

▶ Q2

Uponor Corporation
Half-Year Financial Report
January–June 2022



uponor

Strong Q2 performance, first half year result reached a new high

April–June 2022 in brief

- Net sales were €396.2 (353.3) million, a growth of 12.1% or 9.3% in constant currency terms. The organic growth was 9.6% or 6.7% in constant currency terms.
- Operating profit was €42.8 (47.0) million or 10.8% (13.3) of net sales.
- Comparable operating profit was €50.5 (48.2) million or 12.7% (13.6) of net sales.
- Earnings per share were €0.34 (0.32).

January–June 2022 in brief

- Net sales were €745.7 (662.5) million, a growth of 12.6% or 9.4% in constant currency terms. The organic growth was 9.9% or 6.7% in constant currency terms.
- Operating profit was €89.6 (94.0) million or 12.0% (14.2) of net sales.
- Comparable operating profit was €97.7 (95.7) million or 13.1% (14.5) of net sales.
- Earnings per share were €0.79 (0.75).

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 market conditions and the competitive landscape to become tougher in the second half of 2022. Downside risks to the demand outlook in both residential and non-residential construction markets have clearly increased, with monetary policy and energy supply uncertainties adding to increasingly acute builder supply chain challenges, a lack of skilled labor in the construction industry and construction material price inflation.

Michael Rauterkus, President and CEO, comments:

“We are pleased to deliver further net sales growth and an improved comparable operating profit while continuing to face a very challenging cost environment. Uponor Group’s second quarter net sales grew by 12.1% to €396.2 million, driven by successful pricing strategy implementation. The organic growth was 9.6%. The Group’s comparable operating profit rose by 4.8% to €50.5 million. Our pricing actions had a positive impact on the operating profit in a tough supply environment with high inflationary pressures. We were able to fully compensate cost increases caused by higher input prices. The comparable operating margin reached the level of 12.7% (13.6). Earnings per share rose to €0.34 (0.32). Our safety performance improved with an accident frequency rate (LTIF) of 5.6 (6.3). However, we are still far from Uponor’s target of zero accidents.

In Building Solutions – Europe, the strong net sales growth and the comparable operating profit improvement were mainly driven by successful pricing actions. In Building Solutions – North America, net sales growth was slower largely due to distributors' inventory rebalance as our service levels have improved since the comparison period, but the operating profit remained solid supported by strong price penetration and good operational performance. In Uponor Infra, net sales growth was driven by strong pricing execution, and, despite record high input prices, operating profit increased.

The review of options related to our Russian operations accelerated in the second quarter. This followed an earlier decision to stop all imports from and exports to Russia at the outbreak of the invasion of Ukraine. As an outcome, we reclassified our Russian operations as assets held for sale and made a write down of net assets related to the operations. The write-down has no cash impact but had a negative impact of €-6.2 million on operating profit. Our aim is to find a solution with local ownership that is sustainable long-term for our employees and customers in Russia.

Profitable growth is Uponor's strategic focus area. In the quarter, we executed as planned on our strategy. We continued to accelerate R&D initiatives, reviewing our strong pipeline of innovations. We took new steps on our sustainability journey, preparing the launch of the next Uponor Blue product series based on certified renewable materials. We also started to work on additional savings opportunities through our procurement and identified new customer service improvement opportunities. To maximize the core, we set focus on select markets with high potential and on increasing cross selling between our product categories and, in the longer term, on shifting focus from selling components to selling our entire offering for buildings as a solution. In the quarter, I was also happy to welcome Andres Caballero to Uponor's Executive Committee to lead our profitable growth strategy in North America as our new President of Building Solutions – North America division.

We have kept our outlook for 2022 unchanged. We still however expect to face even stronger headwinds in the second half, particularly with volatility in raw materials, energy and component supply, and high levels of inflation as well as interest rate hikes adding uncertainty to the demand picture. We are preparing for potential energy supply shortages and monitoring closely risks around component and raw material availability. To mitigate the cost pressure, we are continuing to focus on active pricing actions, managing product costs and increasing productivity.

We believe the current energy crisis will further accelerate the transformation toward and demand for more energy-efficient systems. We are well positioned to seize the opportunities created by the growing demand for our energy-efficient heating and cooling systems as well as for our sustainable systems for safe and clean water.

Our maximizing the core strategy, our sustained innovation, our continued focus on operational efficiencies, our strong balance sheet and skilled employee base give me confidence that Uponor is well equipped and positioned to meet current and long-term challenges by taking market share and emerging stronger from this environment of high uncertainty. Overall, I am happy with the progress made in the first half. I want to thank our customers for their trust and all of team Uponor for their hard work and engagement."

Key figures

M€	4-6/ 2022	4-6/ 2021	Change	1-6/ 2022	1-6/ 2021	Change	1-12/ 2021
Net sales	396.2	353.3	+12.1%	745.7	662.5	+12.6%	1,313.2
Operating expenses	340.5	294.5	+15.6%	630.3	544.6	+15.7%	1,110.0
Depreciation and impairments	13.1	12.2	+7.4%	26.0	24.5	+6.3%	49.1
Other operating income	0.1	0.4	-69.3%	0.2	0.6	-66.2%	0.1
Operating profit	42.8	47.0	-8.9%	89.6	94.0	-4.6%	154.1
Operating profit, %	10.8	13.3	-18.8%	12.0	14.2	-15.3%	11.7
Comparable operating profit	50.5	48.2	+4.8%	97.7	95.7	+2.0%	160.5
Comparable operating profit, %	12.7	13.6	-6.6%	13.1	14.5	-9.3%	12.2
Financial income and expenses	0.3	-3.0	-111.4%	-0.6	-5.8	-89.4%	-1.0
Profit before taxes	43.2	37.6	+14.9%	89.1	80.7	+10.3%	21.9
Profit for the period	29.6	25.9	+14.2%	62.9	57.6	+9.1%	18.4
Earnings per share	0.34	0.32	+3.9%	0.79	0.75	+4.9%	1.33

	30 Jun 2022	30 Jun 2021	Change	31 Dec 2021
Net working capital, M€	165.3	72.0	+129.7%	93.3
Net-interest bearing debt, M€	77.0	-5.3	-1,563.7%	20.9
Solvency, %	49.2	43.2	+13.9%	50.2
Gearing, %	15.1	-1.2	-1,361.1%	4.3
Return on investment, %	29.8	27.6	+7.9%	24.7

Results briefing and live webcast

A live webcast for analysts, institutional investors and the media will be broadcast on Wednesday, 27 July at 14:30 EEST. The briefing is in English. The webcast and its recording can be viewed via our website at uponorgroup.com > Investors > Reports and presentations or via the Uponor IR mobile app along with all presentation materials.

Uponor Corporation's financial calendar for 2022 and 2023

4 Nov 2022	Interim report 1-9/2022
15 Feb 2023	Financial statements bulletin 2022
26 Apr 2023	Interim report 1-3/2023
26 Jul 2023	Half-year financial report 2023
25 Oct 2023	Interim report 1-9/2023

Uponor Corporations' Annual Report for 2022 will be published the week starting 20 February 2023 and the Annual General Meeting 2023 will be held on Friday, 17 March 2023.

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UPONOR CORPORATION HALF-YEAR FINANCIAL REPORT 2022

Financial review April–June 2022

Market development

Construction markets on both sides of the Atlantic sustained solid output levels overall throughout the quarter despite progressively challenging headwinds in the form of material shortages, labour shortages, price inflation and, in some markets, increasing borrowing costs.

In North America, residential building activity in Uponor's largest market, the USA, remained strong throughout the quarter, with housing starts on par with last year's already elevated levels and residential construction spending expanding substantially. Notably, while the headline measure of home builder confidence continued to indicate expansion, builders' expectations for the months ahead and assessment of buyer interest clearly darkened throughout the quarter. In the non-residential segment, weakness in spending on new lodging projects was countered by increased spending on commercial and health care facilities. In Canada, residential construction remained upbeat despite the first signs of cooling in some of the housing markets that have witnessed the strongest price appreciation in recent years.

In Europe, building activity in Uponor's largest market, Germany, was challenged by even more pronounced shortages of both labour and materials but remained relatively steady. Weakening order books and elevated levels of uncertainty about the future further dampened builder confidence. In the Netherlands, activity remained upbeat, but builders reported a slowing in order books as the quarter drew to a close. In the Nordic region, construction levels continued to be steady, especially in the residential segment, but leading indicators weakened in some markets, such as Finland. Meanwhile, construction markets in Southwest Europe improved from 2021 on the whole.

Net sales

Uponor Group's net sales for the second quarter of 2022 reached €396.2 (353.3) million, a growth of 12.1%. Positive net currency impact was €10.2 million, bringing the growth without currency impact to 9.3%. Biggest currency impact came from USD, CAD and SEK. The organic net sales growth was 9.6% or 6.7% in constant currency terms. Net sales growth was strong in Building Solutions – Europe and in Uponor Infra supported by strong pricing execution. In Building Solutions – North America, net sales declined in USD terms compared to the exceptionally high sales levels in the comparison period due to significant distributor network inventory build-up after Covid-19 related supply challenges.

Breakdown of net sales by division (April–June):

M€	4–6/2022	4–6/2021	Change
Building Solutions – Europe*	175.9	149.0	+18.0%
Building Solutions – North America	125.3	118.4	+5.8%
(Building Solutions – North America (M\$))	132.2	142.8	-7.4%
Uponor Infra	96.3	87.8	+9.7%
Eliminations	-1.3	-1.9	
Total	396.2	353.3	+12.1%

*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. 27.8% (28.8), Finland 11.8% (11.7), Germany 10.6% (11.3), Sweden 9.6% (10.0), the Netherlands 4.9% (3.1), Denmark 4.3% (4.6), Canada 4.1% (4.8), Poland 3.9% (3.2), Spain 3.0% (2.8) and Austria 2.8% (2.5).

Results and profitability

Uponor's gross profit in the second quarter was €145.7 (126.9) million. The gross profit margin was 36.8% (35.9).

The operating profit in the second quarter of 2022 was €42.8 (47.0) million with an operating profit margin of 10.8% (13.3). The comparable operating profit was €50.5 (48.2) million. The total net effect of items affecting comparability was €7.7 (1.2) million, of which €6.2 million was related to write-down of Uponor's Russian operations net assets and €1.3 related to operational excellence programme. The comparable operating profit margin was 12.7% (13.6). Pricing actions had a positive impact on the operating profit in a tough supply environment with high inflationary pressures. Sales price increases compensated for higher input costs.

Operating profit by division (April–June):

M€	4–6/2022	4–6/2021	Change
Building Solutions – Europe*	16.9	20.9	-19.1%
Building Solutions – North America	23.2	23.0	+0.7%
(Building Solutions – North America (M\$))	24.4	27.7	-12.0%
Uponor Infra	7.5	6.8	+10.7%
Others	-3.3	-2.4	
Eliminations	-1.5	-1.3	
Total	42.8	47.0	-8.9%

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

Comparable operating profit by division (April–June):

M€	4–6/2022	4–6/2021	Change
Building Solutions – Europe*	24.2	21.9	+10.2%
Building Solutions – North America	23.2	23.0	+0.6%
(Building Solutions – North America (M\$))	24.4	27.8	-12.1%
Uponor Infra	7.7	6.8	+12.6%
Others	-3.0	-2.2	
Eliminations	-1.5	-1.3	
Total	50.5	48.2	+4.8%

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

Uponor's net financial income was €0.3 (-3.0) million. In the second quarter of 2022, net currency exchange differences totalled €1.1 (-0.8) million.

The share of the result in associated companies and joint ventures for the second quarter was €0.0 (-6.5) 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 April–June was €43.2 (37.6) million. The tax expense was €13.6 (11.7) million.

Profit for the period in the second quarter of 2022 was €29.6 (25.9) million.

Return on equity was 24.2% (24.3). Return on investment was 29.3% (25.2). Return on investment, adjusted for items affecting comparability, was 34.4% (25.9).

Earnings per share were €0.34 (0.32). Equity per share was €6.05 (5.13). For other share-specific information, please see the Tables section.

Cash flow

Cash flow from operations decreased in the second quarter compared to the comparison period and was €28.7 (57.9) million. The decrease was 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 €14.4 (45.5) million.

Capital expenditure

Gross investment in fixed assets during the second quarter of 2022 totalled €14.5 (11.8) million. Depreciation and impairments were €13.1 (12.2) million. Net investments totalled €14.4 (11.2) million. Uponor's investments in the second quarter of 2022 were related to maintenance, efficiency improvements and capacity expansions.

Innovations, research and development

In April–June 2022, total research and development expenses were €5.8 million (5.0), representing 1.5% (1.4) of the Group's net sales.

Uponor's roll-out of the world's first PEX pipes based on renewable raw materials continued in Europe and were launched in Spain and Germany during the quarter.

Review of options related to Uponor's Russian operations

The review of options related to our Russian operations accelerated in the second quarter. This followed an earlier decision to stop all imports from and exports to Russia at the outbreak of the invasion of Ukraine. As an outcome, Uponor reclassified its Russian operations as assets held for sale and the write-down of net assets related to the operations had a negative impact of €-6.2 million on second quarter operating profit. Uponor's total assets in Russia account for 1.3% of total Group assets. In 2021, Uponor's net sales in Russia amounted to €30 million, representing 2.3% of Group sales, and the operating profit amounted to €2.9 million in 2021.

Financial review January–June 2022

Uponor Group's net sales for the first half year of 2022 reached €745.7 (662.5) million, a growth of 12.6%. Positive net currency impact was €21.2 million, bringing the growth without currency impact to 9.4%. Biggest currency impact came from USD, CAD and SEK. The organic net sales growth was 9.9% or 6.7% in constant currency terms. Net sales grew in euro terms in all business divisions driven by successful sales price increases.

Breakdown of net sales by division (January–June):

M€	1–6/2022	1–6/2021	Change
Building Solutions – Europe*	338.3	288.7	+17.2%
Building Solutions – North America	248.7	231.7	+7.3%
(Building Solutions – North America (M\$))	269.8	278.6	-3.1%
Uponor Infra	161.7	145.3	+11.3%
Eliminations	-3.0	-3.2	
Total	745.7	662.5	+12.6%

*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. 29.1% (30.3), Germany 11.1% (11.7), Finland 10.1% (10.3), Sweden 9.3% (9.4), the Netherlands 4.7% (4.3), Canada 4.4% (4.7), Denmark 4.4% (4.6), Poland 4.0% (3.0), Spain 3.1% (3.1) and Austria 2.5% (2.2).

Results and profitability

Uponor's gross profit in January–June was €279.4 (251.9) million. The gross profit margin was 37.5% (38.0).

The operating profit in January–June of 2022 was €89.6 (94.0) million with an operating profit margin of 12.0% (14.2). The comparable operating profit was €97.7 (95.7) million. The total net effect of items affecting comparability was €8.1 (1.8) million, of which €6.2 million was related to write-down of Uponor's Russian operations net assets and €1.7 related to operational excellence programme. The comparable operating profit margin was 13.1% (14.5). 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, normalized overhead costs compared to the exceptionally low overhead costs in the comparison period, caused by Covid-19, led to a lower profit level.

Operating profit by division (January–June):

M€	1–6/2022	1–6/2021	Change
Building Solutions – Europe*	37.2	43.8	-15.0%
Building Solutions – North America	47.5	46.6	+1.9%
(Building Solutions – North America (M\$))	51.5	56.0	-8.1%
Uponor Infra	9.1	8.8	+3.5%
Others	-5.1	-4.5	
Eliminations	0.9	-0.7	
Total	89.6	94.0	-4.6%

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

Comparable operating profit by division (January–June):

M€	1–6/2022	1–6/2021	Change
Building Solutions – Europe*	44.8	45.3	-1.1%
Building Solutions – North America	47.5	46.7	+1.7%
(Building Solutions – North America (M\$))	51.5	56.1	-8.2%
Uponor Infra	9.3	8.8	+4.9%
Others	-4.7	-4.3	
Eliminations	0.9	-0.7	
Total	97.7	95.7	+2.0%

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

Uponor's net financial expenses were €-0.6 (-5.8) million. In January–June 2022, net currency exchange differences totalled €1.1 (-2.7) million.

The share of the result in associated companies and joint ventures was €0.1 (-7.4) 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–June was €89.1 (80.7) million. The tax expense was €26.2 (23.1) million.

Profit for the period in the first half year of 2022 was €62.9 (57.6) million.

Return on equity was 25.3% (26.7). Return on investment was 29.8% (27.6). Return on investment, adjusted for items affecting comparability, was 32.5% (28.2).

Earnings per share were €0.79 (0.75). Equity per share was €6.05 (5.13). For other share-specific information, please see the Tables section.

Cash flow

Cash flow from operations decreased from comparison period and was €1.5 (64.0) 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 €-22.5 (44.5) million.

Cash flow from financing and thus cash flow for the January–June period 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.

Capital expenditure

Gross investment in fixed assets totalled €24.6 (18.3) million. Depreciation and impairments were €26.0 (24.5) million. Net investments totalled €24.2 (17.7) million. Uponor's investments in January–June of 2022 were related to maintenance, efficiency improvements and capacity expansions.

Innovations, research and development

In January–June 2022, total research and development expenses were €11.3 million (9.8), representing 1.5% (1.5) of the Group's net sales.

During the first half of 2022, Uponor rolled-out the world's first PEX pipes based on ISCC certified renewable raw materials, "PEX Blue", in Norway, Sweden, Finland, Spain and Germany. The Blue product series is part of

Uponor's commitment to renewable raw materials helping customers reach their sustainability targets. The roll-out to more European markets will continue during the second half of 2022. PEX Pipe Blue features a reduced product carbon footprint of up to 90% compared to fossil based PEX pipes on the market.

Financial position

Net interest-bearing liabilities at the end of June 2022, were €77.0 (-5.3) million. The solvency ratio was 49.2% (43.2) and gearing was 15.1% (-1.2), with a four-quarter rolling gearing of 8.0% (7.5), below the range of 40–80% set in the company's financial targets.

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 €35.4 million, of which €0.1 (-) was in use on the balance sheet date. At the end of June 2022, Uponor had €33.9 (208.1) million in cash and cash equivalents.

Strategy execution

Uponor Group's profitable growth strategy centers around maximizing the core, a step-change in innovation, a People First agenda to drive an engaged, performance-based culture and leading the construction industry towards net zero.

In the second quarter, we have executed as planned on our strategy. We continued to accelerate R&D initiatives by reviewing our pipeline of product and service innovations at our internal science fair. We continued taking steps on our sustainability journey, preparing new product launches based on renewable raw materials. We also started to work on additional savings opportunities through our procurement and customer service improvement opportunities. To maximize the core, we set focus on select markets where we see a lot of potential, including Germany, Austria, the Nordic countries, and Spain, where we enjoy strong market positions, as well as in the UK, France and Eastern Europe. We see growth opportunities in cross selling between our product categories and shifting focus from selling components to selling our entire offering for buildings as a solution.

Maximizing the core and sustained innovation will support Uponor's profitable growth ambitions in the coming years also under tough market conditions. We believe the current energy crisis will further accelerate the transformation toward and demand for more energy-efficient systems. Uponor is well positioned to seize the opportunities created by the growing demand for our energy-efficient heating and cooling systems as well as for our sustainable systems for safe and clean water.

Operational excellence programme

The operational excellence programme was completed at the end of the first half of 2022. During the second quarter of 2022, the programme generated additional annual savings of approximately €2 million, which brings the total generated savings of the programme up to approximately €24 million and a reduction of around 160 FTEs since the beginning of the programme.

Since the launch of the programme, a total of €19.0 million in one-time costs have been recorded as items affecting comparability. Of that amount, €1.7 million was recorded in the first half 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. In May 2021, the programme's

annual savings target was raised to €25 million by the end of the first half of 2022 and the estimated one-time costs of the whole programme to be around €22 million.

Personnel and occupational safety

Uponor's accident frequency (LTIF, accidents per million working hours) for the second quarter was 5.6 (6.3). Uponor's target is zero accidents.

At the end of June, the Uponor Group had 4,326 (3,879) employees, in full-time-equivalent (FTE) terms. This is 568 more than at the end of June 2021. The average number of employees (FTE) during January–June was 4,269 (3,758). 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 15 June 2022, Andres Caballero (M.Sc. Engineering, b. 1974) was appointed President of the Building Solutions – North America division and a member of the Executive Committee at Uponor from 1 August 2022 at the latest. He assumed his position on 25 July 2022. He is based in Minnesota, USA, and reports to Michael Rauterkus, President and CEO, Uponor Corporation. Andres succeeds Bill Gray who stepped down from his role as President of Building Solutions – North America on 10 January 2022 to focus on interests outside the company. John Reutter, who acted interim President of Building Solutions – North America, will concentrate on his duties as the division's Vice President of Finance from 25 July 2022 onwards.

On 15 June 2022, Uponor Corporation also announced that Karsten Hoppe, President of the Building Solutions – Europe division, has decided to leave Uponor to pursue interests outside of the company. Karsten will continue in his operational leadership role until 14 October 2022 to ensure a smooth transition period. After the reporting period, on 26 July 2022, Uponor announced changes to the BLD-E leadership and organizational structure, whereby a yet-to-be appointed Senior Vice President, BLD-E, reporting to President and CEO Michael Rauterkus, will lead the new BLD-E organization as of 1 October 2022. This new leadership structure replaces the President, Building Solutions – Europe role that was previously an Executive Committee role.

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€	4–6/ 2022	4–6/ 2021	Change	1–6/ 2022	1–6/ 2021	Change	1–12/ 2021
Net sales	175.9	149.0	+18.0%	338.3	288.7	+17.2%	564.2
Operating profit	16.9	20.9	-19.1%	37.2	43.8	-15.0%	65.9
Operating profit margin, %	9.6%	14.0%	-31.5%	11.0%	15.2 %	-27.4%	11.7%
Comparable operating profit	24.2	21.9	+10.2%	44.8	45.3	-1.1%	72.0
Comparable operating profit margin, %	13.7%	14.7%	-6.6%	13.2%	15.7 %	-15.6%	12.8%
Personnel, average				2,215	1,834	+381	1,900

April–June

Building Solutions – Europe's net sales were €175.9 (149.0) million, a growth of 18.0%. Net sales growth was driven by strong pricing execution and the acquisition of Capricorn S.A. The organic growth was 12.0%.

In the quarter, Uponor accelerated the review of options related to its Russian operations. As an outcome, Uponor reclassified its Russian operations as assets held for sale. The aim is to find a solution with local ownership that is sustainable long-term for Uponor's employees and customers in Russia. In 2021, Uponor's net sales in Russia amounted to €30 million, representing 2.3% of Group sales, and the operating profit amounted to €2.9 million in 2021.

Building Solutions – Europe's operating profit was €16.9 (20.9) million, a decrease of -19.1%. Comparable operating profit was €24.2 (21.9) million. Pricing actions had a positive impact on the operating profit and compensated for higher input costs. Items affecting comparability included a €-6.2 million write-down of net assets related to Uponor's Russian operations. Uponor's total assets in Russia account for 1.3% of total Group assets.

January–June

Building Solutions – Europe's net sales were €338.3 (288.7) million, a growth of 17.2%. The growth was mainly driven by sales price increases and the acquisition of Capricorn S.A. The organic growth was 11.0%. Volume growth levels were mixed across the different countries and strongest in Eastern Europe.

Building Solutions – Europe's operating profit was €37.2 (43.8) million, a decrease of -15.0%. Comparable operating profit was €44.8 (45.3) million. Pricing actions had a positive impact on the operating profit and compensated for higher input costs such as material and transportation costs. Items affecting comparability included a write-down of net assets related to the Russian operations that had a negative impact on the operating profit.

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€	4-6/ 2022	4-6/ 2021	Change	1-6/ 2022	1-6/ 2021	Change	1-12/ 2021
Net sales	125.3	118.4	+5.8%	248.7	231.7	+7.3%	467.5
Operating profit	23.2	23.0	+0.7%	47.5	46.6	+1.9%	84.5
Operating profit margin, %	34.2%	39.7%	-14.0%	36.0%	40.6%	-11.1%	33.0%
Comparable operating profit	23.2	23.0	+0.6%	47.5	46.7	+1.7%	84.7
Comparable operating profit margin, %	18.5%	19.4%	-4.9%	19.1%	20.1%	-5.3%	18.1%
Personnel, average				1,059	954	+105	999

April-June

Building Solutions – North America's net sales were €125.3 (118.4) million, a growth of 5.8% in euro terms or a decrease of -7.4% in USD terms. Net sales declined in USD terms compared to the exceptionally high sales levels in the comparison period largely due to significant distributor network inventory build-up after Covid-19 related supply challenges.

Building Solutions – North America's operating profit was €23.2 (23.0) million, an increase of 0.7% in euro terms and a decrease of -12.0% in USD. Strong pricing execution and good operational performance contributed positively to the operating profit, but it was not enough to fully compensate for the volume loss against the significantly above normal growth levels in the comparison period.

January-June

Building Solutions – North America's net sales were €248.7 (231.7) million, a growth of 7.3% in euro terms or a decrease of -3.1% in USD. Good progress in pricing penetration was not enough to offset the reduction in net sales compared to the exceptionally high sales growth in the comparison period that was fuelled by significant distributor network inventory build-up after Covid-19 supply challenges.

Building Solutions – North America's operating profit was €47.5 (46.6) million, a growth of 1.9% in euro terms or a decrease of -8.1% in USD. Strong pricing execution and good operational performance contributed positively to the operating profit.

Uponor Infra

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

M€	4-6/ 2022	4-6/ 2021	Change	1-6/ 2022	1-6/ 2021	Change	1-12/ 2021
Net sales	96.3	87.8	+9.7%	161.7	145.3	+11.3%	286.8
Operating profit	7.5	6.8	+10.7%	9.1	8.8	+3.5%	16.2
Operating profit margin, %	7.8%	7.8%	+0.9%	5.7%	6.1%	+0.9%	5.7%
Comparable operating profit	7.7	6.8	+12.6%	9.3	8.8	+4.9%	16.3
Comparable operating profit margin, %	8.0%	7.8%	+2.6%	5.7%	6.1%	+2.6%	5.7%
Personnel, average				857	848	+9	845

April-June

Uponor Infra's net sales were €96.3 (87.8) million, a growth of 9.7%. The growth was driven by successful pricing execution.

Uponor Infra's operating profit was €7.5 (6.8) million, an increase of 10.7%. Despite record high input prices, the operating profit improved due to successful pricing actions and more efficient usage of raw materials in the production.

January-June

Uponor Infra's net sales were €161.7 (145.3) million, a growth of 11.3%. The growth was driven by sales price increases in all markets.

Uponor Infra's operating profit was €9.1 (8.8) million, an increase of 3.5%. Successful pricing actions had a positive effect on the operating profit and was partially offset by higher costs related to increased resources in product development and local sales units, in accordance with the new Group strategy launch in March.

Share capital and shares

In January–June 2022, Uponor's share turnover on Nasdaq Helsinki was 11.1 (10.3) million shares, totalling €198.1 (213.7) million. The share quotation at the end of June was €13.17 (24.44), and the market capitalisation of the shares was €964 (1,789) million.

At the end of June, there were a total of 21,137 (18,024) shareholders. Foreign shareholding in Uponor accounted for 28.2 (29.3) per cent of all shareholdings in the company at the end of the reporting period.

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 June, 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.

Authorisations

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.

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 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 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.

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 13 May 2022, Uponor announced the composition of the Shareholders' Nomination Board. As of 30 April 2022, the three largest shareholders have remained the same as last year and the following persons were nominated to Uponor Corporation Shareholders' Nomination Board: Ville Kivelä (Oras Invest Oy), Henrika Vikman (Nordea Funds Oy) and Hanna Kaskela (Varma Mutual Pension Insurance Company). Additionally, the Chair of the Board Annika Paasikivi will act as the expert member.

Events after the reporting period

On 26 July 2022, Uponor announced the appointment of Thomas Fuhr (M.Sc. (Mech. Eng.), b. 1965) as Chief Technology Officer (CTO) and member of Uponor's Executive Committee, and updated Building Solutions – Europe's leadership structure. The changes will be effective as of 1 October 2022. Thomas will lead a newly formed Technology organization designed to accelerate innovation as well as drive manufacturing efficiency and supply chain resilience. The Technology organization will provide operational support for the Building Solutions – Europe division and focus globally on innovation and sustainability, while also driving cross-division

collaboration of the manufacturing and supply chain functions. Thomas will be based in Germany and report to Michael Rauterkus, President and CEO, Uponor Corporation.

The Building Solutions – Europe (BLD-E) division's operational functions, including Manufacturing and Supply Chain, will move to the company's new Technology organization, led by CTO Thomas Fuhr, to enable increased focus on BLD-E's customers and commercial growth in Europe and other international markets.

A Senior Vice President, BLD-E, reporting to President and CEO Michael Rauterkus, will be appointed to lead the new BLD-E organization. This new leadership structure replaces the President, Building Solutions – Europe role that was previously an Executive Committee role.

The updated organizational structure will have no impact on the external financial reporting of the divisions.

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 the second quarter, Uponor reclassified its Russian operations as assets held for sale and made a write down of net assets related to the operations. This followed an earlier decision to stop all imports from and exports to Russia at the outbreak of the invasion of Ukraine. Uponor's aim is to find a solution with local ownership that is sustainable long-term for our employees and customers in Russia. Uponor's total assets in Russia account for 1.3% of total Group assets. In 2021, Uponor's net sales in Russia amounted to €30 million, representing 2.3% of Group sales, and the operating profit amounted to €2.9 million in 2021. Uponor has an assembling facility and a sales office in Russia, employing around 70 people. In Ukraine, Uponor has 4 employees working in sales.

Uponor is exposed to risks related to potential disruption of Russian gas supply both directly and indirectly. Uponor uses natural gas in its metal fitting production at one manufacturing facility in Germany. Gas supply disruptions in Central Europe are not likely to have a material direct impact on Uponor's other manufacturing facilities. However, gas supply disruptions in Central Europe may impact Uponor indirectly through effects on Uponor's suppliers' operations including raw material availability and prices.

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. Two product-related lawsuits with class allegations filed in the autumn of 2021 remain pending against Uponor in the United States. Uponor has been successful thus far in its defence of the

cases, which are essentially identical, but they remain in their early stages. As such, it remains uncertain what impact, if any, the cases will have on Uponor. Uponor mitigates its product liability-related risks through local and centralized insurance programs at Group level.

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.)

Long-term financial targets

Net sales: > 4% annual organic growth
Profitability: > 12% comparable operating margin
Capital structure: gearing 40–80%
Dividend: growing

The financial targets are linked to managements' STI and LTI programs.

ESG targets by 2027

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

The ESG targets are linked to managements' STI and LTI programs.

Vantaa, 27 July 2022

Uponor Corporation
Board of Directors

Table part

This half-year financial 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 half-year financial report

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

M€	1-6/2022	1-6/2021	4-6/2022	4-6/2021	1-12/2021
Net sales	745.7	662.5	396.2	353.3	1,313.2
Cost of goods sold	466.3	410.6	250.5	226.5	828.5
Gross profit	279.4	251.9	145.7	126.9	484.7
Other operating income	0.2	0.6	0.1	0.4	0.9
Dispatching and warehousing expenses	18.8	15.6	9.9	8.1	31.9
Sales and marketing expenses	111.2	97.2	57.6	48.3	201.0
Administration expenses	42.5	36.0	23.6	18.8	77.3
Other operating expenses	17.5	9.7	12.0	5.0	21.2
Operating profit	89.6	94.0	42.8	47.0	154.1
Financial expenses, net	0.6	5.8	-0.3	3.0	7.9
Share of results in associated companies and joint ventures	0.1	-7.4	0.0	-6.5	-6.4
Profit before taxes	89.1	80.7	43.2	37.6	139.8
Income taxes	26.2	23.1	13.6	11.7	36.4
Profit for period	62.9	57.6	29.6	25.9	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	8.0	3.1	7.4	0.7	7.1
Cash flow hedges, net of taxes	8.0	0.9	5.8	0.6	2.6
Other comprehensive income for the period, net of taxes	16.1	4.0	13.3	1.4	10.2
Total comprehensive income for the period	79.0	61.7	42.8	27.3	113.6
Profit/loss for the period attributable to					
- Equity holders of parent company	57.0	54.6	24.3	23.6	96.9
- Non-controlling interest	5.8	3.0	5.2	2.3	6.5
Total comprehensive income for the period attributable for					
- Equity holders of parent company	73.7	58.6	38.1	24.7	107.2
- Non-controlling interest	5.3	3.1	4.7	2.6	6.4
Earnings per share, €	0.79	0.75	0.34	0.32	1.33
Diluted earnings per share, €	0.79	0.75	0.34	0.32	1.33

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

M€	30.6.2022	30.6.2021	31.12.2021
Assets			
Non-current assets			
Property, plant and equipment	301.7	262.8	295.5
Intangible assets	112.3	96.2	113.2
Investments in associates and joint ventures	0.4	2.1	0.4
Other securities and non-current receivables	10.1	5.9	6.5
Deferred tax assets	16.6	15.9	15.9
Total non-current assets	441.1	382.9	431.4
Current assets			
Inventories	231.5	138.3	174.4
Accounts receivable	273.1	263.3	206.8
Other receivables	53.4	29.3	56.4
Cash and cash equivalents	33.9	208.1	98.1
Total current assets	591.9	639.0	535.8
Assets held for sale	7.8	-	-
Total assets	1,040.8	1,021.9	967.2
Equity and liabilities			
Equity			
Equity attributable to the owners of the parent company	439.6	374.7	414.6
Non-controlling interest	71.3	65.4	68.7
Total equity	510.9	440.2	483.4
Non-current liabilities			
Interest-bearing liabilities	99.5	192.1	106.7
Deferred tax liability	11.2	9.7	8.5
Provisions	28.8	21.6	25.5
Employee benefits and other liabilities	19.1	21.4	19.6
Total non-current liabilities	158.7	244.8	160.4
Current liabilities			
Interest-bearing liabilities	11.5	10.7	12.3
Provisions	20.8	18.6	17.7
Accounts payable	114.3	103.7	117.7
Other liabilities	223.0	203.9	175.8
Total current liabilities	369.6	336.9	323.5
Liabilities related to assets held for sale	1.7	-	-
Total equity and liabilities	1,040.8	1,021.9	967.2

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

M€	1-6/2022	1-6/2021	1-12/2021
Cash flow from operations			
Net cash from operations	115.2	113.9	197.4
Change in net working capital	-95.4	-34.0	-23.4
Income taxes paid	-17.0	-15.0	-32.5
Interest paid	-1.6	-1.2	-2.7
Interest received	0.2	0.2	0.4
Cash flow from operations	1.5	64.0	139.2
Cash flow from investments			
Acquisition of subsidiaries and businesses	0.0	0.0	-20.5
Purchase of other shares	0.0	-0.8	-0.8
Purchase of fixed assets	-24.6	-18.3	-45.5
Proceeds from sale of other shares	0.0	0.0	2.5
Proceeds from sale of fixed assets	0.4	0.6	0.8
Loans granted and repaid	0.0	-1.1	-1.2
Dividends received	0.3	0.1	0.5
Cash flow from investments	-24.0	-19.5	-64.2
Cash flow from financing			
Borrowings of debt	0.4	70.0	71.0
Repayment of debt	-4.4	0.0	-103.0
Change in other short-term loan	0.1	-15.0	-15.0
Dividends paid	-26.7	-23.1	-44.4
Purchase of own shares	0.0	0.0	-10.7
Payment of lease liabilities	-6.8	-6.8	-13.4
Cash flow from financing	-37.4	25.0	-115.4
Conversion differences for cash and cash equivalents	1.8	0.5	0.6
Change in cash and cash equivalents	-58.1	70.1	-39.8
Cash and cash equivalents at 1 January	98.1	138.0	138.0
Cash classified as assets held for sale	-6.1	-	-
Cash and cash equivalents at end of period	33.9	208.1	98.1
Changes according to balance sheet	-58.1	70.1	-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	-1.3	222.4	414.6	68.7	483.4
Profit for the period						57.0	57.0	5.8	62.9
Other comprehensive income for the period			8.0	8.6			16.7	-0.6	16.1
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	-0.9	0.0		0.0
Balance at 30 Jun 2022	146.4	50.2	11.5	2.0	-0.4	229.9	439.6	71.3	510.9
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						54.6	54.6	3.0	57.6
Other comprehensive income for the period			0.9	3.1			4.0	0.0	4.0
Dividend (€0.57 per share)						-41.6	-41.6		-41.6
Dividend paid to non-controlling interest								-2.7	-2.7
Share-based incentive plan					0.4	0.6	0.9		0.9
Balance at 30 Jun 2021	146.4	50.2	1.8	-10.9	-1.3	188.5	374.7	65.4	440.2

*) 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 HALF YEAR FINANCIAL STATEMENTS

ACCOUNTING PRINCIPLES

The half-year financial 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 half-year financial reports, Uponor Group follows the same principles as in the annual financial statements for 2021.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

M€	30.6.2022	30.6.2021	31.12.2021
Gross investment	24.6	18.3	45.5
- % of net sales	3.3	2.8	3.5
Book value of disposed fixed assets	0.4	-	0.6
Depreciation and impairments	26.0	24.5	49.1

PERSONNEL

	1-6/2022	1-6/2021	1-12/2021
Converted to full time employees			
Average	4,269	3,879	3,708
At the end of the period	4,326	3,758	3,658

OWN SHARES

	30.6.2022	30.6.2021	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	1-6/2022			1-6/2021		
	External	Internal	Total	External	Internal	Total
M€						
Net sales by division						
Building Solutions – Europe	336.7	1.7	338.3	287.7	1.0	288.7
Building Solutions – North America	248.7	-	248.7	231.7	-	231.7
Uponor Infra	160.4	1.4	161.7	143.1	2.2	145.3
Eliminations	-	-3.0	-3.0	-	-3.2	-3.2
Total	745.7	-	745.7	662.5	-	662.5

Division information	4-6/2022			4-6/2021		
	External	Internal	Total	External	Internal	Total
M€						
Net sales by division						
Building Solutions – Europe	175.3	0.6	175.9	148.4	0.6	149.0
Building Solutions – North America	125.3	-	125.3	118.4	-	118.4
Uponor Infra	95.6	0.7	96.3	86.5	1.3	87.8
Eliminations	-	-1.3	-1.3	-	-1.9	-1.9
Total	396.2	-	396.2	353.3	-	353.3

Division information	1-12/2021		
	External	Internal	Total
M€			
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€	1-6/2022	1-6/2021	4-6/2022	4-6/2021	1-12/2021
Operating profit by division					
Building Solutions – Europe	37.2	43.8	16.9	20.9	65.9
Building Solutions – North America	47.5	46.6	23.2	23.0	84.5
Uponor Infra	9.1	8.8	7.5	6.8	16.2
Others	-5.1	-4.5	-3.3	-2.4	-9.5
Eliminations	0.9	-0.7	-1.5	-1.3	-3.0
Total	89.6	94.0	42.8	47.0	154.1

M€	1-6/2022	1-6/2021	1-12/2021
Division depreciation and impairments			
Building Solutions – Europe	10.8	9.4	19.1
Building Solutions – North America	9.2	9.1	18.1
Uponor Infra	5.2	5.3	10.5
Others	0.7	0.7	1.4
Eliminations	-	-	-
Total	26.0	24.5	49.1

Division investments			
Building Solutions – Europe	7.0	5.5	16.1
Building Solutions – North America	13.5	7.7	18.6
Uponor Infra	2.9	4.0	8.9
Others	1.2	1.0	2.4
Eliminations	-	-	-0.5
Total	24.6	18.3	45.5

M€	30.6.2022	30.6.2021	31.12.2021
Division assets			
Building Solutions – Europe	531.1	444.0	490.8
Building Solutions – North America	381.7	334.3	321.4
Uponor Infra	234.0	220.3	219.5
Others	368.4	494.4	384.6
Eliminations	-474.5	-471.0	-449.1
Total	1,040.8	1,021.9	967.2

Division liabilities			
Building Solutions – Europe	388.5	350.7	379.6
Building Solutions – North America	251.8	240.7	242.2
Uponor Infra	92.5	83.9	76.9
Others	280.4	391.9	258.6
Eliminations	-484.8	-485.5	-473.5
Total	528.3	581.7	483.9

Division personnel, average	1-6/2022	1-6/2021	1-12/2021
Building Solutions – Europe	2,215	1,834	1,900
Building Solutions – North America	1,059	954	999
Uponor Infra	857	848	845
Others	138	121	126
Total	4,269	3,758	3,871

Reconciliation			
M€	1-6/2022	1-6/2021	1-12/2021
Operating profit by division			
Total result for reportable divisions	93.8	99.2	166.6
Others	-5.1	-4.5	-9.5
Eliminations	0.9	-0.7	-3.0
Operating profit	89.6	94.0	154.1
Financial expenses, net	0.6	5.8	7.9
Share of results in associated companies and joint ventures	0.1	-7.4	-6.4
Profit before taxes	89.1	80.7	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€	1-6/2022			1-6/2021		
	Sale of goods	Rendering of services	Total	Sale of goods	Rendering of services	Total
Revenue from contract with customers by division						
Building Solutions – Europe	332.8	3.9	336.7	284.7	3.0	287.7
Building Solutions – North America	248.7	-	248.7	231.7	-	231.7
Uponor Infra	151.7	8.7	160.4	134.5	8.7	143.1
External customer, total	733.2	12.6	745.7	650.8	11.7	662.5
Internal	3.0		3.0	3.2		3.2
Total	736.2	12.6	748.8	654.1	11.7	665.7
Eliminations	-3.0		-3.0	-3.2		-3.2
Total revenue from contracts with customer	733.2	12.6	745.7	650.8	11.7	662.5

M€	4-6/2022			4-6/2021		
	Sale of goods	Rendering of services	Total	Sale of goods	Rendering of services	Total
Revenue from contract with customers by division						
Building Solutions – Europe	173.1	2.2	175.3	146.9	1.5	148.4
Building Solutions – North America	125.3	-	125.3	118.4	-	118.4
Uponor Infra	90.1	5.5	95.6	79.9	6.7	86.5
External customer, total	388.5	7.8	396.2	345.2	8.1	353.3
Internal	1.3		1.3	1.9		1.9
Total	389.7	7.8	397.5	347.1	8.1	355.2
Eliminations	-1.3		-1.3	-1.9		-1.9
Total revenue from contracts with customer	388.5	7.8	396.2	345.2	8.1	353.3

1-12/2021

M€	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	-	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€	30.6.2022	30.6.2021	31.12.2021
Commitments of purchase PPE (Property, plant, equipment)	15.5	12.3	13.1
- on own behalf			
Pledges at book value	0.0	0.0	0.0
Mortgages issued	1.0	1.0	4.4
Guarantees issued	0.3	0.3	0.3
- on behalf of a subsidiary			
Guarantees issued	16.5	16.3	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	16.8	16.6	17.0
Total	17.8	17.7	21.4

FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT CATEGORY

M€	IFRS 7 Fair value hierarchy level	30.6.2022	30.6.2021	31.12.2021
Non-current financial assets				
Fair value through other comprehensive income				
Electricity derivatives	1	3.8	0.2	0.6
Amortised cost				
Other non-current receivables		4.8	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	7.9	0.9	2.2
Fair value through profit or loss				
Other derivative contracts	2	3.0	0.8	1.3
Amortised cost				
Accounts receivable and other receivables		300.5	282.9	252.7
Cash and cash equivalents		33.9	208.1	98.1
Financial assets total		355.5	498.5	360.7
Non-current financial liabilities				
Fair value through other comprehensive income				
Electricity derivatives	1	-	0.0	-
Amortised cost				
Interest bearing liabilities		99.5	192.1	106.7
Current financial liabilities				
Fair value through other comprehensive income				
Electricity derivatives	1	-	0.0	-
Other derivative contracts	2	0.3	0.8	0.5
Fair value through the profit or loss				
Other derivative contracts	2	4.8	2.7	1.5
Amortised cost				
Interest bearing liabilities		11.5	10.7	12.3
Accounts payable and other liabilities		193.3	181.8	177.6
Financial liabilities total		309.4	388.1	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

	1-6/2022	1-6/2021	1-12/2021
Earnings per share, €	0.79	0.75	1.33
Operating profit, %	12.0	14.2	11.7
Return on equity, % (p.a.)	25.3	26.7	22.9
Return on investment, % (p.a.)	29.8	27.6	24.7
Solvency ratio, %	49.2	43.2	50.2
Gearing, %	15.1	-1.2	4.3
Gearing, % rolling 4 quarters	8.0	7.5	1.7
Net interest-bearing liabilities	77.0	-5.3	20.9
Equity per share, €	6.05	5.13	5.71
- diluted	6.05	5.13	5.71
Trading price of shares			
- low, €	12.72	16.86	16.86
- high, €	21.74	25.42	28.88
- average, €	17.82	20.70	21.88
Shares traded			
- 1,000 pcs	11,139	10,326	20,981
- M€	198.1	213.7	459.2

QUARTERLY DATA

	4-6/ 2022	1-3/ 2022	10-12/ 2021	7-9/ 2021	4-6/ 2021	1-3/ 2021
Net sales, M€	396.2	349.5	329.3	321.4	353.3	309.2
- Building Solutions – Europe	175.9	162.4	133.9	141.6	149.0	139.7
- Building Solutions – North America	125.3	123.4	127.5	108.3	118.4	113.2
Building Solutions – North America, \$	132.2	137.6	146.4	127.4	142.8	135.8
- Uponor Infra	96.3	65.4	69.1	72.4	87.8	57.5
Gross profit, M€	145.7	133.7	117.7	115.0	126.9	125.0
- Gross profit, %	36.8	38.3	35.8	35.8	35.9	40.4
Operating profit, M€	42.8	46.8	22.8	37.3	47.0	47.0
- Building Solutions – Europe	16.9	20.3	4.6	17.6	20.9	22.8
- Building Solutions – North America	23.2	24.3	20.2	17.7	23.0	23.6
Building Solutions – North America, \$	24.4	27.1	23.0	20.8	27.7	28.3
- Uponor Infra	7.5	1.6	2.5	4.9	6.8	2.0
- Others	-3.3	-1.7	-3.4	-1.6	-2.4	-2.2
Operating profit, % of net sales	10.8	13.4	6.9	11.6	13.3	15.2
- Building Solutions – Europe	9.6	12.5	3.4	12.4	14.0	16.3
- Building Solutions – North America	18.5	19.7	15.7	16.3	19.4	20.8
- Uponor Infra	7.8	2.5	3.6	6.7	7.8	3.5
Profit for the period, M€	29.6	33.3	18.4	27.4	25.9	31.7
Balance sheet total, M€	1,040.8	967.2	967.2	944.8	1,021.9	963.8
Earnings per share, €	0.34	0.45	0.23	0.35	0.32	0.43
Equity per share, €	6.05	5.51	5.71	5.54	5.13	4.77
Market value of share capital, M€	964.1	1,343.3	1,533.0	1,572.5	1,789.2	1,385.1
Return on investment, % (p.a.)	29.8	31.8	24.7	28.5	27.6	29.6
Net interest-bearing liabilities at the end of the period, M€	77.0	85.9	20.9	-26.6	-5.3	37.9
Gearing, %	15.1	18.4	4.3	-5.6	-1.2	9.2
Gearing, % rolling 4 quarters	8.0	4.0	1.7	1.5	7.5	17.9
Gross investment, M€	14.5	10.2	18.3	8.9	11.8	6.5
- % of net sales	3.6	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.

	4-6/ 2022	1-3/ 2022	10-12/ 2021	7-9/ 2021	4-6/ 2021	1-3/ 2021
Items affecting comparability						
Restructuring charges	-7.7	-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	-7.7	-0.4	-3.9	-0.7	-1.2	-0.6
Items affecting comparability, total	-7.7	-0.4	-3.9	-0.7	-1.2	-0.6
Comparable gross profit						
Gross profit	145.7	133.7	117.7	115.0	126.9	125.0
Less: Items affecting comparability in gross profit	-0.2	-0.1	0.1	-0.1	-0.1	-0.1
Comparable gross profit	146.0	133.8	117.7	115.1	127.0	125.1
% of sales	36.8	38.3	35.7	35.8	35.9	40.4
Comparable operating profit						
Operating profit	42.8	46.8	22.8	37.3	47.0	47.0
Less: Items affecting comparability in operating profit	-7.7	-0.4	-3.9	-0.7	-1.2	-0.6
Comparable operating profit	50.5	47.2	26.7	38.1	48.2	47.6
% of sales	12.7	13.5	8.1	11.8	13.6	15.4
Comparable operating profit by division						
Building Solutions – Europe						
Operating profit	16.9	20.3	4.6	17.6	20.9	22.8
Less: Items affecting comparability in operating profit	-7.2	-0.3	-4.0	-0.5	-1.0	-0.5
Comparable operating profit	24.2	20.6	8.6	18.1	21.9	23.3
% of sales	13.7	12.7	6.4	12.8	14.7	16.7
Building Solutions – North America						
Operating profit	23.2	24.3	20.2	17.7	23.0	23.6
Less: Items affecting comparability in operating profit	0.0	0.0	-0.1	-	-	-0.1
Comparable operating profit	23.2	24.3	20.3	17.7	23.0	23.6
% of sales	18.5	19.7	15.9	16.4	19.4	20.9
Uponor Infra						
Operating profit	7.5	1.6	2.5	4.9	6.8	2.0
Less: Items affecting comparability in operating profit	-0.1	-	-	0.0	-	-
Comparable operating profit	7.7	1.6	2.6	4.9	6.8	2.0
% of sales	8.0	2.5	3.8	6.7	7.8	3.5
Others						
Operating profit	-3.3	-1.7	-3.4	-1.6	-2.4	-2.2
Less: Items affecting comparability in operating profit	-0.3	-0.1	0.4	-0.2	-0.1	0.0
Comparable operating profit	-3.0	-1.7	-3.8	-1.4	-2.2	-2.2
% of sales	na	na	na	na	na	na

DEFINITIONS OF KEY RATIOS

Return on Equity (ROE), %

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

Return on Investment (ROI), %

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

Solvency, %

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

Gearing, %

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

Net interest-bearing liabilities

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

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

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

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

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

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