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Uponor Corporation
Interim Report
January–September 2022



Strong performance in a toughening market

July–September 2022 in brief

- Net sales were €364.0 (321.4) million, a growth of 13.3% or 9.1% in constant currency terms. The organic growth was 11.0% or 6.7% in constant currency terms.
- Operating profit was €44.4 (37.3) million or 12.2% (11.6) of net sales.
- Comparable operating profit was €44.9 (38.1) million or 12.3% (11.8) of net sales.
- Earnings per share were €0.40 (0.35).

January–September 2022 in brief

- Net sales were €1,109.7 (983.9) million, a growth of 12.8% or 8.8% in constant currency terms. The organic growth was 10.2% or 6.2% in constant currency terms.
- Operating profit was €134.0 (131.3) million or 12.1% (13.3) of net sales.
- Comparable operating profit was €142.6 (133.8) million or 12.9% (13.6) of net sales.
- Earnings per share were €1.19 (1.10).

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 to become tougher in the fourth quarter of the year. While construction markets have performed relatively well to-date, it is anticipated that the combination of substantial increases in borrowing costs and energy prices, a lack of skilled labour in the construction industry, and construction material price inflation will begin to take a heavier toll on the demand, especially in the new build sector, going forward. In addition, the exceptionally high level of uncertainty surrounding monetary policies and geopolitical developments adds extra risks to the outlook.

Michael Rauterkus, President and CEO, comments:

“We delivered a strong performance in the third quarter of 2022, despite volatile market conditions. Net sales increased by 13% in the third quarter. The organic growth reached 11%, driven by strong price realization and supported by changes in currencies. Our comparable operating profit increased by 18% mainly due to pricing actions and favourable sales mix. The comparable operating margin reached the level of 12.3% (11.8). Our safety performance took a step back with a lost time injury frequency, LTIF, rate of 6.6 (5.8). We strengthened our efforts to improve our safety performance.

I was pleased to see a strong quarter in Uponor Infra, net sales and operating profit growth was driven by favourable sales mix, pricing, and improved operational efficiencies. In Building Solutions – Europe, net sales

were stable at previous year's level impacted by wholesalers reducing their inventories, as our service levels have normalized, and the comparable operating profit decreased due to an unfavourable sales mix. Building Solutions – North America delivered a good quarter, net sales and operating profit improvement was supported by strong price realization, sales mix and operational performance.

Our strategy of accelerating innovation and maximizing the core is progressing well. I was pleased to welcome Thomas Fuhr, to a new position on our Executive Committee, as our new Chief Technology Officer (CTO). He will lead our newly formed Technology organization designed to accelerate innovation, and drive manufacturing efficiency and supply chain resilience. Our lead in sustainable product innovations continues to be well received by our customers helping them advance towards their ESG targets. In line with maximizing the core, we focused on countries with high potential to drive organic growth with a systematic 4 C approach on categories, countries, channels and customers moving from component selling to integrated solutions.

Looking ahead, we stay on course with our long-term growth strategy while improving our agility and resilience. We have been able to manage well through the pandemic, supply shortages, raw material, and other input cost inflation and now we are getting ready for the impact of rising interest rates on the demand picture. We are preparing for different scenarios and have started to take action to optimize capacity, manage costs, protect our margins and safeguard our competitiveness.

Overall, we are pleased by our strong and consistent performance during the first nine months of the year. I want to thank our entire team for their great work in challenging times. Our ability to handle volatile conditions emphasizes the flexibility of our team and the strength of our business model. Backed by our robust strategic plan and healthy balance sheet, we are well equipped to deliver performance and improve productivity despite short-term market volatility."

Key figures

M€	7-9/ 2022	7-9/ 2021	Change	1-9/ 2022	1-9/ 2021	Change	1-12/ 2021
Net sales	364.0	321.4	+13.3%	1,109.7	983.9	+12.8%	1,313.2
Operating expenses	306.2	272.2	+12.5%	936.4	816.9	+14.6%	1,110.8
Depreciation and impairments	13.7	12.1	+13.6%	39.7	36.5	+8.7%	49.1
Other operating income	0.3	0.3	+1.6%	0.5	0.8	-45.2%	0.9
Operating profit	44.4	37.3	+18.8%	134.0	131.3	+2.0%	154.1
Operating profit, %	12.2	11.6	+4.9%	12.1	13.3%	-9.5	11.7
Comparable operating profit	44.9	38.1	+17.9%	142.6	133.8	+6.6%	160.5
Comparable operating profit, %	12.3	11.8	+4.1%	12.9	13.6	-5.5%	12.2
Financial income and expenses	1.3	-1.1	-214.7%	0.7	-7.0	-110.0%	-7.9
Profit before taxes	45.8	37.2	+23.2%	134.9	117.9	+14.4%	139.8
Profit for the period	33.1	27.4	+20.8%	95.9	85.0	+12.9%	103.4
Earnings per share	0.40	0.35	+15.1%	1.19	1.10	+8.1%	1.33

	30 Sep 2022	30 Sep 2021	Change	31 Dec 2021
Net working capital, M€	180.9	82.2	+120.1%	93.3
Net-interest bearing debt, M€	55.2	-26.6	-307.5%	20.9
Solvency, %	53.4	50.2	+6.4%	50.2
Gearing, %	9.9	-5.6	-276.4%	4.3
Return on investment, % (p.a.)	29.1	28.5	+2.3%	24.7

Results briefing and live webcast

A live webcast for analysts, institutional investors and the media will be broadcast on Friday, 4 November at 14:30 EET. 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 2023

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 INTERIM REPORT JANUARY-SEPTEMBER 2022

Financial review July–September 2022
Market development

Construction activity in Uponor's major markets softened somewhat during the quarter but remained generally healthy overall. However, headwinds also became more prominent. Already hampered by inflation and labour shortages for some time, the impacts of the energy crisis grew more acute in Europe and mortgage rates rose notably in North America.

In North America, construction in Uponor's largest market, the USA, maintained a steady level of activity despite a myriad of both new and existing headwinds. Construction spending expanded in nominal terms in both the residential and non-residential segments, supported by double-digit price inflation. Inflation neutral, non-financial measures of industry output, such as housing starts, were largely on par with 2021 but weakened towards the end of the quarter. However, leading indicators began to soften meaningfully as the quarter progressed, with substantial increases in mortgage rates adding to an already difficult cost and skilled labour environment for builders. Builder confidence in the market for new, single-family homes fell to the lowest level since May 2014 apart from the most uncertain months during the onset of the pandemic. In Canada, residential construction remained upbeat even if the real estate market was less positive.

In Europe, building activity in Uponor's largest market, Germany, exhibited continued signs of softening. While the number of building permits for new dwellings remained stable overall through July, builders reported a significant deterioration in building activity and order book development during the quarter, as existing labour and price inflation headwinds were exacerbated by the impacts of the energy crisis. In the Netherlands, signs of a cooling housing market became more pronounced. In the Nordics, construction activity was steady overall with the notable exception of Sweden, which remained more buoyant. Southwest Europe improved from 2021 on the whole.

Net sales

Uponor Group's net sales for the third quarter of 2022 reached €364.0 (321.4) million, a growth of 13.3%. Positive net currency impact was €13.5 million, bringing the growth without currency impact to 9.1%. The biggest currency impacts came from USD, CAD and SEK. The organic net sales growth was 11.0% or 6.7% in constant currency terms. Net sales growth was strong in Uponor Infra driven by strong development in designed solutions projects and pricing. Net sales grew also in Building Solutions – North America supported by strong price realization. In Building Solutions – Europe, net sales growth was flat impacted by wholesalers reducing their inventories as Uponor's service levels have normalized.

Breakdown of net sales by division (July–September):

M€	7–9/2022	7–9/2021	Change
Building Solutions – Europe*	141.2	141.6	-0.3%
Building Solutions – North America	140.5	108.3	+29.7%
(Building Solutions – North America (M\$))	141.2	127.4	+10.9%
Uponor Infra	83.9	72.4	+15.9%
Eliminations	-1.6	-1.0	
Total	364.0	321.4	+13.3%

*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 USA 34.4% (29.2), Sweden 11.1% (9.1), Germany 11.0% (11.9), Finland 9.8% (10.0), Canada

4.3% (4.6), Denmark 4.0% (4.6), Poland 3.6% (3.3), the Netherlands 3.3% (5.4), Norway 2.7% (2.8) and Austria 2.3% (2.2).

Results and profitability

Uponor's gross profit in the third quarter was €132.5 (115.0) million. The gross profit margin was 36.4% (35.8).

The operating profit in the third quarter of 2022 was €44.4 (37.3) million with an operating profit margin of 12.2% (11.6). The comparable operating profit was €44.9 (38.1) million. The total net effect of items affecting comparability was €0.5 (0.7) million related to a write-down of the Russian operations' net assets. The comparable operating profit margin was 12.3% (11.8). Continued focus on operational efficiency had a positive impact on the operating profit and the input cost inflation was offset by pricing actions.

Operating profit by division (July–September):

M€	7–9/2022	7–9/2021	Change
Building Solutions – Europe*	13.7	17.6	-22.0%
Building Solutions – North America	23.2	17.7	+31.0%
(Building Solutions – North America (M\$))	23.2	20.8	+11.5%
Uponor Infra	8.9	4.9	+83.5%
Others	-1.3	-1.6	
Eliminations	-0.2	-1.3	
Total	44.4	37.3	+18.8%

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

Comparable operating profit by division (July–September):

M€	7–9/2022	7–9/2021	Change
Building Solutions – Europe*	14.3	18.1	-21.2%
Building Solutions – North America	23.2	17.7	+31.0%
(Building Solutions – North America (M\$))	23.2	20.8	+11.5%
Uponor Infra	8.9	4.9	+82.9%
Others	-1.3	-1.4	
Eliminations	-0.2	-1.3	
Total	44.9	38.1	+17.9%

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

Uponor's net financial income for the third quarter was €1.3 (-1.1) million, of which net currency exchange differences totalled €2.0 (-0.1) million.

The share of the result in associated companies and joint ventures for the third quarter 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 July–September was €45.8 (37.2) million. The tax expense was €12.7 (9.8) million.

Profit for the period in the third quarter of 2022 was €33.1 (27.4) million.

Return on equity was 24.8% (24.0). Return on investment was 29.2% (25.3). Return on investment, adjusted for items affecting comparability, was 29.5% (25.8).

Earnings per share were €0.40 (0.35). Equity per share was €6.60 (5.54). For other share-specific information, please see the Tables section.

Cash flow

Cash flow from operations increased in the third quarter compared to the comparison period and was €59.4 (51.2) million. Cash flow before financing was €49.0 (44.7) million.

Capital expenditure

Gross investment in fixed assets during the third quarter of 2022 totalled €10.8 (8.9) million. Depreciation and impairments were €13.7 (12.1) million. Net investments totalled €10.5 (9.0) million. Uponor's investments in the third quarter of 2022 were related to maintenance, efficiency improvements and capacity expansions.

Innovations, research and development

In July–September 2022, total research and development expenses were €5.9 million (4.5), representing 1.6% (1.4) of the Group's net sales.

The sale process of the Russia operation continued

The sale process of Uponor's Russian operations, which was announced in the Half-Year Financial Report 2022, continued in the third quarter. This followed an earlier decision to stop all imports from and exports to Russia at the outbreak of the invasion of Ukraine. The write-down of net assets related to the Russian operations had a negative impact of €-0.5 million on the third quarter operating profit. Uponor's total assets in Russia account for 1.7% 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.

Financial review January–September 2022

Uponor Group's net sales for January–September 2022 reached €1,109.7 (983.9) million, a growth of 12.8%. Net sales growth was mainly driven by pricing, supported by changes in currencies and the Capricorn acquisition. Positive net currency impact was €39.6 million, bringing the growth without currency impact to 8.8%. The biggest currency impacts came from USD, CAD and SEK. The organic net sales growth was 10.2% or 6.2% in constant currency terms. Net sales grew in euro terms in all business divisions driven mainly by pricing actions.

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

M€	1–9/2022	1–9/2021	Change
Building Solutions – Europe*	479.5	430.4	+11.4%
Building Solutions – North America	389.2	340.0	+14.5%
(Building Solutions – North America (M\$))	411.0	405.9	+1.2%
Uponor Infra	245.6	217.7	+12.8%
Eliminations	-4.7	-4.2	
Total	1,109.7	983.9	+12.8%

*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 USA 30.8 (30.0), Germany 11.1% (11.7), Finland 10.0% (10.2), Sweden 9.9% (9.3), Canada 4.4% (4.7), the Netherlands 4.2% (4.6), Denmark 4.3% (4.6), Poland 3.9% (3.1), Spain 2.7% (3.0) and Austria 2.4% (2.2).

Results and profitability

Uponor's gross profit in January–September 2022 was €412.0 (366.9) million. The gross profit margin was 37.1% (37.3).

The operating profit in January–September 2022 was €134.0 (131.3) million with an operating profit margin of 12.1% (13.3). The comparable operating profit was €142.6 (133.8) million. The total net effect of items affecting comparability was €8.6 (2.5) million, of which €6.7 million was related to a write-down of the Russia operations' net assets and €1.7 related to the operational excellence programme. The comparable operating profit margin was 12.9% (13.6). Pricing actions contributed positively to the comparable operating profit partially offsetting the higher input costs. Profitability was burdened by a higher cost level compared to the exceptionally low level, caused by Covid-19, in the comparison period.

Operating profit by division (January–September):

M€	1–9/2022	1–9/2021	Change
Building Solutions – Europe*	50.9	61.4	-17.0%
Building Solutions – North America	70.7	64.3	+9.9%
(Building Solutions – North America (M\$))	74.6	76.8	-2.8%
Uponor Infra	18.1	13.7	+31.9%
Others	-6.4	-6.1	
Eliminations	0.7	-1.9	
Total	134.0	131.3	+2.0%

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

Comparable operating profit by division (January–September):

M€	1–9/2022	1–9/2021	Change
Building Solutions – Europe*	59.0	63.4	-6.8%
Building Solutions – North America	70.7	64.4	+9.8%
(Building Solutions – North America (M\$))	74.6	76.9	-2.9%
Uponor Infra	18.2	13.7	+32.7%
Others	-6.0	-5.7	
Eliminations	0.7	-1.9	
Total	142.6	133.8	+6.6%

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

In January–September 2022, Uponor's net financial income was €0.7 (-7.0) million, of which net currency exchange differences totalled €3.2 (-2.7) million.

The share of the result in associated companies and joint ventures was €0.2 (-6.4) 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–September was €134.9 (117.9) million. The tax expense was €38.9 (32.9) million.

Profit for the period in January–September of 2022 was €95.9 (85.0) million.

Return on equity was 24.6% (25.4). Return on investment was 29.1% (28.5). Return on investment, adjusted for items affecting comparability, was 30.9% (29.0).

Earnings per share were €1.19 (1.10). Equity per share was €6.60 (5.54). For other share-specific information, please see the Tables section.

Cash flow

Cash flow from operations decreased from comparison period and was €60.8 (115.3) 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 values. Cash flow before financing was €26.5 (89.3) million.

Cash flow from financing and thus cash flow for the January–September 2022 period included the two instalments of dividend payment, paid in March and September, totalling €51.4 (44.3) million.

Capital expenditure

Gross investment in fixed assets totalled €35.4 (27.2) million. Depreciation and impairments were €39.7 (36.5) million. Net investments totalled €34.8 (26.7) million. Uponor's investments in January–September of 2022 were related to maintenance, efficiency improvements, capacity expansions and technology upgrades for product launches to come.

Innovations, research and development

In January–September 2022, total research and development expenses were €17.2 (14.3) million, representing 1.6% (1.5) of the Group's net sales.

Uponor continued to accelerate R&D initiatives and moving forward towards its target of having a sustainable alternative for 50% of its product portfolio by 2027. In the quarter, the launch of a new sustainable stormwater

management solution for infrastructure use, called Uponor Stormwise, was prepared. Earlier in 2022, Uponor launched the world's first PEX pipes based on ISCC certified renewable raw materials, "PEX Blue", and the IQ Blue stormwater pipe. The Blue product series is part of Uponor's commitment to renewable raw materials helping customers reach their sustainability targets.

Financial position

Net interest-bearing liabilities at the end of September 2022 were €55.2 (-26.6) million. The solvency ratio was 53.4% (50.2) and gearing was 9.9% (-5.6), with a four-quarter rolling gearing of 11.9% (1.5), 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 €35.7 million, none of which was in use on the balance sheet date. At the end of September 2022, Uponor had €53.5 (128.5) 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 third quarter, we executed on our strategy as planned. We formed a new 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. We continued to accelerate sustainable innovation initiatives and prepared new product launches. In line with maximizing the core, we focused on countries with high potential to drive organic growth, with a systematic 4C approach on categories, countries, channels, and customers moving from component selling to integrated solutions.

Looking ahead, we stay on course with our long-term growth strategy while improving our agility and resilience. We have been able to manage well through the pandemic, supply shortages, raw material, and other input cost inflation and now we are getting ready for the impact of rising interest rates on the demand picture. We are preparing for different scenarios and have started to take action to optimize capacity, manage costs, protect our margins and safeguard our competitiveness. Backed by our robust strategic plan and healthy balance sheet, we are well equipped to deliver performance and improve productivity despite short-term market volatility.

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.

Personnel and occupational safety

Uponor's accident frequency (LTIF, accidents per million working hours) for the third quarter was 6.6 (5.8). Uponor's target is zero accidents.

At the end of September, the Uponor Group had 4,195 (3,855) employees, in full-time-equivalent (FTE) terms. This is 340 more than at the end of September 2021. The average number of employees (FTE) during January – September was 4,255 (3,794). The increase was mainly driven by the acquisition of Capricorn S.A.

Changes in the Executive Committee

On 26 July 2022, Thomas Fuhr was appointed Chief Technology Officer (CTO) and member of Uponor Group's Executive Committee effective 1 October 2022. He will be based in Germany and report to Michael Rauterkus, President and CEO, Uponor Corporation. Thomas will lead the 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.

On 15 June 2022, Uponor Corporation announced that Karsten Hoppe, President of the Building Solutions – Europe division, had decided to leave Uponor to pursue interests outside of the company. Karsten continued in his operational leadership role until 9 September 2022 to ensure a smooth transition period. Goran Kovacev, former Vice President of Sales, Europe, was appointed to a new position as Senior Vice President of BLD-E to lead the division's commercial operations reporting to President and CEO Michael Rauterkus from 1 September 2022 onwards. This new leadership structure replaces the President, Building Solutions – Europe role that was previously an Executive Committee role.

On 15 June 2022, Andres Caballero was appointed President of the Building Solutions – North America division and a member of the Executive Committee at Uponor. 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, concentrated on his duties as the division's Vice President of Finance from 25 July 2022 onwards.

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€	7-9/ 2022	7-9/ 2021	Change	1-9/ 2022	1-9/ 2021	Change	1-12/ 2021
Net sales	141.2	141.6	-0.3%	479.5	430.4	+11.4%	564.2
Operating profit	13.7	17.6	-22.0%	50.9	61.4	-17.0%	65.9
Operating profit margin, %	9.7	12.4	-21.8%	10.6	14.3	-25.5%	11.7
Comparable operating profit	14.3	18.1	-21.2%	59.0	63.4	-6.8%	72.0
Comparable operating profit margin, %	10.1	12.8	-21.0%	12.3	14.7	-16.4%	12.8
Personnel, average				2,206	1,838	+368	1,900

July–September

Building Solutions – Europe's net sales were €141.2 (141.6) million, a decrease of -0.3%. The organic growth was -5.5%. Pricing actions and the acquisition of Capricorn S.A. contributed positively to the sales development. Net sales were negatively impacted by wholesalers reducing their inventories as Uponor's service levels have normalized.

Building Solutions – Europe's operating profit was €13.7 (17.6) million, a decrease of -22.0%. Comparable operating profit was €14.3 (18.1) million. Pricing actions supported profitability and compensated for input cost inflation. An unfavourable country and product mix had a negative impact on the operating profit. The sale process of the Russia operations continued and items affecting comparability, included a €0.5 million write down of the Russian net assets that had a negative impact on the operating profit.

January–September

Building Solutions – Europe's net sales were €479.5 (430.4) million, a growth of 11.4%. Pricing actions was the main driver behind sales growth. The acquisition of Capricorn S.A. contributed favourably to net sales. The organic growth was 5.6%.

Building Solutions – Europe's operating profit was €50.9 (61.4) million, a decrease of -17.0%. Comparable operating profit was €59.0 (63.4) million. Pricing actions had a positive impact on the operating profit but were not enough to compensate for higher input costs and lower volumes. Items affecting comparability included a €6.7 million write-down of net assets related to the Russia operation 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€	7-9/ 2022	7-9/ 2021	Change	1-9/ 2022	1-9/ 2021	Change	1-12/ 2021
Net sales	140.5	108.3	+29.7%	389.2	340.0	+14.5%	467.5
Operating profit	23.2	17.7	+31.0%	70.7	64.3	+9.9%	84.5
Operating profit margin, %	16.5	16.4	+1.0%	18.2	18.9	-4.0%	18.1
Comparable operating profit	23.2	17.7	+31.0%	70.7	64.4	+9.8%	84.7
Comparable operating profit margin, %	16.5	16.4	+1.0%	18.2	18.9	-4.1%	18.1
Personnel, average				1,051	982	+69	999

July–September

Building Solutions – North America's net sales were €140.5 (108.3) million, a growth of 29.7% in euro terms or a growth of 10.9% in USD terms. Net sales growth was driven by strong price realization, improved sales mix and product availability. Improved service levels due to reduction of backlog also impacted favourably on the sales development.

Building Solutions – North America's operating profit was €23.2 (17.7) million, an increase of 31.0% in euro terms or an increase of 11.5% in USD terms. The improvement in profitability was driven by strong price realization, cost management, sales mix and increased operational efficiency.

January–September

Building Solutions – North America's net sales were €389.2 (340.0) million, a growth of 14.5% in euro terms or a growth of 1.2% in USD terms. Net sales growth was mainly driven by pricing actions.

Building Solutions – North America's operating profit was €70.7 (64.3) million, an increase of 9.9% in euro terms or a decrease of -2.8% in USD terms. Strong pricing realization 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€	7-9/ 2022	7-9/ 2021	Change	1-9/ 2022	1-9/ 2021	Change	1-12/ 2021
Net sales	83.9	72.4	+15.9%	245.6	217.7	+12.8%	286.8
Operating profit	8.9	4.9	+83.5%	18.1	13.7	+31.9%	16.2
Operating profit margin, %	10.6	6.7	+58.4%	7.4	6.3	+16.9%	5.7
Comparable operating profit	8.9	4.9	+82.9%	18.2	13.7	+32.7%	16.3
Comparable operating profit margin, %	10.6	6.7	+57.9%	7.4	6.3	+17.6%	5.7
Personnel, average				861	850	+11	845

July–September

Uponor Infra's net sales were €83.9 (72.4) million, a growth of 15.9%. Net sales growth was driven by strong development in designed solutions and pricing actions. In Finland, market conditions weakened and actions were started to balance the cost level accordingly.

Uponor Infra's operating profit was €8.9 (4.9) million, an increase of 83.5%. Operating profit improved as a result of favourable sales mix and pricing. Additionally, there was a continued positive impact from improved efficiency in raw material usage in production.

January–September

Uponor Infra's net sales were €245.6 (217.7) million, a growth of 12.8%. Net sales growth was driven by pricing actions in all markets and good development in designed solutions projects.

Uponor Infra's operating profit was €18.1 (13.7) million, an increase of 31.9%. The improvement in profitability was supported by sales mix, pricing and operational efficiencies.

Share capital and shares

In January–September 2022, Uponor's share turnover on Nasdaq Helsinki was 15.3 (14.7) million shares, totalling €257.1 (326.1) million. The share quotation at the end of September was €13.48 (21.48), and the market capitalisation of the shares was €987 (1,572) million.

At the end of September, there were a total of 21,690 (18,156) shareholders. Foreign shareholding in Uponor accounted for 28.8 (30.9) 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 September, Uponor held 530,950 (134,206) 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 was paid on 22 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 8 September 2022, Uponor Corporation received information that the Finnish Competition and Consumer Authority (FCCA) will propose that the Market Court would impose competition infringement fines to its subsidiaries Uponor Infra Oy (EUR 8.5 million) and Uponor Suomi Oy (EUR 5 million) concerning alleged violations of the Competition Act. According to the proposal of the FCCA, Uponor along with other operators in the sector have violated the Competition Act by dividing markets and restricting price competition between the parties in plastic HVAC infrastructure plumbing markets in Finland between the years 2009–2016.

As the process is in its early stages, and Uponor deems the claims to be without foundation, no provisions have been made. Uponor's subsidiaries Uponor Infra Oy and Uponor Suomi Oy have not participated in actions violating competition law nor accepts such behaviour. The company is preparing its plea to the Market Court. The Market Court will decide on the possible penalty payment. Uponor has currently no knowledge of the schedule of the legal proceedings going forward.

Significant events after the period

On 27 October 2022, Uponor announced the decision to close down its pressure pipe factory in Middelfart, Denmark, as part of the continuous improvement of its manufacturing footprint. The factory is part of Uponor's infrastructure division, Uponor Infra. The closure will take place during the fourth quarter of 2022, and it affects approximately 40 employees.

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 increased uncertainties related to the general economic development with high inflation, labour shortages, rising mortgage rates notably in North America, the impacts of the geopolitical turmoil and energy crisis that is growing more acute in Europe.

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.

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 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.

The sale process of Uponor's Russian operations, which was announced in the Half-Year Financial Report 2022, continued in the third quarter. Uponor has reclassified its Russian operations as assets held for sale and made a write down of net assets related to the operations. Uponor's total assets in Russia account for 1.7% of total Group assets. Uponor has an assembling facility and a sales office in Russia.

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. Management uses scenario planning to identify and manage actions to handle potential economic downturns.

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. In September 2022, the Finnish Competition and Consumer Authority (FCCA) proposed that the Market Court would impose competition infringement fines to its subsidiaries Uponor Infra Oy (EUR 8.5 million) and Uponor Suomi Oy (EUR 5 million) concerning alleged violations of the Competition Act. As the process is in its early stages, and Uponor deems the claims to be

without foundation, no provisions have been made. Uponor mitigates its product liability-related risks through local and centralized insurance programs at Group level.

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.

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, 4 November 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€	1-9/2022	1-9/2021	7-9/2022	7-9/2021	1-12/2021
Net sales	1,109.7	983.9	364.0	321.4	1,313.2
Cost of goods sold	697.7	617.0	231.4	206.4	828.5
Gross profit	412.0	366.9	132.5	115.0	484.7
Other operating income	0.5	0.8	0.3	0.3	0.9
Dispatching and warehousing expenses	28.5	23.3	9.7	7.7	31.9
Sales and marketing expenses	165.4	145.5	54.1	48.3	201.0
Administration expenses	60.5	53.3	18.0	17.3	77.3
Other operating expenses	24.2	14.4	6.6	4.7	21.2
Operating profit	134.0	131.3	44.4	37.3	154.1
Financial expenses, net	-0.7	7.0	-1.3	1.1	7.9
Share of results in associated companies and joint ventures	0.2	-6.4	0.1	1.0	-6.4
Profit before taxes	134.9	117.9	45.8	37.2	139.8
Income taxes	38.9	32.9	12.7	9.8	36.4
Profit for period	95.9	85.0	33.1	27.4	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	15.2	4.9	7.2	1.7	7.1
Cash flow hedges, net of taxes	11.4	1.9	3.4	1.0	2.6
Other comprehensive income for the period, net of taxes	26.6	6.8	10.5	2.8	10.2
Total comprehensive income for the period	122.5	91.8	43.6	30.1	113.6
Profit/loss for the period attributable to					
- Equity holders of parent company	86.3	80.1	29.2	25.5	96.9
- Non-controlling interest	9.7	4.9	3.8	1.8	6.5
Total comprehensive income for the period attributable for					
- Equity holders of parent company	113.9	87.1	40.2	28.5	107.2
- Non-controlling interest	8.7	4.7	3.4	1.7	6.4
Earnings per share, €	1.19	1.10	0.40	0.35	1.33
Diluted earnings per share, €	1.19	1.10	0.40	0.35	1.33

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

M€	30.9.2022	30.9.2021	31.12.2021
Assets			
Non-current assets			
Property, plant and equipment	306.7	264.2	295.5
Intangible assets	111.7	96.4	113.2
Investments in associates and joint ventures	0.4	0.3	0.4
Other securities and non-current receivables	10.3	6.4	6.5
Deferred tax assets	16.4	16.0	15.9
Total non-current assets	445.4	383.2	431.4
Current assets			
Inventories	240.0	155.5	174.4
Accounts receivable	250.3	242.7	206.8
Other receivables	40.5	34.9	56.4
Cash and cash equivalents	53.5	128.5	98.1
Total current assets	584.2	561.6	535.8
Assets held for sale	10.9	-	-
Total assets	1,040.5	944.8	967.2
Equity and liabilities			
Equity			
Equity attributable to the owners of the parent company	480.0	404.5	414.6
Non-controlling interest	74.7	67.1	68.7
Total equity	554.8	471.6	483.4
Non-current liabilities			
Interest-bearing liabilities	97.6	91.5	106.7
Deferred tax liability	7.7	7.6	8.5
Provisions	31.0	23.6	25.5
Employee benefits and other liabilities	19.0	22.8	19.6
Total non-current liabilities	155.3	145.5	160.4
Current liabilities			
Interest-bearing liabilities	11.0	10.4	12.3
Provisions	21.3	19.0	17.7
Accounts payable	97.9	103.2	117.7
Other liabilities	197.4	195.2	175.8
Total current liabilities	327.6	327.7	323.5
Liabilities related to assets held for sale	2.9	-	-
Total equity and liabilities	1,040.5	944.8	967.2

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

M€	1-9/2022	1-9/2021	1-12/2021
Cash flow from operations			
Net cash from operations	172.0	162.9	197.4
Change in net working capital	-76.8	-23.8	-23.4
Income taxes paid	-32.4	-21.6	-32.5
Interest paid	-2.3	-2.5	-2.7
Interest received	0.4	0.3	0.4
Cash flow from operations	60.8	115.3	139.2
Cash flow from investments			
Acquisition of subsidiaries and businesses	0.0	-	-20.5
Purchase of other shares	0.0	-0.8	-0.8
Purchase of fixed assets	-35.4	-27.2	-45.5
Proceeds from sale of other shares	0.0	2.5	2.5
Proceeds from sale of fixed assets	0.6	0.5	0.8
Loans granted and repayed	0.0	-1.1	-1.2
Dividends received	0.4	0.1	0.5
Cash flow from investments	-34.4	-26.0	-64.2
Cash flow from financing			
Borrowings of debt	0.3	70.0	71.0
Repayment of debt	-4.3	-100.0	-103.0
Change in other short-term loan	0.0	-15.0	-15.0
Dividends paid	-51.4	-44.3	-44.4
Purchase of own shares	-	-	-10.7
Payment of lease liabilities	-10.0	-10.0	-13.4
Cash flow from financing	-65.5	-99.3	-115.4
Conversion differences for cash and cash equivalents	2.3	0.6	0.6
Change in cash and cash equivalents	-36.7	-9.4	-39.8
Cash and cash equivalents on 1 January	98.1	138.0	138.0
Cash classified as assets held for sale	-8.0	-	-
Cash and cash equivalents at end of period	53.5	128.5	98.1
Changes according to balance sheet	-36.7	-9.4	-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						86.3	86.3	9.7	95.9
Other comprehensive income for the period			11.4	16.2			27.6	-1.0	26.6
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					1.0	-0.7	0.3		0.3
Balance at 30 Sep 2022	146.4	50.2	14.9	9.6	-0.3	259.2	480.1	74.7	554.8
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						80.1	80.1	4.9	85.0
Other comprehensive income for the period			1.9	5.0			6.9	-0.1	6.8
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	1.8	2.2		2.2
Balance at 30 Sep 2021	146.4	50.2	2.8	-8.9	-1.3	215.3	404.5	67.1	471.6

*) 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 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€	30.9.2022	30.9.2021	31.12.2021
Gross investment	35.4	27.2	45.5
- % of net sales	3.2	2.8	3.5
Book value of disposed fixed assets	0.6	0.1	0.6
Depreciation and impairments	39.7	36.5	49.1

PERSONNEL

	1-9/2022	1-9/2021	1-12/2021
Converted to full time employees			
Average	4,255	3,794	3,871
At the end of the period	4,195	3,855	4,234

OWN SHARES

	30.9.2022	30.9.2021	31.12.2021
Own shares held by the company, pcs	530,950	134,206	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	1-9/2022			1-9/2021		
	External	Internal	Total	External	Internal	Total
M€						
Net sales by division						
Building Solutions – Europe	477.0	2.6	479.5	429.1	1.3	430.4
Building Solutions – North America	389.2	-	389.2	340.0	-	340.0
Uponor Infra	243.5	2.1	245.6	214.8	2.9	217.7
Eliminations	-	-4.7	-4.7	-	-4.2	-4.2
Total	1,109.7	-	1,109.7	983.9	-	983.9

Division information	7-9/2022			7-9/2021		
	External	Internal	Total	External	Internal	Total
M€						
Net sales by division						
Building Solutions – Europe	140.3	0.9	141.2	141.4	0.2	141.6
Building Solutions – North America	140.5	-	140.5	108.3	-	108.3
Uponor Infra	83.2	0.7	83.9	71.6	0.7	72.4
Eliminations	-	-1.6	-1.6	-	-1.0	-1.0
Total	364.0	-	364.0	321.4	-	321.4

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€	1-9/2022	1-9/2021	7-9/2022	7-9/2021	1-12/2021
Operating profit by division					
Building Solutions – Europe	50.9	61.4	13.7	17.6	65.9
Building Solutions – North America	70.7	64.3	23.2	17.7	84.5
Uponor Infra	18.1	13.7	8.9	4.9	16.2
Others	-6.4	-6.1	-1.3	-1.6	-9.5
Eliminations	0.7	-1.9	-0.2	-1.3	-3.0
Total	134.0	131.3	44.4	37.3	154.1

M€	1-9/2022	1-9/2021	1-12/2021
Division depreciation and impairments			
Building Solutions – Europe	16.4	14.0	19.1
Building Solutions – North America	14.4	13.6	18.1
Uponor Infra	7.8	7.9	10.5
Others	1.1	1.0	1.4
Eliminations	-	-	-
Total	39.7	36.5	49.1

Division investments			
Building Solutions – Europe	9.7	8.8	16.1
Building Solutions – North America	19.0	11.7	18.6
Uponor Infra	4.5	5.1	8.9
Others	2.1	1.6	2.4
Eliminations	-	-	-0.5
Total	35.4	27.2	45.5

M€	30.9.2022	30.9.2021	31.12.2021
Division assets			
Building Solutions – Europe	531.4	453.8	490.8
Building Solutions – North America	401.2	337.8	321.4
Uponor Infra	227.5	223.6	219.5
Others	392.6	399.0	384.6
Eliminations	-512.1	-469.5	-449.1
Total	1,040.5	944.8	967.2

Division liabilities			
Building Solutions – Europe	379.2	353.2	379.6
Building Solutions – North America	253.2	231.7	242.2
Uponor Infra	80.3	84.2	76.9
Others	298.7	290.9	258.6
Eliminations	-528.6	-486.8	-473.5
Total	482.9	473.3	483.9

Division personnel, average	1-9/2022	1-9/2021	1-12/2021
Building Solutions – Europe	2,206	1,838	1,900
Building Solutions – North America	1,051	982	999
Uponor Infra	861	850	845
Others	137	125	126
Total	4,255	3,794	3,871

Reconciliation			
M€	1-9/2022	1-9/2021	1-12/2021
Operating profit by division			
Total result for reportable divisions	139.7	139.4	166.6
Others	-6.4	-6.1	-9.5
Eliminations	0.7	-1.9	-3.0
Operating profit	134.0	131.3	154.1
Financial expenses, net	-0.7	7.0	7.9
Share of results in associated companies and joint ventures	0.2	-6.4	-6.4
Profit before taxes	134.9	117.9	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€	1-9/2022			1-9/2021		
	Sale of goods	Rendering of services	Total	Sale of goods	Rendering of services	Total
Revenue from contract with customers by division						
Building Solutions – Europe	471.3	5.7	477.0	424.8	4.3	429.1
Building Solutions – North America	389.2	-	389.2	340.0	-	340.0
Uponor Infra	226.3	17.2	243.5	201.8	13.0	214.8
External customer, total	1,086.8	22.9	1,109.7	966.6	17.3	983.9
Internal	4.7		4.7	4.2		4.2
Total	1,091.5	22.9	1,114.4	970.8	17.3	988.1
Eliminations	-4.7		-4.7	-4.2		-4.2
Total revenue from contracts with customer	1,086.8	22.9	1,109.7	966.6	17.3	983.9

M€	7-9/2022			7-9/2021		
	Sale of goods	Rendering of services	Total	Sale of goods	Rendering of services	Total
Revenue from contract with customers by division						
Building Solutions – Europe	138.5	1.8	140.3	140.1	1.3	141.4
Building Solutions – North America	140.5	-	140.5	108.3	-	108.3
Uponor Infra	74.6	8.6	83.2	67.3	4.3	71.6
External customer, total	353.7	10.3	364.0	315.8	5.6	321.4
Internal	1.6		1.6	1.0		1.0
Total	355.3	10.3	365.6	316.7	5.6	322.4
Eliminations	-1.6		-1.6	-1.0		-1.0
Total revenue from contracts with customer	353.7	10.3	364.0	315.8	5.6	321.4

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	-	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€	30.9.2022	30.9.2021	31.12.2021
Commitments of purchase PPE (Property, plant, equipment)	8.2	17.7	13.1
- on own behalf			
Pledges at book value	0.0	0.0	0.0
Mortgages issued	0.9	1.0	4.4
Guarantees issued	0.3	0.3	0.3
- on behalf of a subsidiary			
Guarantees issued	13.1	17.2	16.7
Letter of Comfort commitments undertaken on behalf of subsidiaries are not included in the above figures			
Mortgages issued	0.9	1.0	4.4
Guarantees issued	13.3	17.5	17.0
Total	14.3	18.5	21.4

FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT CATEGORY

M€	IFRS 7 Fair value hierarchy level	30.9.2022	30.9.2021	31.12.2021
Non-current financial assets				
Fair value through other comprehensive income				
Electricity derivatives	1	3.4	0.6	0.6
Amortised cost				
Other non-current receivables		5.1	4.2	4.3
Other shares and holdings		1.7	1.5	1.5
Current financial assets				
Fair value through other comprehensive income				
Electricity derivatives	1	11.7	1.6	2.2
Fair value through profit or loss				
Other derivative contracts	2	5.5	1.1	1.3
Amortised cost				
Accounts receivable and other receivables		269.8	266.2	252.7
Cash and cash equivalents		53.5	128.5	98.1
Financial assets total		350.8	403.8	360.7
Non-current financial liabilities				
Fair value through other comprehensive income				
Electricity derivatives	1	-	0.0	-
Amortised cost				
Interest bearing liabilities		97.6	91.5	106.7
Current financial liabilities				
Fair value through other comprehensive income				
Electricity derivatives	1	-	0.0	-
Other derivative contracts	2	0.0	0.5	0.5
Fair value through the profit or loss				
Other derivative contracts	2	4.7	3.1	1.5
Amortised cost				
Interest bearing liabilities		11.0	10.4	12.3
Accounts payable and other liabilities		156.4	166.7	177.6
Financial liabilities total		269.7	272.3	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

	1-9/2022	1-9/2021	1-12/2021
Earnings per share, €	1.19	1.10	1.33
Operating profit, %	12.1	13.3	11.7
Return on equity, % (p.a.)	24.6	25.4	22.9
Return on investment, % (p.a.)	29.1	28.5	24.7
Solvency ratio, %	53.4	50.2	50.2
Gearing, %	9.9	-5.6	4.3
Gearing, % rolling 4 quarters	11.9	1.5	1.7
Net interest-bearing liabilities	55.2	-26.6	20.9
Equity per share, €	6.60	5.54	5.71
- diluted	6.60	5.54	5.71
Trading price of shares			
- low, €	12.29	16.86	16.86
- high, €	21.74	28.88	28.88
- average, €	16.82	22.14	21.88
Shares traded			
- 1,000 pcs	15,325	14,728	20,981
- M€	257.1	326.1	459.2

QUARTERLY DATA

	7-9/ 2022	4-6/ 2022	1-3/ 2022	10-12/ 2021	7-9/ 2021	4-6/ 2021	1-3/ 2021
Net sales, M€	364.0	396.2	349.5	329.3	321.4	353.3	309.2
- Building Solutions – Europe	141.2	175.9	162.4	133.9	141.6	149.0	139.7
- Building Solutions – North America	140.5	125.3	123.4	127.5	108.3	118.4	113.2
Building Solutions – North America, \$	141.2	132.2	137.6	146.4	127.4	142.8	135.8
- Uponor Infra	83.9	96.3	65.4	69.1	72.4	87.8	57.5
Gross profit, M€	132.5	145.7	133.7	117.7	115.0	126.9	125.0
- Gross profit, %	36.4	36.8	38.3	35.8	35.8	35.9	40.4
Operating profit, M€	44.4	42.8	46.8	22.8	37.3	47.0	47.0
- Building Solutions – Europe	13.7	16.9	20.3	4.6	17.6	20.9	22.8
- Building Solutions – North America	23.2	23.2	24.3	20.2	17.7	23.0	23.6
Building Solutions – North America, \$	23.2	24.4	27.1	23.0	20.8	27.7	28.3
- Uponor Infra	8.9	7.5	1.6	2.5	4.9	6.8	2.0
- Others	-1.3	-3.3	-1.7	-3.4	-1.6	-2.4	-2.2
Operating profit, % of net sales	12.2	10.8	13.4	6.9	11.6	13.3	15.2
- Building Solutions – Europe	9.7	9.6	12.5	3.4	12.4	14.0	16.3
- Building Solutions – North America	16.4	18.5	19.7	15.7	16.3	19.4	20.8
- Uponor Infra	10.6	7.8	2.5	3.6	6.7	7.8	3.5
Profit for the period, M€	33.1	29.6	33.3	18.4	27.4	25.9	31.7
Balance sheet total, M€	1,040.5	1,040.8	967.2	967.2	944.8	1,021.9	963.8
Earnings per share, €	0.40	0.34	0.45	0.23	0.35	0.32	0.43
Equity per share, €	6.60	6.05	5.51	5.71	5.54	5.13	4.77
Market value of share capital, M€	986.8	964.1	1,343.3	1,533.0	1,572.5	1,789.2	1,385.1
Return on investment, % (p.a.)	29.1	29.8	31.8	24.7	28.5	27.6	29.6
Net interest-bearing liabilities at the end of the period, M€	55.2	77.0	85.9	20.9	-26.6	-5.3	37.9
Gearing, %	9.9	15.1	18.4	4.3	-5.6	-1.2	9.2
Gearing, % rolling 4 quarters	11.9	8.0	4.0	1.7	1.5	7.5	17.9
Gross investment, M€	10.8	14.5	10.2	18.3	8.9	11.8	6.5
- % of net sales	3.0	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.

	7-9/ 2022	4-6/ 2022	1-3/ 2022	10-12/ 2021	7-9/ 2021	4-6/ 2021	1-3/ 2021
Items affecting comparability							
Restructuring charges	-0.5	-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	-0.5	-7.7	-0.4	-3.9	-0.7	-1.2	-0.6
Items affecting comparability, total	-0.5	-7.7	-0.4	-3.9	-0.7	-1.2	-0.6
Comparable gross profit							
Gross profit	132.5	145.7	133.7	117.7	115.0	126.9	125.0
Less: Items affecting comparability in gross profit	0.0	-0.2	-0.1	0.1	-0.1	-0.1	-0.1
Comparable gross profit	132.5	146.0	133.8	117.7	115.1	127.0	125.1
% of sales	36.4	36.8	38.3	35.7	35.8	35.9	40.4
Comparable operating profit							
Operating profit	44.4	42.8	46.8	22.8	37.3	47.0	47.0
Less: Items affecting comparability in operating profit	-0.5	-7.7	-0.4	-3.9	-0.7	-1.2	-0.6
Comparable operating profit	44.9	50.5	47.2	26.7	38.1	48.2	47.6
% of sales	12.3	12.7	13.5	8.1	11.8	13.6	15.4
Comparable operating profit by division							
Building Solutions – Europe							
Operating profit	13.7	16.9	20.3	4.6	17.6	20.9	22.8
Less: Items affecting comparability in operating profit	-0.5	-7.2	-0.3	-4.0	-0.5	-1.0	-0.5
Comparable operating profit	14.3	24.2	20.6	8.6	18.1	21.9	23.3
% of sales	10.1	13.7	12.7	6.4	12.8	14.7	16.7
Building Solutions – North America							
Operating profit	23.2	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	0.0	0.0	-0.1
Comparable operating profit	23.2	23.2	24.3	20.3	17.7	23.0	23.6
% of sales	16.5	18.5	19.7	15.9	16.4	19.4	20.9
Uponor Infra							
Operating profit	8.9	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	8.9	7.7	1.6	2.6	4.9	6.8	2.0
% of sales	10.6	8.0	2.5	3.8	6.7	7.8	3.5
Others							
Operating profit	-1.3	-3.3	-1.7	-3.4	-1.6	-2.4	-2.2
Less: Items affecting comparability in operating profit	0.0	-0.3	-0.1	0.4	-0.2	-0.1	-0.1
Comparable operating profit	-1.3	-3.0	-1.7	-3.8	-1.4	-2.2	-2.1
% of sales	na	na	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

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

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

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

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