing the core refers to leveraging our strong position and accelerating growth in our core categories through systematic growth plans, commercial excellence, and M&A. We will further drive growth through a step change in innovation and new technology development and create synergies across our divisions and categories. To pursue the updated strategy and financial targets, we also launched a People First initiative to strengthen the performance mindset of our highly engaged and diverse team of Uponorians. Our strategy is also to lead the construction industry towards net zero which is well connected in a new set of ESG targets.

In line with our commitment to moving our People First agenda forward, I was pleased to welcome Jennifer Hauschildt, to a new position on our Executive Committee, as our new Chief Human Resources Officer (CHRO).

In the quarter, we also advanced on our sustainable innovation journey as we launched the world's first bio-based PEX pipes with a reduced product carbon footprint of up to 90% compared to fossil-based PEX pipes on the market. This innovation helps our customers achieve their sustainability goals in all types of projects. The roll-out started in Sweden, Norway and Finland.

We have kept our outlook for 2022 unchanged. Overall, we had a good start to the year in a very volatile environment: continuing pandemic, supply shortages, high raw material price levels and levels of inflation. We expect the impact from strong inflationary pressures to continue in the coming quarters. To defend margins, we will continue our cost mitigation actions by adding flexibility to the terms and conditions of customer agreements.

To conclude, I want to thank our customers for their trust and all Uponorians for their hard work and commitment. The strength and motivation of our team, our strong balance sheet and market positions keep us on track to move forward with our profitable growth strategy."

Key figures

M€	1-3/2022	1-3/2021	Change	1-12/2021
Net sales	349.5	309.2	+13.0%	1,313.2
Operating expenses	289.8	250.1	+15.9%	1,110.8
Depreciation and impairments	12.9	12.3	+5.3%	49.1
Other operating income	0.1	0.2	-61.3%	0.9
Operating profit	46.8	47.0	-0.3%	154.1
Operating profit, %	13.4	15.2	-11.8%	11.7
Comparable operating profit	47.2	47.6	-0.7%	160.5
Comparable operating profit, %	13.5	15.4	-12.2%	12.2
Financial income and expenses	-1.0	-2.8	-66.0%	-7.9
Profit before taxes	45.9	43.2	+6.4%	139.8
Profit for the period	33.3	31.7	+4.9%	103.4
Earnings per share	0.45	0.43	+5.8%	1.33

	31 Mar 2022	31 Mar 2021	Change	31 Dec 2021
Net working capital, M€	141.5	81.3	+74.0%	93.3
Net-interest bearing debt, M€	85.9	37.9	+126.5%	20.9
Solvency, %	48.4	43.0	+12.4%	50.2
Gearing, %	18.4	9.2	+101.0%	4.3
Return on investment, %	31.8	29.6	+7.1%	24.7

Results briefing and live webcast

A results briefing and live webcast for analysts, institutional investors and the media will be broadcast on 28 April at 13:00 EEST. The briefing is in English. The venue of the briefing is Flik Studio Eliel, Töölönlahdenkatu 2C (Sanoma House), Helsinki, Finland. The webcast can be viewed via our website at uponorgroup.com or via the Uponor IR mobile app. The recorded webcast can be viewed via the website or the app shortly after the live presentation. All presentation materials will be available at www.uponorgroup.com > Investors > Reports and presentations.

Uponor Corporation's financial reporting in 2022

27 July 2022 Half-year report 1-6/2022
4 Nov 2022 Interim report 1-9/2022

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Market development

Construction markets across the Group upheld elevated levels of activity during the quarter, especially in new and renovation projects in the residential building segment. However, as the quarter progressed, supply chain stress and price pressures that had already been present in earlier quarters reached new heights and further constrained output in some markets.

In North America, residential building activity in both the new and renovation segments in the USA remained strong despite pervasive, and increasing, skilled labour and building material shortages. Home builders remained very optimistic based on high consumer demand, but expectations darkened somewhat as the quarter progressed. Non-residential spending in the commercial, healthcare, and office building segments expanded compared to a year ago and offset continued weakness in the construction of new lodging. In Canada, the level of new housing construction starts remained well above average.

In Europe, building activity in Uponor's largest market, Germany, remained generally solid with residential segment demand continuing to outstrip builders' ability to initiate and deliver projects. Builders reported sustained and elevated order book levels during the first quarter of 2022. However, business confidence weakened clearly towards the end of the quarter due to further price and labour challenges accompanied by new geopolitical uncertainties. In the Netherlands, construction activity remained stable despite unprecedented supply chain difficulties. In the Nordic region, residential construction was sustained at a healthy level, while non-residential segments were more mixed. Builder confidence remained high overall, though Finnish builders' confidence weakened towards the end of the quarter. Civil engineering activity was steady overall. Construction markets in Southwest Europe improved further from 2021, led by continued residential demand despite significant price inflation in most markets.

Net sales

Uponor Group's net sales for the first quarter reached €349.5 (309.2) million, a growth of 13.0%. Positive net currency impact was €7.3 million, bringing the growth without currency impact to 10.7%. Biggest currency impact came from USD, CAD and SEK. The organic net sales growth was 10.2% or 7.8% in constant currency terms. Net sales grew in all business divisions mainly driven by successful sales price increases.

Breakdown of net sales by division (January-March):

M€	1–3/2022	1–3/2021	Change
Building Solutions – Europe*	162.4	139.7	+16.3%
Building Solutions – North America	123.4	113.2	+8.9%
(Building Solutions – North America (M\$))	137.6	135.8	+1.3%
Uponor Infra	65.4	57.5	+13.7%
Eliminations	-1.8	-1.3	
Total	349.5	309.2	+13.0%

*Includes the net sales of Capricorn S.A. as of 1 Nov 2021

Measured in terms of reported net sales, and their respective share of Group net sales, the 10 largest countries were as follows: the U.S. 30.6% (32.0), Germany 11.7% (12.1), Sweden 9.0% (9.0), Finland 8.2% (8.2), Canada 4.9% (4.6), the Netherlands 4.4% (5.6), Denmark 4.2% (4.4), Poland 4.0% (2.7), Spain 3.1% (3.5) and France 2.7% (2.1).

Results and profitability

Uponor's gross profit in the first quarter was €133.7 (125.0) million. The gross profit margin was 38.3% (40.4).

The operating profit in the first quarter of 2022 was €46.8 (47.0) million with an operating profit margin of 13.4% (15.2). The comparable operating profit was €47.2 (47.6) million. The total net effect of items affecting comparability was €0.4 (0.6) million and were related to Uponor's operational excellence programme. The comparable operating profit margin was 13.5% (15.4). Sales price increases contributed positively to the comparable operating profit. Pricing actions were able to fully compensate for higher input costs including raw material and transportation costs. Nevertheless, higher overhead costs compared to the exceptionally low overhead costs in the comparison period, caused by Covid-19, lead to a lower profit level.

Operating profit by division (January–March):

M€	1–3/2022	1–3/2021	Change
Building Solutions – Europe*	20.3	22.8	-11.2%
Building Solutions – North America	24.3	23.6	+3.0%
(Building Solutions – North America (M\$))	27.1	28.3	-4.2%
Uponor Infra	1.6	2.0	-20.9%
Others	-1.7	-2.2	
Eliminations	2.4	0.7	
Total	46.8	47.0	-0.3%

Comparable operating profit by division (January–March):

M€	1–3/2022	1–3/2021	Change
Building Solutions – Europe*	20.6	23.3	-11.6%
Building Solutions – North America	24.3	23.6	+2.8%
(Building Solutions – North America (M\$))	27.1	28.3	-4.4%
Uponor Infra	1.6	2.0	-20.9%
Others	-1.7	-2.1	
Eliminations	2.4	0.7	
Total	47.2	47.6	-0.7%

*Includes the operating profit of Capricorn S.A. as of 1 Nov 2021

Uponor's net financial expenses were €1.0 (2.8) million. In the first quarter of 2022, net currency exchange differences totalled €0.0 (-1.9) million.

The share of the result in associated companies and joint ventures was €0.1 (-1.0) million. In the comparison period Uponor had a 50% share in the joint venture company, Phyn, which was sold on 13 August 2021.

Uponor's profit before taxes for January-March was €45.9 (43.2) million. The tax expense was €12.6 (11.4) million.

Profit for the period in the first quarter of 2022 was €33.3 (31.7) million.

Return on equity was 28.0% (30.4). Return on investment was 31.8% (29.6). Return on investment, adjusted for items affecting comparability, was 32.1% (30.1).

Earnings per share were €0.45 (0.43). Equity per share was €5.51 (4.77). For other share-specific information, please see the Tables section.

Financial position and cash flow

Cash flow from operations decreased from year end and was €-27.2 (6.1) million. Cash flow decreased from the previous year mainly driven by increased net working capital. The change in net working capital was due to increased raw material prices impacting inventory levels. Cash flow before financing was €-36.9 (-1.1) million.

Cash flow from financing and thus cash flow for the period in the first quarter of 2022 included the first of the two instalments of the dividend payment, €0.33 per share, totalling €24.0 million. The second of the two instalments of the dividend payment, €0.34 per share, is planned to be paid in the third quarter. The total dividend payment for 2022 will amount to €48.7 (41.6) million.

Uponor has two bilateral long-term loans of €40 million and €30 million, both of which will mature in January 2026. As back-up funding arrangements, Uponor has four €50 million committed bilateral revolving credit facilities in force, totalling €200 million maturing in 2023–2027 none of which were used during the reporting period. Two of the revolving credit facilities have success KPIs that are tied to Uponor's greenhouse gas reduction targets.

For short-term funding needs, Uponor's main source of funding is its domestic commercial paper programme, totalling €150 million, none of which was outstanding on the balance sheet date. Available cash pool limits granted by Uponor's key banks amounted to €35.1 million, of which €3.2 (-) was in use on the balance sheet date. At the end of March 2022, Uponor had €31.0 (168.6) million in cash and cash equivalents.

Net interest-bearing liabilities were €85.9 (37.9) million. The solvency ratio was 48.4% (43.0) and gearing was 18.4% (9.2), with a four-quarter rolling gearing of 4.0% (17.9), below the range of 40–80% set in the company's financial targets.

Capital expenditure

Gross investment in fixed assets totalled €10.2 (6.5) million. Depreciation and impairments were €12.9 (12.3) million. Net investments totalled €9.8 (6.4) million. Uponor's investments in the first quarter of 2022 were related to maintenance, efficiency improvements and capacity expansions.

Innovations, research and development

In January–March 2022, total research and development expenses were €5.5 million (4.7), representing 1.6% (1.5) of the Group's net sales.

In the quarter, Uponor launched a new innovative initiative: the world's first bio-based PEX pipes with ISCC certification based on the mass balance approach. The new PEX Pipes Blue are part of Uponor's commitment to renewable raw material and will allow for construction projects to be more sustainable in future. The roll-out started in Norway, Sweden and Finland. The PEX Pipe Blue features a reduced product carbon footprint of up to 90% compared to fossil-based PEX pipes on the market. PEX Pipe Blue is certified by the International Sustainability and Carbon Certification (ISCC), an independent organisation that ensures traceability and transparency throughout entire supply and production chains.

Personnel and occupational safety

Uponor's accident frequency (LTIF, accidents per million working hours) for the first quarter was 6.4 (9.1). Uponor's target is zero accidents.

At the end of March, the Uponor Group had 4,255 (3,739) employees, in full-time-equivalent (FTE) terms. This is 516 more than at the end of March 2021. The average number of employees (FTE) for January-March was 4,249 (3,695). The increase was driven by the acquisition of Capricorn S.A. as well as new hires to support growth in all of Uponor's divisions.

Changes in the Executive Committee

On 1 January 2022, Markus Melkko started as the new CFO and member of Uponor's Executive Committee. His appointment was announced on 4 November 2021. Uponor's former CFO, Minna Yrjönmäki, continues to act as Senior Advisor until spring 2022.

On 10 January 2022, Uponor announced that Bill Gray, President, Building Solutions – North America and a member of Uponor's Executive Committee would leave his position effective 10 January 2022. John Reutter, Vice President, Finance, Building Solutions – North America was appointed interim President, Building Solutions – North America and an interim member of Uponor's Executive Committee as of 10 January 2022.

On 30 March 2022, Jennifer Hauschildt was appointed Chief Human Resources Officer (CHRO) and a member of the Uponor Group's Executive Committee effective 1 April 2022. She is based in Minnesota, USA, and reports to Michael Rauterkus, President and CEO, Uponor Corporation.

Review by business division

Building Solutions – Europe

The Building Solutions – Europe division serves the European market with drinking water delivery, heating and cooling solutions, prefabricated solutions, control systems, pre-insulated pipes and manifolds. The division has production in Finland, Sweden, Germany and Poland.

M€	1-3/2022	1-3/2021	Change	1-12/2021
Net sales	162.4	139.7	+16.3%	564.2
Operating profit	20.3	22.8	-11.2%	65.9
Operating profit margin, %	12.5	16.3	-23.6%	11.7
Comparable operating profit	20.6	23.3	-11.6%	72.0
Comparable operating profit margin, %	12.7	16.7	-24.0%	12.8
Personnel, average	2,210	1,818	+393	1,900

Building Solutions – Europe's net sales were €162.4 (139.7) million, a growth of 16.3%. The growth was mainly driven by sales price increases and the acquisition of Capricorn S.A. The organic growth was 10.0%. Volume growth levels were mixed across the different countries and strongest in Eastern Europe.

Building Solutions – Europe's operating profit was €20.3 (22.8) million, a decrease of -11.2%. Comparable operating profit was €20.6 (23.3) million. Pricing actions had a positive impact on the operating profit and compensated for higher input costs such as material and transportation costs. Nevertheless, higher overhead costs compared to the exceptionally low overhead costs in the comparison period, caused by Covid-19 lead, to a lower profit level.

On 3 March 2022, all exports, and imports to and from Russia were suspended due to the ongoing invasion of Ukraine. Uponor's sales in Russia and Ukraine account for less than 2.5% of total Group sales and less than 1.5% of total Group assets. Uponor is currently exploring options related to its Russian operations.

Building Solutions – North America

The Building Solutions - North America division serves local markets with PEX plumbing, radiant heating and cooling, hydronic distribution, pre-insulated pipe and fire sprinkler systems. The division has production in the United States.

M€	1-3/2022	1-3/2021	Change	1-12/2021
Net sales	123.4	113.2	+8.9%	467.5
Operating profit	24.3	23.6	+3.0%	84.5
Operating profit margin, %	19.7	20.8	-5.4%	18.1
Comparable operating profit	24.3	23.6	+2.8%	84.7
Comparable operating profit margin, %	19.7	20.9	-5.7%	18.1
Personnel, average	1,064	928	+137	999

Building Solutions – North America's net sales were €123.4 (113.2) million, a growth of 8.9% in euro terms or a growth of 1.3% in USD. The growth was driven by good progress in sales price increases in both the U.S. and Canada.

Building Solutions – North America's operating profit was €24.3 (23.6) million, a growth of 3.0% in euro terms and -4.4% in USD. Strong operational performance as well as price increases contributed positively to the operating profit. Profitability was hampered by higher costs compared to the exceptionally low cost level caused by the Covid-19 situation in the comparison period.

Uponor Infra

Uponor Infra serves the Baltic Sea area with sewer and storm, pressure pipe systems, water monitoring services, district energy, design solutions and project services for municipalities, utilities and industry. The division has production in Finland, Sweden, Denmark and Poland.

M€	1-3/2022	1-3/2021	Change	1-12/2021
Net sales	65.4	57.5	+13.7%	286.8
Operating profit	1.6	2.0	-20.9%	16.2
Operating profit margin, %	2.5	3.5	-30.4%	5.7
Comparable operating profit	1.6	2.0	-20.9%	16.3
Comparable operating profit margin, %	2.5	3.5	-30.4%	5.7
Personnel, average	135	116	+19	126

Uponor Infra's net sales were €65.4 (57.5) million, a growth of 13.7%. The growth was driven by sales price increases in all markets.

Uponor Infra's operating profit was €1.6 (2.0) million, a decrease of -20.9%. Despite sales price increases, the operating profit weakened due to an unfavorable sales mix and higher extraordinary costs related to the launch of the new Group strategy in the quarter.

Operational excellence programme

Uponor updated the savings target and schedule of its operational excellence programme on 5 May 2021. The updated annual savings target of the programme is €25 million by the end of the first half of 2022. The estimated one-time costs of the whole programme are around €22 million.

During the first quarter of 2022, the programme generated savings of approximately €1 million, which brings the total generated savings under the programme up to approximately €22 million at the end of March 2022. The programme is expected to reduce approximately 200 FTEs. By the end of March 2022, the reduction was around 160 FTEs since the beginning of the programme.

Since the launch of the programme, a total of €17.6 million in one-time costs have been recorded as items affecting comparability. Of that amount, €0.4 million was recorded in the first quarter of 2022.

Uponor first announced the operational excellence programme in October 2019 with an annual savings target of €20 million by the end of 2021 and around €20 million in one-time costs.

New Group strategy combined with new financial and ESG targets

On 14 March 2022, Uponor announced the renewal of its Group strategy and introduced new financial targets to drive profitable growth.

Uponor Group's new profitable growth strategy centres around maximizing the core and driving sustainable innovation. Maximizing the core refers to leveraging on Uponor's strong position and accelerating growth in core categories through systematic growth plans, commercial excellence and M&A. In addition, growth is driven through a step change in innovation and new technology development and creating synergies across the business divisions and categories. To pursue the updated strategy and financial targets, Uponor has launched a People First initiative to strengthen the performance mindset of the highly engaged and diverse team of Uponorians. Uponor's strategy is also to lead the construction industry towards net zero which is well connected in a new set of ESG targets. The financial and ESG targets are linked to managements' STI and LTI programs.

Uponor's new financial targets are as follows:

Net sales: > 4% annual organic growth (previous target: annual GDP growth 3 ppts)
 Profitability: > 12% operating margin (previous target: > 10% operating margin)
 Capital structure: gearing 40–80% (previous target: gearing 40–80%)
 Dividend: growing (previous target: min. 50% of annual earnings)

Uponor's new ESG targets are as follows:

70% reduction in greenhouse gas emission in own operations compared to the 2019 level
 20% reduction in greenhouse gas emissions in supply chain compared to the 2019 level
 A sustainable alternative for 50% of the portfolio
 40% both male and female in Top 50 management positions
 Top tier engagement scores
 Zero accident ambition
 Collaboration with top 25 customers to strengthen impact
 Impactful social programs in all business divisions

Share capital and shares

In January-March 2022, Uponor's share turnover on Nasdaq Helsinki was 6.3 (5.9) million shares, totalling €123.7 (109.8) million. The share quotation at the end of March was €18.35 (18.92), and the market capitalisation of the shares was €1,343 (1,385) million.

At the end March, there were a total of 20,952 (18,126) shareholders. Foreign shareholding in Uponor accounted for 28.1 (28.4) per cent of all shareholdings in the company at the end of the reporting period.

The Board of Directors was authorised by the AGM 2022 to resolve on the repurchase of no more than 3,500,000 of the company's own shares, amounting in total to approximately 4.8 per cent of the total number of the shares of the company at the date of the general meeting. In addition, the Board of Directors was authorised to resolve on issuing a maximum of 7,200,000 new shares or transferring the company's own shares, amounting in total to approximately 9.8 per cent of the total number of the shares of the company.

Uponor Corporation's share capital amounts to €146,446,888 and the number of shares totals 73,206,944. There were no changes in the share capital and the number of shares during the reporting period.

At the end of March, Uponor held 541,152 (139,307) of its own shares, representing approximately 0.7 (0.2) per cent of the company's shares and voting rights.

Resolutions of the Annual General Meeting 2022

Uponor Corporation's Annual General Meeting (AGM) was held on 15 March 2022. The AGM adopted the financial statements and the consolidated financial statements for 2021 and released the Board members and the President and CEOs from liability.

The AGM approved the proposed dividend of €0.67 per share for the financial period 2021. The dividend shall be paid in two instalments. The first instalment of €0.33 per share was paid on 24 March 2022. The second instalment of €0.34 per share shall be paid in September 2022.

The Board of Directors was authorised to resolve on the repurchase of no more than 3,500,000 of the company's own shares, amounting in total to approximately 4.8 per cent of the total number of the shares of the company at the date of the general meeting. These shares will be bought back using distributable earnings from unrestricted equity. The authorisation is valid until the end of the next annual general meeting, however, no longer than 18 months from the date of the general meeting.

The Board of Directors was authorised to resolve on issuing a maximum of 7,200,000 new shares or transferring the company's own shares, amounting in total to approximately 9.8 per cent of the total number of the shares of the company. The Board of Directors is authorised to resolve on all the conditions of the issuance of shares. This authorisation is valid until the end of the next annual general meeting, however, no longer than 18 months from the date of the general meeting.

The existing Board members Annika Paasikivi (chair), Pia Aaltonen-Forsell, Johan Falk, Markus Lengauer and Michael G. Marchi were re-elected. Susanne Skippari was elected as a new member. Annika Paasikivi was re-elected as Chair of the Board.

KPMG Oy Ab, a company of Authorised Public Accountants, was re-elected as the auditor of the company for the following term of office.

The AGM adopted proposal for the yearly remuneration of the Board as follows: €100,000 for the Chair of the Board, €58,000 for the Deputy Chair of the Board, €58,000 for the Chair of the Audit Committee, €58,000 for the Chair of the Personnel and Remuneration Committee (only in case she/he is not the Chair of the Board as well) and €48,000 for other members of the Board. Approximately 40% of the remuneration shall be paid by acquiring Uponor Corporation's shares in public trading and/or by conveying Uponor Corporation's shares held by the company and the rest shall be paid in cash or, alternatively, by paying the full remuneration in cash and obligating the Board member to use approximately 40% of the remuneration paid in cash to acquire Uponor Corporation's shares in public trading. Additionally, a remuneration per each actual board and committee meeting (excluding decisions without a meeting) shall be paid to the members of the Board of Directors amounting to €800 for meetings held at the country of residence of the member, €1,600 for meetings held elsewhere on the same continent, and €3,000 for meetings held on another continent. The remuneration for telephone meetings shall be the remuneration for meetings held at the country of residence of the member. The additional remuneration (2021: €600) for the Chairs of the Board and the Board committees to be paid for each respective meeting shall be removed.

Further details about the Annual General Meeting are available at <https://www.uponorgroup.com/en-en/investors/governance/agm-2022>.

Significant events during the period

On 3 March 2022, Uponor announced its decision to suspend all exports and imports to and from Russia until further notice due to the ongoing invasion of Ukraine. Uponor's sales in Russia and Ukraine account for less than 2.5% of total Group sales and less than 1.5% of total Group assets. Uponor is currently exploring options related to its Russian operations.

On 14 March, Uponor hosted a Capital Markets Day for investors, analysts and representatives from banks and media today. During the event, Uponor's President & CEO, Mikael Rauterkus, together with other members of the Executive Committee provided information on the company's business operations, as well as the new strategic focus on maximizing the core and driving sustainable innovation for profitable growth and the roadmap to reach the new financial targets, both of which were announced earlier on 14 March.

Short-term risks and uncertainties

Changes in the global economy and financial markets may have a negative impact on Uponor's operations, performance, financial position and sources of capital. For example, the following risks could potentially have an impact on Uponor's business:

The outlook for 2022 continues with uncertainties around the next phases of the COVID-19 pandemic even though good progress has been made in vaccination coverage in Uponor's operating area. The prevailing situation poses short-term challenges to Uponor's supply chain and own production, which may cause supply shortages and delays in deliveries. Continued uncertainty among businesses may negatively affect the initiation of new construction and renovation projects, though the relative impact and timing of this effect is uncertain.

Uponor is subject to risks related to macroeconomic and geopolitical conditions. Political uncertainties may cause serious disruption and additional trade barriers to Uponor's operations or supply chain and thus affect e.g. the company's sales and credit risk. Economic downturns may increase trade customers' payment problems and Uponor may need to recognize impairment of trade receivables. In March 2022, all exports and imports to and from Russia were suspended until further notice due to the ongoing invasion of Ukraine. Uponor's sales in Russia and Ukraine account for less than 2.5% of total Group sales and less than 1.5% of total Group assets. Uponor has an assembling facility and a sales office in Russia, employing around 90 people. In Ukraine, Uponor has 4 employees working in sales. Uponor is in the process of evaluating the continuity of its Russian operations.

Demand for Uponor's products depends on business cycles in the construction sector. Uponor mitigates this risk by distributing its business to two main geographical areas: Europe and North America. In addition, Uponor has three business areas: plumbing solutions, indoor climate solutions and infrastructure solutions. Uponor's products are used in both new construction projects and renovation projects, and in the latter the demand is usually more stable than in the more cyclical new construction.

Compliance with laws and regulations is top priority within Uponor. Non-compliance with legislation and regulations may lead to fines as well as reputational and business risk to Uponor. Uponor can be exposed to different judicial proceedings. In autumn 2021, certain product-related lawsuits with class allegations were filed against Uponor in two states in North America. The cases are still in their early stages, and it is uncertain if the classes will be certified and what impact, if any, the lawsuits will have on Uponor. Uponor mitigates its product liability-related risks through local and centralized insurance programs at Group level.

Uponor's ongoing operational excellence program aims to achieve annual savings of €25 million by the end of the first half of 2022. The company is exposed to a risk of capturing the savings within the planned timeline.

Digitalization, emerging technologies and capabilities related to those areas are needed to build new business opportunities for Uponor. In addition, digitalization and smart solutions expose the company to cyber risks.

Uponor's ability to attract and retain talent to drive change are key to the company's future success. Uponor manages this risk by building its employer brand and helping its current employees to develop, for example, their leadership skills.

In most of the countries where Uponor operates, there are local regulations and industry standards with which Uponor must be in compliance for many of the products in its portfolio of offerings. The company has rigid

processes in place whereby it closely monitors regulations and standards which pertain to both its products and raw materials. Changes in this regulatory environment can result in additional expenses to Uponor to ensure its products remain in compliance with the updated regulations and standards.

The prices of raw materials used in the manufacture of Uponor's products are susceptible to change, driven by several market factors including petrochemical and metal product price fluctuations, supply capacity and market demand, among others. Uponor aims to pass most of the effects of such fluctuations onto its selling prices with a reasonable delay.

Uponor has 17 manufacturing facilities in Europe and North America, which exposes the company to possible environmental risks. Uponor operates under an ISO 9001 quality management system and an ISO 14001 environmental management system, which enhance quality, production safety, environmental law compliance and productivity while reducing the environmental impact and risks related to Uponor's operations.

Several factors, including disturbances in the supply chain and IT systems as well as natural disasters, can pose a business continuity risk to Uponor. Uponor mitigates the risk with comprehensive business continuity planning and management.

The international nature of its operations exposes the company to currency risks associated with various currencies. Approximately 60% of Uponor's net sales were generated in currencies other than the euro. Correspondingly, a major part of expenses associated with these net sales were also denominated in the same local currencies, markedly decreasing the associated currency risks.

A more detailed risk analysis can be found from www.uponorgroup.com > Investors > Uponor as an investment.

Guidance for 2022 (unchanged)

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

(Increase indicates a growth of 2.5% or more.)

Vantaa, 28 April 2022

Uponor Corporation
Board of Directors

Table part

This interim report has been compiled in accordance with the IAS 34 reporting standard and it is unaudited. The figures in brackets are the reference figures for the equivalent period in 2021. All figures presented have been rounded and consequently, the sum of individual figures might differ from the presented total figure. The change percentages reported have been calculated from the exact figures and not from the rounded figures published in the interim report.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

M€	1-3/2022	1-3/2021	1-12/2021
Net sales	349.5	309.2	1,313.2
Cost of goods sold	215.8	184.2	828.5
Gross profit	133.7	125.0	484.7
Other operating income	0.1	0.2	0.9
Dispatching and warehousing expenses	8.9	7.6	31.9
Sales and marketing expenses	53.7	48.9	201.0
Administration expenses	18.9	17.1	77.3
Other operating expenses	5.5	4.7	21.2
Operating profit	46.8	47.0	154.1
Financial expenses, net	1.0	2.8	7.9
Share of results in associated companies and joint ventures	0.1	-1.0	-6.4
Profit before taxes	45.9	43.2	139.8
Income taxes	12.6	11.4	36.4
Profit for period	33.3	31.7	103.4
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurements on defined benefit pensions, net of taxes	-	-	0.4
Items that may be reclassified subsequently to profit or loss			
Translation differences	0.6	2.4	7.1
Cash flow hedges, net of taxes	2.2	0.3	2.6
Other comprehensive income for the period, net of taxes	2.8	2.6	10.2
Total comprehensive income for the period	36.1	34.4	113.6
Profit/loss for the period attributable to			
- Equity holders of parent company	32.7	31.1	96.9
- Non-controlling interest	0.6	0.7	6.5
Total comprehensive income for the period attributable for			
- Equity holders of parent company	35.6	33.9	107.2
- Non-controlling interest	0.6	0.4	6.4
Earnings per share, €	0.45	0.43	1.33
Diluted earnings per share, €	0.45	0.43	1.33

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

M€	31.3.2022	31.3.2021	31.12.2021
Assets			
Non-current assets			
Property, plant and equipment	295.6	264.1	295.5
Intangible assets	113.0	96.1	113.2
Investments in associates and joint ventures	0.5	8.7	0.4
Other securities and non-current receivables	7.4	5.7	6.5
Deferred tax assets	16.1	16.0	15.9
Total non-current assets	432.6	390.7	431.4
Current assets			
Inventories	210.4	141.4	174.4
Accounts receivable	260.8	240.2	206.8
Other receivables	32.4	23.1	56.4
Cash and cash equivalents	31.0	168.6	98.1
Total current assets	534.7	573.2	535.8
Total assets	967.2	963.8	967.2
Equity and liabilities			
Equity			
Equity attributable to the owners of the parent company	400.2	348.7	414.6
Non-controlling interest	66.6	65.5	68.7
Total equity	466.8	414.2	483.4
Non-current liabilities			
Interest-bearing liabilities	101.7	193.0	106.7
Deferred tax liability	9.3	9.6	8.5
Provisions	27.0	21.1	25.5
Employee benefits and other liabilities	19.5	21.9	19.6
Total non-current liabilities	157.6	245.7	160.4
Current liabilities			
Interest-bearing liabilities	15.2	13.5	12.3
Provisions	18.5	18.2	17.7
Accounts payable	117.7	88.5	117.7
Other liabilities	191.5	183.8	175.8
Total current liabilities	342.9	304.0	323.5
Total equity and liabilities	967.2	963.8	967.2

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

M€	1-3/2022	1-3/2021	1-12/2021
Cash flow from operations			
Net cash from operations	56.4	53.4	197.4
Change in net working capital	-80.8	-43.3	-23.4
Income taxes paid	-2.0	-3.1	-32.5
Interest paid	-0.9	-0.8	-2.7
Interest received	0.1	0.0	0.4
Cash flow from operations	-27.2	6.1	139.2
Cash flow from investments			
Acquisition of subsidiaries and businesses	-	-	-20.5
Purchase of other shares	-	-0.8	-0.8
Purchase of fixed assets	-10.2	-6.5	-45.5
Proceeds from sale of other shares	-	-	2.5
Proceeds from sale of fixed assets	0.4	0.1	0.8
Loans granted and repayed	-	0.0	-1.2
Dividends received	0.1	-	0.5
Cash flow from investments	-9.7	-7.2	-64.2
Cash flow from financing			
Borrowings of debt	0.4	70.0	71.0
Repayment of debt	-4.2	-	-103.0
Change in other short-term loan	3.2	-15.0	-15.0
Dividends paid	-26.7	-20.4	-44.4
Purchase of own shares	-	-	-10.7
Payment of lease liabilities	-3.4	-3.3	-13.4
Cash flow from financing	-30.7	31.3	-115.4
Conversion differences for cash and cash equivalents	0.4	0.4	0.6
Change in cash and cash equivalents	-67.1	30.6	-39.8
Cash and cash equivalents at 1 January	98.1	138.0	138.0
Cash and cash equivalents at end of period	31.0	168.6	98.1
Changes according to balance sheet	-67.1	30.6	-39.8

STATEMENT OF CHANGES IN EQUITY

M€	A	B	C	D*	E	F	G	H	I
Balance at 1 Jan 2022	146.4	50.2	3.5	-6.6	-1.4	222.6	414.6	68.7	483.4
Profit for the period						32.7	32.7	0.6	33.3
Other comprehensive income for the period			2.2	0.7		-	2.9	0.0	2.8
Dividend (€0.67 per share)						-48.7	-48.7		-48.7
Dividend paid to non- controlling interest								-2.7	-2.7
Share-based incentive plan					0.9	-2.2	-1.3		-1.3
Balance at 31 Mar 2022	146.4	50.2	5.7	-6.0	-0.5	204.3	400.2	66.6	466.8
Balance at 1 Jan 2021	146.4	50.2	0.9	-13.9	-1.7	174.9	356.8	65.1	421.9
Profit for the period						31.1	31.1	0.7	31.7
Other comprehensive income for the period			0.3	2.6			2.9	-0.2	2.6
Dividend (€0.57 per share)						-41.6	-41.6		-41.6
Share-based incentive plan					0.3	-0.7	-0.4		-0.4
Balance at 31 Mar 2021	146.4	50.2	1.1	-11.3	-1.4	163.7	348.7	65.5	414.2

*) Includes a €-14.3 (-14.3) million effective part of net investment hedging at the end of period.

A – Share capital

B – Share premium

C – Other reserves

D* – Translation reserve

E – Treasury shares

F – Retained earnings

G – Equity attributable to owners of the parent company

H – Non-controlling interest

I – Total equity

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

ACCOUNTING PRINCIPLES

The interim report has been prepared in compliance with International Financial Reporting Standards (IFRS) as adopted by the EU and IAS 34 Interim Financial Reporting. In its interim reports, Uponor Group follows the same principles as in the annual financial statements for 2021.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

M€	31.3.2022	31.3.2021	31.12.2021
Gross investment	10.2	6.5	45.5
- % of net sales	2.9	2.1	3.5
Book value of disposed fixed assets	0.4	-	0.6
Depreciation and impairments	12.9	12.3	49.1

PERSONNEL

	1-3/2022	1-3/2021	1-12/2021
Converted to full time employees			
Average	4,249	3,695	3,708
At the end of the period	4,255	3,739	3,658

OWN SHARES

	31.3.2022	31.3.2021	31.12.2021
Own shares held by the company, pcs	541,152	139,307	634,206
- of share capital, %	0.7	0.2	0.9
- of voting rights, %	0.7	0.2	0.9
Accounted par value of own shares held by the company, M€	1.1	0.3	1.3

Division information	1-3/2022			1-3/2021			
	M€	External	Internal	Total	External	Internal	Total
Net sales by division							
Building Solutions - Europe	161.4	1.1	162.4	139.3	0.4	139.7	
Building Solutions - North America	123.4	0.0	123.4	113.2	-	113.2	
Uponor Infra	64.7	0.7	65.4	56.6	0.9	57.5	
Eliminations	-	-1.8	-1.8	-	-1.3	-1.3	
Total	349.5	-	349.5	309.2	-	309.2	

M€	1-12/2021		
	External	Internal	Total
Net sales by division			
Building Solutions - Europe	562.7	1.5	564.2
Building Solutions - North America	467.5	-	467.5
Uponor Infra	283.0	3.8	286.8
Eliminations	-	-5.3	-5.3
Total	1,313.2	-	1,313.2

M€	1-3/2022	1-3/2021	1-12/2021
Operating profit by division			
Building Solutions - Europe	20.3	22.8	65.9
Building Solutions - North America	24.3	23.6	84.5
Uponor Infra	1.6	2.0	16.2
Others	-1.7	-2.2	-9.5
Eliminations	2.4	0.7	-3.0
Total	46.8	47.0	154.1

M€	1-3/2022	1-3/2021	1-12/2021
Division depreciation and impairments			
Building Solutions - Europe	5.4	4.7	19.1
Building Solutions - North America	4.5	4.6	18.1
Uponor Infra	2.6	2.6	10.5
Others	0.4	0.3	1.4
Eliminations	-	-	-
Total	12.9	12.3	49.1
Division investments			
Building Solutions - Europe	3.0	1.7	16.1
Building Solutions - North America	4.8	3.1	18.6
Uponor Infra	1.5	1.2	8.9
Others	0.8	0.5	2.4
Eliminations	-	-	-0.5
Total	10.2	6.5	45.5
M€	31.3.2022	31.3.2021	31.12.2021
Division assets			
Building Solutions - Europe	522.5	435.8	490.8
Building Solutions - North America	337.1	323.3	321.4
Uponor Infra	228.6	208.5	219.5
Others	362.9	475.7	384.6
Eliminations	-483.8	-479.5	-449.1
Total	967.2	963.8	967.2
Division liabilities			
Building Solutions - Europe	396.2	355.1	379.6
Building Solutions - North America	236.2	243.6	242.2
Uponor Infra	91.7	71.8	76.9
Others	279.8	393.6	258.6
Eliminations	-503.4	-514.4	-473.5
Total	500.5	549.6	483.9
Division personnel, average			
	1-3/2022	1-3/2021	1-12/2021
Building Solutions - Europe	2,210	1,818	1,900
Building Solutions - North America	1,064	928	999
Uponor Infra	840	834	845
Others	135	116	126
Total	4,249	3,695	3,871
Reconciliation			
M€	1-3/2022	1-3/2021	1-12/2021
Operating profit by division			
Total result for reportable divisions	46.2	48.4	166.6
Others	-1.7	-2.2	-9.5
Eliminations	2.4	0.7	-3.0
Operating profit	46.8	47.0	154.1
Financial expenses, net	1.0	2.8	7.9
Share of results in associated companies and joint ventures	0.1	-1.0	-6.4
Profit before taxes	45.9	43.2	139.8

REVENUE FROM CONTRACT WITH CUSTOMERS

The Group disaggregates revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Set out below is the disaggregation of the Group's revenue from contract with customers, including reconciliation of the revenue:

M€	1-3/2022			1-3/2021		
	Sale of goods	Rendering of services	Total	Sale of goods	Rendering of services	Total
Revenue from contract with customers by division						
Building Solutions - Europe	159.7	1.7	161.4	137.8	1.5	139.3
Building Solutions - North America	123.4	-	123.4	113.2	0.0	113.2
Uponor Infra	61.6	3.1	64.7	54.6	2.0	56.6
External customer, total	344.7	4.8	349.5	305.6	3.5	309.2
Internal	1.8		1.8	1.3		1.3
Total	346.5	4.8	351.2	307.0	3.5	310.5
Eliminations	-1.8		-1.8	-1.3		-1.3
Total revenue from contracts with customer	344.7	4.8	349.5	305.6	3.5	309.2

M€	1-12/2021		
	Sale of goods	Rendering of services	Total
Revenue from contract with customers by division			
Building Solutions - Europe	556.8	5.9	562.7
Building Solutions - North America	467.5	0.0	467.5
Uponor Infra	265.5	17.5	283.0
External customer, total	1,289.8	23.4	1,313.2
Internal	5.3		5.3
Total	1,295.1	23.4	1,318.5
Eliminations	-5.3		-5.3
Total revenue from contracts with customer	1,289.8	23.4	1,313.2

COMMITMENTS

M€	31.3.2022	31.3.2021	31.12.2021
Commitments of purchase PPE (Property, plant, equipment)	12.1	10.8	13.1
- on own behalf			
Pledges at book value	-	-	-
Mortgages issued	1.0	1.0	4.4
Guarantees issued	0.3	0.4	0.3
- on behalf of a subsidiary			
Guarantees issued	18.3	12.9	16.7
Letter of Comfort commitments undertaken on behalf of subsidiaries are not included in the above figures			
Mortgages issued	1.0	1.0	4.4
Guarantees issued	18.6	13.4	17.0
Total	19.5	14.4	21.4

FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT CATEGORY

M€	IFRS 7 Fair value hierarchy level	31.3.2022	31.3.2021	31.12.2021
Non-current financial assets				
Fair value through other comprehensive income				
Electricity derivatives	1	1.3	0.1	0.6
Amortised cost				
Other non-current receivables		4.5	4.2	4.3
Other shares and holdings		1.6	1.5	1.5
Current financial assets				
Fair value through other comprehensive income				
Electricity derivatives	1	3.5	0.4	2.2
Fair value through profit or loss				
Other derivative contracts	2	2.5	0.5	1.3
Amortised cost				
Accounts receivable and other receivables		281.5	253.1	252.7
Cash and cash equivalents		31.0	168.6	98.1
Financial assets total		325.8	428.3	360.7
Non-current financial liabilities				
Fair value through other comprehensive income				
Electricity derivatives	1	-	0.1	0.0
Amortised cost				
Interest bearing liabilities		101.7	193.0	106.7
Current financial liabilities				
Fair value through other comprehensive income				
Electricity derivatives	1	-	0.1	0.0
Other derivative contracts	2	0.3	0.8	0.5
Fair value through the profit or loss				
Other derivative contracts	2	3.0	4.8	1.5
Amortised cost				
Interest bearing liabilities		15.2	13.5	12.3
Accounts payable and other liabilities		198.1	160.4	177.6
Financial liabilities total		318.2	372.6	298.6

The carrying value of financial assets and liabilities is considered to correspond to their fair value. The Group's financial instruments are classified according to IFRS 7 fair value hierarchies. Uponor applies the hierarchy as follows:

- The fair value of electricity derivatives is measured based on Nord Pool power exchange prices. (Hierarchy 1)
- The fair value of currency forward agreements is measured based on price information from common markets and commonly used valuation methods. (Hierarchy 2)

KEY FIGURES

	1-3/2022	1-3/2021	1-12/2021
Earnings per share, €	0.45	0.43	1.33
Operating profit, %	13.4	15.2	11.7
Return on equity, % (p.a.)	28.0	30.4	22.9
Return on investment, % (p.a.)	31.8	29.6	24.7
Solvency ratio, %	48.4	43.0	50.2
Gearing, %	18.4	9.2	4.3
Gearing, % rolling 4 quarters	4.0	17.9	1.7
Net interest-bearing liabilities	85.9	37.9	20.9
Equity per share, €	5.51	4.77	5.71
- diluted	5.51	4.77	5.71
Trading price of shares			
- low, €	16.10	16.86	16.86
- high, €	21.74	19.92	28.88
- average, €	19.51	18.66	21.88
Shares traded			
- 1,000 pcs	6,345	5,886	20,981
- M€	123.7	109.8	459.2

QUARTERLY DATA

	1-3/ 2022	10-12/ 2021	7-9/ 2021	4-6/ 2021	1-3/ 2021
Net sales, M€	349.5	329.3	321.4	353.3	309.2
- Building Solutions – Europe	162.4	133.9	141.6	149.0	139.7
- Building Solutions – North America	123.4	127.5	108.3	118.4	113.2
Building Solutions – North America, \$	137.6	146.4	127.4	142.8	135.8
- Uponor Infra	65.4	69.1	72.4	87.8	57.5
Gross profit, M€	133.7	117.7	115.0	126.9	125.0
- Gross profit, %	38.3	35.8	35.8	35.9	40.4
Operating profit, M€	46.8	22.8	37.3	47.0	47.0
- Building Solutions – Europe	20.3	4.6	17.6	20.9	22.8
- Building Solutions – North America	24.3	20.2	17.7	23.0	23.6
Building Solutions – North America, \$	27.1	23.0	20.8	27.7	28.3
- Uponor Infra	1.6	2.5	4.9	6.8	2.0
- Others	-1.7	-3.4	-1.6	-2.4	-2.2
Operating profit, % of net sales	13.4	6.9	11.6	13.3	15.2
- Building Solutions – Europe	12.5	3.4	12.4	14.0	16.3
- Building Solutions – North America	19.7	15.7	16.3	19.4	20.8
- Uponor Infra	2.5	3.6	6.7	7.8	3.5
Profit for the period, M€	33.3	18.4	27.4	25.9	31.7
Balance sheet total, M€	967.2	967.2	944.8	1,021.9	963.8
Earnings per share, €	0.45	0.23	0.35	0.32	0.43
Equity per share, €	5.51	5.71	5.54	5.13	4.77
Market value of share capital, M€	1,343.3	1,533.0	1,572.5	1,789.2	1,385.1
Return on investment, % (p.a.)	31.8	24.7	28.5	27.6	29.6
Net interest-bearing liabilities at the end of the period, M€	85.9	20.9	-26.6	-5.3	37.9
Gearing, %	18.4	4.3	-5.6	-1.2	9.2
Gearing, % rolling 4 quarters	4.0	1.7	1.5	7.5	17.9
Gross investment, M€	10.2	18.3	8.9	11.8	6.5
- % of net sales	2.9	5.6	2.8	3.3	2.1

Items affecting comparability and reconciliations to IFRS

Uponor provides comparable operating profit and comparable gross profit in order to provide useful and comparable information of its operative business performance. Comparable operating or gross profit excludes items affecting comparability (IAC). Items affecting comparability are exceptional transactions that are unrelated to normal business operations. Such items often include issues such as capital gains and losses, additional costs arising from site closures and other restructuring, additional write-downs, or reversals of write-downs, expenses due to accidents and disasters, environmental matters, legal proceedings and changes in regulation.

	1-3/ 2022	10-12/ 2021	7-9/ 2021	4-6/ 2021	1-3/ 2021
Items affecting comparability					
Restructuring charges	-0.4	-3.9	-0.7	-1.2	-0.6
Capital gains and losses on sale of non-current assets	-	-	-	-	-
Total items affecting comparability in operating profit	-0.4	-3.9	-0.7	-1.2	-0.6
Items affecting comparability, total	-0.4	-3.9	-0.7	-1.2	-0.6
Comparable gross profit					
Gross profit	133.7	117.7	115.0	126.9	125.0
Less: Items affecting comparability in gross profit	-0.1	0.1	-0.1	-0.1	-0.1
Comparable gross profit	133.8	117.7	115.1	127.0	125.1
% of sales	38.3	35.7	35.8	35.9	40.4
Comparable operating profit					
Operating profit	46.8	22.8	37.3	47.0	47.0
Less: Items affecting comparability in operating profit	-0.4	-3.9	-0.7	-1.2	-0.6
Comparable operating profit	47.2	26.7	38.1	48.2	47.6
% of sales	13.5	8.1	11.8	13.6	15.4
Comparable operating profit by division					
Building Solutions – Europe					
Operating profit	20.3	4.6	17.6	20.9	22.8
Less: Items affecting comparability in operating profit	-0.3	-4.0	-0.5	-1.0	-0.5
Comparable operating profit	20.6	8.6	18.1	21.9	23.3
% of sales	12.7	6.4	12.8	14.7	16.7
Building Solutions – North America					
Operating profit	24.3	20.2	17.7	23.0	23.6
Less: Items affecting comparability in operating profit	0.0	-0.1	0.0	-	-
Comparable operating profit	24.3	20.3	17.7	23.0	23.6
% of sales	19.7	15.9	16.4	19.4	20.9
Uponor Infra					
Operating profit	1.6	2.5	4.9	6.8	2.0
Less: Items affecting comparability in operating profit	0.0	-	-	0.0	0.0
Comparable operating profit	1.6	2.6	4.9	6.8	2.0
% of sales	2.5	3.8	6.7	7.8	3.5
Others					
Operating profit	-1.7	-3.4	-1.6	-2.4	-2.2
Less: Items affecting comparability in operating profit	-0.1	0.4	-0.2	-0.1	-0.1
Comparable operating profit	-1.7	-3.8	-1.4	-2.2	-2.1
% of sales	na	na	na	na	na

DEFINITIONS OF KEY RATIOS

Return on Equity (ROE), %

$$= \frac{\text{Profit before taxes – taxes}}{\text{Total equity, average}} \times 100$$

Return on Investment (ROI), %

$$= \frac{\text{Profit before taxes + interest and other financing costs}}{\text{Balance sheet total – non-interest-bearing liabilities, average}} \times 100$$

Solvency, %

$$= \frac{\text{Total equity}}{\text{Balance sheet total – advance payments received}} \times 100$$

Gearing, %

$$= \frac{\text{Net interest-bearing liabilities}}{\text{Total equity}} \times 100$$

Net interest-bearing liabilities

$$= \text{Interest-bearing liabilities – cash and cash equivalents excluding restricted cash}$$

Earnings per share (EPS)

$$= \frac{\text{Profit for the period attributable to equity holders of the parent company}}{\text{Average number of shares adjusted for share issue in financial period excluding treasury shares}}$$

Equity per share ratio

$$= \frac{\text{Equity attributable to the owners of the parent company}}{\text{Number of shares adjusted for share issue at end of year}}$$

Average share price

$$= \frac{\text{Total value of shares traded (€)}}{\text{Total number of shares traded}}$$

Gross profit margin, %

$$= \frac{\text{Gross profit}}{\text{Net sales}} \times 100$$

Operating profit margin, %

$$= \frac{\text{Operating profit}}{\text{Net sales}} \times 100$$

Comparable gross profit

$$= \text{Gross profit – items affecting comparability}$$

$$\begin{array}{l} \text{Comparable gross profit margin} \\ = \frac{\text{Gross profit – items affecting comparability}}{\text{Net sales}} \times 100 \end{array}$$

$$\begin{array}{l} \text{Comparable operating profit} \\ = \text{Operating profit – items affecting comparability} \end{array}$$

$$\begin{array}{l} \text{Comparable operating profit margin} \\ = \frac{\text{Operating profit – items affecting comparability}}{\text{Net sales}} \times 100 \end{array}$$